Chapter 1 – Introduction –

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Chapter 1 – Introduction –

1.1 Back-Ground –

1.1.1 In a very broad sense, poverty can be taken to mean the inability of certain persons in a society to find the means to even meet their basic needs in life. There is a level of depravity that prevents a person from even living a life where the basic necessities are available to him.

1.1.2 Poverty can be thought of in relation to the well-being of a person. It is whether a household has enough resources or the ability to meet its needs. In this case, the income, consumption, education, health and other attributes of a household are compared with some defined threshold below which the household will be regarded as being in a state of poverty.

1.1.3 The relative position of a household in comparison with other households is also an important aspect of its welfare. Further, the overall level of inequality in a country, region or population group in terms of monetary or non-monetary dimensions can also be regarded as an important summary indicator of the level of welfare in a household or group of households.

1.1.4 Vulnerability or the well-being defined as the probability of risk of being in poverty is a key dimension of well-being as it has an impact on the behaviour of a household in terms of their investment pattern, production and consumption habits and coping strategies and also their perception of their own condition.
1.1.5 Poverty is a fairly widespread phenomenon. It is seen in large parts of Asia, Africa and South America. These are countries that are known to be well-endowed with natural resources and wealth. However, this wealth is not properly exploited. Further, the distribution of the income generated by this natural wealth is also very skewed. Hence, there is abject poverty that is seen in large sections of the population.

1.1.6 However, it would be incorrect to conclude that poverty does not exist in the Developed Countries of the world. In fact, poverty can be seen even in some of the affluent countries of the world, like USA, England, France, etc. One must add while discussing poverty in these countries, that poverty is defined in relative terms, as a small section of the populace is far behind the rest in terms of their affluence.

1.1.7 Hence, Poverty can, therefore, be thought of in two ways, that is in Absolute terms and in Relative terms. A very simple explanation of these concepts would be as follows –

a) In Absolute terms, one can lay down the bare minimum requirements of a human being, such as food, clothing and shelter. Hence, a person would be poverty-stricken, if he was not in a position to meet these minimum requirements.

b) In Relative terms, one can think of poverty by looking at the disparity in the distribution of wealth in a society. Hence, a person would be said to be in poverty after looking at the affluence or otherwise of persons around him.
1.1.8 In India, poverty has constantly been defined in Absolute terms, as the effort has been to ensure that every citizen is provided with the bare requirement of foodstuff to survive and earn his livelihood. Hence, the number of calories required by a normal human being has been specified. Then, the poverty line has been defined as the income that would be required to buy foodstuff to generate that amount of calories.

1.2 Scope of the Study -

1.2.1 India is an ancient civilisation, with a hoary history. It is one of the world’s largest and heterogeneous countries. In the years before India attained Independence in 1947, the country used to suffer from regular and devastating famines and stagnation. Hence, one of the major objectives of introducing planning for economic development in India, very soon after Independence, was to do something to uplift the millions of persons, who were unable to even support themselves and their families with the bare minimum daily requirement of calories, to survive and work. Those were the days when there were reports of persons dying painful deaths in certain parts of the country, both due to the severe heat of the summer and the severe cold during the winter.

1.2.2 In those days, not much importance was given by the Developed Countries to the problem of poverty in the Third World countries. It was left to the imagination of the countries to identify the strategies to reduce poverty and also to generate their own resources for this effort.
1.2.3 In the recent times, in India, uplifting the poor and integrating them into the mainstream has been one of the main objectives of the planners and policy-makers. In addition, emphasis has also been given to providing access to safe drinking water, food, clothing, shelter, universal education and health facilities in the Five-Year Plans. In this effort, India has experimented with a wide array of anti-poverty and welfare and development programmes.

1.2.4 It is very important to review the progress of the poverty-alleviation programmes in India. Fortunately, among Developing Countries, India has a wealth of data on poverty-alleviation programmes, which were launched with the commencement of the planning process.

1.2.5 In the beginning, planning for alleviation of poverty involved community development programmes. These were conceived primarily as programmes of intensive development of selected areas. The view was that this development would also contribute to raising the level of agricultural production. The central object of the community development programme was to mobilize local manpower for a concerted and co-ordinated effort at raising the whole level of rural life. The emphasis was inevitably on improving the level of agricultural productivity.

1.2.6 The community development programme represented in content a synthesis of ideas gathered from rural development work in various parts of the country, in the years preceding Independence. The intention was to cover the entire country with schemes designed to promote intensive development through increased agricultural productivity. The ideas of trusteeship and the rich helping the poor to overcome their poverty, which were Gandhiji’s
ideas and, perhaps, utopian ideals, were still fresh in the minds of the planners and policy-makers, when India set out on the road of planning for growth and development.

1.2.7 There were also some other programmes of rural development, including schemes designed to promote and strengthen village panchayats, through a national extension service for agricultural development. The national extension service, together with community development projects and minor irrigation was expected to help to step up the production of foodgrains in the country.

1.2.8 Over the last many years of planned development in India, a number of programmes have been experimented with. Some were targeted at specific sections of the rural society. There were programmes for –
   a) Scheduled Tribes
   b) Scheduled Castes
   c) Agricultural Labourers
   d) Marginal farmers
   e) Small Farmers
   f) Farm-tenants
   g) Physically Handicapped
   h) Mentally Handicapped
   i) Old persons and
   j) Destitute women

1.2.9 In addition to the beneficiary-oriented programmes, there have also been numerous employment-generation programmes. The objectives of
these programmes have been laudable, indeed. They have aimed at providing additional income to the persons below the poverty line, in a number of ways.

1.2.10 However, the general experience of these programmes has been that there was some improvement in the economic condition of the target-groups. However, this was true only in a few pockets in the country. The vast majority of the so-called beneficiaries really did not benefit from these programmes. They continued to live in their miserable state in spite of all these programmes.

1.2.11 The general findings in the Indian context have been as follows –

a) The poor have been affected by economy-wide variables. For instance, when there has been sustained economic growth, the poor have also benefited as have the other citizens. Conversely, a contraction of economic growth has adversely affected the poor, perhaps more so than the well-to-do citizens.

b) Micro-policy measures that were specifically targeted at the poor have also had a positive impact on their fortunes and improved their well-being.

c) Creation of an environment that has led to some growth in the rural economy – especially the primary and tertiary sectors – has also led to some improvement in the economic status of the rural poor.

d) The pattern of economic growth has varied in the different States. Some States have attached a great deal of importance to subjects, such as upgradation of the human resource, developing the physical infrastructure, providing all economically disadvantaged persons
with safe drinking water, food-grains, housing, clothing, increasing
the irrigation potential, expanding education facilities and improving
access to basic health facilities. These measures have contributed to
significant reduction in poverty in the rural areas.

e) Any improvement in the average farm yields (agricultural output per
acre) has had a positive impact on the improvement in well-being of
the rural poor. There has not been a similar correlation between
urban economic growth and rural poverty.

1.2.12 The most recent Plan document states that there has been decline in
the incidence of poverty during the last two decades. However, a sizeable
portion of our population continues to live below the poverty line. Further,
most of this population resides in the rural areas, as was the case even fifty
years ago. Hence, there was a need to consolidate the development efforts
especially in the social and economic spheres.

1.2.13 Soon after Independence, it was felt that a planned development
effort would alone enable the country to realize its full economic potential
and the poorest and the weakest would be able to shape their destiny in an
unfettered manner. This would require not only higher rates of growth of
output and employment but also a special emphasis on all-round human
development, a stress on social sectors and a thrust on eradication of
poverty.

1.2.14 A recent modification in the thinking of the planners has been to
incorporate certain concepts into the Plans. These are –

   a) empowering the poor,
b) improving the capabilities of the poor by improving basic education, health and other services,
c) providing economic opportunities by increasing their access to markets,
d) providing security from the vagaries of the economy.

1.2.15 It is these concepts that have led to the paradigm of decentralisation with powers and responsibilities being devolved to democratically elected institutions at levels below the State level. It has also led to closer association of people with the planning, decision-making and implementing authorities, so that there is more realism in the entire process.

1.2.16 Arising out of the analysis made in the recent Plan document, Government has now adopted a three pronged strategy for reducing poverty. The strategy involves –

• Acceleration of economic growth with a focus on sectors, sub-sectors and technologies that are employment intensive and on geographical areas which have been lagging behind but have a high output and employment potential leading to reduction in poverty on a sustained basis,

• Human and social development through improvements in education, health care facilities, nutrition and access to other basic minimum services which are critical in creating an environment conducive to greater work and for improving the quality of life of the people especially the poor, and
• Recognising the fact that the process of higher rate of growth and ensuring access to basic minimum services may take some time before the poor can benefit to fullest extent.

1.2.17 A further refinement that has been made in the planning process is regarding the role of the so-called beneficiaries. The poor people were hitherto viewed as the target of poverty-reduction efforts. The new paradigm in the planning process - peoples' participation – treats the poor as partners in the development process. The recent experience has shown that this approach is likely to yield the best results.

1.2.18 The reason for this is that the poor people can effectively organize themselves and provide the goods and services that are immediately required by them. Further, the poor also have a greater capacity than is normally understood, and strive to make the best use of the resources that are meant for their development.

1.2.19 Hence, targeted anti-poverty programmes have to be used vigorously and in a focussed manner during this period to ensure that the benefits of growth are shared by all, particularly the poor. In the short run, specifically designed anti-poverty programmes will continue to provide supplementary employment and consequent additional incomes to the poor and assetless.

1.3 Objectives of the Study –

1.3.1 This study proposes to conduct a review of the concepts of poverty and the manner in which poverty is to be measured. Then, the attempts at
eradicating or alleviating poverty in India is to be reviewed in a detailed manner. Finally, the study expects to explore alternative strategies for poverty-alleviation in India.

1.3.2 The entire question of poverty alleviation strategies in India is viewed critically from an administrative angle. Hence, it is expected that the study will be a useful contribution to the literature regarding poverty-alleviation as it would view the problem from a practical angle. In contrast to this, a number of other studies on this subject fail in recognizing the field-conditions and the constraints under which the implementing agencies operate.

1.3.3 This is one of the reasons why the well-thought out schemes have failed to deliver the required or expected results. This study is expected to suggest alternative strategies after carefully considering the situation in the field. It would take stock of the experience of the past in terms of planning for and implementing the programmes.

1.3.4 The study also proposes to assess the capability of the implementing machinery in the field. This is based on the personal knowledge of the present set-up that obtains in the field of the author and the manner in which the implementation of various poverty alleviation programmes is actually done in the field.

1.4 Review of existing Literature on Poverty –

1.4.1 A number of books, journal articles and publications of the Governmental and International Organizations have been studied during the
course of the research that the author has undertaken. Details of the literature reviewed are described in the Bibliography.

1.4.2 One of the most important lacunae that has been observed in many of the earlier writings that have been studied is that the analysis has been done on the basis of second hand information of the conditions in the field. Further, many studies have not attached the required importance to the delivery mechanism. These studies have, perhaps, merely assumed that any task will be carried out by the functionaries of Government, if they are directed to do so by their administrative superiors.

1.4.3 There are a number of problems that are faced by the personnel of Government at various levels, including the cutting edge levels. It is important that these be recognized and factored into any programme aimed at poverty alleviation.

1.4.4 Further, it is imperative that a hard look be taken at the capabilities of the personnel in the field. This should be followed by a realistic assessment as to what they are capable of delivering and what is beyond their competence.

1.4.5 Once such an assessment is made, alternatives should be explored so that the programmes of poverty alleviation are implemented in the field in a proper manner.

1.4.6 It is this gap in the literature on poverty alleviation that this study has attempted to fill. The entire problem has been approached from an
administrative perspective, keeping in view the personal experiences of the author as a functionary of Government in the field implementing poverty alleviation programmes.

1.4.7 However, there are certain aspects of poverty alleviation that this study does not cover. While a few strategies or alternative approaches have been proposed, there could be other strategies that could also be contemplated in the war against poverty. These could, perhaps, be areas for future studies.

1.4.8 In view of the above, it is expected that this study will be a noteworthy contribution to the exiting literature on poverty-alleviation both for India and for other Developing Countries.

1.5 Hypotheses of the Study -

1.5.1 In the Indian context, given the experience of the last five decades, empirical evidence would suggest that the strategies that have been adopted hitherto to alleviate poverty have not been successful.

1.5.2 However, the evidence of the last five decades may not be interpreted to mean that Government must leave the field to private initiative. On the contrary, perhaps, Government may have to continue to play an important role for poverty alleviation for a fairly long period of time.

1.5.3 The basic hypothesis of this study is that Government can still make a breakthrough in this sector. However, this is possible only if new approaches are evolved and new and modified policies are adopted in the campaign
against poverty. Further, it may also be essential to make a clean break with the past and also formulate new and vastly different strategies.

1.5.4 Government may also have to take the step of involving Non-Governmental Organizations in the campaign against poverty. Then, Governmental agencies may have to work along with them in the task of forming peoples’ groups, such as Self Help Groups, Micro Credit Groups and other Informal Groups and strengthening these Groups.

1.5.5 Hitherto, the various Departments and other Field Agencies of Government have been used to implementing programmes of poverty alleviation on their own. Government may also have to invest heavily on training its personnel, especially those at the cutting-edge and build capacity in them, so that they are enabled to work along with the Non Governmental Organizations to realize the goals of Government.

1.5.6 The study attempts to describe a series of steps that can be taken by Government. If this is done, perhaps, Government can hope to achieve a far greater degree of success in poverty alleviation than hitherto.

1.6 Methodology -

1.6.1 The study is based on secondary data. A number of books, journal articles and publications of Government and International Organizations, like the World Bank and the United Nations Development Programme have been studied in detail.
1.6.2 The study also draws upon the experience of the author, who is an officer of Government and has over two decades of experience. He has also spent a good portion of his service in the field, implementing various programmes of poverty alleviation and development and welfare.

1.6.3 Certain case studies developed by the author have also been made use of to elaborate on the conclusions and illustrate why the programmes of poverty alleviation have not been as successful as envisaged by the planners.

1.7 Design of Chapters –

1.7.1 The study and other details are spread out into eight chapters. The details of each chapter are briefly described below –

1.7.2 Chapter 1, that is, the present chapter is the introductory one. It gives the back-ground for the study and deals with the objectives, methodology, survey of literature, likely gaps to be filled by the study and the relevance and importance of the study.

1.7.3 Chapter 2 gets into more substantive issues. It examines the various definitions of poverty that have been developed by economists and Governments, Governmental Organizations and International Organizations. Some of the theories of poverty are critically examined and conclusions drawn from them. Finally, some of the better-known measures of poverty are described and analyzed.
1.7.4 Chapter 3 deals with the multitude of poverty alleviation programmes that have been implemented in India. The views and approaches and strategies of the Planning Commission of India are described in detail to see to what kinds of objectives were set for the Plans. Special emphasis is given to the First, the Sixth and the Ninth Plans in this detailed description of the poverty alleviation effort of Government.

1.7.5 Chapter 4 is a natural follow up of the previous chapter. The objectives and strategies that have been described before are now examined critically. The successes of the Plans are acknowledged. The failures are analyzed to see what led to them.

1.7.6 Chapter 5 discusses possible strategies for poverty alleviation in India. This chapter draws upon the personal knowledge and experience of the author in the field. It also makes use of the writings of some other persons and agencies who have had first-hand experience regarding this subject.

1.7.7 Chapter 6 summarises the outcome and results of the study. It also offers certain suggestions on the subject of poverty alleviation. It goes on to describe to what extent the objectives of the study have been realized and suggests areas for further research.

1.7.8 Chapter 7 contains two sets of Annexures. One has a number of tables on poverty. The other is a set of case-studies on the impact of poverty alleviation and rural development programmes in the field, as seen by the author.
1.7.9 Chapter 8 contains a list of books, journal articles, reports of Government and International Organizations and web-sites that have been made use of by the author during the course of this study.