Chapter 1

Introduction and Methodology
CHAPTER - I
INTRODUCTION AND METHODOLOGY

1.1 Introduction

Poverty has now become a challenge to human civilization, as it has been quenching the arduous and vital force and freezing the life giving stream of humanity. It has become a horrified devil spreading its moral clouds over the entire world destructing wide human resources at every inch. The tormenting question of poverty has been flung on the face of the world. Poverty curtain has descended right across the face of the world dividing materially and philosophically into two different worlds, two separate planets, two unequal humanities—one embarrassingly rich and the other desperately poor. The struggle to life this curtain of poverty is certainly the most formidable challenge of our time.\(^1\) It is estimated that the world with a total population of about 6 billion people has more than 1.2 billion i.e., 17 per cent of the total live on less than $1 a day. The incidence of poverty is highly uneven among certain regions, of the world, among countries within those regions, and among localities within those countries. In developing countries about 26.1 per cent of the population lived below poverty line in 1998. About 44 per cent of the poor people live in Southern Asia according to world Development Report 2000 / 2001.\(^2\)

Amartya Sen quotes Mollie Orshanansky, "Poverty, like beauty, lies in the eyes of the beholder".\(^3\) Referring J.B.S. Haldane's poem "Cancer's Funny Thing", Amartya Sen commented that "Poverty is no less funny".\(^4\) It is easier to recognise the devastating position of the poor, but onerous to define it.
Starvation, is clearly, the most telling aspect of poverty. While defining poverty, Amartya Sen quotes Seetha Rowntree "families as being in primary poverty", if their total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency. In short, if a considerable segment of the society is deprived of the minimum level of living, the society is said to be in mass poverty. In spite of some impressive economic growth achievements over the past few decades, many developing countries have so far not managed to bring about permanent improvements in the living conditions of the mass of their population. Annexure table 1.1 shows the trends in poverty in developing countries. The regional distribution of poverty is quite unequal. Almost half of poor and extremely poor people live in southern Asia, especially India. More of the world's income-poor live in India than any other country. Using an international poverty line of $1 per day (measured at a 1993 purchasing power parity exchange rate), about one-third of the poor in the mid-1990s lived in India.

The dimensions of poverty are so alarming in India that poverty has become synonymous with India to such an extent that they seem to be inseparable. Near-empty stomachs, semi-naked bodies, bare feet, bulging bellies, shrivelled limbs, sunken cheeks, listless eyes, blank faces and pervasive disease and debility are some of its common identification marks. It shows up in varying degrees all over the country. Filthy slums, primitive thatched huts, mud hovels where humans and cattle live together in shared misery; pavement dwellers who have nothing between the earth below and the
sky above to protect them from inclemencies of weather; one room sheds where young and old, men and women, healthy and diseased are hurdled together; women and children in rags roaming about in search of animal droppings for fuel; and unemployed youth, driven from pillar to post in search of a job to earn their bread are the common sights. Poverty in India is a grim affair, a negation of human dignity. According to an estimate as high a proportion as 82 per cent of the Indian people lived in abject and naked poverty around the beginning of the later half of the 19th century. This percentage has come down to 59 by 1947 as a result of some developmental activities undertaken by the British rulers during the world wars. Thus independent India inherited not only a near stagnant economy but also a structural malarise - a sizeable section of population living in abject poverty. The severity of poverty in terms of destitution is very high in rural areas. Agriculture being the main profession of the rural poor, poverty encircles those mostly dependent on it - the agricultural labourers and small peasants. These groups are the poorest among the rural poor and they are called 'ultra poor' by Lipton.

1.2 Poverty Line

Defining poverty line is the first step for estimating poverty. The definition of poverty line in the Indian context was attempted for the first time in 1962 when the perspective planning division of the Planning Commission prepared a plan to provide minimum level of living to the entire Indian population by the end of 1975-76. It was suggested that the expenditure needed to obtain 2400 calories per capita per day in the rural areas and 2250
calories per day in the urban areas, plus the extra amount needed to meet other basic requirements - the latter reckoned at 20 per cent of the expenditure on food-defined the threshold, or the poverty line, for the purpose of identification of the poor households. The national minimum recommended was Rs.20 per month per person for rural areas and Rs.25 for urban areas as per 1960-61 prices.\textsuperscript{11}

Dandekar and Rath\textsuperscript{12} in their seminar work on poverty used an average calorie norm of 2,500 calories per capita per day for both rural and urban areas, as a criterion to define the poverty line. On the basis of NSS data on consumer expenditure, the study revealed that, in rural areas, the households, with an annual per capita expenditure of Rs. 170.80 (or equivalently Rs. 14.20 per capita per month) at the 1960-61 prices consumed on an average food with calorie equivalent of 2250 per capita per day together with such non-food items as they chose. The corresponding figures in the urban areas were Rs. 271.70 and Rs. 22.60 at 1960-61 prices. In comparison with the recommendations of the working group (1962), the authors observed that the rural minimum determined by them was considerably below, while the urban minimum determined by them was considerably below, while the urban minimum determined by them was a little above the level recommended by the group. In view of this they decided to revise the normal minimum slightly upwards to Rs. 180/- per annum or Rs. 15/- per month. Similarly, they rounded off the urban minimum to Rs. 270/- per annum or Rs. 22.50 per month both at 1960-61 prices.
Different economists estimated the number of poor people below the poverty line using different norms. Raj Krishna took into account and the major dimension in assessing poverty, viz., the role of public consumption in measuring welfare or deprivation. The actual public expenditure per capita on six social heads such as health and family planning, water supply, sanitation, etc., was added to the actual private monthly per capita expenditure and estimated what he called an 'Augmented Poverty Line'.

A quantitative index of poverty has been formulated by the Planning Commission for its planning exercise in the “Report of the Task Force on Projections of Minimum Needs and Effective Consumption Demand” set up in 1977, where poverty line is defined as the mid-point of the monthly per capita expenditure class having a daily calorie intake of 2,400 per person in rural areas and 2,100 in urban areas. Based on 1973-74 data, it was estimated that, on an average, consumption expenditure of Rs.49.09 for rural areas and Rs.56.64 per capita per month for urban areas were sufficient to meet the above mentioned calories. The poverty line thus determined is somewhat superior compared to the earlier ones in that it takes care of population distribution in terms of age, sex and activity - the three major determinants of calorie needs of the individuals.

Thus, several criteria are used to define the poverty line. There are four such criteria, namely, (i) the proportion of expenditure taken up by specified essential items such as food; (ii) calorie value of food; (iii) cost of a balanced diet; and (iv) cost of essentials of tolerable human existence. Whichever
criterion is chosen, it is used to determine an expenditure level which meets that criterion; and ultimately it is the expenditure level so determined and not the chosen criterion which defines the poverty line.\textsuperscript{13} It may be noted that such expenditure level has to be revised whenever there is a rise in the cost of living.

1.3 Estimates of Poverty in India

The poverty estimates are generally divided into official estimate, from the Planning Commission and non-official estimates by various researchers and others. The official estimates have been much lower than the non-official estimates. The poverty line suggested by the 1979 Task Force has been used as the base poverty line in official and many non-official estimates. The poverty line so defined has been updated over time to take care of changes in price levels. The price indices used for updating poverty line also differ between officials and researchers. Apart from this, the Planning Commission has been making adjustments in the National Sample Survey data in order to arrive at the estimates of the number of poor. The procedure followed has been to adjust the expenditure levels reported by the NSS uniformly across all expenditure classes by a factor equal to the ratio of the total private consumption expenditure obtained from the National Accounts Statistics to that obtained from the NSS. The Expert Group Estimates [Lakdawala Committee, GOI (1993)] on the other hand used only NSS data and their poverty estimates are much higher than the official estimates.\textsuperscript{14} The reconciliation between NSS and National Account Statistics had resulted in lower and misleading poverty estimates. In early November 1996, Planning
Commission decided to adopt the Expert Group method for its official poverty estimates. Some improvements on the Expert Group method have been suggested.

Before going into the explanations of poverty trends, we briefly mention here the determinants of poverty in rural areas. There are essentially three factors viz., agricultural growth, food prices and anti-poverty programmes which influence rural poverty. Agricultural growth is very important for rural areas for not only increasing production but also for income generation to the labourers in the form of employment and wages and its linkages with non-agriculture. Its indirect impact of prices is also quite high. Growth has to be, however, relatively high to make an appreciable impact on the poor. The changes in food prices affect the real incomes of the poor as food grains are the basic need that has a large share of consumption in the budgets of the rural poor. The importance of agricultural growth and food prices for influencing rural poverty is well known in the literature. What is not always fully appreciated, however, is the importance of public action in influencing changes in rural poverty. The expenditure on anti-poverty programmes and public management of food economy have significant influence on rural poverty.

Since 1970, a number of studies have been made by economists and other social scientists to measure the number and percentage of people below the poverty line. Notable among them are Minhaś (1970, 1971), Ojha (1970), Bardhan (1970, 1973), Dandekar-Rath (1971), Vaidyanathan (1974),

(a) **B.S. Minhas study of Rural poor**

B.S.Minhas attempted to estimate the rural poor on the basis of two cut-off points-one suggested by the Working Group of the Planning Commission at Rs.240/- per capita per annum and a second one at Rs.200/- per capita per annum on the basis of NSS data. He estimated the per capita overall consumption in rural areas using NSS data relating to the percentage shares of different fractile groups of the population in total consumption expenditure. As per the estimate the percentage of people below the poverty line of Rs.240/- declined from 65 per cent to 50.6 per cent during the period 1956-57 and 1967-68. But the number of rural people below the poverty line seems to have fallen in good harvest years but shot up again in bad harvest years.

(b) **P.D. Ojha's Estimate of Poverty**

P.D. Ojha defined poverty in terms of minimum needs which, in turn, were expressed in terms of physical survival. He showed a higher proportion of rural population below the poverty line. As per his estimate based on an average calorie intake of 2,250 per capita per day which involves a monthly per capita consumption expenditure of Rs.15-18/- (1960-61 prices) in urban areas and of Rs.8-11/- in rural areas, 184 million persons in rural areas (51.8 per cent of rural population) and 6 million persons in urban areas (7.6 per cent...
of urban population) were below the poverty line in 1960-61. For, 1967-68, Ojha estimated that 289 million persons (70 per cent of the rural population) lived below the poverty line.

(c) P.K. Bardhan's Estimation

P.K. Bardhan's from his time series profile of the rural poor also showed a sharp increase in the incidence of poverty over time. Using Rs.15/- per capita expenditure per month (at 1960-61 prices) for the rural poor, he found that the percentage of rural poor below the poverty line had been on the increase during the sixties-54 in 1968-69 as against 38.45 per cent and 53 per cent in 1960-61 and 1967-68 respectively.

(d) A. Vaidyanathan's Estimation

A. Vaidyanathan on the other hand, found that the percentage of the rural poor has been on the increase during the sixties using the NSS estimates of changes in per capita consumption. His computation showed that the percentage of rural population below the poverty line (or Rs.20 per capita per month at 1960-61 prices) had increased to 67.8 in 1967-68 as against 60.4 per cent in 1964-65 and 59.5 per cent in 1960-61.

(e) Montek Ahluwalia's Estimation

Montek Ahluwalia studied the trends in rural poverty in India for the period 1956-57 to 1973-74. He used the same concept of poverty line, i.e., an expenditure of level of Rs.15 in 1960-61 prices for rural areas and Rs.20 per person for urban areas. The most important feature of Ahluwalia's study is
marked fluctuation over time in the extent or incidence of rural poverty. Rural poverty percentage declined from over 50 per cent in mid-fifties to around 40 per cent in 1960-61, rose sharply through mid-sixties, reaching a peak in 1967-68. The time series show a pattern of fluctuations in the incidence of poverty falling in periods of good harvests and rising in periods of poor harvests.

(f) Balakrishna and Ghosh's Estimation

According to Balakrishna and Ghosh\textsuperscript{20} who used NSS data of the 26th round (1971-72) and 28th round (1973-74), the rural poor increased from 178 millions in 1971-72 to 217 millions in 1973-74, the corresponding rise in percentage terms being from 40.5 to 45.9.

(g) Dandekar's Estimation

Dandekar\textsuperscript{21} by using the original poverty norm of Rs.171 per capita annual expenditure for meeting the nutritional requirements of 2250 calories per day per person for rural areas estimated per capita per month expenditure for the subsequent periods based on the whole sale price indices. The minimum per capita per month expenditure was estimated at Rs.32.66 in 1971-72, Rs.38.61 in 1972-73, Rs.56.06 in 1977-78 and Rs.93.29 in 1983. The poverty line of Rs.32.66 for 1971-72 was revised with the help of average wholesale price index with 1970-71 as the base year. Based on the revised wholesale price index, the poverty lines for the subsequent years were also revised at Rs.39.08 for 1972-73, Rs.54.42 for 1977-78 and Rs.88.35 for 1983.
(h) Mahendra Dev’s Estimation

Mahendra Dev\textsuperscript{22} used the poverty line of Rs.15/- per capita expenditure per month at 1960-61 prices as adopted by Pranab Bardhan. For the subsequent years the poverty norm was adjusted by the corresponding state-specific consumer price index for agricultural labourers with 1960-61 as the base year. For the subsequent periods, the NSS consumer expenditure data were available. The state-wise poverty lines thus determined were combined with the data on the size distribution of consumer expenditure per capita per month to derive the incidence of poverty in each state. Using the coefficient of variation, the study observed a steady increase in the inter-state disparity in the incidence of poverty. He used the poverty line of Rs.15/- per capita per month at 1960-61 prices for rural India and the corresponding poverty lines for rural areas of different areas by applying the consumer price index numbers of agricultural labourers following Bardhan’s methodology. He worked out state-specific incidence of poverty for all the years from 1961-62 to 1986-87. The study made an indepth analysis of demographic, social and occupational characteristics of the rural poor.

(i) N. Kakwani and Subba Rao’s Estimation

N. Kakwani and Subba Rao\textsuperscript{23} made comprehensive analysis of rural poverty and its alleviation in India. They followed the Planning Commission norm and adopted Rs.50/- per capita per month for meeting the per capita daily requirement of 2400 calories in rural areas and Rs.40 per capita per month also for rural areas for the ultra poor. The cut-off point of the ultra poor of Rs.40/- per month corresponds closely to the poverty line used by
Bardhan (1970) and Dandekar and Rath (1971) which was Rs.15/- at 1960-61 prices and which at 1973-74 rural prices was equivalent to the per capita expenditure of Rs.42.50. Using the norms laid down by Bhattacharya and Chatterjee (1974) state wise price relatives for 1963-64 and the movements in the consumer price index for agricultural labourers available at the state level, state-specific poverty lines at current prices have been worked out for four reference periods 1972-73, 1973-74, 1977-78 and 1983.

(B) B.S. Minhas and others Estimation

B.S.Minhas\textsuperscript{24} et al adopting the poverty line of Rs.49.09 per capita per month expenditure for rural areas at 1973-74 prices, constructed separate consumer price indices based on rural retail prices for the entire rural population and for the middle rural population considered relevant for computing poverty index. On the basis of these indices, the corresponding poverty lines for six different NSS periods have been worked out. According to them, the poverty line for the NSS round 1970-71 was Rs.31.52 while it was Rs.40.75 for 1972-73, Rs.49.09 for 1973-74, Rs.55.18 for 1977-78 and Rs.89.00 for 1983.

Minhas\textsuperscript{25} et al constructed state-specific cost of living indices and the inter-state price differentials relevant to the poverty groups and estimated state-specific poverty lines for the six NSS periods. Based on these, estimates of the indices of rural and urban poverty in each state and all-India (direct as well as alternative derived from the state total)\textsuperscript{26} have been worked out. In
another study Minhas et al. (1991) worked out the rural poverty line at Rs.33.01 in 1970-71, Rs.93.16 in 1983 and Rs.122.63 in 1987-88.

(k) Jain and Tendulkar’s Estimation

Jain and Tendulkar\textsuperscript{26} in their studies during 1990, 1991 and 1992 used two sets of poverty line to estimate the incidence of poverty. The first one was based on the poverty line of Planning Commission i.e., monthly per capita expenditure of Rs.49.09 for rural areas at 1973-74 prices. Jain and Tendulkar also made an attempt to measure poverty for eight time points between 1970-71 and 1988-89. The poverty lines for different years have been worked out on the basis of Planning Commission norm. The poverty norm was estimated at Rs.33.01 in 1970-71, Rs.49.09 in 1973-74, Rs.57.64 in 1977-78, Rs.93.16 in 1983, Rs.110.75 in 1986-87, Rs.122.63 in 1987-88 and Rs.132.77 in 1988-89. As per the alternate norm, the cut-off point has been worked out at Rs.28.70 in 1970-71, Rs.42.68 in 1973-74, Rs.50.11 in 1977-78, Rs.80.99 in 1983, Rs.96.32 in 1986-87, Rs.106.62 in 1987-88 and Rs.115.43 in 1988-89.

(l) Estimation of poverty by the Seventh Finance Commission

The Seventh Finance Commission\textsuperscript{27} developed a concept of an "augmented below the poverty line in each state as also for the calculation of poverty percentage. It made an attempt to have a more inclusive concept of poverty line. The Commission refers to Dandekar – Rath and Planning Commission norms for the measurement of incidence of Poverty in India and adopted Dandekar – Rath norm for its calculations. For this, purpose, the commission utilised the state index of rural consumer prices in 1960-61
prepared by Bardhan on the basis of the study "between States variations in consumer prices" by Chatterji and Bhattacharya based on NSS round data.

The NSS data cover only household consumer expenditure. In order to get a more inclusive measure of welfare of deprivation, an estimate of the benefit of the public expenditure has been added to private consumer expenditure norms for calculating "the augmented poverty line". To the per capital monthly private consumer expenditure norms is added the per capita monthly public expenditure by each State Government under the following heads of expenditure in 1970-71, (i) Health and Family Planning, (ii) Water Supply and Sanitation, (iii) Education (iv) Administration of Police, Jails and Courts, (v) Road, and (vi) Social Welfare. To this norms i.e., the state specific poverty lines, the maximum per capita monthly public expenditure for any State in India in 1970-71 was added. This modified state specific norm was named as "Augmented Poverty Line".

On the above basis the Seventh Five Commission estimates show that in 1970-71 the per cent of rural population below the augmented poverty line as the highest in West Bengal (70.28%), followed by Orissa (69.18%), Bihar (70.28%), Tamil Nadu (61.323%), Madhya Pradesh (56.99%) and so on. The Commission calculated the poverty percentage as well which shows the percentage of the number of persons below the augmented poverty line in a state to the total number of persons below the augmented poverty line all states. It can be shown that largest number of poor people live Uttar Pradesh followed by Bihar, West Bengal, Tamil Nadu and so on.
World Bank's Study

The World Bank\textsuperscript{28} in its country study—"India—Poverty, Employment and Social Service (1989) has also made use of some procedure as adopted by the Planning Commission. Poverty line of Rs. 49.1 and Rs. 56.6 per capita per month were defined by the Planning Commission for rural and urban areas for 1973-74. The World Bank for 1973-74. The World Bank used an alternative method of estimating poverty proportion applying a deflator series developed by the NSS and the Indian Statistical Institute to calculate updated poverty lines of Rs. 52.2 (rural) and 68.6 (urban) for 1977-78 and Rs. 89/- (rural) and Rs. 112.2 (urban) for 1983. The World Bank also worked out the estimate of ultra poor reckoned at 75% of expenditure of poverty line for 1970, 1983 and 1988 has been worked out. The results are cited in Table 1.1.

A very distressing aspect of poverty situation in India is stated by the World Bank is that whereas rural poverty for India as a whole got reduced from 53% in 1970 to 41.7% in 1988 and urban poverty declined from 45.5% to 33.6% during the same period, ultra poverty declined to a level of 2% for rural area an 15.8% for urban areas. The poverty line level attained for rural and urban areas show a different about 8% whereas ultra poverty level shows a relatively smaller difference of a little over 4%. This indicates that the percolation of the benefits of the growth process to the destitutes is even smaller at the upper layers of poverty.
**TABLE 1.1**

Number and Proportion of Population in Poverty in India

<table>
<thead>
<tr>
<th></th>
<th>No. in million below poverty line</th>
<th>% below poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>236.8</td>
<td>257.6</td>
</tr>
<tr>
<td>Urban</td>
<td>50.5</td>
<td>54.7</td>
</tr>
<tr>
<td>Total</td>
<td>287.3</td>
<td>311.7</td>
</tr>
</tbody>
</table>

**Below ultra poverty line**

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>134.6</td>
<td>128.1</td>
<td>123.6</td>
<td>30.1</td>
<td>22.8</td>
<td>20.4</td>
</tr>
<tr>
<td>Urban</td>
<td>28.4</td>
<td>31.5</td>
<td>32.9</td>
<td>25.6</td>
<td>17.7</td>
<td>15.8</td>
</tr>
<tr>
<td>Total</td>
<td>163.0</td>
<td>159.6</td>
<td>156.5</td>
<td>29.8</td>
<td>21.8</td>
<td>19.2</td>
</tr>
</tbody>
</table>

Source: India – Poverty Employment and Social Services (1989)

World Bank's World Development Report\(^2\) (1990) has presented a detailed report on World's Poverty. The poverty line has been fixed at $370 per capita a year for the poor of 1985. As per the report 55% of the total population of India is living below the poverty line, while this proportion is only 20% in China. The report emphasised the point that the rural poverty is critical factor in overall 'incidence and depth of poverty'. 77% of India's population is rural, unfortunately 79% of rural population is below poverty line. The infant mortality rate is 105 per thousand in rural areas of India where it is only 57 in urban areas of the country. So far an illiteracy is concerned it was 63.60% in rural and 98.2% in urban areas (1991 census). These indicators themselves, speak about the rural poverty.

Estimates by the Planning Commission

A specific reference about poverty line or desirable minimum consumption level was made officially for the first time in 1962, which was discussed already in Dandekar – Rath and Minhas study. The Fourth and Fifth Plan followed the same norm in calculating the people below poverty line. Keeping in view the considerable rise in prices since 1960-61. The Fifth Plan converted the 1960-61 figures at 1972-73 prices. The Draft Five Year Plan, 1978-83 makes use of a wider concept of poverty which includes not merely those who earn very little though fully or partly employed, because of low productivity or low wages.
The Planning Commission had defined a poverty line on the basis of recommended nutritional requirements of 2,400 calories per day per person for rural areas and 2,100 calories per person per day for urban areas. The cut off points for determining the poverty line turned out to be Rs. 61.8 and Rs. 71.3 for Rural and Urban areas at 1976-77 prices.

In, 1977, the Planning Commission had set up the “Task Force on Projections of Minimum Needs and Effective Consumption Demand” for an assessment of the problem of poverty and determining a quantitative index of poverty. The task force defined the poverty line as the mid point of the monthly per capita expenditure class having a daily calorie intake of 2,400 per person in rural areas and 2,100 in urban areas. In 1979-80 prices, the mid-points were Rs. 76/- in rural areas and Rs. 88/- in urban areas. On the basis of an assessment of several rounds of NSS of household consumer expenditure, it was found that nearly half of our population was living below the poverty line continuously in the 1970s.

The Sixth Plan identified that the majority of the poor lived in rural areas and belonged to landless labourers, small and marginal farmers, rural artisans, backward classes and Tribes. Their poverty is due to the absence of assets or existence of assets with low productivity fewer relevant skills and no regular full time jobs or very low paid jobs.

The concept of poverty accepted by the Planning Commission is one as defined by the “Task Force of Minimum Needs and Effective Demands”.
According to the report the poverty line concept hinges on per capita monthly expenditure of Rs. 49.09 and Rs. 56.64 for rural and urban areas respectively corresponding to the calories requirement of 2,400 per capita per day in rural areas and 2,100 per person in urban areas. However, the Seventh Plan, in order to derive the poverty line at 1984-85 prices, estimated the per capita monthly expenditure at Rs. 107/- in rural areas and Rs. 122/- in urban areas.\(^3\)

Again the Planning Commission constituted an Expert Group in September 1989 to consider methodology and computational aspects of estimation of proportion and number of poor in the country. The Expert Group, while retaining the concept of Poverty line as recommended by the Task – force, suggested changes in the price deflator to update the poverty line for use in later years. It suggested use of State specific price indices which can reflect the changes in cost of consumption basket of the people around the poverty line. It relied exclusively on the NSS (Data) on consumption expenditure to assess the incidence of poverty without adjusting the NSS consumption to that obtained from macro aggregate of the National accounts. The report of the Expert Group which was submitted in July 1993 was released by the Planning Commission. The estimates of percentage of population living below the poverty line arrived by the Expert Group are as in Table 1.2
TABLE 1.2

Percentage of Population living below the Poverty line – Expert Group Estimate

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>56.4</td>
<td>53.1</td>
<td>45.6</td>
<td>39.1</td>
<td>40.7</td>
</tr>
<tr>
<td>Urban</td>
<td>49.2</td>
<td>47.4</td>
<td>42.2</td>
<td>40.1</td>
<td>36.6</td>
</tr>
<tr>
<td>Combined</td>
<td>54.9</td>
<td>51.8</td>
<td>44.8</td>
<td>39.3</td>
<td>39.6</td>
</tr>
</tbody>
</table>


According to the latest large sample survey data on consumer expenditure made available by the National Sample Survey Organisation (NSSO) from its 55th Round Survey (July 1999 - June 2000), the poverty ratio on a 30 day recall basis, 23.62 per cent in urban areas and 26.10 per cent for the country as a whole. The incidence of poverty expressed as a percentage of people living below the poverty line has witnessed a steady decline from 55 per cent in 1973-74 to 36 per cent in 1993-94 and 26 per cent in 1999-200. Though the poverty ratio declined, the number of poor remained stable at around 320 million for a fairly long period of two decades, (1973-19993), due to countervailing growth in population. The latest estimates for 1999-2000 reveal a significantly reduced number of poor at about 260 million out of a total population of 997 million.31
Table 1.3 shows the Planning Commission estimates on recent trends in poverty.

**TABLE 1.3**

**Recent Trends in Poverty in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Head count ratio</th>
<th>Poor (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>1973-74</td>
<td>56.4</td>
<td>49.0</td>
</tr>
<tr>
<td>1977-78</td>
<td>53.1</td>
<td>45.2</td>
</tr>
<tr>
<td>1983</td>
<td>45.7</td>
<td>40.8</td>
</tr>
<tr>
<td>1987-88</td>
<td>39.1</td>
<td>38.2</td>
</tr>
<tr>
<td>1993-94</td>
<td>37.3</td>
<td>32.4</td>
</tr>
<tr>
<td>1999-2000 (30 day recall)</td>
<td>27.1</td>
<td>23.6</td>
</tr>
</tbody>
</table>


The Poverty estimates presented above reveal that the rural poverty has shown a consistent reduction during the period 1973-74 to 1989-90 before showing a mild increase in 1990-91. The rate of decline was faster in the 1980s. The decline in poverty in the 1980s could be attributed to stable agricultural growth and the impact of government poverty alleviation programmes. Till 1987-88, rural poverty ratios were fluctuating with the agricultural output. In other words, poverty increased (decreased) during the bad (good) agricultural year. In this year, the public distribution system and the special employment programmes of some state governments have helped in arresting the increase in poverty in a drought year. The non-farm employment also increased during the 1980s and helped in reducing rural poverty.
The above analysis clearly points out that the magnitude of rural poverty is alarmingly massive. Unemployment, under-employment, unequal distribution of assets including land in rural areas, highly skewed distribution of personal income, indebtedness and on the top of these population explosion are the principle identifiable causes for rural poverty. Illiteracy, superstition and ignorance and also the social factors have contributed in no small measure to the aggravation of poverty in rural areas.

1.4 Anti-Poverty Programmes

Poverty alleviation has been on the national policy agenda for more than fifty years. As early as 1938, the Indian National Congress constituted a National Planning Committee headed by Jawaharlal Nehru, which had declared that the social objectives should be "to ensure on adequate standard of living for the masses, in other words, to get rid of the appalling poverty of the people". Even though poverty alleviation has been, and continues to be, the overarching objectives of all India's development plans, programmes that are specifically poverty oriented were not formally included until the Fifth Five Year Plan. Since Sixth Five Year Plan, a number of poverty eradication measures were introduced in India. Further the plan documents categorically stated that the benefits of economic development must accrue more and more to the less privileged sections of the society. The Indian Governments strategy for reducing the incidence of poverty is based on a combination of accelerated
growth and targeted, direct antipoverty interventions. During the planning era, several strategies have been adopted for the development of rural areas and rural poor, with a focus on weaker sections.

1.4.1 Growth-oriented Strategy

Till 1970, 'production' or 'growth' oriented strategies were followed for improving the living conditions of the poor. The first step for achieving this goal in the context of rural India was the introduction of Community Development Programme (CDP) in 1952. The programme laid emphasis on all-round development of the whole community with special emphasis on weaker and under privileged sections through the use of area development, self-help and integrated approaches. In the initial period, after the commencement of the CDP, there was a very good response from the people and it is reported that in several development projects good results were achieved. Therefore, it was decided by the government to extend this programme under the name of National Extension Service (NES). This new scheme came into operation in 1953. The aims and objectives of the NES programme were the same as those of the CDP. Attempts were made to extend the NES programme on a wider scale throughout the country and implement rural reconstruction schemes. However, the CDP and the NES became one in due course of time. The CDP, however, could not bring the expected change in the improvement in the conditions of rural masses nor much success could be achieved in the area of agricultural development. In fact, the CDP failed to register any appreciable increase in agricultural production with the inevitable consequence that India was compelled to
import more and more grain to feed its growing population. This culminated in
the adoption of Intensive Agricultural District Programme (IADP) in 1960-61
under which efforts to boost agricultural production were concentrated in areas
(16 selected districts) with better prospects of higher yields. The success
achieved in increasing agricultural production under this programme led the
government to extend it to 117 districts in the country in March 1964 under
the name Intensive Agricultural Area Programme (IAAP). In view of the food
crisis emerged in the country as a result of successive droughts during
1964-67, the Government of India launched a new strategy known as High
Yielding Varieties Programme (HYVP) in the year 1964-65 which ushered in
the so-called 'Green Revolution'. This increased the food grains production
substantially and the country became almost self-sufficient in food grains.
Strategies such as the IADP and the use of HYV seeds were allegedly
aggravating inequalities. Confidence in growth-centered strategies (among
economists and politicians) weakened.34

The 'production' or 'growth' oriented strategy that was pursued till the
end of 1960's did not tackle the problems of poverty and unemployment. The
expectations that the process of economic development would transmit the
benefits of development widely throughout the society, including the lowest
layers did not materialise. Unfortunately, the trickle-down strategy did not
work. The gains that accrued from the intensive development efforts,
including institutional credit, flowed to the large and resourceful farmers to
the neglect of small farmers, agricultural labourers, tenants and rural artisans.
Even the 'technological changes have contributed to the widening of
disparities in income between different regions, between small and large farms and between land owners on the one hand and landless labourers on the other. Institutional reforms like land ceiling and Land Reforms Acts too could not confer benefits on the landless poor.

1.4.2 Target Development Strategy

It was realised that the benefits of various rural development programmes implemented till 1970 were appropriated by those who were better endowed in terms of land resources and the small farmers, agricultural labourers, tenants and other weaker sections could not derive any advantages. Interventions aimed more directly at particularly vulnerable segments came to the force. Accordingly, since the start of the Fourth Five Year Plan in 1969, programmes were directed to specific target groups and certain disadvantaged areas. Such programmes included the Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Development Agency (MFALDA), Rural Manpower Programme (RMP), Rural Works Programme (RWP), Crash Scheme for Rural Employment (CSRE), Pilot – Intensive Rural Employment Programmes (PIREP), Food for Work Programme (FWP) and Antyodaya Scheme and Area Development Programmes like the Drought Prone Area Programme (DPAP), Desert Development Programme (DDP), Hill Area Development Programme (HADP), etc. Thus the strategy of development during 1970s consisted of target group-oriented programmes and the area development programmes are described briefly hereunder.
Small Farmers Development Agency and Marginal Farmers and Agricultural Labour Development Agency

Neither the CDP nor the IADP has benefited the rural poor. In order to help the small and marginal farmers and agricultural labourers to get the benefits of development programmes, two separate schemes, namely the Small Farmers Development Agency (SFDA) and the Marginal Farmers and Agricultural Labourers Development Agency (MFALDA) were started in 1971. Following the recommendations of the All India Rural Credit Review Committee (1969) these two agencies were merged into a single agency in 1974. The objective of the programme was to assist persons specially identified from this target group in raising their income levels. This was to be achieved by helping them, on the one hand, to adopt improved agricultural technology and acquiring means of increasing agricultural production, and on the other hand, to diversify farm economy through subsidiary activities like animal husbandry, dairying, horticulture, etc. The agencies provided a subsidy of 25 per cent to small farmers and 33 1/3 per cent to marginal farmers and agricultural labourers on specified capital investments and inputs. The agencies were to make special effort to ensure that the needed inputs and credit were made available to the beneficiaries by respective credit institutions. The Sixth Five Year Plan, 1980-85 reported that out of total of approximately 5,100 blocks in the country 1818 blocks were covered by these two programmes.

Up to March 1980, the agencies had identified 16.7 million beneficiaries of whom 8 million were assisted. Of those assisted, 6.1 million
or 75 per cent were helped to acquire access to improved agricultural practices, through subsidy, supply of inputs and implements and field demonstrations. The remaining 1.9 million beneficiaries were helped to acquire assets like milch cattle, sheep, poultry, etc., minor irrigation facilities and village industries units. Among the beneficiaries, 1.3 million belonged to Scheduled Castes and Tribes. The medium and long term credit advances to beneficiaries through co-operatives over the years till March 1980 amounted to Rs.112.82 crores and Rs.140.20 crores respectively. The short-term loan from co-operatives and commercial banks was Rs.27.76 crores and Rs.6.03 crores respectively in 1979-80. The government expenditure in the form of subsidy given to beneficiaries was Rs.156.10 crores.

The Sixth Five Year Plan (1980-85) noted that only half of the beneficiaries were assisted and the bulk of the assistance did not lead to asset creation. The principle reason for a lower coverage under such asset creation purposes was the progressive erosion in the integrated functioning of the Block Agency which was the main implementation agency, inadequacies of the credit institutions and lack of co-ordination and adequate support from concerned departments to the Agencies programmes. It was also found that in several cases some of the big landlords transferred their land in the names of their sons, etc., and got them identified as small farmers. In the year 1980-81, SFDA was merged with IRDP.

Realising that unemployment and under-employment were the important causes for rural poverty, the Government of India started
implementing income generating employment schemes for the rural poor. These programmes are:

**Rural Manpower Programme**

The Rural Manpower Programme (RMP) was taken up in 32 Community Development (CD) Blocks on a pilot basis in the year 1966-61 with the objectives of providing employment for 100 days to at least 2.5 million persons by the end of the Third Five Year Plan in such areas where seasonal unemployment and under-employment was prevailing. By the end of 1964-65, the programme covered 1000 CD blocks and a little over 20 per cent of the originally contemplated outlay of Rs. 150 crores could only be provided due to resource constraints. The programme had generated 137 million man days of employment by the year 1968-69 and after that the programme was terminated.

**Rural Works Programme**

The Rural Works Programme was launched in 54 selected districts of 13 States during 1970-71. The districts were identified as drought prone on the basis of extent of irrigated area, rainfall, frequency of drought with the objectives of mitigating scarcity conditions. The programme could cover 60 million people or 20 per cent of the geographical area of the country. The programme focused mainly on employment or income generation through the execution of rural work such as medium or minor irrigation, soil conservation or afforestation, road building and drinking water supply. The programme underwent a change to have a long term measure for development of drought
prone areas, restore ecological balance, optimum utilisation of land, water, livestock and human resources. In 1973, the programme was re-oriented with an area development approach, and redesigned as the Drought Prone Area Programme.

**Crash Scheme for Rural Employment**

The Crash Scheme for Rural Employment (CSRE) was initiated in 1971-72 as a non-plan programme for generating employment opportunities in rural areas. It lasted for three years. The selected rural works under CSRE were located in areas of each district where other special programmes such as SFDA were not in operation; where the percentage of landless labour and the incidence of unemployment was relatively high and those which were relatively less developed. The basic objective of the CSRE was to generate employment in productive works for a 1,000 persons in each district, on an average 2.50 lakh man-days of employment should be generated in every district. The government of India sanctioned Rs. 12.50 lakhs annually for a period of 3 years beginning from April 1971 to each district of the country.

One striking defect of CSRE was that it overstressed the importance of job creation and neglected the more important objective of creation of appropriate assets. Huge amounts were incurred particularly to fulfil the financial targets. Manpower can be utilised on a wide variety of schemes: minor irrigation, soil conservation, flood protection, construction of schools, etc. However, 70 to 80 per cent of the expenditure was on the so-called road building. The district administration in charge of the amounts allotted to the
scheme was not prepared to provide suitable organisational machinery to formulate, select and execute such projects which strengthen the productive assets. While allotting funds for various blocks, the regional variations in development were not taken into account. There was undue delay in the selection and implementation of schemes.39

Pilot – Intensive Rural Employment Programme

The Pilot-Intensive Rural Employment Programme (PIREP) was started in November 1972 for a three-year period in 15 selected CD blocks in various States. The basic objectives were to provide additional unskilled employment opportunities, creation of assets that have a multiplier effect, creation of new skills through project work site or attempt to prepare a man power budget in respect with wage seeking labour to induce a comprehensive employment programme for the entire country. The programme generated 18.16 million – mandays of employment during the three years period of its operation.

Minimum Needs Programme

The concept of the Minimum Needs Programme emerged and crystallised out of the previous experience of plans that neither growth nor social consumption can be sustained, much less accelerated, without being mutually supportive.40 The MNP was first introduced in 1974-75 with the objective of establishing a network of basic services and facilities of social consumption designed to assist in raising consumption levels of those living below the poverty line and thereby improve the productive efficiency of the
people. The MNP is essentially an investment in human resources. The basic needs of the people identified for this programme include elementary education, adult education, rural health, rural roads, rural water supply, rural housing, rural electrification, nutrition rural domestic cooking energy, rural sanitation and public distribution system. In respect of the urban areas, the programme aims at the improvement of urban slums.

The implementation of the MNP for a decade between 1974-75 and 1984-85 provided certain lessons on the basis of which the major thrust of the programme during the Seventh Plan (1985-1990) was oriented towards integration of the MNP with other rural development and anti-poverty programmes. The basic logic in establishing this linkage can be explained as follows: The MNP comprises two distinct sets of activities. The first is human resource development activities such as elementary and adult education, health, drinking water supply, rural housing and nutrition. The second relates to area development activities such as rural roads and village electrification. The various components of MNP, thus, seek to enhance the productive capacity of the community as a whole.41

Food for Work Programme

The Food for Work Programme (FFW) was introduced by the Government of India in 1977-78 as a non-plan scheme to augment the funds of the State Governments for the maintenance of public works. It aimed at creation of additional employment in rural areas for building up of durable community assets (such as irrigation tanks, school buildings, panchayat
buildings, drinking water wells, laying of village streets, drainage, etc.) with the use of surplus food grains available for part payment of wages. In the beginning somewhat hesitantly, the programme gained momentum in 1978-79 when over 12 lakh tonnes of food grains were utilised creating 372.8 million man days employment. During the year 1979-80, 23 lakh tonnes of food grains were allotted resulting in about 600 to 700 million man-days employment. The programme, besides creating substantial additional employment in rural areas during the lien periods, more particularly in areas affected by drought in 1979, made a favourable impact on the stabilization of wages and also helped to check food grain prices in rural areas. An evaluation of the programme by the Planning Commission revealed that in the 10 States studied, 50.6 per cent of the sample beneficiaries were agricultural labourers, 22.4 per cent were cultivators, 19.7 per cent were non-agricultural labourers and 17.3 per cent were others. Although the programme was quite successful in generating employment, it suffered from limitations. Since it was implemented on year to year basis, the State Government felt uncertainty about its continuance and hence did not create an administrative machinery for its effective implementation. This programme was merged in the National Rural Employment Programme in 1980.

**Antyodaya Programme**

The Antyodaya scheme, based on the Gandhian philosophy, is intended for the uplift of the poorest of the poor in the villages. Rajasthan was the first State to introduce this programme on October 2, 1977. Subsequently the programme was launched by the Governments of Uttar Pradesh, Bihar,
Himachal Pradesh, Gujarat, Manipur, Orissa and Karnataka. Antyodaya, as the name implies, is the uplift of the "last man in the row". It aims at raising the living standards of the poorest of the poor in the villages. This will be a great help to them in making them self-reliant and enabling them to take advantage of the general development programmes. There are basically four salient features of the Antyodaya programme. Firstly, poverty does not remain merely a statistical abstraction. The poor family is realised as a concrete human reality. Secondly, stress is to be laid on the delivery of productive assets so that the poor family begins to get regular income from self-employment. Thirdly, the Government officials themselves proceed to villages to identify the poorest among the poor instead of waiting for people to come for assistance. Fourthly, the parameters adopted for selecting families for this programme are strictly followed on the economic basis (income below the poverty line) which vary from state to state. Some of the programmes included under Antyodaya are: old age and disability pension, allotment of land, bank loans, khadi board programmes, publics works, government service and other schemes.

Being the basic unit of implementation at the field level, the block administration has been charged with the responsibility for proper identification of the beneficiaries and also for the implementation and supervision of Antyodaya programme. In other words, it also means that this programme is to live with all kinds of deficiencies and defects in the functioning of the blocks. The PEO of the Planning Commission evaluated the antyodaya programmes in Rajasthan during September-October 1978. The
evaluation study revealed: (1) greater awareness about the programme on the part of beneficiaries, (2) identification on beneficiaries was by and large fair, and (3) old age pension scheme existed earlier, but its coverage was extended to cover Antyodaya families with large financial allocations. The evaluation study made certain recommendations to strengthen the programme. An important recommendation made by the Programme Evaluation Organisation of the Planning Commission was that there was an urgent need to have a well-defined machinery for implementing the programme of Antyodaya as also its follow up.

1.4.3 Area Development Strategy

Although some target group oriented programmes were introduced for the benefit of the rural poor, it was realised that in certain areas the mere implementation of such programmes would not solve the problem of abject poverty. There are backward areas like drought prone areas, desert areas, tribal areas, etc., which require special efforts for their development. The Area Development Programmes that have been introduced are as follows:

Drought Prone Area Programme

There were certain areas in the country which could not develop owing to the scarcity of rainfall. Nearly one-fifth of India's total land area suffers from varying degrees of scarcity in rainfall and is thus subject to drought. In 1970, the Government of India launched the Rural Works Programme (RWP) in these areas as an employment-oriented programme with special emphasis on labour intensive employment opportunities in soil conservation,
afforestation, road construction and provision of irrigation facilities. However, the RWP was unable to provide employment avenues on a regular basis. In 1972-73, the RWP was modified and given the name of the Drought Prone Area Programme (DPAP). The DPAP was originally designed as an employment generation programme but later on its focus shifted to development works so that it could provide a permanent solution to the problem of drought rather than piecemeal solutions to the problem of unemployment. The sole responsibility of administering the DPAP rested with the District Rural Development Agency (DRDA).

The aim of the programme was to promote more productive dry land agriculture by better soil and moisture conservation, more scientific use of water resources, afforestation, and livestock development through development of fodder and pasture resource in the selected districts. The main thrust of efforts was in the direction of restoration of a proper ecological balance in the above districts. For this the concept of integrated area development was linked to watershed approach. The programme is under implementation in 657 blocks spread over 96 districts in 13 states.47

During 1974-75- 1979-80 the total allocation for this programme was Rs.384 crores and out of this Rs.328.66 crores were actually spent.48 The Sixth Plan allocations for DPAP was Rs.350 crores. As against this, the actual expenditure amounted to Rs.310 crores. The Seventh Plan allocations for this programme was Rs.462.76 crores. As against this, the actual expenditure was Rs.459.45 crores. The creation of irrigation potential during the Plan period
was 2,235.85 thousand hectares. The actual expenditure for this programme during the Eighth plan was Rs.461.88 crores. During 1996-97-1999-2000, the actual expenditure to this programme was Rs.368.72 crores. Since inception and up to 1999-2000, Rs.1928.71 crores have been spent under the DPAP programme and several thousand hectares of land have been treated. Unfortunately, as per a number of studies the fruits of DPAP assistance have been by and large, concerned by minority of big farmers and availed by better endowed areas, as they easily adopt the modern agricultural practices, conversely the small and marginal farmers who are capital deficient and generally illiterate, adopt it at later stage because of demonstration effect. Apparently, the least suffers from drought have been the landlords and money lenders-cum-traders. This minority easily corners huge capital by selling the accumulated inventory of food grains in the market.

**Hill Area Development Programme**

The Hill areas of the country, particularly the Himalayan and the Western Ghats regions which constitute about 21 per cent of the total area and contain 9 per cent of the total population of the country, support the basic life-giving natural resources but have fragile and sensitive eco-systems. The need to conserve natural resources and the environment, particularly to prevent damage to fragile and irreplaceable eco-systems, has been voiced in national policies and programmes for quite some time. The Hill Area Development Programme (HADP) which was started in 1972-73, has been a major step in this regard. The programme emphasized the partial utilisation of the resources of the hill areas through specially designed programmes for the development
of horticulture, plantations, agriculture, animal husbandry, forestry, soil conservation and suitable village industries. The focus was essentially on a package of activities that could be absorbed by the people inhabiting hilly tracts. Similarly, there were schemes for tribal areas, less developed plain areas, where special programmes were taken up with assistance provided by the Central Government. Such areas could be categorised either under special area programme, specific target group programme or regional development programme.

Apart from the normal flow of funds to the hill areas from the state plans, in consideration of the regional imbalance and other special factors, Special Central Assistance (SCA) is being provided for the HADP. An allocation of Rs.170 crores, inclusive of Rs.20 crores for Western Ghats Development Programme (WGDP), was made for the Fifth Plan. It was raised to Rs.560 crores (including Rs.75 crores for WGDP) in the Sixth Plan. The Seventh Plan allocation of SCA was Rs.870 crores, inclusive of Rs.116.50 crores for WGDP. In the Eighth Plan, the allocation of SCA was Rs.1067.80 crores, inclusive of Rs.143.77 crores for WGDP. The pattern of assistance comprises 90 per cent grant and 10 per cent loan. In so far as category (a) of the designed hill areas is concerned, the available SCA is allocated among the constituent states, giving equal weightage to area and population. In the case of areas in category (b) excluding the Nilgiris District (which is covered by the former category), the weightage for area is 75 per cent and for population 25 per cent. In order to ensure integration and linkages of schemes formulated under SCA with other sources of funding like the state plans, a sub-plan approach has been adopted. But in the case of WGDP, a scheme-wise approach has been followed.
The programme was titled in favour of beneficiary oriented schemes during the Fifth Plan period. In the Sixth Plan period, eco-development was emphasized, but the general tenor of the plans did not differ significantly from the normal state plan. The Seventh Plan laid particular emphasis on the development of ecology and environment as summed up in three phases, namely, eco-restoration, eco-preservation and eco-development. During the Eighth Plan attention was focused on productive sectors of the hills economies specially in modernising agricultural practices and small scale industries at household, cottage and village levels. For this involvement of people was considered of paramount. The aim was to meet the actual basic needs of the people through improved management of the land and water resources.

**Integrated Tribal Development Agency**

After the advent of Independence, the Government of India formulated several policies and programmes and established institutions to develop the tribal areas. The Renuka Ray report of 1959 pointedly referred to the need for an integrated approach to tribal development. The Scheduled Castes and Scheduled Tribes Commission under the chairmanship of Debar in 1960 stressed an integrated approach and believed that, "the problem of economic development for the bulk of the tribals cannot be solved unless the resources of land, forest, cattle wealth, cottage and village industries are all mobilised in an integrated way". The S.C. Dube Commission 1972 which was set up to advise on tribal development in the Fifth Plan was of the belief that time bound Integrated Area Development Programme could no longer be
postponed because it was absolutely urgent. With the intention of promoting the tribal areas in a more integrated way, an Integrated Tribal Development Programme (ITDP) was launched in 1974 during the Fifth Five Year Plan period (1974-79). The States were asked to frame tribal sub-plans for areas of tribal concentration. The blocks where more than 50 per cent of the population comprised tribals were to be included in the tribal sub-plan for the implementation of ITDP. It was hoped that with the introduction of ITDP more resources would flow into the tribal areas for tribal development. The basic objectives of the sub-plan and ITDA were to narrow down the gap between the backwardness of tribal areas and the economically and socially developed areas, with a view to improve the quality of life of these long depressed people. Further, elimination of exploitation in all forms, speeding up the process of socio-economic development and improving their organisational capacity, were the major objectives of the Agency.

The funding of tribal sub-plans has been going up very substantially in the recent years. In the Fifth Plan period, the amount was Rs.1,182 crores. In the next plan period, it rose by almost 5 times to Rs.5,500 crores. In the Seventh Plan period it has again risen, being almost double of the previous one (i.e. Rs.10,500 crores). In the Eighth Plan period, it rose by more than 2 times to Rs.22,578 crores. The flow of funds under TSP from the central and state sectors during the Eighth Plan was around 8.0 per cent and 9.79 per cent respectively against the population proposition of 8.08 per cent. Not only the flows from the state outlays have increased very substantially and grants from
sectoral Union Ministers for specific programmes have gone up but also central special assistance and institutional credit have risen significantly.

For the operational purpose the tribal sub-plan areas organised 178 Integrated Tribal Development Projects during the Fifth Five Year Plan. It was at this level the entire development efforts were integrated. By the end of the Sixth Five Year Plan, 181 of ITDPs were in operation in the country. The coverage of ST population during the plan rose to about 75 per cent of the total tribal population in the country from about 65 per cent during the Fifth Year Plan. At the end of the Seventh Plan, the Tribal sub-plan strategy was being implemented through 191 Integrated Tribal Development Projects. By the end of the Eighth Five Year Plan, 194 ITDPS were in operation in the country. So far, the tribal population covered by ITDP areas is 27367 lakhs.56

Command Area Development Programme

With the large public sector investment of about Rs.2,500 crores in major and medium irrigation projects, the need was felt for the optimum utilisation of the irrigation potential. A number of committees and commissions have expressed grave concern about the under-utilisation of irrigation potential created by heavy investments in the past. On the other hand, irrigation whenever available did not yield the desired results. For instance, as against potential of 4 to 5 tonnes of food grains per hectare, the actual yield was around 1.7 tonnes only. The principal reasons for this shortfall were: (a) inadequate irrigation or over-irrigation due to absence of proper distribution system, (b) heavy waterlogging conditions in the absence
of proper drainage systems leading to increase in water level in the command areas and soil salinity in large areas, (c) some areas included in the cultivable command areas not getting water for irrigation, and (d) inadequate use of strategic agricultural inputs in the absence of proper water control structures. It was, therefore, felt that an integrated area development approach should be adopted in dealing with all these points in order to ensure optimum production. This matter came up for consideration before the Irrigation commission and was also dealt with by the National Commission on Agriculture.

Based on the recommendations of the Irrigation Commission and the National Commission on Agriculture, the Command Area Development Programme (CADP) was introduced (1974-75) during the Fifth Five Year Plan as a Centrally sponsored scheme. The principal objective of the programme was to increase the utilisation of the irrigation potential below the outlet command thereby increasing productivity per unit of land and water. This was to be achieved through an integrated system of effective water distribution and efficient soil-crop-water management practices. Since 1974-75 till the end of Eighth Plan, the total out lay was Rs.5,238.79 crores to which Rs.1688.29 crores were from the central sector and Rs.3550.43 crores were from the states and union territories.57 By the end of March 2000 an area of about 9.50 million hectares was under Warabandi; land leveling and shaping had been done on 2.14 million hectares; field channels constructed for 14.74 million hectares and field drains for 0.88 million hectares.58
The CAD programme undoubtedly contributed substantially to increase productivity in certain crops throughout the country. For instance, according to one of the studies conducted, increase in Kharif paddy per hectare varied from 24.60 quintals in Nagarjunasagar (left bank) to 2 quintals in Kadana Command (Gujarat). On the average, the increase has been about 8 quintals per hectare which can be considered as a substantial increase. However, it has not so far been possible for the beneficiaries to derive optimum advantage from such facilities on account of various problems such as non-availability of assured and regular supplies of water in certain irrigation systems, non-construction of field channels, slow progress in land development schemes, the inadequacy of infrastructure and inputs and also inadequate appreciation of the quantum of water required for each of the crops. Thus, this too has been an addition in fragmented and compartmentalised approach to rural development on the part of the Government of India.

**Desert Development Programme**

A subsidiary to the DPAP was the Desert Development Programme (DDP) which was launched in 1977-78 based on the recommendations of the National Commission on Agriculture. Desert areas in the country reflect more acute form of ecological degradation marked by extreme aridity, shifting sand, scanty vegetation, severe wind erosion, etc. The DDP was designed to control the process of desertification and restoration of ecological balance so as to improve the living conditions of the people of these areas. Sand-dune stabilisation, shelter belt plantation, conservation of surface water and
recharge of ground water aquifers, efficient water resources management, afforestation, grassland and pasture development and horticulture constitute the core activities under this programme. By March 1977, DDP had been implemented in 227 blocks of 36 districts in 7 states and covered 457 lakh hectares since inception.\textsuperscript{61}

In the first few years the total cost of the programme was borne by the union government. During the Sixth Plan period (1980-85) it was shared equally between the union government and the state governments concerned. The total allocation made to all the five States was above Rs.95 crores. The Union Government’s contribution was to be Rs.43 crores. Actually, however, the total expenditure was about Rs.73.5 crores. Allocation of funds also depends on the severity of arid conditions and Rs.24 lakhs per 1,000 sq. km., subject to a district ceiling of Rs.500 lakhs have been allocated for hot desert districts. For cold desert district areas, a lumpsum provision was made at the rate of Rs.100 lakhs per district per year for Himachal Pradesh and Rs.150 lakhs per district for Jammu and Kashmir. The implementation processes in the DPAP/DDP were weak and faulty. Many schemes were dropped even after they had been sanctioned. The projects started, unnecessarily extended their periods of gestation and mid-term revisions of schemes led to an unavoidable waste of funds.

In the Seventh Plan period the allocation for DDP was Rs.192.30 crores. Against this the actual expenditure amounted to Rs.194.04 crores. The irrigation potential created was 232.3 thousand hectares.\textsuperscript{62} The actual
expenditure for DDP in the Eighth plan was Rs.298.14 crores. To ensure participation of the people in planning and implementation of the programmes various measures have been suggested such as preparation of watershed development plan with the help of the people in the watershed itself under the guidance of technical experts and adequate local representation in the Watershed Development Committee which was set up for the implementation of the project under these programmes.

1.5 **Strategy for Direct attack on Poverty**

By and large, all the programmes (mentioned above) and their approaches were selective, sporadic, piecemeal or sectoral in nature. None of these programmes covered the whole country though a large number of blocks in the country had more than one of these programmes operating simultaneously in the same area for the same target group. This territorial overlap combined with different funding agencies not only created considerable difficulties in monitoring and accounting, it often blurred the programme objectives. In practice these programmes were reduced to mere subsidy giving programmes shown of any planned approach to the development of rural poor as an inbuilt process in the development of the area and its resources. The beneficiary-oriented programmes as well as area development programmes, despite some successes, could not make much dent on the poverty and unemployment.

The Sixth Five Year Plan (1980-85) therefore proposed that "such a multiplicity of programmes operated by a multiplicity of agencies should be ended and replaced by one single programme operative throughout the
Thus there was a shift in the strategy from indirect to direct programmes for poverty education from the Sixth Plan. Poverty alleviation programme became an integral part of the planning process in the Sixth Plan.

Considering the magnitude and dimensions of rural poverty, the rural development strategy, therefore, took a major departure in terms of its emphasis, content, coverage and methodology. This was manifested in the launching of the Integrated Rural Development Programme (IRDP) in the year 1978-79 and had covered all the blocks of the country since 2nd October 1980. The IRDP envisaged the integration of methodology and approach of both beneficiary-oriented programmes as well as area development programmes. This was done to intensify development efforts for the purpose of poverty alleviation as well as increasing productivity.

The goal of poverty alleviation was sought to be achieved by using two main instruments: (i) a set of self-employment schemes for the poor, i.e., IRDP and its two sub-programmes (a) Training of Rural Youth for Self-Employment (TRYSEM) and (b) Development of Women and Children in Rural Areas (DWCRA) launched in 1982-83; (ii) Wage employment programmes like National Rural Employment Programme (NREP) introduced in 1980 and Rural Landless Employment Guarantee Programme (RLEG) launched in 1983, Indira Awas Yojana (IAY) was launched in 1985. Jawahar Rozgar Yojana (JRY) was launched 1989 by merging the NREP and RLEG. Employment Assurance Scheme (EAS) was introduced in 1993. The Million Wells Scheme (MWS) was launched as a sub-scheme of the NREP and RLEG during the year 1988-89. After the merger of the two programmes in
April 1989 into JRY, the MWS continued as a sub-scheme of JRY till December, 1995. The MWS was delinked from JRY and made into independent scheme with effect from 1st January 1996. Supply of Improved Toolkits to Rural Artisans (SITRA) was launched in July 1992 as a sub-scheme of IRDP in selected districts. The National Social Assistance Programme (NSAP) was introduced in August 1995. From 1st April 1999, the nature of EAS was changed and JRY was replaced by Jawahar Gram Samridhi Yojana (JGSY). Finally, in September 2001 both JGSY and EAS were replaced by Sampoorna Gramin Rozgar Yojana (SGRY).

The specially designed anti-poverty programmes for generation of self-employment and wage employment in rural areas have been redesigned and restructured into a single programme to improve their impact on the poor. The IRDP and allied programmes such as TRYSEM, DWCRA, MWS have been restructured into a single self-employment programme called the "Swarna Jayanthi Gram Swarozgar Yojana" (SGSY) which has been launched from April 1999. The supportive programmes of IRDP and the wage employment programmes are discussed in Chapter II in detail.

**Integrated Rural Development Programme in India**

The Integrated Rural Development Programme (IRDP) of India, which is a unique programme of its kind in the world, has been in operation for more than two decades, has evolved out of a series of programmes of rural development starting with the community development programme. The asset generation programme during the period April 1980 to March 1999 was known as IRDP.
The IRDP aims at providing self-employment to the rural poor through acquisition of productive assets or appropriate skills which would generate additional income on a sustainable basis to enable them to cross the poverty line. Assistance is given in the form of subsidy by the Government and term credit by financial institutions for income generating activities. The target group consists largely of small and marginal farmers, agricultural labourers and rural artisans living below the poverty line. Within the target group, there is an assured coverage of 50 per cent for Scheduled Castes / Scheduled Tribes, 40 per cent for women and 3 per cent for the physically handicapped. Priority in assistance is also given to the families belonging to the assignees of ceiling surplus land, Green Card holders covered under the family welfare programme and freed bonded labourers. It is a centrally sponsored scheme funded on 50:50 basis by the centre and the states. Under this scheme central funds are allocated to states on the basis of proportion of rural poor in a state to the total rural poor in the country. The programme is implemented through District Rural Development Agency (DRDA) in each district. A detailed description of IRDP and the progress achieved thus far are provided in the next chapter.

The IRDP, which was initiated in a modest way during the Fifth Plan, was vigorously implemented during the Sixth, Seventh, Eighth and Ninth (up to March 1999) Five Year Plans. From 1st April 1999 it was re-named as SGSY. The basic objectives of the programme remain unchanged. From the point of view of the financial outlay and geographical coverage, the IRDP is the biggest integrated rural development programme in the country. Since a substantial proportion of own plan allocations are at stake, it is of utmost
importance to find out the general impact of the programme on the ultimate beneficiaries and also shortcomings, if any, so as to make improvements in future course of action. IRDP has been evaluated by a number of organisations, research institutes and individual scholars. The findings of these studies are presented in chapter III. It is interesting to note that the Department of Rural Development, Ministry of Agriculture and Rural Development, Government of India, has been organising a concurrent evaluation of IRDP since 1985. In a vast country like India, there are found to be regional variations in resource endowment, levels of development, and incidence of poverty. Each region or each district tends to have peculiar problems of its own. Hence, micro level studies provide greater insights on various aspects relating to the impact of the programme but also point out operational changes that are necessary on the basis of the results of such studies.

The IRDP has been successful in providing incremental income to the poor families, but in most cases the incremental income has not been adequate to enable the beneficiaries to cross the poverty line. The studies on the working of IRDP reveal that generally the number of assisted new beneficiaries who would have crossed the poverty line "would not exceed around 40 per cent". The results of the Concurrent Evaluation Report for the period of July 1995 - June 1996 revealed that of the total beneficiaries assisted under the programme, 46.61 per cent of the old beneficiary families could cross the poverty line of Rs. 11,000/- (at 1991-92 prices). This aspect, apart from underlining the need to remedy the shortcomings of the programme, arouses interest on an understanding of the economic impact of IRDP on beneficiaries. The present study is an attempt in this direction.
1.6 The Present Study

The programme of IRDP in terms of the physical and financial targets and achievement is more than satisfactory since inception. From the point of view of the financial outlay and the geographical coverage, IRDP is the biggest rural development programme in India. Since a substantial portion of plan allocation has been at stake, it is of utmost importance to find out the impact of the programme on ultimate beneficiaries and its shortcomings, if any, so as to make improvements in future course of action. Several studies have been undertaken by different institutions and individuals, covering different parts of the country. It is a well known fact that there are wide variations in the agro-climatic and socio-economic conditions and resource endowments of different regions. The IRDP schemes were designed to suite the local talents and resources of the respective regions. Hence, there is a need for micro level studies covering a specific region and this facilitates an in-depth analysis of the economic impact of IRDP on poverty eradication. The present study is one of such attempts to study the economic impact of IRDP in Nellore District of the State of Andhra Pradesh. The findings of the study, it is hoped, would enable the planners, the Government of India, the State Governments and financing agencies to gather further impulse from the positive aspects and to take remedial measures for the negative aspects of implementation of the programme. The observations of the study, it is believed, would enrich the thought process for policy revisions and reorienting, restructuring and remodelling the policy framework and the basic approach to integrated rural development in India.
(A) Objectives and Hypotheses of the Study

The study has the following objectives:

1. To make an overall review of the working of anti-poverty programmes in India with special reference to IRDP.
2. To analyse the trends in the progress of IRDP in Nellore District.
3. To assess the impact of IRDP on economic conditions of the sample beneficiaries.
4. To examine the impact of IRDP on the incidence of poverty among the sample beneficiaries.

In order to fulfill the above objectives, the following hypotheses were formulated for testing:

1. The IRDP has no positive effect on generation of income of the sample households.
2. The impact of IRDP on employment is not significant.
3. There is no significant change in the incidence of poverty after the implementation of IRDP.

(B) Methodology

The importance of a study to a great extent lies in the method followed in the selection of statistical units, collection of data and in the method adopted for their analysis, while deciding the validity of the results of a study, a clear understanding of the methods followed in the study is considered important. A detailed picture of the procedures and methods adopted are given below.
(a) Selection of the study area

The area of the study, Nellore District, is one of the 9 districts of coastal Andhra region in Andhra Pradesh. The district is frequently affected by natural disasters like cyclones and floods. The Nellore District comprises various levels of irrigation and varying soil and other natural environments. In Nellore District nearly 80 per cent of the net sown area is under irrigation and the main sources of the irrigation are tanks and wells. Most of the land holdings are small and marginal and a sizeable segment of the population is landless labourers. Added to this, the incidence of poverty is very high in the district among the 9 districts of coastal Andhra region. Hence the study has been confined to the Nellore District. District-wise rural poverty in Andhra Pradesh is shown in Annexure Table 1.2

(b) Selection of the Sample

A three stage stratified random sampling method has been employed in the study to select the sample units. In the first stage, Mandals were selected and in the second and third stages, villages and beneficiary households were selected respectively by applying simple random sampling (without replacement) technique. The Mandals in the District were stratified into three groups viz., developed, less developed and very backward on the basis of selected economic indicators. Two mandals were selected from each group using random sampling technique. Accordingly, Kovur and Nellore rural Mandals in the developed group, Thotapalligudur and Allur mandals in the
less developed group, and Chittamur and Venkatagiri Mandals from the very backward group, were selected. Four villages were selected from each mandal again adopting random sampling procedure. The list of selected villages in each mandal is shown in Annexure Table 1.3.

A random sample of 312 beneficiary households was drawn from the list of IRDP borrowers in probability proportion to the number of beneficiary households in each village and under each scheme. The sample of beneficiary households consists of 54 in Kovur mandal, 55 in Nellore rural Mandal, 43 in Allur Mandal, 52 in Thotapalligudur Mandal, 38 in Chittamur Mandal, and 70 in Venkatagiri Mandal. Sector - wise sample of beneficiary households was represented by 67 households in the Agriculture sector, 87 households in the Minor Irrigation, 53 households in Animal Husbandry and 105 households in ISB sector. The sample beneficiary households were drawn from the six mandals so that they represented the mandals which were in different levels of development and the sample was spread throughout the district. For the purpose of impact study, a comparison has not been made between the mandals since the nature of the scheme, the quantum and type of assistance and the socio-economic background of the beneficiaries were almost the same. Hence it was thought that no additional purpose was served by making mandal-wise comparative analysis. Hence, the impact of each scheme on the generation of income, employment and asset position of the sample beneficiaries has been evaluated for all the six mandals together.
A few studies on the impact of IRDP have compared the economic conditions of beneficiaries with that of non-beneficiaries to evaluate the impact of the programme. Such comparison, it is felt, may not give accurate results in the sense that IRDP cover the poorest of the poor and the economic conditions of the non-beneficiaries may often be better than beneficiaries. Based on such comparison one cannot draw any conclusion that IRDP has a negative on the beneficiaries. Hence in this study, the benefits of IRDP have been evaluated by comparing the economic conditions of the beneficiaries before and after the implementation of the programme.

(c) Reference Period

As the study aims at analyzing the performance of IDRP in the "Pre' and 'Post' framework, it was felt that the reference period selected should be such that it would allow sufficient time for the programme to have its full impact on the economic conditions of the sample beneficiaries. Considering this, the references period were fixed as 2000-2001. Thus, those respondents who obtained the assistance during 1996-97 were selected. Subsequently, a pilot visit to the sample mandals revealed that actual grounding of the schemes had taken either at the end of the year 1996-97 or at the beginning of 1997-98, which was due to delayed in release of funds and the late approval of the field level household surveys. Further, it was realized that the schemes started yielding income only during the year 1997-98. Therefore, the year 1996-97 was selected as the base year to assess the pre-IRDP incomes and the year 2000-2001 as the reference year to assess the post IRDP incomes.
(d) **Collection of Data**

The study is mainly based on both primary and secondary data. The primary data were collected from the sample households through a structured and pre-tested schedule specially designed for the study. The data of the study was collected through direct personal interviews with the respondents. Sufficient cross-checking was done during the personal interviews as to the information provided by the sample respondent so as to ensure reliability and accuracy of the data. The secondary data about the IRDP, the list of the beneficiaries and other statistics relating to IRDP in Nellore District and the sample Mandalas were collected from the office of the DRDA, Lead bank office and the District planning office. The secondary data were also collected from a variety of sources. A number of publications of the Government of India, Reserve Bank of India, National Institute of Rural Development, Hyderabad, State Bank of India, Government of Andhra Pradesh and Centre for Economic and Social Studies, Hyderabad, were extensively used in the course of this research work.

(e) **Tools of Analysis**

To test the hypotheses of the study the following statistical tools of analysis were used for the following purposes:

1. **Paired 't' test**

   To compare the variation in generation of income, employment creation and asset position of the sample beneficiaries for the various schemes of four
sectors, i.e., Agriculture, Minor irrigation, Animal husbandry and ISB, sector financed by different financial institutions between the 'Base year' and the 'Reference year'. Paired 't' test was employed with the following formula:

\[ t = \frac{\bar{d}}{\sqrt{\frac{S^2}{n-1}}} \sim t_{n-1} \]

where

\[ d = X - Y \]

\[ d = \frac{\sum d}{n} \]

\[ S^2 = \frac{1}{n} [\sum d^2 - (\sum d)^2] \]

2. **Regression Analysis**

To study the impact of investment on incremental increase in income, employment and asset position of the selected beneficiary families of various schemes in four sectors, Regression technique was employed with the help of the following formula:

\[ Y = a \times b \]

\[ \log \gamma = \log a + b \log x \]
The functions were of the following form.

(i) \( Y_i = A \times b_i \)
(ii) \( Y_e = A \times b_e \)
(iii) \( Y_a = A \times b_a \)

Where
\( Y_i = \) Increase in income
\( Y_e = \) Increase in the number of employment days
\( Y_a = \) Increase in the value of assets
\( A = \) Intercept
\( X = \) Total investment
\( b = \) Elasticity coefficient

3. ANOVA

To test the significance of variations in the mean value of income, employment and assets between sectors, occupational categories and also between caste-groups the analysis of variance of the following model was used.

\[ Y_{ij} = u + t_i = E_{ij} \]

Where
\( i = 1, 2, 3 \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots K \)
\( j = 1, 2, 3 \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots Y_i \)
\( u = \) General mean effect
\( t_i = \) effect of the \( i^{th} \) sub-class
\( E_{ij} = j^{th} \) observation in the \( i^{th} \) sub-class
The total sum of square is:
\[
\sum x^2 = \frac{(\sum x)^2}{N}
\]

Where \(\sum x^2\) = Summation of squares of all the observations in all the classes.

\[
\frac{(\sum x)^2}{N} = \text{Square of Grand Total}^2
\]

\[
\text{Total number of observations in all the classes}
\]

The between sum of squares
\[
\sum b^2 = \sum \frac{(\sum x)^2}{N} - \frac{(\sum xT)^2}{N}
\]

Where
\[
\frac{(\sum x)^2}{N} = \text{Square of total of the corresponding sub-class}
\]

\[
\frac{N}{N} = \text{Number of observations in the same sub-class}
\]

Where
\[
\frac{(\sum xT)^2}{N} = \text{(Square of grand total)}^2
\]

\[
\text{Total number of observations of all the class}
\]

The error sum of squares (within sum of squares)
Total sum of squares - Between sum of squares = Error sum of squares.

'F' test was carried out to test the significance of variations.
4. **Gini Concentration Ratio**

Income inequalities were measured by Gini Ratio which was obtained by the following formula:

\[
\text{Gini Ratio} = \frac{\sum_{i=1}^{n} (X_i, Y_i) - \sum_{i=1}^{n} (x_i + 1, y_i)}{100 \times 100}
\]

(f) **Limitations of the study**

The scope of this study was limited to the six selected mandals in Nellore District and the sample beneficiary households from these mandals due to constraints of time and resources of an individual researcher. The data for the present study was collected through personal interview method. Since the beneficiary households did not maintain proper accounts, and most of them were illiterates, there were possibilities of statistical bias, and hence the data collected would, only be an approximation of actual facts. However, efforts were made to collect reasonably satisfactory information from the sample respondents by repeated appeals and persuasion. Again, since this was a micro level study, i.e., covering six mandals in Nellore District, the findings of the study may not be relevant to the other areas in the country. However, the findings and suggestions may throw some light on certain broad features of the country and as such the study may be of practical use in formulating better plans.
Concepts used

The following concepts were used for the present study.

1. Medium farmer: A cultivator with a land holding of above 5 acres.

2. Small farmer: A cultivator with a land holding of above 2 acres and upto 5 acres.


4. Agricultural Labourer: A person without any land other than homestead and deriving more than 50 per cent of his income from agricultural wages.

5. Non-agricultural Labourer: A person whose total income from wage earning sources is more than 50 per cent from other than agriculture.

6. Rural Artisans: Rural artisans are defined as those who drive major part of their income (over 50 per cent) from their vocational skills.

7. Business: A person whose total income is more than 50 per cent from business sources.

Organisation of the thesis

The thesis consists of seven chapters. In the introduction chapter, conceptualization of poverty, various anti-poverty programmes, methodology followed and definitions of various concepts used have been discussed. The second chapter critically examines the working of IRDP in India. The third chapter presents the select review of literature on the subject in order to
provide the necessary background. Chapter Four is devoted to study the District profile and the performance of IRDP in Nellore District. Chapter Five is divided into three sections; section one gives the socio-economic profile of the sample beneficiary households, section two analyses the impact of IRDP on income, employment and asset position of the sample households, and the repayment performance of the beneficiary households of different sectors is discussed in section three. The sixth chapter assesses the impact of IRDP on the incidence of poverty among sample households. The last chapter provides a summary of findings and conclusions.
References


4. Ibid., p. 9.

5. Ibid., p. 12.

6. Ibid., p. 11.


10. Ibid., pp. 8-9.


14. For more details on official method and expert group approach for measuring poverty, see GOI (1993). The estimates of Minhas et al. (1991) are also much higher than those of the planning commission.


39. Ibid., p. 183.


43. See the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Comptroller and Auditor General of India, New Delhi.


60. For details, see the Report of the National Commission on Agriculture, Government of India, 1976, the DDP is being implemented in the hot arid deserts comprising eleven districts of Rajasthan, four districts of Haryana and three districts of Gujarat and the cold arid districts in Ladakh Region of Jammu and Kashmir and Spiti Sub-division of the Lahaul - Spiti District of Himachal Pradesh.


ANNEXURE TABLE 1.1

Poverty in Developing Countries

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage of Population Below Poverty Line</th>
<th>Number of poor (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Developing Regions</td>
<td>30.5</td>
<td>29.7</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>51.8</td>
<td>49.0</td>
</tr>
<tr>
<td>East Asia</td>
<td>13.2</td>
<td>11.3</td>
</tr>
<tr>
<td>Africa South of the Sahara</td>
<td>47.6</td>
<td>47.8</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>30.6</td>
<td>33.1</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>7.1</td>
<td>7.1</td>
</tr>
</tbody>
</table>

ANNEXURE TABLE 1.2

District-Wise Rural Poverty in Andhra Pradesh

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>District</th>
<th>Rural Poverty (1993-94) Per cent below poverty line</th>
<th>Urban</th>
<th>SC</th>
<th>ST</th>
<th>Muslim</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sri Kakulam</td>
<td>10.29</td>
<td>12.5</td>
<td>9</td>
<td>5.8</td>
<td>0.25</td>
</tr>
<tr>
<td>2.</td>
<td>Vijayanagaram</td>
<td>13.28</td>
<td>17.2</td>
<td>10</td>
<td>9</td>
<td>0.64</td>
</tr>
<tr>
<td>3.</td>
<td>Visakhapatnam</td>
<td>13.13</td>
<td>39.8</td>
<td>8</td>
<td>14</td>
<td>1.77</td>
</tr>
<tr>
<td>4.</td>
<td>East Godavari</td>
<td>15.32</td>
<td>23.8</td>
<td>18</td>
<td>3.9</td>
<td>1.43</td>
</tr>
<tr>
<td>5.</td>
<td>West Godavari</td>
<td>17.19</td>
<td>20.7</td>
<td>18</td>
<td>2.4</td>
<td>2.18</td>
</tr>
<tr>
<td>6.</td>
<td>Krishna</td>
<td>17.5</td>
<td>35.8</td>
<td>17</td>
<td>2.5</td>
<td>6.46</td>
</tr>
<tr>
<td>7.</td>
<td>Guntur</td>
<td>21.22</td>
<td>28.9</td>
<td>14</td>
<td>4.4</td>
<td>10.64</td>
</tr>
<tr>
<td>8.</td>
<td>Prakasam</td>
<td>27.27</td>
<td>16.5</td>
<td>20</td>
<td>3.6</td>
<td>6.62</td>
</tr>
<tr>
<td>9.</td>
<td>Nellore</td>
<td>29.54</td>
<td>23.8</td>
<td>22</td>
<td>9</td>
<td>9.04</td>
</tr>
<tr>
<td>10.</td>
<td>Chittoor</td>
<td>25.84</td>
<td>19.8</td>
<td>18</td>
<td>3.2</td>
<td>8.8</td>
</tr>
<tr>
<td>11.</td>
<td>Cuddapah</td>
<td>23.81</td>
<td>24</td>
<td>15</td>
<td>2.1</td>
<td>14.88</td>
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<tr>
<td>12.</td>
<td>Anantapur</td>
<td>22.87</td>
<td>23.5</td>
<td>14</td>
<td>3.5</td>
<td>11.19</td>
</tr>
<tr>
<td>13.</td>
<td>Kurnool</td>
<td>25.56</td>
<td>25.8</td>
<td>17</td>
<td>1.9</td>
<td>16.58</td>
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<tr>
<td>14.</td>
<td>Mahaubnagar</td>
<td>35.35</td>
<td>11.1</td>
<td>18</td>
<td>7.4</td>
<td>8.66</td>
</tr>
<tr>
<td>15.</td>
<td>Ranga Reddy</td>
<td>19.48</td>
<td>47.2</td>
<td>17</td>
<td>4.3</td>
<td>11.72</td>
</tr>
<tr>
<td>16.</td>
<td>Hyderabad</td>
<td>12.48</td>
<td>100</td>
<td>9</td>
<td>0.9</td>
<td>39.35</td>
</tr>
<tr>
<td>17.</td>
<td>Medak</td>
<td>31.79</td>
<td>14.5</td>
<td>18</td>
<td>4.2</td>
<td>11.52</td>
</tr>
<tr>
<td>18.</td>
<td>Nizamabad</td>
<td>28.42</td>
<td>20.3</td>
<td>15</td>
<td>5.9</td>
<td>14.11</td>
</tr>
<tr>
<td>19.</td>
<td>Adilabad</td>
<td>32.62</td>
<td>23.1</td>
<td>19</td>
<td>17</td>
<td>9.25</td>
</tr>
<tr>
<td>20.</td>
<td>Karimnagar</td>
<td>22.54</td>
<td>20.6</td>
<td>19</td>
<td>2.7</td>
<td>5.63</td>
</tr>
<tr>
<td>21.</td>
<td>Warangal</td>
<td>28.38</td>
<td>19.4</td>
<td>17</td>
<td>14</td>
<td>5.54</td>
</tr>
<tr>
<td>22.</td>
<td>Khammam</td>
<td>33.7</td>
<td>20.2</td>
<td>16</td>
<td>25</td>
<td>6.01</td>
</tr>
<tr>
<td>23.</td>
<td>Nalgonda</td>
<td>31.96</td>
<td>11.9</td>
<td>18</td>
<td>9.7</td>
<td>5.29</td>
</tr>
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</table>

## ANNEXURE TABLE 1.3

### List of Selected Villages

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category of the Mandal</th>
<th>Name of the Selected Mandal</th>
<th>Name of the Selected Villages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Gangavaram</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Inamadugu</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Leguntapadu</td>
</tr>
<tr>
<td>2.</td>
<td>Less developed</td>
<td>2. Nellore Rural</td>
<td>5. Amancherla</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. Guidipallipadu</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Pedacherukur</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8. Pottepalem</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10. Singapeta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11. Iskapalli</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12. Gogulapalli</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Thotapalligudur</td>
<td>13. Peduru</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>14. Chintopu</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>15. Varigonda</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16. Koverapalem</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Chittamur</td>
<td>17. Arur</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18. Mallam</td>
</tr>
<tr>
<td></td>
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