Chapter-1

Introduction

Anti-poverty Programmes have been a dominant feature of the government initiatives in the rural areas. Government states that the programmes have been reviewed and strengthened in the successive years in order to sharpen their focus on reduction of rural poverty. In India, poverty is mainly a rural problem. According to the latest report of the Planning Commission (2007), at the beginning of the new millennium, 260 million people in the country did not have income to access a consumption basket that defines the poverty line. Of these, seventy five per cent were in the rural areas\(^1\). Such a high incidence of poverty is a matter of concern, in view of the fact that poverty eradication has been one of the major objectives of the development planning process. Indeed, poverty is 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\(^2\). For more than 15 percent of the rural people, poverty is a chronic condition. Agriculture wage labourers, small and marginal farmers and casual workers engaged in non-agricultural activities constitutes the bulk of the rural poor.

This chapter delineates the basic knowledge in understanding poverty and the different dimensions in measuring rural poverty based on academic as well as policy studies in contemporary social research. Research methodology including research questions and objectives for primary understanding of this research work would also be detailed. An attempt would also be made to measure to rural poverty. Governments’ policies and contemporary academic research is used to measure the extent of rural poverty. Contemporary discourses on various facets of poverty would also be focused.

Thus, the present study would focus on the impact of Velugu\(^3\) as a rural poverty reduction strategy in the state of Andhra Pradesh, India. This is administered by the Society for

---

\(^2\) Ibid.
\(^3\) It is a Telugu word and literally means ‘light’.
Elimination of Rural Poverty (SERP) under the Andhra Pradesh District Poverty Initiative Project (APDPIDP). With the objective of reducing rural poverty, states like Andhra Pradesh, Uttar Pradesh, Karnataka and Maharashtra have begun new initiatives which are funded by World Bank. With development commitment, the Government of Andhra Pradesh envisaged in Vision 2020 policy document that poverty reduction is also one of its important goals. The project design was drawn from several on-going and completed World Bank financed projects in India like the Uttar Pradesh (UP) Sodic Lands Project, Integrated Watershed Development Project (Karnataka) and UP Rural Water Supply and Sanitation Projects and the AP Forestry Project and the UNDP assisted (give the full form of the project) (SAPAP) programme in Andhra Pradesh.

Conceptual understanding of rural poverty is essential for any systematic research. The literature on poverty related studies, discussions of poverty and measurement of poverty should rightly attract a great deal of attention and debate in this context⁴. Measurement of the extent of poverty, trends over time and the role of economic policy and development strategy in reducing poverty have been at the centre of policy debate in India for many years. And the debate on issues in poverty has been greatly discussed by academic and policy circles.

The causes, nature and eradication of poverty in India have been subjects of long debate in academic research and policy making. Even, during the pre-independence period, the main concern on the research was in relation to poverty in India. After decolonization, the instruments of policy became national and the debate shifted to address poverty within India. This process of enquiry into the conditions of poverty has influenced the government policy for reduction of poverty and inequality. Poverty reduction is a prominent objective of social and economic development in the Indian constitution also, which finds expression in plans, policy statements and programmes.

Public policies have emerged as very important phenomena in contemporary power politics. As a welfare state, India has initiated an extensive programmes related to poverty reduction since its independence. Many of these programmes have been in

---

operation for over 55 years. In spite of this, poverty continues to exist. A major chunk of the rural people is struggling with extreme poverty conditions. The problem of poverty is complex in India and rural poverty is more complex and multi dimensional. In this context, the Scheduled Castes and the Scheduled Tribes form the bulk of the poor population and within a family, the women are more vulnerable\(^5\).

Rural poverty alleviation programmes of India are envisaged with specific goals. Faster rate of economic growth and social justice, creating more employment opportunities for the ever growing surplus rural labourers, accelerating the rate of rural industrialization and agricultural development are among these. Further, developing rural infrastructure, reducing rural-urban disparities, providing opportunities for the socially disadvantaged sections (which are poverty stricken) like Scheduled Caste and Scheduled Tribes and women are the goals. The primary task of nation’s policy on rural poverty as a strategy is to eradicate poverty of about 70 % of the rural population through providing adequate facilities such as safe drinking water, clothing, housing, health care, education, sanitation, transport, communication by creating of employment opportunities.

The Government of India, soon after independence, launched the Community Development Programme (1952) to rejuvenate economic and social life in rural areas. The emphasis was on infrastructural development in rural areas.

Targeted programmes of the rural poor such as Land Reform, Panchayati Raj Institutions, Public Distribution System (PDS), Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment Programme (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Wage Employment Programme (Jawahar Rozgar Yojana), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Draught Prone Area, Minimum Needs Programme (MNP) and Employment Guarantee Scheme are some of the major programmes aimed at eradication of rural poverty. Even after the implementation of a

\(^5\) K.C. Pant, 2003, India’s Development Scenario, Next Decade and Beyond, New Delhi, Academic Foundation, p.33.
number of rural poverty alleviation programmes, still a major section of the society is in poverty conditions.

**Understanding the Concept of Rural Poverty**

The concept of poverty is central to the politics and policy makers all over the world. Especially, in the developing countries like India, China and Pakistan the concept dominates and sometimes determines the capturing of the political power. As an academic study, it is focal point to many social sciences like Politics, Public Administration, Sociology, Economics and Anthropology. A good deal of literature exposes on the issues of poverty in recent years. The earliest studies were made by Dadabhai Naoroji, Bardhan, Minhas, Ohja, Dandekar and Rath, Vaidyanathan. These studies, by and large, define poverty line as the cut-off level of annual income of the households having annual income lower than the cut off level of income are raised to be poor. According to Dandekar and Rath (1971) the unviable and unprofitable farms with little capacity for capital accumulation have been responsible for rural poverty in India. Most recently, Amartya Sen and Jean Dreze (2001) contributed the most important literature to understand the poverty.

The concept of rural poverty was first used in India by the policy makers. Lawania (1992) says that it is a process of planning and implementation of rural development programmes through an appropriate strategy to achieve the targeted goals. It connotes a strategy for bringing about improvements in the economic and social life of the rural poor who seek a livelihood in rural areas.

According to Bala Subramanian (2007), “poverty is the greatest curse on humanity and starvation is the most exasperation. A poor person does not live a wretched life, but is unable to enjoy the barest necessities of life as one is merely degraded. The population in the upper strata of the pyramid consists of the elites from industry, business, bureaucrats, and executives who have easy access to the resources, money and power. The population in the middle strata of the pyramid consists of people engaged in organized sector, trade,

---

commerce and self-employed. With their bargaining power they manage to have access to most of the resources. The population in the bottom of the pyramid consists of labour in the unorganized sector, small and marginal farmers, and agricultural labourers, under-employed and unemployed”8. The upper stratum has access to resources; the middle stratum has the bargaining power to get access and the bottom stratum has neither bargaining power nor access. The bottom strata thus suffer from poverty.

According to Amartya Sen (2001), the concept of poverty is concerned with the condition of the poor9 or is a matter of deprivation10. He also speaks of the existing approaches to the concept of poverty such as the ‘biological approach’, the ‘inequality approach’, the ‘relative deprivation and a value judgment’, a policy definition and standards and aggregation. There is also ‘the Entitlement Approach’ based on starvation and famines which concentrates on the ability in the society, including the use of production possibilities, trade opportunities, entitlements vis-à-vis the state, and other methods of acquiring food11. The biological approach is originally quoted by Seebohm Rowntree in his famous study of poverty in York12. In this approach, poverty is defined as the ‘starvation’.13 In the approach of the inequality, the concept of poverty is explained in terms of income distribution or ‘transfer of income’.14 The concept of ‘relative deprivation’ has been used in the analysis of poverty especially in sociological literature.15 The ‘relative deprivation’ illustrates the poverty as ‘an objective sense to describe situations where people possess less of some desired attribute, be it income, favourable employment conditions or power, than do others’.16 Poverty is also termed as ‘value judgement’ while taking up in to consideration of ‘commodities’ and ‘necessities’ for the support of life.17 This work is also discussed on ‘a policy definition’ which is

10. Ibid. p.22
11. Ibid, p.45. (see for full details in chapter 5 – The Entitlement Approach)
12. Ibid. p.11.
13. Ibid. p.12.
15. Ibid, p.15.
17. Ibid. p.18.
based on the measurement of poverty\textsuperscript{18}. Another concept of ‘standards and aggregation’ for understanding the poverty is also cited to discuss. The first one is to compare the extent of deprivation and second, is an exercise of identification of the poor can be based on a standard of minimum needs\textsuperscript{19}.

A Report of the International Bank for Reconstruction and Development states poverty as a situation of “pronounced deprivation in well being” and being poor as “to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by institutions of the state and society and excluded from voice and power in those institutions\textsuperscript{20}.”. Using income as a measure of poverty, the World Development Report (2000-01: 3) refers to “deep poverty amid plenty” in the world and states that a fifth of the world’s people live on less than $1 a day, and 44% of them are in South Asia. Asset-less-ness or Lack of access to resources is a unifying characteristic of poverty in all its manifestations. The poor are lack ownership of (or access to) assets such as land, water, forest, dwelling units, credit, literacy, longevity, voice and capital-both physical and social\textsuperscript{21}.

Asian Development Bank’s Report (2001) states that South Asia is home to the largest number of poor in the world, and India accounts for the largest percentage of the region’s share. The long-term performance of the Indian economy with respect to poverty reduction has been mixed, with poverty actually increasing in the first two decades after India became independent in 1947. However, there has been a sustained reduction in poverty since the 1970s. Rural poverty declined from 55.7 percent in 1974 to 37.4 percent in 1991, while urban poverty fell from almost 48 percent to 33.2 percent during the same period. Estimated poverty rates increased after the macroeconomic crisis in 1991. Using official poverty lines of the Planning Commission, Deaton (2001) says that poverty in India declined from 36.2 percent in 1993-94 to 28.8 percent in 1999-2000. The

\textsuperscript{18} Ibid, p.19.
\textsuperscript{19} Ibid, and chapter 3 – Poverty: Identification and Aggregation, P.21.
\textsuperscript{20} IBRD, 2000-2001, p.15.
actual status on poverty in India as of date is ambiguous, with considerable skepticism attached to official figures.

Social scientists explained poverty in physical and ecological terms. Robert Chambers (2000) has explained poverty in relation to basic human problems in rural areas, in terms of ‘political economy cluster’ and ‘physical economy cluster’. The ‘political economy cluster’ perceives poverty, primarily as a social phenomenon; the ‘physical ecology cluster’ understands it primarily as a physical phenomenon. In the political economy cluster, rural poverty is understood as a consequence of processes, which are concentrated on wealth and power. The local elites - landowners, merchants, money lenders, and bureaucrats - consolidate their power and wealth. Low prices for rural produce and the ability of the local elite to concentrate wealth in few hands, especially by buying land and appropriating common resources, combine with low wages keep the poor as they are or make them poorer.

Robert Chambers (2000) interpreted the views of political economists on rural poverty based on the technological intervention in rural development. For political economists, technology and commercialization play a part in these processes. Capital-intensive technology (combines harvesters, tractors, modern mills, large irrigation pumps, and so on) subsidized through aid, through an overvalued exchange rate, and through direct government support – is available to those who already command resources, credit and land. Commercialization brings with it urban products (bread, shoes, plastic goods, steel utensils, and furniture, iron frames for building, ornaments and so on) which displace rural products. Capital-intensive technology destroys the livelihoods of labourers, and commercialization supports those already resourceful and enables them to become wealthier, to buy more land, to appropriate more of a larger surplus, and to expand their trade.

---

22. Political economists like Kurien and Physical ecologists like Kanwar and Myers.
23. Robert Chambers, 2000, Rural Development: Putting the last First, p.35.
24. Ibid. p.35.
25. Ibid., p.37.
26. Ibid., p.38.
In physical ecology terms, rural poverty is interpreted more in terms of physical, visible, technical, and statistical aspects. The two most commonly cited causes of poverty are population growth and pressures on resources and the environment and under the pressure of population small farms are subdivided on inheritance and children then would turn poorer than the parents were. Labour supply exceeds demand and the wages go down. Population growth and exploitation of natural resources combine in a vicious circle. The more people there are, the more they destroy the long-term potential of fragile environments, and the poorer this makes them and their descendants 27. Physical ecologists also see the physical characteristics of poor people as explanations of their condition. Diseases, malnutrition, unhygienic conditions, poor housing, lack of amenities are follow. These are proximate causes. Physical weakness interacts with other disadvantages to perpetuate poverty. Poor people are locked into a syndrome of physical deprivation. Poverty is also explained by climate. The correlation between mean monthly temperature and poverty becomes truly astonishing 28. In brief, Chambers describes poverty as 'lack of physical necessities, assets and income'.

Aasha Kapur Mehta and Amita Shah’s (2001) work classified the poor into two sub groups - those who are poor over an extended duration or chronically poor and those who are transiently poor. The Chronic Poverty Research Centre (CPRC) at Manchester in United Kingdom tries to focus on the chronically poor segment of those who are deprived so as to draw attention to those who find it hardest to emerge from poverty. The Chronic Poverty Research Centre defines chronic poverty in terms of – severe poverty, extended duration poverty and multidimensional poverty. Severe poverty is viewed in three ways: i) those who are chronically or severely below the poverty line or with incomes that are 75% of the poverty line or less; and ii) those suffering hunger or not getting even two square meals a day as an extreme form of deprivation and iii) those who are unable to absorb the impact of shocks which can lead to extreme poverty, starvation and suicides follow.

27. Ibid., p.39.
28. Ibid.
S. Subramanian’s (2001) focuses on mass poverty as a concept of poverty in India. According to him, mass poverty can be understood as a condition in which very large numbers and a sizable proportion of the population persistently suffer from the lack of adequate food and other basic needs of personal and social consumption. Further, he states that poverty is an interlocking condition of lack of assets, under-employment, low wages and incomes, proneness to disease, illiteracy, economic vulnerability, social disadvantage, and political powerlessness.

Eradication of rural poverty in India is matter of social justice. Social justice is featured as primary objective of the Indian Constitution and Five Year Plans of India. The First Five Year Plan (1951-56) recognized that “the urge to economic and social change under present conditions comes from the fact of poverty and of inequalities in income, wealth, and opportunity. The Fifth Five Year Plan had also mentioned that under-development and inequality in incomes and wealth are the twin causes of poverty in India.

Planning Commission Document in the Ninth Five Year Plan emphasizes that the main determinants of poverty are lack of income and purchasing power, lack of productive employment and considerable underemployment and not lack of employment per se; rather a continuous increase in the price of food, especially food grains which accounted for 70-80 per cent of the consumption basket; and inadequacy of social infrastructure, affecting the quality of life of the people and their employability.

Poverty is generally defined as the inability to secure a minimal level of economic welfare. Explaining the difference between rural and urban poverty, Kapur and other point out that rural poverty can be associated with isolation, lack of roads, poor infrastructure and limited institutional presence while urban poverty associated with poor quality of housing, over crowded and unsanitary slum settlements, ill-health related to

---

30. Ibid., p.20.
32. Navin Chandra Joshi, 1980, Indian Rural Economy, New Delhi, A young Asia Publications, p.121.
spread of communicable diseases, the threat of exposure to environmental hazards and fear of eviction from illegal squatter settlements in precarious locations.\textsuperscript{34}

The World Bank is the largest single provider of loans for eradication of rural poverty. The Bank’s revised rural strategy focuses on improving the well-being of rural people and reducing rural poverty in the widest possible sense. Accordingly, the World Bank’s vision for the developing rural world is as follows: (a) rural people have to enjoy the standard of living, (b) rural community needs to get equal economic opportunities irrespective of status, gender, or ethnicity, (c) rural communities become vibrant, sustainable and attractive places to live and work, (d) rural areas have to adopt an ongoing economic, social, cultural, environmental and technological change.\textsuperscript{35}

The World Bank’s (2003) Country Study refers to the wide disparity in poverty across Indian states and their uneven progress in poverty reduction and points out that in most instances, better off states remain relatively affluent and reduced poverty; while poorer states remained poor and made less progress in poverty reduction. It notes that there are also cases where poorer states made major progress in poverty reduction and growth. For instance, Kerala’s rural poverty declined at 2.4 per cent per annum between the early 1970s and early 1990s. However, some states like West Bengal, Andhra Pradesh, Orissa and Gujarat and Tamilnadu maintained poor performance in reducing poverty.\textsuperscript{36}

Ahluwalia opines that India’s achievements in reducing poverty at national level during the period 1956-2000 have been significant. To him, trends in poverty reveal two distinct periods. The first period shows the years from the beginning of planning to the mid 1970s. This period was characterized by wide, year to year, variations without significant trend. In this phase large proportions of the population remained below the poverty line. The rural poor, who are accounted for 3/4 to fourth of the country’s poor, had increased in number from 182 million in 1956-57 to 261 million in 1973-74. There was substantial increase in the poverty ratio in the drought years of 1965-66 and 1966-67. The percentage


\textsuperscript{36} IBRD Report, 2000.
of rural population living in poverty rose from 47 per cent in the preceding year to 56 per cent in the drought years and the absolute number increased by 34 million. Agricultural wages and food price inflation were found to be the major factors underlying the variations in the percentage of rural poverty. Even then, the results achieved are worth noting. In terms of percentage, rural poverty has reduced from 56.44% of the country's population in 1973-74 to 37.27% in 1993-94. However, the cause of concern is that the estimated number of the rural poor is still about 244 million which has led to further review and restructuring of the anti-poverty Programmes.

Ahluwalia further notes that in the second distinct phase, of the last quarter of 20\textsuperscript{th} century, during which period the country achieved substantial reduction in incidence of poverty, people living in poor conditions declined from a half to one fourth of population. Poverty level was lower in 1987-88, a year of draught, compared to the previous year of draught i.e., 1983. This is attributed to poverty alleviation programmes like Food for Work, Integrated Rural Development Programme (IRDP), and National Rural Employment Guarantee Programme (NREGP) and so on. In the second phase poverty increased during the early years of the 1990s and witnessed substantial decline in the later years, i.e., 1999-2000 and 2000-01.

According to Press Information Bureau, Government of India, poverty estimates for 1999-2000, almost half of India’s poor and one third of India’s population is concentrated in the three states of Uttar Pradesh (then including Uttaranchal), Bihar (then including Jharkand) and Madhya Pradesh (then including Chhatisgarh). The exact estimates are 48 per cent of India’s poor and 35.6 per cent of India’s population are in the above states. While every state has its own reasons for success or failure in poverty reduction, it is postulated that “higher growth rates in agricultural output per capita, lower rates inflation

\footnote{Ahluwalia, Montek S., 1978, Rural Poverty and Agricultural Performance in India’, Journal of Development Studies, 14 April, pp.298-323 in Radhakrishna, R. Shovan Ray (ed),}
and higher growth in state development expenditure et al led to higher rates of poor in both raising average consumption and reducing absolute poverty$^{38}$.

It is argued in the World Bank’s World Development Report 2000-2001, the goal of poverty eradication involves focusing on more than only income-poverty. It is clear that the latter remains an important dimension of an overall poverty alleviation strategy. There has been much controversial debate around the poverty estimates recently released by Government of India based on the most recent 55th round NSS Consumer Expenditure Survey in India.

A survey carried out by the National Council for Applied Economic Research (NCAER) along with the International Development Research Centre (IDRC) of Canada drew similar conclusions. Another study by the International Food Policy Research Institute (IFPRI) notes that while overall economic growth has been impressive since the start of reforms in the early 1990s, this has not had a positive impact on rural poverty. Most analysts attribute the failure to reduce rural poverty to declining public investment in agriculture, which provides a livelihood to 70% of Indians.

The Planning Commission has released the poverty estimates for 2004-05 based on the 61 round consumer expenditure survey of the National Sample Survey (NSS). It is noted that incidence of poverty is 28.3 per cent. The measurement of the survey is based on the headcount ratio. During 2004-05, poverty has declined by only 0.8 per cent per annum over this period. The incidence of poverty has declined since the mid-1990s, but the rate of poverty reduction has slowed down in this period, which has also been the period of reform and higher GDP growth$^{39}$.

The removal of poverty and raising the standards of living of the masses has been one of the main objectives of nation's successive five year plans. In the fifth Five Year Plan, the word poverty was specially introduced and also ‘removal of poverty and attainment of

---


economic self-reliance\textsuperscript{40} was specifically stated as one of the two basic objectives of the five year plans. In fact, in a developing economy and, more so, in a welfare state like ours poverty eradication programme must be central to the plan objectives\textsuperscript{41}.

So far, the nation’s planned economy executed more than 80 welfare programmes of rural development, beginning with the community development programmes in 1952. Rural development has been important foci of government policies. The constant effort of the government has begun to develop the rural area where the majority of the population lives, but the pace of development has been very slow. Still many people are below the poverty line and out of these; 323 millions are in the rural areas.

As regards to the scenario of poverty among SCs and STs, these communities constitute about 25 per cent of the total rural population. But, both SCs and STs comprise more than 42 per cent of the poor compared to the other sections of the society\textsuperscript{42}. This disparity has prompted a series of affirmative action intervention in favour of SCs and STs. Within the households; women are significantly more disadvantaged than men.

It is also observed in existing literature on rural poverty that the rural poor consists of agricultural laboures, small and marginal farmers (possessing small land holdings with low productivity) and casual workers engaged in non-agricultural activities. These are all also considered for causes of poverty among households dependent on land-based activities for their livelihood. Poor educational base and lack of other vocational skills also perpetuate poverty. The existence of poverty has to be decided on two bases – quality and quantity. It is not the quantity of intake only that should be the measuring stick. The food values which include nutritional value has to be examined whether a family is poor or not poor. A poor family used to be defined as one without sustainable livelihood, purchasing capacity to meet the basic needs relating to food shelter,

\textsuperscript{41} Quoted in V.S. Singh,
education, clothing and housing conditions and one and as one without psychological security. Physical and psychological insecurities are closely related.

**Poverty in Andhra Pradesh**

The Government of Andhra Pradesh has been giving much importance to the reduction of poverty in the state since the formation of the state in 1956. The Government of India has focused on welfare of the people. A recent report produced by the Rural Poverty Reduction Task Force of Andhra Pradesh has made an important contribution to understanding of the multiple dimensions of rural poverty in Andhra Pradesh and to the options and constraints that outline policy aimed at poverty reduction43.

The revised poverty lines suggested, by the 55 round NSS Consumer Expenditure Survey, that AP is much less of an outlier with regards to its neighbours in two important respects -- i.e. -- i) the cost of reaching a minimum standard of living is now only slightly lower in AP than in Tamil Nadu, Karnataka or Kerala, and is now very close to the All-India average; and ii) the cost of living in urban AP relative to rural areas, while still higher, is now much less markedly so – the rural-urban price differential represented by these poverty lines is on the order of about 15%, compared to more than 70% implied by the official poverty lines (not clear to me). This revised rural-urban price differential is now also much closer to that observed in neighbouring states.

In the period leading up to the 1993-94 NSS survey, official Expert-Group estimates as well as estimates presented by Deaton and Tarozzi (2001) suggest that poverty declined at roughly the same rate in AP as across India as a whole. Based on the Expert-Group poverty lines, national level incidence of poverty in India fell from around 40 per cent in 1987-88 to 36 per cent in 1993-94, while the corresponding decline in Andhra Pradesh was from about 25 per cent to 22 per cent respectively. However, the pace of poverty

---

reduction in the state may have slowed down somewhat compared to the rest of the country\(^44\).

There is a controversy regarding the poverty ratios of Andhra Pradesh. The official estimates for rural poverty have been much lower than those of alternative estimates made by independent researchers. The alternative estimates show that the poverty ratios in A.P. were closer to the all India pattern i.e. 26 per cent in the rural areas and 12 per cent in the urban areas (Deaton, 2000 & 2001; Deaton and Dreze, 2002). The very low level of official rural poverty ratios in A.P. were due to its base year poverty line in 1973-74 being the lowest among all the major states in India.

**Poverty and Caste**

As regards caste and poverty in the Indian context, the Scheduled Caste and Scheduled Tribes, with exception, constitute the most affected population in respect of social, economic and political alienation. Hence removal of alienating gap is very much essential for social justice and just living. It suggests mobility in social and economic life. It expresses concern for the common man, for the poorest of the poor, those who suffered for centuries and have borne silently the brunt of social economic exploitation”\(^45\). Socio-economic development of the backward communities such as Scheduled Castes and Scheduled Tribes has been considered to be an important issue by government and other public bodies both at the centre and the states.

The Department of Rural Development published the Rural Household Centered Strategy Paper in the year 2008. This paper explains the poverty in terms of deprivation like inadequate resources/ assets/ capital required for a minimum living / livelihood; lack of


access to skill development, education, and health and other facilities/amenities\textsuperscript{46}. The publication also revealed that the marginal farmers, landless labourers and casual worker households are the worst sufferers of these deprivations. Even within the category of the poor, Scheduled Castes, Scheduled Tribes, woman-headed households, the elderly and female children are the worst affected\textsuperscript{47}. It is beyond doubt proved that there is strong relation between the poverty and caste.

India has implemented many developmental policies for the eradication of rural poverty with special focus on development of SCs and STs. Generally, welfare has been assessed in terms of one’s income and command over other material resources. Accordingly, the term development was understood in the limited perspective of economic growth as measured by Gross Domestic Product (GDP)\textsuperscript{48}.

Economic growth and development have often led to widening of disparities even in income. The current measurements included social status along with income and material wealth in rural areas to substantiate the measurement of poverty incidence. This argument was also supported by National Sample Survey of 50th (1993-94) and 55th (1999-2000) Round Consumer Expenditure Surveys that social and economic backwardness from their perpetual habitation in geographically isolated areas with difficult terrain and from practicing cultivation. Lack of exposure to education and isolation from the mainstream society made the SCs and STs vulnerable to exploitation of communities with social and economic backwardness.

In Andhra Pradesh, there is sizeable population of Scheduled Castes and Scheduled Tribes. According to 2001 census, the total population of the state is 76,210,007. Of this, 12,339,496 (16.2 per cent) are Scheduled Castes (SCs). The SC population constitutes 7.4 per cent of the country’s SC population. Of the total, 5,024,104 (6.6 per cent) are


\textsuperscript{47} . Ibid.

Scheduled Tribes (STs). The ST population constitutes 6 per cent of the country’s ST population. The Scheduled Castes population according to 1991 census is 105.29 lakhs constituting 15.93% and the Scheduled Tribes population is 41.99 lakhs constituting 6.31%. While Scheduled Castes population is distributed throughout the State, the Scheduled Tribe population is concentrated in the hilly and forest areas of Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Khammam, Warangal and Adilabad districts and Nallamala forests. Especially, SCs and STs being most vulnerable to poverty have been identified by mainstream academics and policy makers because about one-fourth of the population in Andhra Pradesh belongs to Scheduled Castes and Tribes whose average standard of living was considerably below the rest of the population. Mean per capita consumption of the SC/ST population in Andhra Pradesh (1993-94) was less than three-fourths that of the non-SC/ST population. Similarly, closer examination of the distribution of assets such as education, landholding, etc. also reveals them to be skewed against this particular group. For example, in rural areas per capita landholdings amongst SC/ST households was about half that of the non-SC/ST population (0.12 hectares per person vs. 0.22 hectares per person)49.

According to the 55th (1999-2000) NSS Survey, Scheduled Castes and Scheduled Tribes comprise 20.43 percent and 10.47 percent respectively of India’s population, yet about 37.84 per cent of India’s rural poor are concentrated by these two social groups. Poverty rates among Scheduled Caste and Tribe households are significantly higher than the rest of the population - in this survey. The proportion of SCs and STs households below the poverty line were 27.10 and 17.41 per cent respectively, as compared to a poverty rate of 55.49 per cent for other households.

The studies in poverty estimation by different scholars revealed that the official estimation is highly differed from the other independent research measurements. The criticism raised against the official estimation is that policies are made based on the official poverty data which are far distant from ground realities. Moreover, Government of India’s high profile policy making institution i.e. Planning Commission is also encouraging official estimations, however, these all are myths rather realities. There is a

need to revise the standards of the poverty measurement formulas and unification; also need to follow the measuring of poverty status to root out the poverty conditions. One of the major tasks in eradication of rural poverty is to reduce the gap in poverty ratios between Scheduled Castes and Tribes and the non-Scheduled caste groups.

**Poverty Status in Adilabad District**

The district is dominated with the population of SCs and STs, 4.61 lakhs and 4.16 lakhs constituting 18.5 cent and 16.7 per cent of total population respectively, as per the 2001 census\(^50\). Among the Scheduled Tribes, still some of tribes are living in the forests (*Gond & Kolam*). They are mostly dependent on the forests for their livelihoods. The non-timber forest produces (NTFP) like honey, gum, leaves etc. are collected from the forest by these tribes and sold to the middlemen at a lower rate through barter system. Even, the district has rich natural resources like water, cultivable and fertile lands, due to lack of knowledge and bad practices, the tribes are unable to utilize these resources properly.

The district is backward in terms of percentage of households having access to basic services like drinking water, healthcare, housing and infrastructure when compared to India's average. The district shows the highest incidence of child labour of which the majority of the children hail from the rural areas which in turn is attributing to the poverty and low incomes of the rural households. The district is declared as one of the educationally and socially backward one in the State.

Recently, the Centre for Economic and Social Sciences (CESS) and Society for Elimination of Rural Poverty (SERP) conducted a combined study on actual poverty status in the state of Andhra Pradesh. The study is calculated based on food consumption in the state\(^51\). According to the survey of CESS and SERP, the district of Adilabad is positioned at the first place with 78.4 per cent in the list of poverty stricken districts in Andhra Pradesh. Even the district is given first preference to implement all


developmental programmes, though it is far from achieving the total alleviation of poverty.

Even after a number of rural development schemes and programmes being implemented from time to time as measures to attack rural poverty the district is lagging behind in alleviating poverty. However, it was realized that these programmes could not deliver the desired results and suffered from a number of defects\(^{52}\). There is also evidence to the fact that the poverty has declined due to the target oriented Poverty Alleviation Programmes in the late 1980s, despite deceleration in agriculture growth (Parthasarathy, 1995; Kannan, 1995). On the other hand, there is an argument that an exclusive focus on poverty eradication programmes in the absence of good macro-economic policies resulting in sustained growth is likely to have short-lived success at best (UNDP, 1999). Hence, it is felt that the poverty alleviation programmes should contribute for economic growth (Rao, 1992). The deficiencies in the existing policies have resulted in the more focused research by academic and policy researches.

**Review of Literature**

Date and analysis are essential for assessment of socio-economic and political realities. An extensive body of data, analysis, and debate is available on issues related to rural poverty, a field in which Indian academics have been particularly active\(^{53}\). Rural Development and policy implementation as academic discipline has been studied by mainstream academicians, particularly those from the disciplines of economics and politics. Most of the studies point out the weaknesses such as inappropriateness in the policy-making and implementation are major problems in alleviating rural poverty. The following discussion would focus on examining two types of studies 1) studies on poverty alleviation programmes in India with special focus on Andhra Pradesh and 2) studies on politics and policies of governance.

---

I. Studies on Poverty Alleviation Programmes in India

India claims to have pursued a reformist path towards social justice under continued conditions of parliamentary democracy, a federal polity, and a mixed system comprising elements of public ownership and private enterprise in economic activity. Indian government has also stated from time to time that since independence, political leadership has shown remarkable resilience, stability, and continuity. These features have not been common in most developing countries, thus the Indian experience of developmental policies, especially welfare policies, is exceptional.

The Government of Andhra Pradesh has adopted a multi-fold strategy to eradicate multi-dimensional poverty. Along with economic growth, there is need for direct state intervention for poverty alleviation. Mahendra Dev and Padmanabha Rao’s (2003) study on “Poverty Alleviation Programmes in Andhra Pradesh – An Assessment” attempted to evaluate both the central and state level programmes of poverty alleviation. Programmes like Integrated Rural Development Programme (IRDP), Swarnajayanthi Grameen Swarojgar Yojana (SGSY), Training for Rural Youth in Self Employment (TRYSEM), Jawahar Rojgar Yojana (JRY), Integrated Child Development Service (ICDS), Food and Nutritional Programme (FNP), Minimum Needs Programme (MNP), Social Security Schemes and Natural Resources Management, Watershed Development and Community Forest Management have been initiated. The Government of Andhra Pradesh has also initiated its own programmes for empowerment of poor people such as Janmabhumi, Adarana, Girl Child Protection, Roshini, Koti Varaalu, Free Power Scheme, Deepam, Velugu and Indira Kranthi Patham. The programmes of poverty alleviation are examined in terms of coverage, leakages and impact on beneficiaries and non beneficiaries along with perceptions of stakeholders. The details of these programmes would be given in the next chapter.

The study attempted to examine the planning and implementation, impact of socio-economic status of the beneficiaries in the state of Andhra Pradesh. An evaluation of the impact of anti-poverty programmes has been done at two levels viz; macro level and

---

54 Ibid, p.15.
micro level. Coverage of poor under different programmes has been assessed at the state level in the macro level evaluations. At the micro level, the issues taken for evaluation include retention of assets in case of self employment programmes (IRDP and DWCRA), participation in wage employment programmes (JRY) and coverage under Indira Awas Yozana, benefits flown from the assets in terms of income, employment and reduction in the deprivation of houseless; infrastructure development at the village level through JRY and the problems faced by the beneficiaries in obtaining the assets as well as maintaining the benefits. The study also focused on the indirect beneficiaries in terms of their empowerment through their participation in state promoted community based organizations.

The study also essayed the loopholes in selection of beneficiaries, up gradation of skills, financial assistance and lack of social infrastructure at grass root level. Involvement of grass root politics in functions and activities of poverty alleviation programmes are also touched. Moreover, the study has captured some of the ground realities of working of the programmes. It is found that “the decisions are imposed on them in the village meetings and they are forced to accept the scheme by the middle men/ sarpanch as they are not aware of these implementation modalities”.

A study on the impact assessment of wage employment programmes (JRY/EAS) in Andhra Pradesh was carried on by Mohanam. The aim of this study was to evaluate the impact of centrally sponsored wage employment programmes in terms of employment and income generation, creation of asset in selected regions in Andhra Pradesh. The study has also focused on caste based beneficiaries and it is revealed that the households of Scheduled Castes are benefited more than other castes. The scheme was recognized as the main source of income of house holds in the study area.

The above research has also raised some of the institutional hurdles such as lack of coordination between officials and non-officials and neglecting the local level institutions

56. Ibid,
like Panchayati Raj institutions and self-help groups in intervening development process. The study revealed that the programme of Employment Assurance Scheme also failed to develop community based assets, which needs to be given priority.

The Planning Commission’s evaluation study on Anti-poverty Programmes in Uttar Pradesh\textsuperscript{58} focused on the credit cum- subsidy based self-employment programmes, housing programmes, land distribution programmes and pension schemes for the old, the disabled and widows. According to the study, most of the rural poor have not been covered till date under any of the programmes. About 70 percent households in the lowest two quintiles in terms of per capita consumption had not received any coverage. On the other hand, a sizeable proportion of those who have received coverage are not poor. The self-employment programmes were the least well targeted. But in each case, a fairly large proportion of households covered were non-poor by any criterion.

The above study also found that the main problem is that from the limited funds available, any thing from a quarter to half or more than half of the funds were not spent on meeting either of the two main objectives and are ‘leaked’. This leads to compromises in both the quality of public works and the employment created. On the whole, the impact on employment and wages was naturally much less than what would have been the case if funds had been well spent.

The above study has also noted that in the case of the housing programmes, the Indira Awaas Yojana dominates the phalanx of housing schemes and was the only one observed in the study villages. Although the programme was found to be reasonably well targeted among the SC/STs, by the income criteria, about 20 percent of the beneficiaries were ineligible. Under the Land Distribution programme, the problems of the programmes are that the land allotted was generally of poor quality and marginal government financial assistance was received in only 7.5 percent of the cases. The problems of Pension Schemes in this study are, according to field observations, lack of regularity and financial

resources are not available in the programmes to cover all the eligible beneficiaries which compound some of the above problems.

The study also focused on the functioning and the Role of the Panchayati Raj Institutions (PRIs) and the Development Bureaucracy. The democratic functioning of the PRIs, which is the fulcrum of their activity, is still quite weak in most of the study villages, although there are some variations from one panchayat to the other. In some of the study villages an initial list of beneficiaries was prepared in Grama Sabha meetings. In all other cases, lists were prepared by the Pradhan (president) and in almost all the study villages, the Pradhan, the village-level government functionaries and other bureaucrats, and various other middlemen were the ultimate arbiters of who the beneficiaries would be59.

Venkatadri’s (1998) study on “Income Generation Process in Dairy Scheme under IRDP” has attempted to understand income generation process in dairy scheme under Integrated Rural Development Programme. It was one of the major self employment programmes for poverty alleviation in India. It was operational till the end of March 1996. For the purpose of evaluation, the study selected the district of Ranga Reddy (Andhra Pradesh) for the field observations. According to the field level study, the impact of the programme in terms of production, consumption, and income and employment generation is far from satisfactory. In actual practice, milk production was two to three (2-3) litres per day as against the projected level of six to eight (6-8) litres for buffaloes and cows, respectively60. The study also pointed out that the incentives for feed and fodder were not appropriate and financial assistance was inadequate. It essayed the need for adoption of technologies in the process of income and employment generations under the milk animal scheme of IRDP.

Galab and Chandra Sekhara Rao’s (2003) work, on ‘Women’s Self-Help Groups, Poverty Alleviation and Empowerment’ focused on SHGs and their impact on lives of rural women in the limelight of the government of Andhra Pradesh, has provided considerable space for women’s Self-Help Groups (SHGs) for empowerment as a strategy of poverty

59 . Ibid.
alleviation. Mainly, the work is based on the promotion of women’s groups under Development of Women and Children in Rural Areas (DWCRA) programme and adoption of the model of South Asia Poverty Alleviation Programme (SAPAP) with suitable improvements to develop and implement Andhra Pradesh District Poverty Initiatives Project (APDPIP) and the Andhra Pradesh Rural Poverty Reduction Project (APRPRP) stand as a testimony to this. The contribution of these groups, is reported to have spread in the length and breadth of the state, to poverty alleviation and women empowerment needs critical examination. But, the APDPIP and the APRPRP spread in the most backward mandals of the state are not amenable for assessment as they are still under implementation.

The above study found some of the important changes in the lives of rural women through the SHGs movement. Women have improved access and/or control over power to survive, their labour/family, labour resources, freedom to move and interact, leadership positions, reproduction and body. Moreover, highest achievements are made with respect to their mobility, breaking of gender decision of productive labour, access to their own savings, access to friendship out side their family and access to leadership positions in gram panchayat. The study also revealed that a considerable proportion of the poorest of the poor are not included at all in the process of poverty alleviation under the DWACRA and SAPAP models. According to this study, some of the poor are not taking loans from the SHGs with the apprehension that they may not be able to repay the loan. Moreover, most of the poor have failed to capture newly emerging livelihood opportunities, especially SCs and women headed families. For instance, the recent initiatives of the Government of Andhra Pradesh in the form of DWCRA bazaars and linking SHGs with the corporate sector to capture the non-local markets, besides local markets, are not adequate to absorb the products emanated as a result of widening the skill base of the poor.

---

63. Ibid, p.1282.
64. Ibid, p.1282.
65. Ibid,
Tripathi, Mumthaz, Srivastava, Thyapilal, D.C. Reddy and Pradhan’s (1985) study on ‘IRDP in South India-An Evaluation, sponsored by the Department of Rural Development of the then Ministry of Agriculture and Rural Development (GOI) has come out with interesting findings with the focus on four states i.e. Andhra Pradesh, Tamil Nadu, Karnataka and Kerala. It is found that the programme introduced in selected blocks in 1978-79 and universalized from 2 October 1980 has provided assistance to rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods and the base year of evaluation of this study was taken in 1980-81.

Assessment of the effectiveness of the organizational arrangements at DRDA and block levels and the coordination between these two bodies on the one hand and other sectoral departments on the other for planning and implementation of the IRDP has also been one of the objectives of the study. Management of financial resources, role of financial institutions and their coordination with government organizations involved in the IRDP with relation to benefits of the selected respondents and the overall impact of the programme on the socio-economic conditions are assessed. Organizational aspects of the programme were found to be not proper. Organizational arrangements of DRDA and blocks, organizational set up and coordination with sectoral departments and block organizations, role of programme officials and role of financial institutions and functioning of PRIs is found to be near nil. The participation of PRIs is nil. Moreover, no specific role has been envisaged for these institutions in the IRDP except a corroborative role in the identification of beneficiaries through grama sabha and in some of the states, these institutions either do not exist or are defunct for many years.

In states like Andhra Pradesh and Kerala where these institutions are functioning, it is found that they have been associated with the IRDP particularly in the identification of beneficiaries and also in the credit camps. The study found some of the negative issues based on field observation that lack of arrangements affected the programme implementation in a variety of ways. The entire implementation of the schedule, as planned, got thwarted, it is noted.
In the matter of social impact, the above study’s results indicated that there was an improvement in the standard of living, in terms of increase in food consumption, better clothing, better medical facilities, education of the children, acquisition of additional economic assets and social status. Even ten, beneficiaries as well as non beneficiaries, have pinpointed certain lacunae in the programme which had reduced its impact. The major draw back, as identified by the field level study, was that the programme did not benefit all the rural poor66.

Biradari’s study on the performance of Sampoorna Grameen Rozgar Yozana in India attempted to examine the achievements of the SGSY across the states based on secondary data collected from the Annual Reports of Ministry of Rural Development of Government of India. The data has been collected in the terms availability and utilization of funds and men days of employment generated across social groups for the years 2001-02 and 2002-03. The data were collected for 16 major states67. The study revealed that the overall performance of the previous wage employment programmes were not satisfactory. The total availability and utilization of the funds under the SGSY have come down in 2002-03 over 2001-02. A large segment of funds remained unutilized. A disquieting trend is that the total funds were made available under the programme to create man days of employment for the rural poor were not fully utilized. The main objective of the programme is to generate 100 crores of man days of employment every year is still remained far off to achieve68. It is also found that the SCs are more benefitted from the programme than the STs who are in fact more likely to experience a greater incidence of poverty69. Thus, this work highlighted the emerging issues and challenges in the context of employment assurance for rural poor.

68. Ibid, p. 240.
II. Studies on Politics and Policies of Governance for Poverty Alleviation

Successive governments in India have initiated a number of programmes to make the development process sustainable and prop-poor, yet to achieve more in poverty reduction strategies. The following discussion gives details of the impact of these programmes on alleviating poverty.

CH. Bala Ramulu’s (2003) study on “Developmental Policies and Governance in India: From 1947 to 2003” highlighted several factors which have affected, collectively and severely, the policy formation, implementation and governance of policies in India. These include socio-economic and historical context; greater regional disparities; widening of the income across the castes and classes; rural unrest and mass movements; technological innovations; judicial intervention; Indian industrial/business houses; pressure groups like contractors, merchant organizations; Non Governmental Organizations’s (NGOs); international organizations like World Bank, International Monetary Fund (IMF), Department of Fund for International Development (DFID), World Trade Organization (WTO) and World Health Organization (WHO); market economy intervention; MNC’s; corporate sector; political parties and their personnel ends; general elections; threat to other power structures of ruling classes and others.

The above study reveals that the development policies are not formulated based on the ground realities and not aimed at fulfilling human needs for the present and future generations. It is noted that there is an inherent contradiction in our approach to development. But, the Indian society continues to be a feudal system where as people continue to desire to establish socialistic pattern of society. But the rulers adopt the capitalist path of society. These are all contradictory to each other. Thus, the main objectives of developmental policies such as providing basic human needs and sustainable development have become distinct dream of the people, particularly of the poor.

---

71 Ibid,
R. Radhakrishna and Shavon Ray focused on perspectives of poverty and policies and programmes to examine poverty as policy study. It covered wide ranging areas from income, poverty and human development to the basic causes and socio-economic strategies for poverty eradication in political economy settings. The work provided an account of the incidence trends and determinants of poverty in India and reviews the situation in the last decade of the 20th century with respect to the post reform period. The impact of poverty alleviation, importance of institutional intervention with relation to provide basic amenities, food security and employment security and credit programmes for rural areas have been assessed and trends in public expenditure on social and poverty reduction programmes have been identified. The relevant budgetary expenditures at the central and state levels can be broadly categorized into two parts: first, the social and economic expenditures which have the broader objective of expanding social opportunities and improving the social indicators of education, health, and nutritional standards of the population; and second, those expenditure programmes that directly target alleviation of poverty. Most of the allotted expenditure is on salaries and less importance has been given to target oriented programmes and suggested that there is an obvious need for a better utilization of the allotted money. To substantiate this argument, it is reviewed at the mid-term approval of the Ninth Five Year Plan.

H.D. Dwarakanath opines that Rural Development has become an uphill task mainly because of the absence of a strong development administration, at the micro-level, and presence of an unfavourable power structure. The ineffective new government programmes for the rural poor is due to its centralized macro perspective. He again pointed out that the objectives of rural development are not very clear. Because the rural society is so complex and varied that it is impossible to implement centrally designed welfare schemes in all the villages ignoring their micro-variations.

72. Ibid, p.89.
73. Ibid, p.102.
75. Ibid, p.453.
Dwarakanath further says that it has been the experience of five and half decades of planning in India under the bureaucratic influence without knowing the actual problems of rural people. It is observed that the scale of rural poverty is still large to be socially or politically acceptable. Focusing on the importance of human resources and agriculture, Dwarakanath says that no country can succeed in making real progress unless it first develops its human resources and agriculture. U.S.A., China, Japan, Vietnam, Korea and other European countries first developed their human resources on agriculture much before expanding industrial technology\(^{76}\). But in India, these elements have been ignored by policy makers and programme implementation professionals.

Sarkar’s study tries to find out the impact of feudal classes on rural development in making policies for eradication of poverty in rural areas. Poverty, inequality of income and unemployment has become so pervasive in rural areas that without a qualitative improvement of the majority of the rural people the objectives of national development are difficult to realize\(^{77}\). In the process of achieving such objectives, state and machinery of programme implementation are facing stupendous problems from the social and political feudal forces from rural society. The nature of the state and the class structure are also identified as critical variables in analyzing the process of rural development. It is evident that the rural capitalist class, being economically dominant, accumulates political strength and makes the villagers act in favour of the former\(^{78}\). The state depends upon these dominants for establishing support for social and political control in the country.

It has also been argued by Sarkar that the new technology and commercial strategy initiated by the state has powerful impacts on the socio-economic and political process of the rural society\(^{79}\). While these constitute important sources of rural change, the implementations of the welfare and developmental programmes have certain societal and institutional constraints. Due to these reasons, efficient and ideologically committed bureaucracy is needed and expected to implement the programmes. A symbiotic relationship or corrupt nexus between local bureaucrats and rural elite is also observable,

\(^{76}\) H.D.Dwarakanath, 1995, p.453.
\(^{78}\) Ibid.
\(^{79}\) Ibid. p.463.
resulting in the misappropriation of public resources\textsuperscript{80}. It is evident from the available literature that the poor are treated as ‘objects’ rather than ‘subjects’ of development. (Hirsh, P. 1989).

Sethy’s article is an attempt to analyze the issues in the context of decentralized multi-level planning and development. To him, even today, implementation of development programmes of the rural poor continues without even consulting the local people for whom those are intended. Moreover proper planning and effective control over execution of activities is also lacking in most of the programmes in India. To substantiate his argument, he had cited the report of Comptroller and Auditor General’s statement in implementation of poverty alleviation programmes in different states. He would also argue that contractors/ middlemen have executed works under the Employment Assurance Scheme in Andhra Pradesh, Assam, Himachal Pradesh, Meghalaya, Pondicherry, Punjab, Orissa, Rajasthan, Sikkim, Karnataka, Maharashtra, West Bengal, Kerala, Haryana, Jammu & Kashmir, Tamilnadu, Madhya Pradesh and Uttar Pradesh\textsuperscript{81}. It is evident from the available literature that the poor are treated as ‘objects’ rather than ‘subjects’ of development. (Hirsh, P. 1989).

Dr. Bhatt’s article examines the problems of the Integrated Rural Development Programmes in implementation at field level. According to his study, the beneficiaries were not selected on the basis of the guidelines issued by the Department of Rural Development. The rural power structure, the exploitation of one class by another, the sectional politics and the value system of the rural society are also affecting the selection of the I.R.D.P beneficiaries\textsuperscript{82}. It also found some other institutional problems such as the inadequacy of loans and lack of infrastructure to selected groups. Adequate arrangements for providing infrastructural support in terms of health care and marketing arrangements were neglected by the machinery of implementation. Lack of coordination between bureaucracy and rural people was another institutional problem explored by this study.

\textsuperscript{80} Ibid. p.465.
\textsuperscript{81} Sitakanta Sethy, 2004, People’s Participation in Decentralized Multilevel Planning and Development, p.54.
It is noted in the above study that any programme for enlistment of rural poor requires coordination of actions by all those entrusted with the task. Coordination is still more necessary for the effective and successful implementation of the Integrated Rural Development Programme because it is a multi-dimensional, multi-sectoral and multi-level effort. To substantiate his study, he had reviewed four important evaluation studies of the I.R.D.P with all India coverage - The Evaluation Organization of the Planning Commission, the study of the I.R.D.P by the National Bank for Agricultural Rural Development (NABARD) and the Economic Assessment of Poverty Eradication and Rural Unemployment Alleviation Programmes and their prospects by the Institute for Financial Management and Research. All these studies reveal that IRDP suffers from lack of conceptual clarity and lack of developmental attitude in the administrative machinery.\(^{83}\)

Rajiv Theodre explained the importance of planned economy in developing rural India in his paper on Rural Development. He pointed out that the strategy of rural development programmes has to be changed. The study also focused on people’s participation along with local level institutions such as Panchayat Raj Institutions and self-help groups in developing rural areas. Developing village infrastructure such as roads and electricity, sanitation is inevitable for rural development. It emphasized that areas with poor infrastructure are those that reflect poor socio-economic indices.\(^{84}\)

Shahnaz Khan and Md. Asaduzzaman’s study focused on the importance of people’s participation in the process of rural development. People’s participation integrates people’s experiences, knowledge and commitment with the development process which leads the process towards effectiveness, maximizing its momentum. Philosophically, on the other hand, participation is necessary for upholding democratic values and practices in the modern polity which, in turn, creates an objective situation for the permanence of sustainable development.\(^{85}\)

\(^{83}\) Ibid, p.36.

\(^{84}\) Rajiv Theodre, 1994, Rural Development, p.32.

The study found some of institutional constraints such as internal and external constraints. Internal constraints include lack of adequate degree of managerial ability and lack of skills. The above factors are influencing the poor, not in position to establish organizations of their own to promote development. This severely limits the emergence of the people’s participation in the process of rural development. Constraints are inherent in the body of politics and the bureaucratic machinery. Bureaucrats believe that they alone have answers to all the problems of poor and that they are the only source of information. However, to be effective any programme implementation in rural areas requires that there be a sense of coordination between the administrators and the people. In order to reduce the chain of intermediaries between the government and the actual beneficiaries and to improve their bargaining power, poor should participate in the planning and implementation of anti-poverty programmes, the author suggest.

The study on “Women’s Self Help Groups, Poverty Alleviation and Empowerment” examines the working of SHG’s and their impact of lives of rural women. Here, it addresses the basic characteristics of women based group models of poverty alleviation and women empowerment that are being implemented in Andhra Pradesh. It also concentrated on explaining the different models of SHG’s such as Community Development Foundation, South Asia Poverty Alleviation Programme (SAPAP) model and DWACRA model. The work has found that the women were empowered in terms of economical, political and social aspects through the self help movement in the state of Andhra Pradesh. The study highlighted the all round improvement of women in rural areas. Moreover, highest achievements are made with respect to their mobility, breaking of gender division of productive labour, access to their own savings, access to friendship outside their family and access to leadership positions in gram panchayat.\(^\text{86}\) It is also revealed that a considerable proportion of the poorest of the poor are not included at all in the process of poverty alleviation under the DWACRA and SAPAP models. On the other hand, there are indications that non-poor have entered the DWACRA and SAPAP groups.

\(^{86}\) Ibid,
It is pointed out that entry of non-poor it might have hindered the entry of the poorest of the poor\textsuperscript{87}.

The above studies more or less have dealt with the problems in programme implementation and the dynamics of rural development programmes such as dominant social classes and rural capitalist class and role in implementation process. Effective control over execution of rural development activities is also lacking and what ever funds allocated for rural people, hardly reaches the vulnerable sections of the society. Some of the institutional constraints such as wrong selection of beneficiary, inadequacy of loans, lack of coordination between bureaucracy and people, loopholes in implementation are weakening India’s planned rural developmental strategy.

The other factors for poor performance of poverty reduction programmes include people’s participation being low, irresponsiveness of administration, causes delay in the implementation process, lack of infrastructure facilities\textsuperscript{88}, lack of inter-sectoral linkages\textsuperscript{89}, lack of cooperation among aiding agencies\textsuperscript{90} and wrong identification of beneficiaries\textsuperscript{91}.

The unequal distributions of benefits of the growth oriented created programmes between the rich and poor and between prosperous and backward areas are officially acknowledged. The basic problem associated with the poverty reduction programmes is also due to wrong identification of beneficiaries and areas and lack of co-ordination

\textsuperscript{87} Ibid,


\textsuperscript{91} Government of India, Annual Report, 1985-86, Department of Rural Development, Ministry of Agriculture, New Delhi.
among different administrative departments. Hence, the area and group specific programmes did not achieve desired ends.

Available literature suggests that the ongoing programmes did not contribute to significant improvement in the economic position of the rural people. The programmes of rural development only covered one or two aspects of rural people in selected areas. Thus, these implemented programmes provided only marginal impact on the rural life and could not lead to balanced and overall development of rural areas. This led to spatial and sectoral imbalances in the growth of rural economy. It is very clear that Government of India need to design a more effective programme to eradicate poverty in rural India. There are few studies that examined the relation between the poverty reduction policies and local political interventions as a process so that the contributing factors for poverty reduction can be identified.

Further, not many, studies undertaken by scholars dealt with relationship between local level politics, community based organizations and rural poverty in rural Andhra Pradesh. In this backdrop, it is proposed to assess the performance of Velugu project in the state of Andhra Pradesh. The study is a modest attempt discusses, mainly, the impact of Velugu project on the changing pattern of the life of rural people in the process of development.

**Research Problem**

The above reviewed literature made an important contribution towards understanding rural development and rural poverty. Yet certain questions remained unanswered. In the wake of these lacunae, an attempt is made to fill in these gaps. This research also recognizes the importance of understanding rural development programmes from the perspective of the grassroots. To understand the impact of on-going poverty alleviation programme popularly known as ‘Velugu’, it is essential to undertake fieldwork. Nevertheless, the research addressed the following issues:
1. What are the developmental objectives of the ‘Velugu’ project taken up in Rural Andhra Pradesh?
2. What is the mode of people’s participation? Are rural people getting benefits from the project as has been framed in the programme objectives?
3. What are the parameters of changes in rural life, especially in selected field villages?

**Scope of the Study**

The basic purpose of the study, as mentioned, is to find out the impact of Velugu project of the government of Andhra Pradesh on the rural development. A detailed discussion of the Velugu project and its structure of implementation and planning strategy are proposed. It also discusses the achievements and failures of poverty reduction programme in selected rural area. The study not only focuses on the impact of the programme, but it also covers other aspects such as, organizational arrangements, conceptual framework of the programme, involvement of financial institutions, process of plan implementation and formulation, identification of the poor and selection of the schemes and other related aspects of the rural poor. Moreover, an attempt is made to understand the impact of this programme on development of rural social infrastructure and direct benefits of the target groups.

**Area of the Study**

The study has been conducted in the Adilabad district of Andhra Pradesh. The district is backwardness in educational, social and economic spheres. Lokeswaram, one of the mandals in the district, is selected because it is more backward than other Mandals. Lack of irrigation facilities, lack of natural resources, high level agricultural work, high prevalence of migratin of labourers of the Mandal to gulf countries, low educational levels, higher percentage of SCs and STs have been the characteristics of the Mandal. Out of the 56 villages, four villages have been selected. These are Pipri, Gadchanda, Rajura and Nagar. From each village, 30 poor persons are identified with the help of Velugu project and the Grama Panchayat members. A total of 120 respondents have been
selected on random sampling basis. Again, the respondents were selected from SC and ST Communities in equal ratios (i.e., 60 from each community, including for case studies). And, 20 respondents are identified for case study from the main selected list of the research study.

**Objectives of the Study**

The main objective of the study is to assess the impact of *Velugu* project. The related objectives are:

1. To gain a deeper understanding of the problem of rural poverty,
2. To assess the effectiveness and the efficacy of the *Velugu* project,
3. To identify the nature of politics in the selection of beneficiaries,
4. To estimate the extent of direct benefits to the target groups and
5. To explore the problems and challenges.

**Methodology**

The present study is based on empirical method involving comprehensive field study. A detailed schedule consisting of closed and open ended questions is prepared and face to face interviews have been conducted with the respondents. Informal discussions have been held with the staff of *Velugu* project, officials, political leaders, and caste leaders. The field research has been conducted in three stages – i.e., from the period of the month of April to July in 2005; second phase field from September 2005 to February 2006 and the third was taken place in the month of February 2009. Initially, a pilot study has been undertaken to identify the villages, establish rapport and selecting the beneficiaries. In the first two stages after extensive interviews, lasting for 2 to 3 hours, have been conducted with the respondents. The third stage facilitated for informal discussion is cross checking.

In addition to the data collected through interviews, a good deal of information is collected from the discussions with those associated with project implementation at Mandal and district levels. Field observation and informal talks with the target groups
Outline of the Chapters

The present study has altogether eight chapters. The Introductory chapter provides an account on the concept of poverty and understanding the poverty from academic as well as policy perspectives. It also deals with various trends among the states and castes in India with special focus on Andhra Pradesh and selected Adilabad district. Along with understanding rural poverty, it also provides a review of literature policies and its implications, on rural community in India as well as in different states including Andhra Pradesh. This chapter also provides an overview of poverty reduction strategies based on Planning Commission reports and available literature and evaluation studies and impact studies for finding the research gaps to support the importance of the present research.

Chapter 2 presents the government policies for poverty eradication especially starting from the Community Development Programme which was started in 1952. An attempt is also made to review the implementation of developmental projects such as Subsidized Rice Scheme, Janmabhoomi, Adarana, Joint Forest Management, Andhra Pradesh Rural Livelihood Programme, Free Power Scheme and South Asia Poverty Alleviation Program and Velugu (at present the name was renamed as Indira Kranthi Patham under the Congress regime) in Andhra Pradesh.

Chapter 3 gives details of the operational strategy, objectives of the project, target groups, identification measurements of the poor in rural areas, implementation process, and process of financial assistance, planning, implementation and monitoring of the project. This chapter also gives a detailed account of the administrative structure at state, mandal and village levels. It focuses on government and NGO relations in the project implementation.

Chapter 4 explains the profile of the study area. This chapter was divided into 3 sections. The first section deals with the profile of the selected district i.e. Adilabad under the headlines of population and population density, occupational distribution, agriculture,
irrigation, literacy, education, health, infrastructure and livestock, cropping pattern of the district and political environment and finally poverty status also explained. The second section elaborates the profile of the studied villages which include Pipri, Gadchand, Rajura and Nagar and the third section deals with the profiles of selected respondents. Chapter 5 discusses the socio-economic profile of the respondents.

Chapter 6 details the impact of programme in terms of economic and social spheres. This chapter explains the issues relating to changes of lives of the respondents based on field data analysis. An attempt is made, in this chapter, to assess the extent of income generating activities; increase in income levels and increase in the purchasing power of the rural poor especially SCs and STs. Finally, this chapter also discusses respondents’ perceptions about the project implementation, involvement of local bureaucracy and political leaders in selecting the beneficiaries.

Chapter 7 illustrates some cases provide which some insights into important issues in the status of families, living standards, income generation opportunities, their social and political position and other issues in relations to the development of the poor families. The concluding chapter is concerned with the findings, suggestions and scope for further research for effective implementation of Velugu project in particularly and poverty alleviation programmes in general.