A study of poverty alleviation programmes in India

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Abstract

The poverty alleviation programmes in India can be categorized based on whether it is targeted for rural areas or urban areas. Most of the programmes are designed to target rural poverty as prevalence of poverty is high in rural areas. Also targeting poverty is challenging in rural areas due to various geographic and infrastructure limitations. The programmes can be mainly grouped into Wage employment programmes, Self-employment programmes, Food security programmes, Social security programmes, Urban poverty alleviation programmes. The five year plans immediately after independence tried to focus on poverty alleviation through sectoral programmes.

Keywords: Poverty alleviation, programmes, India

Introduction

Poverty anywhere is a danger to peace and prosperity everywhere economic inequality and incidence of poverty portray the distributional consequence of the operation of the economic process. Poverty and population are the twin problems affecting sustainable development of the developing nations like India. One is a disease, while the other is a menace, together there are eating vital organs of the society. Both have adverse effects on the environment and resource base, as a result of which natural life support system is becoming weak. Poverty can be defined as a social phenomenon in which a section of society is unable to fulfil even the basic necessities of life. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level that society is said to be plagued with the mass – poverty. It is also believed that poverty anywhere, is a threat to prosperity everywhere. In India, most of the states are suffering from mass- poverty that is a threat to the prosperity of India.

Eradication of poverty and hunger through employment in the community has been one of the main goals of planning in India. Since the planning era, various target-oriented as well as area oriented programmers and schemes have been implemented for the generation of income with the purpose to eradicate poverty, inequality and backwardness from the rural areas. The early classic study of Indian poverty is Dada Bhai Naoroji's (1901) "poverty and British Rule in India".

Alleviation of poverty has consistently been one of the major objectives of our Five Year Plans. The launching of Community Development Programme in 1952 was a landmark in the history of India which ushered in an era of development with the participation of people. It adopted a systematic integrated approach to rural development with a hierarchy of village level workers and block level workers drawn from various fields to enrich rural life. During the Third Five Year Plan, the momentum was maintained through a series of development programmers through allocations under the NES programmers. During the 1970s a number of special programmers for the rural poor were undertaken of which the important ones were: Small Farmers Development Agency (SFDA), Marginal Farmers' and Agricultural Laborers Development Agency (MFLAL), Drought -Prone Areas Programme (DPAP), Crash Scheme for Rural Employment (CSRE), Pilot Intensive Rural Employment Project (PIREP), Food for Work Programme (FWP) and Desert Development Programme (DDP). None of these programmers comprehensively covered the whole country though in certain parts of the country some of these programmes operated simultaneously for the same target groups with the inception of the Fifth Five Year Plan, poverty alleviation came to be accepted as one of the major objectives of economic planning in the country.
Flence, the Fight Five Year Plan contemplated a direct attack on poverty. In pursuance of the new major programmed. Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEG) were introduced during the Fifth Plan. The IRDP was initially started on 1978-79 in 2300 development blocks as a programme of total Development. During the Sixth Plan it was extended to the entire country. IRDP and its allied programmes of Training Rural Youth for Self-Employment (TRYSEM) and Development are major self-employment programmes for poverty alleviation. NREP and RLEG were merged into a single employment programme since April 1, 1989 named as Jawahar Rozgar Yojana (JRY).

IRDP has now been restructured and renamed as Swarnajayanti Gram Swarojgar Yojana (SGSY). Moreover, certain allied programmes including TRYSEM have been merged into it.

The programmes for the rural poor include Swarnajayanti Gram Swarojgar Yojana (SGSY) and Sampoorna Gram Rozgar Yojana (SGRY). The Nehru Rozgar Yogana (NRY) was launched in October 1989 for the benefit of the urban poor. It was merged into the Swarnajayand Shahari Rozgar Yojana in 1997-98. Sampoorna Gram Rozgar Yojana (SGRY) was launched in September 2001. Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS) were merged into it. SGRY aims at providing employment in rural areas as also food security. National Rural Employment Guarantee Scheme (NREGS) was introduced in February 2006. The basic objective of the present paper is to analyse the working and performance of some major poverty alleviation programmes. Data and literature have been collected from the various published sources such as Various Issues of Economic Survey, Five Year Plans of Govt. of India, Reports of Various Committees and Commissions, Govt. Publication, Leading Journals and News Papers, Reports of NSSO, Planning Commission - Expert Group, World Development Reports and Published Articles etc.

Major Poverty Alleviation Programmes

The details of some major wage employment and poverty alleviation schemes are as follows:

Swarnajayanti Gram Swarojgar Yojana (SGSY)

The SGSY is the major on-going programme for the self-employment of rural poor at present. The programme was started with effect from 01.04.1999 after review and restructurung Integrated Rural Development programme (IRDP) and allied programmes namely, Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved tools Kits in Rural Areas (SITRA) and Ganga Kalyan Yojana (GKY) be sides Million Wells Schemes (MWS). The earlier programmes are no more in operation with the launching of the SGSY. This scheme is being implemented on a cost sharing ratio of 75:25 between the center and the states. UP to March 2009, 34 lakh self-help groups had been formed and 120.89 lakh swarojgaris have been assisted with a total quality of Rs. 27,183.03 crore.

Objectives of the SGSY

The basic objective of the SGSY is to bring the assisted poor families (SARarozgaris) above the poverty line by providing them income generating assets through a mix of bank credit and government subsidy. The programme aims at establishing a large number of micro enterprises in rural areas based on the ability of the poor and potential of each area. The strategy of SGSY is to provide income generating assets and inputs to the target groups through a package of assistance consisting of subsidy and bank loan. The SGSY is different from earlier programmes in terms of the strategy envisaged for its implementation. It has been conceived as a holistic programme for self-employment and covers all aspects of self-employment of the rural poor viz. organization of the poor into Self Help Groups (SHGs) and their capacity building, training selection of key activities, planning of activity clusters infrastructure build up, technology and marketing support etc.

A major shift of the SGSY from the erstwhile programmes is in terms of its emphasis on social mobilization of the poor. Social mobilization enables the poor to build their own organizations "Self Help Groups" (SHGs) in which they participate fully and directly and take decisions on all issues that will enable them to cross to poverty line.

Swarna Jayanti Shahri Rozgar Yojana (SJSRY)

In December 1997, the Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP), which are the two special components of SJSRY, substituted for various programmes. The programme was revamped with effect from April 1, 2009. The scheme provides gainful employment to the urban unemployed and underemployed poor. The SJSRY has replaced the following there schemes:

Nehru Rozgar Yojana (NRY) having the following three components:
1. Provision of wage - employment, Provision of employment through housing and shelter up graduation and.
2. Scheme for urban micro enterprises (SUMLI).
3. Urban Basic Services for the Poor (UBSP) and
4. Prime Minister's Urban Poverty Eradication Programme (PMIUPEP).

The fund allocation for the scheme was Rs.515 crore during 2008-09 and Rs. 540.67 crore has been released up to March 31,2009. With regard to the number of beneficiaries during 2008-09, 9,47,390 urban poor were assisted to set up individual / group micro enterprises and 14,84,209 urban poor were impornt skill training under SJISY as per the process reports received up to the end of March 31,2009.

Fradhan Mantri Gram Sadak Yojana (PMGSY)

All - weather roads still do not connect about 40 percent of the habitations in the country. In rural development, rural road connectivity is not only a key component by promoting access to economic and social services and thereby generating increased agricultural incomes and productive employment opportunities in India it is also as a result a key ingredient in ensuring any sustainable poverty reduction programme. The PMGSY, launched on 25th Dec.2000, is a programme to provide road connectivity through good all-weather roads to 1.60 lakh unconnected habitations, with a population of 500 persons or more in the rural areas by the end of 10th Five Year Plan period (2007), at an estimated cost of Rs.60,000 crore.
Objectives of PMGSY
The programme is being executed in all the states and 6 UTs. The main focus of the programme is on providing road connectivity to unconnected habitations of stipulated population size connectivity is being provide to all panchayat headquarters and places of tourist interest under the PMGSY, irrespective of the population size. It is to be done in such a way that habitations with a population of 1000 persons and above are covered in 3 Years (2000-2003). The PMGSY will permit the upgradation of the existing roads in those districts where all the habitations of the designated population size have in provided all weather road connectivity. Up to March 2009, a total length of about 2, 14, 281.45 kilometers of road works has been completed with cumulative expenditure of Rs. 46.807.21 crore.

Indira Awas Yojana (IAY)
The objective of IAY is to provide financial assistance for construction upgradation of houses to BPL rural households belonging to the Scheduled Castes and Scheduled Tribes, non-SC/ST rural households, widows and physically handicapped persons living in the rural areas. The scheme is funded on a cost-sharing basis of 75:25 between the Center and the States. However, in the case of NE States, the funding pattern has been revised to 90:10 During 2008-09, against the total allocation of Rs. 5,645.77 crore earmarked for release to DRDas under IAY for construction of 21.27 lakh house, Rs.8, 795.79 crore including Rs.3050 crore given under stimulus package has been released till March 31,2009 and 21.05 lakh houses had been constructed during 2008-09.

Sampoorna Grameen Rozgar Yojana (SGRY)
The SGRY was launched on 25th Sept.2001. The schemes of Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS) have been fully integrated with SGRY. The programme was launched with an annual outlay of Rs. 10,000 crores. Under the scheme 50 lakh tonnes of food grain amounting to Rs.5, 000 crore (at economic cost) will be provided every year free of cost to the state governments and UTs. The remaining funds will be utilized to meet the cash component of wages and the material cost
The programme is self - targeting in nature with special emphasis to provide wage employment to women, SCs and STs. Under the scheme, about 100 crore - man days of wage employment are envisaged to be generated every year. The cost of the programme is to be shared between the Center and State on a cost-sharing ratio of 87.5:12.5 (including the foodgrain component).

National Rural Employment Guarantee Scheme (NREGS)
The National Rural Employment Guarantee Act (NREGA) was enacted in September 2005. It came into force on 2 February 2006, and was implemented in a phased manner. In phase - I, it was introduced in 200 of the most backward districts of the country. It was extended to additional 130 districts in phase - II during 2007-2008. The remaining rural areas were notified with effect from April 1, 2008. NREGA now covers all rural areas of the country from October 2, 2009. NREGS has been renamed as Mahatama Gandhi National Rural Employment Guarantee Scheme (MNREGS).

The basic objective of MNREGA is to increase the livelihood security of the people in rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. Thus, it is different from the previous wage employment programmes as it bestows a legal right and guarantee to the rural population through an Act of parliament. With its right based framework and demand-driven approach, it marks a paradigm shift from the previous wage programmes. At least 33% of the beneficiaries are to be women. Under this scheme, wage disbursement through bank and post office account is mandatory.

So far as performance of this scheme is concerned, employment in the rural areas has increased significantly. In 2007-08, 3.39 crore, in 2008-09, 4.51 crore and in 2009-10, 4.90 crore households were provided employment under NKKGS. Tens of thousands generated in these years were 143.59 crore, 216.33 crore and 251.35 crore respectively. More than two-thirds of the funds utilized have been in the form of wages paid to the labourers. Since this programme is self-targeting and demand-driven in nature, it has high works participation of marginalized groups like SCs/STs and women. SC/ST participation was 57% in 2007-08, 54% in 2008-09 and 51% in 2009-10. Likewise, women participation has been much higher than the targeted percentage of 33%. This should help in women empowerment. 5.57 crore MNREGA workers accounts have been opened in banks and post offices. (Arror Hing to C P Chandrasekhar and Jayati Ghosh, "The MNREGA is necessarily inclusive at the most basic level in economic terms because it self-target those who are willing to engage in arduous manual work for a daily wage, in other words the poorest sections of society. But it is also emerging that the MNREGA trends to be more socially inclusive as well."

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Conclusion
Though several poverty alleviating schemes and programmes have been initiated and implemented from time to time during the last 63 years of planning, yet these programmes have not been fully successful in alleviating poverty and reducing unemployment. Still poverty is primarily a denial of human rights. It violates all the parameters of a dignified human existence. Estimating the incidence of poverty and alleviating the misery of the poor are thus important. A participatory approach involving villagers, NGOs' and women in poverty alleviation programmes will help to decentralize these schemes to the grass-root level where the poor would themselves decide what suits them the most. Therefore, it may be concluded that the employment generation programmes will be more effective by better targeting, reducing waste and corruption, making the programmes more meaningful in terms of relevance to local needs and priorities and creating institutional conditions for greater accountability and transparency.
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