

Poverty Alleviation in rural India

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Abstract

India is a developing country and many of the policies and programs were developed in the process to uplift the weaker section of the society. Specially the rural people. It is evident from the reports that in most of the cases the respective schemes backfired due to the lack of resources manpower. Many of the schemes were revamped and relaunched with changes orientation and expected results. As a matter of fact, after 2005 many of the schemes had started to give expected results and remaining schemes are in the line for helping the deprived people in the country. This present study will bring forward the processing and implementation of selected schemes and will also evaluate the results furnished in the due period i.e. 2005 to 2019. The study is based on secondary data and researcher had considered the government data and records for the same.

Keywords: Rural poor, India, Progressive schemes, results.

Introduction

India curtails the 33% of the world's population and the number of people struggling with poverty is equal to that of Africa. Out of the total available population, about 60% of the people are engaged in agricultural activities, either directly or indirectly. The reports from the various agencies of Government of India stated that the poor and deprived section of the society is known to earn less than a dollar a day, under this scenario more than 40% of the Indian are considered as poor, on the other hand somewhat 80% of the Indians are earning 2 dollars a day. The reports from **World Bank (2018)** stated that every 4th person in the country is poor and every 3rd child is malnourished.

Most of the poor people use to come from rural parts of the country, they include the labours, agricultural workers and others in the same stature. Then on the other hand some other categories can be the people from SC & ST groups, single women who are having a family to take care of, old people and even the female children who are dependent on other people for their food and fodder. This can also be said that these categories are considered poor as they are not earning (*in monetary terms*) anything and are dependent on others.

Some other socialists stated that on the first hand, those people are poor who are not having the possession of any important asset or not having land in their ownership. **World Bank (2017)**. Considering the rural poor in the country, most of them are dependent on agriculture in one or the other manner, this may include the rearing of animals and even fishery, some of the other categories of the same can be agricultural labour and even the marginal farmers working individually or in conjugation of other big farmers.

Table 1: Categories of Rural Poor (1993 to 2015)*

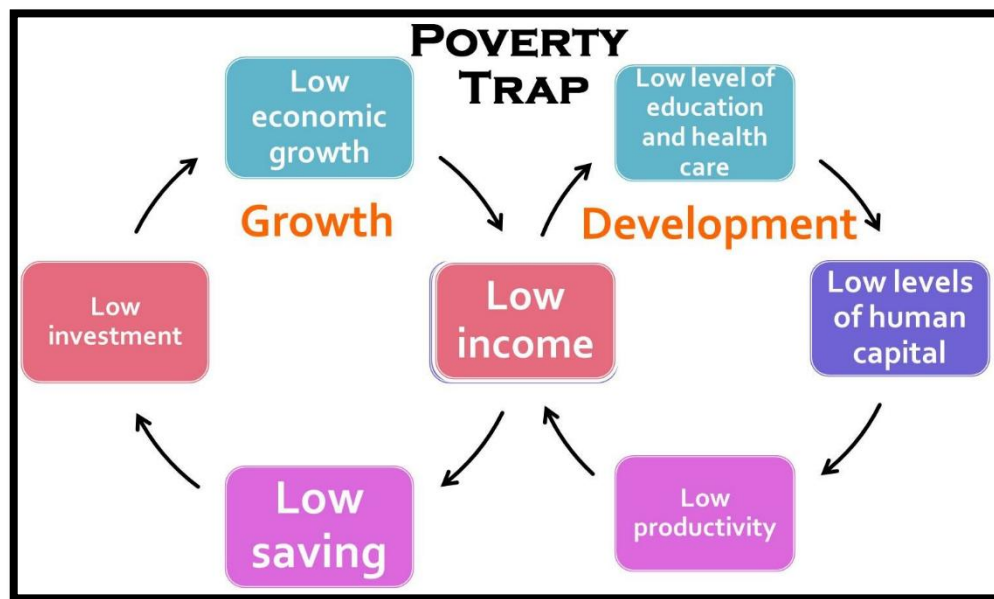
S.No.	Category	All households in the category
1	Self-employed households in agriculture	31.90
2	Agricultural labour households	42.60
3	Self-employed households in non-agriculture	11.80
4	Other rural labour households	6.80
5	Other (residual households)	6.90
	Total	1000

Source: Saxena (2015) working Paper.

*Values estimated, considering 1994 as base of 4% for all categories.

As stated in the abovegiven table, about 43% of the rural poor are coming under the category of agricultural labours and this category is highly deprived in terms of finances. Then about 32% of the rural poor are coming under the category of self-employed and this unemployment is coming from various components of agriculture. Then the self-employment in non-agriculture and other are the seasonal labours in rural areas, who use to get work only at the time of harvesting and rest of the time they use to do different jobs to feed their families.

It is evident from a number of reports and real time studies that many of the rural poor are shifting or migrating to cities as in rural areas the opportunities for employment and full time jobs are shrinking with the passage of time. There are some basic components that are missing in urban areas i.e. the clean environment, living with dignity and respect and many other related aspects bit then again only dignity and respect may not support the living hood, in order to survive money is required.

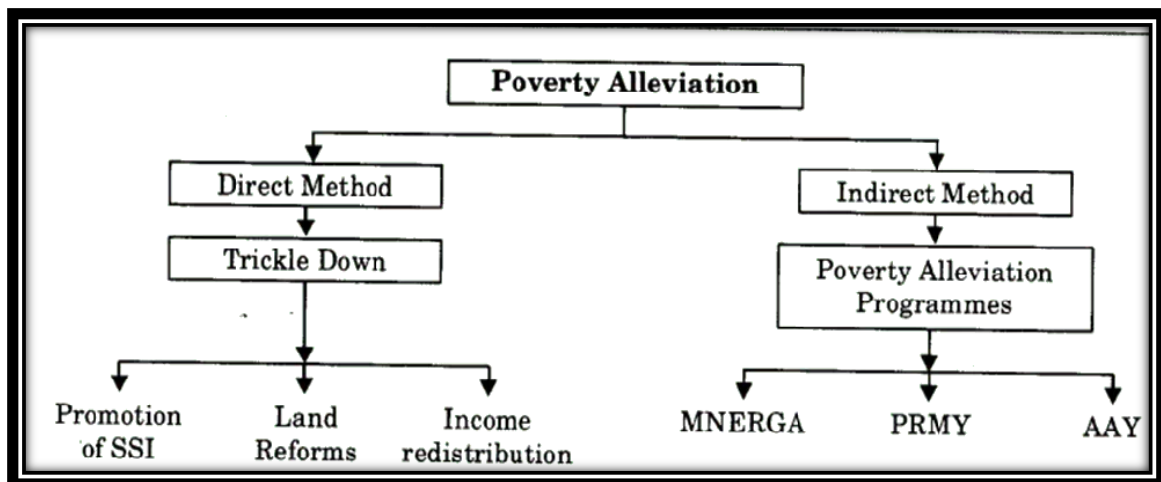


Source: <https://www.drishtiiias.com/to-the-points/Paper2/poverty-9>

Figure 1: Reasons of Rural Poverty

If the categorization of poor is being done on the basis of per capita expenditure then then it is Rs. 49/- on monthly basis (in rural areas) and Rs. 57/- on monthly basis in urban areas. Then again the stature if poor people was defined on the basis of daily calories intake i.e. 2400 calories per day for rural poor and 2100 calories

per day for urban poor. **GOI (1974)** then the scenario changed in 1999-2000 this changed to the per capita income of Rs. 350 per month per capita. As the reports published by government of India at different time intervals, till 1974 there were 56% rural poor and the same reached to 39% in 1987; there was a decline of 1.3% in the same. Then in 1994 it was 36% and again there was a decline of 0.5% as compared to 1987. Then in 2000 this decline was around 2% and BPL residents in the country were 26%. **GOI (2000)**. Then on the other hand the poverty stature in India is also connected to the food consumption i.e. in the last 20 years or so many of the rural poor had shifted to non-food items from food-items and gradually the calorie intake had reduced for food items. Then there was a gradual shift in the same by 2005 when the consumption of food grains was reduced from 14 kg per month to 11 kg per month, by this time the respective government had changed the definition of rural poor again and also launched a number of schemes to meet their requirements. **Saha (2008)**



<https://www.doorsteptutor.com/Exams/IAS/Mains/Economics>

Figure 2: Scope of Poverty Alleviation

Macro-Economic Context

The Economic Advisory Committee of Prime Minister of India and IMF, collectively use to present the progress report on economic indicators:

- The country is having the reliance on agriculture to a great extent and to extract maximum output from the segment heavy subsidies are also given, this again calls for heavy investments and delayed/differed payments.
- Then crisis of power sector had given rise to current inflation in the country, although some of the other components are also responsible for the same but then again power sector was the biggest contributor of the same, this inflation badly affected the situation of rural poor in the country.
- In the rural areas, the life expectancy increased to 65+ years and the mortality rate reduced to 63 per 1000 births, this can be a good news for the urban areas but for rural areas the number of stomachs had increased to feed because the sources of income had remained the same.
- There was a steep fluctuation in exports of non-food items and the effect of the same was felt on the decreased income of rural poor i.e. if the exports will decline the payments will be differed or may be stopped for a particular period of time.
- As a matter of fact our imports are high as compared to East Asian countries of the world, but this was never a good sign for the rural poor as they might not have disposable income to increase their consumption on such goods and services.
- At the state and UT level there was always some deficit in the annual financial planning (Budget) and the meet the same money is being diverted to one component from the other, in such a a system rural poor are the last beneficiaries.
- Another big issue is the weak governance for rural areas i.e. people use to lose confidence in local authorities, start to prevent meeting authorities in person, stop taking help from government schemes, and many other related activities were done; but it is the responsibility of the government to establish dialogue with rural people and understand their problems at the first hand and also try to solve them.

Objective

This present study had tried to find the reasons of increasing rural poor in the country and try to examine the government schemes and policies in this regards. Also the researcher will try to look for models that were successful in the past and duly failed due to a number of reasons.

Research Methodology

Data Source

This study is inspired by secondary data, because most of the records were taken from secondary sources and alleviation of poverty from rural areas is a long term process hence it might be difficult to rely on the primary data. The researcher had tried to meet some of the authentic records for the requirement of data, some of the sources are mentioned below:

- www.india.gov.in
- www.dot.gov.in
- www.mha.gov.in
- Material published in newspapers and magazines
- Research papers from the journals of national international

Data Analysis

The researcher had considered the secondary data, hence in order to become more responsible only the government schemes and their success proportion has been evaluated in the process of the study.

Study Period

This present study evaluates the record of different government schemes from 2005 to 2019.

Evaluation of Programs and Policies

To achieve SDG1 (No Poverty) in India, the GOI has launched various poverty alleviation policies and programmes. Since last two decades, poverty has been reduced at a very high pace. There are some anti-poverty programmes which are as follows:-

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

This ambitious scheme of Government of India was launched in 2006 and the aim of the scheme was to pull the rural people from deprivation and extreme poverty, also to provide them employment for maximum number of the days in a given year. At the starting level 100 days of employment was provided to the rural people who use to work under the scheme and when they develop a certain skill in the same period their wage rate was liable to increase. But in most of the cases unskilled workers were included in the scheme. Till 2018 and 2019 this scheme was having the fund accumulation of INR 59,501.34Cr. As a matter of fact this was a decline from the amount present in 2017 i.e. 69,201.23Cr. But then again the funds were accumulated according to the number of beneficiaries and the amount paid to them. Like in the starting of 2015 there were only 37, 211.12 Cr. As per the estimation presented by different agencies this scheme was liable to provide employment to minimum 5 Cr. Rural poor in various parts of the country. The total registered worker were around 25 Cr. and the actual workers were only 13 Cr. then in the last few years some of physically challenged workers were also included in the scheme.

DeendayalAntayodaya Yojana -National Rural Livelihoods Mission (DAYNRLM)

This scheme was the next nomenclature of Swarna Jayanti Gram Swarozgar Yojana (SGSY) launched in 1999, this initiative was taken by Ministry of Rural Development. This scheme uses to train the poor people for the attainment of various skills, in order to make them self-dependent and make them enable enough to earn their living hood. Then on the other hand this scheme also develop various platforms related to industry and agriculture where the attained skills can be put to better and productive use; the scheme also works on for joining the poor people into main stream financial system of the country. In order the increase the reach and extent of the scheme it was again renamed as DAY-NRLM in 2015 and the same was supported by sub schemes in 2017.

DeendayalAntayodaya Yojana -National Urban Livelihoods Mission(DAYNULM)

This scheme was introduced in 2013 to support the poor people in district having population of one lac or more. The orientation was made on the basis of census 2011. This was the extension of another scheme launched in 1997 by the name of *Swarna Jayanti ShahariRozgar Yojana (SJSRY)* launched by central government; the basic aim was to arrange for housing and remove poverty then again it was extended in 2013 to provide employment to poor people and also to look for training them to attain various skills so that

they can take up different jobs and earn their living hood. This scheme was especially for urban poor and the scheme was enabled pan India, more than 4000 districts were covered under the scheme. The main motive of starting this scheme was to make the urban poor enable enough to attain regular employment or self-employment. Many of the street vendors were included in the scheme, they were supported by providing them proper space of setting business, provide them credit for starting business.

Pradhan Mantri Awas Yojana

This scheme was started to construct and develop houses for poor people for the country. The main beneficiaries of the scheme were rural poor and also the houses were constructed for the rural poor. This scheme was one of the most popular and successful scheme in India, this scheme was renamed (*Initially Indira Awas Yojana*) in 2016. The developers of the scheme started it on the basis that a housing is the basic requirement of a common man and also the basic need of survival. Other than providing constructed houses the scheme also provide financial assistance for making brick and mortar houses. Except Delhi and Chandigarh (*Union Territories*) whole country was considered under the scheme, about 1 Cr. houses were handed over to needy people and more than 60 lac landless people were benefitted under the scheme. Some special preference was given to differently abled people and female applicants. One section of this scheme also supported the urban poor and landless people, thousands of urban poor and landless people got benefitted under the scheme.

National Social Assistance Programme

Started in 1995, the scheme was specifically started for helping senior citizens, single mother, widowed women, differently abled persons and even the families with no one to earn living hood, and the people living below the poverty line in rural areas. The supportive programs of the schemes were supporting the welfare of society at large. Some of such programs and schemes can be listed as follows:

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
- Indira Gandhi National Widow Pension Scheme (IGNWPS)
- Indira Gandhi National Disability Pension Scheme (IGNDPS)
- National Family Benefit Scheme (NFBS)
- Annapurna.

In the last five years the scheme has made huge expenditure for various purposes and the same reached to the level of 950 Cr. in 2019 as compared to 700 Cr. in 2015.

Pradhan Mantri Jan Dhan Yojana

The government of Indian National congress started the scheme of Swabhimaan in order to initiate the financial inclusion of rural and urban poor but the same failed at the initial level and the even at the subsequent stages the scheme was not able to perform as it was started. Then in 2014 the same was revamped as PMJDY by the then government. After the de-monetization in 2016 maximum number of rural and urban poor people were included in the scheme. With a no frill account, debit card, overdraft of 5000 from a zero balance account. The main beneficiaries of the scheme include people from the age group of 20 years to 65 years.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

This scheme was launched by Government of India in 2015, the main aim of the scheme was to provide social security to the poor people in the country. At the initial level the scheme was launched in Kolkata, the capital city of West Bengal. This scheme offer an insurance cover of one year starting from 1st June to 31st May and is opted to be renewed on yearly basis. In order to become the beneficiary of this scheme an individual should be minimum of 18 years and maximum of 50 years, having a bank account is also a mandatory condition to avail the benefit of the scheme. The scheme offers an insurance cover of two lacs with a minimum premium of Rs. 330/-. As a matter of fact, by 2019 almost 5Cr. people had become the member of this scheme and about 65, 000 cases were disbursed on the basis of claims.

Pradhan Mantri SurakshaBima Yojana (PMSBY)

This scheme was also launched in 2015 (Kolkata) like the above said PMJJBY. There were some basic difference in the scheme like the maximum age limit of the beneficiary was extended to 70 years, the premium amount was reduced to just Rs. 12/- and the insurance cover remained two lac as mentioned in the above mentioned scheme. Even the renewal period of the scheme was same as the above. The scheme also provides the auto debit facility from the beneficiary's account, also the scheme offered the provision of partial claims in the condition of physical disability caused due to accident, and this amount was fixed to the level of Rs. 1 Lac.

Antyodaya Anna Yojana (AAY)

This was a government of India initiative to help the millions of poor people in the country in terms of food, the edibles provided under the scheme were subsidized substantially and the agencies tried to bring them under the reach of target population. Launched in the years 2000, the coordinators of the schemes fixed the target population, the same stood to around 1 Cr. in the surveyed regions and in due time the scheme started to operate on the given terms and conditions. Members of the scheme use to get 30 Kg. of rice and wheat in same amount and price.

National Food Security Mission(NFSM)

NDC (*National Development Council*) recommended the issuance of a scheme that is liable to cater the food related needs of the people, as a result the above said scheme was launched in 2007. This scheme holds for the growth of targeted crops by the way of increasing the soil fertility and productivity at the level of fertilization. This was supposed to increase the total productivity and raise the income of farmers at a substantial level. As a matter of fact, some crops were selected for the same like rice, wheat, pulses, cereals, coarse cereals, commercial crops, oilseeds and many others

Conclusion

In the process of evaluation, the researcher identified that various programs and policies made for the upliftment of the poor and deprived section of the society were not very much effective till 2005, after 2005 many of the progressive and result oriented schemes were launched and revamped for the process of development. Some of the popular schemes were related to health, education, agriculture, housing and many other related components. This present study states that the various programs started for the development of rural poor in the country is liable to increase the income at rural level and to a certain extent life style of the rural people had also changed. Also it can be inferred on the basis of above furnished results that training and communication/awareness is also liable to increase the weightage of such programs in the development of rural people to the mainstream financial flow of the country and become aware about the current needs and requirements.

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