

## Poverty Alleviation and Unemployment Scenario in India

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### Abstract :

*Poverty is the lack of basic necessities that all human beings must have i.e. food and water, shelter, education, medical care, security. Internationally an income of less than \$1.25 per day per head of purchasing power parity is defined as extreme poverty. In world over the year poverty is drastically decline from 41.69 percent in 1990 to 20.6 percent in 2010. Out of total world's poor 33.4% is accounted by India (World Bank 2013). Poverty line according to World Bank is the person who survive on less than \$1.25 per day are comes under poor. By World Bank estimate, about 40% percent of Indians are extremely poor. The average poverty reduction per year get pace from 2004-05 onwards with 2.18% poverty reduction per year as compare to 0.74% between 1994-95 to 2004-05. One half of Indian poor is located in Bihar, U.P., M.P. and Maharashtra, W.B., Odisha accounts for 22.5% of Indian poor. Highest poverty percentage is shown in Chhattisgarh (39.93%) and lowest in Kerala (7.05%). Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum<sup>1</sup>. In the process, India has become one of the largest economies in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. But the fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not touched by the benefits of economic growth. It is proved globally that the so-called trickle-down effect does not work in all the societies and India is no exception to this. In short, the modern economy is not generating much employment and sometimes it displaces and replaces labour with machines and tools.*

**Key Word-** Unemployment, poverty, economic growth, income, poverty alleviation

### Introduction:

Poverty is the lack of basic necessities that all human beings must have i.e. food and water, shelter, education, medical care, security, etc. Internationally, an income of less than \$1.25 per day per head of purchasing power parity is defined as extreme poverty. By this estimate, about one third of Indians are extremely poor. 1 billion children live in poverty (1 in 2 children in the world), 640 million people live without adequate shelter, 400 million have no access to safe water, 270 million have no access to health services (World Bank). The poorest 40 percent of the world's population accounts for 5 percent of global income. The richest 20 percent accounts for three-quarters of world income (World Bank Development Indicator ). According to UNICEF, 22,000 children die each day due to poverty. Around 27-28 percent of all children in developing countries are estimated to be underweight or stunted (UNICEF). Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum<sup>1</sup>. In the

process, India has become one of the largest economy in the world. According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. People living below poverty line (BPL) came down from 45.3% in 1993-94 to 37.2% in 2004-05 and further to 21.9% in 2011-12. The percentage of persons below the Poverty Line in 2011-12 has been estimated as 25.7% in rural areas, 13.7% in urban areas and 21.9% for the country as a whole (Planning Commission). The proportion of children under three years of age who are underweight decreased from 43 percent in NFHS-2 to 40 percent in NFHS-3. According to the National Sample Survey data of the 66th round (2009-10) Average dietary energy intake per person per day was 2147 Kcal for rural India and 2123 Kcal for urban India. The proportion of households with calorie intake below average Kcal per consumer unit per day was 42.5% for rural and 45% for urban households. In 2011-12, India had 270 million persons below the Tendulkar Poverty Line as compared to 407 million in 2004-05, that is reduction of 137 million persons over seven year period. India accounts for one-third of the world poor, people living on less than USD 1.25 (about Rs 65) per day, a World Bank report (2013) on poverty has said. Urbanization in this country is mainly due to acute poverty in rural areas rather than due to the economic opportunities in urban areas. One half of India's poor is located the three states of Bihar, Uttar Pradesh and Madhya Pradesh. Maharashtra, West Bengal and Odisha account for 22.5% of poverty. About two thirds of India's population live in rural areas, and almost 170 million of them are poor (NSSO). Although many rural people are migrating to cities, 3 out of 4 of India's poor people live in the vast rural parts of the country (NSSO). Poverty is deepest among scheduled castes and tribes in the country's rural areas. India's poorest people include 50 % of members of scheduled tribes and 40 % of people in scheduled castes (NSSO). On the map of poverty in rural India, the poorest areas lie in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, Odisha and West Bengal. As per the latest NSSO survey reports there are over 80 million poor people living in the cities and towns of India. The Slum population is also increasing and as per estimates over 61.80 million people were living in slums. With over 575 million people, India will have 41% of its population living in cities and towns by 2030 of its nearly 1 billion inhabitants, an estimated 260.3 million are below the poverty line, of which 193.2 million are in the rural areas and 67.1 million are in urban areas (NSSO).

### Causes of Rural Poverty:

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- Rapid Population Growth
- Lack of Capita
- Lack of literacy
- Large Families
- Lack of Alternate Employment Opportunities other than Agriculture.

### Causes of Urban Poverty:

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#### Slow job growth

- Increasing Urban population (currently around 38 crore)
- Severe competition.

Those who use to get jobs or promotions easily now have to struggle more due to the population hike in the cities.

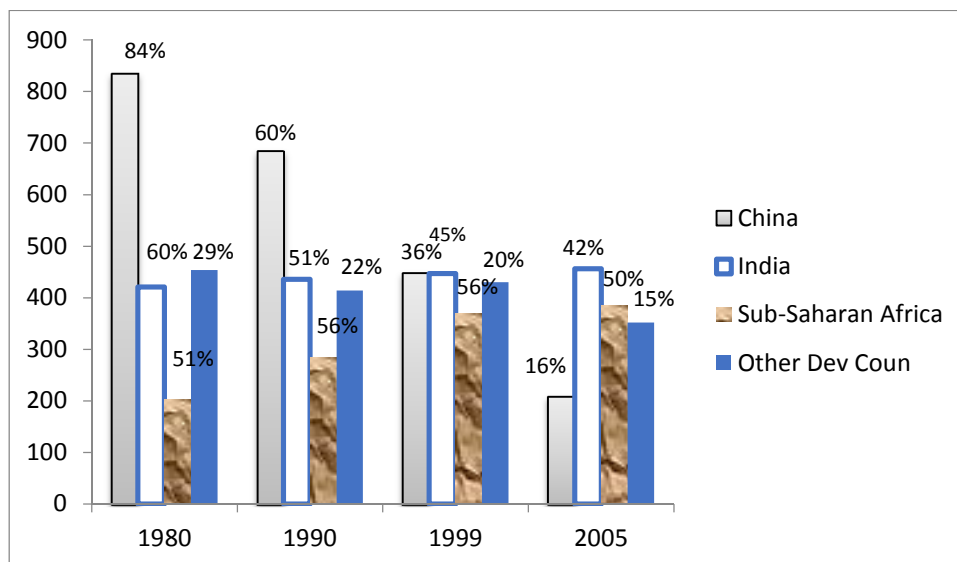
### Migration of Rural Youth towards Cities

- Majority of rural area depends on agriculture (which is highly dependant on rain patterns)
- Inadequate rain fall and improper irrigation facilities these days.
- Low or no production of crops which leads to severe poverty among rural population.
- Urban poverty also increases due to migration of people from rural areas to cities.

### Poverty reduction in India Comparing with Other Countries:

Compare to China reduction in Poverty in India is very slow, in China reduction in Poverty from 60% in 1990 to 13% in 2011-12, but in India reduction in poverty from 51% in 1990-91 to 21.9% in 2011-12.

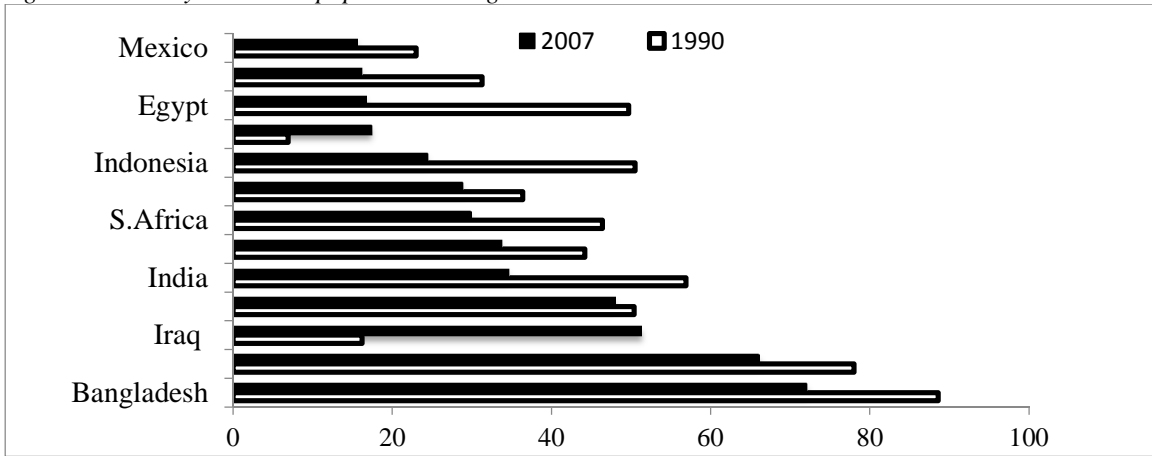
Figure 1: Percentage change in poverty reduction in India compare with other Countries.



### Country Wise Slum Population:

Over the years from 1990 to 2007 percentage wise slum population in almost all counties shown in table is declined. In India it declined from 57 percent in 1990 to 34 percent in 2007.

Figure 2: Country wise Slum population living in urban area.

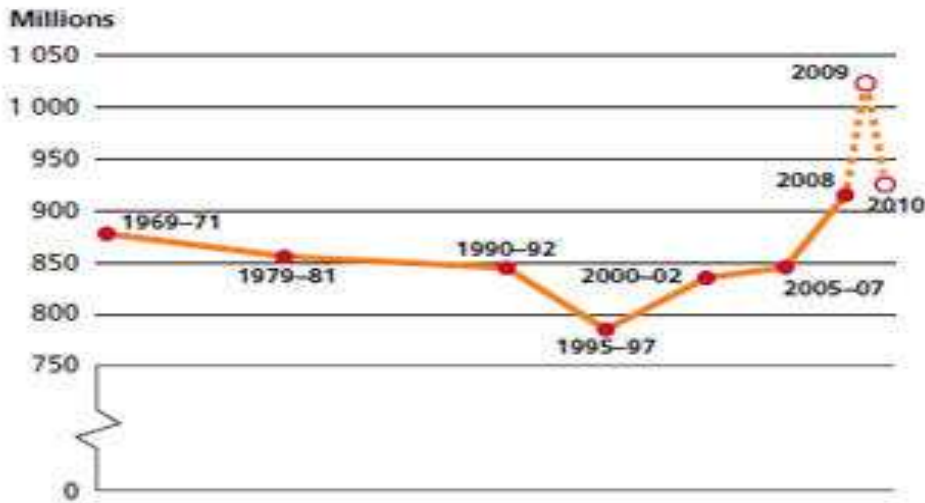


Source: UN-HABITAT

### Effect of poverty on Hunger

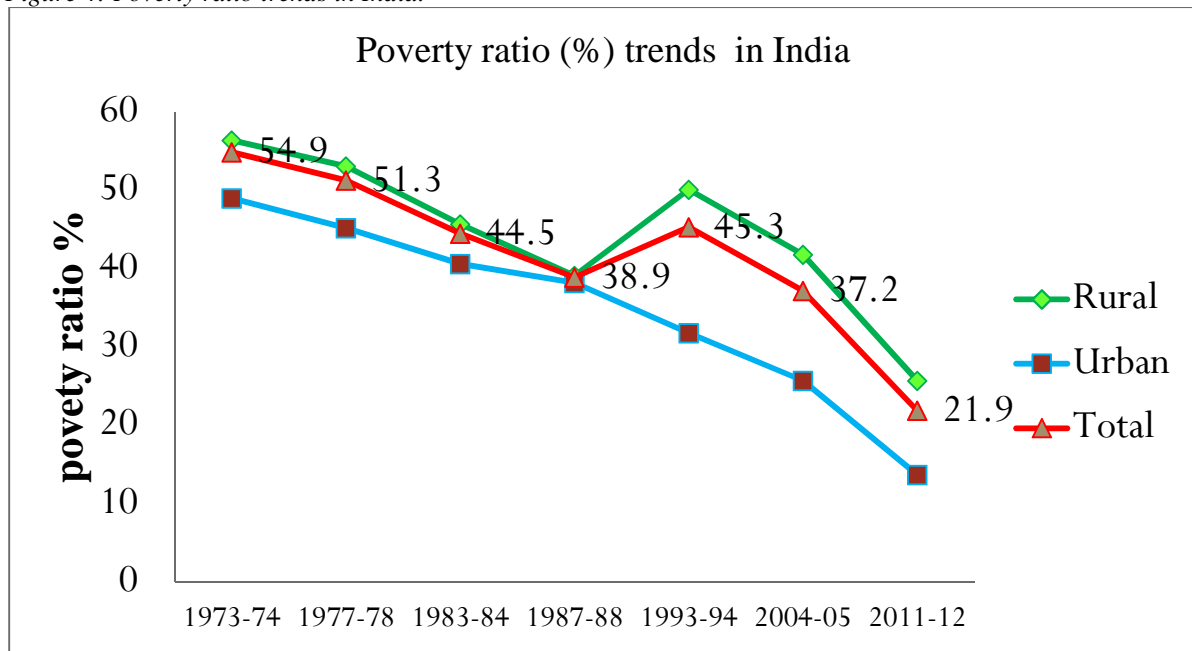
From 1969-71 to 2005-07 the number of hungry people in the world as a whole showed declining trend but rapid increase afterward till 2009. Recently in 2010 number of hungry people decline to about 920 Millions as compared to about 1030 in 2009 as shown in Figure 3.

Figure 3: Effect of Poverty on Hunger



### Poverty Ratio in India over the Years

Figure 4: Poverty ratio trends in India.



#### Percentage & Number of Poor Estimated by Tendulkar Method:

The percentage of persons below the Poverty Line in 2011-12 has been estimated as 25.7% in rural areas, 13.7% in urban areas and 21.9% for the country as a whole as shown in Table 1. The respective ratios for the rural and urban areas were 41.8% and 25.7% and 37.2% for the country as a whole in 2004-05. It was 50.1% in rural areas, 31.8% in urban areas and 45.3% for the country as a whole in 1993-94. In 2011-12, India had 270 million persons below the Tendulkar Poverty Line as compared to 407 million in 2004-05, that is a reduction of 137 million persons over the seven year period. During the 11-year period 1993-94 to 2004-05, the average decline in the poverty ratio was 0.74 percentage points per year. It accelerated to 2.18 percentage points per year during the 7-year period 2004-05 to 2011-12. Therefore, it can be concluded that the rate of decline in the poverty ratio during the most recent 7 year period 2004-05 to 2011-12 was about three times of that experienced in the 11-year period 1993-94 to 2004-05.

Table 1: Percentage & Number of Poor Estimated by Tendulkar Method, Using Mixed Reference Period (MRP)

Periods	Poverty Ratio (%)			Number of Poor (million)		
	Rural	Urban	Total	Rural	Urban	Total
1993-94	50.1	31.8	45.3	328.6	74.5	403.7
2004-05	41.8	25.7	37.2	326.3	80.8	407.1
2011-12	25.7	13.7	21.9	216.5	52.8	269.3
Annual Average Decline: 1993-94 to 2004-05 (percentage points per annum)	0.75	0.55	0.74			
Annual Average Decline: 2004-05 to 2011-12 (percentage points per annum)	2.32	1.69	2.18			

Source: Planning Commission, India, 2013

### STATE-WISE POVERTY LINE IN INDIA:

The estimates of state wise poverty lines for rural and urban areas for 2011-12 are given in Table 2. For 2011-12, for rural areas the national poverty line using the Tendulkar methodology is estimated at Rs. 816 per capita per month and Rs. 1,000 per capita per month in urban areas. Thus, for a family of five, the all India poverty line in terms of consumption expenditure would amount to about Rs. 4,080 per month in rural areas and Rs. 5,000 per month in urban areas. These poverty lines would vary from State to State because of inter-state price differentials. The highest per capita per month both in rural and urban area is estimated for Nagaland in 2011-12, While the lowest is estimated for Odisha for the same period both in rural and urban area.

Table 2: State-Wise Poverty Line in India (2011-12)

SN	States	Monthly per capita (Rs)	
		Rural	Urban
1	Andhra Pradesh	860	1009
2	Arunachal Pradesh	930	1060
3	Assam	828	1008
4	Bihar	778	923
5	Chattisgarh	738	923
6	Delhi	1145	1134
7	Goa	1090	1134
8	Gujarat	932	1152
9	Haryana	1015	1169
10	Himachal Pradesh	913	1064
11	Jammu & Kashmir	891	988
12	Jharkand	748	974
13	Karnataka	902	189
14	Kerela	1018	987
15	Madhya Pradesh	771	897
16	Maharashtra	967	1126
17	Manipur	1118	1170
18	Mizoram	1066	1155
19	Meghalaya	888	1154
20	Nagaland	1270	1302
21	Odisha	695	861
22	Punjab	1054	1155
23	Rajasthan	905	1002
24	Sikkim	930	1226
25	Tamil Naidu	880	937
26	Tripura	798	920
27	Uttarkhand	880	1082
28	Uttar Pradesh	768	941
29	West Bengal	783	981
30	Puducherry	1301	1309
	ALL INDIA	816	1000

### STATE WISE POVERTY IN INDIA

Table 3 shows state-wise percentage of poverty in India, separately in rural and urban area. It shows that as a whole highest percentage of population is below poverty line in Chhattisgarh (39.93%) and lowest in Kerala (7.05%). Percentage of poor in rural area is comparatively higher than that in urban area of India for the year 2011-12. The bare fact is that nearly 21.9 % of India's population still lives below the poverty line, and 75 % of this, lives in rural areas. One half of India's poor is located the three states of Bihar, Uttar Pradesh and Madhya Pradesh. Maharashtra, West Bengal and Odisha account for 22.5% of poverty.

Table 3: State-Wise Percentage of Poverty in India

SN	State	Rural		Urban		Total	
		% of Persons	No. of Persons (lakhs)	% of Persons	No. of Persons (lakhs)	% of Persons	No. of Persons (lakhs)
1	Andhra Pradesh	10.96	61.8	5.81	16.98	9.2	78.78
2	Arunachal Pradesh	38.93	4.25	20.33	0.66	34.67	4.91
3	Assam	33.89	92.06	20.49	9.21	31.98	101.27
4	Bihar	34.06	320.4	31.23	37.75	33.74	358.15
5	<b>Chhattisgarh</b>	<b>44.61</b>	<b>88.9</b>	<b>24.75</b>	<b>15.22</b>	<b>39.93</b>	<b>104.11</b>
6	Delhi	12.92	0.5	9.84	16.46	9.91	16.96
7	Goa	6.81	0.37	4.09	0.38	5.09	0.75
8	Gujarat	21.54	75.35	10.14	26.88	16.63	102.23
9	Haryana	11.64	19.42	10.28	9.41	11.16	28.83
10	Himachal Pradesh	8.48	5.29	4.33	0.3	8.06	5.59
11	Jammu & Kashmir	11.54	10.73	7.2	2.53	10.35	13.27
12	Jharkhand	40.84	104.09	24.83	20.24	36.96	124.33
13	Karnataka	24.53	92.8	15.25	36.96	20.91	129.76
14	<b>Kerala</b>	<b>9.14</b>	<b>15.48</b>	<b>4.97</b>	<b>8.46</b>	<b>7.05</b>	<b>23.95</b>
15	Madhya Pradesh	35.74	190.95	21	43.1	31.65	234.06
16	Maharashtra	24.22	150.56	9.12	47.36	17.35	197.92
17	Manipur	38.8	7.45	32.59	2.78	36.89	10.22
18	Meghalaya	12.53	3.04	9.26	0.57	11.87	3.61
19	Mizoram	35.43	1.91	6.36	0.37	20.4	2.27
20	Nagaland	19.93	2.76	16.48	1	18.88	3.76
21	Odisha	35.69	126.14	17.29	12.39	32.59	138.53
22	Punjab	7.66	13.35	9.24	9.82	8.26	23.18
23	Rajasthan	16.05	84.19	10.69	18.73	14.71	102.92
24	Sikkim	9.85	0.45	3.66	0.06	8.19	0.51
25	Tamil Nadu	15.83	59.23	6.54	23.4	11.28	82.63



26	Tripura	16.53	4.49	7.42	0.75	14.05	5.24
27	Uttarakhand	11.62	8.25	10.48	3.35	11.26	11.6
28	Uttar Pradesh	30.4	479.35	26.06	118.84	29.43	598.19
29	West Bengal	22.52	141.14	14.66	43.83	19.98	184.98
30	Puducherry	17.06	0.69	6.3	0.55	9.69	1.24
31	A&N Islands	1.57	0.04	0	0	1	0.04
32	Chandigarh	1.64	0.004	22.31	2.34	21.81	2.35
33	Dadra & Nagar Haveli	62.59	1.15	15.38	0.28	39.31	1.43
34	Daman & Diu	0	0	12.62	0.26	9.86	0.26
35	Lakshadweep	0	0	3.44	0.02	2.77	0.02
	All India	25.7	2166.58	13.7	531.25	21.92	2697.83

Source: Planning Commission, India, 2013

### EXTENT OF POVERTY:

Although, income poverty has declined significantly at the all-India level, the decline has not been uniform across rural and urban areas. The poverty reduction in urban areas has usually been sharper than that in rural areas (which is home to nearly 67 percent of Indian population). Since economic planning, main object of government of India has been lowering of Indian poverty. For this purpose recall, heavy expenditure was made during each plan. But on the basis of 30 days in 1999-2000, 26% of Indian population remained below poverty line. In actual fact, percentage of poverty in 1973-74 was 54.9%. It came down to 22% in 2004-05. Main reasons behind it are a fall in percentage of poverty in both rural and urban sectors. During these years, poverty percentage has come to a less than half. In 2011-12 it came down to 21.9% of population was below poverty line.

Table 4: Percentage of People Living Below Poverty Line

Year	Poverty Ratio (in percent)		
	Rural	Urban	Total
1973-74	56.4	49	54.9
1977-78	53.1	45.2	51.3
1983-84	45.7	40.8	44.5
1987-88	39.1	38.2	38.9
1993-94	37.3	32.4	26.1
2004-05	28.3	25.7	21.8
2011-12	25.7	13.7	21.9

Source: Planning Commission, India, 2002,2007,2013

### Consumption Share of the Poorest (20 percent)

Table 5 shows that the share of the poorest 20% population in terms of the monthly per capita consumption expenditure in total consumption (i.e., consumption accounted for by the poorest one fifth of the total population) in the rural areas declined from 9.6% in 1993-94 to 9.5% in 2004-05 and remained at the same level of 9.5% in 2009-10 (URP). This decline

was sharper in the urban areas where the ratio declined from 8.0% in 1993-94 to 7.3% in 2004-05 and further to 7.0% in 2009-10.

Table 5: Consumption Share of the Poorest (20 percent)

		1993-94	2004-05 (URP)	2009-10 (URP)
Share of Poorest Quintile in National Consumption	Rural	9.6	9.5	9.5
	Urban	8.0	7.3	7.0

*Source: Planning Commission, India, 2013.*

Facts related to Poverty Alleviation:

- Rs.816 Per capita per months income for rural poor in 2011-12.
- Rs.1000 Per capita per months income for Urban poor in 2011-12.
- 7.9% Poverty decline from 29.8% in 2009-10 to 21.9% 2011-12.
- 49% Population engaged in agriculture in 2011-12.
- 59% Rural Population engaged in agriculture in 2011-12 as against 63% in 2009-10.
- 29% Rise in overall wages in rural areas between 2009-10 and 2011-12.
- 23% Rise in overall wages in urban areas between 2009-10 and 2011-12.
- 48% Share of expenditure on food in rural area, earlier it was 53.6%.
- 38.5% Share of expenditure on food in urban area, earlier it was 40.7%.
- 260 millions poor in India in 2011-12, it was 290 m in 2009-10.
- Tendulkar committee suggested a new formula for indentifying BPL families, based on consumption expenditure (basket of minimum list)
- Odisha show highest decline in poverty in 2009-10 (37%) from 2004-05 (57%).
- Tendulkar committee adopted the cost of living as basis for indentifying poverty while earlier it was based on calories intake.
- In 2009-10 NSSO's 66<sup>th</sup> round survey has estimated average MPCE at Rs.1054 in rural while Rs.1984 in urban areas.

### UNEMPLOYMENT:

Unemployment is defined as a state of affairs when in a country there are large number of able persons of working age who are willing to work but cannot find wage at a current wage level. As the labor force grows, making sure that all participants are fully employed becomes a critical issue. The unemployment rate is the proportion of the labor force that is unemployed. To calculate the rate, we need to know the number of people unemployed and the number of people in the labor force.

**Unemployment rate = number of unemployed people / labor force.**

### Types of Unemployment:

**Voluntary unemployment:**

A person is out of job because of his own desire to not work on the prevalent or prescribed wages.

**Involuntary unemployment:**

A person is separated from remunerative work & devoid of wages although he is capable of earning his wages & is also anxious to earn them.

**1. Cyclical unemployment** is unemployment caused by a lack of job vacancies; an inadequate level of aggregate demand.

Cyclical unemployment commonly occurs during recessions. Companies cut back on workers due to reduced sales, fears of an economic recession, and insufficient consumer demand.

**2. Structural unemployment** is unemployment caused by a mismatch between the skills or location of job seekers and the requirements or location of available jobs. Jobs may be available in other geographic areas or for individuals with specific skills and abilities.

e.g. Teenagers and others with a lack of job skills.

**3. Frictional unemployment** is a brief period of unemployment experienced by people moving between jobs or into the labor market. People have the skills and knowledge necessary to get a job, and the jobs are available. *e.g.* new college graduates and people quitting a job and looking for something different or better.

**4. Disguised unemployment**, Occurs when more people are engaged in work than required actually. It is very common in Agriculture sector in our country.

**5. Seasonal unemployment** is unemployment due to seasonal changes in employment or labor supply. e.g. Agricultural laborers.

**6. Sudden unemployment**, prevalent in industries, trades & business where people are employed for a job & suddenly when the jobs gets ended or due to some changes they are asked to go.

#### Causes of unemployment:

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- Slow pace of development
- High growth rate of population
- Slow growth rate of industries
- Inappropriate technology
- Slow growth rate of Agriculture
- Defective education system
- Large scale rural-urban migration

#### Measurements of unemployment:

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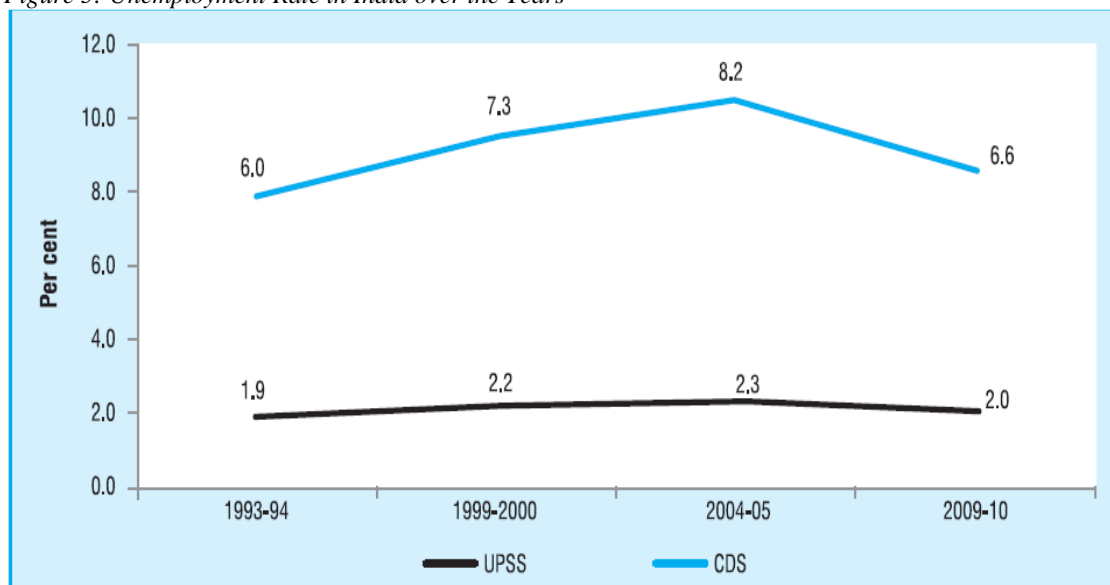
- **Usual Principal Status Basis (UPS):** Estimate the no. of persons who may be said to be chronically unemployed.
- **Current Weekly Status Basis (CWS):** According to this a person is said to be unemployed for the week even if he is employed only for a day during that week.
- **Current Daily Status Basis (CDS):** Any person who works for 1 hr or more during the day is considered to be employed for a half day, or who works for more than 4 hours a day are consider as fully employed. As such, CDS is aggregate of all unemployment days of all persons.

#### Unemployment Rate in India over the Years:

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The unemployment rate increased at a slow pace on UPSS basis and at a relatively higher pace on CDS basis from 1993-4 to 2004-5. However, in 2009-10 there was a fall in the unemployment rate which was relatively more on CDS basis; the unemployment rate (CDS method) fell from 8.2 per cent in 2004-5 to 6.6 per cent in 2009-10.

Figure 5: Unemployment Rate in India over the Years



Source: NSSO, 2010.

#### SAFETY NETS FOR POOR—POVERTY ALLEVIATION PROGRAMMES OF GOVERNMENT:

Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum<sup>1</sup>. In the process, India has become the fourth largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. They have become the part of global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life. Apart from this burgeoning middle class in the country, the economic growth seemed to have touched the lives of the poor also. According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. Poverty alleviation programmes have assumed relevance as it is proved globally that the so-called 'trickle-down effect' does not work in all the societies and India is no exception to this. In recent times, there has been a significant shift in focus in the poverty literature away from the 'trickle-down' concept of growth towards the idea of 'pro-poor growth', which enables the poor to actively participate in and benefit from economic activities. Hence, the strategy of targeting the poor was adopted in India and the economic philosophy behind these special programmes was that special preferential treatment was necessary to enable the poor to participate in economic development. Inclusive growth also focuses on productive employment for the excluded groups. Poverty alleviation programmes have been designed from time to time to enlarge the income-earning opportunities for the poor. The programmes and schemes have been modified, consolidated, expanded and improved over time. These programmes are broadly classified into: The targeted programmes fall into four broad categories: (i) self-employment programmes (ii) wage employment programmes (iii) direct cash transfers to the targeted groups and (iv) Public distribution system (PDS). There are numerous centrally sponsored schemes (CSS) under the first three categories which are designed by the Centre, administered by the Ministry of Rural Development, but implemented by the States with States generally contributing 25% to their cost. In addition, some State governments have their own schemes. The multiplicity of the programs is advocated on the grounds of multi-dimensionality of poverty and regional variations in the efficacy of the delivery system. There is also recognition that it is problematic to close a scheme even if it is cost ineffective because of adverse publicity associated with the closure. Through PDS, the Central government is supplying six essential commodities at below market prices to 160 million families through 4,50,000 nationwide fair price shops. The access to the system was near-universal until 1997. Targeting was introduced in 1997, and now the program is known as Targeted Public Distribution System (TPDS). One of the important features of the implementing strategy of the 10th Five Year Plan is the crucial role given to the Panchayati Raj Institutions (PRIs) in the delivery of TPDS.

Till the end of 11th plan, Govt. of India aims at bringing down people below poverty line to the extent of 10%. Following programmes have been introduced by the Govt. of India for solving the problems.

#### PRIME MINISTER'S ROZGAR YOJANA (PMRY):

PMRY started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity. So far, about 20 lakh units have been set up under the PMRY, creating 30.4 lakh additional employment opportunities. The targets for additional employment opportunities under the Tenth Plan and in 2004-05 are 16.50 lakh and 3.75 lakh, respectively. While the REGP is implemented in the rural areas and small towns (population up to 20,000) for setting up village industries without any cap on income, educational qualification or age of the beneficiary, PMRY is meant for educated unemployed youth with family income of up to Rs.40, 000 per annum, in both urban and rural areas, for engaging in any economically viable activity [18].

#### RURAL EMPLOYMENT GENERATION PROGRAMME (REGP):

REGP, launched in 1995 with the objective of creating self-employment opportunities in the rural areas and small towns, is being implemented by the Khadi and Village Industries Commission (KVIC). Under REGP, entrepreneurs can establish village industries by availing of margin money assistance from the KVIC and bank loans, for projects with a maximum cost of Rs.25 lakh. Since the inception of REGP, up to 31 March 2004, 1,86,252 projects have been financed and 22.75 lakh job opportunities created. A target of creating 25 lakh new jobs has been set for the REGP during the Tenth Plan. 8.32 lakh employment opportunities have already been created during 2003-04. For 2004-05, a target of creating 5.25 lakh job opportunities has been fixed.

#### NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP):

This programme was launched in during 1995-96. It provides three types of services to poor people. (a) National Family Benefit Scheme (b) National Old Age Pension Scheme (c) National Maternity Benefit Scheme. Whole of expenditure on this scheme is spent by central government but since April 2001, NMBC has been handed over to ministry of health and family welfare.

#### SWARNA JAYANTI SHAHRI ROZGAR YOJANA (SJSRY):

This programme was launched in Dec. 1, 1997. its main object is to provide self employment to unemployed youth of urban areas. It includes youth educated up to 9th standard yet living below poverty line. It is also based upon 75% centre and 25% state's contribution in expenditure required for the scheme. The expenditure during 2003-04 was Rs.103 crore. For 2004-05, the allocation is Rs.103 crore, out of which Rs. 90.38 crore were utilized by December 31, 2004. In 2008-2009, 9.47 Lakh beneficiaries were covered under it. Rs. 541 crore was spent on this plan in 2008-09.

#### SWARAN JAYANTI GRAM SWAROZGAR YOJANA (SGSY):

SGSY, launched in April 1999, aims at bringing the assisted poor families (Swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through a mix of Bank credit and Government subsidy. In this scheme IRDP and other programmes have been included. Under this scheme, poor are granted bank loans and subsidies to establish small enterprises. This scheme is centrally sponsored on 75: 25 basis, by centre and states. From this programme about 121 lakh self-employed persons were benefited upto 2009. Rs. 27183 crore was spent on this plan in 2008-09.

#### INDIRA AWAAS YOJANA (IAY):

This is a major scheme for construction of houses of unserviceable kutch houses to semi- pucca houses has also been added. From 1999-2000, the criteria for allocation of funds to states/UTs has been changed from poverty ratio to the housing shortage in the state. Similarly, the criteria for allocation of funds to a district have been changed to equally reflect the SC/ST population and the housing shortage. During 2007-08 Rs. 4033 crores have been earmarked for constructing 21.27 lakh houses. As per information by the states 9.40 Lakh houses have been built upto 2008. The Ministry of Rural Development (MORD) provides equity support to the Housing and Urban Development Corporation (HUDCO) for this purpose.

**ANTYODAYA ANNA YOJANA (AAY):**

AAY launched in December 2000 provides food grains at a highly subsidized rate of Rs.2.00 per kg for wheat and Rs.3.00 per kg for rice to the poor families under the Targeted Public Distribution System (TPDS). The scale of issue, which was initially 25 kg per family per month, was increased to 35 kg per family per month from April 1, 2002. The scheme initially for one crore families was expanded in June 2003 by adding another 50 lakh BPL families. During 2003-04, under the AAY, against an allocation of 45.56 lakh tonnes of food grains, 41.65 tonnes were lifted by the State/UT Governments. Budget 2004-05 expanded the scheme further from August 1, 2004 by adding another 50 lakh BPL families. With this increase, 2 crore families have been covered under the AAY.

**PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY):**

The PMGSY, launched in December 2000 as a 100 per cent Centrally Sponsored Scheme, aims at providing rural connectivity to unconnected habitations with population of 500 persons or more in the rural areas by the end of the Tenth Plan period. Augmenting and modernising rural roads has been included as an item of the NCMP. The programme is funded mainly from the accruals of diesel cess in the Central Road Fund. In addition, support of the multi-lateral funding agencies and the domestic financial institutions are being obtained to meet the financial requirements of the programme. Up to October, 2004, with an expenditure of Rs 7,866 crore, total length of 60,024 km.

of road works has been completed. The National Rural Roads Development Agency (NRRDA), an agency of the Ministry of Rural Development registered under the Societies Registration Act, provides operational and technical support for the programme. In 2008-09, Rs. 46807 crores were spent on this plan. About 2.14 Lakh kms road length was completed. According to this scheme, Rs. 60000 crores are to be spent in seven years. It is expected that by the end of this scheme, 10 crores of rural villagers will be uplifted from poverty line.

**ANNPURNA YOJANA :**

This scheme was initiated on 1st April, 2000. It is 100% centrally sponsored plan. It provides food grains to senior citizens. It involves those citizens who come under old age pension scheme, yet do not get any pension and 10 kgs of food grains, free of cost is given to each individual. Since 2002-03, this scheme has been handed over to state.

**PRADHAN MANTRI GRAMODAYA YOJANA (PMGY):**

PMGY launched in 2000-01 envisages allocation of Additional Central Assistance (ACA) to the States and UTs for selected basic services such as primary health, primary education, rural shelter, rural drinking water, nutrition and rural electrification. For 2003-04 as well as 2004-05, the annual allocation of ACA for PMGY was Rs.2, 800 crore.

**VALMIKI AMBEDKAR AWAS YOJANA (VAMBAY):**

The VAMBAY launched in December 2001 facilitates the construction and up gradation of dwelling units for the dwellers and provides a healthy and enabling urban environment through community toilets under Nirmal Bharat Abhiyan, a component of the scheme. The Central Government provides a subsidy of 50 per cent, the balance 50 per cent being arranged by the State Government. Since its inception and up to December 31, 2004, Rs. 753 crore have been released as Government of India subsidy for the construction/up gradation of 3,50,084 dwelling units and 49,312 toilet seats under the scheme. For the year 2004-05, out of the tentative Central Fund allocation of Rs.280.58 crore, up to December 31, 2004, an amount of Rs. 223.66 crore has been released covering 1,06,136 dwelling units and 20,139 toilet seats.

**NATIONAL FOOD FOR WORK PROGRAMME:**

In line with the NCMP, National Food for Work Programme was launched on November 14, 2004 in 150 most backward districts of the country with the objective to intensify the generation of supplementary wage employment. The programme is open to all rural poor who are in need of wage employment and desire to do manual unskilled work. It is implemented as a 100 per cent centrally sponsored scheme and the food grains are provided to States free of cost. However, the transportation cost, handling charges and taxes on food grains are the responsibility of the States. The collector is the nodal officer at the district level and has the overall responsibility of planning, implementation, coordination, monitoring and supervision. For 2004-05, Rs.2020 crore has been allocated for the programme in addition to 20 lakh tones of food grains.

**NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (NREGS):**

This scheme was introduced on February 2, 2006. For this scheme national rural employment guarantee act was passed on 7th September, 2005. In this scheme two schemes have been included (a) Sampoorn Gramin Rozgar Yojana and (b) National Food For Work Programme. This NREGS scheme was started in 200 districts in the beginning. It will be launched in all the districts throughout the country within periods of 5 years. The main objective is to provide at least 100 days employment to every family in a year. Under this scheme 56 Lakh people got employment in 2006-07. This scheme will be expanded from 200 in 2006-07 to 596 districts in 2008-09. In the budget of 2009-10 Rs. 30,100 crore has been fixed. According to the need budget can be exceeded.

**PUBLIC DISTRIBUTION SYSTEM:**

Poor people are provided food grains on cheaper rates through 4 Lakh fair price shops so as to assure food security to them. In some states, this scheme is implemented in both rural and urban areas. Almost 3% of government budget is spent on this scheme. Public distribution system has helped the poor people to some extent. For the success of this plan PDS system has been computerized in 2007-08. Under this scheme, there was a provision of Rs. 32667 crore for food subsidy in 2008-09.

**PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP):**

This programme was introduced by the govt. in 15th August 2008. In it two employment programmes have been merged. (i) Prime Minister Rozgar Yojana (ii) Rural Employment Generation Programme. The main objective of these programmes is to generate new employment opportunities through micro enterprises. About 37 Lakh opportunities would be generated. For this purpose Rs. 740 crore would be spent in 2008-09 and Rs. 4485 crore during next four years.

**DROUGHT PRONE AREAS PROGRAMME (DPAP), DESERT DEVELOPMENT PROGRAMME (DDP) AND INTEGRATED WASTELANDS DEVELOPMENT PROGRAMME (IWDP):**

DPAP, DDP and IWDP are being implemented for the development of wastelands/degraded lands. During 2004-05 allocation of Rs. 300 crore, Rs. 215 crore and Rs. 368 crore were provided for DPAP, DDP and IWDP, respectively. So far, during 2004-05, 2,550 projects covering 12.75 lakh hectares, 1,600 projects covering 8 lakh hectares and 165 projects covering 8.32 lakh hectares have been sanctioned under DPAP, DDP and IWDP, respectively.

**SMALL AND COTTAGE INDUSTRIES:**

Government for alleviating poverty and unemployment has paid special attention for the development of small and cottage industry. This sector is already providing employment to 238 Lakh people. It encourages self employment schemes by spending heavy expenditure on it. In 2006-07, business limit for small entrepreneurs has been raised from Rs. 3 crore to Rs. 4 crore. In the budget of 2007-08 excise duty exemption has been raised from Rs. 1 crore to 1.5 crore. It will help in raising employment opportunities in small scale industries.

**INTEGRATED CHILD DEVELOPMENT SCHEME (ICDS):**

Under this scheme mothers and children below 6 years have got some financial aid. Govt. has approved 5959 (ICDS) projects in 2007-08. For this purpose Rs. 6300 crore has been allocated in 2008-09 and 6705 crore in 2009-10.

**MID DAY MEALS SCHEME (MDMS):**

Under this scheme, school children are provided with free mid day meals. The children in primary classes have been covered under this scheme. Under this scheme, 2.5 crore additional children got benefit. Children in primary classes and upper primary classes have been covered in 2008-09 (Verma and Pardeep, 2010). For this purpose Amount of Rs. 8000 crore was spent in 2009-10.

**POVERTY ALLEVIATION PROGRAMMES IN TENTH PLAN:**

Indian Govt. had kept Rs. 3, 47,391 crores in tenth plan for the development of social services, which was 22.8% of total public outlay. This amount was spent on education, medical and public health, housing and urban development for uplifting the poor section. Its main object was to reduce poverty on percentage basis at 5% in urban sector and 15% in rural sector.

**MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA):**

MGNREGA was started in 2006-07 and extended to cover the whole country during the 11th Plan. With a people centred, demand-driven architecture, completely different from the earlier rural employment programmes, MGNREGA has directly led to the creation of 987 crore person-days of work since its inception in 2006-07. In financial year 2010-11, MGNREGA provided employment to 5.45 crore households generating 253.68 crore person-days. It has also successfully raised the negotiating power of agricultural labour, resulting in higher agricultural wages, improved economic outcomes leading to reduction in distress migration. This is not to deny that with better project design, implementation leakages could be greatly reduced; and the assets so created could make a larger contribution towards increase in land productivity.

**POVERTY ALLEVIATION PROGRAMMES IN ELEVENTH PLAN :**

Under this plan following programmes were adopted for poverty alleviation:

1. Special efforts were made for the development of small and rural industries so as to provide employment in rural sector in non agricultural areas.
2. Special efforts were made for consolidating economic conditions off marginal and small farmers, artisans and untrained labourers.
3. Under NREGS 100 days employment were provided soon after the registration of 15 days.
4. Aam Adami Bima Yojana has been launched from October 2, 2007.

Besides, other initiatives undertaken to alleviate poverty include price supports, food subsidy, land reforms, Area Development Programmes, improving agricultural techniques, free electricity for farmers, PRIs, growth of rural banking system, grain banks, seed banks, etc. Such endeavours not only reduced poverty but also empowered the poor to find solution to their economic problems. For instance, the wage employment programmes have resulted in creation of community assets as well as assets for the downtrodden besides providing wage employment to the poor. Self-employment programmes, by adopting SHG approach have led to mainstreaming the poor to join the economic development of the country. But the focus on the sustainable income generation still remains elusive. A review of different poverty alleviation programmes shows that there has been erosion in the programmes in terms of resource allocation, implementation, bureaucratic controls, non-involvement of local communities, etc. NABARD has also been contributing in Rural Poverty Alleviation through its various initiatives/ schemes like SHG Bank Linkage Programme, watershed development, tribal development, CDP, REDP, ARWIND, MAHIMA, support to weavers, RIDF, R&D Fund, etc. The Eleventh Plan gave a special impetus to several programmes aimed at building rural and urban infrastructure and providing basic services with the objective of increasing inclusiveness and reducing poverty.

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