Chapter I

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Poverty and unemployment are the two major issues that confront the development of any developing economy. In a country like India, alleviation of poverty and provision of employment opportunities have been the crucial matters of concern of the Government. More specifically, in an economy with surplus labour ‘employment generation’ to the youth has assumed greater significance. However, it is difficult to tackle the problem of unemployment in isolation of poverty. Poverty in rural areas has been the major impediment for reducing unemployment. Hence, poverty alleviation programmes are to be tagged with the efforts to reduce unemployment.

Poverty encompasses a wide variety of variables that vary in relation to the nature and level of development of economies over time. Even within the economy, poverty varies in its magnitude or levels among the regions in accordance with the levels of progress and the degree of sustaining the progress achieved. Hence, it is not uncommon to find ‘poor’ people in every country irrespective of its status of development. These inherent complex and complicated features of poverty seldom facilitate clear understanding of its nature and level. In other words, the ‘vulnerable’ complexion of poverty makes it difficult to define it precisely. In fact, the diversified and complicated characteristics of poverty aided the economists and other social scientists to view it from different angles.
1.1. Expert Views on Poverty:

Many of the scholars are of the view that poverty relates to hunger, illiteracy, lack of health services, safe drinking water, reasonable housing etc. In absolute terms it reflects the inability of an individual to satisfy certain basic minimum needs for a sustained, healthy and reasonably productive living. Poverty is a state of deprivation that is the effect of misdistribution of resources in the economy. That portion of the population whose resources are so depressed from the means as to be deprived of enjoying the benefits and participating in the activities which are customary in that society can be said to be in poverty.

Poverty manifests itself in the form of absolute poverty that prevails in developing countries which refers to the position of an individual or household in relation to a poverty line whose real value is fixed over time. An absolute poverty line is based on the food necessary for a recommended calorie intake. The poverty line is then augmented by an allowance for non-food needs consistent with the spending patterns of the poor.

Relative poverty relates to the disparity between the sub human living standards of vast numbers of population and the styles of living of the small fractions of the affluent. Relative poverty is tolerable while absolute poverty affects the economic progress as it deprives the conditions of most vulnerable sections of the society.
Poverty may be distinguished as primary poverty and secondary poverty. Rowntree (1901) termed primary poverty as a situation in which families find their total earnings insufficient to obtain the minimum necessaries for the maintenance of mere physical efficiency. Secondary poverty is a situation in which families find their earning sufficient for the maintenance of mere physical efficiency. At the beginning of the last century, a family was considered to be in poverty if its total earnings were insufficient to obtain the minimum necessaries for the maintenance of merely physical efficiency.

The Expert Group (1962) set up by the Planning Commission recommended a standard of private consumption expenditure of Rs. 20 (at 1960-62 prices) per capita per month as a bare minimum. However, it is difficult to quantify the standard of private consumption at any point of time. Further, the standard of private consumption levels differs among the groups of families in different regions in different time periods. This recommendation made no distinction between the living costs of rural and urban areas. Dandekar and Rath stated that urban poor in our country are the overflows of rural poor.

The nature and structure of the economy reflects the level of poverty. The unequal distributional pattern of land holdings, ownership of assets and the agricultural productivity indicate the level of poverty. Dandekar and Rath (1971), B.S. Minhas (1974), Vaidyanathan (1974) and Bardhan (1986) asserted that structural variables like land holdings affect the level of poverty in rural areas of our country.
Considering the occupational groups namely cultivators, agricultural labourer, non-agricultural labourers some other studies revealed that the incidence of poverty was very high among agricultural labourers compared to other occupational categories.

It is widely accepted that the levels of nutrition serve as an useful indicator to estimate poverty. The studies by Rountree(1941), Sukhatme (1965), Orshansky(1975), Sukhatme(1978) calculated the minimum food basket. Weaker sections of the developing economies suffer from malnutrition and under nutrition. The factors that determine nutritional deficiencies are inadequate food intake, food habits of the family, prevalence of health disorder (Swaminathan 1983). The minimum nutritional requirements are based on the estimates of minimum expenditure on food.

Income was considered the important determinant to assess the level of poverty of a household. Sukhatame(1978) stated that as income increases, the energy intake increases, rapidly to start with and gradually thereafter, indicating that an appreciable number of people remain under-nourished for want of adequate income. Bhatty(1974), Uma Datta Roy Chowduri (1977) found that the available data on income tax are inadequate to measure poverty because they donot furnish many other details like income from all other sources and disposable income.

The socio-economic deprivation includes economic, educational, health, social and other forms of deprivations experienced by
the poor indicates the level of poverty. One of the main causes of poverty is deprivation of income or purchasing power. Though goods and services are available in the market, the poorer sections in the society cannot afford them.

The intensity of deprivation can be understood by the widening gap between the incomes of the affluent population and their counterparts (Paul Streeten, 1978). Amartya Sen (1987) stated that poverty means the levels of deprivation. To explain various aspects of poverty, absolute and relative deprivations are to be separated. Sociologists pointed out that poverty is mainly social deprivation that can be eliminated through social change.

After 1990 UNDP introduced new measures of human deprivation namely capability poverty and human poverty. Capability poverty relates to the capacity to be well-nourished and healthy (percentage of children under 5 years who are under weight), capacity for healthy reproduction and capacity to be educated and knowledgeable (women literacy). Human poverty relates to survival deprivation (not expected to survive to age 40 years), deprivation in education and health (illiteracy) and deprivation of economic provisioning (population without access to water, housing and health services). Thus, human poverty focuses longevity of life, knowledge, decent standard of living etc.

Human Development Report (1997) introduced Human Poverty Index to measure poverty. It is a composite index including various features of deprivation in the quality of life. Human poverty index contains
many aspects like lack of freedom, inability to participate in decision-
making, lack of personal security, inability to participate in the life of 
community and threats to sustainability and intergenerational equity etc, 
which cannot be measured (Deaton, A) 2001.

**Incidence of poverty and poverty line:**

Literacy rate of household, Per capita income of the household, dependency ratio and the per capita asset value are the important variables that determine the incidence of poverty. Hanumantha Rao (1984) explains the regional variations in the incidence of poverty by three factors namely the Institutional factor, i.e., the extent of ownership of land per household, growth of output per head especially agricultural output and relative prices of cereals, non-agricultural real income and procurement and procurement and distribution of food grains by the Government.

Roy Chowdhry and Shukia (1991) have established that low per capita income and unequal distribution of income and wealth/assets, low rate of growth, inadequacy of natural resources, low productivity in agriculture and inappropriate technology application in agriculture. Incidence of poverty is more among the lower income categories, lower occupational categories and backward classes. In other words incidence of poverty is assumed to be much higher among the vulnerable sections of the population namely scheduled caste and scheduled tribes.

Poverty line explains the level of minimum consumption expenditure. International poverty line set at $ 1.0 a day in 1985 in
purchasing power parity terms by World Bank has been recalculated in 1993 purchasing power parity terms at $1.08 a day. In India for the first time in 1962 Working Group of eminent Economists and social thinkers recommended that the national minimum for each household of 5 persons should not be less than Rs.100 per month in terms of 1960-61 prices of Rs. 20 per capita and Rs. 125 per month per household for Rs.25 per capita for urban areas, excluding the expenditure on health and education, both of which the group expected to be provided by the State according to the Constitution and in the light of its other commitment.

Dandekar and Rath, Minhas, Lakdawala S.P.Gupta, Ahluwalia worked on the poverty ratios. Poverty line for rural areas in 1973-74 was placed at Rs. 49.00 per month Poverty line was estimated to be Rs. 76 per capita per month in rural areas and Rs. 88 per month in urban areas at 1979-80 prices (planning Commission 1980) and Rs. 107 in rural areas and Rs.122 in urban areas at 1984-85 prices (Planning Commission) In 1992-93 prices poverty line in urban areas is fixed at Rs. 264.00 per month and in rural areas it is at Rs. 228.00 per month.

1.2. The problem of unemployment:

The views of experts on the problem of unemployment are many and varied. A person working 8 hours a day for 273 days of the year is regarded as employed on a standard person year basis. In the light of the above view many are stated to be unemployed in India, more specifically in rural areas. There are two possibilities to control unemployment namely a) reducing unemployment by increasing the rate of growth of the gainfully employed and b) reducing unemployment on the basis of usual status
control known as open unemployment. However, ever growing population has been retarding the efforts of the government to mitigate the incidence of unemployment in India, specifically in rural areas.

Unemployment may be distinguished as a) structural or technological unemployment which includes cyclical unemployment, frictional employment and under employment b) disguised unemployment c) open unemployment. The measurement of unemployment has been difficult and the basic concepts relating this fluctuated over a period of time. However, the important bases are usual status, person weeks and person days.

Usual status of employment is measured in number of persons i.e., persons who remained unemployed for a major part of the year. This measure is more appropriate to those in search of regular employment. Weekly status of employment is measured in hours of work in a week i.e., persons who did not find even an hour of work during the week. Daily status employment is measured in person days i.e., persons who did not find work on a day or some days during the week.

The weekly status and daily status unemployment estimates bring out the seasonal and part-time employment and under employment effectively. These represent the average number of persons unemployed per week and per day respectively during the period. Daily status unemployment is considered to be the more inclusive and significant indicator of the magnitude unemployment.
1.3. Relevance and objectives of the study:

In view of the adverse consequences of poverty and unemployment affecting the development of the economy, government has been constantly implementing programmes for the alleviation of poverty and reduction of unemployment. In fact, governments at Central and State levels have been grounding a variety of schemes to mitigate the incidence of these twin problems.

Large sum of financial resources have been allocated and expended on the poverty alleviation and employment generation schemes and financial assistance has been extended to ‘youth’ for self-employment in rural areas and also in urban areas. Hence, it becomes necessary to evaluate the poverty alleviation and employment generation programmes to gauge their impact on the rural youth and to suggest suitable measures to strengthen the effectiveness of the programmes in tackling the twin evils.

In this context, it is hoped that micro-level studies like this would help identify the shortcomings in the implementation of the programmes and also serve as bases to modify, alter and revise the programmes for effective implementation. This study relates to the evaluation of state implemented employment generation programme of Chief Minister’s Youth Empowerment programme grounded in Anantapur district.
Objectives of the study:

This study intends to evaluate the impact of Chief Minister's youth empowerment programme implemented in Anantapur district. The important objectives of the study are:

1. to analyse the poverty alleviation and income generation programmes implemented,

2. to describe the framework, design, goals and financing of the Chief Minister's youth empowerment programme,

3. to estimate the coverage of youth under this programme i.e., the employment opportunities generated under this scheme,

4. to identify the problems in the implementation of this programme and

5. to suggest suitable measures to strengthen the programme for effective implementation.

Hypotheses:

In view of the above mentioned objectives, the following set of hypotheses are formulated for testing and verification by field survey:

1. the scope for the empowerment of youth groups under this programme is limited,

2. the coverage of youth groups under this programme is also limited,

3. the problems in the implementation of this programme are many and varied.
1.4. Methodology and Scope of the study:

Information on poverty alleviation programmes and unemployment programmes has been collected from the books and literature available in libraries. Government reports and other research institute's documents have been consulted to analyse the twin problems of poverty and unemployment. Data on Chief Minister’s empowerment programme in Anantapur district have been collected from the records, reports and other office reports available in the ANSET unit in the office of the District collector, Anantapur. The expenditure on this programme from 1996-97 and also the schemes taken up in different mandals of the district are also obtained from the same source.

From the comprehensive list of mandals and villages in which the chief minister’s youth empowerment programme has been implemented, Uravakonda mandal has been selected for study and survey. A total of 50 beneficiaries have been interviewed in selected mandals to evaluate the impact of the programme. A schedule (presented in Appendix) has been canvassed in the selected villages and the opinions of the beneficiaries have been collected.

The data and information collected have been presented in suitable tables. Simple statistical tools like averages and ratios are used to effectively analyse the data. Time series analysis has also been used to describe the trends in the implementation of the programme. The period of study is confined to 1996-97 to 2003-04.
Scheme of the study:

The present study is organised into five chapters.

The first chapter introduces the problem of research relating to poverty and employment generation.

The second chapter describes the poverty alleviation programmes and employment generation schemes implemented by the government.

The third chapter presents the frame work, goals and the details of CMEY programme implemented in Anantapur district.

The fourth chapter explains the analysis of CMEY programme executed in Uravakonda mandal of Anantapur district.

The fifth chapter evaluates the impact of CMEY programme and also discusses the results of the survey conducted in selected villages.

The last chapter summarizes the important findings, conclusions and the suggestions to strengthen the programme.
References


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