Chapter – I

Introduction and Methodology
This introductory chapter presents the concept of poverty and its various forms, the status of across the world, in India and in the state of Andhra Pradesh. A briefly outline of poverty alleviation programmes being implemented in Andhra Pradesh is made. The chapter also includes the statement of the problem, review of literature, objectives, scope, sampling techniques, data source, statistical tools used and the limitations of the study. Chapter scheme of the study is presented at the end.

**Introduction**

In India, poverty is in its worst form, particularly in the rural areas, where more than 70 per cent population of the country resides. Many of them do not have any source of income or means of livelihood and hence access to basic necessities of life such as food, shelter, drinking water, and sanitation is negligible or marginal. Poverty in India has been defined on the basis of poverty line, which refers to annual income of a family.

Even after 60 years of independence from almost two centuries of British rule, large-scale of poverty remains in India. India still has the world's largest population people with poverty, of its nearly one billion inhabitants, estimated around 350-400 million with 36 per cent of population are below the poverty line. Among them, 75 per cent are in rural areas and more than 40 per cent of the total population is still illiterates, and majority of them are from women, Tribal and Scheduled Castes. The poverty has been existed for centuries. In the early days, the people used to believe the blind beliefs, customs, traditions and rituals with the wastage of resources. They were taken up traditional works, not accessed to education, and all these kinds of people were subject to many kinds of exploitation, ill-treatment and looked down.

**Poverty: Concept and background**

Poverty is understood as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. When a substantial segment of society is deprived of the minimum level of living and continues at a bare subsistence level, that society is said to be plagued with mass poverty. The countries of the third
world exhibit invariably the existence of mass poverty, although pockets of poverty even in the developed countries of Europe and America.

Attempts have been made in all societies to define poverty, but all of them are conditioned by the vision of minimum or good life obtaining in society. For instance, the concept of poverty in the U.S.A would be significantly different from that of the concept of poverty in India because the average person is able to afford a much higher level of living in a society and as such these definitions reflect the existence of inequalities in a society and the extent to which different societies are prepared to tolerate them. For instance, in India, the generally accepted definition of poverty emphasized minimum level of living rather than a reasonable level of living. This attitude is born out of realization that it would not be possible to provide even for minimum quantum of basic needs. As a result, the absolute standard of poverty is expressed in terms of minimum requirements of cereals, pulses, milk, vegetables, butter, clothing or calorie intake.

There are commonly two types of standards in economic literature: the absolute and relative. According to the relative standard, income distribution of the population in different fractile groups is estimated and comparison of levels of living of the top 5 to 10 per cent with the bottom 5 to 10 per cent of the population reflects the relative standards of poverty. The defects of the latter approached is that it indicates the relative position of the different segments of the population in the income hierarchy. Even in affluent societies, such pockets of poverty exist. But for developing countries, the causing concern in acute mass poverty.

Economists and other development experts quite often agree with the Statement made in the Human Development Report of UNDP 1997 that “poverty has many forms and facets. It is much more than low income. It also reflects poor health and education, deprivation in knowledge and communication, inability to exercise human and political rights and absence of dignity, confidence and self respect”.
Robert Hunter defined a poor man as a "person who for whatever reason was unable to provide himself and his dependents with a decent standard of living". For developing country like India, poverty may be viewed from the subsistence angle and may be defined as failure to meet the norms of basic requirements of life. This norm consists mainly of nutritional elements, such as food, clothing and education - the most basic to all human needs.

Types of Poverty

In general terms, poverty can be divided into two categories

1. Absolute Poverty

In absolute sense a person is poor if his income falls below a certain minimum level which is required to satisfy minimum basic needs. Now the problem faced in measuring poverty is to specify the minimum basic needs or what is also called Minimum Living Standard (MLS) that should be defined as poverty line. Then a person having an income below that poverty line is described as poor in the absolute sense. Thus, norms have to be fixed for minimum calorie intake of food, minimum clothing, minimum shelter which must be met for fulfilment of minimum basic needs or minimum standard of living. Then these norms have to be converted into minimum consumption expenditure or income per capita which will meet minimum basic needs or minimum living standards of people. Persons having income or consumption expenditure less than the minimum consumption expenditure can defined as people living below poverty line are called 'poor' in absolute sense. These poor land people found living in poor conditions of absolute human misery.

It is evident from that to specify the poverty line in terms of consumption expenditure per capita, one needs the data about prices of goods that enter into basket of minimum basic needs. Thus, absolute poverty is measured by counting the number of person or heads living below the specified poverty line in terms of minimum consumption expenditure or income per capita. Absolute poverty is concerned with counting the number of persons or heads. This is generally referred
to as Head Count Ratio approach. If \( N \) stands for the number of population, \( H \) for
the number of persons having consumption expenditure or income below that, then
head-count ratio of absolute poverty can be written as

\[
\text{Head-Count Ratio (HCR)} = \frac{H}{N}
\]

It may be noted that to measure absolute poverty at the international level and
to compare the incidence of poverty in various countries, the World Bank has
specified $1 a day in PPP (purchasing power parity) US dollar as poverty line norm. It
is noteworthy that changes in the incidence of poverty over time in a country also
poses a number of problems because it raises the questions as to which price index
number ought to be used to find the real income or consumption expenditure required
to meet the minimum basic needs.

2. Relative Poverty

As is well known, per capita income is only an average income per person and
therefore does not represent a true index of social welfare. Social welfare in a society
also depends on how the national income is distributed among the population.
According to I.A. Bhatty "Relative poverty arises as a consequence of an unequal
distribution of income irrespective of what the income level of the people at the
bottom and of the income scale might be. Poverty is, in fact, a relative concept.
Income of an individual in relation to the incomes of others in a country or region is an
important determinant of welfare. Thus, greater the inequalities in income distribution,
the lower the level of social welfare. It has been realized that greater income
inequalities affect the capabilities of those who have relatively lower income thought
adversely affecting their access to credit from banks and other financial institutions
and their capability to provide education to their children. Relative poverty reflects in
come inequalities in a country and like absolute poverty negatively affects social
welfare. Income inequalities in a society is generally measured through estimating the
value of Gini coefficient. Social welfare function can be written as

\[
W = (Y, I, P)
\]

Where \( W = \) Social welfare

\( Y = \) Per capita income
Inequality index
P = Absolute poverty

Level of per capita income has a positive effect on welfare, whereas inequality (I) and absolute poverty (P) negatively affect welfare. That is, given the per capita income, the higher income inequality and absolute poverty will lower the social welfare.

Poverty across the world

The world population below the poverty line on the criteria of the national poverty and international poverty lines. Since the national poverty lines vary sharply from $0.57 a day for China to $6.32 a day for Mexico, these figures are not comparable. It may be noted that China's national poverty line has been derived from $0.57 a day as against that of India at $0.82 a day, the Chinese national poverty line at $0.57 a day, the Chinese figure of population below poverty understates the position. This has been sought to be corrected by adopting standards of $1 a day and $2 a day as the uniform basis of comparison in the international poverty line on the purchasing power parity criterion. It would, therefore, be useful to compare international poverty lines for a better comparison of the relative State of population living below poverty line in different countries.

Secondly, broadly speaking, $1 a day poverty is based on what may be described as the minimum required in terms of calories per day, which is described in Indian jargon as the 'starvation line'. but $2 a day poverty line takes into account besides food, other items as cloth, education, health or other minimum needs for life which is described ‘basic needs line’. It may be noted that the World Development Report does not indicate any basis for both the lines used in its explanatory notes. It only mentions: “Population below $1 a day and population below $2 a day are the percentages of population living on less that $1.08 a day and $2.15 a day at 1993 international prices”.

Table 1.1

Continent-wise population of poverty

<table>
<thead>
<tr>
<th>S.No</th>
<th>Continent</th>
<th>1990</th>
<th>2002</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>East Asia and Pacific</td>
<td>15.40%</td>
<td>12.33%</td>
<td>9.07%</td>
</tr>
<tr>
<td>2</td>
<td>Europe and Central Asia</td>
<td>3.60%</td>
<td>1.28%</td>
<td>0.95%</td>
</tr>
<tr>
<td>3</td>
<td>Latin America and the Caribbean</td>
<td>9.62%</td>
<td>9.08%</td>
<td>8.64%</td>
</tr>
<tr>
<td>4</td>
<td>Middle East and North Africa</td>
<td>2.08%</td>
<td>1.69%</td>
<td>1.47%</td>
</tr>
<tr>
<td>5</td>
<td>South Asia</td>
<td>35.04%</td>
<td>33.44%</td>
<td>30.84%</td>
</tr>
<tr>
<td>6</td>
<td>Sub-Saharan Africa</td>
<td>46.07%</td>
<td>42.63%</td>
<td>41.09%</td>
</tr>
</tbody>
</table>

Source: The data can be replicated using World Bank 2007 Human Development Indicator regional tables, and using the default poverty line of $32.74 per month at 1993 PPP.

On the basis of the data provided in table 1.1, major countries, on the basis of $1 a day, the performance of Brazil, China, Egypt, Indonesia and Sri Lanka is far better than that of India, Bangladesh, Nepal and Pakistan. The proportion of population below $1 a day poverty line at 34.4 per cent for 2004-05 is really a very disappointing considering the impact on reduction of poverty programme by over five decades of development planning. This implies that nearly 381 million persons were living below the poverty line of $1 a day in 2004-05 which is very disturbing. On the basis of $2 a day, 80.4 per cent of our population of about 892 million do not satisfy the basic needs criterion of $2 a day. This is also in conformity with figure of 77 per cent of Indian population who are poor and vulnerable based on consumer expenditure level of Rs. 20 per day on the basis of purchasing power parity equivalent to below nearly $2 per day as the criterion in 2004-05 by the National Commission for Enterprises in the unorganised Sector. Making a strong indictment of the growth process, the Commission mentions: “there is no doubt that this “Shining India” has expanded in the past and is still expanding at a very high rate. But this picture is spoiled by a virtually stagnant consumption expenditure and miserable working and living conditions of the 77 per cent of our population who are poor and vulnerable. This is the other world which can be characterized as the India of the common people,
constituting more than three-fourth of the population (836 million) and consisting of all those whom the growth process has, by and large, by passed.  

The World Bank data show that the percentage of the population living in households with consumption or income per person below the poverty line has decreased in each region of the world since 1990:

**Poverty in India**

In India the poverty is related to population, land and the social system and even today there exists ill health, illiteracy and backwardness of varied nature. Therefore, after independence, India was one among the other countries which went in for social and economic transformation of both urban and the rural population with the primary motive of attacking the poverty. Further, the Planning commission of India made many attempts to curb the poverty.

The official figures for poverty in 1999-2000 indicated that the percentage of the population below the poverty line had declined from 36 per cent in 1993-94 to 26 per cent in 1999-2000, though the comparability of the two figures was questioned and concern was expressed that the pace of reduction in poverty is overstated. Preliminary estimates are now available from the latest NSS thick sample conducted in 2004-05 which provides data that are fully comparable to 1993-94. This shows that the % of population below the poverty line in 2004-05 was almost 28 per cent, which is higher than the official figure for 1999-2000 because of the non-comparability of 1999-2000 data. The reduction in poverty between 1993-94 and 2004-05 is 0.74 per cent points per year rather than 1.66 per cent points per year implied by the earlier 1999-2000 data. It is also clear that poverty continue to reduce.

**Rural poverty in India**

Most people agree with Dandekar and Rath that the urban poor in India are largely the overflow of the rural poor into the urban areas. These migrants from the rural areas to cities could have crossed the poverty line. The industrial development in India has been sufficiently rapid to absorb them adequately in the modern
manufacturing industries. But this was not to be. Some of the urban poor have lived long enough in cities and have acquired distinct characteristics. However, the major causes of poverty in India are found in the socio-economic structure prevailing in the countryside. So major policy measures to remove poverty have been undertaken with a view to tackle rural poverty.

Semi-Feudal Relations of Production and Rural Poverty.

In India, rural poverty largely emanates from the semi-feudal relations of production in the agriculture. The land reform measures which were undertaken after Independence did not make substantial changes in the agrarian relations. Hence, almost all agricultural labour households and a large proportion of small and marginal farmers and landless non-agricultural rural labour households are poor. Often rural poverty is attributed to rapid population growth. It is asserted that rapid population growth puts pressure on the land base and as a consequence the real per capita income of labour falls "by the decline of labour productivity and employment as well as by the increase in food prices".7

This argument in the Indian context is substantially correct. However, in India's existing socio-political system one can hope in the short-term neither for a radical change in the agrarian relations nor for a considerable decline in the rate of population growth. Keeping in view these limitations, it is not altogether surprising that two related dynamic forces productivity augmenting technological change in agriculture and changing food prices have been in focus in the current discussion on rural poverty.

Agriculture continues to be the primary sector of the Indian economy even after more than five decades of planned development. Three-fourth of the India’s population lives in rural areas and earns its livelihood through agricultural and allied occupations. Rapid growth of population coupled with slow growth of non-agriculture is still a gamble of monsoons as three-fourth of its net area sown is depending on rainfall which is very often uncertain, unevenly spread and deficient to meet the
requirement of crop growth resulting in instability in agricultural production. Due to rapid growth of population the number of cultivators and agricultural labourers has been increasing at an alarming rate. The average per capita size of holding has been declining leading to increase in the number of small and marginal holdings. There has been spectacular rise in the number of agricultural labourers without any asset base purely depending on wage employment in agriculture. As a consequence of industrialization, almost all the rural artisans have lost their jobs and joined the ranks of rural labour. The low wages, seasonal unemployment and under employment push these unfortunate sections into the vicious circle of poverty, unemployment and indebtedness.

After India got independence and started on five -years plans, the expectation was that with rapid industrialization, surplus rural labour would be absorbed in non-agricultural activities and automatically benefit from agricultural growth. Economic growth by itself does not lead to a proportionate increase in employment opportunities for those sections of the working population who do not have access to assets. Secondly, economic growth does not lead to an improvement in the standard of living of the disadvantaged sections of the society. Economic growth is into a sufficient condition for ensuring the improvement of consumption levels and the employment status of the under-privileged in a poor country. Growth of an enclave variety, by which we mean growth concentrated in space (say mainly in large metropolitan towns) or in selected sectors (say mainly of export goods and /or of luxury goods consumption), would by itself not lead to employment and income generation for the relatively poorer section of the society. With a rate of growth of around 3.5 per cent compound per annum, the Indian economy has not been able to create any appreciable impact on either the employment levels of the poorer sections or their standard of living.

Agriculture has been the main occupation for bulk of its workforce in India. According to 2001 census, the agricultural sector provides employment to about 60 per cent of the total working population. In the absence of corresponding increase in
the employment in the urban non-urban sector, there is surplus man power available in
the rural areas. In spite of high rate of agricultural growth, agricultural sector has
failed to generate additional employment opportunities. This has led to widespread
unemployment and underemployment increasing intensity of poverty and
indebtedness.

Causes of poverty
The various factors responsible for poverty are as follows:

1. Personal factors
   No one can deny the importance of personal capacity, efforts and characteristics,
in the economic status of the person. The important personal causes of poverty are
   ❖ Sickness
   ❖ Mental disease
   ❖ Accidents
   ❖ Illiteracy
   ❖ Idleness
   ❖ Demoralisation
   ❖ Extravagance

2. Geographical factors of poverty
   The following geographical factors are also responsible for existence of
   poverty. They play an important role and become great hurdles in national
development. The factors are explained below:

Unfavorable climate and weather
   Favorable climate and weather is very much necessary for work as well as for
   production both agricultural and industrial. In the extremely cold and hot climatic
   conditions, the amount of work turned out is considerably low because the workers
   cannot work for longer hours. This increases the intensity of poverty.
Absence of natural resources

Absence of natural resources is another reason for existence of poverty. No country can become rich in the absence of sufficient natural resources eg. Fertile land, sufficient water, minerals, marine and forest products. In the absence of natural resources, the inhabitants of the deserts, high mountains generally remain poor.

National calamities

Besides, unfavorable climate and weather, natural calamities, such as the eruptions of volcanoes, typhoons, floods, earthquakes and lighting cause serious damages to property and agriculture. In Japan earthquakes cause serious damage to property. In China, floods are the major causes of damage to agriculture. In India, the absence of timely rains, excessive or deficient rains cause serious damage to agriculture.

Pets

Pets are the major cause of damage to agriculture and movable property such as books, furniture etc.

3. Economic factors

Economic factors also play an important role among different causes. The important ones are explained here under.

Agricultural causes

Absence of sufficient manure, improved tools, implements and machines, means of irrigation and cattle of high-bread, disease, absence of sufficient means to protect the fields from pests and animal, superstitions, exploitation of farmers and labours by the landlords and constant fragmentation of land are some of the important causes in the rural parts of India which increase the poverty among people who are engaged in agricultural sector.
Unequal distribution
Even if production is sufficient, millions of farmers and labourers remain poor in the country where distribution of wealth is unequal. In the capitalist society the rich becomes richer and the poor poorer.

Economic depression
Economic-depression factor such as decrease in trade and commerce, lockout of mills and factories and unemployment of millions of persons and small traders and multiply serious setback in the eradication of poverty.

Unemployment
Unemployment is the most serious causative economic factor of poverty. In India, it is the major cause of the lower standard of living of the people, both in urban and rural areas.

Unproductive Hoarding
If a major portion of the wealth of the country is hoarded in unproductive forms, such as jewelry, furniture etc., the economic development of the country is seriously handicapped. This is a serious cause of poverty in India.

Unwise Economic Policy
Sometimes, in spite of the presence of sufficient resources and manpower in a country, the people remain poor because of the unwise economic policy of the Government. This was an important factor of economic backwardness in India under the British rule.

4. Social factors
The following social factors also increase poverty. They can be stated below.
- Faulty educational system
- Faulty and insufficient housing
- Absence of training in home science
The above mentioned personal, geographical, economic and social causes do not exhaust all the causes of poverty. In fact, they differ from man to man and from society to society. However, but eradication of poverty requires removal of all these causes. This involves titanic efforts not only by the government but also from the people.

**Estimation of poverty**

The earlier approaches in the issue of poverty because on the interrelationship between economic growth, income inequality and poverty.

There are two types of indices for measuring the extent of poverty. The most common index is the percentage of population in poverty or the head-count ratio, popularly referred to as the incidence of poverty. This can be express as

\[ Q = \frac{n}{p} \]  \hspace{1cm} (1)

Where

- 'Q' denotes the proportion of population below the poverty line,
- 'n' denotes the absolute number of population of people or persons in poverty and
- 'p' denotes the population of the country and the State or the region.

To find the value of Q, one has to define first what constitutes poverty so that value of 'n' can be ascertained.

A second index of poverty aims at measuring the poverty gap or the income gap ration. This is the aggregate income needed to bring all the poor above the poverty line. The income gap ratio can be expressed as

\[ 1 = \frac{1}{Q} \left( \frac{1}{1} - 1 \right) (Z - Y) \] \hspace{1cm} (2)

Where

- 1 denote the income gap ratio,
Q denotes the number of persons below the poverty line,
Z denotes the poverty line and
Y_i denotes the income of the i-th person below the poverty line.

The income gap ratio is useful for estimating the amount of income-transfer needed to lift the poor above the poverty line.

About 19.2 per cent of India’s population lives below poverty line which is defined as 12 rupees per day. India is a nation with over 300 million poor people. A 2007 report by National Commission for Enterprises in the Unorganized Sector (NCEUS) found that 77 per cent of Indians, or 836 millions people, lived in less than 20 rupees per day with most working in “informal labour sector with job or social security, living in abject poverty. The Planning Commission has been estimating the incidence of poverty at the national and State level using the methodology contained in the report of the expert group on estimation of proportion and number of poor (Lakdawala Committee) and applying in to consumption expenditure. Data from the large sample survey on consumer expenditure conducted by the NSSO at the interval of approximately five years. On this basis, comparable estimates of poverty are available at national and State level from 1973-74 to 1999-2000.

**Poverty estimates based on 61st round of the NSSO**

The 61st round of the NSSO provides estimates on poverty for the year 2004-2005 on the basis of two methods: (1) URP (Uniform Recall Period), and (2) MRP (Mixed Recall Period). While the consumption data for URP uses 30 day recall/reference period for all items of consumption, the consumption data for MRS uses 365 day recall/reference period for 5 infrequently purchased non-food items, namely clothing, footwear, durable good, education and institutional medical expenses and 30 day recall/reference period for remaining items. Date on the basis of both the methods are presented in table.
Table 1.2
Incidence of poverty (per cent)

<table>
<thead>
<tr>
<th>S. No</th>
<th>Category</th>
<th>1993-94</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rural</td>
<td>37.3</td>
<td>28.3</td>
</tr>
<tr>
<td>2</td>
<td>Urban</td>
<td>32.4</td>
<td>25.7</td>
</tr>
<tr>
<td>3</td>
<td>All India</td>
<td>36.0</td>
<td>27.5</td>
</tr>
<tr>
<td>5</td>
<td>Rural</td>
<td>27.1</td>
<td>21.8</td>
</tr>
<tr>
<td>6</td>
<td>Urban</td>
<td>23.6</td>
<td>21.7</td>
</tr>
<tr>
<td>7</td>
<td>All India</td>
<td>26.1</td>
<td>21.8</td>
</tr>
</tbody>
</table>

Source: Planning Commission 2007

According to the 61st round of NSSO the poverty ratios for the country as a whole in 2004-05 were 27.5 per cent on the basis of URP and 21.8 per cent on the basis of MRP. Poverty ratio for rural India is considerably higher than the poverty ratio for urban areas on the basis of URP while it is almost the same on the basis of MRP.

Table 1.3
Poverty Estimates Based on the 61st NSS Round (year 2004-2005)

<table>
<thead>
<tr>
<th>Reference</th>
<th>All India</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform Recall Period (URP) method</td>
<td>27.5</td>
<td>28.3</td>
<td>25.7</td>
</tr>
<tr>
<td>Mixed Recall Period (MRP) method</td>
<td>21.8</td>
<td>21.8</td>
<td>21.7</td>
</tr>
</tbody>
</table>

Source: Government of India, Economic Survey, 2007-08

Table 1.4
Estimated of incidence of poverty in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty ratio (per cent)</th>
<th>Number of poor (million)</th>
<th>Rural</th>
<th>Urban</th>
<th>Combined</th>
<th>Rural</th>
<th>Urban</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-78</td>
<td>53.1</td>
<td>64.6</td>
<td>264.3</td>
<td>328.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>45.7</td>
<td>70.9</td>
<td>252.0</td>
<td>322.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1987-88</td>
<td>39.1</td>
<td>75.2</td>
<td>231.9</td>
<td>307.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>37.3</td>
<td>76.3</td>
<td>244.0</td>
<td>320.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999-00</td>
<td>27.1</td>
<td>67.1</td>
<td>193.2</td>
<td>260.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007*</td>
<td>21.1</td>
<td>49.6</td>
<td>170.5</td>
<td>220.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Source: Tenth Five Year Plan
Table 1.5
Estimates of poverty and trends in poverty

<table>
<thead>
<tr>
<th>Year</th>
<th>NSSO round</th>
<th>Poverty ration (%)</th>
<th>Reduction in poverty (%) (over the previous five years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-78</td>
<td>32</td>
<td>51.30</td>
<td>-</td>
</tr>
<tr>
<td>1983-84</td>
<td>38</td>
<td>45.65</td>
<td>11.01</td>
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<tr>
<td>1987-88</td>
<td>43</td>
<td>39.09</td>
<td>14.37</td>
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<tr>
<td>1993-94</td>
<td>50</td>
<td>37.27</td>
<td>4.66</td>
</tr>
<tr>
<td>1999-2000</td>
<td>55</td>
<td>26.09</td>
<td>30.00</td>
</tr>
<tr>
<td>2004-05</td>
<td>61</td>
<td>22.5*</td>
<td>15.10</td>
</tr>
</tbody>
</table>

Source: Muthalague (2007:4)
Note: * Based on Mixed Recall Period consumption

Poverty in Andhra Pradesh

Poverty in Andhra Pradesh is a subject of considerable current interest and discussion. The Government of Andhra Pradesh has expressed a strong commitment to the reduction of poverty in the State, and to this end has been supporting efforts to develop a sound diagnosis of, and to outline elements of a strategy to confront, this major development challenge. A recent report produced by the Rural Poverty Reduction Task Force has made an important contribution to our understanding of the multiple dimensions of rural poverty in Andhra Pradesh and to the options and constraints that shape policy aimed at poverty reduction (GOAP, 2000). This note seeks to build on the momentum generated by the Task Force’s report by examining more closely the association between material poverty and household characteristics, and by addressing two additional themes that may merit further attention in discussions of poverty in Andhra Pradesh. As has been argued in the World Development Report 2000/1, the goal of poverty eradication involves focusing on more than only income-poverty. Nevertheless, it is clear that the latter remains an important dimension of an overall poverty alleviation strategy, and it is on this dimension that the present note concentrates. Further work is required to place the analysis presented here in a broader perspective. The present analysis draws mainly on National Sample Survey (NSS) data for 1993-4 and 1999/0, but draws as well on

Table 1.6
District-wise estimates of percentage of Rural Poor Households

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the District</th>
<th>% of Poor households</th>
</tr>
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Poverty reduction has been one of the major goals of development planning. The beginning of the planning in 1951-52 and the planning process has been sensitive to the needs of the poor. Accordingly, the Government of India (GOI) has launched various programmes from time-to-time aimed at alleviation of poverty and unemployment, and creating adequate livelihood opportunities for the poor through provision of employment and public services.
Poverty Alleviation under Various Programmes in India

The Government of India's Poverty Eradication Programmes can be broadly classified under five categories:
1 Self Employment Programmes
2 Wage Employment Programmes
3 Area Development programmes
4 Social Security Programmes, and
5 Other Programmes

Self- Employment Programmes

Self-employment programmes were introduced at the national level in the late 1970s. Initially, the programmes were designed to provide skills, subsidized credit and infrastructure support to small farmers and agricultural labourers so that they could find new sources of income. In the 1980s, the focus of the self-employment Programmes was extended to cover target groups such as Scheduled Castes and Scheduled Tribes, women and rural artisans. The coverage also extended to specific area as such as animal husbandry, forestry ad fishery. The largest of these programmes was the integrated Rural Development Programme (IRDP). According to a mid-term appraisal of the Ninth plan done by the Planning Commission, the IRDP suffered from several defects such as unviable projects, illiterate and unskilled beneficiaries, and indifferent delivery of credit by banks, overcrowding of lending in certain projects and under emphasis on activities like trading and service, poor targeting and selection of non-poor and the like.

So, in 1999, several self-employment Programmes were integrated into the Swarnajayanthi Gram Swarojgar Yojana (SGSY). The key feature of the SGSY is that it does not seek to promote individual economic activities. It seeks to promote self-help groups that are trained in specific skills so they can formulate micro enterprise proposals. Such projects are based on activities that are identified for each block on the basis of local resources, skills and markets. The projects are supported by the bank
credit and government subsidies, while the SGSY is implemented by district rural development agencies through Panchayat Samities, NGOs are expected to play a major role in the success of the programme.

**Wage employment programmes**

The first major wage employment programme was introduced in the 1960s to provide employment to the rural unemployed particularly during the lean agricultural season. Subsequently, several wage employment programmes were launched by the central and state governments. The largest of these was the Jawahar Rozgar Yojana (JRY), which was redesigned in 1999 as the Jawahar Gram Samridhhi Yojana (JGSY). Other notable schemes are such as the Employment Assurance Scheme (EAS) and the Employment Guarantee Scheme of the Maharashtra Government. According to a mid-term appraisal of the Ninth Plan done by the Planning Commission, the JRY suffered from some of the defects such as inadequate-employment provided, limited resources spread, violation of material -labour norms and corruption and poor execution of project by contractors through hired outside labourers at lower wages. In 2001, the JGSY and EAS were merged to form the Sampoorna Grameen Rojgar Yojana (SGRY). The objective of the scheme is to provide additional wage employment with food security in rural areas. Beneficiaries are temporarily employed to build community assets and infrastructure. The cost of the scheme, which included the distribution of food grain, is shared by the Central and State Government in a ratio of 87.5:12.5.

In August 2005, the Indian Parliament passed the National Rural Employment Guarantee Act (NREGA), one of the India's most ambitious interventions to address rural poverty and empower poor people. The NREG follows a set of legally enforceable employment norms. Its aim is to end food insecurity power village communities, and create useful assets in rural areas. It aim is to end food insecurity, empower village communities, and create useful assets in rural areas. It is based on the assumption that every adult has a right to basic employment opportunities at the statutory minimum wage. Under the scheme, one member of every poor rural family is
guaranteed 100 days of work at the minimum wage of Rs. 60 a day. All rural poor are eligible, not just those designated Below Poverty Line (BPL). One-third of the beneficiaries must be women. If five or more children accompany their mothers to any site, the implementing authority must appoint a woman to look after them on the site. Panchayats at district, intermediate and village levels will identify and monitor the project, together with a programme officer. Social audits of the work will be available at Gram Sabhas.

**Area Development Programmes**

Drought-prone Area Programmes (DPAP), Desert Development Programme (DDP), Hilly Area Development Programmes (HADP) and Tribal Area Development Programmes (TADP) were introduced in the 1970s to prevent environmental degradation and provide employment to the poor in these regions. The introduction of watershed development programmes strengthened the environment management aspect of these programmes in the mid 90s. Currently, several Central Government, State Government and Non-Government watershed development programmes are being implemented. A new department of Land Resources has been created by merging all area development programmes with the department of wasteland development. The Tenth Plan has a new scheme called the ‘Rashtriya Sam Vikas Yojana’ (RSVY) started with an outlay of Rs. 2500 crore for 2002-03, and it aims to promote focused developmental programmes for backward areas that would help reduce imbalances, speed up development and help backward areas overcome poverty. The RSVY has four components such as a special plan for Bihar, a special plan for the extremely backward Kalahandi-Bolangir-Koraput (KBK) region of Orissa, a backward district initiative and reform components.

- Under the special plan for Bihar, additional assistance will be provided for identified thrust areas such as power, irrigation and watershed development to mitigate some of the problems caused by the state’s bifurcation
- Under the special plan for the KBK region, funds will be provided for concerted action in identified critical areas to provide livelihood support, better health facilities and specific assistance to disadvantage groups.
• Under the backward districts initiative, the Planning Commission has identified 100 backward districts across the country. State governments are required to prepare plans for the identified districts through district authorities to use existing institutions, non-government organizations.

• Under the reforms components, States are expected to increase tax and resource mobilization efforts and to undertake downsizing of staff and administrative expenditure and to take up fiscal reforms to restructure finances.

Social Security Programmes

Social Security Programmes were launched, at the national level, in the 1980s with an old age pension scheme, currently, there are four major national social security schemes.

1. National Old Age Pension Scheme (NOAPS), which provides a pension to people above the age of 65 with no source of income or financial support.

2. National Family Benefits Scheme, which provides Rs. 10,000 to families living below the poverty line when their main earning member dies.

3. National Maternity Benefits Scheme, which provides Rs. 500 to pregnant women of families living below the poverty line.

4. Rural Group Insurance Scheme, which provides a maximum the insurance of Rs. 5000 covering the main earning members of families living below the poverty line on a group insurance basis: the government pays half the premium of Rs. 50-70.

Other programmes

The other largest programme is the Indira Awas Yojana (IAY), which provides houses free of cost to the Scheduled Caste and Scheduled Tribe families who are living Below Poverty Line in rural areas. The maximum cost of a house is Rs. 22,000; the cost is shared by the Central and State Government, on 75:25 bases. However, in any given village/block/district, large number of eligible families have not yet been covered by the IAY, recently, several other Poverty Alleviation Programmes have been launched including DDP programme. Some of such programmes are briefly outlined as under:
1. Pradhan Mantri Gramodaya Yojana (PMGY), which provides additional funds to States so that they can provide basic minimum services such as primary health, primary education and drinking water. Under the Pradhan Mantri Gramodaya Yojana (PMGY), there are two schemes such as Gramin Awas for rural shelter and the rural drinking water project for water conservation in DPAP and DDP programme areas.

2. Pradhan Mantri Gram Sadak Yojana was launched in December 2000 to provide road connectivity to 1.6 lakhs remote habitations with a population of over 500 by the end of the Tenth Plan period.

3. Antyodaya Anna Yojana was launched in December 2001 to provide 25 kgs of food grains at highly subsidized rates to 100 millions of India's poorest families living below the poverty line.

4. The Annapurna Scheme aimed to provide 10 kgs of food grain per month at free of cost to the persons who are eligible for pension under the NOAPS but haven't received any help.

5. Valmiki Ambedkar Awas Yojana (VAMBAY) was launched in December 2001. It facilitates the construction and upgradation of dwelling units for the slum dwellers, and provides a healthy and enabling urban environment through community toilets under Nirmal Bharat Abhiyan. The component of the Scheme the Central Government provides a subsidy of 50 per cent, with the balance provided by the State Government.

6. Indira Kranthi Patham (IKP) was launched as “Velugu” by the government of Andhra Pradesh in June 2000. It is a State-wide Poverty Alleviation Programme initiated and implemented to enable the rural poor to improve their lively hood and quality of life through their own organization. It aims to cover all the poor households in the State with special focus of 30 lakhs poorest of the poor households. All households who are living below poverty line starting from the poorest of the poor are the target group of Indira Kranthi Patham (IKP).
The Government of Andhra Pradesh is implementing two large community demand driven poverty reduction projects, namely Andhra Pradesh District Poverty Initiatives Project (APDPIP) and the Andhra Pradesh Rural Poverty Reduction Project (APRPRP). The two projects cover all districts and focus on rural poor families in the State. The APDPIP is covering 316 mandals in 6 districts launched on June 14, 2000. The project duration was up to December 2006. The APRPRP project that commenced on June 1, 2002 was to cover 548 backward mandals in 16 districts of the State and estimated to cover 2 lakhs families. In the year 2005 the State Government decided to extend the same approach to the rural areas of the State and leverage the programme with funds from ongoing programmes. Thus, for the entire State, there is a single programme, called “Indira Kranthi Patham (IKP)” based on social mobilization and empowerment of rural poor. This programme subsumes all activities under the twin projects and the State Government funding for women’s groups. It is the single largest programme in South Asia. The DWACRA programme is also merged with Indira Kranthi Patham (IKP) as per GO Ms NO 15 dated 25-01-2005.

Indira Kranthi Patham (IKP) - APRPRP programme has been working in Kurnool district since June – 2002. It has been actively involved in institution building, micro-finance and livelihood for the poorest of the poor and poor households through social mobilization process in the district. Indira Kranthi Patham initially focused on social mobilization process, strengthening SHGs already exists in the villages and coverage’s left over poorest of the poor in the fold of SHG through community participation.

**Statement of the Problem**

India is the home to 22 per cent of the world’s poor. At the beginning of the new millennium, about 260 million people in the country did not have incomes to access a consumption basket. Of them, the rural people are subject to relative poverty indicated by gross inequalities among different sections of the society. This incidence of inequalities and poverty are found more among the Scheduled Castes and Tribes. Hence, eradication of poverty and hunger through employment in the country has been
one of the main goals of India’s economic Planning in India. Realizing the fact that the poverty everywhere is a big threat to prosperity. Government have been launching various target-oriented as well as area-oriented programmes and schemes to eradicate poverty, inequality and backwardness. Indira Kranti Patham is one of the Poverty Alleviation Programmes aimed to remove poverty, inequalities and socio-economic backwardness among the communities and regions in Andhra Pradesh.

Indira Kranti Patham was launched as “Velugu” by the Govt. of A.P in June 2000. It addresses to eradicate poverty through empowerment of poor women especially the poorest among the poor. Under the first phase, as many as 316 backward mandals in six districts have been in operation since June 2002. Under second phase, as many as 548 backward mandals in 16 districts have been in operation upto 2008. It is being implemented in two phases in 864 mandals in 22 districts. Kurnool district is one of such backward districts of Rayalaseema region and the State of A.P. This programme has been implementing in this district rigorously to eradicate poverty since 2002. In Andhra Pradesh, the women belonging into Scheduled Caste are not much improved than the women of other communities even though the government was introduced many central and states schemes and programmes. But now government both central and state have given much importance for improving the socio-economic conditions, creation of employment opportunities and development of various skills to the Scheduled Caste women. So the study focuses to evaluate the overall socio-economic development of Scheduled Caste women through the IKP SHGs in Kurnool District of Andhra Pradesh. Therefore, it is right and high time to initiate an in-depth and detailed study to evaluate the impact of the programmes on selected Scheduled Caste women Self help groups in Kurnool district. The present study is empirical attempt in this direction.

Review of literature

Review of literature is divided into three parts. Part –A, Part –B and Part-C. In Part –A, reviews literature on the poverty, Part –B surveys literature on SHGs and Part –C reviews literature on Indira Kranti Patham.
Studies on Poverty

A study group of the government of India (1962) recommended the rationally desirable minimum level of consumer expenditure of Rs. 20 per capita per month at 1960-61 prices. This recommended figure criticized on the ground that it was underestimation as it excludes the expenditure on health and education assuming that they are provided pre of cost by the state according to constitution.

Chatterjee and others (1963) in their paper “A Preliminary Study on the Dietary Levels of Households in Rural India” found that about 53 per cent of the rural population fall below the norm of 2400 calories per capita per day. He uses NSS consumption data which does not take into account the non-food expenditure. Thus they have underestimated the extent of rural poverty in India.

In his study “Size and Arial Distribution of Level of Living in India” Mukherjee (1969) with a different methodology and considering the countries population as a whole (without any bifurcation of rural and urban) has arrived at the conclusion that in terms of the density of the poor, Orissa, Kerala, Bihar, Mysore and Andhra Pradesh are poorest states in 1963-64. But he did not considered price variation, types, nature and intensity of activities cropping pattern and climate factors in different recognized of the country.

Minhas (1970) slightly modified the study groups figure as Rs. 200 per capita per annum relating to rural areas on the ground that urban cost of living tends to be somewhat higher at 1960-61 prices. Using the norm, he found that between 1956-57 and 1967-68, the rural poor declined by 19 million though the number of poor tend to rise in bad harvest years. Minhas was also subject to criticism by the study group as he failed to take into consideration the expenditure on clothing, fuel, light, health, education, etc.
Ojah (1970)\textsuperscript{14}, adopting a different methodology, estimated the poor both in rural and urban areas for two different years. Using calorie-norm of 2250 per capita per day for an average Indian he worked out the minimum required food consumption as 518 grams for rural areas and 432 grams for urban areas. According to his estimates 51.8 per cent of rural population and 7.6 per cent of urban people fell below poverty line. For the year 1967-68, he concluded that 70 per cent of the rural population were below the minimum level of food grains consumption. Ojha too has excluded the expenditure on health, education and housing.

Dandekar and Rath (1971)\textsuperscript{15} emphasized that poverty is a problem of low national income and its unequal distribution, of the low pace of development and inequitable distribution of the small gains of development. They used estimates of consumption expenditure and adopted a nutritional norm to define the poverty line.

Panikar (1972)\textsuperscript{16} in his study of Kerala, without mentioning the figures, examined the reliability of minimum consumer expenditure norm at Dandekar and Rath under Kerala’s conditions. His basic conclusions are that by ignoring regional factors, they reached wrong conclusions about the cost of nutritionally adequate diet in Kerala. By using national-minimum norm Dandekar and Rath have over estimated the number of the poor in Kerala. It is found that the diet for Kerals to attain minimum norm at 1970-71 prices would cost Rs. 28.30 per head per month and the total per capita consumption expenditure corresponding to his diet would be Rs. 37.80.

Bhatty (1974)\textsuperscript{17} estimated the poverty levels for different categories at different income levels for 1968-69 by using the techniques of Sen’s poverty index and head count ration. He observed that incidence of poverty was maximum among agricultural labourers category (89.56 per cent) followed by non-agricultural workers (78.77 per cent) and cultivators (70.28 per cent).

Planning Commission (1977-78)\textsuperscript{18} in its draft plan estimated that 48 per cent of the rural population and 41 per cent of the urban population in India fell below poverty line.
In a study, Ahluwalia (1978) using the norm of the per capita consumer expenditure of Rs. 15 per month at 1960-61 prices for both country as a whole and different states examined the trends in the incidence of rural poverty for about two decades from 1956-57 to 1973-74. He concluded that the time trend is insignificant but the series shows that the incidence of poverty fluctuates in response to variations in real agricultural output per head. He found that there is an inverse relationship between rural poverty and agricultural performance for the country as a whole. The same trend was also noticed in several individual states. There was also evidence that there are processes at work which tend to increase the incidence of poverty independently of variations in agricultural output per head.

According to Sen (1979) the poor are those people who are living below poverty line. But one cannot isolate the poor and the non-poor in real term. Therefore, poverty should include absolute poverty and relative poverty in context of society. Concept of poverty can further be implied as individualized poverty i.e., those individuals who cannot meet the minimum expenditure of essential items (basic necessities) like food, shelter and clothing. Further, collective or mass poverty is the product of social system and can be analysed at aggregate level. This situation is commonly observed in the developing countries.

Food and Agriculture Organisation (1982) reviewed poverty in rural areas in developing countries and the means of poverty alleviation. The study, based on absolute poverty norms has come to the conclusion that one of the origins of this poverty must lie in inadequate access to land and other factors leading to insufficient production. By projecting World Agricultural Perspectives and Policy issues upto the year 2000 with particular attention to developing countries, the study found that over the next two decades the developing countries could double their food and agricultural production but it was observed that improved food production must go hand in hand with amore equitable distribution of this larger output. The study concludes that sustained effort is needed on many fronts. Limited access to land due to unequal
distribution of land or population pressure is undoubtedly a major contributory cause of insufficient production but the inherent quality of the land and quantity of land and capital are also the determinants of the level of farm output. Case studies prepared for A.T 2000(FAO 1981- Agriculture towards 2000) show that the incidence of poverty in rural areas is highest among landless labour and small households. The study further observed that mere economic growth in general or agricultural growth in particular will not be sufficient to solve the problem of rural poverty. The alleviation of poverty within an acceptable time scale according to FAO requires a political commitment to the reshaping of the pattern of national economic growth and new distribution of its benefits.

In a study of Karnataka, Thimmaiah (1983)²² using primary data collected by the Institute for Social and Economic Change concluded that poverty is inversely associated with the level of development of the districts. He found that rural poverty is confined only to agricultural labourers, marginal and small farmers.

Parthasarathy (1985)²³ in his presidential address at a National Seminar on “Growth, Stability and Equity with in the Agrarian Sector of Andhra Pradesh” held that poverty ratios in Andhra Pradesh are sensitive to growth performance in agriculture although it is not significantly true in the case of bottom classes. Growth lowerness, benefited much more the top cultivators group rather than the bottom cultivators group in the State.

Radhakrishna and Sudhakar Reddy (1986)²⁴ in their paper on “Class Composition, Poverty and Agricultural Development”, using Rs. 50 per capita expenditure per month as poverty-line, concluded that rural poverty is concentrated among the agricultural labourers in almost all the districts and cultivators and self - employed in back-ward district.

Perraju Sarma (1987)²⁵ examined the dimensions of rural poverty with reference to agricultural labourers in Andhra Pradesh. The intergenerational decline in
occupational status and access to land have been the important factors explaining poverty among agricultural labourers. But there is no association between income, poverty and generation change.

Sudhakar Reddy (1989)\textsuperscript{26} in his paper 'Poverty in Andhra Pradesh' concluded that though there is a declining trend in the incidence of poverty in seventies and eighties, the people below poverty lien in the year 1986-87 were still higher (41.85 per cent) in rural Andhra Pradesh. The studies which were conducted up to 1992 have concluded more or less on similar lines.

Alagh (1995)\textsuperscript{27} while studying the poverty alleviation programmes suggested that an information system is required to effectively follow up food security and related employment guarantee scheme, policies and the role of estimates of the proportion of the population below poverty line.

The Ninth Five Year Plan (1997-2002)\textsuperscript{28} proposed to tackle poverty in two ways; first is to involve the poor masses themselves and secondly to clearly define and proper by implement the poverty alleviation programmes. Further, the plan has also emphasized on poverty alleviation, and women and child development in integrated manner.

Desai (1999)\textsuperscript{29} underlined the importance of development policies in order to identify the steps needed for poverty increase with special reference to women and examined the effects of the policies on women, work and poverty eradication. It was concluded that the poverty alleviation programmes should lay priority for women in all perspectives and gender awareness be generated by neutral, specific and redistributive or transformative policies. This ensures a satisfactory livelihood and poverty eradication.

Kannan (1999)\textsuperscript{30} studied the income poverty aspect and the achievements in advancing basic human capabilities with reference to Kerala and discussed the
achievements in relation to All-India. It was emphasized that public participation and action enabled Kerala to achieve considerable reduction in poverty. Further, economic growth, improved infrastructure, flow of remittance from abroad, increased literacy has helped in poverty alleviation but through public participation and action.

Srivastava (1999)\(^3\) pointed that the poverty is perceived as the well being of the people along with the living conditions and these vary is groups of people, locality, gender, areas, region etc. thus, the people should collectively recognize the attribute of poverty which will provide the base and starting point for the development programmes for poverty alleviation. The NGO’s, political parties, various organization, bureaucrats, should catalyze the whole chain reaction.

Kamata Prasad (2002)\(^3\) in their study stated that panchayats have neither the power nor funds to function as independent institutions to work for eradication of poverty. There is also very little space for ‘Gram Sabhas’, in the present scheme of decentralization. A decentralized system cannot function effectively as long as these deficiencies are removed. The author asks for a fresh took at the issue. Agriculture alone, however, would not be adequate to raise the income levels of all the rural poor. The scope for rapid development of agriculture is limited in dry, drought prone and flood prone areas, where poverty is more concentrated. Hence, there is need for occupational diversification by increasing rural industries and support services, which should be so designed as to enable the weaker sections to derive maximum benefits. There is said to be an elitist bias at all levels of local administration and this is not conducive to successful implementation of programme s for the benefit of the poor. Plausible reasons like "poor record" of use of benefits extended, bad debts, lack of receptivity to new ideas and lack of “education” to use them, are often advanced by those in authority for not being able to serve the poorer sections better.

Lakshmi Narasaiah (2001)\(^3\) in his study opined that the attempt to formulate an objective and generally valid definition of poverty must be abandoned. It is a complex and multi-faceted problem. Since it can be caused by deprivation in different
areas, there are in reality different poverty profiles. There is a multitude of different poverty groups with different interest and needs, such as women and children, the rural and the urban poor, members of various ethnic groups and religious communities. This can lead no only to conflict between different poverty groups but also discord within the respective groups, thus hampering the formulation of consistent strategies for reducing poverty.

Krishna Anirudh (2003)\textsuperscript{34} in their study apart from this, transforming a given rate of economic growth, higher poverty reduction warrants a thorough investigation of factors that act as incentives and obstacles. And nature of these incentives and obstacles is likely to change in relation to the local political economy. Applying scarce development resources more effectively will necessitate investigating more closely what factors are associated with decline in and what factors are associated with escape from poverty in any particular local context. Some case studies suggest the diversification of income resources is the most important factor associated with households escaping poverty. People on the just margin of poverty line are very much volatile to slip in the poverty due to health care cost, social expenses and high interest private debt.

According to Jawed Akhtar (2005)\textsuperscript{35} the alleviation of poverty has been a major objective of India’s development plans. The “Garibi Hatao” slogan given by Indira Gandhi in the early 1970s marked the beginning of an intensified approach to help the poor as reflected in a wide range of programmes for direct intervention to benefit the backward and poor sections of the society. These programmes have had some notable achievements to their credit, such as public distribution system with a wide rural coverage, employment programmes with significant impact on the rural poor and improvement in rural amenities and infrastructure like roads, schools, health centres, banks, communication facilities etc. A good indicator of the impact of the anti-poverty programmes in India is the reduction in the extent of poverty. The percentage of population living below the poverty line has declined from 55 per cent during 1973-94 and further to 26.1 per cent during 1999-2000 for the country as a
whole. However, it may be noted that the whole of the decline in the poverty cannot be attributed to anti-poverty programmes alone but there appears to be a consensus among the researchers that these programmes have been an important factor in the reduction in poverty over the last three decades.

Surrendra Kumar and Singh (2005) stated that their experience with the implementation of poverty alleviation programmes has not been encouraging. Leakages, corruption, lack of sartorial integration and absence of people’s participation have contributed to their limited impact. An effective delivery system is an essential pre-requisite for the success of such programmes. Further policies will have to be simultaneously ensured that higher growth is accompanied by job creation at a higher rate than the rate of growth of labour force. This would require encouragement to labour intensive sectors of the economy. For this purpose the reform process will have to encourage micro enterprises and small and medium entrepreneurs to expand their business. Employment in small-scale sector can be encouraged by providing credit and other support measure to this sector. Finally the poverty alleviation programmes have a change of success only when the nexus between corrupt bureaucrats, politicians and village landlords is broken and real beneficiaries are put in charge of these programmes.

Sidhu, Toor and Dhabli (2006) observed that rapid urbanization has been a worldwide phenomenon in 20th century in developing countries like India. The challenges of urbanization became even more serious in the context of urban poverty, which is largely an extension of rural poverty. India’s population was about 438 million in the year 1961 which increased to about 548 million in 1971, about 685 million in 1981, about 846 million in 1991 and about 1027 million in 2001. during the year 2005, our total population has been about 1099 million. The urban population was about 18 per cent of the total population in the year 1961 which increased to about 28 per cent in 2001. The number of urban poor was 60 million in the year 1973-74 which increased to 67 million in 1999-2000 but in percentage terms, the ration of urban poor had declined from 49 per cent to about 24 per cent in the corresponding
period. The reduction in urban poverty has been possible due to increase in the income of the urban poor during the last three decades. The government has also taken a number of welfare measures regarding reduction of poverty in the rural and urban areas.

The urban poor did not enjoy modern facilities of life. This happened mainly due to their poor economic condition. It is suggested that additional financial resources should be mobilized by the government for the upliftment of the poor. The 21st century is an era of development with a human face otherwise the poor will forgive all of us.

Studies on Self-Help Groups

Ghosh (1994) made a case study of DWCRA programme in Birbhum district to West Bengal. DWCRA programme was launched in this district in 1992-93. During 1992-93, 18 women groups were formed in two blocks of the district. C. Hemalatha Prasad et.al (1996) have made a study of DWCRA programme in three states, i.e., Haryana, Karnataka, Himachal Pradesh and Union Territory of Pondicherry. The study was aimed at documenting the successful DWCRA cases with a view to learn lessons for future implementation and could be replicated elsewhere.

The study conducted by Krakar (1995) revealed that as the programme was effectively implemented, the monthly income of the beneficiaries had increased substantially. A large number of groups had become mini-banks reducing the dependence on money lenders. It had also resulted in improving their standards of hygiene and nutrition. The major findings were that the urge for literacy especially for the girl child and adoption of family planning measures had increased. The process of group dynamics strengthened the networking, homogeneity, and self-esteem of women. The "We can do it" Syndrome is part of their psyche today. The scheme had also provided women the opportunity to sit together, discuss and share their long-pending problems, and seek joint solution through sympathetic co-operation and advice. The group thus acts both as a pillar of strength and an information window.
An article Graminvikas (1995) highlighted the role of the innovative saving/credit programme called Podupu Lakshmi that had been successfully launched and carried out in the Nellore district of Andhra Pradesh. Podupu Lakshmi is based on a very simple principle of saving a rupee per day/ per member. The erstwhile submissive, docile, silent and weak women changed their psyche into assertive, confident, mobile, articulate, questioning and demanding pressure lobby groups. The aspirations of women for economic prosperity went up and they started climbing up the social ladder through the programme. The other factor for the success was the timely intervention of the government machinery. The careful identification of key government functionaries also led to the success of the programme.

Chowdary (1996) in her study stressed the need for sharpening women's empowering strategies to make them effective and result oriented. She pointed out that money earned by poor women is more likely to be spent on the basic needs life than that by men and that this realization would bring women as the focus of development efforts. She also examined the advantages of organizing women groups there by creating new sense of dignity and confidence to tackle their problems with a sense of solidarity and to work together for the cause of economicintendance.

Jain and Satish (1996) in their paper described the factors affecting group dynamics and group functioning such as feeling of solidarity and pervasive benefits from group formation, increased awareness of group members, self reliance, and transparency. They feel that dependence an out side source either in material or human term exist and so the group autonomy is not attained in many cases.

Swarnalatha (1997) perceives that the process of empowerment of women to run thrift and credit programmes on their own and also to address other developmental issues of the community involves lot of training. Consequently she has come out a handy training manual to all those involved in empowerment of women. The module includes initiation of a new group, support of Self Help Group at different stages of development, monitoring and evaluation of group activities and building up of
leadership. It was based on the experience of RASS (Rayalaseema Seva Samithi), Thirupathi a renowned voluntary agency of Andhra Pradesh.

An attempt is made by Hemalatha Prasad (1998) to understand the aptitude of members of DWCRA Groups towards economic enterprises. For this purpose 60 women EWCRA Groups belonging to DWCRA Groups were interviewed. Based on the study results author was of the view that age, ability, aptitude and awareness were crucial for launching skills based unit, the author was of the view that. Arbitrary selection of unit is against the spirit of the group activities. The author was also found that women were not independent in participating the SHG activities. In the absence of proper mechanism for monitoring and guidance of the SHGs desired success cannot be achieved.

Yaswanth Sinha (1998) the central government budget speech for the year announced on allocation of five hundred crore rupees to NABARD for refinancing SHG bank linkages. Around ten million rural poor women are expected to be covered by SHG linkaging programmes over the next five years.

Karmakar (1999) studied among other things the performance of women SHGs (formed with the financial support of MYRADA) in T.N and found that SHGs have been formed with the agricultural laburers and marginal farmers and found that rotation of leadership has been followed. Further, the group accounts have been prepared by an educated member of the SHG, and the same member was in charge for documenting the proceedings of the weekly meetings of the group. Further, the same member was being appointed as animator by MYRADA. Own savings the amount contributed by MYRADA and the interest occurred forms the main financial sources of the SHG which have been rotated by the members. Group decides the embers to whom the loan is to be sanctioned and other terms and conditions. However the purpose wise borings show that of the total 24 loans only 2 were utilized for productive purposes and other loans were utilized to meet urgent family requirements viz. Health, consumption, marriage.
Krakar Singh and Jain (1999)\textsuperscript{47} in their working paper 'Evaluation and survival of SHGs: Some theoretical and empirical evidences' explained that there are four stages of group formation: forming, storming, norming, and performing. They identified factors, which have an impact on group formation as full participation of all members, quality in leadership, some short homogeneity among the members, and transparency in operations and functioning of the groups.

Mohan (2000)\textsuperscript{48} in his research paper has emphasized the role of thrift and micro credit activities in women empowerment. The paper further reveals that thought participatory approach the women child could share their problems. The researcher to the view that NGOs have adequate compatibility and infrastructure to organize the training programmes and may also stand guarantee to the loans accessed from the formal banking institutions. More over NGOs could facilitate resource mobilization for the benefit of the women. Even in facilitating the micro credit the role of NGOs need to emphasis. It only means that micro credit programme will show truthful results if the SHGs are supported by reputed NGOs.

An evaluation study conducted by Sathya Sai and Puhazhendi (2000)\textsuperscript{49} primarily examined the Socio-economic background of SHG members and its impact on income and assets. The study results shows that after becoming the member of SHG three-fifths of the sample SHG members could acquire assets on one-hand and consumer durables on the other.

Sathya Sai (2000)\textsuperscript{50} has examined the saving pattern among the SHG members. The study results shows that it was only after becoming the members of SHG they have habituated to save compulsorily and as a result the per capita saving showed an increase compared to the pre formation stage of SHG.

Antaon Simanowitz (2001)\textsuperscript{51} found that much impact assessment work in the past has been donor driven, and mostly serves donor needs. He opined that the
emphasis was said on is an instifying funding rather than improving their work. The author was of view that more practitioner-oriented approaches are required.

Y. Indira Kumari (2001)\textsuperscript{52} made an attempt to analyse the involvement of Rural women in economic activities through Government sponsored programmes in the state of Andhra Pradesh in general and DWCRA programme in particular in Krishna District of the state. In the light of the above reference, the present study is modestly made an attempt on the impact of Self-Help groups on the living conditions of rural women in Anantapur district of Andhra Pradesh.

Namboodiri and Shiyani (2001)\textsuperscript{53} in their study examined the impact of SHGs linkage with Banks in promotion of thrift and purveying credit to the weaker sections belonging to the rural areas. They study revealed that majority of the SHGs are women based and exhibited homogeneity in their economic and social status. The study results have revealed the fact that SHGs Promoted by NGOs have shown better results in terms of savings, credit etc. The analysis showed that due to predominance of consumption loans scope for undertaking income generating (IG) activities has been reduced. The formation of SHGs led to women participation in development activities.

Samar, Datta and Raman (2001)\textsuperscript{54} conducted an empirical study covering 355 SHG members at 30 randomly selected women SHGs from 8 clusters in the Tirupathi area of A.P. The study results shows that in all three-fifths of the members belongs to backward classes, 6 per cent to schedule caste (SC) category and the remaining represents the other castes. As nearly onethird of the SHG members have no formal education, the authors felt that absence of formal education doesn't come in the way of working SHGs. Further, it was found that there was no homogeneity as for as occupation is concerned. The data and income distribution reveals that nearly two-thirds of the SHG members have income of less than Rs. 500 per month each. The empirical data has also shown that SHG members knows each other been before they could become the members of SHGs, which resulted in timely repayment by each member. Over they help each other even in case of repayment. Due to close proximity
member should convene SHG meetings at any time of their convenience. Through the empirical study it was found that credit is being extended to SHG members various proposes viz. Consumption, repayment of old debts, business, and other loans, and as a result the dependence of SHG have control over embers on external finances has been considerably reduces and also due to higher loan and lower expenditure contributed the higher SHG net income per member. All this clearly shows that SHGs have shown positive impact, which led in realizing the primary objectives for which SHGs have shown positive impact, which led in realizing the primary objectives for which SHG shave been formed. Similar exercises need to be carried out periodically to examine the functioning of SHGs.

A comparative study has conducted by Rao (2002) dealt with SHG members’ involvement and their perception about SHGs. For this purpose 120 SHG members belonging to 23 SHGs spread over 6 districts of 2 states have been selected. The study results shows that majority of the women have joined SHGs from low income groups but have a strong willingness to improve there economic status. Against this background the sample self-help group member in A.P. have obtained credit mostly for meetings consumption purposes, while the finance available by the sample SHG members of Karnataka was for meeting the expenditure of social functions and purchase of agriculture inputs. It only means that the SHG members have borrowed mostly for unproductive purposes. Further, the study indicated that certain SHGs have already involved in creating social awareness among the SHG members.

Shetty (2002) while summarizing the working and impact of rural self-help groups stated that micro finance institutions have improved the asset base and also brought a sea change on the levels of the living of the beneficiaries. Further, the women participation has also improved in thrift and credit options. Moreover the author stressed the need for micro level field studies to examine the working of SHGs. Hence, the present empirical research will add to the existing literature.
Arun Kumar (2002) attempted to highlight the development strategy which is today emerging as a unique Indian response to the challenges of equality, development and peace. Yerram Raju B and Firdausi A.A (1995) conducted an evaluation study of DWCRA programme in Prakasam district of Andhra Pradesh. The objective of this study is to assess the implementation of DWCRA programme in relation to generating group activity among DWCRA women and their socio, economic status before and after investment period.

Kumaran (2002) conducted a study on the structure and functioning of SHGs in terms of saving delivery of credit and recovery of loan and also examined the role of self-help group promoting agencies. For the purpose of the field study 90 SHG members belonging to 15 SHGs of Pune district were randomly selected. Based on the empirical study the author found that monthly meetings were regularly conducted by the chosen SHGs. Further, members participation in the meetings was found to be very high.

Bharathi Panda and Sagarika Mohanty (2003) in their paper highlighted the need for formation of self-help groups in order extend easy finance to the women belonging to poorer sections of the society. The authors were of the view that the women, with specific reference to rural women do not have control over different resources and as such they have little or no decision making power. To over come this malady self-help approach is advocated to empower the rural women. Further, the authors also examined SHG Bank linkage programme in India, highlighting how in linkage will felicitate in obtaining the necessary financial support, which may influence the living conditions of the SHG members.

Kanchanya, K (2003) made a case study of DWCRA programme in West Godavari District of Andhra Pradesh. The main objective of the study is to assess the administrative and organizational aspects, Group Dynamics and to know the impact of the programme on the member of DWCRA.
Usharamkumar (2003) made an attempt to analyse the importance of education in empowering the women. The author has found that the percentage of girl’s enrolment in high school has increased leading to reduce the gap between the girl and boys in the enrolment. The author has argued that education serves as powerful agent in empowering the women. The author has established the fact that literacy-linked women development programmes paved the way for formation of SHGs. In the light of empirical results the author concluded that education enabled women in participating the developmental programmes.

Vasudeva Rao (2004) in his study examined the impact of the SHGs/DWCRA on the status and the quality of the poor women in the rural areas and also examined the extent of women participation in the group activities. The study results showed that nearly 95 per cent of the members attend the group meetings regularly and four fifths of the SHG members have actively participated in the proceedings of the SHG meetings. A note worthy factor is that there is a positive relationship between saving and repayment. The study has also revealed higher levels of awareness on issues directly related to social development. Attitudinal change has also been brought among the members of SHGs. The formation of SHGs have led to financial linkages with NABARD, Bank and such other financial institutions. It only means that self-help groups have appositive effect on tribals.

Amal Mandal (2005) research paper examined the importance of SHGs in Poverty alleviation as the groups are organized on the basis of self help and mutual help. The author was of the view that the earlier anti-poverty programmes (Prior to SGSY) have mainly followed individual approach and have not given serious thought on the need for sustainable income generation. In the light of the past experiences the author believed that the group approach based on self help and mutual help may facilitate the sustainable development of women. The author was the view that the group approach is only the way to meet the financial needs through thrift and inter-loaning (on rotation basis) and in taking up income generating activities. If SHGs are guided by external agencies according to the author the results will be encouraging.
Shiralashetti and Huger (2008) studied "Women Entrepreneurs in Karnataka State- Issues and Challenges". Today, women are willing to take up the production activity and have been proving that they are more than men in contribution to the growth of the economy. But women have been facing many problems from different angles in the Indian society. It is noted that 77.27% of rural, 60 per cent of semi urban and 54 per cent urban women entrepreneurs have been stated regarding shortage of capital in the initial stage of their enterprise in the study area. The author concluded that Entrepreneurship among women, no doubt, improves the wealth of the nation in general and family in particular.

Anil Kumar (2008) examined the awareness, utilization and level of satisfaction of supporting among women entrepreneurs in North India, found the level of awareness is low especially in the case of various sources of finance available. This is one of the main causes for under utilization of services available to them. Karmakar (2008) pointed out the major issues in micro finance as capacity building sustainability of SHG and graduation of microfinance to micro enterprises. He also suggested that even though women prefer traditional livelihoods initially, it is necessary to integrate livelihood skills with market related training but upgraded skills.

A study by Sheena (2008) explained that the success of the SHG depends on the selection of the economic activity and hence it must be taken up with the full involvement of experts and members.

Gadanayak (2008) in his study opined that participation of the people in Rural Development although crucial but, has not given due importance. SHGs play a vital and integral role in organizing the rural poor into homogeneous group through Social Mobilization. Any good programme may not be successful unless the people participate at different levels of programme implementation. However to ensure participation of the people, they must be made aware of the programme and well informed about their goals, purposes and the roles they have to play. During his study it is observed that many beneficiaries neither have clear understanding of various
schemes nor do they have any relationship with implementing agencies at different levels. Thus, steps should be taken to minimize the communication gap and the local agencies should try to create awareness among the village people and explain the objectives of government programmes to them. Functioning of Panchayati Raj Institutions particularly after 73rd constitutional amendment has created a favorable climate for mass public participation in the process of planning and implementation of rural development programmes “through pallisabha”. However, it is worth mentioning that the government should take steps in a manner that people really enjoy the power and participate in decision-making. In addition to the above general observations in the study area, we also observed many contradictions, paradoxes and missing links in each of the poverty eradication programmes selected for study.

Trivedi, V and Bhargava, Deepti (2009) in their study stated that the Self Help Group is an informal institution for rural empowerment. They highlighted Swamajayanti Gram Swarozgar Yojna and SHG – bank linkage programme in it.

Anupama Nautiyal (2009), in his study on the “Women Empowerment and Activism in India State of Uttarkhand”, stated that constituency is at the forefront of Micro Finance debates. Opinion, however, is divided on whether the methodology and process of micro finance interventions is genuinely empowering to women. Clearly micro finance has given women voice and visibility within the household and the community. Micro Finance has also provided women with economic power and benefits through an opportunity to undertake micro enterprise.

Apart from official studies, lot of individual researchers worked on the working of SHG model in India. In their studies Mahalakshmi (2009), Singh (2010) Vijayalakshmi and Shankar (2010), Gnanadas and Jegan (2010), Soundararajan and Boopathi (2010) and Velmurugan et al., (2010) have examined social and economic empowerment of members working under SHGs. Manoharan and Kavitha have analysed the training programmes and capacity building initiatives undertaken for SHG members. Ashokan and Hemalatha (2010) and Vasantha Kunan (2010) have
examined entrepreneurial capabilities of SHGs. Similarly, Jorinubi (2006) has analyzed the Micro credit management capability of Self Help Groups.

Lyngdoh (2010), conducted a study on “Financial Inclusion, Women and Inclusive Growth” in Maghalaya. His study focusing on women micro-finance clients and comparing them with non-micro finance clients. Finally, the author suggested that the micro-finance clients benefit, grow and are transformed economically, socially and politically.

Neelaiah. R. (2010), in his paper entitled “A Study on Self Help Groups at Work in Andhra Pradesh”. He concluded that all the group members are divided into two categories i.e., poor and poorest of the poor (POP). And also find out in his paper no of SHGs established in each year increased till 2005 and then decreased thereafter and it can be taken as decreased interest on the part of the Government after 2004-05.

According to a study conducted by APMAS (2010), titled ‘The Study of SHG movement in Adilabad, Cuddapah and Visakhapatnam District of Andhra Pradesh’, the flow of micro credit has not triggered substantial growth of micro enterprises. The movement is at the phase where the SHGs require effective bank linkages and training on developing micro enterprises and business development services. 22% of the SHGs covered expressed specific support in micro enterprise development, apart from SHG concept building.

Studies on Indira Kranthi Patham

Sachin Rao, Vijay Kumar and Jairam Ramesh (2006), they said that the Andhra government’s social mobilisation programme, known as Indira Kranthi Patham (IKP) has worked for over a decade to bring the poorest women from rural communities into self-help groups (SHGs). The eventual vision is to federate this organisation at the state level. This gigantic effort has already brought over eight million women, or 80% of Andhra’s poorest of the poor, into SHGs. There are now over six lakh SHGs, over 28,000 village units and 910 mandal samakhyas, all
registered under the Mutually Aided Cooperative Societies (MACS) Act, 1995. Andhra alone accounts for more than a third of all SHGs in India.

IKP is creating this vital component of social infrastructure. The IKP member is an empowered customer who has shed her temerity. As part of her village, mandal or zilla federation, she is capable of buying, as part of a group of tens, thousands, and lakhs. Such an aggregation also has significant capabilities in managing operations, capital and risk.

Prahalad. C.K. (2006)75, viewed that the ‘core competence’ of IKP is thus not the provision of finance, it is the creation of a community managed channel that brings previously excluded customers into global markets. Rather than viewing each other with suspicion, IKP and MFIs must develop models by which MFIs can leverage IKPs capabilities to reach eight million customers. The approach to cooperation must be based upon the separation of social organisation, to be performed by IKP and capital mobilisation and disbursement, to be performed by MFIs.

All the above studies touched various aspects of SHG and IKP in a general is any. Hence, an attempt is made in the study to study the socio-economic impact of Indira Kranthi Patham on select households of Scheduled Castes in Kurnool District. The Indira Kranthi Patham programme (Bank linkages, Pavala Vaddi), SHG bank linkage got big boost in recent years. Therefore, it was felt that it would be very useful to assess the impact of the paradigm shift, which took place on the process of women’s empowerment in general and SHG members in particular with the following objectives.

Objectives of the study are

1. To review the Poverty Alleviation Programmes in India

2. To evaluate the implementation of Indira Kranthi Patham in Andhra Pradesh and Kurnool district.

3 To assess the impact of IKP on Socio-Economic development of Scheduled Caste SHG beneficiaries in Kurnool district.
4. To identify the problems associated in availing and implementing the Indira Kranthi Patham programme.

5. To offer suggestions for effective functioning and implementation of the programme especially in poverty prevailing areas in the country.

Methodology and Sampling

Kurnool is one of the backward districts of Rayalaseema Region in Andhra Pradesh. It consists of three revenue divisions Viz., Kurnool, Nandyal and Adoni. Altogether there are as many as 54 mandals. For the purpose of the study a multi stage sampling was adopted. The Kurnool district was selected in the first stage. In the second stage, one revenue mandals from each revenue division was selected. In the third stage, three gram panchayats from each sample revenue mandal were selected. In the last stage, sample IKP SHG members from each sample gram panchayats were selected based on simple random sampling method. Thus, altogether three revenue divisions, three revenue mandals, nine gram panchayats and 300 IKP SHG Scheduled Caste sample beneficiaries in Kurnool district are included in the study for analysis.

The sample design details of the study are presented in the following table.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Revenue Division</th>
<th>Mandal</th>
<th>Gram panchayat</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kurnool</td>
<td>Orvakal</td>
<td>Hussinapuram</td>
<td>35</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Nannur</td>
<td>35</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Loddipalli</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>Nandyal</td>
<td>Nandyal Rural</td>
<td>Chapirevula</td>
<td>35</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Chabolu</td>
<td>35</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Ayyaluru</td>
<td>30</td>
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<tr>
<td>3</td>
<td>Adoni</td>
<td>Devanakonda</td>
<td>Devanakonda</td>
<td>35</td>
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<td></td>
<td></td>
<td></td>
<td>Terenakul</td>
<td>35</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Karivemulu</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Field study
Collection of Data

For the purpose of the study, both secondary and primary data were collected. Secondary data were collected by visiting various University libraries, NIRD library. The official data are also collected from the Ministry of Rural Development, published books, journals and reports. However, primary data collected from all 300 respondents by administering an Interview Schedule. The collected data were analysed by using percentages, averages, and appropriate statistical techniques.

Though stray studies and articles are made on poverty alleviation in general but scant attempts are made focusing on socio-economic impacts on Scheduled Casts Communities. Hence the study is called for and need of the hour.

Data sources

The data required for the study were collected both from primary ad secondary sources. The secondary data were collected from the office of the IKP/DRDA, Mandal Samakyas, official websites of IKP, SERP, NIRD, Department of Rural Development of Andhra Pradesh and the concerned. The primary data were collected by administering an interview -schedule among the sample SC IKP SHGs members to know the socio-economic conditions of the respondents and assess the impact of the IKP on the sample respondents on their socio-economic development.

Statistical Tool Used

The primary data collected are processed and tabulated through computers and analysed the data with the help of percentages. However, data have appropriate graphs and figures.

Limitations of the study

The study is undertaken with the following limitations

1. Because of time and financial constraints, the present study has been confined to study the impact of IKP on select SC self help group members in Kurnool district.
2. For the analysis of the study only 300 SHG members from SC communities altogether from three revenue divisions, three mandals where SCs populations and SHG members are more and as many as from nine villages are selected.

3. The findings of the study are based on the responses given by the SHG members from the interview-schedule administered among them.

Chapter Scheme: The analysis of the study is presented in six chapters as mentioned below

Chapter I : Introduction and Methodology
Chapter II : Poverty Alleviation Programmes in India: An Overview
Chapter III : Origin, Organisation Structure and implementation of Indira Kranthi Patham (IKP) in Andhra Pradesh.
Chapter IV : Analysis of Socio – Economic conditions of selected IKP SHGs beneficiaries.
Chapter V : Impact of IKP Programme on the Scheduled Caste SHGs beneficiaries.
Chapter VI : Summary of Findings and Suggestions.
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