

ERADICATION OF POVERTY, SOCIAL WELFARE POLICIES IN INDIA: INITIATIVES AND POLICY IMPLICATIONS

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Abstract: India is essentially a nation of villages. It is predominantly an agricultural country where about 70 percent of the people are dependent upon land for their livelihood and 75 per cent live in rural India. Indian villages are suffering from economic distress due to the lower per capita income, illiteracy and wide spread malnutrition and under nutrition. They also suffer from the absence of basic amenities such as better housing facilities, transportation and communication services. In view of the recommendations of the commission appointed from time to time in accordance to the policies and programmes implemented from government and other agencies for socio-economic development of rural people the paper explores government initiatives, implications and explores the connotations of development of rural people. Further, the manuscript seeks to examine, explores the poverty in India with special interest with rural population and evaluation of the programmes and policies and implementation of social welfare programmes particularly. Finally, the paper concludes eradication of poverty in rural India and extent of improvement of livelihood of rural people and achievements of the commitments made by the government and other agencies in present conditions of globalization. An effort is also made to suggest the ways to increase women empowerment of rural people's economic development which is a driving force of rural economy.

Keywords: Poverty, Social Welfare, Policies, Initiatives, Poverty Eradication, Socio-economic

INTRODUCTION

India is more connected than ever before. Mobile towers, internet lines and television poles stretch from one end of the country to the other. Yet underneath these growing technological networks, much of India's rickety infrastructure is in desperate need of attention. Broken roads prevent goods from being transported to market. India's power grid is

frightfully overburdened, especially in densely populated urban areas. Cities are often better off than rural areas, where sagging infrastructure prohibits free economic development. Water lines and sewage leakage create severe public health dangers. And while India boasts one of the most extensive railway systems in the world—the cars, tracks and facilities are often dangerously out of date; it is hard pressed to keep pace with the demands of its booming economy.

“No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (Adam Smith, 1776). Recognising the problem, the Millennium Development Goals of the United Nations also contain a commitment to halve the proportion of the world's population living in extreme poverty by 2015. Poverty is widespread in India, with the nation estimated to have a third of the world's poor. The World Bank (2005) estimated that 41.6 percent of the total Indian population lived under the international poverty line of US \$1.25 per day (PPP), reduced from 60 percent in 1981. Poverty eradication has been one of the major objectives of planned development in India. According to the criterion of household consumer expenditure used by the Planning Commission of India, 27.5 percent of the population was living below the poverty line in 2004–2005, down from 51.3 percent in 1977–1978, and 36% in 1993-1994 (Economic Survey 2009-10). The overwhelming fact about poverty in the country is its rural nature. Major determinants of poverty are lack of income and purchasing power attributable to lack of productive employment and considerable underemployment, inadequacy of infrastructure, affecting the quality of life and employability, etc.

Sadiq (2011) India's poverty is estimated to have declined to 32 per cent in 2009-10 from 37.2 per cent five years ago, as per preliminary findings of the Planning Commission. The estimates are based on the formula suggested by the Tendulkar Committee for computing the number of poor in the country. “2009-10 data show a decline in poverty from 37.2

per cent in 2004-05 to 32 per cent in 2009-10 as per the preliminary data worked out the (Plan panel member) Abhijit Sen," Planning Commission Deputy Chairman Montek Singh Ahluwalia told that the Tendulkar Committee had suggested that poverty should be estimated on the basis on consumption based on cost of living index instead of caloric intake. It said that the basket of goods should also include services like health and education. The new poverty line, as suggested by the Tendulkar Committee, is different for rich and poor states and also different for rural and urban areas within a state. Abhijit Sen has reported that the 2009-10 data show a decline in poverty from 37 per cent in 2004 to 32 per cent in 2009. Further he added that the National Sample Survey, which conducts large sample surveys every five years, will launch its next round in 2011-12. When the second sample survey (for 2011-12) becomes available by 2013 then we will really know whether the effort to make the 11th Plan more inclusive have been successful or not," "There is a lot of confusion in everybody's mind about what are the yardsticks, what is the committee that has an accurate estimate of poverty index." Estimates of poverty are important because the cheap grains under proposed Food Security law will be provided based on these numbers.

PTI (2012) Planning Commission further reduced poverty line to Rs.28.65 per capita daily consumption in cities and Rs.22.42 in rural areas, scaling down India's poverty ratio to 29.8 per cent in 2009-10, the estimates which are likely to raise the hackles of civil society. The **table no. 1** revealed by the Planning Commission of India estimates that the poverty ration in rural India has been decreased from 56.4 per cent in the year 1973-74 and in consequent years it has been decreased. In the year 2004-05 the rural India poverty ration is 21.8 per cent. The observation made from the above table is that even though the rural poverty percentage has been decreased but the gross domestic product and cost of living in the rural India has also increased. The percentage of the poor population in rural and urban India has also been increased from 1973-74 upto the year 2004-05 financial years.

POVERTY ALLEVIATION PROGRAMMES IN INDIA AND ITS BRIEF NOTE

Poverty alleviation programmes have assumed relevance as it is proved globally that the so-called 'trickle-down effect' does not work in all the societies and India is no exception to this. In recent times, there has been a significant shift in focus in the poverty literature away from the 'trickle-down' concept of growth towards the idea of 'pro-poor growth', which enables the poor to actively participate in and benefit from economic activities.

Hence, the strategy of targeting the poor was adopted in India and the economic philosophy behind these special programmes was that special preferential treatment was necessary to enable the poor to participate in economic development (Raj Krishna, 1977). Inclusive growth also focuses on productive employment for the excluded groups. Poverty alleviation programmes have been designed from time to time to enlarge the income-earning opportunities for the poor. These programmes are broadly classified into:

Self-employment programmes

Creating self-employment opportunities began with the introduction of the IRDP in 1978-79, TRYSEM (1979), DWCRA (1982-83), supply of improved toolkits to rural artisans (1992) and the Ganga Kalyan Yojana (1996-1997). To remove conceptual and operational problems in the implementation of these programmes, a holistic programme covering all aspects of self-employment such as organisation of the poor into SHGs, training, credit, technology, infrastructure and marketing called Swarnjayanti Gram Swarozgar Yojana (SGSY), was started on April 1, 1999. Based on the feedback provided and recommendations made by various studies, National Rural Livelihood Mission (NRLM) was launched during 2009-10 to facilitate effective implementation of the restructured SGSY scheme in a mission mode. NRLM aims at reducing poverty in rural areas through promotion of diversified and gainful self-employment and wage employment opportunities.

Wage employment programmes

The main purpose of the wage employment programmes is to provide a livelihood during the lean agricultural season as well as during drought and floods. Wage employment programmes were first started during the Sixth and Seventh Plan in the form of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programmes (RLEGP). These programmes were merged in 1989 into Jawahar Rozgar Yojana (JRY). A special wage employment programme in the name of Employment Assurance Scheme (EAS) was launched in 1993 for the drought prone, desert, tribal and hill area blocks in the country. Different wage employment programmes were merged into Sampoorna Gramin Rozgar Yojana in 2001. NREGS, launched in 2006, aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. During 2008-09, 4.51 crore households were provided employment under the scheme.

Table 1: Percentage and Number of Poor in India

Year	Poverty Ratio			Number of Poor		
	Rural	Urban	Total	Rural	Urban	Total
	(%)	(%)	(%)	(million)	(million)	(million)
1973-74	56.4	49.0	54.9	261.36	60.0	321.3
1977-78	53.1	45.2	51.3	264.3	64.6	328.9
1983	45.6	40.8	44.5	252.0	70.9	322.9
1987-88	39.1	38.2	38.9	231.9	75.2	307.0
1993-94	37.3	32.4	36.0	244.0	76.3	320.4
1999-2000	27.1	23.6	26.1	193.2	67.0	260.2
2004-05 ¹ (Uniform Reference eriod)	28.3	25.7	27.5	220.9	80.8	301.7
2004-05 ² (Mixed Reference Period)	21.8	21.7	21.8	170.3	68.2	238.5

1 - Comparable with 1993-94 Estimates; 2 - Comparable with 1999-2000 Estimates

Source: Planning Commission Estimates

Table 2: Percentage and Number of Poor Estimated by Expert Group 1993 and Expert Group 2009

Sl. No.	Year	Poverty Ratio			Number of Poor (million)		
		Rural	Urban	Total	Rural	Urban	Total
I. Expert Group 2009 (Tendulkar)							
1	1993 - 94	50.1	31.8	45.3	328.6	74.5	403.7
2	2004 - 05	41.8	25.7	37.2	326.3	80.8	407.1
II. Expert Group 1993 (Official)							
	1993 - 94	37.3	32.4	36.0	244	76.3	320.4
	2004 - 05	28.3	25.7	27.5	220.9	80.8	301.7
Annual Average Decline from 1993 - 94 to 2004 - 05							
		Poverty Ratio (% points)			Number of Poor (million)		
		Rural	Urban	Total	Rural	Urban	Total
1	Expert Group 2009	0.75	0.55	0.74	0.21	- 0.57	- 0.31
2	Expert Group 1993	0.81	0.63	0.77	2.1	- 0.41	1.69

Source: Planning Commission Estimates

Table 3: Percentage of Population Below Poverty Line by States & UTs : 1973-74 to 2004-05
 [Combined (Rural + Urban)] - (in % of persons)

No.	States/U.T.s	1973-74	1977-78	1983	1987-88	1993-94	1999-2000	2004-05 (URP)*	2004-05 (MRP)*
1	Andhra Pradesh	48.86	39.31	28.91	25.86	22.19	15.77	15.8	11.1
2	Arunachal Pradesh	51.93	58.32	40.88	36.22	39.35	33.47	17.6	13.4
3	Assam	51.21	57.15	40.47	36.21	40.86	36.09	19.7	15.0
4	Bihar	61.91	61.55	62.22	52.13	54.96	42.60	41.4	32.5
5	Chhattisgarh							40.9	32.0
6	Goa	44.26	37.23	18.90	24.52	14.92	4.40	13.8	12.0
7	Gujarat	48.15	41.23	32.79	31.54	24.21	14.07	16.8	12.5
8	Harayana	35.36	29.55	21.37	16.64	25.05	8.74	14.0	9.9
9	Himachal Pradesh	26.39	32.45	16.40	15.45	28.44	7.63	10.0	6.7
10	Jammu & Kashmir	40.83	38.97	24.24	23.82	25.17	3.48	5.4	4.2
11	Jharkhand							40.3	34.8
12	Karnataka	54.47	48.78	38.24	37.53	33.16	20.04	25.0	17.4
13	Kerala	59.79	52.22	40.42	31.79	25.43	12.72	15.0	11.4
14	Madhya Pradesh	61.78	61.78	49.78	43.07	42.52	37.43	38.3	32.4
15	Maharashtra	53.24	55.88	43.44	40.41	36.86	25.02	30.7	25.2
16	Manipur	49.96	53.72	37.02	31.35	33.78	28.54	17.3	13.2
17	Meghalaya	50.20	55.19	38.81	33.92	37.92	33.87	18.5	14.1
18	Mizoram	50.32	54.38	36.00	27.52	25.66	19.47	12.6	9.5
19	Nagaland	50.81	56.04	39.25	34.43	37.92	32.67	19.0	14.5
20	Orissa	66.18	70.07	65.29	55.58	48.56	47.15	46.4	39.9
21	Punjab	28.15	19.27	16.18	13.20	11.77	6.16	8.4	5.2
22	Rajasthan	46.14	37.42	34.46	35.15	27.41	15.28	22.1	17.5
23	Sikkim	50.86	55.89	39.71	36.06	41.43	36.55	20.1	15.2
24	Tamil Nadu	54.94	54.79	51.66	43.39	35.03	21.12	22.5	17.8
25	Tripura	51.00	56.88	40.03	35.23	39.01	34.44	18.9	14.4
26	Uttar Pradesh	57.07	49.05	47.07	41.46	40.85	31.15	32.8	25.5
27	Uttarkhand							39.6	31.8
28	West Bengal	63.43	60.52	54.85	44.72	35.666	27.02	24.7	20.6
29	A & N Islands	55.56	55.42	52.13	43.89	34.47	20.99	22.6	17.6
30	Chandigarh	27.96	27.32	23.79	14.67	11.35	5.75	7.1	3.8
31	Dadra & Nagar Haveli	46.55	37.20	15.67	67.11	50.84	17.14	33.2	30.6
32	Daman & Diu					15.80	4.44	10.5	8.0
33	Delhi	49.61	33.23	26.22	12.41	14.69	8.23	14.7	10.2
34	Lakshadweep	59.68	52.79	42.36	34.95	25.04	15.60	16.0	12.3
35	Puducherry	53.82	53.25	50.06	41.46	37.40	21.67	22.4	18.2
36	All India	54.88	51.32	44.48	38.86	35.97	26.10	27.5	21.8

*URP - Uniform Reference Period; MRP - Mixed Reference Period Source: Planning Commission & NSSO Data, 61st Round.

Food security programmes

Under this, PDS is a very important poverty alleviation programme directly acting as safety net for the poor.

Social security programmes

Social security programmes include National Social Assistance Programme (NSAP), Annapurna, etc. for the BPL.

Urban poverty alleviation programmes

Urban poverty alleviation programmes include Nehru Rozgar Yojana, Urban Basic Services for Poor (UBSP), etc involving participation of the communities and non-governmental organizations.

Besides, other initiatives undertaken to alleviate poverty include price supports, food subsidy, land reforms, Area Development Programmes, improving agricultural techniques, free electricity for farmers, water rates, PRIs, growth of rural banking system, grain banks, seed banks, etc. Such endeavours not only reduced poverty but also empowered the poor to find solution to their economic problems. For instance, the wage employment programmes have resulted in creation of community assets as well as assets for the downtrodden besides providing wage employment to the poor. Self-employment programmes, by adopting SHG approach have led to mainstreaming the poor to join the economic development of the country. But the focus on the sustainable income generation still remains elusive. A review of different poverty alleviation programmes shows that there has been erosion in the programmes in terms of resource allocation, implementation, bureaucratic controls, non-involvement of local communities, etc. NABARD has also been contributing in Rural Poverty Alleviation through its various initiatives/ schemes like SHG Bank Linkage Programme, watershed development, tribal development, CDP, REDP, ARWIND, MAHIMA, support to weavers, RIDF, R&D Fund, etc.

PTI (2012) an individual above a monthly consumption of Rs.859.6 in urban and Rs.672.8 in rural areas is not considered poor, as per the controversial formula. Furthermore, the Plan panel has kept the poverty threshold even lower than it submitted to the Supreme Court last year, which created an outcry among the civil society. The Plan panel had said in its affidavit before the apex court that the "poverty line at June 2011 price level can be placed provisionally at Rs.965 (32 per day) per capita per month in urban areas and Rs.781 (26 per day) in rural areas". The civil society had questioned this definition stating it was very low. As per estimates released on Monday, the number of poor in India has declined to 34.47 crore in 2009-10 from 40.72 crore

in 2004-05 estimated on the basis of controversial Tendulkar Committee methodology. The methodology recommended by the Committee includes spending on health and education, besides the calorie intake. Among religious groups, Sikhs have lowest poverty ratio in rural areas at 11.9 per cent, whereas in urban areas, Christians have the lowest proportion of poor at 12.9 per cent. Poverty ratio is the highest for Muslims, at 33.9 per cent, in urban areas. Further, poverty in rural areas declined at a faster pace than in urban cities between 2004-05 and 2009-10.

RELEVANCE OF POVERTY ALLEVIATION PROGRAMMES

The fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not touched by the benefits of economic growth. It is proved globally that the so-called trickle-down effect does not work in all the societies and India is no exception to this. There are various reasons for this uneven development in the society. Modern economy is technology driven and not labour intensive. High volume of high quality goods and services are produced with fewer labour hands. In short, the modern economy is not generating much employment and sometimes it displaces and replaces labour with machines and tools. The period of 1999-2000 to 2004-2005 saw rapid economic growth in the country but it has not impacted on the unemployment problem of the country. During this period, the unemployment rate remained almost same for rural males and decreased by just one percentage for urban male. On the other hand, unemployment among females increased by one percentage for urban and rural females (Yesudian 2007). GOI (2006) One-third of the country's population is still illiterate and a majority is not educated up to the age of 15 yr. Even among the educated, all do not have employable skills of the modern economy. The education system is not tuned to the changing economic scenario. The large agriculture workforce in rural areas is not sustainable with dwindling cultivable land and use of modern methods of cultivation. As a result, the rural labour is pushed into cities in search of work but they do not have any employable skills in the urban formal sector often end up doing odd jobs in urban areas. Urbanization in this country is mainly due to acute poverty in rural areas rather than due to the economic opportunities in urban areas.

POLICY PLAN REQUIRED FOR POVERTY ALLEVIATION IN INDIA

(a) To promote growth in agricultural productivity and non-farm rural activities (b) 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 (Hazell, 1999). (c) Credit policies to promote farm investment and rural microenterprises (d) Policies to promote human capital to expand the capabilities of the poor (e) Development of rural financial markets (f) Self-Help Group Approach to be strengthened as it is a proven method of empowerment of the poor (g) Involvement of local communities and people's participation in NRLM and MGNREGS. (h) Decentralization of the programmes by strengthening the panchayati raj institutions (i) Public Distribution System (PDS) needs to be reformed and better targeted (j) Provision of safety nets like targeted food subsidies, nutrition programmes and health (k) 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

Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum. In the process, India has become the fourth largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth (Lalita Kumari 2013). They have become the part of global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life. The philosophy underlying the poverty alleviation programs is to tackle the rural poverty by endowing the poor with productive assets and training for raising their skills so that they are assured of a regular stream of employment and income in raising themselves above the poverty line (Verma; Pardeep 2010).

MAJOR PROBLEMS CAUSED BY POVERTY

(a) Being female is reported to be a risk factor for common mental disorders. Studies from India have shown that poverty and deprivation are independently associated with the risk for common mental disorder in women and add to the sources of stress associated with womanhood. (b) Interviews with relatives of young women in rural China who had committed suicide and the survivors of suicide attempts revealed that hopelessness was a core experience, associated with poverty, limited educational and work prospects and the migration of husbands to urban areas for employment; these were in addition to other issues such as stigma for failing to produce a son, spouse and family abuse and forced marriages. (c) Within a household, studies reported that some members of the household go without certain goods and services in order to increase the amount available for others; parents most commonly go without on behalf of children and women are most likely to go without

than men. (d) Depression during pregnancy is a common problem and is associated with indicators of socio-economic deprivation as well as other problems such as violence and loss of an intimate relationship.

Social security programmes: Social security programmes are meant for those who are at the bottom of the BPL facing destitution and desertion. The central government has launched the National Social Assistance Programme or NSAP in August 1995. Under NSAP, there are three schemes. The first one is the National Old Age Pension Scheme or NOAPS. A pension amount of Rs. 75 per month is given to those who are above the age of 65 year and are destitute without any regular source of income or support from any family members or relatives. Though it is a very useful scheme for the elderly destitute, the coverage of the programme was not satisfactory. In the year 1999-2000, 8.71 million eligible elderly were identified, but the scheme could reach out to only 5 million beneficiaries. It was found that the benefits really reached the poor and the leakage rate was found to be low. The Ninth Plan recognised the need to restructure such programmes for effective implementation and for enhancing the productivity of the beneficiaries in the rural areas.

First of all, involvement of the local communities is key to the success of poverty alleviation programmes. In the absence of community involvement, the programmes are plagued with bureaucratic muddle and corruption at every level. Wage employment is an example to show how too much of administrative interference has led to underutilization of funds, high administrative cost, corruption and poor employment generation. Planning Commission (2007) contrary to the wage employment programme, self-employment programmes like micro credit is successful because of people's participation in the form of SHGs. The government has taken a major step in this direction in the form of 73rd and 74th amendment to the constitution to give more powers to PRI. While a few States have made use of this constitutional provision better than others, most of the States still lag behind handing over these programmes to PRIs. While PRIs are created in most of the States and elections are held, these institutions are not given the financial resources, administrative powers and the capacity to run programmes. State governments still hold the financial powers and the PRI is not in a position to plan and decide based on their needs. The administrative machinery of the PRI is very weak to carry out these national level programmes. Also, the PRI does not have the capacity to handle resources and technical capacity to implement programmes. These issues have to be addressed immediately to strengthen PRI to implement poverty alleviation programmes.

CONCLUSION

The Non-Governmental Organisations (NGOs) and Community Based Organizations (CBOs) have been playing an active role in building up people's awareness and providing support to the governmental agencies and the Panchayati Raj Institutions in executing projects for development in rural areas. The role of anti-poverty programmes to supplement the growth effort not only is valid in the post-reform period but becomes even greater to protect the rural poor against adverse consequences of economic reforms. While the experience with such programmes is not as encouraging as one envisaged, there have been pockets of good performance which give enough reason to be hopeful. A major weakness in the implementation of poverty alleviation programmes has been the lack of participation by the people for whom the programmes are meant. There are enough success stories that indicate that whenever people have organised themselves into small homogenous groups for a common cause, the results have been far superior to programmes thrust upon them by bureaucratic apparatus. Such efforts at micro level need to be further strengthened to improve the efficiency of anti-poverty programmes. Strong local governance such as expected from Panchayati Raj Institutions – responsive to the needs of beneficiaries, one which encourages mobilisation of the rural poor and is open to social audit -- promises better delivery system of the poverty alleviation programmes. Side by side, the rural financial system should be so reorganised and re-oriented that it treats the rural poor as credit-worthy clients and not as recipients of doles from the Government. The anti poverty programmes have been reoriented to improve their efficacy. The restructured programmes have been in operation from 1st April, 1999 and their effectiveness in achieving the objectives set for them would need to be evaluated after a period of 2-3 years. An effective delivery system should be one that ensures

people's participation at various stages of implementation of the programmes, transparency in the operation of the schemes and adequate monitoring mechanism.

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