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## **POVERTY ALLEVIATION PROGRAMMES AND POLICIES IN INDIA**

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### **Abstract**

*In the underdeveloped countries, the per capita income is very low and the income inequality has resulted in a number of problems of which poverty is certainly the most serious one. It affects human health, efficiency and productivity which in turn affect their income. It deprives a segment of society necessities of life like food, clothing, housing, education and health. Poverty is more of social marginalization of an individual, household or group in the society. To alleviate this many poverty alleviation programmes are implemented. The goal of poverty alleviation programme aims at increasing the income level of individual, household or group but mainstreaming marginalized in the development process of the country. The rapid economic growth process should accelerate the access to services like education and health services for all especially the marginalized citizens. In India, even now in spite of all the development initiatives done over the year only 21.9 percent of the population gets less than \$ 1.25 (PPP) a day. This is low as per the criterion suggested by the World Development Report. So this paper is an attempt to study plans and programs implemented for poverty eradication.*

**Keywords:** *Poverty, Plans, Poverty Eradication programmes.*

### **Introduction**

Poverty is a socio-economic phenomenon in which a section of society is unable to fulfill even its basic necessities of life. The minimum needs are food, clothing, housing, education and other basic minimum human needs. No society can surely be affluent and happy, of which the far greater part of the members are poor and miserable. Poverty is about denunciation of opportunities and fulfillment of human prospective. Poverty and inequality are closely related and inequality exists worldwide. Poverty has two elements: narrowly defined "income" poverty and a broader concept of "human" poverty. Income

poverty is defined as the lack of necessities for minimum material wellbeing determined by the national poverty line. Human poverty means the denial of choices and opportunities for a tolerable life in all economic and social aspects recognizing the problem. Poverty is widespread in India and occupies third position among the world's poor. The World Bank estimated that 41.6 percent of the total Indian population lived under the international poverty line of US \$1.25 per day. According to the Planning Commission of India, 21.9 percent of the population was living below the poverty line in 2011 – 2012, down from 27.5 percent in 2004 – 2005.

### Review of Literature

Sen (1999) defines poverty as the failure to achieve basic capabilities such as being adequately nourished, living a healthy life, possession of skills to participate in economic social life, permission to take part in community activities to mention a few. This conceptualization forms the basis for the belief that 'poverty is multidimensional'. Although, the capabilities framework offers many advantages over the income consumption conceptualization, yet it is argued that it requires a greater variety of data and that no consensus exists on how capability deprivation at the household level is to be computed.

The World Development Report (2000) extends the concept of poverty beyond income and consumption plus education and health, to include risk and vulnerability, as well as voicelessness and powerlessness. It is not necessarily the case that shocks affect the poor disproportionately, but it is clearly the case that they are more vulnerable, since their economic margin is slim. The poor are often exposed to highly fluctuating incomes, and, particularly, in rural areas, it is common for households to move in and out of poverty.

Tollens (2002) observes that poverty is not an intrinsic attribute of people, but a product of livelihood systems and the socio-political forces that shape them. Thus, poverty reduction is highly desirable. However, some reduction in rural poverty is sometimes accompanied by increased urban poverty as rural poor choose to move to cities, without finding employment and income there. In contrast, successful rural poverty reduction usually works by raising the productivity of the poor, while most urban poverty alleviation efforts are welfare-oriented. Moreover, rural poverty alleviation may reduce migration, thus helping to reduce urban poverty. Poverty is multidimensional. This suggests that poverty reduction efforts must be multi-targeted and are expected to show wide and diverse dimensions. Solutions to rural poverty have to straddle different disciplines and must encompass economic, social, political and institutional factors.

### Definition of Poverty

India is the first country to define poverty with the total per capita expenditure of the lowest expenditure class which consumes 2400 kcal /day in rural and 2100 kcal/day in

urban areas. Poverty is the state of one who lacks a usual or socially acceptable amount of money or material possession.

### Measurement of Poverty

Poverty line is a cutoff point on the income distribution, which divides the population as poor and non-poor. People below poverty line are poor and above that line are average or rich. Poverty line is therefore a derivation from inequality of income distribution. However, the cut-off level of income or expenditure is determined differently in different countries and regions.

### Poverty Alleviation Pro-grammes in India

Alleviation of poverty is the major challenge before the Government. Several programmes were introduced to alleviate poverty and to accelerate economic growth with a focus in the long run. However, this strategy needs to be complemented with a focus laid on provision of basic services for improving the quality of life of the people and direct State intervention in the form of targeted anti-poverty programmes. In this paper, the major programmes of its kind are discussed below.

### Swarnjayanti Gram Swarozgar Yojana (SGSY)

The single self-employment programme of Swarnjayanti Gram Swarozgar Yojana (SGSY), launched with effect from 1.4.1999, has been conceived keeping in view the strengths and weaknesses of the earlier schemes of Integrated Rural Development Programme (IRDP) and Allied Programmes along with Million Wells Scheme (MWS). The objective of restructuring was to make the programme more effective in providing sustainable incomes through micro enterprises. The SGSY lays emphasis on the following:

- Focused approach to poverty alleviation.
- Capitalizing advantages of group lending.
- Overcoming the problems associated with multiplicity of programmes.

SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self employment and organization of the rural poor into self help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Micro enterprises in the rural areas are sought to be established by building on the potential of the rural poor. The objective of the programme is to bring the existing poor families above the poverty line.

Under the SGSY, the focus is on vulnerable sections among the rural poor with SCs/STs accounting for 50 per cent, women 40 per cent and the disabled 3 per cent of the beneficiaries.

#### **District Rural Development Agencies (DRDAs)**

Through the Panchayat Samitis however, the process of planning, implementation and monitoring involves coordination with banks and other financial institutions, the PRIs, the NGOs as well as technical institutions in the district. Hence, the implementation of SGSY calls for integration of various agencies - DRDAs, banks, line departments, Panchayati Raj Institutions (PRIs), Non-Governmental Organizations (NGOs) and other semi-government organizations. Funds under the SGSY are shared by the Centre and the States in the ratio of 75:25. The Central allocation is distributed in relation to the incidence of poverty in the States. However, additional parameters like absorption capacity and special requirements can also be considered. In 1999-2000 an expenditure of Rs.804.23 crore was incurred under the scheme as against the total allocation of Rs.1467.73 crore. During this period, more than 3.40 lakh self help groups were assisted. A Central outlay of Rs.1000.00 crore has been provided for the scheme in 2000-01.

#### **Jawahar Gram Samridhi Yojana (JGSY)**

The Jawahar Rozgar Yojana (JRY) has been recast as the Jawahar Gram Samridhi Yojana (JGSY) with effect from 1.4.1999 to impart a thrust to creation of rural infrastructure. The Gram Panchayats can effectively determine their infrastructure needs and the responsibility of implementing the programme has been entrusted to the Gram Panchayats. The JGSY is implemented as a CSS with funding in the ratio of 75:25 between the Centre and the States. The primary objective of JGSY is creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme is given to Below Poverty Lines (BPL) families. However, efforts may be made to ensure that labour intensive works are taken up with sustainable

low cost technology. The primary objective of the JGSY has undergone a change from employment generation to rural infrastructure. During 1999-2000, 5.84 lakh works were completed as against a target of 8.57 lakh works. An expenditure of Rs.1841.80 crore was incurred during 1999-2000 as against a total allocation of Rs.2209.24 crore. A Central outlay of Rs.1650.00 crore has been earmarked for JGSY for the year 2000-01.

#### **Employment Assurance Scheme (EAS)**

The Employment Assurance Scheme (EAS) was launched on 2<sup>nd</sup> October, 1993 in 1772 identified backward blocks of 257 districts situated in drought prone, desert and tribal and hill areas where the Revamped Public Distribution System (RPDS) was in operation. It is, presently, being implemented in all the 5448 rural blocks of the country. The EAS was restructured 1999-2000 to make it the single wage employment programme. While the basic parameters have been retained, the scheme has become Allocative scheme in-stead of demand driven and a fixed annual outlay is to be provided to the States. The primary objective of the EAS is creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The secondary objective is the creation of durable community, social and economic assets for sustained employment and development. EAS is open to all the needy rural poor living below the poverty line. A maximum of two adults per family are provided wage employment. While providing employment, preference is given to SCs/STs and parents of child labour withdrawn from hazardous occupations who are below the poverty line. During 1999-2000, a total allocation of Rs.2431.46 crore was made under EAS and an expenditure of Rs.1998.26 crore was incurred. As against the target of 4091.63 lakh man-days, 2566.39 lakh man days were generated. A Central outlay of Rs.1300.00 crore has been provided for EAS for 2000-01.

#### **National Social Assistance Pro-gramme (NSAP)**

The NSAP was launched with effect from 15th August, 1995 as a 100 per cent Centrally Sponsored scheme with the aim to provide social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. The

provision of Central assistance seeks to ensure that social protection to beneficiaries is uniformly available. The main features of the three components of the NSAP namely; (i) National Old Age Pension Scheme (NOAPS), (ii) National Family Benefit Scheme (NFBS) and (iii) National Maternity Benefit Scheme (NMBS).

#### **Annapurna**

In 1999-2000, the Government had announced the launching of a new scheme 'Annapurna' to provide food security to those indigent senior citizens who are not covered under the Targeted Public Distribution System (TPDS) and who have no income of their own and none to take care of them in the village. 'Annapurna' will provide 10 kg. of food grains per month free of cost to all such persons who are eligible for old age pensions but are presently not receiving it and whose children are not residing in the same village. The Gram Panchayats would be required to identify, prepare and display a list of such persons after giving wide publicity. A Central allocation of Rs.100.00 crore has been earmarked for the scheme in 2000-01.

#### **DRDA Administration**

The District Rural Development Agencies (DRDAs) have traditionally been the principal organ at the district level to oversee the implementation of different anti-poverty programmes. Since its inception in 1980, the administrative costs of the DRDAs were met by way of setting apart a share of the allocation for each programme. On the basis of recommendations of the Inter-Ministerial Committee constituted to review the support for administrative costs permitted under various programmes and keeping in view the need for an effective agency at the district level to coordinate the anti-poverty efforts, a new CSS for 'Strengthening of DRDA Administration' was launched with effect from April 1, 1999 with funding on a 75:25 basis between the Centre and States. During the year 2000-01, an outlay of Rs.220.00 crore has been allocated for the Strengthening of DRDA Administration.

#### **Rural Housing – Indira Awaas Yojana (IAY)**

It aims at providing 'Housing for All' and facilitates construction of 20 lakh additional dwelling units, of which 13 lakh dwelling units are to be constructed in rural areas. The composite housing strategy for the Ninth Plan is a multi-pronged strategy which

has been operationalised 1999-2000. The salient features of the strategy under Action Plan are given below.

#### **Indira Awaas Yojana (IAY)**

The scheme intends to provide Houses to BPL families (SC/ST/Minorities) living in rural areas. Under the IAY programme, in all, a total amount of Rs. 4344.28 crores has been spent during the 11th Five Year Plan. The amounts include the state contribution besides the Central allocation. Under the IAY scheme, Further, 9,45,428 houses to SC/STs and 164753 houses to Minorities have been sanctioned under and centrally sponsored IAY programme during last 6 years.

#### **Samagra Awaas Yojana (SAY)**

The underlying philosophy is to provide for convergence of the existing rural housing, sanitation and water supply schemes with special emphasis on technology transfer, human resource development and habitat improvement with people's participation. The existing schemes of housing, drinking water and sanitation will follow the normal funding pattern. In 1999-2000, Rs.1438.39 crore has been spent and 7.98 lakh dwelling units have been built under the IAY. In the Annual Plan 2000-01, the Central outlay of Rs.1710.00 crore has been provided for Rural Housing.

#### **Area Development Programmes:**

The Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) are being implemented with effect from 1.4.1995 on a watershed basis, as per the recommendations of the Technical Committee on DPAP and DDP headed by Dr. C.H. Hanumantha Rao. The common guidelines for Watershed Development provide for a uniform strategy in the implementation of all area development programmes. The main features of this strategy are: Area development programmes to be implemented exclusively on watershed basis. Programmes and activities to be confined to the identified watershed of about 500 hectares and are to be executed on a project basis spanning over a period of four to five years.

#### **Drought Prone Area Programme (DPAP)**

DPAP aims at to minimize the adverse effects of drought on production of crops and livestock and productivity of land, water and human resources ultimately leading to the drought proofing of the affected areas. It also



aims at promoting overall economic development and improving the socio-economic conditions of the resource poor and disadvantaged sections inhabiting the programme in 47 areas. The DPAP is in operation in 947 blocks of 161 districts in 13 States. Under DPAP, Rs.89.44 crore has been spent during 1999-2000. For 2000-01, the Central outlay of Rs.190.00 crore has been provided for DPAP as against Rs.95.00 crore in 1999-2000.

#### **Desert Development Programme (DDP)**

DDP has been envisaged as an essentially land based activity and conceived as a long term measure for restoration of ecological balance by conserving, developing and harnessing land, water, livestock and human resources. The main objectives of this programme are: (i) combating drought and desertification; (ii) encouraging restoration of ecological balance; (iii) mitigating the adverse effects of drought and adverse edaphic climatic conditions on crops and livestock and productivity of land, water and human resources; (iv) promoting economic development of village community; and (v) improving socio economic conditions of the resource poor and disadvantaged sections of village community asset less and women. Under DDP, Rs.49.22 crore has been spent during 1999-2000. In the Annual Plan 2000-01, the Central out-lay of Rs.135.00 crore has been provided for DDP Rs.85.00 crore in 1999-2000.

#### **Integrated Wastelands Development Programme (IWDP)**

IWDP has been under implementation since 1989-90 wherein wastelands are being developed with the active participation of stakeholders user groups, self help groups and PRIs. Here, the projects are sanctioned in favour of DRDAs for the period of five years. The programme is implemented all over the country. IWDP is a 100 per cent Central Sector scheme. The cost norm is Rs.4000 per hectare. The basic objective of this scheme is to take up integrated wastelands development based on village or micro watershed plans. The scheme also helps in generation of employment in rural areas besides enhancing people's participation in the wastelands development programmes at all stages. The major activities taken up under the scheme are:

(i) soil and moisture conservation measures like terracing, bunding, trenching, vegetative

barriers etc; (ii) planting and sowing of multi-purpose trees, shrubs, grasses, legumes and pasture land development; (iii) encouraging natural regeneration; (iv) pro-motion of agro-forestry and horticulture; (v) wood substitution and fuel wood conservation measures; (vi) measures needed to disseminate technology; training, extension and creation of greater degree of awareness among the participants; and (vii) encouraging people's participation.

#### **Integrated Rural Development Programme (IRDP)**

Integrated a rural development program of the Government of India launched in financial year 1978 and extended throughout India by 1980. It is a self-employment program intended to raise the income-generation capacity of target groups among the poor. The target group consists largely of small and marginal farmers, agricultural labourers and rural artisans living below the poverty line. Priority in assistance is also given to the families belonging to the assignees of ceiling surplus land, Green Card holders covered under the Family Welfare Programme and freed bonded labourers. IRDP is a major self-employment programme for poverty alleviation. The objective of IRDP is to provide suitable income-generating assets through a mix of subsidy and credit to below-poverty-line families with a view to bring them above the poverty line. A family with an annual income of Rs. 20,000/- and below per annum is considered to be below the poverty line based on the 1998 below Poverty Line Census.

The aim is to raise recipients above the poverty line by providing substantial opportunities for self-employment. During the 7th five-year plan, the total expenditure under the program was Rs 33.2 million, and Rs 53.7 million of term credit was mobilized. The objective of IRDP is to enable identified rural poor families to cross the poverty line by providing productive assets and inputs to the target groups. The assets, which could be in primary, secondary or tertiary sectors, are provided through financial assistance in the form of subsidy by the government and term credit advanced by financial institutions.

#### **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

MGNREGA refers to the world's largest welfare program, run by the Government of India. It is a job guarantee

scheme for rural Indians. It was enacted by legislation on 25 August 2005. The scheme provides a legal guarantee for at least 100 days of paid employment in every financial year to adult members of any household willing to do unskilled manual work related to public work at the statutory minimum wage of 120 (US\$1.80) per day in 2009 prices. If they fail to do so the government has to pay the salary at their homes. The central government out-lay for the scheme was 4000 billion Financial Year 2010–11. This act was introduced with the aim of improving the purchasing power of semi- or un-skilled rural people of India, irrespective of whether or not they fell below the poverty line. Around one-third of the stipulated work force is women. The law was initially called the National Rural Employment Guarantee Act (NREGA) and was renamed with the prefix “Mahatma Gandhi” on 2 October 2009, Gandhi’s birth anniversary. In 2011, the program was widely criticized as no more effective than other poverty reduction programs in India. Despite its best intentions, MGNREGA is beset with controversy about corrupt officials, deficit financing as the source of funds, poor quality of infrastructure built under this program, and unintended counter-productive destructive effects on the rural economy and inflation. The amount of Rs.17342.40 crores during the 11th plan 2007-08 to 2011-12 had been spent.

#### **Policy Required for Poverty Alleviation in India**

1. To promote growth in agricultural productivity and non-farm rural activities.
2. Public investment in rural infrastructure and agricultural research. Agricultural research benefits the poor directly through an increase in farm production, greater employment opportunities and growth in the rural non-farm economy.
3. Credit policies to promote farm investment and rural micro enterprises. Policies to promote human capital to expand the capabilities of the poor. Development of rural financial markets.
4. Self-Help Group Approach to be strengthened as it is a proven method of empowerment of the poor.
5. Involvement of local communities and people’s participation in NRLM and MGNREGS.
6. Decentralization of the programmes by strengthening the panchayati raj institutions.
7. Public Distribution System (PDS) needs to be reformed and better targeted.
8. Provision of safety nets like targeted food subsidies, nutrition programmes and health.
9. Targeted poverty alleviation programmes to continue as the poor of the developing world may not have the patience to wait for the trickle-down effect
10. The main objective of Indian planning is to alleviate poverty. In this regard government has launched many poverty alleviation programmes. Even then in 50 no radical change has been undergone in the ownership of assets, process of production and basic amenities to the poor.

#### **Remedial Measures Suggested for Poverty Alleviation**

1. Small scale and cottage industries should be set up to provide employment to the rural youth. Credit and tax incentives need to be channelized more intensely to the neglected areas. Credit disbursing agencies should be strengthened.
2. Laws should be so enacted and implemented that the rich do not escape the paying of taxes, and the land in villages may be protected from become transfers and deals.
3. High technology should be used to increase productivity.
4. Population should be controlled.
5. Planning and its execution should be decentralized.
6. For removing rural poverty it is necessary to ensure full participation and involvement of the ruralites in development programmes. While formulating programmes and projects their attitudes, opinions and interests should be taken into account.
7. The Panchayati raj institutions should be strengthened so that they can become institutions of democratic management of rural development both at the district and block levels. Panchayats should be activated to focus on adult education programme, road construction and maintaining tree plantations.
8. The help of non-government organizations should be taken in the administrative arrangements for the implementation of

rural development programmes. They should be activated in role-play like digging of tanks, tree plantations, training of youth etc.

9. Comprehensive social security measures should be adopted by the government to enable the ruralites to earn their livelihood instead of being parasites on society.
10. Land redistribution, elimination of industrial monopolies, efficient and democratic management of public sector enterprises are some of the measures which will also help in reducing the magnitude of rural poverty.
11. Social awareness should be created to arrest increasing debt growth among the poor.
12. Education should be made vocational oriented.

### Conclusion

Debate on poverty in India has remained mostly in the domain of economists. Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Poverty gives birth to many other problems. The link between ignorance and poverty and ill health and poverty are well-established. Poverty therefore is a complex phenomenon of many dimensions. The government should provide better medical facilities, drinking water facilities and education so that people living below poverty line can improve their lives. The poverty

alleviation programmes should address the issue of poverty from broader social and economic perspective. The government has to promote employment opportunities, good education, self employment, micro finance assistance, social awareness, etc., to eradicate poverty.

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