



THE ROLE OF RURAL DEVELOPMENT PROGRAMMES IN REDUCTION OF RURAL POVERTY IN INDIAN STATES

B. H. Hanumantharayappa

Research Scholar, Post Graduate Department of Economics,
Bangalore University, Bangalore.

ABSTRACT

This paper examines the relation between rural development programs and poverty reduction for the case of rural India and also examines the features of rural poverty, its magnitude, trends and geographical distribution. It looks at past and present programmes for poverty reduction, and proposes a strategy for eradication of rural poverty. The proposed strategic interventions are designed with the rural households as a unit.

KEYWORDS: Rural population, Rural Poverty, Trend of below Poverty Line, BPL, APL Rural development programs.

INTRODUCTION

India is the fastest growing economy of the world. But unfortunately depending on the methodology observed one out of every four or five Indian is poor. Despite enormous government intervention through poverty reduction programmes, since independence sizeable population live in poverty though the percentage of population living below poverty line has reduced.

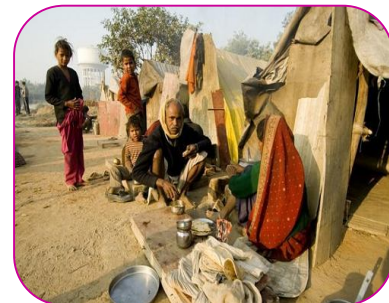
In India during 2011, out of total population of 121 crores, 83.3 crores live in rural areas (Census of India, 2011). Thus, 68.64 per cent of the India's population lives in rural areas. These rural populations can be characterised by mass poverty, low levels of literacy and income, high level of unemployment, poor nutrition and health status. In order to tackle these problems, a number of rural development programmes are being implemented to create opportunities for improvement of the quality of life of these rural people.

MEANING OF POVERTY

Poverty is measured in terms of per capita consumption expenditure level which meets the per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas along with a minimum of non-food expenditure. It is converted into consumption expenditure and Suresh Tendulkar (2009) estimated that those whose consumption expenditure is less than Rs.27 in rural areas and Rs.33 in urban areas are considered as poor. Rangarajan (2014) estimated that those whose consumption expenditure is below Rs.32 in rural areas and Rs. 47 in urban areas are regarded as poor. Despite controversies against the methodology of the poverty estimates the 2011-12 poverty estimates by the NSSO used Suresh Tendulkur methodology of consumption expenditure to take.

The Role of Rural Development Programmes

The Rural development programmes leads to improvement of quality of life of rural life, while doing so it provides employment and reduces poverty. An integrated and holistic approach was adopted in few Government rural development poverty elevation, self employment and employment generation programmes. Few of such programmes are



Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Rastriya Sama Vikas Yojana (RSVY), Jawahar Rozgar Yojana (JRY), Indira Awas Yojana (IAY), Sampoorna Grameen Rozgar Yojana (SGRY), Integrated Tribal Development Project (ITDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), Integrated Child Development Services (ICDS), Development of Women and Children in Rural Areas (DWCRA), etc. All these schemes strategy of direct attacks on rural poverty was launched as the normal 'trickle down' effects of growth did not appear to be reaching the rural poor. Most of the rural development programmes are implemented by the Panchayati Raj Institutions (PRIs) and the selection of the beneficiaries in all Rural Development Programmes is done in the Gram Sabha.

Major Poverty Alleviation Schemes of Ministry of Rural Development in India

Pradhan Mantri Gram Sadak Yojana: Rural Road Connectivity is not only a key component of Rural Development by promoting access to economic and social services and thereby generating increased agricultural incomes and productive employment opportunities in India, it is also as a result, a key ingredient in ensuring sustainable poverty reduction.. The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a 100% Centrally Sponsored Scheme. 50% of the Cess on High Speed Diesel (HSD) is earmarked for this Programme. Thus the annual allocation during year 2015-16 is to be enhanced by Rs. 5,000 crore and with this the total Central allocation to States would be Rs. 15,100 crore. 29,000 new habitations will be connected between 2015 to 2017.

Pradhan Mantri Awaas Yojana (Gramin): Government has committed to provide 'Housing for All' by 2022. To fulfill the government's commitment and to address rural housing gaps, Indira Awas Yojana has been restructured into Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) w.e.f. 1st April 2016. Under the scheme, financial assistance is provided for construction of pucca house to all houseless and households living in dilapidated houses. It is proposed that one crore households would be provided assistance for construction of pucca house under the project during the period from 2016-17 to 2018-19. The scheme would be implemented in rural areas throughout India except Delhi and Chandigarh. The cost of houses would be shared between Centre and States. Under PMAY, the cost of unit assistance is to be shared between Central and State Governments in the ratio 60:40 in plain areas and 90:10 for North Eastern and hilly states.

Sansad Adarsh Gram Yojana (SAGY): It is a village development project launched by Government of India in October 2014, under which each Member of Parliament will take the responsibility of developing physical and institutional infrastructure in three villages by 2019. The Saansad Adarsh Gram Yojana (SAANJHI) was launched on on 11th October, 2014. The goal is to develop three Adarsh Grams by March 2019, of which one would be achieved by 2016. Thereafter, five such Adarsh Grams (one per year) will be selected and developed by 2024.

Deen Dayal Antyodaya Yojana: Deen Dayal Antyodaya Yojana - National Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011.

Aajeevika Grameen Express Yojana: The Government of India has introduced a new sub-scheme under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY - NRLM) entitled "Aajeevika Grameen Express Yojana" (AGEY) from the financial year 2017-18. The objectives of this (1) To provide an alternative source of livelihoods to members of SHGs under DAY - NRLM by facilitating them to operate public transport services in backward rural areas, as identified by the States. (2) To provide safe, affordable and community monitored rural transport services to connect remote villages with key services and amenities (including access to markets, education and health) for the overall economic development of the area by making use of the supports available within the framework of DAY - NRLM. The Salient features of the under the programme, the Community Investment Fund (CIF) provided to Community based Organisations (CBOs) under the existing provisions of DAY - NRLM scheme will be utilised to support the SHG members to operate the public transport services. The States will have the following two options to implement the scheme.

Start-up Village Entrepreneurship Programme (SVEP): It is being implemented as a sub-scheme under National Rural Livelihood Mission (NRLM) to promote start - up enterprises in rural areas. The SVEP proposes to address following three major problems of rural start-ups A missing knowledge eco-system, A missing incubation eco-system and A missing financial eco-system. SVEP will hence be a focused intervention to promote start-up entrepreneurship at village level by rural poor households by providing assured availability of need based financial support, capacity building and advisory services for establishment of village enterprises. SVEP envisages creation of sustainable self employment opportunities for a large number of rural poor youth, enabling them to engage effectively with the market and help generate wealth locally. In the process, SVEP will bring banks and financial institutions closer to the village entrepreneur. SVEP will initially support creating and strengthening of 1,82,200 village enterprises in 125 blocks across 24 States in the country over a 5 year period from 2014 - 15 to 2018 - 19. Based on the success of this initial phase of 5 years, it will be taken up in all the blocks of the country in sync with the roll out of NRLM. This intervention has over the next 12 – 15 years the potential to reach out to and support 1.0 crore rural entrepreneurs and generate employment for more than 2.0 crore persons

National Rural Livelihoods Project (NRLP): NRLP has been designed as a sub-set of NRLM to create 'proof of concept', build capacities of the Centre and States and create an enabling environment to facilitate all States and Union Territories to transit to the NRLM. NRLP would be implemented in 13 high poverty states accounting for about 90 percent of the rural poor in the country. Distribution of project funds among the states would be based on inter-se poverty ratios.

Swarnjayanti Gram Swarojgar Yojana (SGSY) - Recognizing the importance of Self Help Group (SHG) and Micro-Enterprise (ME) approach, the Swarnjayanti Gram Swarojgar Yojana (SGSY) a major self employment scheme was launched in April, 1999 after merging the Integrated Rural Development Programme (IRDP), SGSY lays emphasis on group approach, key activity, cluster approach and envisaged awareness building, community mobilization through SHGs linkages to inputs such as technology, credit and markets required for successful Micro-Enterprise Development (MED). SGSY has a provision of special projects to ensure a time bound programme for bringing specific number of BPL above the poverty line through innovative and different strategies to provide long term sustainable self employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training & skill development etc or a combination of these.

National Rural Employment Guarantee Act (NREGA): The National Rural Employment Guarantee Act (NREGA) was enacted in 2005. The Act provides a guarantee of 100 days of wage employment in a financial year to a rural household whose adult members are willing to do manual and unskilled work. This step is expected to provide wage employment to the rural poor and would act as a safety net below which no household would be allowed to fall. The NREG Programme was designed based on the lessons learnt from the implementation of earlier wage employment programmes such as NREP, RLEGP, JRY, (SGRY) and (JGSY). Under this a minimum of 50% of the funds are transferred to the village panchayats which are responsible and accountable for generating wage employment. Various type of activities such as rural connectivity, water harvesting structures, drought proofing, minor irrigation, micro irrigation works, works for benefiting SCs/ STs are being implemented.

TRENDS OF RURAL POVERTY

The NSSO in its 68th round (2011-12), show that the incidence of poverty declined from 41.8 per cent in 2004-05 to 25.7 per cent in 2011-12 for the country as a whole, with a sharper decline in the number of rural poor. The high rural poverty can be attributed to lower farm incomes due to subsistence agriculture, lack of sustainable livelihoods in rural areas, impact of rise in prices of food products on rural incomes, lack of skills, underemployment and unemployment. (Economic Survey, 2016-17)

Table- 1 Trends of Rural Poverty in India

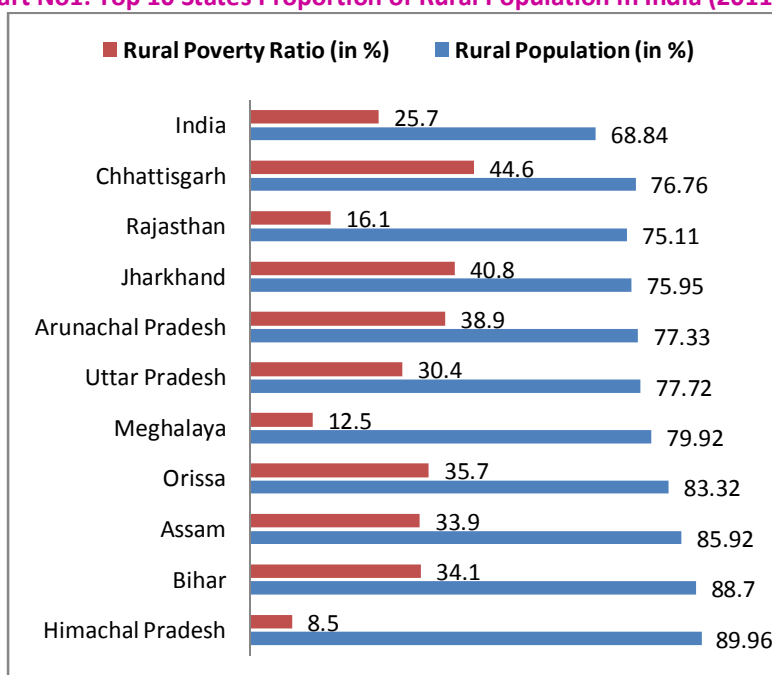
Year	Poverty Ratio (in %)	Number of Poor (in million)
1973-74	56.4	261.3
1977-78	53.1	264.3
1983-84	45.6	252.0
1987-88	39.1	231.9
1993-94	50.1	328.6
2004-05	41.8	326.3
2009-10	33.8	278.2
2011-12	25.7	216.7

Source: Government of India, Planning Commission (2014)

Table -1 provides data on temporal profile of rural poverty reduction from 1973-1974 up to 2011-12. While poverty in the rural areas, in percentage terms, has declined to half from 56.4% in 1973-74 to 25.7 % in 2011-12, in absolute terms, the reduction is not very significant. The population living below the poverty line (BPL) in the rural areas is still unacceptably high, at over 22 crore.

RURAL POPULATION

The rural poor in India are highly concentrated in Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, Madhya Pradesh, Chattisgarh, West Bengal, Maharashtra, and Orissa. The poor from these ten states together account for nearly 76.2% of the total rural poor in India in 2004-05 as compared to 62.3% in 1973-74. The concentration of poor has increased in these States. The following table shows the top states proportion of rural population in India.

Chart No1: Top 10 States Proportion of Rural Population in India (2011-12)

Source: Census of India (2011), Government of India

Himachal Pradesh has a highest rural poor population in India that is 89.96 percent. Bihar is the second highest having rural poor population is 88.7 percent. Then Assam 85.92 %, Odisha 83.32 %,

Meghalaya 79.92%, Uttar Pradesh 77.72 %, Arunachal Pradesh 77.33 %, Jharkhand 75.95 %, Rajasthan 75.11 % and Chhattisgarh 76.76 % were has the rural poor pollution in India. (Census, 2011)

INCREASED PACE OF POVERTY REDUCTION

The pace of poverty reduction increased in recent years, the below poverty line as declined from 52.67 percent (1973-74) to 38.8 percent (2011-12) in Manipur, In Arunachal Pradesh it has declined from 52.67 % in 1973-74 to 38.9% in 2011-12. In Assam 52.67 percent in 1973-74 to 33.99 percent 2011-12, Bihar 62.99 percent in 1973-74 to 34.1 percent in 2011-12, in Gujarat 43.35 in 1973-74 to 21.5 percent in 2011-12, In Himachal Pradesh 27.42 percent in 1973-74 to 8.5 percent in 2011-12, in Orissa 67.28 percent in 1973-74 to 35.7 percent in 2011-12, Rajasthan 44.76 percent in 1973-74 to 16.1 percent in 2011-12, Madhya Pradesh 62.66 percent in 1973-74 to 35.7 percent in 2011-12, Uttar Pradesh 56.53 percent in 1973-74 to 30.4 percent in 2011-12.

Table No.2: Geographical Concentration of Rural Population below Poverty Line in Select States
(in Percentage)

Sl. No	Name of States	1973-74	1983-84	1993-94	2004-05	2009-10	2011-12
	Manipur	52.67	42.60	45.01	39.3	47.4	38.8
	Arunachal Pradesh	52.67	42.60	45.01	33.6	26.2	38.9
	Assam	52.67	42.60	45.01	36.4	39.9	33.9
	Bihar	62.99	64.37	58.21	55.7	55.3	34.1
	Gujarat	46.35	29.80	22.18	39.1	26.7	21.5
	Himachal Pradesh	27.42	17.00	30.34	25.0	9.1	8.5
	Orissa	67.28	67.53	49.72	60.8	39.2	35.7
	Rajasthan	44.76	33.50	26.46	35.8	26.4	16.1
	Madhya Pradesh	62.66	48.90	40.64	53.6	42.0	35.7
	Uttar Pradesh	56.53	46.45	42.28	42.7	39.4	30.4
	West Bengal	73.16	63.05	40.80	38.2	28.8	22.5
	Karnataka	55.14	36.33	29.88	37.5	26.1	24.5
	Kerala	59.19	39.03	25.76	20.2	12.0	9.1
	Tamil Nadu	57.43	53.99	32.48	37.5	21.2	15.8
	Andhra Pradesh	48.41	26.53	15.92	32.3	22.8	11.0
	Chhattisgarh				55.1	56.1	44.6
	Jharkhand				51.6	41.6	40.8
	Uttarakhand				42.7	14.9	11.6
	All India	56.44	45.65	37.27	41.8	33.8	25.7

Notes: Estimates based on Tendulkar method on mixed reference period.

Source: Planning Commission (2014), Government of India.

In West Bengal it has declined from 73.16 percent in 1973-74 to 22.5 percent in 2011-12, Karnataka 55.14 percent in 1973-74 to 24.5 percent in 2011-12, Kerala 55.14 percent in 1973-74 to 9.1 percent in 2011-12, Tamil Nadu 57.43 percent to 15.8 percent in 2011-12, Andhra Pradesh 48.41 percent to 11.0 percent in 2011-12, Chhattisgarh 55.1 percent in 2004-05 to 44.6 percent in 2011-12, Jharkhand 51.6 percent in 2004-05 to 40.6 percent in 2011-12, Uttarakhand 42.7 percent to 11.6 percent in 2011-12.

REDUCTION RURAL POVERTY ESTIMATES

The estimate of Rural Poverty Ratio with the comparison between the years 2009-10 and 2011-12 as provided from the Expert Group Tendulkar methodology is summarized in following the Table.

Year	Poverty Ratio		No. of poor (million)	
	Rural	Total	Rural	Total

1. 2009-10	33.8	29.8	278.2	354.7
2. 2011-12	25.7	21.9	216.7	269.8
3. Reduction (%age points)	8.1	7.9	61.5	84.9

Notes: Estimates based on Tendulkar method on mixed reference period.

Source: Planning Commission (2014), Government of India.

The rural poverty ratio during 2009-10 was 33.8 percent which is higher than the total average poverty ratio is 29.8 percent. In 2011-12, 25.7 percent of rural poverty ratio is higher the 21.9 percent of total poverty ratio in India. The rural poverty ratio was significantly reducing to 25.7 percent in 2011-12 from 33.8 percent in 2009-10 as well as the total average poverty ratio was reducing to 21.9 percent in 2011-12 from 29.8 percent in 2009-10. The significantly reduction of rural poverty ratio 8.1 percentage points is higher than the reduction of total average poverty ratio 7.9 percentage points with the comparison between the 2009-10 and 2011-12. And also the comparatively 61.5 million poor persons are decreasing in rural poverty line from 2009-10 to 2011-12.

CONCLUSION

The Rural Development Programmes has resulted in the increased total income of the people. Because of the increased income from agriculture, yield & through various development schemes are the economic condition of the rural people is improved. Moreover the increasing opportunities to generate income also resulted in the over all high income of the people. Thus PRIs has dramatically changed the social and economic situation in the state.

REFERENCE:

1. Sachin More and narendra Singh (2014), 'Poverty in India: Concepts, measurement and status', retrieved from online at <http://mpira.ub.uni-muenchen.de/62400>.
2. Ganjee, Farooq Ahmad (2014), 'A Case study of rural development programmes in India', published in International journal of English language, Literature and Humanities, Vol.1, Issue.V, February. ISSN 2321 – 7065.
3. Jha, Raghendra (2000), 'Reducing Poverty and Inequality in India Has Liberalization Helped?', Working papers No.204, world institute for development economic research, The United Nations University, November,
4. Rural Development Statistics (2016-17), National Institute of Rural development and Panchayati Raj (NIRDPR), Ministry of Rural Development, Government of India. Hyderabad.
5. Press Note on Poverty Estimate (2014), Planning Commission, Government of India, June.
6. Maheswari S.R. (1985), Rural Development in India, Sage Publications, India Pvt. Ltd. New Delhi.
7. Swain, Sanjit Kumar (2015), 'Impact of Poverty Alleviation Programmes on Socio-Economic Development Of Rural Poor of Odisha- A Statistical Analysis', Journal of Rural Development, NIRD&PR, Hyderabad Vol. 34, No. (2) pp. 187 – 213, April – June.
8. Tenth Five Year Plan Report-2002-07 (2001), 'Rural Poverty Alleviation Programmes', Ministry of Rural Development, Government of India, December. New Delhi.
9. Census (2011), Government of India. New Delhi.



B.H. Hanumantharayappa

Research Scholar, Post Graduate Department of Economics, Bangalore University, Bangalore.