

Measures And Trends of Rural Poverty Alleviating Programmes in India

Kumar Pranav Verma¹

Abstract: *Poverty is the state of necessity where freedom is absent. Poverty, especially rural poverty has been persisting in India since the time immemorial. India is the country of the villages. But in every sphere of life the rural people get nothing but deprivation. In the present paper we have examined the incidence of rural poverty in India and its trends of growth. On the basis of some popular poverty estimates (headcount ratio, poverty gap, squared poverty gap (FGT index), and Gini-coefficient), we have measured and analysed the variation (spatial and Temporal) in poverty level in rural India. Our study also seeks to focus on the explanation of differences of rural poverty across the states and detail has been given about the poverty amelioration programme of GOI.*

Introduction

In 2010, World Bank stated, 32.7% of the total Indian people fall below the international poverty line of \$ 1.25 per day (at 2010 purchasing power parity) while 68.7% live on less than US\$ 2 per day. In 2005, one in three of the people in the world who consumed less than \$ 1.25 a day (at 2005 purchasing power parity) lived in India – more than any other country. They accounted for about 40 per cent of India's population. Twenty-five years earlier, 60 per cent of India's population lived below the same real line. This is clearly progress, though not enough to reduce the number of people living below \$ 1.25, which rose from 421 to 456 million (Ravallion Martin, 2008).

As Minhas, Bardhan, Dandekar and Rath said that a huge percentage of poor belong to : “(i) agricultural labour households without holding (ii) agricultural labour households with very small holdings, non-agricultural rural labour households without landholdings (iv) small land operators with cultivating holdings less than 2 hectares.”(Misra and Puri, 2010). Besides this tribals are also the poor and they mostly live in rural areas of our country. According to estimates of Planning Commission of India rural poverty accounts for 33.8 % in 2009-10 compared to urban poverty which is 20.9 %. The phenomenon of poverty in rural India in most of the cases chronic i.e. sustained from generation to generation and most of the cases the reasons are small landholding, diseases, illiteracy, food insecurity, unemployment etc. These all reasons are however like a vicious cycle which leads to chronic poverty in rural India. Though GOI had been introducing various schemes to eradicate poverty but requirement is to improve the techniques, policies for achieving the ultimate success.

¹ Research Scholar, Geography Department, Banaras Hindu University

Concepts and Measures of Poverty:

Poverty is approached in various ways. Some of the important approaches to understand the concepts of poverty are:

Absolute and Relative Poverty:

“It refers to subsistence below minimum socially acceptable living conditions usually established based on nutritional requirements and other essential goods” (Bhanusali,2007). For a healthy living consumption of food grains, vegetables, milk product and other non-food items are necessary and these standards are converted into monetary units and defined as poverty line. The people living below these lines are defined as poor. Relative poverty lines are mostly used in developed countries. Here the relative position of one group is compared to another group in terms of purchasing a bundle of basic needs.

Measures of Poverty:

There are three distinct measures of poverty have been used most of the studies, following the popular Foster-Greer-Thorbecke (1984) poverty measure for a given population. First, the headcount index defined as the percentage of the population who live in household with a per capita consumption below poverty line. Second, the poverty-gap index defined by the mean distance below the poverty line expressed as a proportion of that line. The measurement reflects not only the incidence of poverty, but also its depth. Third, the squared poverty-gap index defined as the mean of the squared proportionate poverty-gaps. Unlike the other measures, it reflects the severity of poverty, as it is sensitive to inequality amongst the poor (Nayyar, Gaurav. 2005).

Planning Commission Task Force and Expert Group for Estimating Poverty

In India, a task force constituted by the Planning Commission in 1977 defined the poverty line for the country as a per capita consumption expenditure level, which meets the average per capita daily calorie requirement of 2,400 kcal in rural areas and 2,100 kcal in urban areas, along with a minimum level of non-food expenditure. Using the 28th Round NSS5 data, the task force estimated that, on average, consumer expenditure of Rs 49.09 per capita per month, in 1973-74, met the calorie requirement of 2,400 kcal per capita per day in rural areas. This monetary equivalent was set as the rural poverty line, and those with per capita expenditure below this level were defined as poor. The rural poverty line defined at the national level was used in all the Indian states.

However, this methodology ignored price differentials that existed across states. Hence, in 1989, the Planning Commission constituted an Expert Group, which estimated separate poverty lines for each state. Furthermore, it used the Consumer Price Index of Agricultural Labourers, a state-specific cost of living index, for updating the rural poverty line (Nayyar, Gaurav. 2005). Table 1 shows estimated rural and

urban poverty line in India for different time period.

Table 1: Poverty Lines for India (Rs. Per capita per month, in current prices)

Year	Rural	Urban
1973-1974	49.63	56.76
1977-1978	56.78	70.33
1983	89.5	115.65
1987-1988	115.2	162.16
1993-1994	205.84	281.35
1999-2000	327.56	454.11
2004-2005	356.30	538.60

Source: Planning Commission (1997), Press Information Bureau (2001), Press Information Bureau, (2007)

Rural Poverty in India:

On the basis of published data of NSS 43rd, 50th, and 61st rounds of consumer expenditure surveys, we examine the trend of headcount ratio, poverty gap, squared poverty gap (FGT index), and inequality is measured by Gini-coefficient.

Table 2 show that rural poverty ratio declined from 45.76% in 1983 to 29.18% in 2005. In the era of post economic reform rural poor in India

Table2: Distribution of poor and very poor in Rural India (Survey of 30-Day uniform reference period)

Rural people	Absolute number(in millions)			Changes in Poverty (%)			Changes in Poverty (percentage per annum)		Changes in Poverty (per annum as percentage of base year)	
	1983	1993-94	2004-05	1983-84	1993-94	2004-05	1983-84	1993-94	1983-84	1993-94
Poor	252.05	247.18	232.16	45.76	37.26	29.18	-0.81	-0.73	-1.77	-1.97
Very poor	140.57	102.03	76.70	25.52	15.38	9.64	-0.48	-0.52	-3.80	-3.38

Source: Estimated from published data of NSSO 43rd, 50th, and 61st

Rounds of Consumer Expenditure Survey

Table 3: Poverty Gap, FGT Index, and Gini for Rural India (Survey of 30-day Uniform Reference Period)

Rural	Poverty and Inequality			Changes (percentage Points per Annum)		Changes in Poverty (per Annum Changes as Percentage of Base year)	
	1983	1993-1994	2004-2005	1983-1994	1993-2005	1983-1994	1993-2005
Poverty Gap	13.46	8.58	5.9	-0.46	-0.24	-3.45	-2.84
FGT	5.27	2.55	1.47	-0.26	-0.10	-4.93	-3.92
Gini	34.06	34.31	37.51	0.02	0.29	0.01	0.85

Source: Estimated from published data of NSSO 43rd, 50th, and 61st Rounds of Consumer Expenditure Survey.

have been declined from 247.18 million in 1993-94 to 232.16 million in 2005-05, a decline of about 15 million rural poor over 11 years. The table 1 also shows that the share of very poor to the total poor have been declined in rural India, while rate of per annum changes reduced from 0.61 to .36 percentage.

Table 3 depicts that rate of declination of poverty gap and squared poverty gap (FGT) in the post reform period. But Gini coefficient have been increased significantly i.e. from 28.35 in 1993-94 to 30.45 in 2004-05, which shows the increase in inequality in the level of consumption.

Table 4: Headcount Ratio by Major States in India

States	1983	1993-94	2004-2005
Andhra Pradesh	27.31	16.64	10.85
Assam	41.92	44.43	23.05
Bihar	64.89	57.24	43.06
Gujarat	27.92	22.44	19.76

Haryana	21.77	26.62	13.41
Himachal Pradesh	17.77	29.27	12.50
Jammu & Kashmir	25.23	19.73	4.81
Karnataka	37.51	30.24	23.73
Kerala	38.46	26.49	12.27
Madhya Pradesh	48.21	40.43	38.17
Maharashtra	45.04	37.66	30.36
Orissa	67.52	50.11	47.76
Punjab	14.3	13.72	9.55
Rajasthan	37.72	26.89	18.91
Tamil Nadu	56.22	32.99	22.96
Uttar Pradesh	46.38	42.33	34.06
West Bengal	61.56	37.35	28.49
All India	45.76	37.26	29.18

Source: Estimated from published data of NSSO 43rd, 50th, and 61st Rounds of Consumer Expenditure Survey.

Changes in Headcount Ratio of Rural poor in India:

Head count ratio from the table 4 show the declination of rural poverty among major states, since 1983. Nevertheless some of the states are having very high poverty ratio. In 2004-05, Orissa accounts the highest poverty ratio (47.76%) among the major states, next was Bihar (43.06%), Madhya Pradesh, Maharashtra, U.P are fallen under the category of 30-40% poverty ratio., Assam, West Bengal, Karnataka & Tami Nadu have 20-30% poverty ratio, only J& K and Punjab have the rural poverty ratio below 10% .

Table 5 has shown the variation of rural poverty in India since 1983. This table reveals that Bihar having 55.3% of rural poverty has the highest percentage of rural poor in our country in 2009-10. Since 1983 rural poverty is higher in this state but lesser than Orissa which had the highest percentage of rural poor (67.13%) during in 1983. But 2009-10 the share of Orissa has become much lower than Bihar i.e. 39.2%. An important observation is that the year 1993-94 i.e. just after the reform

recorded increased rural poverty in every state of India except Gujarat, Madhya Pradesh, Rajasthan, Tamilnadu and Uttar Pradesh. In 2009-10 the top five states where rural poverty was very high were Bihar, Manipur, Madhya Pradesh, Assam and Uttar Pradesh respectively while Jammu and Kashmir, Himachal Pradesh, Goa, Kerala and Punjab were the top five states recording very low percentage of rural poor

Table 5: Percentage of Rural poverty in India

States	1983	1987-88	1993-94	1999-2000	2004-05	2009-10
	Rural Poverty (%)	Rural Poverty (%)	Rural Poverty (%)	Rural Poverty (%)	Rural Poverty (%)	Rural Poverty (%)
Andhra Pradesh	26.53	20.92	39.36	36.35	32.3	22.8
Arunachal Pradesh	42.60	39.35	58.25	61.78	33.6	26.2
Assam	42.60	39.35	58.25	61.78	36.4	39.9
Bihar	64.37	52.63	64.41	58.85	55.7	55.3
Goa	14.81	17.64	28.62	26.22	28.1	11.5
Gujarat	29.80	28.67	28.62	26.22	39.1	26.7
Haryana	20.56	16.22	30.52	14.86	24.8	18.6
Himachal Pradesh	17.00	16.28	N.A	N.A	25	9.1
Jammu & Kashmir	26.04	25.70	N.A	N.A	14.1	8.1
Karnataka	36.33	32.82	37.73	38.5	37.5	26.1
Kerala	39.03	29.10	33.95	26.5	20.2	12.0
Madhya Pradesh	48.90	41.92	36.93	39.35	53.6	42
Maharashtra	45.23	40.78	50.21	50	47.9	29.5
Manipur	42.60	39.35	58.25	61.78	39.3	47.4
Meghalaya	42.60	39.35	58.25	61.78	14	15.3
Mizoram	42.60	39.35	58.25	61.78	23	31.1
Nagaland	42.60	39.35	58.25	61.78	10	19.3
Orissa	67.13	57.64	59.12	62.67	60.8	39.2
Punjab	13.20	12.60	17.61	14.24	22.1	14.6
Rajasthan	33.50	33.21	25.92	15.01	35.8	26.4
Sikkim	42.60	39.35	58.25	61.78	31.8	15.5

Tamilnadu	53.99	45.80	37.27	39.37	37.5	21.2
Tripura	42.60	39.35	58.25	61.78	44.5	19.8
Uttar Pradesh	46.45	41.10	39.08	29.87	42.7	39.4
West Bengal	63.05	48.30	54.15	56.16	38.2	28.8
All India	45.61	39.06	39.36	36.35	42	33.8

Source: Compiled data from Planning Commission of India.

Major Poverty alleviation schemes of Government of India:

Government of India has been taking several schemes for poverty alleviation which in some cases are either being merged with other schemes or modified in new form. However some of the important programmes are as follows:

Integrated Rural Development Programme (IRDP):

IRDP was launched in 1978 covering 2300 blocks in our country. The target group was the small and marginal farmers, agricultural labours and rural artisans. The basic objective of this scheme was to raise the incomes of the rural poors by providing subsidies and credit for income generating activities. It was a centrally sponsored scheme and funded by 50:50 basis by centre and the states. Sub-schemes were also introduced under this scheme e.g. TRYSEM, DWCRA, SITRA, GKY etc for specific needs of rural population. The scheme is merged with another scheme named Swarnjayanti Gram Swarozgar Yojana since 1999.

Indira Awaas Yojana(IAY):

Started in 1985 as part of the Rural Landless Employment Guarantee Programme (RLEGP), Indira Awaas Yojana (IAY) was subsumed in Jawahar rozgar Yojana (JRY) in 1989 and has been operating as an independent scheme since 1996. This scheme was launched by Ministry of Rural Development to assist in making houses in the rural areas. The target group of this scheme are are below poverty line households living in the rural areas, belonging to Scheduled Castes/Scheduled tribes, freed bonded laboures, minorities in the BPL category, non-SC/ST BPL rural households, widows etc.

Jawahar Rozgar Yojana(JRY):

By merging NREP and RLEP the Jawahar Rozgar Yojana was launched in 1989. The programme aims to allieviete poverty through creating supplementary employment during agricultural recess period.

Employment Assurance Scheme (EAS):

EAS is also like the JRY and objective of this scheme was to provide gainful employment during lean agricultural seasons in the form of manual labour to all able bodied adults who don't have any employment and to develop economic infrastructure and community assets and resources for sustained employment and development. In 2002 JRY and EAS were merged into Sampoorna Grameen Rozgar

Yojana (SGRY).

Jawahar Gram Samridhi Yojana(JGSY):

The primary objective of JGSY is to create demand driven community village infrastructure including durable assets at village infrastructure including durable assets at village level and skills to enable the rural poor to increase the opportunities for sustained employment (Sharma, 2013).

Sampoorna Grameen Rozgar Yojana(SGRY):

Sampoorna Grameen Rozgar Yojna actually is a combination of the provisions under the Employment Assurance Scheme (EAS) and Jawahar Gram Samridhi Yojana (JGSY).It is a centrally sponsored scheme and is funded by centre and state on the basis of 75:25 ratio. Food grains are provided free of cost to the states and union territories. The basic objectives are to generate wage-employment in the rural areas and also improve food security and nutritional level.

Swarnjayanti Gram Swarozgar Yojana (SGSY):

This scheme was introduced in April 1999.It is the largest programme for the self employment of the rural poor with a focused objective to bring the assisted BPL families above the poverty line by providing them income generating assets through provision of bank credit and Government subsidy (Kalkoti and Kalkoti, 2013). Unlike the IRDP, SGSY is more an empowering process and it focused on mainstreaming the poor to join the economic development of the country. The key elements of SGSY is to lend money to the groups to develop micro-enterprises, training and skill development among the groups for developing micro-enterprises, organization of the rural poor into Self-Help-Groups, strengthen the SHGs through Revolving fund Assistance etc. The SGSY is implemented by the District Rural Development Agencies (DRDAs) through the Panchayat Samitis.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):

In 2006 National Rural Employment Guarantee Act was launched to provide 100 days of guaranteed employment to one member from each rural household and create community assets. The UPA Government on 2ndOctober 2009 renamed the National Rural Employment Guarantee Act (NREGA) as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), on the occasion of Mahatma Gandhi's 140th birth anniversary. The act is presently being implemented 626 districts in our country (Tripathy, 2013).

Prime Minister Rural Employment Generation programmes(PMREGP):

This scheme is formulated by merging Prime Minister Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP).The basic objective is to generate employment opportunities in rural and urban areas by setting up micro enterprises or self-employment ventures (Sharma, 2013).

CONCLUSION

In the present paper we have measured rural poverty in India based on most popular methods of poverty measurements (headcount ratio, poverty gap, squared poverty gap (FGT index), and inequality is measured by Gini-coefficient), and found that there is very slow progress in the reduction of the rural poverty (from 1983-2005), and interesting fact is that during post economic reform period rate of declination of poverty (rural) is much reduced. Our study also reveals large scale variation in rural poverty among the major states in India. Bihar., M.P., U.P., and Orissa have account highest number of chronic poor.

Eradication of Poverty is one of the major challenges in our country. According to Amartya Sen (1981, 1985) Poverty is a multidimensional phenomenon and thus needs to be tackled by providing opportunities, creating entitlements and building capabilities

According to 2011 census 68.8% people are residing in our rural areas and mostly they are dependent on agriculture. But if we see the scenario of GDP on agriculture it is only 17%. So the development of agricultural sector is very important. It is true that GOI had been launching various schemes for poverty alleviation and employment generation but in many cases the functions and benefits are not transparent to the rural people. So the schemes should also be informative to those people so that they are not deprived at any cost. There is lots of lacking in resources for providing facilities and services in terms of arranging the schemes also. The education and health care facilities need top priority. Besides this, improving price reform, land reform policy also must be reviewed by our Government.

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