Analytical study of Poverty Alleviation Programmes in India

Dr. Kalpana S. Kumar
Asst. Professor, St. Vincent Pallotti College, Raipur

Abstract - India is basically an agricultural economy where more than half population lives in rural areas, the widespread inequality of income and wealth distribution in country makes it even worse that all governmental policies results in contradictory results. On one hand the official data shows absolute number and percentage of poor people has declined in country but empirical observation gives a very dismal picture of reality. This paper tries to concentrate on the poverty, its kinds, its measurement and most importantly it lay emphasise on the major poverty alleviation programmes which are prevalent in our country and their consequences.

Keywords: Poverty alleviation programme, self employment, wage employment, food security programme, social security programme

I. MEANING OF POVERTY

Poverty, food security, malnutrition and hunger are inter-related manifests itself in a dense range of overlapping and interwoven economic, political and social deprivations. Poverty can be defined as a social phenomenon in which a section of the society is unable to fulfill even the basic necessities of life. Poverty is a multidimensional phenomenon and depends on the context and perspective that one is looking at. A working definition from Professor Muhammad Yunus, the Noble Peace Price winner in 2006, is: Poverty is that characteristic of being in a state of joblessness, illiteracy, landlessness, homelessness, lack of adequate capital, facilities and food to earn a decent living and also powerlessness. Poverty alleviation is, therefore, the act of reducing the scourges of the above conditions of an individual or community. Poverty in India is widespread, with the nation estimated to have a third of the world's poor. In 2010, the World Bank reported that 32.7% of the total Indian people fall below the international poverty line of US$ 1.25 per day (Purchasing Power Parity) while 68.7% live on less than US$ 2 per day.

II. TYPES OF POVERTY :

Poverty can be either ‘absolute’ or ‘relative’. ‘Absolute’ poverty is described in terms of the inability to satisfy one’s basic minimum needs that are necessary to maintain a minimum essential standard of living, say minimum essential level of food and nutrition. It is ‘relative’ when it refers to the position of a household or an individual in relation to the distribution of average of average income or consumption in a specific region or economy. Poverty could be ‘temporary’ phenomenon due to say, old age, disease, natural disaster, war or any other misfortune or it could be of a ‘permanent’ nature attributed to structural factors that might be carried forward over generations.

III. POVERTY ALLEVIATION PROGRAMMES IN INDIA

The focus in this paper is on the Central Government Schemes only. The poverty alleviation programmes have been broadly classified into following-
a. Self-employment programmes,
b. Wage employment programmes,
c. Food safety programme and
d. Social security programmes.

a. Self-Employment Programmes

This programme was started in 1970s in rural areas of the country in the name of Integrated Rural Development Programme (IRDP) to increase the source of income of small farmers and landless labourers. The beneficiaries were given subsidized credit, training, and infrastructure, so that they could find new sources of earning. In this scheme, agricultural labourers and small farmers received new skills to involve in vocations other than cultivating land. They included fishery, animal husbandry, and forestry. In the 1980s, this scheme was extended to schedule castes and tribes, women and rural artisans. IRDP suffered from certain shortfalls.

Swarnjayanti Gram Swarozgar Yojana (SGSY) was launched in April 1999 after restructuring of the Integrated Rural Development Programme (IRDP) and allied programmes. It is a self-employment programme for the rural poor. The objective of the SGSY is to bring the assisted swarozgaris above the poverty line by providing them income-generating assets through bank credit and Government subsidy. The scheme is being implemented on a cost-sharing basis between the Centre and States of 75:25 for non-north-eastern states and 90:10 for north-eastern states. Up to December 2009, 36.78 lakh self help groups (SHGs) had been formed and 13.281 million swarozgaris have been assisted with the total investment of Rs.308.96 billion.

b. 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 (RLEG). These two programmes were later merged in 1989 into more well-known Jawahar Rozgar Yojana or JRY. The JRY was supposed to produce employment for the unemployed and the underemployed and to improve the village infrastructure and assets. The JRY was revised and re-launched in April 1999 and was named as Jawahar Gram Samridhi Yojana or JGSY. While the JRY produced 1.03 billions of man-days of labour in 1993-1994, the JGSY produced just 270 millions man-days each year.

A special wage employment programme in the name of Employment Assurance Scheme or EAS was launched on October 2, 1993 for the drought prone, desert, tribal and hill area blocks in the country. The Food for Work Programme was started as part of EAS in 8 drought prone States in 2000-2001. Here part of the wage was provided in the form of food grains. These programmes were merged into one programme called Sampoorna Gramin Rozgar Yojana or SGRY in 2001. The three-fold objective of this programme is generation of employment for the rural poor, creation of community assets and infrastructure, and ensuring food and nutrition security for the rural poor.

The National Rural Employment Guarantee Scheme (NREGS) was launched in February 2006 in 200 most backward district in the first phase and was expanded to 330 districts during 2007-08. The coverage was extended to all rural districts of the country in 2008-09. At present, 619 districts are covered under NREGS. During the year 2008-09, more than 45.1 million households are provided employment under the scheme. As against the budget outlay of Rs.391 billion for the year 2009-10, an amount of Rs. 247.58 billion has been released to the states/UTs till December 2009.
c. Food Security Programme

Meeting the very basic need of access to food is a major challenge to the government in the post-economic reform era. Those who are below poverty line are faced with the problem of meeting this very basic need so public distribution system or PDS assumes importance. The PDS was originally a universal public distribution system or UPDS. The original UPDS was not conceived as an anti-poverty programme. The main objective was to create a demand for food grains thereby farmers benefiting from their produce. The central government initiated a new PDS programme in June 1997 and called it targeted public distribution system or TPDS. States are to identify households below poverty line and provide them 10 kg of food grains at highly subsidized price and this amount was raised to 20 kg in April 2000. In addition, some States have provided additional quantity of food grains or increased the food basket by adding edible oil, sugar and cereals to the BPL households. The cost of operating the PDS is three-fold. First cost component is the subsidy of the programme. The cost of procuring the food grain is higher than the price of selling it through the PDS. Second component of the cost is the administrative cost involved in procurement, transport and storing. The last component is the loss due to wastage and pilferage that occur at different stages of PDS Procurement to distribution.

One of the problems of PDS is the diversion of foodgrain to the open market. Various studies show that one third of the grains supplied to PDS leaked into the open market in the UPDS programme. According to Jha and Srinivasan, “the selection of beneficiaries was not transparent and the basis for selection was too complicated for the local officials to administer”. It also involves high cost in identifying the poorest among the poor. Apart from the issues of transparency, administrative complications and high cost, social and political factors played a role in identifying BPL families. Caste factor played a role in rural areas.

Though PDS is a very important poverty alleviation programme directly acting as safety net for the very poor, it suffered from several problems during the implementation. Due to the centralized procurement system, it incurred very high administrative cost. Further, there were problems of wastage and pilferage at every stage of its operation. Then there are problems at the consumer level in terms of buying a large quantity of food grains at a time from the fair price shops. Finally, the problem of targeting was a major issue, where non poor are included and many BPL groups like migrants and pavement dwellers are left out of PDS. All these problems led to much lesser benefits reaching the poor. While the PDS has very high potential to protect the poor from starvation and hunger, problems of its implementation have reduced its actual potential to a great extent.

d. 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 yr 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 addition to NOAP, the government has launched another programme called Annapurna in April 2000 for those elderly who are eligible for NOAPS but did not receive it due to budgetary constraints. They are given 10 kilograms of food grains per month free of cost. This programme did not take root in many States. As a result, only Rs. 174.4 million were utilized out of the allocated fund of Rs. 990.5
million in the year 2000-2001. The second scheme under NSAP is National Family Benefit Scheme or NFBS. Under this scheme, a lump sum of Rs. 10,000 is paid to a family, where the breadwinner of the family died of natural or accidental causes. The total amount is given to a member of the deceased family who has assumed the role of head of family. This scheme is available to BPL families only.

Another scheme under NSAP is National Maternity Benefit Scheme or NMBS. Under this scheme, a lump sum of Rs. 500 is given to pregnant women belonging to the BPL households. The pregnant woman should be 19 yr or above and the sum is given 8 to 12 wk before delivery. The purpose of the scheme is to enhance the nutritional intake of these pregnant women during pregnancy to safeguard the life and health of the mother and the infant.

e. Urban Poverty Alleviation Programme

Urban poverty is the spill over effect of rural poverty. It is the push factor rather than the pull factor that is driving the urbanization process in most developing countries like India. Due to acute poverty in rural areas, the poor tend to migrate to cities (push factor) in search of work. Comparable to the self-employment and wage employment programmes in rural areas is the Nehru Rozgar Yojana in urban areas. It has three components. The first one is the Scheme of Urban Micro Enterprises or SUME. Under SUME, the urban poor (annual income less than Rs. 11,850) are provided training to learn new skills to start micro-enterprises. The beneficiary gets a 25 per cent government subsidy with a ceiling of Rs. 5,000 for the scheduled caste/tribe and women and Rs. 4,000 for get a bank credit of Rs.15,000 for schedule caste/tribe and women, and Rs. 12,000 for general beneficiaries. The second scheme under the Nehru Rozgar Yojana is the Scheme of Urban Wage Employment or SUWE. Under SUWE, the labour of the urban poor is utilized to create socially and economically useful public assets. This scheme is applicable to small towns with a population of less than 100,000. The third component is the Scheme of Housing and Shelter Upgradation or SHASU. Under SHASU, the urban poor is given a loan not exceeding Rs. 9,950 and a subsidy of Rs. 1,000. The beneficiary may opt for additional loan of Rs. 19,500 from HUDCO. Nehru Rozgar Yojana is implemented by the local self-government with the active participation of non governmental organizations. The largest urban poverty alleviation programme currently operating in the country is the Urban Basic Services for Poor or UBSP. It is based on the principle of community development involving the community. This programme is implemented in 25 States and 6 union territories covering 296 cities. Ten million urban poor are benefited from this programme. More than 130,000 women work as volunteers in this programme. The programme is a partnership of city, State and central governments along with NGOs and UNICEF.

IV. CONCLUSION

The definition of poverty in India has been called into question by the UN World Food Programme. In its report on global hunger index, it questioned the government of India's definition of poverty saying: The fact that calorie deprivation is increasing during a period when the proportion of rural population below the poverty line is said to be declining rapidly, highlights the increasing disconnect between official poverty estimates and calorie deprivation. While total overall poverty in India has declined, the extent of poverty reduction is often debated. In India, Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Social dimension of poverty is a neglected area of study. Poverty is more of social marginalization of an individual, household or group in the community/society rather than inadequacy of income to fulfill the basic needs. Indeed, inadequate income is therefore one of the factors of marginalization but not the sole factor. The goal of poverty alleviation programme should aim merely increasing the income level of individual, household or group but mainstreaming marginalized in
the development process of the country. The country cannot claim economic growth when a section of the people are marginalized to the periphery of the society. Poverty therefore is a complex phenomenon of many dimensions not merely the economic dimension. Poverty alleviation programmes should address the issue of poverty from broader social and economic perspective.

BIBLIOGRAPHY