Chapter 5

Conclusion: The Anti-Poverty Programmes

In the concluding section we make a brief survey of the programmes adopted in India to launch a direct attack on poverty in the rural areas. Here, we restrict our discussion to the programmes initiated at different levels of government, thus excluding programmes sponsored by voluntary organisations, some individuals and political parties. We feel that the present discussion will be sufficient to enable us to bring out the basic issues involved in all rural development programmes.

Regarding the programmes, three types of approaches can be distinguished according to the nature of the sponsoring authorities and these will be taken up in turn. The first approach is concerned with the programmes taken up by the Central Government and those are integrated with the overall planning process in the country. The second approach covers some programmes sponsored by some State governments at the regional level. The third approach is related with such programmes as are initiated at the official level by officers of the government.

The Fifth Five Year Plan aimed at eradication of poverty along with reduction of inequality. The major instrument of the programme, as delineated in the Plan document and subsequent policy announcement, was the generation of employment opportunities.
This was based on two policy approaches and these were:

(i) improvement of the value and productivity of the existing assets of the households, and (ii) transfer of assets to poorer households. Since the removal of poverty means increase in the income of the households to a certain minimum level and since the average daily wage in the rural areas is not high enough, policies were oriented to supplement this wage income by income from assets through increase in productivity. Hence the necessity for special programmes was felt to improve productivity of the existing assets of the weaker sections and to improve the level of assets through transfer of such assets in their favour.

Rural assets are of two kinds: land and non-land assets. Regarding land, it was expected that land reforms would augment the size of holding of the marginal farmers. The productivity of these holdings was to be raised by increased provisions of agricultural inputs at concessional rates. Regarding the formation and improvement of non-land assets some special programmes were initiated in rural areas, viz, Small Farmers' Development Agency (SFDA), Scheme for Marginal Farmers and Agricultural Labourers (SMFAL), Crash Scheme for Rural Employment (CRURAL) etc.

The SFDA and SMFAL schemes, which were initiated towards the end of 1963-70 started functioning effectively from 1971-72. In both the cases, the sanctioned amount could not be utilized fully,
and in 1971-72, only a very small percentage of total allocation could be utilized. The CUM was announced towards the end of 1970-71 and by November, 1971 employment generation was to the extent of 37.6 lakh man-days at the cost of Rs. 3.1 Crores. Though the full impact of these programmes on the rural poor is yet to be assessed, some observations are in order regarding the potentialities of the programmes.

The benefit of any asset improvement programme can accrue only to those who have the particular asset in question. Whether we consider households which operate no land or only land holdings in the size classes above zero but below 1.24 acres, the number of cows and she-buffaloes per 100 households is under 30 in the cases of the lowest two size classes and between 60 and 70 in the case of those households operating holdings between 0.5 and 1.24 acres. Moreover, over 70 per cent of households who operate either zero land or only holdings of less than 0.5 acres and between 30 - 40 per cent of the households who operate holdings of between 0.5 and 1.24 acres, have no cows or she-buffaloes. Obviously, they cannot benefit from any programme for improving the breed of milch cattle and realise the income thereof.

The problem of the extreme inadequacy of the asset base has restricted the usefulness of the poverty eradication programme. This has induced the policy makers to adopt the second issue, i.e., the programme of asset transfer to the poor households in rural
India: Under the CSMA, the ISMA and such other programmes as distribution of milk animals and other animals such as pigs, sheep, goat etc. has been taken up. These programmes do not actually contemplate transfer of these assets to the poor households. They only provide a subsidy and that is at the rate of 25 per cent for small farmers and 33.33 per cent for marginal farmers. This subsidy is not payable directly to the beneficiary but to the bank which is expected to give loans to the potential beneficiary to acquire the asset. Hence, the subsidy will become available only to those who have access to institutional credit. But in the rural structure institutional credit plays the minimum role. It is reported that in the case of all rural households whose assets are less than Ru. 1,000, less than 3 per cent reported any borrowing from institutional sources. Such households constituted nearly 20 per cent of all rural households. In this perspective programmes of asset transfer can be expected to have only a limited effect on the income level of the poor in rural areas.

This analysis suggests that, in the context of organised experiment to uplift the condition of the poor, programmes for actual transfer of assets are a pre-requisite for using asset improvement and fuller utilisation of labour power as mechanics for creating an income earning potential. Only under these conditions can the poor be expected to raise their income and consumption level above the poverty line.
The overall poverty situation in the country has led to the adoption of some other programmes at micro-levels in different regions of the country apart from the centrally planned ones as described above. This leads us to the programmes covered by the second approach. In the middle of 1960's, some agricultural programmes were launched in some states, which were associated with the New Strategy in agriculture, viz., Rural Works Programme (RWP), Intensive Agricultural District Programme (IADP), Integrated Area Development Scheme (IAD) etc. In July 1969, the Maharashtra Government introduced a Pilot Employment Guarantee Scheme in some IAD blocks. The objective was to guarantee employment to agricultural labourers who needed it. Though well-conceived and meticulously formulated, these schemes suffered from a big gap between programme planning and execution. Moreover, the organisational weakness of the programme had caused diversion of funds to the benefit of large farmers; whereas special programme for the benefit of agricultural labourers remained on paper only.

The third approach to the problem of poverty covers those programmes which were initiated by the bureaucrats. Those were isolated micro-experiments. An analysis of these will reveal some important characteristics of Indian socio-economic structure. The District Collector of Varamagal (Andhra Pradesh) helped the formation of a Co-operative by the toddy tappers. This was an attempt to prevent the powerful zamindar of the region who appropriated the surplus by coercively purchasing the monopoly tapping
rights from the government and then by reselling this right at
higher rent to the individual tappers. Then the tappers formed
the Co-operative and obtained the tapping rights with the help of
the Collector, they could increase their income considerably. Similar
experiments were conducted by the District Collector of Nellore,
who induced the peasants in the region to adopt joint Co-operative
farming by forming Co-operative societies.

Both Narangal and Nellore, to follow Popper, were experimen-
ted in 'piecemeal social engineering', at least in the fact that
the basic thinking was done by the elite bureaucracy. Once initiated,
it was imperative that the involvement of people in the region
should be total. Only then would they be in a position to sustain
the movement.

It is high time that we make a close scrutiny of the three
types of programmes described above. All those programmes are at
the micro-level, as those are meant for solving the problem of
poverty at the regional level. The micro programmes help amelio-
ration of poverty and these arouse the consciousness of the people
regarding the surrounding economic environment. But overall
economic development demands the linking up of all such micro-
programmes, which is an essential task before the country. There
are many ways in which macro changes initiated at the Centre can
influence social conditions at the village level. Changes in the
planning procedures, investment allocation towards the development
of a new social and economic structure, generation of employment
opportunities etc., influence the conditions of existence at the
grassroot level.
The different micro programmes which recognise absolute poverty and aim at reducing such poverty suffer from two major deficiencies. First, these programmes are based on the view that poverty can be removed by some piecemeal methods. But the roots of poverty lie in the skewed distribution of the means of production. This aspect of the problem has generally been overlooked in the micro programmes. It has to be recognised that some change in the structure of the distribution of assets is required for any success in the poverty removal programmes.

Secondly, these programmes are elitist in character in the sense that these are imposed on the rural economy by the urban elite groups or the government. The participation of the poor in these programmes is minimal. Unless the poor themselves are mobilised for the effective implementation of these programmes, one essential requirement of the success of such programmes will be lacking.