Chapter – 1

INTRODUCTION, THEORETICAL AND METHODOLOGICAL FRAMEWORK OF THE STUDY
India is one of the fastest growing economies which possess about 2.4 per cent of the total land area of the world and support about 16.7 per cent of the world's population. Though it is growing with a rapid speed it has been facing numerable problems, which hinders the percolation of the fruits of the development to the rural poor. Since India got independence in 1947 Government has taken several steps and for the well being of the people of India, to reduce socio-economic inequalities, to create basic minimum needs, to enhance employment, opportunities for increasing population particularly rural masses. To achieve the major socio-economic objectives, the planning commission has drafted five-year plans, which allocated resources to the agriculture, Industrial and Service sectors of economy. However, the last 60 years planned development strategy experience indicates that the targets in different five-year plans are not fully achieved. Moreover, it is observed that poverty and income inequalities accentuated over the years.

In India, poverty line is the most austerely defined in the world in terms of nutritional parameters. The growing population has added to poverty and lack of employment oppo9rtunities. Yet around 20 crore people are hungry. We have so many schemes but no concerted effort. Let me tell you that with globalization, and the liberalization of imports, the problem of food security will worsen. Our approach to the poor should not be that we want to feed them but that we must enable them to feed themselves with dignity. Self-help groups or, perhaps,
agricultural cooperatives are the answer. Again the people should plan the family, educate themselves and lead a life of self-help.

Poverty in India has become very complex with many of the variables influencing it. But the relationship among these variables is not clear. For instance, states which show high levels of calorie intake also report high infant mortality, thus blurring the relationships between malnutrition and mortality. Likewise, states which enjoy higher income may also suffer from low cereal consumption. On the other hand, Kerala, with a low per capita state income and also low calorie intake, has registered low mortality rates and the longest expectation of life.

Poverty is a complex socio-economic state characterizing particular families in a given society. It is a social determinant because it depends substantially on the structure of class and family as well as social attitudes and values which render it undesirable. It is regarded as both condition of economic inefficiency and a condition of social and political exclusion. Poverty comprises three aspects such as empirical aspects, normative or value aspects and relative and deprivation aspects.

Poverty becomes a problem when it is considered undesirable either by the person's concerned as by others. As Amartya Sen puts it much about poverty is obvious enough. One does not need elaborate criteria, cunning measurement or probing analysis, to recognize row poverty and to understand its antecedents. It would be natural to be
impatient with long winded academic studies on poor naked with long winded academic studies on poor naked wretched with houseless heads and unfed sides and looped and windowed raggedness to use king learns graphic description. And furthermore it may also be the case as earlier told that the blind Gloucester, which a man may see how this world goes with no eyes. Indeed, there is much that is transparency of poverty and misery noticed by Sen (Amartya Sen, 1986)\textsuperscript{1}. Poverty thus indicates deprivation of some sort or other but beyond that there is no uniformity as to what constitutes poverty. On conceptual level, poverty is distinguished between absolute and relative.

Poverty is deprivation. Such deprivation has four essential features. First, it is deprivation of the basic necessities of life such as food, clothing and housing, from which, according to Amartya Sen, all other accompanying deprivations flow, educational and intellectual deprivation, cultural and moral deprivations, what anthropologists have called cultural poverty. Second, deprivation means being deprived of what one is entitled to. Everyone is entitled, has right to lead a decent standard of living, and deprivation negates this entitlement to. Third, there are various degrees of deprivation which we have in this country have covered by inventing such terms as the poorest of the poor, the very poor and the poor.

- Poverty is a mind set, accompanied by low morale, low expectation, low resourcefulness, and low ability.
• Low levels of education and health support underpin and sustain the mindset of poverty.
• Social structures perpetuate power.

The basic cause is that a small number of people in the country are owning the assets like land, houses, stocks and shares and deposits in the banks (both in "black and white") while the majority of people are having less assets and people are remaining without any fixed assets with low incomes unable to what is needed and like food, clothing, housing and cultural goods etc. They are unable to spend that much while earned through wage employment and uncertain income source like self employment.

Perceptions of poverty are wide and varied. Peter Townsend in his well known treatise depicted the picture about poverty and its population. "The Poor and the Poorest" observes that people are deprived of conditions of life which ordinarily define membership of society and that if they lack or denied of resources use and to access to these conditions of life and thereby fulfill membership of society, they are in poverty. Streeten has observed that the poverty norm moves up with the average income because the desire to belong is an almost biological basic need and is expressed as a desire to live at a basic standard that is regarded by society as descend.
The World Bank estimates that there are 456 million Indians (42% of the total Indian population) now live under the global poverty line with per capita income of 38 per cent of the global poor now reside in India. However, this also represents a significant decline in poverty from 60 per cent in 1981 to 42 per cent in 2005, although the rupee has been decreased value since then, while the official standard of 538/356 rupees per month has remained the same (World Bank).²

Income inequality in India 1999-2000 is increasing as per the World Bank report 2007 (The Hindu).³

Although Indian economy has grown steadily over the last two decades, its growth has been uneven among different social groups, such as economic groups, geographic regions, and rural and urban areas. Between 1999 and 2008, (World Bank 2004)⁴ the annualized growth rates for Gujarat (8.8%), Haryana (8.7%) and Delhi (7.4%) (Planning Commission of India, 2007:2-3)⁵ are much higher than Bihar (5.1%), Uttar Pradesh (4.4%), and Madhya Pradesh (3.5%) (Lakshmi, 2008).⁶ Poverty rates in rural Orissa (43%) and rural Bihar (41%) are among the world's most extreme (World Bank, 2007:148).⁷

India has a higher rate of malnutrition children under the age group of three (46 per cent in year by the end of 2007) than any other country in the world (Page, Jermy 2007).⁸ As per as malnutrition status
is concerned, India has a higher rate of malnutrition among children under the age of three years (46 per cent in year 2007) than any other country in the world. As per the 2001 census, 35.5 per cent of Indian households availed of banking services, 35.1 per cent owned a radio or transistor, 31.6 per cent a television, 9.1 per cent a phone, 43.7 per cent a bicycle, 11.7 per cent a scooter, motorcycle or a moped, and 2.5 per cent a car, jeep or van; 34.5 per cent of the households had none of these assets (Ministry of Urban Affairs-2001).  

Despite significant economic progress, 25 per cent of the nation's population earns less than the government-specified poverty threshold of 12 rupees per day. Official figures estimate that 27.5 per cent of Indians lived below the national poverty line in 2004-2005 (Planning Commission of India. 2004-05:5).  

A report by the state-run National Commission for Enterprises in the Unorganized Sector (NCEUS) in 2007 found that 836 million people, consisting 77 per cent lives on Half Dollar A Day. (Reuters, 2007: 15).  

**Historical trend**

The proportion of India's population who are living in below the poverty line has fluctuated widely in the past, but the overall trend has been downward. However, there have been roughly three periods of trends in income and poverty fluctuations.
Between 1950 and 1970s income poverty reduction shows no discernible trend. In 1951, 47 per cent of India’s rural population was below the poverty line. The proportion went up to 64 per cent in 1954-55; it came down to 45 per cent in 1960-61 but in 1977-78, it went up again to 51 per cent.

Income poverty declined significantly between mid-1970s and the 1980s. The decline was more pronounced between 1977-78 and 1986-87, with rural income poverty declining from 51 per cent to 39 per cent. It went down further to 34 per cent by 1989-90. Urban income poverty went down from 41 per cent in 1977-78 to 34 per cent in 1986-87, and further to 33 per cent in 1989-90.

Post Economic Reform Period

The post-economic reform period registered both setbacks as well as progress. Rural income poverty increased from 34 per cent in 1989-90 to 43 per cent in 1992 and then fell to 37 per cent in 1993-94. Urban income poverty went up from 33.4 per cent in 1989-90 to 33.7 per cent in 1992 and declined to 32 per cent in 1993-94. National Sample Survey (NSS) also estimated the poverty during 1994-98. NSS data shows that the slow reduction poverty is observed during 1995-1998, so that the evidence till 1999-2000 was that poverty, particularly rural poverty, had increased during post-reform period. However, the official estimation of poverty for 1999-2000 was 26.1 per cent, a
dramatic declining trend that led for much debate and analysis. This was because for this year the NSS had adopted a new survey methodology that led to both higher estimated mean consumption and also an estimated distribution that was more equal than in past NSS surveys. The latest NSS survey for 2004-05 is fully comparable to the surveys before 1999-2000 and shows poverty at 28.3 percent in rural areas, 25.7 percent in urban areas and 27.5 percent for the country as a whole, using Uniform Recall Period Consumption. The corresponding figures using the Mixed Recall Period Consumption method was 21.8 percent, 21.7 percent and 21.8 percent respectively. Thus, poverty has declined after 1998, although it is still being debated whether there was any significant poverty reduction between 1989-90 and 1999-2000. The latest NSS survey was so designed so as to give estimates roughly, but not fully, comparable to the 1999-2000 survey. These suggest that the most of the decline in rural poverty during the period 1993-94 to 2004-05.

The division of resources as well as wealth is very uneven in India – this disparity creates different poverty ratios for different states. For instance, states such as Delhi and Punjab have very low poverty ratios. On the other hand, 40-50 percent of the populations in Bihar and Orissa live in below in poverty line.

The poverty ratios illustrated here are divided in two types: urban and rural. Specific reasons for poverty vary in the urban and rural
settings. A number of factors are responsible for poverty in the rural areas of India. Rural population primarily depends on agriculture, which is highly dependent on rainfall patterns and the monsoon season. Inadequate rain and improper irrigation facilities can obviously cause low, or in some cases, no production of crops. Vagaries and uncertainty of rainfalls are also causing for low income or no income for rural population.

Additionally, the Indian family unit is often very large, which can amplify the effects of poverty-people from the lower castes are often deprived of a number of facilities and opportunities. Major positions of the natural resources are not areas to the deprived sectors of the society. The government has planned and implemented poverty eradication programs, but the benefits of all these programs have yet to reach to the target families particularly rural families of the country.

India still has the world's largest number of poor people. Out of them one billion inhabitants are below the poverty line, 70 per cent of them in the rural areas. More than 40 per cent of the population is illiterate, particularly women, tribal and scheduled castes. Poverty, in its incidence and magnitude, is considered to be an important aspect of Indian life. The general belief is that the benefits of economic growth do not 'trickle down' to the lower strata of the population. The developing countries have made poverty alleviation a challenging task of the government in reaching the unreached.
The strategy of development in India appears to contain both industry and urban bias. More than 70 per cent of the population lives in rural areas deriving sustenance from the agriculture sector. Therefore, it is recognized that special efforts are required to remove poverty and development of the rural sector.

Poverty may be examined from different angles. Poverty in general terms means a little to eat and wear. The most obvious meaning of poverty is low per capital income / expenditure. As per the fourth five year plan document, consumption expenditure was Rs. 20 per capita per month at 1960-61 prices was deemed a minimum desirable consumption standard. This was calculated to be about Rs.40 at 1972-73 prices, Rs.65 at 1977-78 prices and Rs.79 at 1979-80 prices. (Madan, 1983:300) planning for poverty alleviation, 1985, p.11 reported that low per capita consumption for Poor in take worth of 2250 Calories was accepted as the minimum level of consumption (Bardan, 1973:1627-29). It was accepted by P.D.Ojha, (1971), Ed.Foreseca, A.J.,P.K.Bardan, 1973 and N.K.Rath, 1971. However, in the draft five year plan 1978-83 the planning commission has defined the poverty line in the nutritional requirement of 2435 calories per person per day for the rural areas with poor health, illiteracy and private shelter. In economic terms, it means employment of large masses in unproductive agriculture in India about 502 millions of Rural Population dependent on agriculture which is carried on traditional lines by and large. This also supported Government of India, Agriculture Census Report. (Arora, 1979:106).
Different scholars have perceived the causes of poverty differently. Galbraith has enlisted the factors such as institutional changes or price incentives cannot break the equilibrium of poverty in the less developed countries because accommodation to accustomed living standard is very strong on the other hand, some scholars argues that the breakdown of entitlement approach concentrates resulting from failure to be entitlement to commodity bundles including food, and views starvation as resulting from a failure to be entitled to any bundled with enough food. In terms of magnitudes, 260 millions of poor live in rural areas by 1979-80 and 58 millions of the poor reside in urban areas. Thus the rural poor are about four and half times higher than the urban poor. (Galbraith, 1979:101).

The poverty situation has worsened for two important reasons-(a) crucial assets and inputs are access to the poor (b) the rapid population growth with lack of poor people. Most of these people are associated with unorganized sector as a result of which they do not get continuous employment at reasonable wage rates. More ever they are almost in variably exploited by some of the other efficient sections of the society.

Unemployment is considered as one of the main causes of poverty in developing economies like India. The number of unemployed and underemployed have been increasing over a period of time. A majority of the families living in rural India are reported to be in below poverty line, these families suffer from no work, less work and low
productivity. Employment opportunities in rural regions where labour is mainly agriculture-oriented are limited unless special efforts are made to generate work. Through agriculture and allied activities in rural sector which need for optimum utilization of natural resources to create employment opportunities for man power available in rural areas. (A.K.Sen, 1984:33).16

The strategy of development in India appears to contain both industry and urban bias. More than 70 per cent of the population lives in rural areas deriving sustenance from the agriculture sector. It is, therefore if needs and recognized special efforts are required to remove poverty and development of the rural sector.

Poverty may be examined from different angles. The most obvious meaning of poverty is low per capital income/expenditure, low per capita consumption, poor health, illiteracy and primitive shelter. In economic terms, it means employment of large masses in unproductive agriculture. (Kamta Prasad, 1985:18).17

Even though the government of Andhra Pradesh is spending huge amounts of money, with the help of World Bank funding, the aims and targets of different programs are not achieved and in some areas, the members of the ‘Velugu” IKP known as Indira Kranthi Patham programme are not aware of the basic concepts of the program. Apart from all these problems, there is a depth of studies to assess the impact
of IKP on Income and Employment Generation among its members. Hence this study is intended to know the impact of IKP on the poor families in Anantapur District of Andhra Pradesh.

**Different Concepts of Poverty**

Poverty can be viewed from different angles. But it generally refers to the situation where an individual or a household is placed under below poverty line due to lack of resources. Poverty may be distinguished in four ways.

- Primary and Secondary Poverty
- Absolute and Relative Poverty
- Chronic and Temporary Poverty and
- Household and Individual Poverty.

1) **Primary and Secondary Poverty**

Primary poverty is a situation in which total earnings of a family are inadequate to obtain the minimum necessaries needed for the maintenance of mere physical efficiency. On the other hand, families are said to be secondary poverty if total earnings would be sufficient or the maintenance of physical efficiency provided to the household change in the pattern of allocation of expenditure on different combinable for maintenance of standard of living.
2) Absolute and Relative Poverty
   (i) A household is considered to be poor in the absolute sense when it is unable to provide itself with the minimum subsistence defined usually in terms of nutritional norm.
   (ii) Relative Poverty is defined in terms of income and wealth of a household in relation to that of community. In relative poverty a household is treated as poor if its income falls below some standard fixed on the basis of the average income of the entire community.

3) Chronic and Temporary Poverty
   (i) When a household is unable to meet the minimum requirement due to bad economic shocks like drought and gets adequate income in normal times, the household is temporarily poor.
   (ii) On the other hand, a household is chronically poor if its income is below the Minimum level even during the normal times.

4) Household and Individual Poverty
   Data on expenditure is usually available at household level rather than individual level. But estimates of the poor are generated from this and all members of the households are treated as non-poor if the average per capita expenditure is more than that required for crossing poverty line.
These estimates reflect household poverty rather than individual poverty. However there are some evidences of intra household inequalities in the allocation of expenditure. It is argued that females and the elderly persons are the potential victims of poverty even in non-poor household. Some individuals in a non-poor household may be poor and some persons in a poor house hold may be non poor. There is a need to supplement the macro estimates of poverty by micro level studies to identify the vulnerable sections in different categories of households. The minimum income needed by a household depends on the household size also.

Poverty levels in India and A.P

The poverty line for rural A.P was found to be the lowest of all Indian states, where as the poverty line for urban A.P was higher than urban India. The Urban Poverty line was found to be Rs 457.11 for all India. When urban prices are higher in A.P than all-India, rural prices cannot be lower by 20 per cent. Moreover, the urban poverty lines for three rounds starting from 1987-88 onwards are around 74 per cent higher than the corresponding rural poverty lines.

As a result, the incidence of poverty commission placed Andhra Pradesh is higher than rural A.P. The planning commission used a low poverty line of Rs.262.94 per capita per month for A.P and a high poverty line of Rs.374.79 per capita per month for Kerala and Rs.327.56
per capita per month for all – India for 1999-2000. The poverty lines for other three southern-states indicate a smaller deviation from all-India poverty line.

The 'Head-Count ratios' estimated from the 55th round with a 7-day reference period for food, pan, and tobacco and intoxicants had been found to be the uniformly lower than those based on a 30-day recall basis yields poverty ratios of 11.05 per cent in rural areas, 26.63 per cent in urban areas and 15.77 per cent for the state as a whole for 1999-2000. The corresponding figures from the 7-day recall period are 9.15 per cent in rural areas, 24.48 per cent in urban areas and 13.79 per cent for Andhra Pradesh State as a whole. In terms of absolute number of rural poor, there was a decline of 29.08 lakh persons between 1973-74 and 1977-78; 35.67 lakh persons between 1977-78 and 1983; 18.87 lakh persons between 1983-84 and 1987-88, 16.89 lakh persons between 1987-88, 1993-94 21.36 lakh persons between 1993-94 and 1990-2000.

Montek Singh Ahluwalia studied the trends in incidence of rural poverty in India for the Period 1956-57 to 1973-74. He used the same concept of poverty line i.e., an expenditure level of Rs.15 in 1960-61 prices for rural areas and Rs.20 per persons for urban areas. The most important feature of Montek Singh Ahluwalia study is the marked fluctuation over time in the extent of incidence of rural poverty the proportion of rural poverty declined initially from over 50 per cent in the
mid-fifties around 40 per cent in 1960-61, rose sharply through the mid-sixties, reaching peak in 1967-68, and then declined again.

The average size of households in the selected sample is 3.85. It is interesting to note that the average size of households is lower (2.94) in SC category while it is higher among BC Households (5.32). Fifty four per cent of the respondents are illiterates and 46 percent have literacy. Five percent of members in the casual labour occupation, 57 per cent of members are fish vendors and the remaining 37 per cent members are other occupational groups like vegetable vendors, milk vendors, pan shop owners etc.

Need for the Study

Progressive reduction of unemployment has been one of the principal objectives of economic planning in India. It has been envisaged that the growth of the economy would not only increase production but also provides the capacity for absorbing the backlog of unemployment and underemployment and also surplus manpower. It was, therefore, felt necessary in the different plans to have for specific target groups, areas for employment creation, income generation and poverty alleviation.

Poverty eradication is one of the major objectives of planned development. In this regard direct poverty alleviation programmers are important and should continue on an expanded scale in the 12th Plan.
But these programmes would be oriented towards strengthening the productive potential of the economy and providing more opportunities for involving the poor in the economic process. The main objective of this study is to analyze the progress of Indira Kranthi Patham in Anantapur District of Andhra Pradesh during the last few years.

The Statement of the Problem

Even though the government of A.P is spending huge amount of money with the help of World Bank funding, the aims and targets of the programme are not achieved and in some areas the members of the IKP are not aware of the basic concepts of the programme. Apart from all these problems, there is a dearth of studies to assess the impact of IKP on Income and Employment Generation among its members. Hence, this study is addressed to fill this gap with the following objectives.

Objective of the Study

Though the main objectives of the study is to assess the impact of IKP on socio-economic conditions of the beneficiaries the following are the specific objectives.

- To examine the socio-economic features of the selected beneficiary families.
• To estimate the impact of the IKP program on the levels of income and employment opportunities among the different categories of the sample beneficiary families.

• To estimate the impact of IKP programme of the level of living conditions of the sample beneficiary families, and

• To suggest some modifications and policy measures those are necessary to achieve better results.

**Methodology**

The present study is conducted in Bukkaraya Samudram Mandal of Anantapur district of Andhra Pradesh. Andhra Pradesh (IKP) beneficiaries were selected by using random sampling technique from Bukkaraya Samudram Mandal of Anantapur of A.P. A total of 120 IKP beneficiary households were covered in the study area of Neelampalli, Ammavariipeta and Rekulakunta villages. The sample details relating to age, education, living conditions such as type of house, type of fuel using for cooking, electrification to the house, water and toilet facilities etc., With this the changes of income, occupation, employment, savings, asset holdings etc, were also investigated through the designed questionnaire. The changes of life style like children education, age of girl child marriage, banking habits, bargaining power etc., were also investigated. The secondary data was obtained from the published and unpublished Government official reports and records.
Plan of the Study

The study is presented in six chapters. The first chapter, being an introduction chapter covers, the nature of the problem, need for the study, objectives and methodology. In the second chapter a brief review of the poverty in India is presented. The third chapter presents a brief profile of poverty in Anantapur district with special reference to Bukkaraya Samudram Mandal. The fourth chapter presents poverty reduction programmes in India, Anantapur district in Bukkaraya Samudram Mandal. The fifth chapter deals with the impact of IKP programme in the study area. Finally, the summary, conclusion, findings and suggestions are presented in the sixth chapter.
References


2. www.worldbank.org.in

3. www.thehindu.com


