



## POVERTY ALLEVIATION IN INDIA: VIEWS OF MARGINALIZED IN INDIA

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### ABSTRACT

*Poverty is a global phenomenon which arises anytime in every parts of the world. It severely affects the marginalized too. In India, it happens due to marginalization, discrimination, exclusion and neglect in different occupations and social acceptance. Though there were so many programmes implemented by both central and state governments in India but it never been decreased at a larger extent. Therefore, this paper has been focused to alleviated poverty and protect marginalized with appropriate strategies.*

**KEY WORDS:** Poverty, Marginalization, Magnitude, Acute

### Introduction

The fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not touched by the benefits of economic growth.

Poverty is an extremely complex phenomenon, which manifests itself in a range of overlapping and interwoven economic, political and social deprivations. These include lack of assets, low income levels, hunger, poor health, insecurity, physical and psychological hardship, social exclusion, degradation and discrimination, and political powerlessness and disarticulation. Interviews with the poor have suggested that the aspirations of the poor are in fact for survival, based on stable subsistence; security, based on assets and rights; and self-respect, based on independence and choice.

It is proved globally that the so-called trickledown effect does not work in all the societies and India is no exception to this. There are various reasons for this uneven development in the society. The large

agriculture workforce in rural areas is not sustainable with dwindling cultivable land and use of modern methods of cultivation. As a result, the rural labour is pushed into cities in search of work but they do not have any employable skills in the urban formal sector often end up doing odd jobs in urban areas. Urbanization in this country is mainly due to acute poverty in rural areas rather than due to the economic opportunities in urban areas. Further, poverty is not uniformly spread in the country. States like Orissa, Bihar and Madhya Pradesh have high level of poverty and the levels have not come down significantly in the post economic reform era. Therefore, it is a complex phenomenon that clear Poverty in India is widespread today. Therefore, this research paper focuses on the concept poverty, the extent of rural poverty in India, causes and consequences of poverty, poverty alleviation measures undertaken in India and it touches upon the objectives of anti-poverty programmes.

### **What Poverty means?**

The notion of poverty is a complex phenomenon. It is both widespread and intensive, and interconnected with socio-cultural, political and socio-economic factors. As such, there is no absolute meaning attached to the word poverty: nor is there a generally satisfactory definition of poverty for adoption. However, as a broad concept, most people agree that poverty means an inadequate level of consumption by individuals and groups. In other words, poverty is basically a matter of having access to basic necessities of life.

Poverty is defined in terms of income, expenditure and nutritional value (ie., calorie intake). Social dimension of poverty is a neglected aspect. Poverty is more of social marginalization of an individual, household or group in the community or society rather than inadequacy of income to fulfill the basic needs. Indeed, inadequate income is therefore one of the factors of marginalization but not the sole factor.

A definition of poverty in terms of subsistence level has had wide acceptance as it seems to be in accordance with common sense which describes poverty as lack of the income needed to acquire the minimum necessities of life. Therefore, the goal of poverty alleviation programme should aim merely increasing the income level of individual, household or group but mainstreaming marginalized in the development process of the country

### **Magnitude of poverty**

The World Bank reported that 11.8 percent of all people in India fall below the international poverty line of US\$ 1.25 per day (PPP). Over the last decade, poverty has witnessed a consistent decline with the levels dropping from 37.2 percent in 2004-05 to 29.8 percent in 2009-10 and 21.9 percent in 2012 to 11.8 percent in 2014. The number of poor is now estimated at 148 million in 2014 as compare to 396 million in 2004-05. According to the Planning Commission of India, poverty in India declined to a record 21 percent in 2011-12. In 2012 the total number of people below the poverty line was estimated to be 250 million, but more recent surveys by the World Bank in 2014 give a figure of 148 million people.

Defining the poverty line itself is a subjective matter suggested to measure in terms of different groups namely those living in abject poverty who are vulnerable to poverty can be lifted out of poverty through government welfare programmes. In Indian areas were middle and upper classes make their living have seen the greatest degree of economic growth, while the rural areas have lagged further behind. Since 1991, India has undergone a great deal of liberalization internally and externally, but its benefits have mostly gone to the middle and upper classes.

Eradication of poverty in India is considered to be a long-term goal. Poverty alleviation is expected to make better progress in the years to come than in the past, as a trickle-down effect of the growing middle class. Increasing emphasis on education, reservation of seats in government jobs and the increasing

empowerment of women and the economically weaker sections of society are also expected to contribute to the alleviation of poverty. It is incorrect to say that all poverty reduction programmes have failed. The growth of the middle class (which was virtually non-existent when India became a free nation in August 1947) indicates that economic prosperity has indeed been very impressive in India, but the distribution of wealth is not at all even.

### **Estimates of poverty**

R. C. Dutt analyzed the poverty of Indian society in 1950. According to Dutt, the British gave the people of India peace but not prosperity, that the manufacturers lost their industries, that the cultivators were ground down by a heavy and variable taxation which precluded and saving, that the revenues of the country were to a large extent diverted to England, and that recurring and desolating famines swept away millions of population.

### **Poverty: Calories concept**

In 1971, Dandekar and Rath introduced the calories concept explicitly and they considered the energy requirement of 2250 calories as the basic need per day per person According to them this minimum level of consumption would require an expenditure of Rs.20 per head per month for rural areas and Rs. 22.50 for urban areas according to 1960-61 prices. Dantwala, 1973 stated that there cannot be a single universal norm of poverty. By the official U.S. standards for 1970, a family of 4 members was poor if its income was less than \$ 3944 a year.

After reviewing all the earlier studies on poverty the seventh plan tried to have a fresh look at the problem by using 32nd round (NSS data) on consumer expenditure (1977-78) and also consumer expenditure distribution of 38th round (NSS provisional) 1983-84 which estimated the population below the poverty line in 1984-85 at 33.9 (222.2 million persons) percent in rural area and 27.3 (50.5 million persons) percent in urban. Taking India as a whole 36.9 percent (272.7 Million persons) of the total population was living below the poverty line. The seventh plan document projected to bring down the population below the poverty line from 272.7 million in 1984-85 to 211 million in 1989-90. It further stated to bring down the rural poverty in particular from 40 percent in 1984 –85 to around 28 per cent by 1990 and to reduce this percentage further to 10 by 1995.

### **Tendulkar Committee**

The percentage of persons below the Poverty Line in 2011-12 has been estimated as 25.7 per cent in rural areas, 13.7 per cent in urban areas and 21.9 per cent for the country as a whole. The respective ratios for the rural and urban areas were 41.8 per cent and 25.7 per cent and 37.2 per cent for the country as a whole in 2004-05. It was 50.1per cent in rural areas, 31.8per cent in urban areas and 45.3 per cent for the country as a whole in 1993-94. In 2011-12, India had 270 million persons below the Tendulkar Poverty Line as compared to 407 million in 2004-05, that is a reduction of 137 million

During the 11-year period 1993-94 to 2004-05, the average decline in the poverty ratio was 0.74 percentage points per year. It accelerated to 2.18 percentage points per year during the 7-year period 2004-05 to 2011-12. Therefore, it can be concluded that the rate of decline in the poverty ratio during the most recent 7-year period 2004-05 to 2011-12 was about three times of that experienced in the 11-year period 1993-94 to 2004-05.

### **Acute Rural Poverty**

Almost one third of the country's population of more than 1.1 billion continues to live below the poverty line, and a large proportion of poor people live in rural areas. Poverty remains a chronic condition for

almost 30 per cent of India's rural population. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration. Poverty is deepest among members of scheduled castes, scheduled tribes and religious minorities in rural India.

Large numbers of India's poorest people live in the country's semi-arid tropical region. In this area shortages of water and recurrent droughts impede the transformation of agriculture that the Green Revolution has achieved elsewhere. There is also a high incidence of poverty in flood-prone areas such as those extending from eastern Uttar Pradesh to the Assam plains, and especially in northern Bihar. On the map of poverty in India, the poorest areas are in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal the recent phenomenon of widespread is no exception in India also.

Poverty affects tribal people in forest areas, where loss of entitlement to resources has made them even poorer. In coastal fishing communities' people's living conditions are deteriorating due to environmental degradation, stock depletion and vulnerability to natural disasters like tsunami, flood, earth quake etc.,

### **Causes vis-a-vis complexity of poverty**

A major cause of poverty among India's rural people, both individuals and communities, is lack of access to productive assets and financial resources. High levels of illiteracy, inadequate health care, least and extremely limited access to social services are common among poor rural people. Microenterprise development, which could generate income and enable poor people to improve their living conditions, has only recently become a focus of the government. Women in general are the most disadvantaged people in Indian society, though their status varies significantly according to their social and ethnic backgrounds. They are severely vulnerable to the spread of HIV/AIDS from urban to rural areas.

In India, the rural economy is massively relied on agriculture at the sametime their sufferings are unpredictable due to failure of monsoon, shortage of ground water, bad/unconditional weather , reoccurring of drought lead them to be in poverty. The extreme situation of failure in agriculture, hardship in maintain of social status, failure in repayment of debt etc., let them to commit suicide. Many rural areas have not have even basic facilities like sanitation, infrastructure, communication and education. The rural economy got stagnated, which affects to overall growth of Indian economy. There is not just a one cause of poverty but many which lead to the vivacious cycle of poverty.

### **Factors lead to Poverty**

There are many personal factors that lead to poverty. One of these is sickness. Due to poverty families do not get enough food to eat and thus lack in immunity. They become prone to many diseases. So whatsoever they earn is utilized in the treatment of the same. Sickness in turn leads to more poverty. It is rightly said that "Poverty and sickness form a vicious partnership each helping the other to add to the miseries of most unfortunate of mankind". Addiction to drinking, drugs and other social evils also add to rural poverty. These are enough to make the entire family poor.

### **Social factors**

In the social context, people of excluded and marginalized i.e scheduled castes, scheduled tribes, women, transgender and religious minorities are highly excluded, discriminated and ignored in many ways like education, employment and wages/payment and employment which caused to be in low standard of living, poorly paid employment and subject to be cheated. Perhaps, they are highly protected with their social

sentiments, life cycle ceremonies, gifts paid to the blood relation on such ceremonies and unplanned expenditure during festivals and debt due to such occupations, they become deep poor.

### ***Demographic factor***

Rapid growth in population also leads to poverty in rural India. Much developed medical and healthcare facilities in India have reduced the overall death rate but yet birthrate has not been controlled with effectiveness. Big families and limited resources result in poverty.

### **Characteristics rural poverty**

Indian poverty is predominantly rural, where landless labourers and casual workers are the worst off economic group. Scheduled Castes and Tribes, women and female-headed families, old people, female children and other marginalized groups like religious minorities especially Muslims faced more deprivation than others. The rural poor are primarily those with limited ownership of assets including land, failure of cultivation due to poor monsoon/failure, poor yield, under employment, poorly paid, etc., The vast majority of the rural poor in India are engaged in agriculture (including fishery and livestock), either as agricultural wage laborers or marginal farmers.

There are several important characteristics of the rural poor. First, almost 42 percent of the rural poor fall into the most economically disadvantaged group of agricultural labour. Furthermore, more than half of this group consists of Scheduled Castes and Scheduled Tribes (SCs and STs). Overall, SCs and STs constitute about 25 percent of the rural population but account for more than 42 percent of the poor. This imbalance has prompted a series of affirmative action interventions in favor of SCs and STs.

### **Controversy over extent of poverty minimization**

The definition of poverty in India has been called into question by the UN World Food Programme. In its report on global hunger index, it questioned the government of India's definition of poverty saying that calorie deprivation is increasing during a period when the proportion of rural population below the poverty line is said to be declining rapidly, highlights the increasing disconnect between official poverty estimates and calorie deprivation.

While total overall poverty in India has declined, the extent of poverty reduction is often debated. While there is a consensus that there has not been an increase in poverty between 1993–94 and 2004–05, the picture is not so clear if one considers other non-pecuniary dimensions (such as health, education, crime and access to infrastructure). With the rapid economic growth that India is experiencing, it is likely that a significant fraction of the rural population will continue to migrate toward cities, making the issue of urban poverty more significant in the long run. There is no exception in Tamil Nadu also.

### **Poverty Alleviation programmes in Rural Areas**

High incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process in India. Its eradication is considered integral to humanity's quest for sustainable development. Reduction of poverty in India is, therefore, vital for its development. Agricultural wage earners, small and marginal farmers and casual workers engaged in non-agricultural activities, constitute the bulk of the rural poor. Small land holdings and their low productivity are the cause of poverty among households dependent on land-based activities for their livelihood. Poor educational base and lack of other vocational skills also perpetuate poverty. Due to the poor physical and social capital base, a large proportion of the people are forced to seek employment in vocations with extremely low levels of productivity and wages. The creation of employment opportunities for the unskilled workforce has been a major challenge for development planners and administrators.

Therefore, Poverty alleviation has been one of the guiding principles of the planning process in India. The role of economic growth in providing more employment avenues to the population has been clearly recognized. The growth-oriented approach has been reinforced by focusing on specific sectors which provide greater opportunities to the people to participate in the growth process. The various dimensions of poverty relating to health, education and other basic services have been progressively internalized in the planning process.

The Central and state governments have considerably enhanced allocations for the provision of education, health, sanitation and other facilities which promote capacity-building and well-being of the poor. Investments in agriculture, area development programmes and afforestation provide avenues for employment and income. Special programmes have been taken up for the welfare of scheduled castes and scheduled tribes, the physically challenged and other vulnerable groups. Antipoverty programmes that seek to transfer assets and skills to people for self-employment, coupled with public works programmes that enable people to cope with transient poverty, are the third strand of the larger anti-poverty strategy. The targeted and universal public distribution system protects the poor from the adverse effects of a rise in prices and ensures food and nutrition security at affordable prices.

The existing major programmes for the poor in India that are in operation could be classified into the following broad categories:

- (a) Self-employment programmes
- (b) Wage employment programmes
- (c) Social security programmes
- (d) Public distribution system and nutrition programmes

**Public Distribution System (PDS):** The PDS is a safety net programme open to all citizens and an instrument for improving food security at the household level in India where millions of poor are crippled by chronic poverty and malnutrition. It distributes six essential commodities, namely, food grains, edible oil, sugar and kerosene at subsidized prices (less than market prices) through a network of fair price shops in both rural and urban areas.

**Programmes in Agriculture:** The first two programmes that were initiated in the late 1960s and incorporated into agricultural planning are: Small Farmers' Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers (MFAL). These programmes were intended to provide special incentive to the poorest of the poor in agriculture, namely, small and marginal farmers and landless agricultural labourers, for raising their incomes. The two programmes were merged into Integrated Rural Development programme (IRDP) in 1980 along with five other schemes, which subsequently got revamped into SampoornGrameenRozgarYojana (SGSY) in April 1999.

The Drought Prone Area Programme (DPAP) was initiated in 1973-74 to mitigate the adverse effects of drought on production of crop and livestock, productivity of land, water and human resources. The programme was intended to provide scarcity relief and generate employment through labour-intensive schemes, such as major, medium, and minor irrigation works, soil conservation, afforestation, and rural roads. Thus, the programme had the potential of improving the economic condition of the poor and the disadvantaged, besides contributing to the overall economic development. In the late 1980s, this programme was made exclusively a watersheds-based programme.

Desert Development Programme (DDP) was launched in 1977-78 in order to contain the adverse effects of desertification on crops and on human and livestock population. The activities that are covered

under DDP are: (a) afforestation; (b) ground water development; (c) construction of water harvesting structures; (d) rural electrification for energizing tube wells and pump sets; (e) development of agriculture, horticulture and animal husbandry. Since, 1995 this programme is being implemented on watershed project basis and 2202 watershed projects sanctioned so far are at various stages of implementation. The programme at present is operational in 235 blocks spreadover 40 districts and seven states. The Integrated Wasteland Development Project (IWDP) was introduced to check land degradation and increase biomass availability, especially fuel wood and fodder by putting wastelands under sustained use. This scheme has been under implementation since 1989-90. From, 1995, the scheme is being implemented under the new guidelines for Watershed Development.

**Social Security Schemes :** National Social Assistance Programme (NSAP) and state-level welfare schemes have provided some succor to the poor in the form of assistance to the old and the bereaved, a large section of people have not been covered under the schemes because of limited resources. There are a plethora of welfare schemes in both the central and state sectors.. Since welfare is basically a state subject, these schemes are administered by state governments. The NSAP has been transferred to states by central government with earmarked funds.

**Employment and Asset Generation Programmes:** The Government of India (GoI) have introduced various types of employment generation schemes since the late 1970s to raise the income levels of the daily wage earners and the other poor. The employment opportunities that are available particularly in rural areas in agriculture, which is the main occupation, are not of a permanent nature and hence are not uniform all-round the year. This lack of permanence and uniformity is attributable to seasonal pattern of agricultural operations which even today is largely dependent on the vagaries of monsoon. The seasonality in the flow of income for the wage earners, small and marginal farmers and artisans thus makes their earnings inadequate to sustain their nutritional and other requirements throughout the year. To address these problems, the GoI have been formulating and implementing a large number of wage and self-employment generation programmes for the rural poor. For the urban poor, too, the GoI have been formulating and implementing a number of self-employment and wage employment schemes with the objective of addressing the problem of growing unemployment among the educated youth and to safeguard those who are exposed to the fluctuations in the labour market.

**Wage employment programmes:** The main purpose of the wage employment programmes is to provide a livelihood during the lean agricultural season as well as during drought and floods. Under these programmes, villagers worked to improve the village infrastructure such as deepening the village ponds, constructing village schools and improving the rural roads. Thus the programmes not only provided employment to the villagers but also improved village infrastructure and created village public assets. A positive fall out of this programme is that it created higher demand for village labour, thereby pushing up the wage of the labourer in the villages. Wage employment programmes were first started during the Sixth and Seventh Plan in the form of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programmes (RLEGP). These two programmes were later merged in 1989 into more well-known *JawaharRozgarYojana*( JRY).

The JRY was revised and re-launched in April 1999 and was named as *Jawahar Gram SamridhiYojana*( JGSY). The secondary objective of the JRY has become the main objective, *i.e.*, creating economic assets and infrastructure for the village and the creation of employment is a by-product of the main objective.

A special wage employment programme in the name of Employment Assurance Scheme or EAS was launched on October 2, 1993 for the drought prone, desert, tribal and hill area blocks in the country. It was

further expanded to all the blocks in 1997-1998. The EAS is also meant for providing employment during lean season. While the scheme emphasized on creating economic and social assets in the village, it prohibited construction of *panchayat* buildings, secondary school and college buildings and religious structures.

The Food for Work Programme was started as part of EAS in 8 drought prone States in 2000-2001. Here part of the wage was provided in the form of food grains. Though food grains were supplied free of cost to these States, the uptake of the food grains was very poor. Considering the fragmented efforts of different wage employment programmes in the country, all these programmes were merged into one programme called *SampoornaGraminRozgarYojana* (SGRY) in 2001. The three-fold objective of this programme is generation of employment for the rural poor, creation of community assets and infrastructure, and ensuring food and nutrition security for the rural poor.

The major rural employment generation schemes are: (i) SwarnaJayanti Gram SwarozgarYojana (SGSY), a self-employment programme for rural areas through promotion of micro enterprises; (ii) SampoornaGrameenRozgarYojana (SGRY), a wage-employment scheme for rural areas with the provision of meeting a part of the wage payment in kind (food grains) and thus ensuring directly the food security of the rural poor; (ii) National Food for Work Programme (NFFW), a wage employment programme being implemented presently in 200 backward districts of the country.

**National Rural Employment Guarantee Act (NREGA), 2005:** The National Rural Employment Guarantee Act (NREGA), which came out in 2005 as a part of the United Progressive Alliance (UPA) agenda for Common Minimum Programme (CMP), explicitly recognizes the 'right to employment'. It intends to provide for 100 days of unskilled manual work in a year to one adult member of every household in the rural areas whose adult members volunteer to do such work. This eventually has replaced the existing wage employment generation programmes, such as SGRY and the National Food for Work Programme (NFFWP) to become the sole wage employment programme in the country. The difference between the National Rural Employment Guarantee Programme and the earlier programmes is that now the employment is statutorily guaranteed and one member of all the families, poor and non-poor, in the rural areas would be employed whereas only the poor were entitled to get employment in the National Food for Work Programme and the Sampoorna Grameen Rozgar Yojana.

### **Programme-wise Objectives**

Poverty alleviation programmes have been designed to address different facets of rural poverty. Wage employment programmes address the issue of transient poverty. Besides, schemes for infrastructure development and provision of basic services contribute to the wellbeing of the rural people. Successful implementation of these programmes requires an appropriate policy framework, adequate funds, and an effective delivery mechanism. Past experience shows that the mere availability of funds is not likely to eradicate rural poverty. Nor is the design of the rural development programmes, no matter how refined, a sufficient condition. The success of these programmes ultimately depends on the capability of the delivery system to absorb and utilise the funds in a cost-effective manner. An effective and responsive district-level field machinery with a high degree of commitment, motivation, and professional competence and, above all, integrity has been recognized as one of the prerequisites for successful implementation of anti-poverty programmes. An effective delivery system has to ensure people's participation at various stages of the formulation and implementation of the programmes, transparency in the operation of the schemes and adequate monitoring. International experience shows that greater functional and financial devolution to local governments results in higher allocation of resources for social sectors and more efficient use of resources. Such trends in social spending have been witnessed in many Indian states as well. Of late, micro credit-

linked programmes have emerged as an important strategy of poverty alleviation and it provides a package of services including credit and subsidy to set up micro enterprises.

While India's policy makers responded to the emerging situation by framing suitable policies and programmes and by allocating resources, the impact of such initiatives has not always been in the desired direction and of the required magnitude. Although the achievements at the macro-level appear laudable, such achievements have been accompanied by marked disparities across regions, states and population groups. Thus, the pro-poorness of these programmes in terms of outcome is required to be studied deeply.

### **Conclusion**

Alleviation of poverty remains a major challenge before the Government. While there has been a steady decline in rural poverty over the last two decades, there were 250 million rural poor (40 per cent of the rural population) in the country. Acceleration of economic growth, with a focus on sectors which are employment-intensive would facilitate the removal of poverty in the long run. However, this strategy needs to be complemented with a focus laid on provision of basic services for improving the quality of life of the people and direct State intervention in the form of targeted anti-poverty programmes. While growth will continue to be the prime mover, anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes and social insecurity. The specifically designed anti-poverty programmes for generation of both self-employment and wage-employment in rural areas have to be redesigned and restructured in order to enhance their impact on the poor and improve their sustainability.

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