Chapter –I

POVERTY AND POVERTY ERADICATION PROGRAMMES IN INDIA: AN OVERVIEW

1.0 INTRODUCTION:

The present empirical study deals with the EGS and SGRY as poverty eradication programmes. Therefore, it is logical to begin with the understanding of the concept of poverty, extent of poverty and an overview of poverty eradication programmes in India. This chapter is, therefore, designed to make clear the concept of poverty, its international concern, and extent of poverty and to outline the evolution of poverty eradication programmes in India.

1.1 Defining Poverty

Poverty, droughts, underdevelopment, different sorts of inequalities and domination have been the age old problems or phenomena observed from the past to the present and across the time and space.

Poverty is a very vague concept with varied connotations and facets. As Bhalla Surjit S. (2000:1) notes, “there is a rich history of formal definitions of poverty, going back to the mid nineteenth century. It is an attempt to capture the bottom-half of the population, the have-nots, the poor”. Traditional definition of poverty is constructed with one dimensional approach of income and food intake capabilities. The minimum acceptable income level was determined in terms of ‘nutritional deficiency’ by Dandekar and Rath (1971).

Social Scientists distinguish between ‘relative’ and ‘absolute’ poverty. Relative poverty is defined by the general standards of living in different societies and what is culturally defined as being poor rather than some absolute level of deprivation. Absolute poverty
occurs when people fail to receive sufficient resources to support a minimum of physical health and efficiency, often expressed in terms of calories or nutritional levels (The Penguin dictionary of Sociology, 1984:165).

The modern multidimensional approach is characterised with a broader view and considers poverty as a deprivation of essential productive assets and opportunities to which every human being should be entitled. This approach believes that defining poverty in terms of consumption expenditure misses the point. Assets and its distribution are the key factor.

The World Bank (1990:26) defines poverty as “the inability to attain a minimal standard of living”. The World Bank website on ‘Poverty Reduction and Equity’ defines poverty in comprehensive manner, saying, “Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.”

Amartya Sen’s capability theory provides a more useful alternative to understand poverty. Capability approach to understanding poverty goes beyond income and emphasizes the whole range of means, available to achieve human capabilities like literacy, longevity and access to income. From this perspective, poverty is seen as the failure of some basic capabilities to function- a person lacking the opportunity to achieve some minimally accepted level of these functionings (See Sen Amartya and Dreze Jean, 1999: 1-292). The functionings relevant to his analysis include – i) physical ones as being well nourished, being adequately clothed, and sheltered ; ii) Social achievements such as taking part in the life of the community,
being able to appear in public without shame and so on; iii) the opportunity of converting personal incomes into capabilities to function depends on a variety of personal circumstances including age, gender, proneness to illness, disabilities and so on; and iv) Social surroundings (Sen: 1995: 15).

The notion of poverty thus goes beyond income and basic services. People who are under empowered, who are unable to participate in making the decisions, who are deprived of basic education, health care, nutrition, water and sanitation, employment and wages and who pass many different inabilities and adversities like inequality of asset, unequal distribution, ignorance, corruption, lack of political power, lack of political will, natural calamities, inadequate governance, lack of opportunities of development, inappropriate public policies and programmes, lack of access to entitlements and many hurdles in the well being of human beings are included in the category of poor. There are many other social dimensions of poverty like caste, untouchability, bondages, gender discrimination, social exclusion, domination and violence against the downtrodden.

Amartya Sen feels that, poverty is a relative concept. He quoted ‘policy definition’ in his well-known report, ‘Poverty amid Plenty’ : If society believes that people should not be permitted to die of starvation or exposure, then it will define poverty as the lack of minimum food and shelter necessary to maintain life. If society feels some responsibility for providing to all persons an established measure of well-being beyond mere existence, e.g. good physical health, then it will add to its list of necessities the resources required to prevent cure of sickness. At any given policy definition reflects a balancing of community capabilities and desires.” (Sen Amartya and Dreze Jean, 1999:19)
Amartya Sen’s framework to poverty also provided guidelines to the UNDP to prepare human poverty indices. On the basis of those we can monitor and compare experiences of human poverty over time and space.

Poverty reduction programs are one of the most relevant issues in the world today. According to Chebil and Haque (2003:113) confronting poverty has become not only a moral imperative and social and economic necessity, but also a central concern for everyone striving for national and global security for peace. Poverty and its reduction thus is long sustained reality even in the age of globalisation.

The poverty and unemployment sustain to a large extent despite long-term execution of government led welfare and development schemes. The state being a responsible agency of development goes for variety of schemes and programmes.

Basu, Chau and Kanbur (2006:1) have traced the history of EGS like relief policies of Western world right back from 19th century. Some of the earliest examples, they quoted, include; the Poor Employment Act 1817 and the Poor Law Amendment Act 1834 in Great Britain, the New Deal Programme during the 1930s in the United States. Rise of Welfare State in the 1940s in Great Britain further clarified the vision of welfare, social security and social justice phenomena. Poor, vulnerable, depressed and other needy sections of society were protected by different policies and programmes.

1.2 Poverty: International Concerns

Poverty was and still is a global issue. Of course, it is very difficult to measure and assess the world poverty. “For the purposes of measuring poverty in the world as a whole, the World Bank’s “$1 a day” measures have aimed to apply a common standard, anchored to
what “poverty” means in the world’s poorest countries” (Chen, Shaohua and Ravallion Martin:2008:2).

The following data reveal the scenario of poverty at the global level.

Anup Shah (2010) has gathered data on global poverty. He believes, almost half of the world- over three billion people-lives on less than $2.50 a day. There are different levels of determining the poverty rates in the whole world. It makes difficult to judge the level of world BPL population. Anup Shah has presented a graph of World Bank showing BPL and APL at global level by different levels.

**Figure No. 1.1**

**Percent of people in the World at different poverty levels**

![Percent of people in the world at different poverty levels, 2005](image)

Even if we take $1.25 as a standard BPL level, the table shows that more than 20% of the world population is living under poverty line.
Chen, Shaohua and Ravallion Martin (2008:ii) have noted that, “for 2005 we estimate that 1.4 billion people, or one quarter of the population of the developing world, lived below our international line of $1.25 a day in 2005 prices; 25 years earlier there were 1.9 billion poor, or one half of the population.”

United Nation’s close concern with the issues relating to poverty can be seen since 1970 when the UN Committee for Development Planning was formed. The Committee declared poverty reduction through accelerated development; improved income distribution, and other social changes (including employment, education, health, and housing) as the paramount objective of an appropriate international development strategy. During 1980s, the International Labor Office (ILO) launched the World Employment Program (WEP) under which a number of studies on income distribution and poverty were undertaken. The World Bank (1990) took this concern with poverty further by focusing in its ‘World Development Report’ (WDR) on poverty, which declared that a successful attack on poverty needed to be mounted simultaneously on three fronts: (i) broad-based (labor-intensive) economic growth that generates employment and incomes for the poor; (ii) development of human resources (education, health, and nutrition) of the poor, which allows them to better exploit the opportunities created by economic growth; and (iii) establishment of a social safety net for those among the poor who are unable to benefit from growth and human development opportunities owing to physical and mental disabilities, natural disasters, civil conflict, and physical isolation (Levinsohn Jim:2002:1-3).

The United Nations Development Programme (UNDP), which started in 1965 is the United Nations' global development network. UNDP provides expert advice, training, and grant support to developing countries, with increasing emphasis on assistance to the
least developed countries. Furthermore, UNDP publishes an annual Human Development Report to measure and analyze developmental progress. In addition to a global Report, UNDP publishes regional, national, and local Human Development Reports. UNDP helps countries develop strategies to combat poverty by expanding access to economic opportunities and resources, linking poverty programs with countries’ larger goals and policies, and ensuring a greater voice for the poor. UNDP also works at the macro level to reform trade, encourage debt relief and foreign investment, and to ensure the poorest of the poor to benefit from globalisation.

Due to the processes of globalization and liberalization, the issue of poverty has been brought to the forefront. The proponents of globalization assert that globalization offers enormous opportunities to get rid of poverty in the developing countries, through easier access to the world’s knowledge, better technologies for delivering products and services, and expanded markets. Opponents of globalization argue that by requiring developing countries to lower tariffs and other trade barriers, globalization destroys domestic industries, traditional crafts, and threatens the food security of poor families. In this scenario of confusion, worry, anti-globalisation movements and action arose all over the world. The poverty rates are declining but still the vulnerability, deprivation and inequalities continue. The disparity between higher and lower classes is increasing. The challenge of poverty is still a serious issue.

At the 2000 UN Millennium Summit, 189 heads of government from rich and poor countries committed themselves to eight time-bound targets known as the Millennium Development Goals (MDGs) to end poverty and hunger through improved education and health and improving gender equity and environmental sustainability by 2015.
The United Nations Millennium Declaration and the World Summit on Sustainable Development (WSSD) held in Johannesburg in 2002 focused on eradication of poverty. Poverty has been seen as a threat for sustainable development particularly for the developing countries. The first of the Millennium Development Goals was of poverty eradication.

The idea that freedom from poverty is a basic human right became the obligation for governments and other actors. Amartya Sen’s approach to poverty and its reduction got global recognition and have received increased international attention in recent years. The recognition of poverty as an impingement of human rights is also increasingly reflected in the work of international organizations.

In recent years, poverty in the third world countries is declining. Based on World Bank’s poverty line of one dollar a day, poverty in Asia, Africa and Latin America is dropping from 1990 onwards, however, the effective vulnerability of the poor did not drop much. The disparity between rich and poor is increasing. The paradoxical performance of poverty reduction is really critical in many senses. The majority of the third world poor lives in rural areas and depends on agriculture. Thus, it is well accepted now that growth in agriculture can reduce poverty and food insecurity directly by augmenting farm incomes. Supportive employment generation schemes also do not lose their relevance as poverty reduction measure.

1.3 **Poverty in India: An Outline:**

From 1951 to 1974, India’s first quarter-century of independence, the percentage of its population living in poverty rose from 47 to 56 percent. During the next quarter-century, that rate fell sharply, reaching 26 percent by 1999–2000. Between 1974 and 1999-2000, the poverty rate fell by 53%, exceeding the millennium
development goal of a 50% reduction over a 25-year period. In headcount terms, the number of poor people rose steadily from 171 million in 1951 to a 321 million in 1974, before falling to 260 million in 1999-2000. (Fox James W.:2002:1)

Economic studies and surveys as well as village studies after 1970s show that there is constant decline in rural poverty from 55 percent in the early 70s to less than 35 percent by the late 80s. Green revolution, poverty reduction programmes, political will and better policy framing along with many other factors contributed to reduce poverty. Jayaraman and Lanjouw (1999: 1-30) hold that, despite decline in poverty rate there is considerable movement in and out of poverty. Some of this movement can be attributed to the year-to-year fluctuations in harvest quality, and can also be linked to transient factors such as illness, etc.

The data from the planning Commission showed decline in percentage of population below poverty line.

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<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Combined</th>
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<tr>
<td>1983-84</td>
<td>45.65</td>
<td>40.79</td>
<td>44.48</td>
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<td>1987-88</td>
<td>39.09</td>
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<td>1993-94</td>
<td>37.27</td>
<td>32.36</td>
<td>35.97</td>
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<tr>
<td>1999-2000</td>
<td>27.09</td>
<td>23.62</td>
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India still is a nation having largest concentration of poor people in the world and housing a third of the world's poor. According to 2005 World Bank estimates, 42% of India's population falls below the international poverty line of $1.25 a day; having reduced from 60% in 1980. According to the criterion used by the Planning Commission of India 27.5% of the population was living below the poverty line in

Poverty in rural India has declined substantially in recent decades. Fan Shenggen, Hazell Peter, Thorat Sukhadeo (2000:1038) stated that “the percentage of the rural population living below the poverty line fluctuated between 50 and 65% prior to the mid-1960s, but then declined steadily to about one-third of the rural population by the early 1990s.”

Developing country’s poverty picture has still reflected in the figures of rural poverty in India. Roughly 40 percent of the world’s poor live in South Asia, where poverty is basically a rural problem. Therefore, a significant gain in rural poverty reduction in the developing countries is important to reach the international poverty reduction target.

**Rural and Urban Poverty in India: Statistical Scenario**

The phenomenon of poverty has been present both in rural as well as urban areas. But nature, extent and conditions of poverty in rural and urban areas are different in many ways. The urban and rural poor have differential access to physical, financial assets and many other services as well as infrastructural and human capabilities. Rahman, M. A. (1981:3) has attempted to define rural poverty. According to him the rural poor includes “that section of the rural population whose basic minimum needs for life and existence with human dignity are unfulfilled. Such condition of poverty is
characterized by low income, widely associated with various forms of oppression under social structure through which dominant social groups are able to dictate the conditions of life of the dominated and to appropriate much of the product of the latter’s labour and often also the material assets the latter may initially possess.”

Most of the rural population in India and in other developing countries is poor because they do not own assets like land, they work as agricultural labourers, get inadequate and insecure employment and fewer wage. Degrees of remoteness, development stage of the region, low level of social capital are some of the major correlative aspects of rural poverty. Small farmers even though having some access to land are dependent on unpredictable natural conditions, markets and chances of income generation. Poverty in rural India also has dimensions of caste, ethnicity and gender. Scheduled Castes and Scheduled Tribes of India’s rural areas are the poorest people constituting about 40 to 50 percent of its population.

Gaiha et al (2005:9-14) by referring to Indian survey data for 1993-1994, argue that, throughout South Asia, the links between chronic poverty and ascribed status are played out through the persistent, severe poverty and exclusion experienced by both tribal (indigenous) and low caste peoples. Both groups continue to face discrimination. In India, for example, Scheduled Tribes (STs) suffer highly limited and declining access to the natural resources, especially forests, upon which their livelihoods are based. Most Scheduled Caste (SC) families are functionally landless and work as agricultural labourers.

Michael Lipton (1977, 1988) in his legendary work “Why Poor People Stay Poor: Urban Bias and World Development”, has raised basic issue as to why, despite growth and development in poor countries the fruits of development have failed to reach the poorest
people? His main argument is that, poverty in these countries persists mainly because development was designed by and for people in urban areas. He argues, “poverty will long remain largely rural and mainly agricultural (Lipton, 2001:1).

World Bank Report (1999) states that in the 1990s the fundamentals of rural growth and poverty reduction are fading away: neither public investments in technology, rural and social infrastructure, nor prices are favorable to a dynamic growth in agriculture and the non-farm economy that can simultaneously reduce poverty.

People living at or near the poverty line are frequently exposed to various shocks related to crops, prices and illness. Poverty is not just a matter of deprivation, but also of vulnerability to such shocks.

With the socio economic changes associated with globalization, liberalization and urbanization, the context of rural poverty is rapidly changing across the world. It has created many such effects like high growth in some economies and stagnation in others. Furthermore, increased openness in many economies has created double and contradictory effect. On one hand the urban centres developed further as urban power as main centres of production and market units, and also increased necessity of agricultural growth for rural poverty reduction on the other.

As far as the urban poverty in India is concerned, it is becoming a major area of concern since the number of people and number of poor is increasing due to rapid urbanization. The Urban Poverty Report 2009 has stated that India has entered the Eleventh Plan period with an impressive record of economic growth. However, the incidence of decline of urban poverty has not accelerated with GDP growth. In fact, urban poverty will become a major challenge for policymakers in our country as the urban population in the country is
growing, so is urban poverty. The poverty rates as estimated in, “the MRP-consumption distribution data of the 61st Round are 21.8 percent in the rural areas, 21.7 percent in the urban areas and 21.8 percent for the country as a whole” (Poverty Estimates For 2004-05 2007:2).

**Poverty in Maharashtra:**

At Maharashtra level, the percentage of people below poverty line decreased considerably from 53.24 in 1973/74 to 25.02 in 1999/2000. The percentage of rural poverty of the state too decreased from 57.71 to 23.72 in the same period.

Poverty incidence in Maharashtra is not very different from all India level scenarios. However, some variation is observed. “The percentage point reduction in incidence of rural poverty between 1973–74 and 1993–94 was at a higher level in Maharashtra (35.49) than at the all-India level (28.52). The number of poor has also declined between these two years. The decrease was more pronounced in rural Maharashtra at 42.53 per cent than in rural India as a whole: 24.47 per cent. As a result, incidence of rural poverty in Maharashtra, which was always above the national average, fell below it in 1991–2000....With this pronounced decline in rural poverty and the predominant size of the rural sector, poverty in Maharashtra as a whole declined since the mid-70s. Between 1973–74 and 1999–00, the proportion of poor population in Maharashtra declined by 28.90 percent points as compared with 27.63 percentage points at the all-India level. The percentage reduction in the number of poor was higher in Maharashtra (21.42 per cent) than in India as a whole (16.80 per cent).

Maharashtra Development Report 2007 stated that, in 1990s, rural poverty in Maharashtra declined faster than urban poverty. It declined at 7.8 per cent a year compound compared with 4.5 per cent
in 1993-94 and 1999-2000. The report, however, expressed discouragement while saying, “the higher growth rate in per capita SDP in Maharashtra has not translated into a faster reduction in poverty. The state has been able to reduce the share of the poor in population from 43.44 per cent to 25.02 per cent and the number of poor person from 29 million to 23 million between 1983 and 1999-2000. In contrast, Kerala was able to reduce the share from 40.42 per cent to 12.72 per cent.”

UNDP Report 2009 says 27.5 percent of Indians live below the national income poverty line. “According to the latest poverty estimates prepared by the Planning Commission on the basis of NSS 61st round, the State is having 3.17 crore population below poverty line in 2004-05, which is 30.7 per cent of the total population in the Maharashtra State. As compared to 1993-94, the percentage of below poverty line people has declined by about 6 percentage points.” (Economic Survey of Maharashtra 2007-08:150).

**Poverty in Nashik District:**

There are incidences of malnutrition high in tribal belt of Nashik. This shows poverty still continues to be a serious issue in Nashik district. The MHDR 2002 says, the rate of poverty in the district is higher than Maharashtra. In 1997-98 the number of families below poverty line in the district were 39.23% as against 34.55% for the whole Maharashtra.” (Maharashtra Human Development Report 2002, pp-165.) Yet, Nasik district is one of the richest districts of Maharashtra. District level per capita income of Nasik was around Rs. 15000/- per annum in 1998-99 and Nasik district stood seventh in the state following Mumbai, Thane, Raigad, Nagpur, Pune and Kolhapur. This reflects inequalities in the distribution of income and wealth; the gap between the rich and the poor has widened. This also indicates that the rich in per capita
income does not necessarily lead to reduction in poverty, and that there is the necessity of adequate implementation of poverty eradication programmes in Nashik district.

1.4 Poverty Eradication Programmes in India: An Overview

a) Poverty Eradication Scenario in Pre Independent India:

Drought and the related adversities, poverty, distress and resultant unemployment has been tackled effectively by some of the rulers in India during the middle age. Raja Shivaji, the great Maratha king of Maharashtra was asked why he constructed so many forts? He replied, for defending the ‘Swaraj’, (the independence of the state) and to generate relief work to maintain livelihood. (Page, 1998: 2-98). Even before Shivaji, some generous, welfarist kings enacted policies of creating assets to generate employment for poor caught in drought situations.

a) Asif Ud Daula, the fifteen century Nabab from Awadh province, erected a huge royal building called Bada Imambada to provide relief through generating employment for the drought affected poor. Asif Ud Daula was considered god like figure by its citizens and they used to say, “Jise na de Maula, uuse de Asif Ud Daula.” (The one, who would not be rewarded by god, will certainly be benefited by Asif Ud Daula)

b) Raja Pant Balasaheb, the Prime Minister of Aundha province in Maharashtra with Mahtma Gandhi’s inspiration amended the Constitution of his state and included right to livelihood and right to work in it. (Bharde,1998:XIV)

The poverty eradication programmes as such were almost non-existent in the British era. Relatively self sufficient village economy in the pre British India rarely called for need of government interventions to eradicate poverty. On the contrary, instead of
strengthening the village economy, the British policies worked for intensification of poverty by weakening of traditional village economy. During the British rule, radical changes took place in Indian polity and economy; however, no significant poverty eradication programmes were developed. The Zamindari and Tenancy system created several serious problems of rural exploitation, indebtedness, land alienation of the small and middle farmers. Bulk of the rural population from land cultivating category turned into tenants, landless workers and agricultural labourers.

The British policy, however, was oriented towards increase in agricultural production for rulers’ own vested interests of land revenue and raw material for their industries in England. Replacement of cash economy in the place of the barter system, consideration of Famine Commission, some measures to control land alienation, creation of specialists’ research committee like Royal Commission on Agriculture in India, establishment of village cooperatives and initiatives in making provisions for irrigation facilities were some of the measures taken by the government to find solutions to the problems of village economy.

Mention must be made of some development projects initiated by some other agencies during the Pre British Rule that include Gram Swaraj Abhiyan by Seva Gram Ashram from Wardha, Shantiniketan project of educational and infrastructural developments in some villages from West Bengal, Gurgaon experiment and Krishnamachari’s Baroda experiment and so on.

b) Evolution of Poverty Eradication Programmes after Independence in India:

Droughts, poverty, unemployment, food insecurity, and acute starvation, are not modern phenomenon for the developing world. This was the result of a low level of production in an agricultural system
that was inordinately dependent on a capricious monsoon, and extremely unequal distribution of land and food.

It is a well-recognised fact that poverty eradication is still one of the core challenges in the process of development in the countries like India. Policies and programmes designed for socio-economic development of a society, therefore, cannot side-track the phenomenon of poverty.

‘Poverty is a multi-dimensional problem having its economics, politics, sociology and even a culture. War against poverty has therefore to be fought from several angles through programmes covering various sectors of economic, social and human development’ (Basu Prahlad K.:2003).

The complex nature of poverty in India may be related with the vulnerability, natural adversities, shocks and uncertainties coupled with inequality and unemployment. It is resulting in uninsured risks of its citizen. Relevant policies and programmes for poverty eradication are the ways to tackle the problem of poverty. The equity through redistribution, development and support has been the thrust areas in making policies and programmes.

Rural poverty and backwardness of Indian villages has been the two connotations of the same reality. Thus, bulk of the efforts made by the Indian government through rural development directly or indirectly come under poverty eradication interventions. Poverty eradication strategies thus comprise of a wide range of programmes of rural development, poverty alleviation and income and employment generation.

After Indian independence in 1947, with the zeal and inspiration to transform India on the lines of developed Western countries, Government of India initiated broader interventions in its socio-economic and political structures. Democracy, decentralization
of power, equality in the socio-economic aspects of human life, 
secularism, development and socialist egalitarianism became the 
features of Indian state. The Indian leaders, planners and 
intellectuals viewed that following western model of development 
through industrialization will reduce the poverty related problems of 
India. It took time to get rid of the ‘Urban Bias’ to development. 
“Early Congress governments focused on big-push industrialization at 
the cost of both anti-poverty policies and policies of trickle-down 
aricultural growth, while the focus shifted to the latter policies by 
the end of the 1960s” (Suraj Jacob: 2006:8). The limitations of the 
western model, gradually corrected to some extent. Indian 
government felt urgent need to strengthen village economy through 
rural development, through restructuring of agrarian relations, 
through redistribution of economic resources alongside different 
protective measures for village poor. Rural development programmes 
came in picture. Rural development has traditionally been associated 
with agriculture, thus employment generation coupled with 
development of agriculture was focused in the 1960s. The Community 
development Programme (CDP) was introduced on October 2, 1952. 
The central objective of the CDP was to secure total development of 
the material resources of the rural areas, to raise the level of the rural 
poor through number of associated programmes and to develop local 
leadership and self-governing institutions. It was the first extensive 
rural development programme of Independent India. With an 
objective of comprehensive development of rural society, CDP was 
launched but its main focus was neither poverty reduction nor 
reduction in economic inequality. Development of rural infrastructure, 
ariculture and the related matters was aimed at, was supported by 
some socio cultural aspects of development like health, education and
so on. From 1959, CDP was finally withdrawn and in the final analysis largely it turned out to be a failed programme.

During the Fourth Five Year Plan period (1969-74), approach to planning was modified and special attention was paid to alleviation of poverty, especially rural poverty and to strengthen rural infrastructure. This ushered in special programmes targeted to benefit the poor, socio-economically disadvantaged classes and backward areas. Broad objectives of the programmes targeting such sections of population and backward/undeveloped areas aimed at creation of infrastructure, productive assets and development of skills. Thus, the weaker section oriented, area specific and agro-based programmes like – Intensive Agricultural Areas Development Programme (IAADP) 1969-70, Drought Prone Area Programme (DPAP) 1971-72, Hill Area Development Programme (HADP) 1973-74, Command Area Development Programme (CADP) 1974-75, Tribal Area Development Programme (TADP) and Integrated Rural Development Programme (IRDP) 1976-77 were introduced. The IRDP, which aimed at a set of allied schemes, at assisting households below the poverty line with loans and subsidies for asset creation, training and infusion of technology. The IRDP was extended on a nationwide scale in 1980. Another set of programmes consisted of rural employment generation programmes based on a variety of public works. The initial programmes were the National Rural Employment Programme (NREP) and the Rural Labour Employment Guarantee Programme (RLEGP). They have been subsequently consolidated into the Jawahar Rozgar Yojana (JRY). The Seventh (1985-90) and Eighth Plans (1992-97) have largely followed this approach for poverty alleviation. Concurrently, the minimum needs programme has been continued. Important developments during this period are the Constitutional amendments in 1992 to enable greater powers and
financial resources being given to local bodies at the district, taluka and village levels. The second set of the programmes oriented to benefit rural sections, however, too could not benefit the lowest strata of the village population to the extent it was expected.

Wage employment programmes were given importance in the late 1970s, 1980s and in the 1990s. These were framed specifically to alleviate poverty. In the beginning of seventies, Wage Employment Programmes (WEPs) were introduced to generate employment quickly and directly on one hand, and on the other, to create productive assets to pacing the process of development and also to reduce poverty. Employment based PEPs were focused during this time for several important reasons like- severe drought conditions, failure of earlier programmes in reduction of poverty, ‘Garibi Hatao’ agenda of the Indira Gandhi led Congress Party, and so on. India spends more for rural development than most other developing economies, yet the composition of its public spending is not conducive to faster, labor-intensive rural growth and poverty reduction, most notably in those states where poverty is concentrated (World Bank Report: 1999: VIII). Realisation of ‘Urban bais’ (based on trickle-down effect of development from cities to villages) and of neglect of the rural sections in development was pivotal force to the inception of such PEPs. Plans, strategies, policies and programmes were, therefore, re-designed to bring about a special focus on employment generation as a specific objective.

Employment Guarantee Scheme (EGS) in Maharashtra was outstanding in many senses. EGS was started in 1972 in Maharashtra and was firmly established in 1974 in the state. EGS in Maharashtra is one of the most effective and pioneering poverty reduction programmes through employment generation. In September 1974, Maharashtra government resolution recognized "right to work" and
EGS was settled as a regular scheme. Showing the unique and great character, EGS has been aimed to balance the unmatchable trio namely- means of subsistence to the village poor in critical conditions like drought, rural development through asset generation and development and empowerment of the poor through labour extensive works. EGS was further strengthened with the EGS Act of 1977, the later guaranteed employment to the village poor with moderate facilities and convenience. EGS went on widening its circles by adding new programmes like community based ‘Shramshaktidware Gramvikas’; personal benefit schemes like horticulture development, sericulture and so on. EGS continued for more than 38 years in Maharashtra and became path finding and well known successful programme of poverty reduction and village development.

EGS was outstanding in several senses and certainly influenced the central government programmes such as Jawahar Rozgar Yojana (JRY), started in 1989, and Employment Assurance Scheme (EAS), started in 1993.

The creation of the EGS in Maharashtra in the early 1970s stimulated the Government of India to introduce, throughout the country, public works schemes that were similar to EGS in that they were basically intended, albeit with variable emphasis, to create (a) employment for the rural poor on a needs basis and (b) creation of useful rural infrastructure through labour-intensive works. Let us term these central government initiatives the 'parallel rural works schemes'. There are two important general contrasts between them and the EGS. First, they do not have law bound 'guarantee', like the EGS. Second, while the EGS is uniquely a Maharashtra state programme, fully funded by the state Government of Maharashtra, these 'parallel' schemes, however are funded principally by the
Government of India. The states are required to implement them, but to bear only a proportion of the cost.

After examination of the PEPs, many a studies and views (e.g. Mahendra Dev’s study, V. S. Page’s views) have suggested that the better decision making at the village level and ensuring participation of the villagers in the planning and implementation of these programmes would produce positive effects. It is important to note that, the central government led wage employment scheme e.g. SGRY-did incorporate the idea of democratic decentralization and participation of the village poor in planning and implementing the PEPs. The main early antecedents of SGRY were: the Food for Work (FFW) programme, begun in 1977; the National Rural Employment Programme (NREP), initiated in 1980; and the Rural Landless Guarantee Scheme (RLGS), started in 1983. In April 1989, NREP and RLGS were amalgamated into the Jawahar Rozgar Yojana (JRY), and even the nominal work guarantee attached to the RLEGPS was omitted. The emphasis was on creating community assets, notably roads and buildings. Under new arrangements, the district authorities (through the District Rural Development Agencies - DRDAs) are required to apply directly to the Rural Development Ministry in Delhi for JRY funding.

In April 1999, the JRY was modified as the Jawahar Gram Samriddhi Yojna (JGSY). The Employment Assurance Scheme (EAS), launched in 1993, was targeted on 'backward' blocks located in drought-prone, desert, tribal and hill areas. Like the EGS, the Employment Assurance Scheme was designed to provide employment on demand during lean agricultural seasons to all able-bodied adults in rural areas. The 'assurance' relates to the stated objective of providing up to 100 days of assured manual employment at statutory
minimum wages to each labourer in rural areas, subject to a maximum of two beneficiaries from each family.

In 2001, the JGSY and EAS were amalgamated into one scheme and that is Sampoorna Gramin Rozgar Yojana (SGRY). This is the largest ever wage employment based PEP at all India level.

Indian National Congress and its alliance (UPA) came to power in 2003. UPA comprised mainly the NCP and the left parties. ‘Aam Admi’ (common man) centred agenda called Common Minimum Programme was focused. Due to the pressure from the left parties, the right to work was ranked high, in this agenda. The newly formed UPA government, under leadership of Prime Minister Dr. Manmohan Singh and Congress President, Sonia Gandhi declared National Rural Employment Guarantee Bill in 2004. The National Rural Employment Guarantee Act (NREGA) was passed in September 2005 and provided right to employment to about 5.4 crore rural poor in India. In the beginning, 200 most backward districts of the country were selected for the National Rural Employment Guarantee Programme (NREGP or NREGS). This programme is recently renamed as Mahatma Gandhi National Rural Employment Guarantee Programme.

The key features of the programme include:

1) It is the biggest PRP in India so far, intended to cover 5.4 crore rural poor in India.

2) Like EGS it is demand driven and self targeted.

3) It is based on the logic of using the productive capacity of ordinary rural folk to build and nurture productive and infrastructural assets.

4) It aims at alleviating the problem of chronic unemployment and poverty.

5) The Act provides an opportunity to build rural infrastructure through watershed development, restoration of water bodies
such as tanks and canals, activities aimed at forestry, land development, soil erosion and flood control, construction of roads and institutional facilities.

6) Mahatma Gandhi National Rural Employment Guarantee Programme (NREGP) is right based programme, gives guaranteed employment opportunity up to 100 days for each rural household every year. The rural poor can demand the work when they want. The demands must be met within 15 days, failing which an unemployment allowance must be provided by the state.

7) The programme is framed on the lines of democratic decentralization and participation of the rural poor is encouraged. ‘This is perhaps the first time that the Panchayats have been provided with the freedom to plan and execute works and is backed by substantial resources, which are at their own disposal’ (Status of NREGA Implementation 2006-07).

8) In the beginning, the programme was implemented in 200 poorest districts of India. Twelve districts from Maharashtra, comprising Ahemadnagar, Amaravati, Aurangabad, Bhandara, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Nandurbar, Nanded and Yeotmal, were included in those 200 districts.

9) The Provisions such as Social Audit through Gram Sabha, Social Audit in presence of the villagers, Yearly report to be tabled in the respective state assemblies, consolidated report to be submitted to Parliament every year are likely to ensure the transparency of the Programme.

10) Mahatma Gandhi National Rural Employment Guarantee Programme (NREGP) is mainly, funded by the Central Government contributing 90% of the expenses, while, the State government has to contribute only 10%.
The NREGA, has been greatly influenced by EGS in Maharashtra. It has been oriented to provide for the enhancement of livelihood security to the poor households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The programme went on widening its scope and now covers almost all districts of India.

Under the National Rural Employment Guarantee Act (NREGA), each State is required to formulate its own Rural Employment Guarantee Scheme within six months of its enactment. Thus Maharashtra Government formulated Maharashtra Rural Employment Guarantee Scheme (MREGS) with some variations. MREGS came in action from February 2, 2006. Dr. Arjun Chikhale, former EGS Deputy Collector from Nashik identified 20 points of differentiations between EGS and new MREGS (Chikhale:2006:6-9).

Apart from comprehensive wage employment programmes, some need based schemes like Public Distribution System (PDS), Indira Awas Yojana and other Self Employment Schemes, Self Help Group Programmes, agro based and Soil and Water Conservation Programmes too are part and parcel of the wide ranged PEPs today.

While employment levels expanded steadily during the seventies and eighties, the rate of growth of employment continued to lag behind that of the labour force.

Thus, if we look at the history of the rural development in India we find the pure poverty reduction approach was not prominent till the area specific and wage employment programmes came in to the scene in the 1970s. The growth-oriented approach of the sixties could not reduce rural poverty significantly because of poor targeting and unequal distribution of the benefits of these programmes. The area
specific and weaker section oriented schemes started in the seventies were direct and relatively better in attacking rural poverty and backwardness.

Anti-poverty strategy in the post independence era comprises of a wide range of programmes aimed to strengthen and to generate more employment, create productive assets, impart technical and entrepreneurial skills and raise the income level of the poor. Yesudian, C.A.K. (2007: 364-373) has classified the programmes of Government of India into four categories.

- First, self-employment programmes like IRDP and Swarnjayanti Gram Swarozgar Yojana (SGSY) in 1999.
- Second, wage employment programmes that intend to provide employment and livelihood chances to the rural poor caught in distressed conditions. These include programmes like EGS, EAS, JRY, SGRY and NREGS.
- Third, food security programmes that intend to meet the very basic need of access to food like PDS.
- And fourth, social security programmes (like National Social Assistance Programme or National Family Benefit Scheme) that are meant to provide security and support for those who are at the bottom of the BPL facing destitution and desertion.

Another, more sophisticated classification of Poverty Alleviation Programmes was given by Mahendra Dev and Rao (2002:1-125). According to them there are five categories:

1. Self Employment Programmes which include IRDP, DWCRA and TRYSEM
2. Wage employment programmes which include JRY and EAS;
3. Programmes which focus on providing food and nutritional security viz., PDS and ICDS;
4. Programmes which provide basic minimum services-housing, sanitation, health, education and income maintenance programmes viz., pension schemes, maternity benefit scheme and survival benefit scheme; and

5. Natural resource management and livelihoods.

Wage employment programme is thus one of the measures to tackle ill effects of unemployment, poverty and distress. Wage employment programmes all around the world have some commonalities:

1) They are targeted to the rural poor;
2) They generate additional employment for the poor caught in distressful conditions;
3) They are labour intensive and cost effective, and
4) They intend to generate assets that will help to bring about development.

This research focused on two wage employment based PEPs, namely EGS and SGRY. Against this background, the next chapter is designed to present a review of relevant literature and to make clear the methodology of the study.
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