

A Study On Poverty Eradication Programme In India

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Abstract

Poverty infect is a socio-economic phenomenon that is intimately associated with inequality. In almost all underdeveloped countries where per capita income is very low, income inequality has resulted in a number of evils, of which poverty is certainly the most serious one. It adversely affects human health, efficiency and productivity which in turn affect their income. It deprives a segment of society of bare necessities of life- food, clothing, housing, education and health. 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 sections of the people are marginalized to the periphery of the society. 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 during the past five and a half decades, 34.3% of the population was getting less than\$ 1 (PPP) a day. This percentage of population was considered to be poor on an international criterion suggested by World Development Report. In this paper is an attempt to study national policies, and programs for poverty eradication.

Keywords: Poverty, Programmes, Poverty Eradication.

INTRODUCTION AND STATEMENT OF PROBLEM

Poverty is a social-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. Humanity faces pains and miseries if it does not attain a subsistence level of such needs. It is generally agreed in this country that only they who fail to reach a certain minimum consumption standard should be regards as poor. "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable" (Adam Smith, 1776). Poverty is about denial of opportunities and fulfillment of human potential. Poverty and inequality are closely related, and inequality appears to have been on the rise worldwide in recent decades at both national and international levels. More than 80 percent of the world's population lives in countries where income differentials are widening. The poorest 40 percent of the world's population account for only 5 percent of global income. On the other hand, the richest 20 percent account for 75 percent of world income, according to the United Nations Development Programme.

Poverty is the principal cause of hunger and under nourishment. According to most recent estimates of the Food & Agriculture Organization of the United Nations (FAO, 2009), the number of hungry people worldwide has reached 963 million, or roughly 15 percent of the estimated world population. This represents an increase of 142million over the figure for 199-92. Poverty essentially consists of 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, 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. It means to understand the definition of poverty; one should have knowledge of poverty line.

METHODOLOGY:

In this study for is research paper tries to summaries the current state of the knowledge about poverty, problems created by poverty and to study national policies and programs for poverty eradication in India. The relevant Secondary data is collected through various sources such as websites, Economic survey, books and journals.

MEASUREMENT OF POVERTY: POVERTY LINE:

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

TRENDS IN POVERTY IN INDIA:

In this previous five year plans, several programmes has been introduced to alleviate poverty in India, yet there has been an increase in the number of poor persons in the country. There were about 32.1 crore persons living below poverty line in 1973-784. It remained almost stagnant during a decade of 1973-1983 but it come down to 26crore in 1999-2000 and 22 crore in 2004-05. Poverty in rural sector always been on higher side as compared to urban India. But it came down in 2004-05 in both rural and urban sector. By the end of 11th plan number of poor persons are expected to come down to 10 crore. A brief analysis showing absolute trend in poverty in India is shown through following table:

Head Count Estimates of Poverty (in Crore), Trends in poverty in India (Crore)

YEAR	RURAL	URBAN	INDIA
1973-74	26.1	6.0	32.1
1977-78	26.4	6.5	32.9
1983-84	25.2	7.1	32.3
1987-88	23.2	7.5	30.0
1993-94	24.4	7.6	32.0
1999-2000	19.3	6.7	26.0
2007	17.0	3.0	20.0
2011	—	—	10.0

Source: Economic Survey 2002-3 & 2010-11, Eleventh Five Year Plan

POVERTY ALLEVIATION PROGRAMMES OF INDIA.

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 annum¹. 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. 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. Apart from this burgeoning middle class in the country, the economic growth seemed to have touched the lives of the poor also. According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. 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. 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. The programmes and schemes have been modified, consolidated, expanded and improved over time. These programmes are broadly classified into: The targeted programmes fall into four broad categories: (i) self-employment programmes (ii) wage employment programmes (iii) direct cash transfers to the targeted groups and (iv) Public distribution system (PDS). There are numerous centrally sponsored schemes (CSS) under the first three categories which are designed by the Centre, administered by the Ministry of Rural Development, but implemented by the States with States generally contributing 25% to their cost. In addition, some State governments have their own schemes. The multiplicity of the programs is advocated on the grounds of multi-dimensionality of poverty and regional variations in the efficacy of the delivery system. There is also recognition that it is problematic to close a scheme even if it is cost ineffective because of adverse publicity associated with the closure. Through PDS, the Central government is supplying six essential commodities at below market prices to 160 million families through 4,50,000 nationwide fair price shops. The access to the system was near-universal until 1997. Targeting was introduced in 1997, and now the program is known as Targeted Public Distribution System (TPDS). One of the important features of the implementing strategy of the 10th Five Year Plan is the crucial role given to the Panchayati Raj Institutions (PRIs) in the delivery of TPDS. Till the end of 11th plan, Govt. of India aims at bringing down people below poverty line to the extent of 10%. Following programmes have been introduced by the Govt. of India for solving the problems.

PRIME MINISTER'S ROZGAR YOJANA (PMRY):

PMRY started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity. So far, about 20 lakh units have been set up under the PMRY, creating 30.4 lakh additional employment opportunities. The targets for additional employment opportunities under the Tenth Plan and in 2004-05 are 16.50 lakh and 3.75 lakh, respectively. While the REGP is implemented in the rural areas and small towns (population up to 20,000) for setting up village industries without any cap on income, educational qualification or age of the beneficiary, PMRY is meant for educated unemployed youth with family income of up to Rs.40,000 per annum, in both urban and rural areas, for engaging in any economically viable activity [18].

RURAL EMPLOYMENT GENERATION PROGRAMME (REGP):

REGP, launched in 1995 with the objective of creating self-employment opportunities in the rural areas and small towns, is being implemented by the Khadi and Village Industries Commission (KVIC). Under REGP, entrepreneurs can establish village industries by availing of margin money assistance from the KVIC and bank loans, for projects with a maximum cost of Rs.25 lakh. Since the inception of REGP, up to 31 March 2004, 1,86,252 projects have been financed and 22.75 lakh job opportunities created. A target of creating 25 lakh new jobs has been set for the REGP during the Tenth Plan. 8.32 lakh employment opportunities have already been created during 2003-04. For 2004-05, a target of creating 5.25 lakh job opportunities has been fixed [19].

NATIONAL SOCIAL ASSISTANCE PROGRAMME(NSAP):

This programme was launched in during 1995-96. It provides three types of services to poor people. (a)National Family Benefit Scheme (b) National Old Age Pension Scheme (c) National Maternity Benefit Scheme. Whole of expenditure on this scheme is spent by central government but since April 2001, NMBC has been handed over to ministry of health and family welfare [20].

SWARNA JAYANTI SHAHRI ROZGAR YOJANA (SJSRY):

This programme was launched in Dec. 1, 1997. its main object is to provide self employment to unemployed youth of urban areas. It includes youth educated upto 9th standard yet living below poverty line. It is also based upon 75% centre and 25% state's contribution in expenditure required for the scheme. The expenditure during 2003-04 was Rs.103 crore. For 2004-05, the allocation is Rs.103 crore, out of which Rs. 90.38 crore were utilized by December 31, 2004. In 2008-2009, 9.47 Lakh beneficiaries were covered under it. Rs. 541 crore was spent on this plan in 2008-09 [10, 21].

SWARAN JAYANTI GRAM SWAROZGAR YOJANA (SGSY):

SGSY, launched in April 1999, aims at bringing the assisted poor families (Swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through a mix of Bank credit and Government subsidy. In this scheme IRDP and other programmes have been included. Under this scheme, poor are granted bank loans and subsidies to establish small enterprises. This scheme is centrally sponsored on 75: 25 basis, by centre and states. From this programme about 121 lakh self-employed persons were benefited upto 2009. Rs. 27183 crore was spent on this plan in 2008-09[22].

INDIRA AWAAS YOJANA (IAY):

This is a major scheme for construction of houses of unserviceable kutcha houses to semi-pucca houses has also been added. From 1999-2000, the criteria for allocation of funds to states/UTs has been changed from poverty ratio to the housing shortage in the state. Similarly, the criteria for allocation of funds to a district have been changed to equally reflect the SC/ST population and the housing shortage. During 2007-08 Rs. 4033crores have been earmarked for constructing 21.27 lakh houses. As per information by the states 9.40 Lakh houses have been built upto 2008. The Ministry of Rural Development (MORD) provides equity support to the Housing and Urban Development Corporation (HUDCO) for this purpose [23].

ANTYODAYA ANNA YOJANA (AAY):

AAY launched in December 2000 provides food grains at a highly subsidized rate of Rs.2.00 per kg for wheat and Rs.3.00 per kg for rice to the poor families under the Targeted Public Distribution System (TPDS). The scale of issue, which was initially 25 kg per family

per month, was increased to 35 kg per family per month from April 1, 2002. The scheme initially for one crore families was expanded in June 2003 by adding another 50 lakh BPL families. During 2003-04, under the AAY, against an allocation of 45.56 lakh tonnes of food grains, 41.65 tonnes were lifted by the State/UT Governments. Budget 2004-05 expanded the scheme further from August 1, 2004 by adding another 50 lakh BPL families. With this increase, 2 crore families have been covered under the AAY [10,24].

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY):

The PMGSY, launched in December 2000 as a 100 per cent Centrally Sponsored Scheme, aims at providing rural connectivity to unconnected habitations with population of 500 persons or more in the rural areas by the end of the Tenth Plan period. Augmenting and modernizing rural roads has been included as an item of the NCMP. The programme is funded mainly from the accruals of diesel cess in the Central Road Fund. In addition, support of the multi-lateral funding agencies and the domestic financial institutions are being obtained to meet the financial

POVERTY ALLEVIATION PROGRAMMES IN ELEVENTH PLAN :

Under this plan following programmes were adopted for poverty alleviation.

1. Special efforts were made for the development of small and rural industries so as to provide employment in rural sector in non agricultural areas.
2. Special efforts were made for consolidating economic conditions off marginal and small farmers, artisans and untrained labourers.
3. Under NREGS 100 days employment were provided soon after the registration of 15 days.
4. Aam Adami Bima Yojana has been launched from October 2, 2007.

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 illusive. A review of different poverty alleviation programmes shows that there has been erosion in the programmes in terms of resource allocation, implementation, bureaucratic controls, noninvolvement 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. The Eleventh Plan gave a special impetus to several programmes aimed at building rural and urban infrastructure and providing basic services with the objective of increasing inclusiveness and reducing poverty.

POLICY PLAN 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 on-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. The main objective of Indian planning is to alleviate poverty. In this regard government has launched many poverty alleviation programmes. Even then no radical change has been undergone in the ownership of assets, process of production and basic amenities to the poor. In this way poverty alleviation programmes have proved failure due to insufficient resources and lack of proper implementation, active participation of poor, proper identification of poor and infrastructure.

CONCLUSION:

In India has remained mostly poverty in the domain of economists. 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 sections of the people are marginalized to the periphery of the society. The rapid economic growth process should accelerate the access to services like education and health services for all, especially the marginalised citizens. The government should also aware the rural population about the importance of small family and mortality rate. Poverty give birth too many other problems. The link between ignorance and poverty and ill health and poverty are well-established. There are diseases of poverty such as malaria, tuberculosis, diarrhea and malnutrition. Having fallen ill due to poverty, the poor do not have the resources to seek quality health care, for which he/she has to borrow money for treatment. Ineptness due to hospitalisation leading to poverty has been well documented. Poverty therefore is a complex phenomenon of many dimensions not merely the economic dimension. So government should provide better medical facilities, drinking water facilities and education so that people living below poverty line can improve their lives [9]. Yesudian (2000) also suggested that Poverty alleviation programmes should also address the issue of poverty from broader social and economic perspectives.

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The ELEVENTH PLAN (XIth) plan allocation under various schemes/programmes

S. No.	Scheme/programme	Proposed out lay XIth Five Year (2007-2012) (Lakh Rs.)
1	SJGSY	29656.12
2	SGRY	18016.64
3	DPIP9SS (EAP) / EAPII Phase	23158.72
4	Rural roads	50000.00
5	Indira AvasYojana	27766.71
6	IWDP	10598.56
7	DRDA	6012.36
8	DPAP	21294.84
9	GraminAjivikaPariyojna	22480.00
10	National Rural Rojgar Guarantee Scheme	19988.85
11	MP Rojgar Guarantee Council	3800.00
12	Mid day meal	69.462.00
13	BRGF	225695.00
14	Community Development	29265.20
15	Walmi	1250.00
16	Road maintenance	2030.00
17	State rural road Connectivity	8647.60
18	CM AwasYojana (ApnaGhar)	6200.00
19	State SGSY	1800.00
20	Training	50.00
21	Master Plan	1363.00
22	Sutradhar scheme	50.00

23	Gokul Gram adhosanrachan	5000.00
24	GodanYojana	1000.00
	Grand Total	7,64,478.50

Source: Ministry of Rural Development