Chapter II

REVIEW OF LITERATURE
CHAPTER - II

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REVIEW OF LITERATURE

INTRODUCTION

Impact and evaluative studies have emerged analysing the various context-specific schemes implemented by the Government. The influence of these studies on policy making and administration is being felt (Madan et al, 1982). Hence, a review of studies on welfare policy making and welfare programmes in terms of their methodology and findings is made. This would facilitate the identification of the gaps, if any, in the earlier work and the present study may help to fill them, however modest the contribution may be in that direction.

The review of literature is broadly classified into three sections (Flow Chart-II 1)

1 Studies on Social Welfare Programmes with Macro Perspective. This section is subdivided into

   (a) Political Economy of Social Welfare Programmes and

   (b) trend in Social Welfare Policy in various countries

   (c) regional studies.

2 Micro / case studies. These are classified as evaluative and impact studies. The impact studies are further classified as

   (a) those studies pertaining to employment, income and education and

   (b) other studies on income, savings, assets and indebtedness.
FLOW CHART - II.1

REVIEW OF LITERATURE

Studies With Macro Perspective
- Political Economy of Social Welfare Programme
- Studies Revealing the Trend in SWP in various countries
- Regional Studies by International Bodies

Micro /Case Studies
- Evaluative Studies
- Impact Studies

Review of Literature on Methodology
- Cost Benefit Approach
- Econometric and Statistical Approach
- Household Approach

Impact on Income, Savings, Assets and Indebtedness
Impact on Income, employment, Income and Education
3 Studies on methodology They are classified into studies on

(a) cost-benefit approach,

(b) econometric and statistical approach and

(c) household approach.

II.1. SOCIAL WELFARE PROGRAMMES - A MACRO PERSPECTIVE

This section contains a review of studies on the conceptual basis for government intervention, the direction of Social Welfare Policy in various countries and Welfare Programmes with regional focus.

II.1.1 POLITICAL ECONOMY OF SOCIAL WELFARE PROGRAMMES

The following review of literature traces the conceptual basis of welfare ideas and highlights the macro perspective of political economy of Social Welfare Programmes in recent times. The welfare of any social group is said to have increased whenever at least one or some move to a preferred state without pushing anybody else to a depressed state. The Social Welfare is maximised when all such opportunities to satisfy the preferences of some person, without adverse impact on other members are fully utilised. Any government intervention can be evaluated in terms of this type of Pareto optimality in order to provide normative guidelines to the government for further course of action. The essential part of the theoretical modern economics is normative consisting of an attempt to evaluate the empirical behaviour of economic phenomena and
to locate opportunities for improvement (Gordon, 1980). Such an attempt to evaluate the empirical behaviour of economic phenomena is taken up by Scaff and Ingram (1987). They provide a welfare economic perspective for government intervention with special reference to public choice and policy making. They point out that within the framework of public choice, politics is comprehended as that activity in which aggregated utilities result in a choice concerning the provision of public goods. Public policy is conceived as emerging from the contribution of individual preferences. This type of analysis strengthens the political theory of welfare economics and provides a theoretical background for the Social Welfare Activities of the Government. Palumbo (1987) critically analyses the nature of evaluative studies and states that these evaluative studies frequently draw on knowledge in administrative and political science to examine the policy making process. He also highlights the indispensability of evaluation studies in the context of the need for expanding the role of the welfare state on the one hand and shrinking of welfare expenditure of the respective governments on the other. He observes that this is the universal feature in the contemporary world.

Glazer (1988) highlights the need for professionalisation of welfare services in order to improve the quality of services. The author points out that every piece of social policy that is substituted for some traditional arrangement thus weakens the position of traditional agents. The observation is relevant for the social policy making in the Indian context where the hold of institution has been gradually weakened viz., Breakdown of Joint Family System followed by the emergence of nuclear family, woman headed family.
and single member family. This change in social cohesion has been endorsed as the impact of the expansion of the welfare state

Arora (1995) detects the absence of holistic approach in Social Welfare Policy of the developing countries during the post-second world war era. More specifically in the Indian context, it is observed that the needs of the poor remain largely evaded and most of the benefits of welfare policies are disproportionately captured by the powerful sections in the society. The presentation of a three dimensional alternative model of social welfare based upon sustainability, participatory approach and autonomy strengthens the theoretical framework of Welfare Economics

II.1.2. SOCIAL WELFARE POLICY IN VARIOUS COUNTRIES

An analysis of the trend in Social Welfare Policy in industrially advanced countries in the post-second world war era provides the framework for further research on the crystallisation of those welfare ideas. Studies by Janowitz (1976), Dinitto and Dye (1983) refer to the trend in social welfare policy in industrially advanced countries in the post-second world war era. They, based upon their secondary data reference covering the period 1965-75, have drawn attention to the increase in the number of female headed families in the U.S.A. An important finding of the study is that female headed households are much more likely to be poor than male headed families on account of low level of literacy and skill formation. The author points out that this trend implies greater pressure on welfare programmes in the U.S.A in the ensuing decades.
Mac Pherson and Midgley (1987) review the Social Welfare Policies in the developing countries and point out that they are largely inappropriate to the local conditions. Giovanni, Jolly and Stewart (1987) establish that Social Welfare Policy in the developing countries in future should accommodate the social cost of structural adjustment in an increasing manner and relieve the additional strain of structural adjustment on the vulnerable sections in the society. They further establish, on the basis of secondary data, that only 14% of the benefits of general food subsidies accrue to the lowest income quintile in Jamaica, Algeria and Sri Lanka during the 1970s and '80s. According to the authors, this implies that the Social Welfare Policy should be recast in such a manner as to avoid the 'Seepage Effect'.

The study of Wilding (1990) refers to the reduction in social spending in the eighties, on account of 'Thatcharism' which asserts the superiority of private market provision of welfare services as against state provision. The study is based upon secondary data pertaining to the welfare reforms introduced in England covering the period 1979-1989. Martychen (1990) analyses poverty and employment statistics pertaining to the developing countries during 1945-1987. Her important finding is that the need for employment of poor women has been created on account of the disintegration of the institution of family of the conventional type and the emergence of female headed families as well as one member families. This trend has necessitated greater welfare intervention by the government and sizable government spending on the poor women and childrens.
The key finding of the Report of the World Bank (World Bank Country Study, India, 1989) is that the complexion and context of Indian poverty have changed with the result that many of the factors including government programmes which have contributed to poverty reduction in the last 15 years are unlikely to yield a similar reduction in the future. Hence, alternative options and instruments are suggested to deal with a changing poverty scenario.

II.1.3. STUDIES WITH REGIONAL PERSPECTIVE

Leahy (1986) has made a comparative study of social welfare strategy on women belonging to low income groups in the USA, Mexico and Cuba during 1982-85. The study based upon primary and secondary data highlights the fact that societies without extensive welfare programme for woman headed families promote child labour.

Urrutia (1987) refers to the progressive fall in central government expenditure in social services during the period 1970-1984 in most of the Latin American countries. The author recommends that this trend should be reversed and investment in social programmes must be increased in order to assist the low income groups and to reduce inequalities in Latin American Countries. This analysis is based upon secondary data collected from national budgets in Latin America for two decades since the year 1970.

In the Asian Context, the evaluation of Employment Programme undertaken by the International Labour Organisation has been the earliest. The ILO has evaluated the Asian Employment Programmes, on the basis of secondary data, in Bangladesh,
India, Indonesia, Nepal, Pakistan and Srilanka. In India, the Employment Programmes which are implemented in Bihar, Punjab, Kerala and West Bengal are chosen for evaluation. The period of analysis covers one and half decades since the commencement of the year 1960. The Report attributes the increase in rural and urban poverty in the study area to the lack of co-ordination among the various employment generation schemes on the one hand and on the other, the lack of effective participation on the part of the poor in the carrying out of these programme.

The South Asian Commission on Poverty Alleviation (1992) has been set up by the South Asian Association for Regional Co-operation in order to have a regional approach to poverty alleviation. It observes that the Grameen Bank of Bangladesh, Working Women’s Forum in India, Janasaviya in Srilanka, Atoll in Maldives, the Small Farmers Project in Nepal, the Health Programme in Bhutan and Agakhan Rural Support Programme in Pakistan are able to benefit the poor and the objective of the Government intervention in terms of economic upliftment of the masses has been realised. An important suggestion found in this report is that the institutional finance should be made available to the poor for self employment / skill updation purposes. It is also pointed out that the availability of credit from the banking sector would enable the poor to liquidate debts with the moneylenders. Michael and Aziz (1993) have come out with a similar review of poverty alleviation programme in South Asia, and the African countries in the post second world war era. The authors observe that while these programmes have a significant impact on the welfare of large sections of low income population, they fail to reach the poorest groups.
It is observed from the above review of literature that the macro perspective of Social Welfare Programmes has normative basis in Welfare Economics. Emergence of women headed families among the low income groups have necessitated additional welfare spending in both developed and developing countries. The regional studies highlight the constraints and limitations of welfare programmes and offer context-specific suggestions.

II.2. REVIEW OF SOME MICRO / CASE STUDIES OF WELFARE PROGRAMMES

The case studies are broadly classified as evaluative studies and impact studies. The evaluative studies are based upon the rational approach to allocative property in the context of government spending on Welfare Schemes. They seek to find out how well a programme is working and thus primarily serve the accountability purpose. The findings of the evaluative studies are useful for both policy formulation and execution purposes of subsequent programmes. The goal of impact studies is social action. They provide insight into the socio-economic problem associated with the vulnerable groups in the society and analyse the welfare impact of government endeavour to ameliorate the conditions of the poverty-stricken segments of the population. A review of literature on these Micro/case studies assumes special importance in the background of the strategy of combining redistribution with growth which has been implemented in India since the Fifth Five Year Plan Period (mid seventies).
When discussing the impact of welfare measures on the poor in India, Bardhan (1974) argues that apart from the problem of developing an adequate administrative delivery infrastructure, finance has been a major constraint and whenever the overall financial situation gets worse, the social welfare programmes have been the first to be shelved. Moreover, according to him, the upper-income groups have been able to appropriate themselves a disproportionate share of the expanding social services, viz., education, transport and low cost housing. The author concludes that these factors prevent the low income groups from benefiting out of above said government intervention to the fullest extent.

Beckerman (1974) points out in his evaluation study that the extent to which welfare spending reduces the level of deprivation is determined by the total budgetary expenditure on the one hand and on the other, the efficiency with which the programmes are implemented in Australia, Belgium, Norway and Britain. His findings are based upon national budget data and Government evaluation studies in the respective countries covering the period of one decade from 1963 to 1973. Ahuja (1978) evaluates the benefits flowing from public outlays in terms of their impact on the standard of living of the beneficiaries. In this context, the author takes into account the degree of progression of the effects of Government expenditure. His analysis is based upon secondary data collected from district budgets of Kanpur, Thanjavur, and Gaya. The study establishes that as a district advances economically, the share of outlay on social services tends to decline and that on economic services tends to increase. It is also found that share of
capital outlays tends to increase, because in the course of development, more infrastructure is created. Year of reference is 1974-75

The Study of National Commission on Urbanisation (1988) evaluates the slum clearing scheme of the Tamil Nadu Slum Clearance Board from 1983 to 1986. It is pointed out that the slum clearance scheme involves the spending of limited public resources on high priced housing and hence only a small segment of the slum dwellers is covered under the scheme. A similar study is undertaken by Shinde (1990) in the slums of Bombay. According to Misra (1988), Social Welfare Schemes should try to minimise expenditure on establishment and maximise physical benefit promoted through the schemes. Reddy and Sudhakar (1989) analyse the per household benefits from social security and welfare accruing to low income group vis-a-vis other income groups. They point out that during the period 1975-76 to '84-'85 benefits of social security and welfare are realised by other income groups in Andhra Pradesh at the cost of low income group.

II.2.1. IMPACT STUDIES RELATING TO EMPLOYMENT, INCOME AND EDUCATION.

In continuation with the review of studies of evaluative nature of the previous section, Micro/Case Studies with focus on impact in terms of employment creation, income generation, educational attainment and other aspects are analysed as follows. Rama (1974) establishes the extent of awareness and utilisation of women's welfare programme in Tamil Nadu based upon primary data. A crucial finding of this attitudinal
survey is that there is a definite demand among the women for employment as means of earning income and as a means of improving their own status by improving their position as an economic agent

The studies of Khan and Lee (1984) on the impact of education and health policies of the government and that of direct welfare measure on the quality of life of the beneficiaries in Kerala prove that the linkages among these policy intervention have led to an improvement in the quality of life since the 1970s. Geetha Sen and Chiranjiv Sen (1985) establish that no welfare scheme in India offers maternity benefits to poor working women in the unorganised sector. They point out that this has adversely affected health, employment and income of these poor women.

Pandey (1990) analyses the impact of Social Welfare schemes which provide financial assistance to SC and ST in the Villages to make them entrepreneurs. He observes that given the social inequality in rural areas, there is no expected impact on their social and economic status. Instead he suggests that training and skill upation scheme should be introduced to train the SC/ST in order to enable them to take up employment or trade in small or medium towns.

The objective of the study by Shiva Reddy (1990) on Public Expenditure on Education in Andhra Pradesh is to examine how different socio-economic groups have benefited in the above context. Socio-economic information of the families of 750 students at all levels of education across regions is collected by means of survey method. On the basis of social origin, students are classified into 4 groups viz, ST (Schedule
Tribes), SC (Schedule Caste), LBC (Listed Backward Community) and OC (Other Community) Secondary data regarding PEE (Public Expenditure on Education) are taken from budget reports of Andhra Pradesh. It is to be noted that only revenue expenditure on education of the Government of Andhra Pradesh is taken into account as the expenditure on capital account is negligible. The data on percentage of students of different income brackets within a social group are obtained from the survey.

REE (Revenue Expenditure on Education) on elementary education is more in favour of SCs/STs and LBCs when compared to the expenditure on secondary and higher education according to the study. Further, it is found that the main beneficiaries of REE on secondary education belong to the low income groups only in the case of ST. Moreover, the upper income groups among all social groups are the beneficiaries of REE on higher education.

It is further analysed that all families with an annual income below Rs 3000/- account for 50% of state population and their percentage in PEE on all levels of education is only 40%. Thus, the conclusion emerges that public financing of education at all levels in the state is egalitarian with reference to its impact on low income groups.

The objectives of the study of Sinha (1992) on the impact of TRYSEM (National Scheme of Training for Rural Youth for self employment) are to examine the socio-economic status of women beneficiaries, to find out the extent to which beneficiaries represent their depressed and downtrodden sections of the society and to
ascertain the role of TRYSEM as a mechanism of socio-economic development of the beneficiaries. The study is based upon primary data with reference to the year 1989-90 in six districts of the state of Bihar. The important finding of the study is that three fourths of the women beneficiaries are in the age group of 20-30 years. This has favourable impact on the utilisation of the self-employment scheme. A study of the previous employment status of the beneficiaries reveals that 78% of them were housewives. Hence, the impact of TRYSEM in terms of creation of opportunity for self-employment is keenly felt.

It is found that around 82% of beneficiaries belong to the socially depressed classes consisting of SC/ST and BC. 75% of them have annual income around Rs 5000/-. It is evident that around 70% of the beneficiaries have improved their vocational skill after undergoing TRYSEM training. But TRYSEM as the tool of improvement in economic condition is not equally effective. It is estimated that only 25% of the total beneficiaries are able to improve their economic condition, that too, by setting up their own trading centres.

Ghuhan (1992) reviews the working of different types of welfare scheme, i.e., old age pension, maternity benefit and marriage grant implemented by Tamil Nadu Government with reference to the year 1987-88. The review is based upon secondary data. This study reveals the complementary relationship between protective and promotional measures in the areas of social security and social welfare in Tamil Nadu.
He observes that Tamil Nadu’s experience points persuasively to the desirability and achievability of at least a minimum social security package at the national level.

Richard and Chasin (1992) analyse government intervention in Kerala in different areas of policy (1985-90) viz., food, health and education. The important finding is that the success of female literacy programme has led to the realization of the targets in health care and family welfare.

Saxena (1992) evaluates the Total Literacy Programme in Narasimgapur district in Madhya Pradesh during 1990-91. He observes that the prevalence of rigid caste system inhibits the progress of Total Literacy Programme in the study area and suggests that there should be scientific evaluation of the socio-economic condition of a district before implementing any welfare programme.

Patnaik (1994) points out that employment-oriented welfare schemes not only help to bring women into the economic mainstream but also broaden their attitudes towards primary health care and family planning. The period of reference corresponds to three years commencing from the year 1990. The findings are based upon primary data collected from the women beneficiaries of employment-oriented welfare schemes in the Panchayats of Puri District in Orissa. The study relies upon the survey of a few Panchayats of Puri Districts in which employment generating schemes are successfully implemented and the poor women are the major beneficiaries.
The author is of the opinion that the impact of the above said scheme is favourable only in those cases where a positive attitudes towards the scheme has been created at the outset. Women beneficiaries who are Panchayat members and school teachers and working women other than agricultural labours have positive attitude towards the health care and family welfare services. Any welfare program leading to gainful employment for women has positive linkages with family welfare. Thus, favourable attitude is the motivating force behind effective carrying out of the number of welfare schemes with built-in linkages.

The Zabbaleens, settled on the outskirts of Cairo were originally pig breeders who migrated from Upper Egypt. They made living by selling pigs raised on organic waste and selling the sorted secondary materials such as paper, tin, rags, glass, plastic and bones to materials middle men, known as wahas. In order to assist upgrading the working and living condition of the Zabbaleens, and to help restructure Cairo's solid waste management system, Environmental Quality International (EQI) together with the Association for the care of garbage collectors (Al Gameya) initiated a series of projects.

Gvenena (1994) assesses the impact of the Zabbaleen Environment and Development programme on the beneficiaries. According to him the Zabbaleen environmental and developmental programme is a component of the First Egypt Urban Development Project. The programme is built upon making use of the resources of the Zabbaleens, to be gainfully employed in the activities associated with the maintenance of clean environment. The design of this programme focuses on linking environment...
improvement with enterprise promotion. The programme is based upon a thorough analysis of the market conditions and opportunities for Zabbaleen services.

The small industrial project and an income generating project for women headed households are also established in the late 80's with the aim of increasing the income of garbage collectors and of women, the later representing the most vulnerable group within the settlement. The mechanisation project has provided the settlement with the vehicles that replace the donkey drawn carts used to collect the garbage. The impact of this complement of projects has enabled them to engage in other productive activities to enhance their income and has allowed their children to spend more time in school and has reduced the risk of transmission of Zoonotic Diseases.

Prasad (1995) analyses the working of social security of Tamil Nadu. The objectives of the study are to find out the accessibility of the scheme to the needy destitute widows and to detect any distortion in the implementation of the scheme. The study is based upon primary and secondary data with reference to the functioning of the relevant scheme in Dindugal and Palani Talukas from 1988 to 1992. It is observed that the eligibility criterion is unrealistic. For example, if a widow has a son or a grandson, her application is summarily rejected without verifying whether the male relative is supportive to the applicant. The findings of this research study would help policy makers to rectify the defects in the designing of the eligibility criteria of the scheme. Moreover, similar research studies may be undertaken to find out whether similar lacuna exists with reference to other social welfare schemes.
II.2.2. IMPACT STUDIES ON INCOME, SAVINGS, ASSET AND DEBT

The Memorandum by the Family Allowance Campaign (1973) throws light on the favourable impact of family allowance on the poor women in the United Kingdom in terms of reduction in the level of indebtedness. The Memorandum is based upon a critical review of the written evidence of women beneficiaries of family allowance during the year 1971-72. Kumari, et al (1988) analyse the activities of Parivartan - the Action Wing of Centre for Social Research, New Delhi with reference to the ongoing income generating schemes for the female headed households and women from poor families in Uttar Pradesh. An examination of primary data collected during 1986-87 reveals that the major objective of Parivartan, i.e., breaking the vicious circle of poverty in terms of low income, indebtedness and low investment in skill upgradation has been achieved. The schemes have contributed to income generation and reduction in indebtedness among the beneficiaries' households.

The study of Vaidyanathan and Bhat (1989) with regard to distribution of assets (Rickshaw and Sewing matching) under the bank loan scheme and its impact in terms of increase in income and reduction in debt of the beneficiaries confirms that there is an increase in the average monthly earnings. They have also found that a portion of the income gain is diverted to fulfill the repayment obligation.

According to Shramshakti (1989), women headed households are a result of widowhood, migration, desertion or the illness/unemployment or addictive habits of their husbands. The delivery structures of welfare schemes do not recognise women as
heads of households. In the absence of social security, they suffer a higher incidence of poverty. Moreover, the indebtedness of women headed households is on the increase as these women are unaware of the credit schemes applicable to them and the concerned authorities do not comprehend the credit requirements of these poor households.

The World Bank Country Study India (1989) reveals that the impact of Public Distribution System on increasing the real income of the poor is great in Kerala, as PDS commodities are made available throughout the State and seepage is prevented by means of strict eligibility criteria. In Karnataka, the use of a system of colour-coded cards indicates the quantity of rations for different income groups. This ensures that there is an appreciable increase in the real income of the poorest.

The programme of Intensive Development of Handicraft of the Government of Karnataka has established the Craft Complex with a view to offer a revolving credit of Rs 1000/- every month for the member artisans. According to Aziz (1989) this provision has reduced the debts of the artisans in the unorganised market for loans, i.e., the money lenders who charge exorbitant rate of interest. It is also observed that the beneficiaries of the Craft Complex save around 5% to 10% their average monthly income. Thus, the impact of the program on the economic status of the beneficiaries is revealed in terms of reduction in debt and increase in savings.

When reviewing the development programmes for the urban poor Misra and Narain (1989) subscribe to the idea of integrating all the development programmes, ensuring the convergence of ameliorative services applicable to the social (caste-set) and
environmen
tal (living area) deprivations in order to achieve a sustainable increase in the level of income of the beneficiaries.

*Dillan and Hansra* (1991) evaluate the findings of review studies of the scheme for Development of Women and Children in Rural Areas in India from 1985 to 1990. They observe that these review studies attribute the non-fulfillment of the targets of the scheme in terms of achieving a minimum level of income gain and savings of the participants to the irrelevant nature of "group activities" selected under the scheme, which have been not in tune with local conditions and skills.

*Thakur* (1991) examines the impact of poverty alleviation programmes on the economic status of the beneficiaries in the eighties taking into account their socio-economic factors. The study is with reference to the beneficiaries in the urban areas in the low-hill zone of Himachal Pradesh. The caste-wise analysis of the value of household assets of the beneficiaries reveals that the value of household assets inherited and the assets received under the Government scheme is higher among the non-scheduled caste households as compared to the scheduled caste households. An important lacuna identified in the Poverty Alleviation Programmes is that income generating assets such as sewing machines and knitting machines have not been given to the beneficiaries. Credit facilities are provided under the Poverty Alleviation Programmes to enable the beneficiaries to pursue petty trade or self employment. This has not been availed to the fullest extent as the weaker sections lack risk bearing capacity. The beneficiaries, especially those belonging to SC are further disadvantaged on account of socio-economic
factors like high dependency ratio, low level of literacy, low income and high incidence of indebtedness. The author concludes that their debt burden is continuously increasing inspite of the participation in the Poverty Alleviation Programmes.

Martin Ravallion (1991) assesses the role played by Employment Guarantee Schemes implemented in India during the eighties According to him the schemes have been designed as piecemeal policy instruments for smoothening the odd edges of the growth process. He suggests that in order to have favourable impact on the level of income of the beneficiaries, these schemes should be recast in such a manner as to be able to efficiently transfer resources to the poorest on a continuous basis. He also comments that the favourable impact of the schemes on the low income groups would depend upon the extent to which the political and economic constraints facing the policy makers are tackled. He explains the economic constraints in terms of the work requirement of the schemes which impose the cost of forgone income on the participants. With reference to the political constraint, he draws attention to the fact that the intervening agents like local administrators have some discretion in the selection to the beneficiaries. In this context, political and personal factors may worsen the targeting performance. Hence, he recommends that the selection of beneficiaries should be made only on the basis of an ideal means test.

Jain et al (1996) evaluate the progress of Nehru Rojgar Yojana (NRY) in a medium sized city in Rajasthan commissioned by the Institute of Police study. An important observation of the study points towards the slowness of service delivery by the
banks as the major hurdle for obtaining loan for the beneficiaries of self employment component of NRY. It is evident that the scheme has favourable impact on the economic status of the beneficiaries. 70% of the participants have income gain varying between Rs 100 - Rs 500 per month. A crucial observation of this study is that the prospect of sustainable income improvement depends on how additional incomes are used. It is found that approximately 1/3 of the beneficiaries use the additional income for meeting household expenditure in the first round. 20% of the household invest the additional income in business in the first round and 40% do so in the second round. Around 4% of the beneficiaries alone save the additional income for meeting contingencies.

As inadequate access to financial loan is a major problem for the poor households in the slum, the Baroda Citizens’ Council has set up a community savings and Loan Association (CSLA). Small loans of short duration are supplied to about 1600 households in the slums. Chetan Vaidya (1995) evaluates the impact of the loan program on the economic status of the beneficiaries. The association is mainly operative on the savings made by the slum dwellers. Recently the Housing Development and Finance Corporation (HDFC) has provided financial assistance to CSLA and the author points out that for the first time finance from the organised sector is used for the developmental activities of the low income groups in the slum. A unique aspect is that 66% CSLA members are women who are helped to take income generating activities through training, finance and marketing support. CSLA provides credit assistance between Rs. 500 to 5000 for house repairs, hospitalisation and income generating.
activities. The author suggests that small loans up to Rs 500 should be provided for emergency requirement without going through the process of application and guarantee

Wishwakarma and Rakesh Gupta (1995) examine the Urban Basic Services programme in the slums of Delhi with reference to provision of family welfare and health services, public distribution system, environmental sanitation and skill upgradation programme for income generation. The authors point out that there is no suitable administrative structure for the convergence of the services. They also observe that the programmes do not reach the needy poor as the benefits are captured by the non-poor in the slum community.

The evaluative studies are concerned with the implementation of welfare schemes in a cost-effective manner. Some of the impact studies have brought about the linkages between employment, income and education. Some other studies deal with impact on income, savings, asset and indebtedness. Some studies portray the context-specific problems of women headed families, low income groups like artisans. Some other pertain to in-kind transfers and group welfare activities.

II.3. STUDIES BASED ON RELEVANT METHODS

Evaluation and impact studies are scrutinised from the methodological point of view not only to analyse the various methods handled in those studies but also to consider the logic behind the respective methods used in the context of the research study. The foundation of systematic research process is the understanding of the assumptions
underlying various techniques and the criteria by which certain techniques are chosen in the context of a specific research issue. In the light of the above considerations, the following studies are classified as those subscribing to cost-benefit approach, those based upon econometric and statistical approach and those which follow household approach.

Some selected works on the application of cost-benefit analysis as a tool of evaluation are examined in the following section.

The basic idea of cost-benefit analysis is to find out the extent to which the benefit of a particular strategy outweighs its real cost. In cost-effective analysis, either a comparison is made between the costs of different alternatives having the same measure of effectiveness or a comparison is made between the effectiveness of different alternative which can be obtained with the same cost. Yasodha (1975) applies cost-effective analysis to evaluate the free education policy of Government of Tamil Nadu with reference to pre-university course during the 1960's. Paul (1976) makes use of cost-benefit analysis in his study of rental housing programme of Gujarat State Housing Board in India. The reference period is 1974-75. Based upon secondary data, he has evaluated the benefit to low income groups in terms of the difference between the economic rent and the subsidised rent per tenant. Wishwakarma et al (1985) have applied cost-benefit analysis to study the impact of the centrally sponsored Integrated Development of Small and Medium Towns in Rajasthan and Kerala making use of primary and secondary data from the year 1979 to 1984. The authors also apply
Hirshman's strategy of unbalanced economic growth to evaluate the IDSMT project. In the World Bank Publication on the Role of Public Policy (1995) there is a reference to benefit incidence analysis which determines ultimately who is benefited from public spendings.

The following works have established the usefulness of econometric and statistical approaches in evaluation studies. They throw light on the manner in which these methods have been handled in evaluating government programme.

Harrell (1978) highlights the limitation of using forecasting methods in impact studies as they run the risk that reaction between forecasted events might not be fully considered. Hence, he suggests the application of cross-impact analysis in impact studies.

Nancy (Thesis - 1981) has evaluated the housing board activities in the city of Madras during the seventies basing her observations upon secondary data. She has made use of the Hicksian welfare analysis and has evaluated the benefit of low-cost housing to low income groups in terms of equivalent variation and compensatory variation. She has calculated the consumers' surplus with reference to the provision of subsidised housing under the low-income rental housing programme. Osmani (1982) develops the welfare theory of poverty based upon Sen's 'Named Goods Approach' for the purpose of normative comparison of inequality. In this framework, the same commodity received by different individuals is treated as two different goods. He has evaluated the impact of Social Welfare Schemes on low-income groups in Bangladesh between the years 1963-64.
and 1973-74 based upon household income and expenditure survey. He makes use of a new methodology to construct the poverty line known as 'Maximin Approach'. It is defined as the minimum income required to satisfy a set of nutritional norms.

Hirway (1984) makes use of multiple regression analysis to examine the difference in the average gross income and expenditure between the beneficiaries of integrated Rural Development programme and non-beneficiaries in rural Gujarat during the eighties. By means of 't' test it is concluded that there is no significant difference in the average gross income and expenditure between the two groups and hence there is the absence of favourable impact of IRDP on the economic status of the beneficiaries.

According to Sumathi S. Rao, (1991: 3-12) social factors viz., other caste and level of education have a positive impact on adoption of family planning and the level of literacy increases knowledge about the relationship between economic status and size of the family. The above observation is made in her study about slum households in Madras city. In order to understand the influence of different independent variables, multivariate step-wise regression technique is used to arrive at the above conclusion.

Sarveswara Rao, Ramachandrudu and Appa Rao (1994) assess the relative importance of economic status and household physical environment in explaining the variation in the health status of 612 households in 9 selected slums of Visakapatnam during the year 1991-92. Multivariate Linear Regression equations are estimated where health status is the dependent variable. The physical environment and per capita income are the explanatory variables. The result of the regression equations prove that

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environment plays an important role in determining the health status of the slum dwellers in general. Economic status explains the variation in health status only in the relatively developed slum with better housing and environment.

Context-specific quantitative techniques are essential in the field of development economics. For example, Gangopadyaya and Subramanian (1992) prove that the level of benefit of any poverty alleviation programme is determined differently depending upon different ways of measuring poverty. The authors observe that the Head-Count Ratio approach to poverty eradication implies the poverty-minimizing strategy of 'Skimming off the surface'. Many of the anti-poverty programmes in India take a wholly "Head-Count" view of poverty ignoring the impact on the poorest sections. On the other hand, the authors establish that the Rawlsian approach endeavours to raise the income of the poorest unit to that of the next poorest unit. They recommend this approach while implementing and evaluating the welfare programmes.

The household approach involves four important aspects, i.e., whom the programmes seek to address, the appropriateness of the social welfare services for the target groups, the manner of delivery of the programme and the nature of the feedback mechanism. This approach has embedded the concern for human beings, their well-being and fulfilment of the basic needs. It is the very nature of appropriateness of the basic unit of study in this approach that has facilitated the identification of the causal links between programme action and programme effects.
Beebout (1980) has presented a review of micro economic simulation models. He has simulated the costs and effects and welfare transfers to low income groups. He has also brought out the importance of one type of simulation models, i.e., MATH (Micro Analysis of Transfer to Households), the mathematics policy research version, which is used as a general tool for simulation of transfer programme in USA. This has been used for evaluating Food Stamp Programme in the USA since 1950's. Time series based on econometric techniques could not be used to evaluate the impact of every detailed eligibility change in programme. On the other hand, micro economic simulation models which would operate on information available at the level of individual households estimate the impact of alternative programme change in an accurate manner. Static simulation models concentrate on behaviour response to price and income changes caused by policy changes based upon imputed micro data observations. Dynamic models have time specific micro data as the basis for simulation. The application of dynamic models provides extensive information on the estimated impact of various welfare programmes. Thus, the author has established that simulation models are helpful in finding out the extent to which the programme cost depend upon the response of the beneficiary households and intuitive effects of the welfare programme.

Moreover, this study highlights the dependence of micro economic simulation modelling on the availability of a composite up-to-date micro data base and the indispensability of a general purpose household micro data set, specifically designed for micro simulation modelling. Yet another observation of this study is that no change could be made in welfare programmes without analysing their impact on current recipients by means of simulation. However, an important limitation is that given a micro simulation model it becomes necessary to change the data bases as and when more current data become available. Thus, the cost and impact estimates change from time to time.
Tewari (1980) establishes that to the extent that evaluation is geared to the task of assessing the impact of the programme on the human factor and in identifying the people’s reactions, preferences and resistances to improve programme implementation, the household would serve best as sampling unit for the lowest stage. Muthayya and Prasad (1983) point out that the favourable attitude of the people towards different welfare programmes of self sufficiency scheme that has been implemented by the Government of Tamil Nadu has been helpful in realising the intended impact of the scheme. The study is based upon primary data. Household is the basic unit of sampling.

Galanter (1984) points out the Welfare Policy applicable to the beneficiary households in the tribal area is based upon the Rawlsian Theory of Justice. According to the author, the Indian experience displays a principled eclecticism that avoids suppressing the altruistic fraternal impulse that animates compensatory policies.

Iyengar and Suryanarayana (1986) evaluate that net impact of government intervention to achieve growth with equality in India (1961). The analysis is based upon secondary data. The authors apply the Rawlsian criterion of Justice to find out the impact of official schemes on the poorest of the poor during the said period. Accordingly, the authors have identified changes in the living levels of the poorest households in terms of the per capita consumption levels at 1961-62 prices. They have measured the distance between the average household’s and the poorest household’s consumption level as the ratio of the poverty gap of the former to the latter. According to them, this ratio indicates the movements in per capita consumption levels of the poorest.
households in relation to the normal household's per capita consumption. The authors' important finding is that the poorest household's consumption level deteriorated up to mid-sixties and recovered marginally in the late-sixties in both rural and urban areas.

According to Subbarao (1988) the impact of the anti-poverty programme on the very poor households trapped in poverty for centuries can be analysed only with an income mobility index. He suggests that this index could be used to find out whether the assisted households progressively have climbed to the next higher income bracket from the pre-programme income bracket. He recommends the following methodology for evaluation. To judge whether or not a particular household crosses the poverty line income level, the initial income level of the household should be calculated and compared with the incremental income reached by the household as the programme is being implemented. At the completion of the programme, the impact should be evaluated in terms of sustained flow of income to the beneficiary households.

A review of these studies based upon cost-benefit analysis, forecasting methods, simulation model, named-goods approach and household approach throw light on the choice of appropriate methodology with reference to the context of the evaluative research.

*Studies on Social Welfare Programmes with macro perspective provide the conceptual framework for evaluating the Welfare Schemes. The micro case studies throw light on the manner in which the impact on employment education, income, savings, assets and debt is analysed. Cost-benefit analysis, cost-effective analysis,
Hicksian Welfare analysis, maximin approach, the Rawlsian approach, the step-wise regression technique and the income mobility analysis are applied in some of the studies. The Rawlsian approach, and the income mobility approach, and step-wise regression technique are found to be relevant in the context of the present study.

A review of relevant impact studies is made and it is found that they examine the impact of welfare schemes on the beneficiaries in terms of income and debt or income, debt and savings or income, debt and asset across caste-set or type of family or living environment. Hence, this study is undertaken to assess the impact of asset and training scheme in terms of income, savings, asset and debt across type of beneficiary, caste-set, type of family and living environment.
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