CHAPTER I

INTRODUCTION

Poverty can be defined as a social phenomenon in which a section of the society is unable to fulfill its basic necessities of life. When a substantial segment of the society is deprived of the minimum level of living and continues at a bare subsistence level, poverty is indeed the central problem faced in the world and it is the way in which we set out to face it that we as a will be judged. It is a long and erroneous battle that we have to wage.

It calls for clarity of purpose for determination for unity. It demands of us, all the perseverance the discipline, the hard work which we are capable, slowly and steadily. We shall be building a new and progressive nation in which even the poorest in our country will be able to enjoy a minimum level of living. A new and targeted public distribution system has been announced to benefit the population below the poverty line with food grains at specially subsidised prices. The fundamental objective of our economic development is the removal of poverty. Programmes for generation of employment creation of assets improvement of skills and the raising of incomes of very poor people have all been strengthened.

On 15th August 1947 India got political Independence, but still it was in economic bondage and faced with the acute problem of poverty (mainly rural poor) when all most half of its population was below
poverty line. In the first three year plans (1951-1966) the dominant thinking in the policy planning was that poverty could be effectively tackled through general growth process and that the benefits of higher growth would automatically trickle down to poor makes and alleviate their poverty.

First plan emphasis therefore was placed on agricultural development and emphasized and reforms community development and co-operative movement. Hence no specific attempts were made to tackle rural poverty directly. But nonetheless various anti-poverty programmes were put to experiment around this period. It was during the fourth five year plan that the focus shifted from growth to the direct approach our poverty and special attention was given to poverty alleviation. It is sufficient to note here that alleviation of rural poverty has been centered on the development agenda of the country since Independence.

**PLANING COMMISSION DETERMINED POVERTY LINE**

The planning commission estimates the incidence of poverty in rural and urban areas of the country using the sample survey data on household consumption expenditure released by the National Sample Survey Organization Projection of minimum needs and effective consumption demands constituted by the planning commission in 1979. In year 1993-94 the planning commission has estimated poverty on the basis of sub-sample of the data on household consumption expenditure these estimates are derived by using the poverty line of Rs.228.9 per capita per month for rural areas and Rs.264.1 per capita.
POVERTY ESTIMATION BY EXPERT GROUP

The planning commission in September, 1989 constituted an expert group on estimation of proportion and number of poor to look into the methodology for estimation of poverty at National and State level, these group submitted its report in June 1993. The poverty line recommended by the task force on projection of minimum needs and effective consumption demand namely a monthly per capita total expenditure of Rs.49.09 (Rural) and Rs.56.64 (Urban)

State specific poverty line should estimated as follows. The standardized commodity basket corresponding to poverty line at the national level should be valued at the prices prevailing in each state in the base year 1973 – 1974. The all India consumption pattern of the 20 to 30% of the population around the poverty line is 1973 – 74. Given the updated state – specific poverty lines and the corresponding size distribution of per capita consumption expenditure of NSS the number of poor as a percentage of total population or the poverty ratio calculated separately for rural and urban areas.

The poverty ratio to the estimated population as given by the Registrar General of Census. The all India (Rural urban) poverty ratio. The poverty line and poverty in respect of states where availability of adequate data is a constant of areas and similarity of economic profile as indicated. The NSS consumption surveys, which are carried out every five years yielding state, level estimates of mean per capita total consumption expenditure. The basic sources of information for estimating on a sample survey data basis the proportion of the population below the poverty line.
Estimations of poverty line and poverty ratios following the recommended method should be worked out for the years 1977 – 78, 1983 and 1987-88 and onwards state-wise result NSS rounds of comprehensive household consumption survey. The expert group revised the poverty estimates for the earlier years. The latest data on poverty estimate by this group relate to 1987 – 88, estimates on poverty by the planning commission and by the expert group both shows declining trend in poverty during the period 1983 - 84 and 1987 - 88.

Between 1983-84 and 1987-88 the poverty data estimated by the planning commission showed a decline of 8% points from 37.4% to 29.9% for the same period the data on poverty of expert group showed a decline of 5.5% points from 44.8% to 39.3%. The people below poverty line was estimated at 237.7 million a decline of 33.3 million in 1987 – 88 by the Planning Commission against 312.8 million people a decline of just 14.2 million estimated the expert group during the same period.
### ALL INDIA POVERTY INCIDENCE 1983–84 to 1993–94

<table>
<thead>
<tr>
<th>ESTIMATED BY PLANNING COMMISSION</th>
<th>1983-84</th>
<th>1987-88</th>
<th>1993-94</th>
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<tr>
<td><strong>POPULATION (MILLION)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rural</td>
<td>221.5</td>
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<td>Urban</td>
<td>49.5</td>
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<td>271.9</td>
<td>237.7</td>
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<td>21.7</td>
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<tr>
<td>Urban</td>
<td>28.1</td>
<td>20.1</td>
<td>11.6</td>
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<tr>
<td>Total</td>
<td>37.4</td>
<td>29.9</td>
<td>18.9</td>
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<tr>
<td><strong>POPULATION : (MILLION)</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Rural</td>
<td>251.7</td>
<td>229.4</td>
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<td>Urban</td>
<td>75.3</td>
<td>83.4</td>
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</tr>
<tr>
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<td>42.2</td>
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</tr>
<tr>
<td>Total</td>
<td>87.8</td>
<td>79.2</td>
<td>76.4</td>
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**ESTIMATED BY Dr. S.P. GUPTA**

The 1993–94 data on poverty estimates by the planning commission show that the percentage of people below the poverty line stand at 18.9 or 168.2 million people. In rural areas, the percentage of poor stand at 21.7% and 11.6% in urban areas. The number of rural poor people was estimated 141.1 million and urban poor at 27.1 million.

However Dr. S.P. Gupta’s views were reported in The Economic times Ex. Chief of the perspective planning division of the planning commission using and expert group. The planning commission has decided against considering the official poverty estimates for the Ninth
Five-year plan. Planning commission recommended by the Lokdawala committee to suggested by the committee modified methodology to prepare a fresh the poverty estimates for 1993-94 year. As per the official methodology only 19% of India’s population are estimated to be living under the poverty line in 1993-94 the propagation of people living below the poverty line is likely to be as high as 40%. Infact poverty estimate of poverty and the ways of tackling varied over the years. As per the human development report United Nations capability poverty measure goes beyond the concept of income poverty and to measuring poverty to calorie intake criteria with the help of the index and based on per capita income.

The capability poverty measured is to be simple average of those three figures thus works out to be 61.5% in case of India. Against this poverty ratio in India measured by head count ratio is 25.4%. At the beginning of the Eight Year Plan poverty line was estimated as the Eighth Plan poverty line was estimated as the average monthly per capita expenditure of Rs. 181.50 in rural areas. An annual basis the rural and urban poverty line is equivalent to annual household expenditure of Rs. 11,060 and Rs. 11,850 respectively.

**RANKS OF THE POOR REMAIN STABLE**

The number of poor people in India has remained more or less stable around 320 million despite a good decline in the percentage of people poverty line according to the 1999-2000 economic survey presented to parliament.

The survey quoted the latest estimates of poverty by the National Sample Survey (NSS) which found that the percentage of people below
poverty line came own from 54.9 in 1973 – 94 to 36 in 1993-94. In the rural areas the declined is found to be from 56.4% to 37.3% during this period (Persons who do not have the purchasing power to meet their own specified minimum calorie requirement of food are counted as those below the poverty line). However the decline in the percentage did not show in the size of such poor lot due to the absolute population having increased.

The NSS the survey cited relates to the one on consumer expenditure of 50th round (July 1993 to June 1994) the latest one available. The net large sample NSS survey of consumer expenditure has been on from July 1999 and collection of data would be completed by July 2000. However recent their samples of household expenditure (not used for official poverty estimated because of their small sample size.) Do not show clear positive trends in poverty reduction the economic survey pointed out.
INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY  ACT: 17/1999
(MESSAGE OF THE U N SECRETARY GENERAL)

In the past century, there have been too many opportunities to reflect on the problem of poverty and the profound inequalities it represents, both nationally and internationally. How many times have we said that it was incompatible with human dignity? But billions of people are still trying to survive on less than three dollars a day with no drinking water, health care or accesses to education, still denied of some of their basic rights.

All this does not mean that poverty eradication is an unattainable goal. Some progress has been made. Malnutrition has declined as the infant mortality rate. The proportion of children in school has risen considerably. These indicators of social development mean that a real improvement has taken place in the daily lives of billions of impoverished people. Hunger, sickness and ignorance are not inevitable. For the most part, know how to combat them. We even know approximately how much in the way of additional resources it would take each year to meet the basic needs of all human beings, the same amount as Europeans spend each year on cigarettes.

We have taken a step forward by setting out a clear plan for the coming century. The great conferences of the 1990’s therefore are the guidelines we must follow to ensure sustainable development for all the world’s people. Practically all governments have set targets and time limits. There is worldwide campaign to take the number of people living in absolute poverty by 2015. The private sector is also becoming increasingly involved. But action speak louder than words. We must
work for poverty eradication not only as a political profanity, but as sacred duty

What is at stake in dignity of human beings, those for whom poverty is their daily lot, but also and especially, those of who have the means to help them to escape it. Together we must prove by unanimous that we intend to wage a war on poverty without respite

COMMON WEALTH TOLD TO WORK FOR POVERTY ERADICATION

A six day conference of the Common Wealth Parliamentary Association (CPA) was inaugurated here by the Malaysian Deputy Prime Minister Mr Anwar Ibrahim

The 42nd CPA Conference acquires significance because the West Bengal speaker Mr Abdul Halin is offering himself for the next three years speaker in the current Chairman and Mr Galin – Vice-Chairman. These are likely to be a contest arts for the post. It will to be on August 23. Though a few contestants have offered themselves for the post Swaziland’s speaker, may be the main opponent through efforts to avert a contest between the Indian and African nominee’s are continuing it may be inevitable according to Indian sources

Inaugurating the conference Mr Anwar Ibrahim said the main concern of the common wealth and its legislators should be the restoration of dignity of the human beings and the problems of poverty, illiteracy and social justice. There can be no dignity in poverty, sickness, deprivation illiteracy and ignorance nor can these be dignity
when women continue to be denied equal status, opportunities and remuneration for equal work. The Deputy Prime Minister noted that we are no near to dignity or justice when the global order is dominated by a few who preach democracy at home and blatantly deny it abroad and when 85% of the world’s wealth is enjoyed by 20% of the global population.

POVERTY ALLEVIATION

The poverty alleviation perhaps may not be the correct process of remedy for the ills of poverty, which at best can mitigate or chosen the burden of the suffering infirmity. However, it is also not practical to think of achieving absolute relief from poverty overnight as a magic or drama. A large country as ours has no mitigate poverty only stage by stage with various pragmatic methods and programmes.

There could be in no denial of the fact that our society is casts based. It is unfortunate that, this caste system has peculated in Industrial and Agricultural sectors also. The structural inequalities in society are also important facts to be taken not of. In the subsequent plans the strategy for poverty alleviation laid stress in addition to investment in agriculture and allied activities.

In poverty alleviation targeting means trying to shift the benefit of specific public spending programmes or to the poor, by selecting them as the direct beneficiaries of public programmes and project to its advocates targeting is the most desirable solution to the problem of poverty and benefits to the poor are aimed at lower cost. But in reality targeting may reduce some programmes costs.
Finally, targeting programmes have usually failed either in fully covering the poor or in avoiding leakage. If governments effectively promote economic growth and invest in basic social services of budgetary allocation there will be no need for finally targeted programmes.

Towards alleviating poverty, some measures taken into consideration are:

i. Redistribute land reform to increase the asset holding capacity of the poor.

ii. Improving the access of the poor to important services like education, health etc. through the implementation of minimum needs programme

iii. Organizing public distribution system to minimize erosion of real income of the poor.

The question of poverty alleviation as the prime objective of development planning has assumed critical importance in this context. The seventh plan according to official statistics started with 31% of the population below the poverty line.

The poverty alleviation target for the plan was that with a rate of growth of 5% those below the poverty line would be brought down by 10% to 21% of the population. The rate of growth in the seventh plan has extended the target of 5% and is now estimated to be 5.4%.

Those below the poverty line at the end of the seventh plan are now estimated to be 28 – 30%, unlike in the past, a precise number has
not been arrived at the decline in the number of those below the poverty line is therefore admitted to barely 1 to 3% of the population.

This is so inspite of a higher growth rate than postulated in the plan and a step up of financial allocations for special poverty alleviation programmes.

POVERTY ALLEVIATION TAKEN UP SYSTEMATICALLY

Addressing a well attended public meeting here today Mr Rao said so far we have built bridges constructed canals and taken up many other development programme but it as for the first time that his government has taken up the poverty alleviation programmes meticulously and systematically.

He said during the period of Indira Gandhi some steps ere instituted for removing poverty but the programmes are now suspended soon due to paucity of funds. It was only the government at the centre had been making all out efforts to alleviate poverty of identified families living below the poverty line and providing each of them gainful employment through various schemes to improve their standard of living.

SARCC MEET SET THE TACKLE POVERTY

The eight SAARCcc summit beginning here from March 2\textsuperscript{nd} formulated a common strategy for the eradication of poverty in the region as the SEVEN NATION Group is proposed to move into the case area of economic co-operation including intra-region trade.
Technical collaboration in special poverty alleviation projects and measures to harmonize pro-plans with open-market economics will be considered by SAARC leaders while sharing a political initiative at the New Delhi summit the tackle poverty on a war footing more than half a billion population in the Seven member SAARC is below the poverty line.

Besides India, the other SAARC nations are BHUTAN, BANGLADESH, MALDIVES, SRILANKA AND PAKISTAN

**EXPERT GROUP TO STUDY POVERTY FIGURE**

The planning commission has constituted a panel of experts to study the latest estimates on poverty and to see whether the 1999 – 2000 data could be compare with the 1993 – 1994 data, with so far the latest official figure about the percentage of people living below the poverty line.

Department of statistics realizing poverty figure for 1999 – 2000 based on half samples which show the percentage of people living below the poverty line had dipped to 26.8% against 36% 1993 – 94.

**ESTIMATES OF RURAL POVERTY OF THE EXPERT GROUP METHOD**

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<tr>
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<tbody>
<tr>
<td>Andrapradesh</td>
<td>19.5</td>
<td>22.1</td>
<td>27.4</td>
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</tr>
<tr>
<td>Assam</td>
<td>35.2</td>
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</tr>
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</tr>
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<td>21.6</td>
<td>33.7</td>
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</tr>
<tr>
<td>Haryana</td>
<td>13.3</td>
<td>19.5</td>
<td>17.7</td>
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</tr>
<tr>
<td>Karnataka</td>
<td>45.4</td>
<td>34.9</td>
<td>45.5</td>
<td>28.2</td>
</tr>
<tr>
<td>Kerala</td>
<td>34.4</td>
<td>30.3</td>
<td>26.0</td>
<td>25.9</td>
</tr>
<tr>
<td>Madhyaprades</td>
<td>39.5</td>
<td>42.4</td>
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</tr>
<tr>
<td>maharashtra</td>
<td>34.8</td>
<td>35.9</td>
<td>53.6</td>
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</tr>
</tbody>
</table>
POVERTY LINE AND TARGET GROUPS

As already mentioned the target groups include rural families below the poverty line. It is significant to note that for drawing the poverty line, the cut off income level itself has been raised from time to time to keep pace with the current price and desirable pace of development. For instance, the cut off annual family income for defining the poverty line which was fixed at Rs. 6400/- at 1984-85 prices has now been enhanced to Rs. 11,000/- at 1991-1992 prices.

The thrust of the IRDP, thus covers rural families with annual income below Rs. 11,000/- the pricing target for IRDP coverage which used to be families with annual income below Rs. 4,800/- at 1984-85 prices, has now turned out to be families with annual income below Rs. 8,500/- at 1991-92 prices.

POVERTY ALLEVIATION POLICY

It is the task of the government to ensure that the people's basic needs are not and fitness prevented particularly. This task becomes particularly more important at times of economics stress and charge that is when these in the greatest need for extending the safety net to the weak and the poor.

The government as per the survey is committed to expanding the scope and the coverage of direct poverty reduction programmes. Public
distribution system has been extended as already mentioned and supplies of essential commodities through it have been increased. The task ahead into the target the poverty alleviation programmes towards the worst affected sections of the people is to make them move responsive to their basic need and to improve their efficiency.

**MEASURES FOR ALLEVIATING POVERTY**

It is necessarily to ensure full participation and involvement of the people in development programme. The panchayat raj institutions should be strengthened, so that they can become institution of democratic management of rural development both at the district and block levels. Government officials at the district and village levels should provide technical managerial and marketing support on suitable social awareness and mobilize the poor households.

The help of the Non-governmental organization is taken for administrative arrangements and for implementation of poverty removal and of rural development programmes.

**POVERTY ALLEVIATION PROGRAMMES**

The government of India under Indian Five -year planning period introduced a number of anti poverty programmes to fight against poverty in rural area. The number of programmes introduce during various plans.

The planning commission which had set up an expert group in 1989 estimated that there has been a steady decline in the proportion of people living below the poverty line. Yet there are still a lot of people who continue to live below the poverty line. This underscores the need
of strengthening the special programmes of poverty alleviation and employment generation. The rural poverty alleviation programmes are implemented through four main schemes namely the minimum needs programme, self employment, wage employment and area development programmes.

The following are some of poverty alleviation programmes: IRDP, JRY, DPAP, TRYSEM, which are taken for study analyse and evaluate by this researcher as a modest attempt to poverty alleviation measures towards better rural development.

**IRDP**

IRDP is a major instrument to wipe out rural poverty. Its objective assist selected families in rural areas to cross the poverty line. This is sought to be achieved by providing productive assets and inputs to the target group.

The assets are to be in primary sector or territiary sectors. They are provided through financial assistance in the term of subsidy by the government, the limit for under IRDP is raised from Rs. 5000 to Rs. 10,000.

The poverty line is verified at an annual family income of Rs.6400/- cut off line assistance to rural families is Rs.4000/-. At least 30% of the assisted families should belong to SC/ST and participation of women in the development process atleast 30% beneficiaries. Over 2.95 crore families have been assisted under IRDP so far, 41.38% belonged to SC/ST and 16.22% women, the total investment was about Rs. 10.278 crore include over Rs.6511 crore mobilized through banking institutions till Nov.1988.
INTEGRATED RURAL DEVELOPMENT PROGRAMME

The IRDP aims to ensure transfer of income generating assets to persons below the poverty line, by providing them a mix of subsidy and credit for acquiring income generating assets.

JAWAHAR ROZGAR YOJANA:

This programme is the single largest employment programme in the country for generation of additional gainful employment for the unemployed and under employed persons in the rural areas while creating employment opportunities, community and social assets are credited which help in improvement of over all quality of life in the rural areas.

DROUGHT PRONE AREA PROGRAMME

To harness land water and other natural resources on a watershed basis, so as to mitigate effects of drought and to achieve sustained protection or Bio-mass including firewood and fodder for providing sustained income generating activities to the rural poor of these areas the drought prone areas programme being implemented is about 850 blocks.
TRAINING OF RURAL YOUTH FOR SELF-EMPLOYMENT PROGRAMME

JRYSEM of rural youth self-employment is a component of IRDP. It aims at equipping the rural youth, age group of 18 to 25 from families below the poverty line with technical and managerial skills to take up self-employment ventures in agriculture and allied activities, industries, services, and business.

Promptly it gives rural youth SC/ST a minimum coverage of 30% coverage for women should be at least 33 1/3%. Financial assistance is provided under the scheme stipend of Rs. 100,200 or 250 as the case may be a free total kit up to Rs. 500 is given to the trainee during the period of training.

Under JRYSEM 16,40,670 rural youth trained in the sixth plan and seventh plan period out of these 591,552 young belong to SC/ST. 6,17,655 women were trained during the period of 773,980 trained youth employed on wage. The total number of 940,689 trained youth have been employed since the inception of the scheme.

In this chapter, it is tried to summarize the cumulative achievements of the government in implementing rural development programmes at all India level. As seen above the programmes are partial success even going by the number of beneficiaries.