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Poverty

It is only in the twentieth century that poverty and the poor have come to be matters of our concern and obligation. After a long neglect of the poor during the British Rule, the measures adopted after Independence signify the recognition of poverty and the social responsibility for alleviating and reducing it. How did this happen? What have we done? How far have we succeeded? Before attempting to answer these questions, let us first take up the question of the concept of poverty

The Concept

Three precepts are often used to define poverty (i) the amount of money required by a person to subsist, (ii) the life below a 'minimum subsistence level' and 'living standard' prevalent at a given time in a given place, and (iii) the comparative state of well-being of a few and the ill-being of the majority in society. The last approach explains poverty in terms of relativity and inequality. Whereas the first two definitions refer to the economic concept of absolute poverty, the third definition views it as a social concept, that is, in terms of the share of the total national income received by those at the bottom We will explain each of the three views separately

The First View

In terms of a minimum income required for subsistence, poverty has been defined as an inability to gratify the physiological needs, that is, need for survival, safety and security. These physiological needs are different from the social needs (ego-satisfaction and self-esteem), the need for autonomy, need for independence and the need for self-actualization. The minimum requirements for fulfilling the physiological needs are food and nutrition, shelter, and preventive and protective health care. This requires 'minimum' income (varying from society to society) to buy necessities and avail of facilities.

Here 'poverty' is perceived in terms of poverty line which is determined by the prevailing standards of what is needed for health, efficiency, nurturing of children, social participation, and the maintenance of self-respect (Howard Becker, 1966: 436) In practice, however, the poverty line is drawn on the basis of a barest minimum desirable nutritional standard of calorie intake. In India, the poverty line is drawn on the basis of a per capita (adult) daily intake of 2,400 calories for the rural and 2,100 calories for the urban areas. On the basis of this can be worked out the monthly per capita consumption expenditure.

The minimum consumption expenditure in our country as recommended in 1962 by the Perspective Planning Division of the Planning Commission and calculated on the basis of the 1961 prices was Rs. 100 for a household of five persons in the rural areas and Rs. 125 in the urban areas. This came to Rs. 20 per capita per month in the rural areas and Rs. 25 in the urban areas. In 1978-79, this was worked out as Rs. 76 for the rural and Rs. 88 for the urban areas and in 1984-85, the revised poverty line was drawn at a per capita monthly expenditure of Rs. 107 for the rural and Rs. 122 for the urban areas (*India*, 1990:404). With an average household comprising five persons, rural households with an annual consumption expenditure of less than Rs. 6,420 and urban households below an annual expenditure of Rs. 7,320 were deemed to be *poor*.

At the current price level, a person in a rural area today requires an income of about Rs. 127 and in an urban area about Rs. 149 per month to fulfil his food and other basic requirements. This comes to Rs. 635 per family per month for the rural areas and Rs. 745 for the urban areas Here the focus is on a 'minimum subsistence' level which is different from a 'minimum adequacy' level and a 'minimum comfort' level.

According to Ornati Oscar (1964: 440), in 1963 in the United States, 'minimum subsistence' level for a family of four was $2,500 per year, the 'minimum adequacy' level was $3,500 per year and the 'minimum comfort' level was $5,500 per year. On this basis, 10% of the families in the U.S. were below the minimum subsistence level in 1963, 25% were below the minimum adequacy level, and 38% were below the minimum comfort level The poverty level in the United States for a family of four during 1982 was $ 8,450 a year (Prabhakar Malgavkar, 1983: 3); during 1986 it was $ 10,989 a year; and during 1990 it was $ 14,200 a year In India, the number of poor people (that is, people below minimum subsistence level) in 1989 was estimated at 20% of the total population. It should, however, be noted that the 'poor' are not a homogeneous group They can be classified into three sub-groups : the *destitutes* (who spend less than Rs. 71 a month at current (1989-90) prices), the *very poor* (who spend less than Rs 83 a month), and the *poor* (who spend less than Rs. 127 a month)

The Second View

This view maintains that poverty has three main aspects of want of material goods or materialistic possessions (i) those necessary to avoid physical suffering and needed to fulfil the requirements of hunger and shelter, that is, those needed to survive, (ii) such as are essential to meet human needs of health, that is, to get nutrition and to avoid disease; and (iii) those needed to maintain a minimum subsistence level. In simple terms, this refers to a minimum amount of food intake, adequate housing, clothing, education and health-care At the current (1989-90) prices, this refers to the ability to spend Rs. 150 a month (per person) in the rural areas and Rs. 190 a month in the urban areas.

Gross and Miller (1946 : 83) attempted to explain poverty in terms of three factors: income (covert and manifest), assets, and availability of services (educational, medical, recreational.) But others have considered the concept of poverty with this perspective elusive. For example, in the United States, from out of the families living 'below the poverty level' in 1960, 57.6% had a telephone, 79.2% owned a TV set and 72.6% possessed a washing machine (Howard Backer, 1966· 435) The assets or the materialistic possessions, therefore, cannot be the basis of specifying poverty Likewise, poverty cannot be related to the 'income' factor If there is an increase in the 'price level', people may not be able to provide the necessities of life for their family members Obviously then, poverty has to be related to time and place.

The Third View

This view defines poverty as a condition of falling below the minimum standards of subsistence appropriate to each society, or "the absence of enough money to secure life's necessities", or "a condition of acute physical want—starvation, malnutrition, disease, and want of clothing, shelter and medical care". The latter is measured by comparing the condition of those at the bottom of the society with the other segments of the population. It is, thus, a matter of subjective definition than of objective conditions. Poverty is determined by the standards that exist within a society. Miller and Roby (1970 : 34-37) have said that in this approach, poverty is sharply regarded as 'inequality'. From a sociological point of view, this definition is more important in terms of the impact which inequality of income has on the life situation and life chances of the poor. Absolute poverty can be reduced/eliminated by putting money into the hands of the poor but 'inequality' cannot be solved by moving people above a certain relative line. As long as there are people at the bottom of the income scale, they are in some way poor. Such a condition will continue to exist as long as we have social stratification.

Michael Harrington (1958 : 83) defined poverty with reference to 'deprivation'. According to him, poverty is the deprivation from those minimal levels of food, health, housing, education, and recreation which are compatible with the contemporary technology, beliefs and values of a particular society. Martin Rein (1968 .116) identifies three elements in poverty. subsistence, inequality and externality *Subsistence* emphasizes the provisions of sufficient resources to maintain health and working capacity in the sense of survival, and capacity to maintain physical efficiency. *Inequality* compares the lot of individuals at the bottom layer of stratified income levels with that of the more privileged people in the same society. Their deprivation is relative. *Externality* focuses on the social consequences of poverty for the rest of society, apart from the impact on the poor themselves.

Sociologically speaking, the poor are caught up in vicious circles. Being poor means living in a poor neighbourhood, which means being unable to send children to schools, which means not only the poor themselves but their children too will have low-paying jobs or no jobs at all, which means remaining poor for ever. Also, being poor means eating poor food, which means having poor health, which in turn means being handicapped or too weak to handle the heavy manual work, which also means accepting low paid work, which leads to remaining poor for ever. Thus, each circle begins and ends with being poor. No wonder, sociologists like Thomas Gladwin (1967 : 76-77) give more importance to 'inequality' or the social concept of poverty.

Manifestation or Measurements

What are the measurements of poverty ? The important measurements are: malnutrition (below a limit of 2,100 to 2,400 calories per day), low consumption expenditure (below Rs. 127 per person per month at 1989-90 price level), low income (below Rs. 150 per person per month at current price level), chronic illness or poor health, illiteracy, unemployment and/or under-employment, and insanitary housing conditions. Broadly, the poverty of a given society is expressed in terms of poor resources, low national income, low per capita income, high disparity in income distribution, weak defence, and the like.

Some scholars have referred to poverty-linked characteristics of families to point out that individuals from these families have a greater risk of being poor. The chances increase as the families exhibit more of these characteristics. The more important among these characteristics are: absence of a wage-earner in the family, families where the men are above 60 years age, families headed by a female, families with more than six children of less than 18 years of age, families whose heads are living on daily wages, families whose members have less than the primary grade education, families with absence of work experience, and families having part-time employment.

Incidence and Magnitude

India represents a dichotomy in development. It ranks XIXth in world industrial production and XIIth in total gross national production (GNP), yet it has a large population that is extremely poor. Although since Independence, the country has registered a significant overall growth rate, there has been a progressive decline in the per capita income, and hence a deterioration in the living standards of a large section of the population. The World Bank in its 1981 World Development Report placed India among the ten poorest nations of the world. At the bottom was Bhutan while Bangladesh was the second poorest. India comes not only below China but also below Pakistan and even Sri Lanka. Not only is our country's per capita income one of the lowest but it is growing (1980-81) at a meagre annual rate (1.6%) compared to China (4.5%), Sri Lanka (2.9%) and Pakistan (2.5%).

In 1984-85, 36.9% of country's total population, 39.9% of rural population and 27.7% of urban population was estimated to be below the poverty line. The Seventh Five Year Plan (1985-90) envisaged bringing down the poverty ratio to 25.8% by the year 1989-90. In absolute terms, the number of the poor were to decline from 272.7 million persons in 1984-85 to 210.8 million persons in 1989-90. In the budget of 1990-91, the government claimed that the number of poor persons (below poverty line) in the country was less than 300 million (out of estimated population of 850 million). The economists and the World Bank, however, claim the number to be nearer 400 million. This means that the abjectively poor in India total the population of Pakistan and Bangla Desh put together

Of the 400 million poor persons in India, the absolute destitutes—which are the bottom 10% of the society—are around 50-60 million These are the old, the sick, and the disabled people, for whom it is not employment and the opportunity of earning of income that has to be provided, but some kind of social security, involving regular monthly payment. This leaves some 250 million (according to official figures) to 350 million (according to economists) people living at various levels of poverty for whom employment opportunities have to be provided. In the rural areas, these poor are the landless (wage) labourers, casual labourers, the marginal farmers, and the displaced village artisans such as the blacksmiths, the carpenters and the leather workers, while in the urban areas, these poor are the non-unionised industrial workers, vegetable, fruit and flower-vendors, the servants in tea-shops, domestic servants and daily wages earners

National income is a comprehensive index of the state of an economy and a measure of its growth over time. The figures of national income in India available for the last four decades record an impressive rise. At 1989-90 prices, India's national income which was Rs. 8,812 crore in 1950-51, increased to Rs. 1.22 lakh crore in 1980-81, Rs. 2.32 lakh crore in 1985-86 and Rs 2.91 lakh crore in 1987-88. Thus, even after making allowance for the rise in the price level over these years, the fact remains that in over the last one decade, Indian national income has recorded a nearly two and a half fold increase. The per capita income has of course failed to record a similarly impressive increase due to the rise in population over these years. At 1989-90 prices, the per capita income was Rs. 246 in 1950-51 and it went upto Rs. 1,627 in 1980-81, Rs. 2,734 in 1985-86 and Rs 3,284 in 1987-88 At 1970-71 prices, the per capita income worked out at Rs 466 in 1950-51, Rs 698 in 1980-81 and Rs. 798 in 1985-86 This shows an increase of hardly 70% over the 35 years.

Disparity in the rural and urban per capita incomes is also glaring (it being one for rural to 2.4 for urban areas). The income distribution in rural and urban areas in 1983 shows that 11% families in the urban areas and 3.0% families in the rural areas belonged to the 'upper class' (with an income of more than Rs. 3,000 per year at the 1970-71 price level) The average income of an upper class family in this year (1983) in urban areas was Rs 5,985 per year and in rural areas was Rs. 4,564 per year. On the other hand, the average income per family per year in the 'lowest class' was Rs. 1,212 in the urban areas and Rs. 1,044 in the rural areas

It has been estimated that 70% of the rural households own no lands. Of the remaining 30% who cultivate land, 44.0% own less than one acre, 33.8% own 1-5 acres, 16 8% own 6-15 acres, 5 0% own 16-50 acres and 0 4% own above 50 acres Further, of the 30% families who own land, 31 43% are marginal households, 35.71% are small households, 22 81% are medium households, 8 81% are big households and 1 24% are 'giant' households While 15% in the top rungs of the rural economic ladder earn 42% of the total income, the remaining 85% are left to scramble for the rest of the 58% of the economic cake.

The main dependence of the landless people is on wage employment in agriculture or outside agriculture. Nearly three-fourths of the labour households work as casual labourers, that is, they work if and when work is available, otherwise, they remain unemployed. The remaining one-fourth are 'attached' labourers, that is they work for a single employer under some kind of a contract It is, thus, clear that the rural poor consist predominantly of agricultural labour households and small landholders with cultivated holdings of less than five acres each

If we look at the income distribution in India, we find that the lowest 20% of our population gets about 7% of the gross income whereas the top 20% gets about 50%. This distribution is not different from that of other countries or from the average international figures as shown in Table 2 1.

If we take the present top twenty business houses of India (Birla, Tata, Reliance, Singhania, Thapar, Mafatlal, Bajaj, Modi etc.) their total assets in 1972 were Rs 3,071 crore which increased to Rs. 13,103 54 crore in 1983, Rs 20,136 crore in 1985, and about Rs 30,000 crore in 1990 In other words, their assets increased 4 3 times from 1973 to 1983, 6 5 times by 1985 and 10 0 times in less than twenty years

It is alarming to see the size of the foreign debt which has been accumulating in India every year It is estimated that our total debt at the beginning of 1988-89 was Rs. 50,000 crore (78% domestic and 22% foreign) which increased to Rs 65,000 crore by the end of the

Table 2.1: Income Distribution (1974)

Distribution of population	*Income distribution*				
	India	*U.S.A*	*U K*	*West Germany*	*Average International*
1 Top 20% or highest fifth	49.2	42 8	30 8	46 2	48 0
2 Next 20% or fourth fifth	19.1	24 7	23.9	22 0	22 0
3 Next 20% or middle fifth	14 4	17 3	18 4	15 0	15 0
4 Next 20% or second fifth	10 7	10 7	12 6	10 3	10 0
5 Bottom 20% or lowest fifth	6 6	4 5	6 3	6 5	5 0

Source World Development Report, 1980, quoted in *Population, Poverty, and Hope* by The Centre for Policy Research, New Delhi, p 13

year. By March, 1991, the total debt was somewhere near Rs. 1,80,000 crore (domestic Rs. 1,40,000 crore and external Rs 40,000 crore). The mere servicing of this debt takes 15% of our annual earnings. This is bound to make India gasp for breath According to the World Bank, among the 96 Third World countries, India is the fourth largest debtor The following table shows the growing income and debt in India

Table 2.2: Growing Income and Debt in India

Year	*Income per capita per annum (at 1989-90 prices)*	*Debt per capita per annum*
1969-70	597	158
1974-75	1,003	189
1979 80	1,337	320
1984-85	2,493	769
1986 87	2,974	1,167
1987-88	3,284	1,313

India was the fifth highest indebted country in the world in 1987, according to the World Bank At present (1991), we are spending 13% of our national income on defence (against 17% in 1990 and 27% in 1989) and 21% on paying interest on debt (against 35% in 1990) (*India 1990* . 568 and *The Hindustan Times*, March 5, 1991).

Unless the inequality in income distribution is reduced, the chances of reducing the number of people below the poverty line will be low. But even if the present inequality continues, if a growth rate of 6% is achieved and if the population does not exceed 945.4 million by 2001, only 10% of the population will be below the poverty line in 2001.

Causes

There are two extreme perspectives on the basis of which we can analyse the causes of poverty—the old and the modern. One view of poverty is that it is providential and it is considered to be the result of the individual's past *karmas* (deeds), or sins. The other view ascribes poverty to be the result of a failure of an individual's working abilities or due to his lack of motivation Describing the richness of a rich person in terms of his destiny and the poverty of a poor person in terms of his lack of abilities serves the economic interest of the rich people as they escape paying high taxes to be used for uplifting the poor. One modern view links poverty with factors which are beyond an individual's control, the other describes the functioning of social systems in the society as the cause of poverty

David Elesh (1973 359) has given three causes of poverty: the individual, the culture or sub-culture, and the social structure

(i) *Individual*

The ideology of individualism which finds the cause of poverty within the individual is that success and failure of an individual are his personal matters. If one ends up in poverty, it is his own fault, because he is lazy, dull, inefficient or lacks initiative. This ideology maintains that poverty is good for society because the fittest will survive. Another aspect of this ideology is the Protestant ethics described by Max Weber which emphasises an individual's success through individual hard work, virtue, and honest work. If he fails, he has no one but himself to blame, for he has vices, is idle and has bad habits The typical 'victim-blamer' is a middle-class person who is enjoying reasonably good material success and has a good job and steady income He says: "I had to struggle to make it, why can't the poor ? There must be something wrong with them". Spencer, Carnegie, and Lane believe in this ideology.

(ii) *Culture or Subculture of Poverty*

The second cause of poverty is the culture of poverty, or the way of life of the poor. Such a culture blocks all attempts of the society to change the values, norms, beliefs and life style of the poor. The 'culture of poverty' concept suggests that despite economic changes, the poor have remained so because of their culture or sub-culture. The culture of the poor fosters behaviour and values associated with poverty; it has kept the poor out of the mainstream of industrial society. Oscar Lewis popularised the notion of culture of poverty in 1959. He maintained that it was a special culture that passes on poverty from generation to generation. This conservative concept, often shared by the politicians and the public, has given our society a reason for doing little or nothing about the poor and poverty as a social problem. Advocates of this ideology identify lower-class culture and assume that the lifestyle of the poor is the cause of continued poverty. Ryan and Chilman believe in this school of thought.

(iii) *Social Structure*

While 'individual' and 'culture of poverty' are accepted as causes of poverty by the conservatives, the liberals, the radicals, and the sociologists link poverty to social structure or to 'miserable and unjust social conditions'. Our social institutions, our economy, low educational attainment, lack of employable skills, long-term unemployment or under-employment causes and perpetuate poverty. Change in social and economic structures is not brought about, or hindered by the vested interests. Sociologist Herbert Gans has pointed out to three functional gains—economic, political and social—that the middle-class derive from having a poverty-group in society. These range from getting society's 'dirty work' done to preserving one's high status or keeping oneself in power. Thus, the fault of poverty lies with those individuals/groups who do not want to change the social structure, values and norms for their vested interests.

We will now analyse poverty in terms of three causes—economic, demographic and social.

Economic Causes

For understanding the economic causes, we have to understand the difference in people engaged in work and those not engaged in work. Why are the latter not engaged in work ? Is it because of their own defects, that is, of 'flawed character' or because of the defects in the society, that is, of 'restricted opportunities'? This may be examined in terms of the following five factors: inadequate development, inflationary pressures, lack of capital, lack of skill in workers, and unemployment.

Inadequate development has been described as the cause of poverty in India because the planning between 1951 and 1991 has been so defective that the rate of growth has only been 3 5%. Indian economy had stagnated over a period of nearly five decades before Independence The trend of growth rate between 1900-01 and 1945-46 was only 1 2% for national income, about 0 3% for agricultural production and 2.0% for industrial production With the growth of population, these growth rates were hardly sufficient to provide a bare minimum existence to the people of India. The planning for development of economy, therefore, became necessary after Independence

Planning for the economy involves a long-term perspective plan which indicates the desired objective to be realised over a terminal period, of say, 10 to 15 years. Then there are Five Year Plans which are designed to give concrete shape to the development efforts indicated in the perspective plan And then each Five Year Plan consists of Annual Plans which assess the performance of the various sectors of economic activity from year to year In India, the Planning Commission was set up in March, 1950 to assess the resources of the country and formulate a plan for the balanced and effective utilization of resources. The NDC (National Development Council) was set up in 1952 to review the working of the plan from time to time and prescribe guidelines for achieving the aims and targets set out in the plan However, in spite of completing seven Five Year Plans so far, the growth rate of industrial production of electricity, of transport, of increasing employment opportunities, and of developing human resources has been much below the target. Unless the short-falls are corrected, unless the ruling politicians take planning and development seriously, India will continue to face the increasing problem of poverty

Inflationary pressures have also increased poverty With 1960-61 as the base, the index of wholesale prices jumped from 165.4 in 1968-69 to 281 7 by 1973-74, an increase of 70% in a five year period The index registered an increase of 6.2% in 1989-90 as against 4.6% in 1988-89. The annual rate of inflation currently (1991) is running at 7.2%. The value of a rupee has come down to 8.28 paise from 1960-61 to 1990-91.

Lack of capital too prevents industrial growth. The value of India's exports in relation to imports increased from Rs. (–) 328 crore in 1961-62 to Rs. (–) 1,222 crore in 1975-76, Rs. (–) 5,813 crore in 1980-81 and Rs. (–) 7,517 crore in 1986-87. The value of imports increased from Rs. 996.3 crore in 1961-62 to Rs. 5,265.2 crore in 1983-84 and Rs. 20,083.5 crore in 1986-87. This value of foreign trade in 25 years indicates the limited capital invested in industry.

Human capital deficiencies or lack of skills and abilities in workers prevents them from finding good employment and thereby increasing their income. Achieving skills and abilities depends more on the availability and accessibility of opportunities than on genetic endowments or natural ability. Since the poor belong to a social environment where they fail to get the required opportunities, they remain unskilled, which in turn affects the industrial growth.

High rate of unemployment in the country too leads to the drop in the demand for labour. The number of employed persons in the country in the organised sector increased from 161.92 lakh in 1966 to 210 lakh in 1977, 230 lakh in 1981 and 253.49 lakh in 1987. On the other hand, the number of unemployed people (registered in employment exchanges) increased from 27.40 lakh in 1967 to 93.26 lakhs in 1976, 162 lakhs in 1980 and 200 lakh in 1986. The back-log of unemployment in 1985 at the start of the Seventh Plan was roughly estimated at 90 million. The Seventh Plan estimated that the labour force will be increasing at an annual rate of 2.56% a year during 1985-90, thus, adding about 40 million to the working force in five years. However, there was a marginal increase in employment of less than 3% in the period of the Seventh Plan in the public sector and very little expansion in the private sector. If no new projects are undertaken in the near future, there will be large scale unemployment not only among engineers, overseers, and other technicians but also among the cultivators, industrial workers, and matriculates and graduates by the end of this century.

Demographic Causes

Population growth is the most important factor in poverty. According to one estimate, the per capita consumption expenditure, that is, the minimum amount required per person per year for food, shelter, health, education or to maintain a minimum standard at the 1981 price level in 2001 would be Rs 1,032 and the per capita income per year at 6% annual growth rate would be Rs 3,285 (in 1980-81, it was Rs. 1,627).

Apparently, the per capita income is enough to meet the consumption needs of the people. If the population can be restricted to 945.4 million by 2001, then the per capita income would be Rs. 2,320 instead of Rs. 2,038. This would reduce the pressure on food, education and health services, while there would be income available for development.

If the present inequality of income perpetuates, the lowest 30% people will be below the poverty line Moreover, it is estimated that our population will be about 1032 million by 2001. As such, its impact on the per capita income will be profound and the number of people living below the poverty line is bound to increase It is, therefore, essential that all efforts towards population control must continue.

There is a relationship between poverty and *age structure* of the country's population too One study in the United States in 1973 showed that out of 230 lakh poor people, 33 5 lakh or 14 5% were more than 65 years of age In India also, out of about 2,727 lakh poor people in 1984-85, 7% were old Those above 60 in India today number over 4 75 crore and this figure is likely to swell to 7.56 crore by the year 2001. The life expectancy in India has increased from 32 45 years in 1941 to 54 years in 1981 and 60 years in 1991 because of which the number of old people in these 40 years has increased greatly. Though attaining the age of 55, 58 or 60 years does not make a person incapable of work but after retirement it is not easy to gain employment. A person has, therefore, to depend on his children for economic support unless he gets pension/provident fund. Thus, the poverty of the old people is forced and involuntary.

Poverty is related to *health* also. If a person is healthy, he is not only able to earn but he spends less on his sickness If large number of people in the country suffer from chronic malnutrition or live in an insanitary environment, they suffer from many diseases which makes them incapable of working and earning.

Poverty is correlated to *increase in family size* as well. The larger the family, the lower the per capita income and the lower the standard of living. The average size of an Indian family is estimated to be 4.2 at present.

Lastly, the *educational level* of the people in the country also contributes to poverty. One study in the United States in 1973 revealed that the average annual income of a person educated upto eighth standard was 6,465 dollars, a person educated upto tenth standard earned 11,218 dollars, and a person who was a graduate earned 15,794 dollars. In India, 52.1% people are educated in 1991 whereas in 1981, the literacy rate in our country was 36.2%. In absolute terms, the number of illiterates was 40.33 crore in 1981. Of the literate persons, the number of graduates and post-graduates or holders of technical degree/diploma is very small. No wonder that the income of large number of people is found low.

Social Causes

Discrimination, prejudices, casteism, communalism and parochialism, also affect employment opportunities and the gross income. Imbalances based on regionalism in India point out difference in income in different states. Punjab, Haryana, Maharashtra and Gujarat are more developed than Bihar, Uttar Pradesh, Rajasthan or Orissa. No wonder then, in 1981 when the number of people living below poverty line in Orissa was 66.4% (of the total population of the state), in Bihar it was 57.5%, in Madhya Pradesh it was 57.4%, in Haryana it was 24.8% and in Punjab it was only 15 1% Similarly, when the per capita income in 1981 (on 1970-71 price level) in Punjab was Rs. 1,298, in Haryana it was Rs. 973, in Gujarat it was Rs. 786, in Rajasthan it was Rs. 542, in Orissa it was Rs. 501, in Madhaya Pradesh it was Rs. 494 and in Bihar it was only Rs. 43 At the then existing prices, the per capita income in 1986-87 in different states was : Punjab - Rs. 4719, Haryana - Rs. 3925, Uttar Pradesh - Rs. 2146, Madhya Pradesh - Rs. 2020, Orissa - Rs. 1957, Rajasthan - Rs 2150, Maharashtra - Rs. 3793, Gujarat - Rs. 3223, Tamil Nadu - Rs. 2732, Kerala - Rs. 2486, Andhra Pradesh - Rs. 2344, and Bihar - Rs. 1802

B. N. Ganguly has given the following causes of poverty in India · foreign rule and exploitation of a class society, over-population, lack of capital, high illiteracy, lack of ambition and economic motivation, poor health and lack of stamina in hot climate, lack of committed and honest administrators, outmoded social system with lack of social and economic mobility, and an exploitative land system that keeps the cultivators in a state of utter stagnation.

Climate is another reason for poverty. The hot climate reduces the capacity to work hard.

Colonial legacy is also responsible for poverty, for the colonial masters enforced backwardness for reasons of commercial interests. They destroyed the self-confidence of the people and created a habit of dependence.

The *wars and threats of wars* also force the state to spend huge amounts of money on defence instead of development. After Independence, India had to fight wars with China and Pakistan. Constant threats from some neighbouring countries force the government to spend about 15% to 25% of its total national income on defence. In 1989-90, out of a total non-plan expenditure of Rs. 54,347 crore, Rs 9,093 crore were spent on defence reducing the percentage of expenditure from 27 17 in 1988-89 to 16 7 in 1989-90 (*India 1990* : 568). India has become the fourth country in the Third World to indigenously produce war planes, ships, armoured vehicles and missiles—the four categories of major weaponry systems.

Concluding the discussion on the causes of poverty, my feeling is that poverty in India needs to be perceived in relationship to three factors: (i) diverse historical and cultural roots of Indian attitudes, ideas, beliefs and values, that is, peoples' strong linkages with the past, (ii) fundamental relationship between the biological and psychological characteristics of man, and (iii) changes in Indian society pertaining to public policy, particularly during and after the British Rule. As such, if poverty existed in India, it was because of the economic policies of the British government, lack of incentives to the people, lack of education and technological knowledge, lethargy, callousness and exploitation of the rural people, and religious and social barriers to control the family size. If after Independence efforts are being made to contain poverty, it is through family planning, new industrial and agricultural policies, spread of education, and giving subsidy and training to the needy people.

Problems of the Poor and the Pains of Poverty

After 40 years of planning, India is still one of the poorest countries in the world Other countries, much smaller than India, have surged forward. Of the world's poor, every third person is an Indian, and the number is on the increase

Some of the variables on which the poor differ from others are degree of participation in the labour force, kind of employment, characteristics of family, degree of knowledge of the larger society, political awareness, awareness of social and economic rights, and value orientations in politics, religion and social customs. Rossi and Blum (1969 : 39-41), however, maintain that the poor are different but in matters of degree rather than of kind

The important problems the poor in our society face are: (1) social discrimination and social condemnation, (2) housing, and (3) sub-culture of poverty.

Social Discrimination

The employers, the rich, the officials and even the government looks down upon the poor. They are considered lethargic, inefficient and a burden on the society. They are harassed, humiliated and discriminated against at every level. Being unrepresented and powerless, they are always the targets of attack and hostility by the powerful. They have to face the challenges of illiteracy and social prejudice. They lack collective power and whenever they make an effort to unite at the local or micro level against the politically, economically and socially stronger sections of the society (who appear to threaten their dominance) they are crushed. They have to pay a higher interest rate for credit. They are accused and labelled as indisciplined, immature, having very little foresight. They receive little or no attention in offices they visit. Whenever a theft or crime is reported to the police, the police first rush to the areas inhabited by the poor as if it is only the poor who commit crimes. They are rarely considered reliable, dependent and trust-worthy. The hostile attitude of the society at every stage thus, lowers their self-image, creates in them a feeling of inferiority and curbs their efforts of gaining means to help themselves.

Housing

Houselessness, overcrowding, slums and rental laws are serious problems in urban areas. The family's dwelling unit and the neighbourhood within which it is located are important elements in the problems associated with poverty. The houses of the poor are not only over-crowded but lack privacy. The importance of the housing design on the family is suggested by the postulation of two polar types of family values: the *familistic* type and the *emancipated* type. The former is characterised by strong feelings of fulfilling family obligations, providing support and security to old, infirm and the unemployed in the family, identification with family traditions, common efforts of members to achieve family goals, and concern for family status The latter emphasises personal pursuit of individual goals, restricted obligations to family, and subordination of family welfare to individual welfare. In addition to the position of the family in a continuum between these polar types of values, the neighbourhood too has an influence on the members' relations outside the home. In urban slums, a considerable portion of family life is conducted outside the dwelling unit The drabness of the houses drives the children out into the streets creating problems for the parents in controlling their children. The existing space does not permit proper sleeping arrangements and forces an invasion of privacy Family tensions also affect their personality as well as their behaviour; self-respect is eroded and cynicism fostered. Poverty forces living in the substandard houses and leaves little for the prerequisites of decent living. The deficient housing contributes to the weakening of family solidarity also.

Subculture of Poverty

When poverty is transmitted over generations, it becomes a culture, according to Oscar Lewis. Lousi Kriegberg (1963 : 335-336) has said that although the membership of the poor changes to an important degree over the generations, the successive generations resemble each other in behaviour and values as a product of the common experiences of being poor and of being subjected to similar social pressures. The children of the poor inherit a subculture of violence in which physically aggressive responses are either expected or required by all members. The use of violence in such a subculture is not viewed as illicit conduct and the users do not have to deal with feelings of guilt about their aggression Violence becomes a part of the lifestyle, the medium for solving difficult problems and is used primarily between persons and groups who themselves rely upon the same supportive values and norms. On the one hand, this subculture is seen as the effect of poverty, that is, it refers to the similarities in the behaviour and thinking patterns of the people, and on the other hand, it is seen as the cause of poverty.

The very instruments which had helped Indian economy to grow from infancy to maturity upto 1978 have now become the most serious impediments to its further development The chief among these are: (1) industrial licensing laws, (2) the controls on monopolies and foreign enterprises, and (3) differential treatment given to small industries. No wonder that in the last two years (1990, 1991), we find our government speeding up licensing procedures, relaxing import controls, and delicensing large sectors of industry. What is most needed for alleviating poverty is an assertive and aggressive outward-looking economic orientation in place of an inward-looking orientation. Today it is not sufficient to say we can produce some kind of a car or steel or cement that is good enough for our domestic needs. We must demand from ourselves that we should produce a car that can outsell the cars of Japan and Korea at least in markets that are closer to us than to them, and that we can produce steel and cement at prices and of quality that makes others want to buy from us.

After 40 years of Independence, the average real income per head is not even twice what it used to be. In many countries, it has increased five or six times and, in the case of Japan it is fifty times what it was immediately after the war. The disparities between the poor and the rich are much more in India than, say, in Europe or Japan. And these are increasing, instead of narrowing down. The average Indian cannot look beyond survival, and even bare survival is now in doubt.

The system cannot provide either incomes or jobs. Every fifth young Indian is unemployed and every fourth farmer is a destitute. And because there are not enough jobs to go round—and there will never be one as long as the present system continues—they are being rationed just like other commodities in short supply. 'Mandalisation' is nothing but a rationing system of jobs.

It has been clearly suggested by the three social scientists associated with the Mandal Commission that the report itself is phoney and that the very basis of classifying castes/classes as 'backward' is unscientific and based on spurious statistics. But the most diabolical part of the reservation system is the link-up between jobs and votes. In no other country are jobs linked with votes. This is bound to affect the economy and debase the system even further.

Though the government saved Rs. 10 crore every year by abolishing the privy purses of rulers, it is spending hundreds of crores every year on the politician *maharajas*. Today's rulers have grand lifestyles. The Chief Minister of a state uses the state aeroplane to fetch his personal *pyjamas* which costs the state over Rs. 16,000. The interior of head of the state's aircraft is so refurbished for foreign visits that it would put the most luxurious hotel in the world to shame. The Prime Minister spends a holiday on an island with the Indian Navy standing by, specially flown-in cooks and brand new air-conditioned cottages. The wife of Chief Minister of a state gets a specially renovated main suit of the State Bhawan (all expenses paid) and a full-time state government car on being elected to the Lok Sabha. Her official residence is used by her political party. A junior Central Minister spends Rs 3,000 for a single evening's entertainment at a five star hotel and when the news is leaked out, the statement is given that it was his security personnel who indulged in the bout of expensive drinking. A senior Union Minister in the government, which lasted only eleven months, allegedly hailed a private taxi from the Provident Fund Office and sent it to his house so that his private staff could fetch vegetables from NOIDA. The amount of petrol this taxi consumed for this single task seems to be an irrelevant issue for the honourable minister. Perhaps, it were these petty acts of our politician rulers that triggered off the slogan "Mera Bharat Mahan". But then who will dare to attack these political *maharajas* who claim to be the nation's policy-makers ?

When the policies of the top rulers of the country are based on arrogance, self-righteousness and obduracy; when they think that 'they' are the only persons in the large country who have any feelings for the 'oppressed'; when they govern on the basis of caste versus class, rural versus urban, community versus community; when they have proved to be the 'divisive force' in the country; when their single-minded resolve to stay in office spawns blood-letting and acts of self-immolation; when the system has collapsed and become highly centralised and highly politicized and all political decisions are taken by a pack of power-hungry, unscrupulous and corrupt decision-makers; when the national income is not growing fast enough ; and when the political leadership is bankrupt, how can we expect that poverty in our country will ever be alleviated and sufferings of the poor be mitigated ?

Anti-poverty Strategies

After Independence, the central and state governments have adopted the following important measures to reduce poverty: (1) Five Year Plans, (2) Nationalisation, (3) 20-point Programme, and (4) IRDP, NREP, Antyodaya and the Jawahar Rozgar Yojna programmes. We will discuss each of these measures separately.

The Five Year Plans

The Planning Commission set up in 1950 has been formulating Five Year Plans for India's development taking an overall view of the needs and resources of the country The First Plan was started in April, 1951 and the Third Plan ended in March, 1966 After this, there were three one year plans from April, 1966 to March, 1969. The Fourth Plan started in April, 1969 and the Eighth Plan is supposed to have been started in 1991.

The *First Five Year Plan* (1951-56) was designed to rectify the imbalances created by the Second World War and the partition of the country in 1947 and the maladies persisting in the economy as a legacy of the British Raj. Though the Plan aimed at achieving an all-round balanced development, it accorded top priority to agriculture and irrigation investing 44.6% of the total Plan budget on this sector. This was to reduce the country's dependence on agricultural imports and save foreign exchange. The industrial sector was not assigned much importance in this Plan and less than 5% of the Plan outlay was spent on industries. However, the Plan did give some importance to the development of power, rural development (community projects) and development of social welfare programmes. Of the total budget of the Plan (Rs. 2,378 crore), only two-thirds (65.6%) was actually spent. At the end of the plan, the country's national income increased by 18% and per capita income by 11%.

The *Second Five Year Plan* (1956-61) aimed at achieving rapid industrialization of the economy and bringing about greater equality in income and wealth for the establishment of a socialistic pattern of society in India. It stressed that the benefits of development should accrue more to the relatively less privileged sections of society and that there should be a progressive reduction in the concentration of income. It focussed on the growth of basic and heavy industries, expansion in employment opportunities and increase of 25% in the national income. The total amount spent during this Plan (Rs 4,672 crore) was double the amount spent in the First Plan However, the performance of the Plan did not justify the hopes that had been placed on it Achievements in almost all the sectors of the economy were lower than the Plan targets. Consequently, as against a near 13% fall in price-index during the First Plan, the Second Plan witnessed a 12.5% rise in price level.

The *Third Five Year Plan* (1961-66) aimed at securing a marked advance towards self-sustaining growth. It listed a set of five objectives, namely, increase in annual national income by 5%, self-sufficiency in agriculture, growth of basic industries (like steel, power, chemicals) maximum use of manpower resources, and decentralization of economic power. Agriculture was once again given top priority and about 35% of the outlay was allocated to this sector. As compared to this, 23% was accounted to industries and 25% to transport and communications. The plan aimed at increasing the national income by about 30% and the per capita income by about 17%. The total amount spent during the Plan (Rs 12,767 crore) was 9% more than the allocated amount (Rs. 11,600 crore).

The performance of the Third Plan was also as disheartening as that of the Second Plan Over the five year period, the national income grew by 2 6% as against the target of 5% In the agricultural sector also, the production suffered a set-back The industrial production turned out to be 7 9% as compared to the target of 11%. The price index in 1965-66 was 32% higher than in 1960-61 The Indo-Pakistan War, the Sino-Indian conflict, and the successive failures of the monsoon were the factors beyond human control. The shape of the economy was in fact so bad at the end of the Third Plan that the Fourth Plan which was to be launched in March, 1966 had to be abandoned and was replaced by three *Annual Plans* The three year period between 1966 and 1969, sometimes described as a period of 'Plan Holiday', was devoted to rectifying the ills that had crippled the planning process during the operation of the Third Five Year Plan The main objective of the three Annual Plans was to continue the unfinished tasks of the Third Five Year Plan

The *Fourth Five Year Plan* (1969-74) aimed at increasing national income by 5.5%, creating economic stability, reducing inequalities in income distribution, and achieving social justice with equality. Simultaneous growth of both agricultural and industrial sectors was fully recognised under the Fourth Plan Though the total amount spent during this Plan was Rs 22,862 crore , this Plan could not ensure economic growth. Neither could it achieve self-sufficiency in food-grains, nor could the generation of employment opportunities make any significant dent in the widespread unemployment problem. The inflationary situation was also aggravated. With 1960-61 as the base, the wholesale price index jumped from 165.4 in 1968-69 to 281.7 by the end of 1973-74, an increase of 70% in a five year period.

The *Fifth Five Year Plan* (1974-79) was formulated when the economy was facing severe inflationary pressures. It mainly aimed at removal of poverty and attainment of self-reliance. The aim was to bring larger sections of the poor masses above the poverty line by assuring a minimum income of Rs 40 per person per month calculated at 1972-73 prices The Plan also aimed at an increase in employment opportunities, self-sufficiency, policy of minimum wages, removal of regional imbalances, and encouragement of exports The Plan targeted an annual growth rate of 5.5% in the national income

The Plan ended during the Janata regime in 1978 instead of 1979 and the Sixth Plan was started as the Rolling Plan. But when the Congress once again came into power in 1978, the period of the Fifth

Plan was described as being from 1974 to 1979. The Fifth Plan was uniquely unlucky. It was indeed a collection of annual development programmes. It could not achieve its targets in any field, except in the increase of foodgrains.

The *Sixth Five Year Plan* (1980-85) was formulated after taking into account the achievements and shortcomings of the past three decades of planning. Removal of poverty was the foremost objective of the Plan, even though it was recognized that this objective could not be achieved in a short period of five years. Stress was laid on economic growth, elimination of unemployment, bringing down of inequality in the distribution of income, self-sufficiency in technology, raising the life-styles of the weaker sections of society, improving the public distribution system and control of the increasing population. The total amount spent during this Plan was Rs. 1,58,710 crore.

This Plan made a fairly convincing success. The growth target of 5.2% envisaged in the plan was actually exceeded. According to NSS (National Sample Survey), the proportion of people living below the poverty line declined from 48.3% in 1977-78 to 36.9% in 1984-85.

The *Seventh Five Year Plan* (1985-90) had three priorities of increasing food, work and productivity. With its emphasis on generating substantial productive employment, the Plan aimed at a significant reduction in the incidence of poverty and an improvement in the quality of life of the poor. The poverty ratio was expected to decline from 37% to 26% by 1990. The plan had a total allocation of Rs. 1,80,000 crore (Rs. 3,48,148 crore at 1989-90 prices). However, this Plan also failed totally in achieving its targets. There was a severe setback on the agricultural front, in the manufacturing sector, in creating employment, and in the balance of payments position of the country.

The *Eighth Five Year Plan* (1990-95) which had not been finally approved by the government till June, 1991, is expected to have a budget of over Rs. 6 lakh crore at 1989-90 prices. This means that the country will be spending about Rs. 120 thousand crore a year or about Rs. 2,500 crore a week. Half the amount will be spent by the government, and the other half by private industries and business.

The Plan is supposed to be oriented towards employment generation. More investment is supposed to be made in small industries which are expected to be job-intensive. The Plan aims at achieving an overall GDP (Gross Domestic Product) growth rate of 5.5% to 6.5%, agricultural growth rate of 5%, industrial growth rate of 12%, service sector growth rate of 8% to 10% and export growth rate of 10%. The Plan size is nearly the double of the previous plan but then all plans have been twice the size of the previous plans. The growth rate is targeted at 5.5%, which is also more or less what the previous plans aimed at. The fact that they rarely reached the target except in the First and the Seventh Plans is a different matter. The Eighth Plan is thus not different from the earlier plans, and its results will be no different either. It has now been decided to start the Eighth Plan from April, 1992.

Assessment of Five Year Plans

If we make an appraisal of all the seven plans, we find that we have completed about four decades of planning. All our plans have been oriented towards something, sometimes self-reliance in agricultural production, sometimes employment, sometimes industrial growth, and so on. But poverty and unemployment have always increased.

During this period of 40 years, the average rate of economic growth has been 3%. Though it is not bad in comparison to the world's average of 4%, it is definitely poor in comparison to the average of the developing countries of 7%-10%. During 1951 to 1991, our annual national income has increased by about 3.5%, agricultural production by 2.7%, industrial production by 6.1%, and the per capita consumption by 1.1%. Though the government claims that the number of people below the poverty line has come down to 28% in 1989 but since the number of unemployed people has increased, we cannot concede that poverty has been contained. No wonder, more people feel frustrated today and the number of agitations is increasing every year.

The Eighth Plan will pour thousands of crores of fresh money into heavy industries, small industries, power stations, oil refineries fertiliser plants, irrigation systems, transport units and so on. But will this money make any dent in the percentage of unemployment and poverty ? Will it improve the quality of life of the poor ? We have to wait and watch before we decide to give planning a long holiday. The countries that have done better are those which have no Planning Commissions and have no plans. Japan and Germany are two amongst them and both have progressed considerably.

Nationalisation

The policy of nationalisation was adopted in 1969 when 14 banks were nationalised. This was followed by the nationalisation of coal mines in

1972 and the government's taking over the control of a big private iron and steel company and a wholesale business in foodgrains. The nationalization aimed at granting credit to weaker sections. It is true that the credit share of agriculture, small-scale industry, professionals *and transport operators has risen sharply from 14% in 1969 to nearly* 33% in 1980 and 42% in 1988, and the banks have helped modernize the village economy, but nationalisation has some negative side effects too. Judged from the standpoint of efficiency, the quantum of profits, the standard of service to the general public or even deposit mobilization, the banks have not been the pace-setters the government claims them to be. Lack of efficiency, initiative and commitment have been the casualities of nationalisation. Only in two areas—branch expansion and grant of credit to the weaker sections—have the banks done better than expected. The loans advanced by the banks are not given to the really needy people but are sanctioned to people having some political backing. Most of these loans are never recovered. In 1990, when the National Front government came to power, it announced the policy of waiving loans below Rs. 10,000 of the farmers. While the Central and State governments were to share the burden, the Centre's liability alone was expected to vary between Rs. *2,600 crore and Rs. 3,000 crore. The entire farm-loan waiver scheme* cost the exchequer more than Rs. 10,000 crore. Many economists had described this policy as being detrimental to the country. Even the Reserve Bank Governor had said that it was going to cause harm to the economy.

20-Point Programme

Indira Gandhi propounded this programme in July, 1975 for reducing poverty and economic exploitation, and for the upliftment of the weaker sections of the society The five important goals of this programme were: (a) controlling inflation, (b) giving incentive to production, (c) welfare of the rural population (d) lending help to the urban middle classes and (e) controlling economic and social crimes. The programmes included in the 20-point Programme were: increase in irrigational facilities, increase in production programmes for rural employment, distribution of surplus land, minimum wages to landless labourers, *rehabilitation of bonded labour, development of Scheduled* Castes and Scheduled Tribes, growth of housing facilities, increasing power production, family planning, tree plantations, extension of primary health facilities, programmes for the welfare of women and children, increase in primary education, strengthening of the distribution system, simplification of industrial policies, control of black money, betterment of the drinking water facilities, and developing internal resources.

The programme was discontinued with the change of government, when the Janata Party became the ruling party at the Centre. However, in January, 1982, the programme was again implemented with a revised format Among other things, the revised programme included an increased tempo of rural development and a direct attack on rural poverty, besides specific schemes for the upliftment of the Scheduled Castes and Scheduled Tribes.

In the light of the experience gained in the Sixth Plan period (1980 - 85) the 20-point Programme was restructured and revised in August 1986. This restructured programme aims at eradicating poverty, raising productivity, reducing income inequalities, removing social and economic disparities and improving the quality of life. The 20-point Programme in the restructured plan of 1986 contains the following commitments: attack on rural poverty, strategy for rain-fed agriculture, better use of irrigation water, bigger harvests, enforcement of land reforms, special programmes for rural labour, clean drinking water, health for all, two-child norm, expansion of education, justice to Scheduled Castes and Scheduled Tribes, equality for women, new opportunities for youth, housing for the people, improvement of slums, new strategy for forestry, protection of the environment, concern for the consumer, energy for the villages, and a responsive administration.

The fact that the rural people and the urban poor are more discontented and feel more frustrated today points to the failure of the 20-point Programme in fulfilling its commitments.

IRDP, NREP, Jawahar Yojna and the Antyodaya

Several poverty alleviation programmes have been launched by the government for the rural poor, comprising the small and marginal farmers, landless labourers and rural artisans. The important programmes currently functioning are shown in Table 2.3 :

Table 2.3: Poverty Alleviation Programmes for the Rural People

Programme	*Outlay (1985-90) (Rs million)*	*Coverage (Blocks) Total 5,092*	*Elements*
IRDP	32,290	All	Subsidised loans for self-employment
NREP	24,870	All	Wage-employment in slack season
RLEGP	17,440	All	80 - 100 days of wage-employment to every landless household
MNP	43,550	All	Minimum facilities of elementary and adult education, health and family planning, nutrition, roads, drinking water and house-sites for the landless
DPAP	2,370	615	Area development of drought-prone areas
DDP	2,450	132	Area development of hot and cold deserts
CDPR	3,522	All	Communal facilities and expenses for PR institutions
Land reform	3,960	All	Redistribution of land
Jawahar Yojna	Started only in April, 1989	All	Employment for 50 - 100 days in a year to at least one member in poor family

We will discuss each of these programmes separately.

SFDA and MFAL

In the Fourth Five Year Plan (1969-74), two schemes—Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labour (MFAL)—were introduced to make small and marginal farmers economically self-sufficient by raising the productivity of smaller holdings and by improving the lot of landless agricultural labourers by generating employment through subsidiary occupations. A Rural Work Programme (RWP) was also started to provide employment in areas where drought was a recurring feature. During the Fifth Five Year Plan (1974-79), the SFDA and the MFAL were merged into a single scheme and their territorial coverage expanded. The RWP was reoriented as Drought Prone Areas Programme (DPAP). All these programmes were replaced by a new IRDP programme in 1978-79 to generate additional employment and to raise the income level of the identified target groups consisting of small and marginal farmers, share croppers, agricultural labourers, rural artisans, and Scheduled Castes and Scheduled Tribes.

IRDP

The Integrated Rural Development Programme (IRDP) is a major instrument of the government to alleviate poverty. Its objective is to enable selected families to cross the poverty line by taking up self-employment ventures in a variety of activities like agriculture, horticulture and animal husbandry in the primary sector; weaving and handicrafts in the secondary sector; and service and business activities in the tertiary sector.

The aim of the IRDP is to see that a minimum stipulated number of families are enabled to cross the poverty line within a given investment and in a given time-frame. Thus, the three variables involved are: (a) number of families, (b) the resources available for investment, and (c) the time-span over which the investment would yield an income which would enable the family to cross the poverty line.

The IRDP was launched by the Centre in March, 1976 in 20 selected districts, but from October, 1982 it was extended to all the 5,011 blocks in the country This programme considers the family as the basic unit of development. Under this programme, during the Sixth Five Year Plan (1980-85), against a target of assisting 15 million families, 16.5 million families were assisted for improving their economic conditions and rising above the poverty line. The Seventh Plan envisaged an outlay of Rs. 2,643 crore and the targeted coverage was 20 million (10 million old and 10 million new) beneficiaries. Upto the end of 1985, a family was considered 'poor' if its annual income was Rs. 3,500 irrespective of the number of family members. But on 16 December, 1985, this definition was changed and accordingly 'poor' was defined as one whose annual income was Rs. 6,400 and the quantum of assistance was also raised from Rs. 3,000 to Rs. 6,000 per family.

The Reserve Bank of India (RBI), the National Bank for Agriculture and Rural Development (NABARD), the Institute of Financial Management and Research (IFMR), Madras, the Programme Evaluation Organisation of the Planning Commission (PEO) and a number of other institutions have undertaken studies with respect to the implementation and working of the IRDP. Since most of these studies are based on the experience of the initial years of the programmes, their findings do not give a clear picture. At the most,they point out the flaws in the implementation of the programme. None of these studies have questioned the utility of the programme.

The main criticisms against this scheme are: (1) The poorest are largely excluded. This is mainly because of three factors: (a) the poor are unable to pay large bribes, fill up complicated forms, influence the village headman and find the 'guarantors' for themselves, (b) bank officials are often reluctant to deal with poor borrowers because they believe—rightly or wrongly—that giving loans to the poor is risky since recovery is often used as a major indicator of the performance of a particular branch of a rural bank, and (c) the poor themselves take less interest in the programme because they are afraid of being cheated or of not being able to repay. (2) There is too much corruption, misuse and malpractice in the implementation of the loan programme. The loans are often misallocated with little apparent violation of the guidelines of the schemes for (a) the guidelines make it clear that for fair allocation of loans, *Gram Sabha* (village assembly) meetings should be convened for selecting the beneficiaries but in practice this does not happen because the village headman and the *Gram Sevak* act as the intermediaries between the villagers and the administration; (b) bribing is a *sine qua non* of obtaining a loan; and (c) household surveys on which the list of eligible households are supposed to be based are not conducted. (3) The IRDP loan neither raises the living standards of the beneficiaries nor does it have any impact on rural poverty by raising the number of people above the poverty line. This has been indicated by several studies conducted in Rasjasthan, Gujarat, West Bengal, Uttar Pradesh and Karnataka.

This also does not mean that the existing poverty alleviation programmes of the government need to be dispensed with. The government cannot abdicate its responsibility. It has only to concentrate more on programmes of employment generation and removing corruption to enable the disadvantaged group to get the real benefits of the existing schemes.

TRYSEM

The scheme of Training Rural Youth for Self Employment (TRYSEM) was started on August 15, 1979, to provide technical skills to the rural youth to enable them to seek employment in fields of agriculture, industry, services and business activities. Only youth in the age group of 18-35, belonging to families living below the poverty line (with consumption expenditure of less than Rs. 6,400 per family per year or Rs. 535 per family per month or less than Rs. 107 per person per month) (*India,1989* 296) are eligible for training Priority for selection is given to Scheduled Caste and Scheduled Tribe persons, ex-servicemen and those who are ninth pass One-third seats are reserved for women. Stipend to the trainees ranges from Rs. 75 to Rs. 200 per month.

NREP

The National Rural Development Programme (NREP) was planned for creating additional employment opportunities in the rural areas with the help of surplus foodgrains Initially this programme was called Food for Work Programme (FFWP) It was drawn at the end of 1976-77 but it actually came into effect on April 1, 1977. Under this Scheme, 44 million mandays of employment were created in 1977-78, 355 million in 1978-79 and 534 million in 1979-80 by utilising 1.28 lakh tonnes, 12.47 lakh tonnes and 23.45 lakh tonnes of foodgrains respectively in the three years. The works undertaken were flood protection, maintenance of existing roads, provision of new links, improvement of irrigation facilities, construction of *panchayat ghars*, school buildings, medical and health centres and improvement of sanitation conditions in the rural areas

On finding certain shortcomings in the programme, it was restructured in October, 1980 as part of the Sixth Plan (1980-85) and is now known as NREP. It takes care of those rural poor who largely depend on wage employment and virtually have no source of income in the lean agricultural period. The important points on which stress is laid in the implementation of this programme are: (1) 10% allocation is earmarked exclusively for drinking-water wells in Harijan colonies and community irrigation schemes in Harijan areas. Likewise, another 10% is earmarked for social forestry and fuel plantations. (2) Only such works are undertaken which have some durability. (3) Allocations are made both at inter-state and inter-district/block levels. The central government releases the state's share of the NREP allocation in cash every quarter. (4) Maintenance of assets created under this programme is the responsibility of the state governments. (5) *Panchayati Raj* institutions are actively involved in this programme

Around Rs 980 crore was provided for this programme during the Sixth Plan (1980-85) in the Central Plan. During 1980-81, that is, the first year of the Sixth Plan, the entire cost of the programme (Rs. 340

crore) was borne by the Centre. From 1981-82, the states are sharing 50% of the cost. However, the NREP schemes could only generate 700 million mandays of employment (in Sixth Plan period) which meant that it could provide 8% to 10% of full employment to the rural poor. The Seventh Plan (1985-90) assisted another 20 million families.

Antyodaya Programme

'Antyodya' means development (*udya*) of the people at the bottom level (*ant*), that is, the poorest of the poor. This programme was initiated by the government of Rajasthan on October 2, 1977 for special assistance to the people below the poverty line. The idea was to select five of the poorest families from each village (out of 33,000 villages) every year and to help them in their economic betterment. Initially, a random survey was undertaken in 25 villages situated in different ecological regions of the state and information about individual families with regard to indebtedness, dependency ratio, physical assets of land, cattle, occupation, educational level, income and size of the family was collected. Thereafter, a detailed scheme of Antyodaya was drawn up. The economic criterion, in order of priority, for the selection of the poor families was laid down as: (1) families under severe destitution without any productive assets and with no member in the age-group of 15-59 years capable of any economic activity; (2) families without any productive assets of land or cattle but having one or more persons capable of working and with a per capita income upto Rs. 20 per month; (3) families having some productive assets with per capita income upto Rs. 30 per month; and (4) families having a per capita income upto Rs. 40 per month.

The task of identification of the families was entrusted to the village assembly (*gram sabha*). Under this scheme, the help was given in the form of allotting land for cultivation, monthly pension, bank loan or help in getting employment. Each selected family was given a pension of Rs. 30-40 per month. A bank loan was sanctioned for purchasing bullocks, carts, animal husbandry (purchasing buffaloes, cows, goats and pigs), basket making, purchasing carpentry tools, opening a tailor's shop or a tea-shop or a barber's shop or a grocer's shop and for manufacturing activities like soap-making and *niwar* making.

The administration of the Antyodaya scheme was entrusted to the collectors at the district level, and to the Agriculture Department at the state level. The Rajasthan Government had a plan of helping six lakh and six thousand families in five years from 1978 to 1982 under this scheme with a budget of Rs 187 crore Of this amount, one-third (Rs. 61 crore) was to be given as pensions, about two-third (Rs. 117 crore) as loans, and 4% (Rs. 9 crore) as help (subsidy and loan) through the Khadi Boards Under this scheme, upto 31 December, 1980, out of the total families (Rs. 2 61 lakh) identified, 83% (Rs. 2.17 lakh) were assisted 29.0% of the selected families were allotted land, 40.5% were given loans, 21 7% were given social security benefits and 8.8% were provided employment and other benefits (Mehta, 1983 : 347)

The Government of Rajasthan, however, revived the programme in 1981. It selected 1,800 families below the poverty line in every block for benefiting them during a period of three years. Social security benefits and land allotment have been taken out of the assistance package.

Following in the footsteps of the Rajasthan Government, Uttar Pradesh and Himachal Pradesh also launched the programme on the same model in 1980 But the political changes in the states affected the programme. It may now be said that by and large this scheme has been a total failure The main reasons for failure were: partiality in selecting the families, lack of cooperation on the part of the officials, delay in the payment of loans, and neglect of the after-care work. The Rajasthan Government, however, has reintroduced the scheme since September, 1990 in the State

RLEGP

The Rural Landless Employment Guarantee Programme (RLEGP) is different from the Antyodaya Scheme While the latter aims at raising the productive capacity of the identified families, the former aims at providing supplemental employment to the poor on public works at a very low wage of Rs. 3 per day Maharashtra is one state which has used the Employment Guarantee Scheme (EGS) for the unemployed in rural areas by levying EGS surcharge on collections of land revenue, sales tax, motor vehicles tax, irrigated holdings, and on professionals. The amounts so collected, with matching contributions from the state government, are credited to an EGS fund for taking up employment works.

MNP

The Minimum Needs Programme (MNP), taken up in 1974-75 as an integral part of the Fifth Five Year Plan, included within its scope elementary and adult education, rural health, water supply, road building, electrification, houses for landless labourers, nutrition in rural areas and environmental improvement of the urban slums. The amount allocated for MNP in the Fifth Five Year Plan (1974-79) was Rs. 1,518 crore, and in the Sixth Plan (1980-85) it was Rs. 5,807 crore. In the Sixth Plan, of the total amount, 34.5% was spent on rural water supply, 20.1% on rural roads, 17.8% on elementary and adult education (enrolling children in 6-11 and 11-14 age groups in schools and giving formal education to adults), 9.8% on rural health (establishing Primary Health Centres and Community Health Centres and increasing the number of C.H. Volunteers), 6.1% on rural housing to the landless labours, 5.2% on rural electrification, 3.8% or nutrition (mid-day meals to children and health care of pregnant women), and 2.6% on improvement of urban slums (Centre for Policy Research, 1983 · 464).

Garibi Hatao and Bekari Hatao Programmes

The *Garibi Hatao* slogan was given by Indira Gandhi in March, 1971 at the time of national elections while the *Bekari Hatao* slogan was given by the All India Congress Committee (AICC) at its annual session in April, 1988. Infact, the Congress party had been talking of 'socialism' since the 1950s. It declared 'socialism' as its main goal in its Avadi session of 1955, Bhubaneshwar session of 1964 and Kamraj Nagar session of April, 1988. But to what extent the Congress Party was able to work upto 1988 for this goal is indicated by the fact that more than 10 lakh people in our country are living by begging and about half a lakh people are surviving on donated blood.

Jawahar Rozgar Yojna

This programme was announced in April, 1989. Under the scheme, it is expected that at least one member of each poor family would be provided with employment for 50 to 100 days in a year at a work place near his/her residence. About 30% of the jobs under this scheme are reserved for women. All the rural wage employment programmes (like the IRDP, the REP, and the RLEGP) were merged in this Yojna Central assistance to the Yojna is 80%. The Scheme has been implemented through the village panchayats. *Panchayats* with a population ranging between 4,000 to 5,000 persons are given an annual financial assistance from Rs. 0 80 lakh to Rs. 1 lakh. The expenditure on this scheme in 1989-90 was Rs. 2,100 crore and in 1990-91 was Rs. 500 crore. The Yojna covers 46% of the population.

Critical Evaluation of the Anti-poverty Programmes

The government's poverty alleviation programmes are hampered mainly because of haphazard planning Secondly, despite the fact that the government has given top priority to agricultural production and productivity, removal of social and economic disparities and reduction in income equalities, the fruits of these schemes have not reached the poorest in all parts of the country. Water resources, credit, subsidy in fertilisers and other facilities have been usurped by a handful of big farmers and the medium and poor farmers have to buy these things at a much higher price. Thirdly, there is no coordination among various programmes After the merger of various employment programmes into the Jawahar Yojna, the government is now able to pass on the funds to the *panchayats* in time. Fourthly, the officials associated with these programmes do not appear to have much faith in the goals set by the government, with the result they lack commitment to the roles assigned to them As such, they take the least pains either in creating the necessary awareness among the people for the success of these programmes or in getting their cooperation and confidence. No wonder, the government has not been able to use even the available resources in the most effective manner. Fifthly, the central funds in Jawahar Yojna are diverted for party purposes by the states For example, one of the studies has revealed that Rs. 30,000 sanctioned by the central government for new irrigation wells in Nalgonda district in Andhra Pradesh were swindled by the Telugu Desam Party members and not a single well was sunk Planning by itself is not enough What matters most is sincere and honest efforts on the part of the implementing agencies in making the anti-poverty drive a big success.

Effective Measures in Poverty Alleviation

The Leftists feel that a mixed economic system in the country is a barrier in reducing poverty. The absence of a minimum wage policy has increased discontentment among the labourers who today take more interest in strikes than in increasing production The capitalists think that lack of free licensing policy has hampered industrial growth. The socialists maintain that measures like control over prices of manufactured commodities, fixing the profit-margin of industrialists, action against black money, and control over urban property will alleviate poverty in the country. Intellectuals and some economists believe that change in the tax structure, control over conspicuous consumption, reduction in administrative expenses, change in the distribution system and added incentives to medium class entrepreneurs will contain poverty.

Broadly speaking, the measures for alleviating poverty can be classified into four groups: (1) those affecting the demand for workers; (2) those affecting the supply of labour skill; (3) those affecting the transfer of income; and (4) those affecting change in the existing social system. All these necessitate the following measures for eradicating poverty or at least reducing it significantly.

Creating Employment

The experience upto the end of the Seventh Plan has shown that certain kinds of economic activities do not create jobs. To this group belong all large industries, all industries using a lot of capital, and all industries which require import of machinery, components and raw materials. These industries only produce goods which increase the well-being of the upper and upper-middle classes. They generate little employment on which the poor depend. As such, small and cottage industries and agriculture in neglected areas, as employment generating sources, now need to be identified and the credit and tax incentives need to be channelised more intensely to these areas.

Creating employment by such means as the Jawahar Yojna (which now includes the EGS, the NREP and the FFWP) is not difficult. It does not require new production technologies. It only calls for initiatives in the political policy. If the estimated 20 million people who are unemployed and therefore also unproductive become productive in the process of being employed, they would become an enormous productive asset for the community.

Then, the people have to be motivated to adopt new techniques. Today, this task is not as difficult as it was four decades ago. Small farmers have started accepting extension methods and small entrepreneurs have become more responsive to technological innovations. The credit network has also become much stronger, enabling more people to adopt the newer methods of raising productivity.

Distributive Justice

The problem of poverty is not necessarily the problem of GNP growth only but of distribution also It is true that wealth has to be created before it is properly distributed among the different sections of the society but the modality and extent of development also determine the level of benefits that will trickle down to the poor who are the barometer of a society's development. And hence the necessity of the 're-ordering of priorities' for stopping the growing inequality between the rich and the poor Total egalitarianism in income and property may not be possible, but at least the laws can be so enacted and implemented that the rich do not escape the paying of taxes, and the land in villages may be protected from *benami* transfers and deals.

Man-land Ownership

While land cannot be increased, productivity can, by use of high technology. Even small holdings can be made profitable by proper irrigational facilities, use of modern techniques and by diversification. The man-land ratio in India fell from 0.15 hectare per person in 1965 to 0 13 hectare per person in 1975 and 0 12 hectare per person in 1988, but the dependence on land increased from 60% in 1970 to 70% in 1988 (Singh, 1988). Therefore, for a country to prosper, industry must absorb most working people. The share of agriculture in the U.S. national income came down from 69% in 1839 to 12% in 1928 and 4% in 1988. This has been the pattern in most developed countries

Controlling Population Growth

If India's population had been frozen by some miracle at the 1947 level (300 million), the growth achieved so far would have been enough to abolish poverty completely. What has accentuated poverty is the lack of modern outlook in the people Its one evidence is the rising fundamentalism and parochialism which today constitute a threat to the country's welfare, integration and progress. The primary task, therefore, should be to control population by persuasion, if we can, and by coercion, if we must. It is also the time to build a political consensus on population control Making education free and compulsory will also help in changing the outlook of the people which in turn is necessary for control over population

Elimination of Black Money

Black money is unaccounted money, tax-evaded, concealed income and undisclosed wealth Many ingenious ways are employed by industrialists, export houses, the film-industry, businessmen and the corporate sectors to hoodwink the taxman in the ongoing game of hide and seek. This money is usually spent on conspicuous consumption and corrupt practices to further generate income and wealth. The Wanchoo Committee appointed by the Union Government in 1970 to investigate the problem was of the view that tax-evasion and black money have reached such a stage in our country that they have become a menace to our economy and a challenge to the fulfilment of the avowed objectives of distributive justice and setting up of an egalitarian society. The latest report on black money was prepared by the National Institute of Public Finance (under the chairmanship of Shri Chelliah). The black wealth today is estimated at around Rs. 50 thousand to Rs. 60 thousand crore per year. According to this report also, the present structure of high rates of taxation and the range and complexity of control of the economic activities lead to the creation of tax-evaded income.

Decentralising Planning and its Execution

For the success of such programmes as the IRDP, the NREP, the RLEGP, the Jawahar Yojna and the Antyodaya, in the rural areas, it is necessary that they be planned by the village panchayats. Unless the planning and its execution is decentralised, unless the families living in poverty are identified by individual village panchayats at the local level, the programmes will not benefit the persons for whom they are made. In the urban areas also, the municipal councils should plan the self-employment programmes based on local resources and the skills of the slum dwellers. Decentralised plans alone can help in reducing and ridding ourselves of poverty.

Other Measures

For alleviating poverty; (1) It is necessary to ensure full participation and involvement of the people in development programmes. (2) The *panchayti raj* institutions should be strengthened so that they can become institutions of democratic management of rural development both at the district and block levels. The government officials at the district and village levels should provide technical, managerial and marketing support on the one hand and on the other hand stimulate social awareness and mobilise the poor households. (3) The help of non-government organisations should be taken in the administrative arrangements for the implementation of rural and urban development programmes. It calls for keeping the formal staff to the minimum and increasing the non-formal staff as part of full-time consultants drawn from academic or voluntary organisations. Non-government organisations here include professional/technical institutes, polytechnics, agricultural universities, university faculties, management institutes, research organisations, welfare/voluntary organisations and professional resources of business organisations and banking sectors.

Besides the above measures, some measures like land redistribution, elimination of industrial monopolies, plugging of national drainage, efficient and democratic management of public sector enterprises, drastic reduction in the present high defence budget (as was done in 1989-90 budget and in Vote-on-Account for 1990-91) will also help in reducing poverty in our country.

The attack on poverty can provide a basis for a partnership between the people, the government, the voluntary agencies and the industrialists. The community has to assume responsibility not only towards the poor, the old, the infirm and the absolute destitutes having no means of support but it has also to assist the able-bodied poor and the unemployed or underemployed by helping them become an integral part of a self-supporting population. The rich may grumble about taxes and welfare schemes, the conservatives may keep on talking about "too much government spending" but the anti-poverty programmes are indispensable. The humanitarian concern for the poor is greater now than ever before.

So long as we have a double mind about what path of developmental style to adopt, we will fail economically in our goals. It is not the lack of resources or technical skills which are hindrances in our development, it is the lack of the political policies. Planning is to be based on the fact that poverty is not a cause but a result. Elimination of poverty is not merely a question of economic upliftment but is a social and a political issue related to the level of the politico-social awareness of the people.

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