



POVERTY ALLEVIATION PROGRAMMES IN INDIA

Poverty alleviation programmes aim to reduce the rate of poverty in the country by providing proper access to food, monetary help, and basic essentials to the households and families belonging to the 'below poverty line'. According to the Planning Commission of India, the level of poverty in a country can be estimated based on the consumer expenditure surveys that are conducted by the National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation. This article will talk about the various poverty alleviation programmes and initiatives undertaken by the Government of India.

Poverty Alleviation

Poverty alleviation programmes in India can be categorized based on whether it is targeted either for rural areas or for urban areas in the country. Most of the programmes are designed to target rural poverty as the prevalence of poverty is higher in rural areas. Also targeting poverty is a great challenge in rural areas due to various geographic and infrastructure-related limitations. The programmes can be mainly grouped into 1) Wage employment programmes 2) Self-employment programmes 3) Food security programmes 4) Social security programmes 5) Urban poverty alleviation programmes. 6) Skill India programmes for employment. The five year plans immediately after independence tried to focus on poverty alleviation through sectoral programmes.

Five Year Plans

The first five-year plan (based on Harrod-Domar model of growth) in India was launched in 1951 and since then, India had launched twelve Five Year Plans. The present NDA government has dissolved the Planning Commission and has replaced it with the NITI Aayog.

The present NDA government has done away with the concept of five-year plans. So the 12th five-year plan would be called the last five-year plan of India. Instead of Five-Year Plans, we will have a **three-year action plan**, which will be part of a **seven-year strategy paper** and a 15-year **vision document**. The present government has launched a three-year action plan from April 1, 2017, onwards.

Each successive Five Year Plans have paid special attention to reducing poverty in the country.

- **First Five Year Plan (1951- 1956):** The plan focused mainly on agriculture and irrigation and aimed at achieving an all-round balanced development.
- **Second Five Year Plan (1956-1961):** It focused on the growth of basic and heavy industries, expansion in employment opportunities, and an increase of 25 percent in the national income.



- **Third Five Year Plan (1961-1966):** The Chinese aggression (1962), Indo-Pak war (1965), and the severest drought led to the complete failure of the third five-year plan. It was replaced by three annual plans (**plan holiday**) that continued from 1966 to 1969.
- **Fourth Five Year Plan (1966-1974):** It aimed at increasing national income by 5.5 percent, creating economic stability, reducing inequalities in income distribution, and achieving social justice with equality.
- **Fifth Five Year Plan (1974-1979):** This plan mainly focused on the removal of poverty (*Garibi Hatao*) and aimed at bringing larger sections of the poor masses above the poverty line. It also assured a minimum income of Rs. 40 per person per month calculated at 1972-73 prices. The plan was terminated in 1978 instead of 1979 when the Janata Government came to power and introduced the '**rolling plans**'
- **Sixth Five Year Plan (1980-1985):** Removal of poverty was the main objective of the sixth five-year plan with a major focus on economic growth, elimination of unemployment, self-sufficiency in technology, and raising the lifestyles of the weaker sections of the society.
- **Seventh Five Year Plan (1985-90):** The Seventh Five Year Plan aimed at improving the living standards of the poor with a significant reduction in the incidence of poverty.
- **Eighth Five Year Plan (1992-97):** This plan aimed at employment generation but later failed in achieving most of its targets.
- **Ninth Five Year Plan (1997-2002):** The ninth five-year plan focused on the areas of agriculture, employment, poverty reduction, and infrastructure development.
- **Tenth Five Year Plan (2002-2007):** The tenth five-year plan aimed at the reduction of the poverty ratio from 26 percent to 21 percent by the year 2007 and also to help the children in completing five years of schooling by 2007.
- **Eleventh Five Year Plan (2007-2012):** The eleventh five-year plan targeted towards reducing poverty by 10 percentage points, generating 7 crore new employment opportunities, and ensuring electricity connection to all villages.
- **12th Five Year Plan**

The approach paper for the 12th Plan, talked about an annual average growth rate of 9 per cent. The government intended to reduce poverty by 10 per cent during the 12th Five-Year Plan. Mr. Ahluwalia, the Deputy Chairman of the Planning Commission said, "We



aim to reduce poverty estimates by 2 per cent annually on a sustainable basis during the Plan period".

The percentage of population below the poverty line was 29.8 per cent at the end of 2009–10. This number includes 33.8 per cent in the rural areas and 20.9 per cent in the urban areas.

Using the Tendulkar poverty line, the rate of reduction in the five years between 2004–05 and 2009–10, was about 1.5 percentage points each year, which was twice that when compared to the period between 1993–95 and 2004–05.

Integrated Rural Development Program (IRDP)

The major objective of Integrated Rural Development Program (IRDP) launched in 1978 but **implemented in 1980** was to raise families of identified target group below poverty line by creation of sustainable opportunities for self-employment in the rural sector. Assistance is given in the form of subsidy by the government and term credit advanced by financial institutions (commercial banks, cooperatives and regional rural banks.) The program was implemented in all blocks of the country as centrally sponsored scheme funded on 50:50 basis by the center and the states. The target group under IRDP consists of small and marginal farmers, agricultural labourers and rural artisans having annual income below ₹11,000 defined as poverty line in the Eighth Plan. In order to ensure that benefits under the program reach the more vulnerable sectors of the society, it is stipulated that at least 50 per cent of assisted families should be from scheduled castes and scheduled tribes with corresponding flow of resources to them. Furthermore, 40 per cent of the coverage should be of women beneficiaries and 3 per cent of physically challenged persons.

DWCRA (Development of Women and Children in Rural Areas) was aimed to improve the socio-economic status of the poor women in the rural areas through creation of groups of women for income-generating activities on a self-sustaining basis. The main strategy adopted under the programme was to facilitate access for poor women to employment, skill upgradation, training credit and other support services so that the DWCRA women as a group could take up income-generating activities for supplementing their incomes. It sought to encourage collective action in the form of group activities which were known to work better and were more sustainable than the individual effort. It encouraged the habit of thrift and credit among poor rural women to make them self-reliant. The Scheme had been merged into Swarnajayanti Gram Swarajgar Yojana (SGSY) with IRDP, TRYSEM etc. from April, 1999. (a) Socio-economic condition of beneficiary Out of all the 60 female beneficiaries, 40 (66.66%) were literate and 20 (33

The **Food for Work Programme** was restructured and renamed as **National Rural Employment Programme (NREP)** in **October 1980** by the then Prime Minister Indira Gandhi and it became a regular programme from April 1981. The programme was launched during the Sixth Five Year Plan. It aimed at the generation of additional employment to under



employed persons. Central-state contribution was on 50:50 basis. In 1989 NREP was merged with Jawahar Rozgar Yojana.

Jawahar Rozgar Yojana (JRY) was launched on **April 1, 1989** by merging National Rural Employment Programme and Rural Landless Employment Guarantee Programme (RLEGP) by Prime Minister Rajiv Gandhi. The urban version of this program was Nehru Rozgar Yojana.(NRY)

This was a consolidation of the previous employment programs and it was the largest National Employment Program of India at that time with a general objective of providing 90-100 Days Employment per person particularly in backward districts. People below Poverty Line were the main beneficiaries. Expenditures were born by central & state in 80:20 ratios.

Since 1993-94 the Yojna was made more target-oriented and expanded substantially through increased budgetary allocations. It was divided into 3 streams.

Since April 1, 1999 this Yojna was replaced by Jawahar Gram samridhi Yojna. Later from September 25, 2001, Jawahar Gram Samridhi Yojna was merged with Sampoorna Grameen Rozgar Yojana.

Indira Gandhi Awaas Yojana

IAY, otherwise known as Pradhan Mantri Gramin Awaas Yojana (PMGAY) or IAY Gramin, was a sub-scheme of the Rural Landless Employment Guarantee Programme (RLEGP) and a social welfare programme that was first launched by Rajiv Gandhi in 1985. It was the flagship housing programme of the Ministry of Rural Development and worked toward constructing houses for the below-poverty-line (BPL) population in rural India. In the financial year 1995-96, the IAY extended its aid to widows and close relatives of defence personnel killed in action as well.

Jawahar Gram Samriddhi Yojana

The Jawahar Gram Samridhi Yojana, named after India's first Prime Minister Jawaharlal Nehru aimed at creating a need-based rural infrastructure. This programme has contributed a great deal towards alleviating rural poverty. In 2001, the Food for Work Programme was initiated to meet demands for wage employment and food grain requirements.

It was the single largest wage employment programme implemented through Panchayat Raj institutions.

Rural Landless Employment Guarantee Programme. The Rural Landless Employment Guarantee Programme (RLEGP) was launched on **15 August 1983** by Prime Minister of India Indira Gandhi during the Sixth Five-Year Plan. The entire expenditure of this Programme was financed by Central Government. While most of the objectives and stipulations under this were similar to those of National Rural Employment Programme (NREP), it was to be limited only to the landless, with guaranteed employment of 100 days. In the Seventh Plan, Rs.2412



crores were spent and 115 crore man days were generated. In 1989 this programme was merged with Jawahar Rozgar Yojana.

Employment Assurance Scheme. EAS was first implemented on **2 October 1993** in 1778 blocks located in the rough, rugged, sparsely populated areas of the country.

Sampoorna Grameen Rozgar Yojana. The Sampoorna Grameen Rozgar Yojana was a scheme launched by the Government of India to gain the objective of providing gainful employment for the rural poor. The programme was implemented through the Panchayati Raj institutions. The Sampoorna Grameen Rozgar Yojana was launched on 25 September 2001 by merging the provisions of **Employment Assurance Scheme (EAS)** and **Jawahar Gram Samridhi Yojana (JGSY)**. The programme is self-targeting in nature and aims to provide employment and food to people in rural areas who lived below the poverty line.

Announcement of SGRY Finally, on 15 August 2001, the then Prime Minister Atal Bihari Vajpayee announced a new wage employment programme, the Sampoorna Grameen Rozgar Yojana. The scheme was subsequently launched on 25 September 2001.

The scheme had special provisions for women, scheduled castes, scheduled tribes and parents of children withdrawn from hazardous occupations. While preference is given to families below the poverty line, people who live above the poverty line too are eligible under this scheme. A budget of Rs. 10,000 crore has been allocated for the scheme, which includes provision of 50 lakh tonnes of food grains. Again the investment is shared between the centre and the states in the 75–25 ratio. Food grains are, however, provided free of cost by the Central government, but the cost of transportation should be borne by the states. From the fiscal year 2002–03 onwards, unified budgets were adopted for both EAS and JGSY.

National Old Age Pension Scheme (NOAPS)

This scheme **came into effect on 15 August 1995**. The scheme provides **pension** to all old people who were above the age **of 65** (now 60) who could not fund for themselves and did not have any means of subsistence. The pension amount given was ₹200 a month (now it is 2000 per month). This pension is given by the central government. The amount of old age pension is ₹200 per month for applicants aged 60–79. For applicants aged above 80 years, the amount has been revised to ₹500 a month according to the 2011–2012 budget.

National Family Benefit Scheme (NFBS)

This scheme was **started in August 1995**. This scheme was initially sponsored by the central government. It was transferred to the state sector scheme after 2002–03. It is under the Department of Community and Rural Development. This scheme provides a sum of ₹20,000 to a person of a family who becomes the head of the family after the death of its primary breadwinner.



National Maternity Benefit Scheme

This scheme **launched in 1995** provides a sum of ₹6000 to a pregnant mother in three installments. The women should be older than 19 years of age. It is given normally 12–8 weeks before the birth and in case of the death of the child the women can still avail it. The NMBS is implemented by almost all states and union territories with the help of panchayats and municipalities. During 1999–2000 the total allocation of funds for this scheme was 767.05 crores and the amount used was ₹4444.13 crore. It is for families below the poverty line. The scheme was updated in 2005-06 into **Janani Suraksha Yojana** with ₹1400 for every institutional birth. Jawahar Gram Samridhi Yojana (JGSY).

Jawaharlal Gram Samridhi Yojana (JGSY) is the restructured, streamlined and comprehensive version of the Jawaharlal Rozgar Yojana (JRY). It was started on **1 April 1999**. The main aim of this programme was the development of rural areas. Its focus was on developing infrastructure like roads to connect the village to different areas, which made the village more accessible and also other social, educational (schools) and health facilities. Its secondary objective was to give out sustained wage employment. This was given only to **BELOW POVERTY LINE** families and fund was to be spent for individual beneficiary schemes for SCs and STs and 3% for the establishment of barrier-free infrastructure for the disabled people.

Annapurna

This scheme was **started by the government in 1999–2000** to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension Scheme (NOAPS), and who have no one to take care of them in their village. This scheme would provide 10 kg of free food grains a month for the eligible senior citizens. The allocation for this scheme in 2000-2001 was ₹100 crore.

Pradhan Mantri Gramin Awaas Yojana

This scheme aimed at creating housing for everyone. It was initiated in 1985. It aimed at creating 20 lakh housing units out of which 13 lakhs were to be in rural areas. This scheme also would give out loans to people at subsidized rates to make houses. The programme was finally **implemented in 1999–2000**. In 1999–2000, ₹1438.39 crore was used for this scheme and about 7.98 lakh units were built. In 2000-01 a central outlay of ₹1710.00 crores was provided for this scheme. The scheme has proved to be a major boost in Indian rural population's income.

Recent Estimates

The different definitions and underlying small sample surveys used to determine poverty in India have resulted in widely varying estimates of poverty from the 1950s to 2010s. In 2019, the Indian government stated that 6.7% of its population is below its official poverty limit. Based on 2019's PPPs International Comparison Program, according to the United Nations Millennium



Development Goals (MDG) programme, 88 million people out of 1.2 billion Indians, roughly equal to 6.7% of India's population, lived below the poverty line of \$1.25 in 2018–19.

From the late 19th century through the early 20th century, under British colonial rule, poverty in India intensified, peaking in the 1920s. Famines and diseases killed millions each time. After India gained its independence in 1947, mass deaths from famines were prevented. Since 1991, rapid economic growth has led to a sharp reduction in extreme poverty in India. However, those above the poverty line live a fragile economic life.

As per the methodology of the Suresh Tendulkar Committee report, the population below the poverty line in India was 354 million (29.6% of the population) in 2009-2010 and was 269 million (21.9% of the population) in 2011–2012. In 2014, the Rangarajan Committee said that the population below the poverty line was 454 million (38.2% of the population) in 2009-2010 and was 363 million (29.5% of the population) in 2011–2012.

The Asian Development Bank estimates state that 6.9% of the population still lives below the national poverty line and 3% in extreme poverty (December 2018). **The World Poverty Clock** shows real-time poverty trends in India, which are based on the latest data, of the World Bank, among others. As per recent estimates, the country is well on its way of ending extreme poverty by meeting its sustainable development goals by 2030.

According to Oxfam, India's top 1% of the population now holds 73% of the wealth, while 670 million citizens, comprising the country's poorest half, saw their wealth rise by just 1%.

MULTIPLE CHOICE QUESTIONS

1. Which scheme was started in 1993 to create self-employment opportunities for educated unemployed youth in rural areas and small towns?

- (A) Prime Minister Rozgar Yojana
- (B) National Rural Employment Guarantee Act.
- (C) Rural Employment Generation Programme
- (D) Swarnajayanti Gram Swarozgar Yojana.

Answer: A

2. Which of the following is **not** a major reason for the lack of effectiveness of targeted anti-poverty programmes?

- (A) Lack of proper implementation
- (B) Lack of right targeting
- (C) Overlapping of schemes
- (D) All the above.



Answer: D

3. Which among the following schemes was started in the year 2000 for the indigent senior citizens?

- (A) PDS
- (B) NFWP
- (C) SGSY
- (D) APS

Answer: D

4. Look at the following statements.

1. The official data on poverty is made available to the public by the National Sample Survey Organisation (NSSO).
2. It is estimated on the basis of consumption expenditure data collected by the Planning Commission.

Which of the above statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: D

5. As over 70 per cent of Indians were engaged in agriculture throughout the British Raj period, the impact on that sector was more important on living standards than anything else.

1. British policies involved sharply raising rural taxes that enabled merchants and moneylenders to become large landowners.
2. Under the British, India began to import food grains and, as a result, as many as 26 million people died in famines between 1875 and 1900.

Which of the above statements is/are not correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: B



6. The government also has a variety of social security programmes to help a few specific groups. National Social Assistance Programme is one such programme initiated by the central government.

1. Under this programme, elderly people who do not have anyone to take care of them are given pension to sustain themselves.

2. Poor women who are destitute and widows are also covered under this scheme.

Which of the above statements is/are correct?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Answer: C

7. JGSY programme of poverty alleviation was submerged into _____:

(a) SGRY

(b) NFFWP

(c) PMGSY

(a) All of above

Answer: A

8. Which plan set a target of reduction in poverty ratio to 19.3 percent by 2007?

(a) Fifth plan

(b) Second plan

(c) Eight plan

(d) Tenth plan

Answer: D

9. Employment Guarantee Scheme was launched in:



- (a) 1999
- (b) 2000
- (c) 1995
- (d) 2006

Answer: D

10. Name of the scheme for construction of houses to be given to the poor free of cost was:

- (a) Jawahar Awas Yojna
- (b) Indira Awas Yojna
- (c) Rajeev Awas Yojna
- (d) Valmiki Ambedkar Awas Yojna

Answer: B