An Assessment of the Effectiveness of Anti-Poverty Programs for Rural Development in India

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Abstract - The research paper sheds light on various programmes undertaken for the purpose of rural development in India. These programmes constitute the “five year plan”, for the purpose of simplicity the measures undertaken have been categorized in broad groups and then elaborated upon. In the end, an ideal model of rural development is proposed. The rural economy, as much as urban economy, is an integral part of the overall Indian economy. Any talk of overall development without rural development, particularly in a country where three-quarters of people below the poverty line reside in rural areas, is flawed. Poverty is indeed a global issue. Its eradication is considered integral to humanity’s quest for sustainable development. Reduction of poverty in India, is, therefore, vital for the attainment of international goals. Poverty alleviation has been one of the guiding principles of the planning process in India. This can be substantiated by the fact that anti-poverty programmes have been internalized in the (particularly the ninth) five-year plan. This research paper sheds light on the various programmes that form the instruments of the plan.

1. Introduction

Poverty is socio-economic problems facing Indian economy today. The poverty levels in India are synonymous with deprivation, malnutrition illiteracy, ill health and poor quality of life.

2. Concept and Magnitude of Poverty

Poverty is the lack of basic human needs, such as clean water, nutrition, health care, education, clothing and shelter, because of the inability to afford them. This is also referred to as absolute poverty or destitution. Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages. About 1.7 billion people live in absolute poverty. Whether developed or underdeveloped, relative poverty exists in every country, be it U.S.A. or India. What we are concerned here is not the relative but absolute poverty.

The poverty threshold or poverty line, is the minimum level of income deemed necessary to achieve an adequate standard of living in a given country. The poverty line was originally fixed in terms of income/food requirements in 1978. It was stipulated that the calorie standard for a typical individual in rural areas was 2400 calorie and was 2100 calorie in urban areas. Then the cost of the grains (about 650 gms) that fulfill this normative standard was calculated. This cost was the poverty line. In 1978, it was Rs. 61.80 per person per month for rural areas and Rs. 71.30 per person per month for urban areas. Since then the Planning Commission calculates the poverty line every year adjusting for inflation. The poverty line is Rs. 368 per head per month in rural India as compared to Rs. 560 per head per month in urban India in 2005-2006. This income is bare minimum to support the food requirements and does not provide much for the other basic essential items like health, education etc. That is why sometimes the poverty lines have been described as starvation lines.

Poverty ratio or Poverty rate gives the magnitude of poverty. Poverty ratio is the proportion of a population that lives below the official poverty line. According to Planning Commission (1999-2000), about 23.6% of the urban population and about 27.1% of the rural population lives below the poverty line. In the rural areas, poor people are those who are landless agricultural labourers, small and marginal farmers. In the urban areas, poor people are those who are unemployed, underemployed or employed in low productivity occupations with very low wages. About 260.3 million persons were in a ‘state of being poor’, which gives the poverty ratio as 26.1% (Economic Survey, 2004-05). The data of the latest NSS 61st Round for the year 2004-05 states that poverty ratio was 22% (Economic Survey, 2006-
07). The absolute number of poor is approximately 300 million in 2004-05 (11th Five Year Plan, p.71).

The incidence of poverty varies from State to State. The poorest State with the highest incidence of poverty is Orissa. According to Economic Survey, 2001-02,

Orissa, Bihar, Madhya Pradesh, Assam, Sikkim and Tripura (more than 30% poverty ratio) are the backward States. Punjab, Haryana, Delhi, Daman and Diu, Jammu and Kashmir, Goa and Chandigarh (less than 10% poverty ratio) are the rich States.

3. Causes of Rural Poverty

Almost one third of the country’s population of more than 1.1 billion continues to live below the poverty line, and a large proportion of poor people live in rural areas. Poverty remains a chronic condition for almost 30 per cent of India’s rural population. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration.

Poverty is deepest among members of scheduled castes and tribes in the country's rural areas. In 2005 these groups accounted for 80 per cent of poor rural people, although their share in the total rural population is much smaller.

On the map of poverty in India, the poorest areas are in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal.

Large numbers of India's poorest people live in the country's semi-arid tropical region. In this area shortages of water and recurrent droughts impede the transformation of agriculture that the Green Revolution has achieved elsewhere. There is also a high incidence of poverty in flood-prone areas such as those extending from eastern Uttar Pradesh to the Assam plains, and especially in northern Bihar. Poverty affects tribal people in forest areas, where loss of entitlement to resources has made them even poorer. In coastal fishing communities people's living conditions are deteriorating because of environmental degradation, stock depletion and vulnerability to natural disasters.

A major cause of poverty among India’s rural people, both individuals and communities, is lack of access to productive assets and financial resources. High levels of illiteracy, inadequate health care and extremely limited access to social services are common among poor rural people. Microenterprise development, which could generate income and enable poor people to improve their living conditions, has only recently become a focus of the government.

Women in general are the most disadvantaged people in Indian society, though their status varies significantly according to their social and ethnic backgrounds. Women are particularly vulnerable to the spread of HIV/AIDS from urban to rural areas. In 2005 an estimated 5.7 million men, women and children in India were living with HIV/AIDS. Most of them are in the 15-49 age group and almost 40 per cent of them, or 2.4 million in 2008, are women (National AIDS Control Organisation).

4. Anti-Poverty programs for Rural Development

4.1. Integrated Rural Development Programs (IRDP)

First introduced in 1978-79, IRDP has provided assistance to rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods. Subsequently, Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCR), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY) were introduced as sub-programmes of IRDP to take care of the specific needs of the rural population.

4.2. Wage Employment Programs

Important components of the anti-poverty strategy, Wage Employment Programmes have sought to achieve multiple objectives. They not only provide employment opportunities during lean agricultural seasons but also in times of floods, droughts and other natural calamities. They create rural infrastructure which supports further economic activity. These programmes also put an upward pressure on market wage rates by attracting people to public works programmes, thereby reducing labour supply and pushing up demand for labour. It encompasses National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEG) which were initially part of the Sixth and Seventh five year Plans.

4.3. Employment Assurance Scheme (EAS)

EAS was launched in October 1993 covering 1,778 drought-prone, desert, tribal and hill area blocks. It was later extended to all the blocks in 1997-98. The EAS was designed to provide employment in the form of manual work in the lean agricultural season. The works taken up under the programme were expected to lead to the creation of durable economic and social infrastructure and address the felt-needs of the people.
4.4. Food for Work Program

The Food for Work programme was started in 2000-01 as a component of the EAS in eight notified drought-affected states of Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttarakhal. The programme aims at food provision through wage employment. Food grains are supplied to states free of cost. However, lifting of food grains for the scheme from Food Corporation of India (FCI) godowns has been slow.

4.5. Rural Housing

Initiated in 1985-86, the Indira Awas Yojana (IAY) is the core programme for providing free housing to families in rural areas, targets scheduled castes (SCs)/scheduled tribes (STs), households and freed bonded laborers. The rural housing programme has certainly enabled many BPL families to acquire pucca houses, the coverage of the beneficiaries is limited given the resource constraints. The Samagra Awas Yojana (SAY) was taken up in 25 blocks to ensure convergence of housing, provision of safe drinking water, sanitation and common drainage facilities. The Housing and Urban Development Corporation (HUDCO) has extended its activities to the rural areas, providing loans at a concessional rate of interest to economically weaker sections and low-income group households for construction of houses.

4.6. Social Security Program

Democratic decentralization and centrally supported Social Assistance Programmes were two major initiatives of the government in the 1990s. The National Social Assistance Programme (NSAP), launched in August 1995 marks a significant step towards fulfillment of the Directive Principles of State Policy. The NSAP has three components: a) National Old Age Pension Scheme (NOAPS); b) National Family Benefit Scheme (NFBS); c) National Maternity Benefit Scheme (NMBS). The NSAP is a centrally-sponsored programme that aims at ensuring a minimum national standard of social assistance over and above the assistance that states provide from their own resources. The NOAPS provides a monthly pension of Rs. 75 to destitute BPL persons above the age of 65. The NFBS is a scheme for BPL families who are given Rs. 10,000 in the event of the death of the breadwinner. The NMBS provides Rs. 500 to support nutritional intake for pregnant women. In addition to NSAP, the Annapurna scheme was launched from 1 April, 2000 to provide food security to senior citizens who were eligible for pension under NOAPS but could not receive it due to budget constraints.

4.7. Land Reforms

In an agro-based economy, the structure of land ownership is central to the wellbeing of the people. The government has strived to change the ownership pattern of cultivable land, the abolition of intermediaries, the abolition of zamindari, ceiling laws, security of tenure to tenants, consolidation of land holdings and banning of tenancy are a few measures undertaken. Furthermore, a land record management system is a pre-condition for an effective land reform programme. In 1987-88, a centrally-sponsored scheme for Strengthening of Revenue Administration and Updating of Land Records (SRA & ULR) was introduced in Orissa and Bihar.

5. Flaws in Anti-Poverty Programs

Although these special programmes undertaken have been successful in curbing poverty to some extent, the flaws they have are as follows:

5.1. Inadequate financial limits

The financial limits of investment in different schemes are centrally fixed without reference to actual costs. The amount actually transferred to the beneficiary bears no relation to the investment required by beneficiary household to become viable. The assessment of IRDP shows that about 70% of poor households who were assisted were able to raise their income. However, the rise in income was sufficient to cross the officially set poverty line in about 15% of the cases.

5.2. Lack of interest

The schemes are administered by over burdened block development officers who are unlikely to be familiar with the local situation.

5.3. Poor targeting

The evaluation of the programmes also indicate that the programmes have been most successful in areas experiencing fast agricultural growth and where the beneficiaries are located below but near the poverty line and their integration with the growth process did not require conscious efforts.

5.4. Accountability

The accountability for ensuring proper choice of beneficiaries and proper use of funds remains a serious problem. No one is held accountable if wrong projects are launched or wrong beneficiaries are chosen.
6. Conclusion

There is immense scope for improving the efficiency of anti-poverty programmes. According to the planners of the 11th five year plan, this can be done by better targeting, reducing waste and corruption, creating institutional conditions for greater accountability, greater coordination, better designing, avoiding duplication and overlapping of programmes. Under these programmes, the resources are transferred from urban economy to rural economy just for short term political motives. This is affecting both areas, not letting rural economy develop on its own and hampering growth and investments in urban economy. An ideal approach should include the government, panchayats and key village personals, NGOs and private companies. This will not only help reduce this imbalance but will have a multiplier effect on the overall economy. By aligning the goals of the two parts we can convert this seemingly zero sum game into a win-win situation. It would be a very long drawn and difficult battle with conventions but the reward is worth the effort.

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