

# INDIA'S POVERTY ALLEVIATION PROGRAMMES

**Rohini Nayyar**

Adviser, Rural Development, Planning Commission, New Delhi

At the beginning of the new millennium, 260 million people in India did not have incomes to access a consumption basket which defines the poverty line. Of these, 75 per cent were in the rural areas. India is home to 22 per cent of the world's poor. Such a high incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process. Indeed, poverty is a global issue. Its eradication is considered integral to humanity's quest for sustainable development. Reduction of poverty in India, is, therefore, vital for the attainment of national and international goals. The monitorable targets for the Tenth Five-Year Plan included quantitative targets for reduction in the incidence of poverty, according to which poverty was projected to be reduced by 5 percentage points by the end of the Tenth Plan period, by that time new estimates for poverty would be available.

Agricultural wage earners, small and marginal farmers and casual workers engaged in non-agricultural activities, constitute the bulk of the rural poor. Small land holdings and their low productivity are the cause of poverty among households dependent on land-based activities for their livelihood. Poor educational base and lack of other vocational skills also perpetuate poverty. Due to the poor physical and social capital base, a large proportion of the people are forced to seek employment in vocations with extremely low levels of productivity and wages. The creation of employment opportunities for the unskilled workforce has been a major challenge for development planners and administrators.

Poverty alleviation has been one of the guiding principles of the planning process in India. India's anti-poverty strategy for urban and rural areas has three broad strands; promotion of economic growth; human development and targeted programmes to address the multi-dimensional nature of poverty. The role of

economic growth in providing more employment avenues to the population has been clearly recognised. The growth-oriented approach has been reinforced by focusing on specific sectors which provide greater opportunities to the people to participate in the growth process. The various dimensions of poverty relating to health, education and other basic services have been progressively internalised in the planning process. Central and state governments have considerably enhanced allocations for the provision of education, health, sanitation and other facilities which promote capacity-building and well-being of the poor. Investments in agriculture, area development programmes and afforestation provide avenues for employment and income. Special programmes have been taken up for the welfare of scheduled castes (SCs) and scheduled tribes (STs), the disabled and other vulnerable groups. Antipoverty programmes that seek to transfer assets and skills to people for self-employment, coupled with public works programmes that enable people to cope with transient poverty, are the third strand of the larger anti-poverty strategy. The Targetted Public Distribution System (TPDS) protects the poor from the adverse effects of rise in prices and ensures food and nutrition security at affordable prices.

## Poverty in India

In India the last decade of the Twentieth century has seen a visible shift in the focus of development planning from the mere expansion of production of goods and services, and the consequent growth of per capita income, to planning for enhancement of human well being. The notion of human well being itself is more broadly conceived to include not only consumption of goods and services in general, but more specifically to ensure that the basic material requirements of all sections of the population, especially those below the poverty line, are met and that they have access to basic services such as health and education. This

approach has resulted in the reduction in poverty along with overall improvement in the quality of life.

### Estimates of Poverty

The estimates of incidence of poverty in the country expressed as the percentage of population and the number of poor at the All India level and at the rural and urban levels is given in Table 1.

There has been a decline in the poverty ratio since 1973-74. The decline was modest until 1993-94, by about one percentage point annually. However, this reduction was unable to effect a reduction in the number of poor during this period (1973-74 to 1993-94) due to higher rate of population growth. The number of poor during this period remained stable at around 320 million. The decline between 1993-94 and 1999-2000 is, however, sharp about 10% reduction in the poverty ratio along with significant reduction in number of poor. However, there is still high concentration of the poor in the rural areas as 193 million poor live in the rural areas which is about three fourth of the total poor in the country (estimated at 260 million for 1999-2000).

### Employment Scenario

The estimated number of unemployed persons for the year 2001-02 i.e. the base year of the Tenth Plan is around 34.85 million person (defined on CDS basis) while the unemployment rate is around 9.21 per cent.

Estimates show that the unorganized sector has the highest labour content of output with high employment elasticity whereas the organized

private sector has the lowest. The public sector (belonging exclusively in the organized sector), which was a major employment provider in the past, has recently by heavy shedding of excess labour and has become the lowest potential employment generator.

The growth strategy of the Tenth Plan lays emphasis on rapid growth of those sectors which are most likely to create high quality employment opportunities and deals with the policy constraints which discourage growth of employment. Particular attention has been paid to the creation of a policy environment to influence the wide range of economic activities which have a large employment potential. The Tenth Plan identifies many labour intensive sectors like Agriculture and Allied Activities, Food Processing, Rural Non-farm Sector including Khadi and Village Industries, Small and Medium Enterprises and Services sectors including Health, Education, Information Technology & Communication where employment generating growth can be rejuvenated if right kind of sectoral policies are put in place.

The long term perspective for employment generation highlights that:

- A higher overall growth of the economy is necessary to increase the labour demand, necessary for absorption of additions to labour force and for improvement in the quality of existing employment.
- Pursuing appropriate sectoral policies in individual sectors which are particularly important for employment generation. These sector level policies must be broadly consistent with overall objective of accelerating GDP growth.

**Table 1: Estimates of Incidence of Poverty in India**

Year	All India		Rural		Urban	
	Number (million)	Poverty ratio (%)	Number (million)	Poverty ratio (%)	Number (million)	Poverty ratio (%)
1973-74	321	54.9	261	56.4	60	49.0
1977-78	329	51.3	264	53.1	65	45.2
1983	323	44.5	252	45.7	71	40.8
1987-88	307	38.9	232	39.1	75	38.2
1993-94	320	36.0	244	37.3	76	32.4
1999-2000	260	26.1	193	27.1	67	23.6

- Implementing focused special programme for creating additional employment and enhancing income generation from existing activities, aimed at helping vulnerable groups that may not be sufficiently benefited by the more general growth promoting policies.
- Pursuing suitable policies for education and skill development, which would upgrade the quality of labour force and make it capable of supporting a growth process which generates high quality employment.
- Ensuring that the policy and legal environment governing the labour market encourages labour absorption, especially in organized sector.

### **Strategy for poverty alleviation**

One of the objectives of planned economic development in India has been the removal of poverty and improving the quality of life of its people. Generation of income and wealth through rapid economic growth is one of the key components for achieving this aim. Successive plans have recognized the integral link between rapid economic growth and the quality of life of the mass of the people. They have also emphasised the need to combine high growth policies with policies, which are pro-poor. Thus the focus has been on "Growth with Social Justice and Equity".

Economic reforms initiated in the country in 1991 encompassing macro economic management, industrial deregulation, trade and fiscal policy reforms were major components of the reform process. The need to strengthen existing poverty alleviation programmes and devise new programmes to protect the poor in the wake of the reforms was also clearly recognized. The reform period also witnessed major changes in the edifice of anti poverty alleviation programmes. They were revamped and refocused to enhance targeting of the poor. In addition, social security programmes, schemes for food and nutrition security and schemes that address other dimensions of human poverty were strengthened during the period.

Economic growth is important, as it creates more resources and has the potential of creating

more space for the involvement of the poor. But the involvement of the poor depends on the sources of growth and the nature of growth. If the growth is sourced upon those sectors of the economy or those activities, which have a natural tendency to involve the poor in their expansion, such growth helps in poverty eradication. Therefore, it is recognized that it is important to source a large part of economic growth in agriculture, in rural non-agricultural activities and in productive expansion of the informal sector which all have high employment elasticities, as well as in an export strategy based on labour intensive exports.

Further it is recognized that high growth of incomes is by itself not enough to improve the quality of life of the poor. Unless all the citizens of the country, and most particularly the poor, have access to certain basic minimum services, their living conditions cannot improve. These minimum services include among other things education, primary health care, safe drinking water and nutritional security. The successive Plans have laid special emphasis on these basic minimum services and all efforts are being made to achieve a minimum level of satisfaction in providing these in partnership with the State Governments.

The anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes and social insecurity. Anti poverty programmes for generation of both self and wage employment are being implemented both in rural and urban areas of the country. From time to time these programmes have been redesigned and restructured in order to enhance their efficacy/impact on the poor and improve their sustainability. In addition there are other programmes, which also target to the poor like provision of subsidized foodgrains.

It is also recognized that poverty can effectively be eradicated only when the poor start contributing to the growth by their active involvement in the growth process. Therefore, implementation of the programmes is increasingly based on approaches and methods, which involve the poor themselves in the process of poverty eradication and economic growth, through a process of social

mobilization, encouraging participatory approaches and institutions and empowerment of the poor. In this endeavour Panchayati Raj Institutions (PRI), the voluntary organizations and community based Self-Help Groups and User Groups are closely involved.

## **Poverty Reduction in the Tenth Five Year Plan**

The Tenth Five Year Plan recognizes that economic growth cannot be the only objective of national planning, and development objectives need to be defined not just in terms of increases in Gross Domestic Product (GDP) or per capita income but in more broader terms of enhancement of human well being. Although the Plan aims at a growth target of 8 per cent per annum, in order to reflect the importance of these dimensions it also identifies specific and monitorable targets for a few key indicators of human development.

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012.
- All children in school by 2003; and all children to complete 5 years of schooling by 2007.
- Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007.
- Reduction in infant mortality rate to 45 per 1000 live births by 2007; and to 28 by 2012.
- Reduction in maternal mortality ratio to 2 per 1000 live births by 2007; and 1 by 2012.

## **Direct Anti Poverty Programmes**

### ***Rural Poverty Alleviation Programmes***

Both self and wage employment programmes together with the programmes on rural housing from the major plank of the poverty alleviation programmes being implemented in the rural areas.

### ***Swaranjayanti Gram Swarozgar Yojana (SGSY)***

The programme seeks to bring the assisted poor families (Swarozgaris) above the poverty

line by organizing them into Self Help Groups (SHGs) through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy. The list of Below Poverty Line (BPL) households forms the basis for assistance of families under SGSY; safeguards have been provided to vulnerable sections by reserving benefits for Scheduled Castes/Scheduled Tribes, women and disabled persons. Under the programme emphasis is also laid on training, capacity building and provision of rural infrastructure.

The reorientation of the self-employment programme to a group lending format is seen as the most valuable way of not only creating livelihood opportunities, but also for social mobilization, especially of women. Women's self-help groups have proved themselves to be very effective in improving standards of accountability of various public agencies and in bringing about substantial social transformation. The social mobilization that has been engendered by the poverty alleviation programmes leads to benefits, which cannot be quantified by standard economic measures.

### ***Sampoorna Grameen Rozgar Yojana (SGRY)***

The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village/habitat. The programme is self-targeting in nature. While providing wage employment, preference is given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes/Scheduled Tribes, parents of child labour withdrawn from hazardous occupations, parents of handicapped children or adults with handicapped parents. The programme is implemented through the Panchayati Raj Institutions (PRIs).

Five percent of the funds and foodgrains under SGRY are retained for utilization in areas of acute distress arising out of natural calamities or for taking up preventive measures in the chronically drought or flood affected areas. In addition the programme has a special component to be used with schemes having

wage employment potential to meet exigencies arising out of any natural calamity. Priority is given to soil and moisture conservation, minor irrigation, rejuvenation of drinking water sources, augmentation of ground water, traditional water harvesting structures, desiltation of village tanks/ponds. and such other schemes necessary for watershed development. Other priority works include construction of rural link roads, farm roads, linking agricultural fields, drainage works, afforestation and those that result in creation of durable socio economic assets such as schools, kitchen sheds for schools, dispensaries, community centers, panchayat ghars and development of haats (markets),

### *National food for work programme*

The National Food for Work Programme (NFFWP) was launched on 14 November 2004 in 150 identified backward districts where there is a high demand for wage employment in these areas and also need for local level community assets and infrastructure to be created. It is expected that the programme will:

- ensure a minimum level of employment and incomes to the poor;
- give the poor an opportunity to develop their collective strength, improve their economic position, and reduce their vulnerability;
- discourage migration;
- provide access to health, education and welfare services in the village itself; and
- expedite the construction of environment-friendly infrastructure, works which enhance productivity levels (both farm and off farm) and provide a basis for further promoting economic activities in the region.

The responsibility for planning, implementation, monitoring and supervision of the programme at the district level is vested with the collector/district magistrates.

### *Rural Housing – Indira Awaas Yojana (IAY)*

Housing is one of the components considered to be vital for human survival and, therefore, essential for socio-economic development. As

part of the efforts to meet the housing needs of the rural poor, the scheme of Indira Awaas Yojana (IAY) is being implemented in the country.

The Indira Awaas Yojana (IAY) was launched as the major scheme for construction of houses to be given to the poor, free of cost at the unit cost of Rs.25,000/- in plain areas and Rs.27,500/- in the hilly/difficult areas. An additional component has been added, to the scheme for conversion of unserviceable kutcha houses to semi pucca houses. A Credit-cum-Subsidy Scheme for rural housing was also launched to target rural families having annual income up to Rs.32, 000/-. The loans under this scheme are disbursed by the commercial banks and housing finance institutions. In addition Samagra Awaas Yojana, a comprehensive housing scheme, has also been introduced on pilot basis with a view to ensure integrated provision of shelter, sanitation and drinking water. The underlying philosophy is to provide for convergence of the existing rural housing, sanitation and water supply schemes with special emphasis on technology transfer, human resource development and habitat improvement with people's participation.

### *National Social Assistance Programme*

The National Social Assistance Programme (NSAP) was launched as a Centrally sponsored scheme (CSS) in 1995, with the aim of providing social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. The programme supplements the efforts of the state governments with the objective of ensuring minimum national levels of well-being and the Central assistance is an addition to the benefit that the states are already providing on social protection schemes. NSAP has the following two components:

*National Old Age Pension Scheme (NOAPS) :* Old age pension of Rs. 75 per beneficiary per month is provided to aged destitute persons with little or no regular means of subsistence from their own sources of income or through support from family members or other sources.

*National Family Benefit Scheme (NFBS):* A lump sum benefit of Rs. 10,000 is provided in the case death of primary breadwinner of a BPL family due to natural or accidental causes. The family benefit is paid to a surviving member of the household of deceased who is determined to be the head of the household.

*Annapurna:* The Annapurna scheme, launched in April 2000 as a CSS, provides food security in the form of 10 kg of foodgrains per month free of cost to destitute senior citizens with little or no regular means of subsistence from his/her own source of income or through financial support from family members or other sources.

The funds for the schemes are provided as Additional Central assistance (ACA) to the states, and can be utilised on welfare schemes of old age pension, family benefit or free foodgrains to the aged. States/Union Territories are free to take up one or two or all of the three or in any other combination in accordance with their own priorities and needs. The PRIs at the panchayat and district level are involved in the implementation of the schemes.

### **Urban poverty alleviation schemes**

#### ***Swaran Jayanti Shahri Rozgar Yojana (SJSRY)***

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is the main poverty alleviation programme in the urban areas. The SJSRY seeks to provide gainful employment to the urban unemployed and under-employed poor by encouraging the setting up of self-employment ventures or provision of wage employment. The two Schemes under SJSRY are the Urban Self Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP). The UWEP includes a component for assistance to groups of urban poor women under the title "Scheme for Development of Women and Children in Urban Areas" (DWCUA).

#### ***Scheme for Slums***

According to the 2001 Census, there are 40.6 million persons living in slums in 607 towns/cities, accounting for 22.8 per cent of the

population of these cities. Absence of master plans, multiplicity of agencies working without coordination, insufficient availability of land for housing needs of the urban poor, failure to provide facilities for street vendors and hawkers, are some of the reasons for the persistence of urban slums.

Various schemes – National Slum Development Programme (NSDP), Night Shelters, Two Million Housing Scheme, Accelerated Urban Water Supply Programme (AUWSP), and Low-Cost Sanitation — provide for a wide range of services to the urban poor including slum-dwellers. They include identification of the urban poor, formation of community groups, involvement of NGOs, self-help/thrift and credit activities, training for livelihood, credit and subsidy for economic activities, housing and sanitation, environmental improvement, community assets, wage employment and convergence of services.

Valmiki-Ambedkar Awas Yojana (VAMBAY) has been introduced in 2001-02 to provide a shelter or upgrading the existing shelter to BPL people in urban slums. Twenty per cent of the total allocation under VAMBAY is provided for sanitation and community toilets to be built for the urban poor and slum dwellers.

### **Indirect Programmes**

#### ***Public Distribution System (PDS)***

The importance of an effective mechanism that ensures availability of food at affordable prices at household level for the poor can hardly be over emphasised. Realising this, the Government streamlined the Public Distribution System (PDS), by issuing special cards to families Below Poverty Line (BPL) and selling food grains under PDS to them at specially subsidised prices under the Targeted Public Distribution System (TPDS). The thrust is to include only the really poor and vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/craftsmen such as potters, weavers, blacksmiths and carpenters in the rural areas and slum dwellers and persons earning their livelihood on a daily basis in the informal sector like porters, rickshaw pullers and hand cart

pullers, fruit and flower sellers on the pavements in urban areas. BPL allocation of food grains has been increased from 20 kgs. to 25 kgs. per family per month w.e.f. July 2001. In addition, under the Antyodaya Anna Yojana, 35kgs. of food grain are provided to the poorest of the poor families at a highly subsidised rate of Rs.2 per kg. for wheat and Rs.3 per kg. for rice. The scheme has been expanded to cover 2.5 crore families.

### **Food and nutrition security**

The importance of optimal nutrition for human development is well recognised. Initiatives that have been taken up during to improve nutritional status of the population include: (a) Increasing food production- building buffer stocks (b) Improving food distribution (c) Improving household food security through improving purchasing power; direct or indirect food subsidy (d) food supplementation to address special needs of the vulnerable groups (e) implementation of National programmes for tackling anaemia, iodine deficiency disorders and Vitamin-A deficiency. The Tenth Plan aims at achieving substantial reduction in the severe grades of under-nutrition and health hazards associated with it through effective implementation of strategies for prevention, early detection and management of macro and micronutrient under nutrition. The major effort will be to ensure optimal utilization of available infrastructure and manpower and convergence of efforts aimed at nutrition and health education to the population, identification of vulnerable groups/families, undernourished individuals and provide them with well-targeted subsidised food items; monitoring and midcourse correction through community based organisations and PRI.

Given the large amount of resources flowing into programmes for food and nutritional security, Planning Commission proposes to constitute a committee to monitor 'Food and Nutrition Security; the Committee will consist of nutritionists, social scientists, development practitioners, bureaucrats and NGOs. It is expected to monitor the outcomes of specific interventions as also review overall food availability both at the national and state levels. It could also identify pockets of extreme hunger

and food insecurity and ensure flow of adequate supplies of foodgrains to these areas.

### **Pradhan Mantri Gramodaya Yojana (PMGY)**

Pradhan Mantri Gramodaya Yojana (PMGY) was launched in the Annual Plan 2000-2001 in all the States and the UTs in order to achieve the objective of sustainable human development at the village level. It envisages allocation of Additional Central Assistance (ACA) to the States and UTs for selected basic minimum services in order to focus on certain priority areas. The programmes under PMGY include Primary Health, Primary Education, Rural Shelter, Rural Drinking Water, Rural Electrification and Nutrition.

### **Rural Connectivity**

Rural connectivity is a key component of rural development in India. Rural roads contribute significantly to generating increased agricultural incomes and productive employment opportunities, alongside promoting access to economic and social services. The scheme of Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched to provide connectivity, by way of All-weather Roads to the unconnected habitations in the rural areas, in such a way that habitations with a population of 1000 persons and above are covered in three years (2000-2003) and all unconnected habitations with a population of 500 persons and above by the end of the Tenth Plan Period (2007). Use of locally available material, including products like fly ash are encouraged under the programme. The Rural Roads constructed/upgraded under the programme are maintained by the concerned Panchayati Raj Institutions.

### **Sectoral programmes and poverty**

The corner stone of poverty alleviation strategy remains "growth with social justice and equity" with encouragement to all sectors that provide opportunities to people to participate in the growth process. The poverty-alleviating role of agriculture, irrigation, area development programmes, land reforms, environment strategies and agro processing industries and small and medium industries, which employ labour intensive technology, has been widely

recognized and Government, in the recognition, has taken up the reform of these sectors.

### ***Agricultural Programmes***

The National Policy on Agriculture was adopted in the year 2000. It is an attempt to unlock the growth of potential of Indian agriculture by strengthening rural infrastructure to support rapid agricultural growth, encourage value addition through promotion of agro industry and to create employment in rural areas to discourage migration. The agricultural developmental programmes being implemented help improve the productivity in agriculture and thereby enable the farmers to realize higher incomes. Focus is also laid on the National Watershed Development Programme for Rainfed Agriculture (NWDPR) being implemented under the Macro-management for rainwater harvesting and conservation including the land development for the sustainable development of rainfed areas. The development of common property land resources under the programme also helps in generating biomass, which enables the landless rural poor to take up off-farm activities for livelihood support.

However, compared to eighties, there has been deceleration in the growth rate of production of foodgrain and non-foodgrain crops during nineties. Therefore, special attention has to be paid for increasing productivity in the rainfed areas through ground water development and watershed management. In addition application of biotechnology, remote sensing technology, post harvest management and processing technologies, energy saving technologies and technology for environment protection, are being encouraged. Further, diversification of agriculture has been undertaken in a big way with a shift to evolving not only integrated cropping systems but integrated farming systems including development of animal husbandry and dairying, horticulture, fish, sericulture and apiculture.

### ***Irrigation***

One of the main reasons for rural poverty, especially in an agrarian economy like India, is low agricultural productivity. Among the various inputs required to increase agricultural

productivity, irrigation is by far the most important input ensuring a three-fold increase in production. . With proper water management and package of practices, irrigated agriculture has a potential to yield even 7-8 t/ha. The impact of increased agricultural production due to irrigation is not restricted to foodgrains and cash crops only but to horticulture also. Provision of irrigation facilities also insulates the farmer from the vagaries of monsoon and reduces his vulnerability. The production of food grains in India which was around 50 million tonnes in the fifties has reached about 210 million tonnes due to a quantum jump in creation of irrigation potential in the country.

Besides the direct benefit in terms of productivity from irrigation, there are several other direct and indirect benefits as irrigation sources (dams, tanks, tube wells) also serve as drinking water sources. Irrigation projects also provide employment generation both during project construction and project operation. The Government is laying special emphasis on providing irrigation facilities and has also launched the Accelerated Irrigation Benefit Programme (AIBP) with a view to ensure timely completion of irrigation project.

### ***Area Development Programmes***

The area development programmes viz; Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) are being implemented on watershed basis. Common guidelines have also been adopted for other area development programmes such as National Watershed Development Project for Rainfed Areas (NWDPR), Development of Catchment Area of River Valley Projects and Flood Prone Areas. The common guidelines for Watershed Development provide for a uniform strategy in the implementation of all area development programmes. The main features of this strategy are (i) Area development programmes to be implemented exclusively on watershed basis, (ii) Programmes activities to be confined to the identified watershed of about 500 hectares and to be executed on a project basis spanning over a period of four to five years, (iii) Watershed project to cover a village, as far as possible.

(iv) Elaborate institutional mechanism at various levels clearly defined for effective participation of the local people and the PRIs in all stages of project management, (v) District Rural Development Agency (DRDA) / Zilla Parishad to be the nodal Government agency at the district level to act as a facilitator and provider of finances and technical assistance to the people's organisations executing the watershed projects.

### ***Drought Prone Area Programme (DPAP)***

Drought Prone Areas Programme (DPAP) aims at to minimize the adverse effects of drought on production of crops and livestock and productivity of land, water and human resources ultimately leading to the drought proofing of the affected areas. It also aims at promoting overall economic development and improving the socio-economic conditions of the resource poor and disadvantaged sections inhabiting the programme areas. The programme covers 972 blocks of 182 districts in 16 States.

### ***Desert Development Programme (DDP)***

Desert Development Programme (DDP) has been envisaged as an essentially land based activity and conceived as a long term measure for restoration of ecological balance by conserving, developing and harnessing land, water, livestock and human resources. The main objectives of this programme are: - (i) combating drought and desertification; (ii) encouraging restoration of ecological balance; (iii) mitigating the adverse effects of drought and adverse edapho-climatic conditions on crops and livestock and productivity of land, water and human resources; (iv) promoting economic development of village community; and (v) improving socio economic conditions of the resource poor and disadvantaged sections of village community viz; assetless and women. Presently, this programme covers 232 blocks of 40 districts in seven States.

### ***Integrated Wastelands Development Programme (IWDP)***

Integrated Wastelands Development Programme (IWDP) was started with the

objective of development of wastelands based on village / micro watershed plans. It aims at promoting the overall economic development and improvement of economic condition of the resource poor and disadvantaged section of inhabitants. The scheme also helps in generation of employment in rural areas besides enhancing people's participation in the wastelands development programmes at all stages

### **Land Reforms**

Land reforms have been an important plank of the poverty alleviation strategy. Land reforms have been viewed as an instrument to enable landless to have access to land and for attaining higher levels of agricultural production and income in the rural areas. Land is still a major source of employment and income in rural areas. Therefore, the issue of agrarian reforms continues to remain on national agenda. The major components of the Land Reforms Policy include, detection and distribution of ceiling surplus lands, tenancy reforms, consolidation of land holdings, providing access to poor on common lands and wastelands, preventing the alienation of tribal lands and providing land rights to women. Further, for the successful implementation of land reforms, updating of land records by traditional methods as well as through computerisation is an essential pre-requisite. Consolidation of fragmented agricultural land holdings forms an integral part of the Land Reform Policy and the Five Year Plans have accordingly been laying stress on its implementation. This operation is considered necessary for the planned development of the villages and achieving efficiency and economy in agriculture. In pursuance of this, many States had enacted legislations but so far not much progress could be made except in a few States.

### **Industrial Sector**

The Government has undertaken measures to promote industrialisation and employment generation in the country. A National Programme for Rural Industrialisation has been announced with a mission to set up 100 rural clusters every year to give a boost to rural industrialization and to provide benefit to the rural artisans and unemployed youth and to

reduce rural-urban disparities. Further, for developing small scale industry in industrially backward areas, the Integrated Infrastructure Development Scheme(IIDC) has been taken up. Also, there are schemes like Growth Centres Scheme to promote industrialization in the backward areas, and subsidy schemes like Capital Investment Subsidy Scheme-North Eastern Region, Interest Subsidy Scheme-North Eastern Region and Transport Subsidy Scheme to promote industrialization in hilly areas and remote areas. In addition, the Prime Minister's Rozgar Yojana (PMRY) aims to provide employment/self employment to educated unemployed youths within the age group of 18-35 years with annual family income of Rs.24,000 or less. Under PMRY, preference is given to weaker sections including women. The scheme envisages 22.5% reservation for SCs / STs and 27% reservation for Other Backward Classes (OBCs) In the North Eastern Region the scheme was revised in 1998-99 by raising the age limit to 40 years, income level up to Rs. 40,000 per annum and by covering all viable activities such as horticulture, piggery, poultry, fishing and small tea gardens. The scheme envisages compulsory stipendiary training for entrepreneurs after loan is sanctioned.

### **Rural Employment Generation Programme (REGP)**

REGP is being implemented with the following four components: (1).Special Employment Programme in 71 districts. (2).125 Revamped Public Distribution System (RPDS) Block Development Programme. (3).National Programme for selected village industries, namely, bee keeping, hand made paper and leather. (4).Thrust areas industries programme namely pottery, lime, cane and bamboo, processing of cereals and pulses, village oils, etc. The Special Employment Programme being implemented in 71 districts envisages employment generation for 10,000 persons per district through spinning and weaving of khadi and setting up of village industries. The districts for implementing the programme are identified on the level of backwardness and capability of the institutions implementing the programme. Priority is given to the backward districts.

### **Role of governance in poverty alleviation**

Successful implementation of these programmes requires appropriate policy framework, adequate funds, and effective delivery mechanism. The success of these programmes ultimately depends on the capability of the delivery system to absorb and utilise the funds in a cost-effective manner. An effective and responsive district level field machinery with a high degree of commitment, motivation, professional competence and, above all, integrity has been recognized as one of the prerequisites for successful implementation of an anti poverty strategy.

An effective governance system has to ensure people's participation at various stages of formulation and implementation of the programmes, transparency in the operation of the schemes and adequate monitoring. International experience shows that greater functional and financial devolution to local governments results in higher allocation of resources for social sectors which are accompanied by efficiency gains in resource use. Such trends in social spending have been witnessed in many Indian States as well.

Panchayati Raj Institutions (PRIs) have been given a constitutional role in the governance of the country. Functional responsibilities for subjects that are central to the well being of the communities have been devolved on the PRIs by the Constitution. Truly empowered PRIs can play an important role in improving the efficiency and effectiveness of the schemes and reducing leakages.

The Non Governmental Organisations (NGOs) and Community Based Organizations (CBOs) have been playing an active role in building up people's awareness and providing support to the governmental agencies and the Panchayati Raj Institutions in executing projects for development in rural areas. The NGOs can play an important role in capacity building, access to information, organisation of rural poor in self-help groups and increasing their awareness and capabilities. All these initiatives have good governance as their ultimate goal.

It is expected that through the accelerating convergence of all these favourable factors it

will be possible for the country to achieve the goals set in the Tenth Five Year Plan within the time frame.