Poverty Alleviation and Pro-Poor Growth in India

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Foreword

Of the many afflictions and adversaries humans have to fight, poverty is perhaps the most stubborn and hardest to eliminate. India recognized the challenge of poverty and made its removal the central aim of its economic planning. Yet, it is also distressingly true that our efforts have met with a limited degree of success than what was originally anticipated. Regardless of which figure one chooses for drawing the poverty line, a quarter of India's population – more than 250 million people – still live in the abject poverty.

For the first decade and a half after independence in 1947, it was widely believed that growth would automatically reduce and eliminate poverty. But, by the end of the 1960s, it had become evident that growth alone was not enough, and that active state intervention through re-designed as well as new policies of income and asset redistribution was necessary. However, thanks to some very Indian complexities, social, cultural and governmental, by the end of the 1980s, the focus once again shifted to growth. The new wave of globalization has only added to this impulse.

On the face of it, the results have been most gratifying. The rate of GDP growth in India has spurted in the last four years to 9 per cent, making it the second-fastest growing economy in the world, after China. But at the same time, the outcome of this growth has not necessarily been pro-poor. If anything, income and asset distribution have worsened during the last decade. The result is a heightened degree of social unrest, mostly in the countryside. In a nutshell, even the basic subsistence needs of millions of people are not being met. That is the bottom line.

The key question before the Indian state therefore remains what it was: how do we fight poverty? How can India mix and match internationally consistent macroeconomic policies with suitable microeconomic ones? The answer, as this monograph suggests, perhaps lies in internalizing the problems encountered by anti-poverty programmes and designing an effective framework to eliminate these problems faster to ensure an effective pro-poor growth. A key element in this effort at internalization must be to recognize that supply-side interventions on the part of the State should correctly reflect the actual needs of the poor without which programme design and targeting is bound to remain inadequate and inappropriate. Indeed, this is the reason why so many programmes are not demand-driven – that is, they do not reflect what the poor need. Asymmetric information and lack of transparency and accountability add to the problem and should also be addressed adequately.

The monograph seeks to evaluate India's poverty reduction strategy by analysing the pro-poorness of policies and programmes in terms of resources allocation, governance and implementation. Equally importantly, it also tries to assess the pro-poorness of economic growth in terms of the conventional indicators and examines if there has been a commensurate decline in economic and social inequality. There is also an attempt to explain the pro-poorness in the pattern of growth in terms of physical and economic access to basic needs, quantitative and qualitative pattern of employment growth, gender disparity in economic and social well-being and institutional reforms.

One of the most important causes underlying chronic poverty is poor access and connectivity. However, access, connectivity, transport links, have not received the attention that is due to them, especially given the importance of transport to levels of economic activity and therefore rates of economic growth. The development of domestic markets that necessarily accompanies rapid economic growth has also created the need to develop internal transport links as well in order to support the increasing levels of economic activity.

I am sure that this monograph will contribute towards enhancing our understanding of the biggest challenge that we face today. This, in turn, should enable improvements in the strategies to counter it and eventually proceed towards a poverty-free India.

K. L. Thapar
Chairman

Abbreviations

AL	Agricultural Labourers
APL	Above Poverty Line
ARWSP	Accelerated Rural Water Supply Programme
BPL	Below Poverty Line
BRC	Block Resource Center
BSY	Balika (Girls) Samriddhi Yojana
CADP	Command Area Development Programme
CAG	Comptroller and Auditor General of India
CCE&VT	Courses for Educational and Vocational Training for Women
CCSSRH	Credit Cum Subsidy Scheme for Rural Housing
CDHR	Centre for Development and Human Rights
CED	Chronic Energy Deficiency
CHC	Community Health Centre
CLR	Computerisation of Land Records
CMH	Commission on Macroeconomic and Health
CMP	Common Minimum Programme
CTE	Colleges of Teachers' Education
CDS	Current Daily Status
CWS	Current Weekly Status
DDP	Desert Development Programme
DIET	District Institutes for Education and Training
DONER	Ministry of Development of North Eastern Region
DPAP	Drought Prone Area Programme
DPIP	District Poverty Initiatives Project
DRDA	District Rural Development Authority
DWCD	Department of Women and Child Development
DWCRA	Development Of Women and Children in Rural Areas
EAS	Employment Assurance Scheme
EFA	Education for All
EGS	Employment Guarantee Scheme

EUS	Employment Unemployment Situation
FFW	Food for Work
FPP	Family Planning Programme
FRCH	Foundation For Research Community Health
GDP	Gross Domestic Product
GNP	Gross National Product
GoI	Government of India
HADP	Hill Area Development Programme
HRD	Human Resource Development
IASE	Institutes of Advanced Study in Education
IAY	Indira Awas Yojana
ICDS	Integrated Child Development Services
ICMR	Indian Council of Medical Research
IHR	India Health Report
IMR	Infant Mortality Rate
IMY	Indira Mahila Yojana
ISRHHD	Innovative Scheme for Rural Housing and Habitat Development
IWDP	Integrated Wasteland Development Programme
IWEP	Integrated Women Empowerment Programme
JSY	Janani Suraksha Yojana
KGBV	Kasturba Gandhi Balika Vidyalaya
KVIC	Khadi and Village Industries Commission
M&E	Monitoring and Evaluation
MAEF	Maulana Azad Educational Foundation
MCHP	Maternal and Child Health Programme
MDG	Millennium Development Goals
MFAL	Marginal Farmers and Agricultural Labourers
MIS	Management Information System
MMR	Maternal Mortality Rate
MoHFW	Ministry of Health and Family Welfare
MoRD	Ministry of Rural Development
MSY	Mahila Samriddhi Yojana

NAC	National Advisory Council
NBCFDC	National Backward Classes Finance and Development Corporation
NCAER	National Council of Applied Economic Research
NCERT	National Council for Educational Research and Training
NCEUS	National Commission for Employment in the Unorganised Sector
NFBS	National Family Benefit Scheme
NFE	Non-Formal Education
NFFW	National Food for Work Programme
NFHS	National Family Health Survey
NLCPR	Non-lapsable Central Pool of Resources
NLM	National Literacy Mission
NMBS	National Maternity Benefit Scheme
NMSSS	National Minimum Social Security Scheme
NNMB	National Nutrition Monitoring Bureau
NOAPS	National Old Age Pension Scheme
NPE	National Policy on Education
NREGA	National Rural Employment Guarantee Act
NRHM	National Rural Health Mission
NSAP	National Social Assistance Programme
NSDP	Net State Domestic Product
NSSO	National Sample Survey Organizations
NWDPRA	National Watershed Development Programme for Rain-fed Areas
OBB	Operation Blackboard
OL	Other Labourers
PDS	Public Distribution System
PEO	Programme Evaluation Organization
PHC	Primary Health Care
PMGY	Prime Minister Gramodaya Yojana
PRI	Panchayati Raj Institution
PRS	Poverty Reduction Strategy
PSU	Public Sector Undertaking

PTG	Primitive Tribal Group
PUCL	People's Union for Civil Liberties
RBA	Rights Based Approach
RBI	Reserve Bank of India
RGNDWM	Rajeev Gandhi National Drinking Water Mission
SAY	Samagra Awas Yojana
SC	Scheduled Castes
SCA	Scheme for Central Assistance
SEA	Self-employed in Agriculture
SENA	Self-employed in Non-Agriculture
SFDA	Small Farmers Development Agency
SGRY	Sampoorna Grameen Rozgar Yojana
SGSY	Swarna Jayanti Gram Swarozgar Yojana
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SRA	Strengthening of Revenue Administration
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribes
STEP	Support to Training and Employment Projects for Women
TPDS	Targeted Public Distribution System
TSC	Total Sanitation Campaign
TSP	Tribal Sub Plan
UEE	Universal Elementary Education
ULR	Updating of land Records
UN	United Nations
UPA	United Progressive Alliance
UPS	Usual Principal Status
VAMBAY	Valmiki Ambedkar Awas Yojana

Introduction

The planners and policymakers in India have been underscoring higher economic growth as an outcome as well as a prime-mover of development policies. However, while discussing about the economic growth both as an instrument and outcome, the question that inherently arises is whether economic growth has actually been pro-poor and inclusive in nature. In order to understand the nuances of poverty alleviation process in Indian context, an assessment of pro-poorness of economic growth is all the more essential.

It may, however, be mentioned that the poverty reduction process in India is quite complex. Although, at the macro-level, it may not be very difficult to identify an inverse correlation between economic growth and poverty reduction, the picture at the micro-level is quite disparate and heterogeneous. This is owing to web of deeply ingrained social, political and structural factors which have a very large bearing on the pro-poorness of development policy, in general, and on the efficacy of the economic growth, in particular.

In view of the much-felt need for assessing the pro-poorness of economic growth, the present monograph attempts to examine whether the economic growth in India has actually been accompanied by a commensurate improvement in economic and social inequality. The monograph tries to explain 'pro-poorness' and 'inclusiveness'(or otherwise) of economic growth in terms of some of the proximate determinants, like, quantitative and qualitative pattern of employment; gender inequality in well-being; right to land and institutional reforms related to land; and connectivity through all weather roads.

The second element of India's poverty reduction strategy is the targeted poverty alleviation programmes. The rationale for introducing the targeted programmes for the poor came to the fore in the late 1960s when the government policies had to face severe criticisms because the much anticipated benefits of economic growth was not percolating to the poor and the disadvantaged. The targeted poverty alleviation programmes are basically supply-side interventions on the part of the state in response to the needs of the poor and the disadvantaged.

However, most often, these interventions fail to reach the intended beneficiaries as they are not demand-driven. The problems get further compounded with asymmetric information, lack of transparency and accountability and non-participatory nature of functioning of these programmes. In the light of the extensive literature that exists on evaluation of programmes in India, the monograph analyses the functioning of some major poverty alleviation programmes in the Indian context in order to identify the key factors that are impeding the pro-poorness in delivery of outcomes of these programmes. The main questions that it tries to address are:

- Are there any problems in identification of the poor and disadvantaged?
- Are the poverty alleviation programmes specifically targeted to the poor and disadvantaged irrespective of their caste, class, religion, and gender?
- Did the poor participate in every stages of a poverty reduction programme right from identification, through programme design and implementation and subsequent monitoring and evaluation?
- Are the financial allocations adequate to meet the needs of the intended beneficiaries of the targeted programmes?
- Are the implementation mechanisms and delivery systems appropriate, transparent, effective and participatory?

The notion of poverty that has been used in targeted poverty alleviation programmes in India is primarily based on lowness of income or purchasing power or in terms of calorie consumption below and above norm. However, any discussion on poverty and its alleviation would remain incomplete if one fails to take note of the development literature that emerged in the 1980s. This body of literature primarily evolved around the notion of ‘capability’ pioneered by Prof. Amartya Sen. Prof. Sen argued that the basic purpose of development is to enlarge people’s choices so that they can live the life they value. He distinguished between capabilities and functionings with the former being the choices or the means one faces in life and the latter the outcomes or the ends. The literature recognised that poverty is not just confined to a lack of purchasing power but it is a 'process' which is influenced by the state of health, level of education, demographic characteristics and enabling political and socio-cultural environment that determine the access to development opportunities.

This recognition of the multi-dimensionality of poverty also brought to the fore the need for complementing targeted income poverty alleviation strategy with special programmes for building the capabilities of the poor and disadvantaged. Accordingly, from the late 1970s and early 1980s onwards, the development polices got reoriented towards social and human development to accommodate the basic non-material and capability-building needs for the poor and disadvantaged. The focus on primary health care in the Sixth Plan; the announcement of National Health Policy in 1983; the introduction of Special Component Plan in the Sixth Plan for SCs and STs; the formulation of a National

Policy on Education in 1986; and the launching of National Literacy Mission etc. are some instances of that reorientation.

But here also, the question that remains to be answered is whether such reorientation has actually yielded the desired outcomes. In order to examine the efficacy of the reoriented policies towards human and social development, the monograph also probes into the state of 'capability poverty' by using some indicators pertaining to some basic capabilities and analyses the disparity in access of the poor and disadvantaged to these capabilities. In the process, it also analyses whether the policies and programmes for realisation of these capabilities have actually yielded benefits to those, for whom those were originally intended.

In the endeavour towards assessing the pro-poorness of development policy, in general, and economic growth in particular, the monograph begins with a backdrop in **Chapter 1** on chronological evolution and reformation of poverty reduction strategy over the successive Five-Year Plans. It also tries to capture the dilemma of the policymakers in addressing development and justice over the successive plans. It then analyses the picture of economic growth and inequality in **Chapter 2** and proceeds further and makes an assessment of the state of capability poverty in **Chapter 3**. **Chapter 4** addresses the employment question and tries to assess the pro-poorness of employment growth by analyzing it both quantitatively and qualitatively. **Chapter 5** delves into the process involved in the identification of the poor and makes an assessment of the performance of some major poverty alleviation programmes in India in terms of their pro-poorness in delivering outcomes or otherwise. **Chapter 6** dwells on the issue of gender inequality in economic and social well-being across the states and analyses briefly the gender perspective in poverty alleviation programmes in India and its outcome. **Chapter 7** explores the role of institutional reforms especially right to land in the alleviation of rural poverty in India. **Chapter 8** analyses the relationship between physical accessibility or connectivity through all-weather roads and alleviation of poverty and human development. **Chapter 9** suggests a way forward towards pro-poorness through reconciliation of economic growth with rights and underscore the importance of pro-poor governance and empowerment along with the warranted interventions in development and macroeconomic policies. The monograph eventually infers that the nation would be able to realise the foremost Millennium Development Goal of halving poverty by 2015 faster, if the policymaking process internalizes the intrinsic as well as the instrumental value of rights.

Chapter 1

Poverty Reduction Strategies in India over the Successive Five Year Plans

At the time of India's independence, the socio-economic scenario was characterized by a predominantly rural economy with feudal structure. There was widespread poverty, dismal literacy rate, geographically and culturally isolated population, a rigid social structure and extremely poor transport and communication system. The state leaders and policymakers during the initial years of development planning were also not adequately acclimatised to development activities.

In view of the impediments to social and economic development, the fulcrum of the planning process had been pivoted on the strategic goal of 'economic development with social justice'. Thus, the planning process in India, over the years, underscored the development of backward areas and disadvantaged population groups.

The First Plan (1951-56) was an attempt to strike a balance between the prevailing socio-economic conditions and the building up of a model society founded on the Indian Constitutional norms relating to the protection and advancement of the people belonging to the weaker sections. The plan document explicitly states, "Economic planning has to be viewed as an integral part of a wider process aiming not merely at the development of resources in a narrow technical sense, but at the development of human faculties and the building up of an institutional framework adequate to the needs and aspirations of the people".[1] This realization led to the implementation of the nation-wide programme of community development, with the objective of facilitating socio-economic change primarily in the life of the rural population. The Community Development[2] had also been considered as an instrument in tackling poverty during the first plan. The basic premise of this programme was founded on the assumption that efforts at the local level could be instrumental in motivating the community to participate

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1. Text of the First Five Year Plan Document, available at: http://planningcommission.nic.in/plans/planrel/fiveyr/welcome.html (accessed on 10 May, 2007).
2. Each community project consisted of three Development Blocks and each block comprised nearly hundred villages. The Development Block was further stratified into groups of five villages and each of the group was under the supervision of a village level officer. The activities that were carried out under the Community Development Blocks included agriculture and allied activities, irrigation, communication, education, health, supplementary employment, housing, training and social welfare.

in the development programmes. The expectation was that if motivational impulses could be successfully generated then it would not really be difficult to sustain the programme once it gains momentum. The introduction of the Panchayati Raj Institutions (PRIs)[3] provided the much-needed impetus towards the implementation of the programme. However, the Community Development Programme, despite having been continued during the subsequent plan periods, failed to generate the desired results because of the over-dependency of the programme not only on the government initiative but also on government funding. The programme failed miserably in places characterized by a lack of government funding as the much-needed local contribution was not forthcoming. Thus, the programme of community development, upon which the Planners in India were initially banking to alleviate poverty, failed to bring about the desired results in terms of improving the lives of the poor.

However, an important institutional change that took place in the first plan period was the evolution of a comprehensive land reform policy, which led to the abolition of intermediary institutions and systems of land holding like zamindari, jagirdari, etc., which were highly exploitative and a root cause of rural poverty. The ownership of lands was transferred to the indigent population with the intention of ameliorating the deplorable condition of the rural poor. However, the benefit of land reform was confined only to a few agriculturally progressive states.

The Second Plan (1956-61) embarked upon a strategy of development based on the two-sector closed economy model of Professor P.C. Mahalonobis, namely, capital goods producing sector and consumer goods producing sector. The objective of acceleration of economic growth, as perceived and applied during this period, was primarily based on higher investment in the domestic capital goods producing sector (and the associated metal-producing sectors)[4]. Since private entrepreneurial capacity in the capital goods sector was inadequate and the political scenario was more inclined towards a public sector expansion, the second plan heralded a massive industrial development programme with an emphasis on balanced regional development of the industrial and the agricultural economy. The Industrial Policy Resolutions, too, echoed the importance of balanced regional development in order to ensure that the people in backward areas derived benefits of industrial development through increased employment and enhanced incomes. As a result of these policy pronouncements, some major industrial projects came up in the poverty-stricken states of Bihar, Madhya Pradesh and Orissa. This plan also fuelled the development of small scale

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3. Panchayati Raj Institutions implies local bodies.
4. The consumer goods producing sector was still in its infancy during that time.

industries, which was perceived as a prime mover in addressing the problem of unemployment especially in rural areas. However, despite its much-needed emphasis on balanced regional development, the second plan ran into trouble in the late fifties on account of a serious balance of payment crisis and acute food deficit. The problems got compounded with an exacerbation in inflationary pressures and rapid growth of population.

The Third Plan (1961-66) tried to address the problems that cropped up in the second plan period without bringing about any basic changes in the policy of public sector driven industrialization and protectionism. A major development that took place during the third plan period, however, was the beginning of a comprehensive programme of rural works with the objective of generating additional employment opportunities and utilizing the large reserve of rural labour force for accelerating the process of economic development. In spite of this positive development, the performance of the third plan remained far below expectation. The growth rate plummeted down to 2.7 percent per year as compared to a targeted growth rate of 5.6 percent per year. The phenomenal decline could be attributed partly to poor harvests and partly to wars with China and Pakistan in 1962 and 1965, respectively. The threat to national security triggered by these wars prompted a diversion of resources to national defence at the cost of other development priorities.

From the above discussion it is clear that India's strategy for development with social justice during the first two decades of planning consisted primarily of two instruments which were: (a) economic growth with balanced regional development; and (b) institutional changes to remove some socio-cultural constraints in accessing development opportunities. The implicit assumption behind the choice of these instruments was that if they perform well then the fruits of planned development would 'trickle down' to the masses. Unfortunately, in the early 1960s itself, the Indian planners began to face serious criticism as the contemporary empirical evidences revealed that the fruits of development had not percolated down to the masses and there were a large number of deprived and deserving communities whose basic needs remained unmet. As a response to this criticism, the Planning Commission came out with a paper in 1962 titled, ‘Perspectives of Development: 1961-1976; Implication of Planning for a Minimum Level of Living’. The paper suggested that a GDP growth rate target of 6 percent per year, accompanied by a stable distribution, would facilitate broad-based improvement in living standards. Thus, the planners for the first time explicitly recognized the importance of distributional policies and considered it necessary to have targeted programmes for employment generation and income support for those who had been left out of the benefits of the growth process. Consequently, some special programmes like public distribution of food grains at reasonable prices, Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers (MFAL) schemes were introduced in the late 1960s and towards the beginning of the 1970s to target the specific disadvantaged groups like the small and marginal farmers.

On the eve of the Fifth Plan (1974-79), the policymakers realised that the institutional changes and the special programmes that had been in operation to complement the low economic growth rate could not succeed in making a significant dent on those excluded from the growth process. It was observed that the set of people, who failed to derive the benefits from the growth process, were much widespread and diverse in character than was originally anticipated in the previous five year plans. The contemporary empirical research evidences reaffirmed that poverty had been more acute among wage labourers, scheduled tribes and scheduled castes and people inhabiting the backward regions. These findings provided the rationale for complementing growth promoting policies with increasing number of direct measures in the form of targeted programmes intended for a much larger set of disadvantaged population groups.

The development strategy during this period also derived its strength from the idea of poverty-reducing growth process proposed by Prof. Sukhamoy Chakraborty, who suggested that "just a high rate of economic growth is not enough but growth should happen in a manner which increases income much more for the lowest 30 per cent of the population"[5]. Thus, a number of targeted income and employment generation programmes were introduced as a component of the development strategy of the Fifth Five-Year Plan with the objective of ameliorating the living conditions of the disadvantaged. The decade of the seventies is thus considered as a landmark with the introduction of a series of programmes based on a three-pronged approach to attack poverty and unequal distribution which included: (i) creation of income-generating asset base for the rural poor (ii) generation of opportunities for wage employment; and (iii) area development programmes in backward regions like dry land, rain-fed, drought-prone, tribal, hill and desert areas. Furthermore, since industrial development was considered as an avenue for large-scale labour absorption, the government also introduced Rural Industrialization Programme (RIP) and Rural Artisans Programme (RAP). Although the strategy for poverty alleviation during this period had yielded fruits in terms of poverty reduction, the extent of poverty

5. The model for raising the consumption for the bottom-most 30 per cent of the population in the Fifth Five Year Plan (1974-79), as developed by Professor Sukhamoy Chakravarty, was based on integration of the Leontief's Input-Output system with the models of macro-economic growth belonging to the family of Harrod-Domar. The consumption demand of the bottom-most 30 percent was mathematically quantified and integrated with the overall rate of economic growth.

reduction was, however, not commensurate with the resources put in.[6] This strategic emphasis on growth with redistribution continued during both the sixth (1980-85) as well as the seventh plan (1985-90) periods.

The eighth plan (1992-97) was another important landmark in the development strategy when the limitation of an income and commodity-centric notion of poverty and human well-being was recognized. In line with Prof. Amartya Sen's celebrated work 'Development as a Freedom', poverty came to be recognized as not simply "a state of low income or consumption" but as the lack of freedom of a person to choose and live the life he has reasons to value. The notion of freedom to choose and live, brought to the fore the process aspect of life defined as capability, which is contingent upon the state of health, level of education, demographic characteristics, socio-cultural environment, which determines the access to development opportunities. This recognition of the multi-faceted nature of poverty generated an urge among the policymakers for complementing poverty alleviation strategy with special programmes for building up the capabilities of the poor and the disadvantaged. Accordingly, the Eighth Five-Year Plan document underscored the human and social development policies as crucial components of the strategy for ensuring 'development with social justice'. The focus was primarily on health care and education along with Special Component Plan for Scheduled Castes/Scheduled Tribes (SCs/STs).

Over the late eighties a number of empirical studies brought out the deplorable conditions faced by some vulnerable sections of the society like women, children, the aged and the disabled, despite a promising growth performance and indicated the need for their inclusion in the development policies. The emphasis in the planning process also changed accordingly with the introduction of a large number of programmes meant for these disadvantaged sections. The decade of the nineties brought the notion of sustainable development to the fore and influenced the planning and policy spheres in addressing the conflicts between growth-promoting policies and degradation of the environment and their implications for the livelihood of the poor.

The Tenth Plan period (2002-07) has observed a healthy transformation in the policy sphere with the emergence of a more vibrant civil society and media and the evolution of a more dynamic and sensible judiciary. These developments accompanied by social mobilization has prompted the Supreme Court of India to issue a series of directives to the governments at the centre and the states to allocate adequate resources, ensure people's participation in implementation and

6. The notion of poverty that had been applied during this plan by the planners and policymakers were income and commodity-centric and poverty was conceived simply in terms of lowness of income or calorie consumption.

monitoring of poverty alleviation programmes, use excess food stocks to run food for work (FFW) schemes in drought affected states and serve cooked mid-day meals to primary school children.

In the wake of starvation deaths in states like Orissa, Rajasthan and Madhya Pradesh at the onset of the millennium, the Apex Court acted quite promptly in response to a petition filed by PUCL (People's Union of Civil Liberty). The petition tried to link food security with the right to life, which is recognized as a fundamental right (under Article 21 of the Indian Constitution). The civil society also put pressure on the government to initiate steps towards guaranteeing development benefits to the poor. The enactment of 'Right to Information Act, 2005', the 'National Rural Employment Guarantee Act, 2005' and making education for children aged 6 to 14 a fundamental right are some of the important steps initiated by the Government of India towards that end.

Chapter 2

Economic Growth, Income Poverty and Inequality

Economic Growth

From the inception of the development planning in India the policies of the government have continued to be guided by the firm conviction that rapid economic growth is the prime mover in uplifting the poor by offering them more productive employment and enhancing their income. However, the outcome of the first twenty years of planning in the country does not seem to have strengthened this conviction as there has been very tardy progress both in terms of economic growth as well as in terms of reduction of income poverty (measured as the number of poor below the income poverty line as estimated by the Planning Commission). It was not until the late seventies that the growth rate of the Indian economy actually picked up. The economy grew at the rate of more than 4% per annum in the late seventies, at about 5% during the early eighties and accelerated further since the mid-nineties. Currently, the growth rate is hovering around 8%. Table 1 below depicts India's achievements on the growth front from the first to the ninth plan.

Table 1: Growth Targets and Achievements (% per year)

Plan	Target	Actual
First Plan (1951-56)	2.1	3.6
Second Plan (1956-61)	4.5	4.2
Third Plan (1961-66)	5.6	2.7
Fourth Plan (1969-74)	5.7	2.1
Fifth Plan (1974-79)	4.4	4.8
Sixth Plan (1980-85)	5.2	5.5
Seventh Plan (1985-90)	5.0	6.0
Eighth Plan (1992-97)	5.6	6.7
Ninth Plan (1997-2002)	6.5	5.7
Tenth Plan (2002-2007)*	8.0	7.1

Note The growth targets for the first three plans were set with respect to national income. In the Fourth Plan, it was net domestic product. In all Plans thereafter, it has been gross domestic product at factor cost.

* For Tenth Plan, growth rate is average of first four years.

Source: Adopted from Ahluwalia (2007), Table 1.

Table 2: Economic Growth, Per Capita Income and Poverty Ratios (1973-74 to 2004-05)

Indicators	1973-74	1983-84	1993-94	2004-05
Economic Growth (%)	3.3	5.6	6.7	8.0
Per Capita Income (Rs. at 1993-94 prices)	4763	5555	7433	12000
Poverty Ratio (%) @	54.9	44.5	36.0	27.5

@ Poverty ratio indicates headcount ratio which measures the proportion of poor below the national poverty line.

Source: Economic Survey for various years, Radhakrishna and Roy (2005), Planning Commission (2006) and Planning Commission (2007) for Head Count Poverty Ratio.

Table 2 above juxtaposes the figures on economic growth and per capita income for four decades along with official estimates on poverty in India based on quinquennial National Sample Survey (NSS). The data brings out that economic growth and real per capita income (measured at constant 1993-94 prices) increased in an unperturbed manner since the mid-seventies and the poverty ratio also declined concomitantly. However, it could also be observed from the aforesaid table that the increase in the rate of economic growth, per capita income and decline in poverty was much slower in the post-reform decade (1993-94 to 2004-05) in comparison to the preceding decade (1983-84 to 1993-94).

Although the negative correlation between economic growth and poverty ratio for the entire time horizon (1973-74 to 2004-05) at the macro-level appears quite straightforward, such correlation does not necessarily affirm the pro-poorness of the growth process. In order to judge whether growth process had actually been pro-poor, it is also important to examine the picture at the disaggregate level. As a first exercise, it could be examined if the rate of growth of State Domestic Product (SDP) has also been accompanied by a commensurate decline in poverty. Moreover, the all India poverty ratio as shown in Table 2 masks the actual scenario and conceals the variations in poverty and inequality across location, social class, occupation group, gender, religion, etc. The basis of such variation lies at the unequal economic, social and cultural fabric that has continued to persist even in the post-independence era. It has also to be noted that the reduction in poverty ratio and increase in per capita income do not necessarily imply an improvement in the quality of life and well-being of the poor and the disadvantaged unless factors that determine ‘availability’ and ‘access’ to the basic needs and freedoms for them are also taken into account.

The next section describes in a nutshell the meaning of the pro-poor growth in the light of some of the recent literature. The subsequent section analyses the pattern of disparity in income poverty and economic inequality that has simultaneously emerged alongside the economic growth in India.

Pro-poor Growth

The notion of pro-poor growth in the Indian context is not new. The idea of such a growth process found its resonance in Sukhamoy Chakraborty's perception of poverty-reducing growth process, as mentioned in the earlier chapter. Prof. Chakraborty proposed during the mid-1970s that for growth to be poverty reducing it should happen in a manner which increases income much more for the lowest 30 per cent of the population. Such an idea of pro-poor growth in a relative sense has also been applied in the recent work of Kakwani, Khamdker and Son[7,] wherein growth has been defined as pro-poor if it benefits the poor more than the non-poor. Martin Ravallion[8] , however, defined pro-poor growth in an absolute sense as an increase in GDP that reduces poverty. These two definitions have generated a lively debate in the academia.[9] Ravallion's definition, however, has been much more contested on the ground that it is too broad and just reducing poverty may not be a sufficient condition of pro-poorness as any growth process which reduces poverty but aggravates inequality and disparity may not be conceived as pro-poor.

Michel Lipton identified the intensity of pro-poor growth as strong or weak depending on whether incomes rise proportionally faster for the poor than the non-poor. Siddiqur Osmani while endorsing Kakwani's criteria of 'pro-poorness' as a policy bias in favour of the poor, proposed to define the bias a little differently – not in relation to how well the non-poor do but in relation to country's past record of poverty reduction after taking into account the initial conditions. Frances Stewart suggested an alternate approach of dubbing a country's policy as pro-poor if it identifies for each country the growth rate that would halve poverty by 2015. Howard White proposed three criteria of pro-poorness. The first criterion calls for the share of the poor in income growth to exceed their existing share. The second requires that the poor's share in incremental growth surpasses their share in population. The third and the final criterion, in the line of Frances Stewart, requires that share of the poor in incremental growth exceeds some international norm. Quentin Wodon from the World Bank, however, advocated a more robust test of 'pro-poor' distributional changes by giving more weight to the poorer of the poor, as growth may lead to a proportionate reduction of a country's poor but with adverse impact on the very poor.

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7. Kakwani, Khamdker and Son (2004).
8. Ravallion (2004).
9. For a crisp review of the entire debate see Grinspun, 2004.

Whether growth has been pro-poor or otherwise in the Indian context could be clearly understood from a more disaggregate picture of decline in poverty over time in relation to the growth in income and also by examining whether the income distribution has actually improved or worsened over time.

State-wise Variation in Poverty Reduction

The classification provided in Table 3, based on official poverty estimates of the Planning Commission, groups 15 major Indian states with respect to State-Specific Poverty Ratio (Head Count Ratio) above and below the national average and indicates their relative performances in poverty reduction over time.

Table 3: Relative Performance of Fifteen Major States in Poverty Reduction over three decades

(States have been sorted according to the poverty ratio as reported by the Planning Commission in the order of higher to lower value)

1973-74 (54.88% -All India)	
States with poverty ratio above national average	**States with poverty ratio below national average**
Orissa, West Bengal, Bihar, Madhya Pradesh, Kerala, Uttar Pradesh, Tamil Nadu	Karnataka, Maharashtra, Assam, Andhra Pradesh, Gujarat, Punjab, Rajasthan, Haryana
1983-84 (44.48%- All India)	
Orissa, Bihar, West Bengal, Tamil Nadu, Madhya Pradesh, Uttar Pradesh	Maharashtra, Assam, Kerala, Karnataka, Rajasthan, Gujarat, Andhra Pradesh, Haryana, Punjab
1993-94 (35.97%- All India)	
Bihar, Orissa, Madhya Pradesh, Assam, Uttar Pradesh, Maharashtra	West Bengal, Tamilnadu, Karnataka, Rajasthan, Kerala, Haryana, Gujarat, Andhra Pradesh, Punjab
2004-05 (27.5%)- All India)	
Orissa, Bihar, Madhya Pradesh, Uttar Pradesh, Maharashtra	Karnataka, West Bengal, Tamilnadu, Rajasthan, Assam, Gujarat, Andhra Pradesh, Kerala, Haryana, Punjab

Source: Planning Commission (2002) and Planning Commission (2007).

The states could be grouped into four categories on the basis of poverty ratio in the initial year (1973-74), the rate of decline in poverty over three decades, 1973-74 to 2004-05, and other characteristics, like, size of the state, income and population[10].

Category I: Bihar, Orissa and Madhya Pradesh

These three states turned out as the perennially poor ones. Although, the average level of poverty of these states reduced significantly in absolute terms from 62.6 percent in 1973-74 to about 38 per cent in 2004-05 (as per the official estimates) but, as per the recent estimate of poverty for 2004-05, one in every three poor in the country belongs to these three states as compared to a concentration of one in every four poor in 1973-74. This could be attributed partly to a higher rate of population growth but largely to lower rate of poverty reduction vis-à-vis other states.

Category II: Uttar Pradesh, Maharashtra, West Bengal, Assam

Except for Assam which has experienced a substantial poverty reduction from 1993-94 to 2004-05, the pace of poverty reduction in these states has generally been relatively slow and the level of per capita income has also not been adequate to facilitate such a process.

Category III: Andhra Pradesh, Karnataka, Kerala and Tamil Nadu

These states belong to the southern zone of the country and have witnessed substantial reduction in poverty as indicated by a decline in the poverty ratio from 53.3 per cent in 1973-74 to 19.5 percent in 2004-05. Along with increase in per capita income, which contributed substantially to poverty reduction, the population growth in these states also declined concomitantly and led to a higher rate of poverty reduction overtime. These four states were home to 24 per cent of the country's poor in 1973-74. In 2004-05 only 15.24 per cent of the country's poor belonged to these states.

Category IV: Gujarat, Haryana, Punjab and Rajasthan

The poverty ratio in these states was lower than the national average in 1973-74 and ranged from 28 per cent in Punjab to 48.1 per cent in Gujarat. This category comprised states with both high and low per capita incomes in the initial period (1973-74), but registered a higher growth in the intervening period. The decline in the poverty ratio has been the highest in this group of states. According to the latest official poverty estimate of 2004-05 these states are much below the national average, with poverty ratio ranging from 8.4 percent for Punjab to 22.1 percent for Rajasthan.

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10. For similar pattern of categorization carried out earlier see Dutta and Sharma,2002.

A crucial observation that could be made from the movement of poverty ratio is that for the states which had higher poverty ratios to begin with, the rate of decline in poverty had been slower. This is brought out strongly by the fact that the position of Bihar, Orissa and Madhya Pradesh, as per the latest official estimate of poverty ratio for 2004-05, is almost the same as their position three decades back in 1973-74. The poverty ratio in each of these states is still lying much above the national average. Similarly, Gujarat, Punjab and Haryana, which had poverty ratios much below the national average as of 1973-74, are still at the lower end in terms of poverty as of 2004-05.

There has been a lot of debate around the intensity of antipoverty effectiveness of growth in the pre-reform and post-reform period in India. Table 4 below makes an attempt to examine the veracity of such claims. Based on the years for which official poverty estimates are available, two separate time-periods have been considered – 1983-84 to 1993-94 (which encompasses a major part of the decade prior to economic reform of 1991) and 1993-94 to 2004-05, which projects post-reform performance. The anti-poverty effectiveness of growth for each of the fifteen major states could be gauged by comparing their compound annual rate of decline in poverty ratio with per capita income growth per annum.

As is evident from figures 1 and 2, the states which appear to have registered an increase in anti-poverty effectiveness in consonance with per capita income growth in the post-reform period (1993-94 to 2004-05) are Assam, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamilnadu. Assam and Haryana had been able to successfully reverse a rising trend in poverty in the pre-reform period to a significant decrease in poverty in the post-reform period. For other states, there has either been a moderate increase in anti-poverty effectiveness in post-reform period or effectiveness has been maintained at nearly the same level in the pre-and post-reform period. The states which have seemingly registered a decline in effectiveness are Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. As indicated by the decline in gradient and flattening of trend line in figure 2, there has been a general decline in anti-poverty effectiveness in the post-reform period as compared to the pre-reform period.

Figure 1: Poverty Reduction and Income Growth across Indian States (1983-84 to 1993-94)

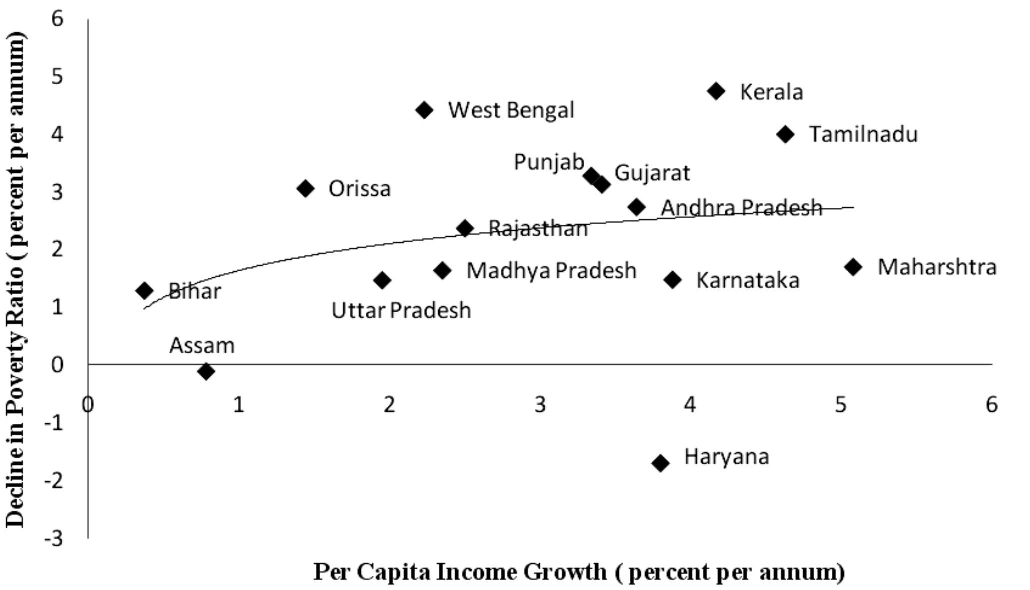
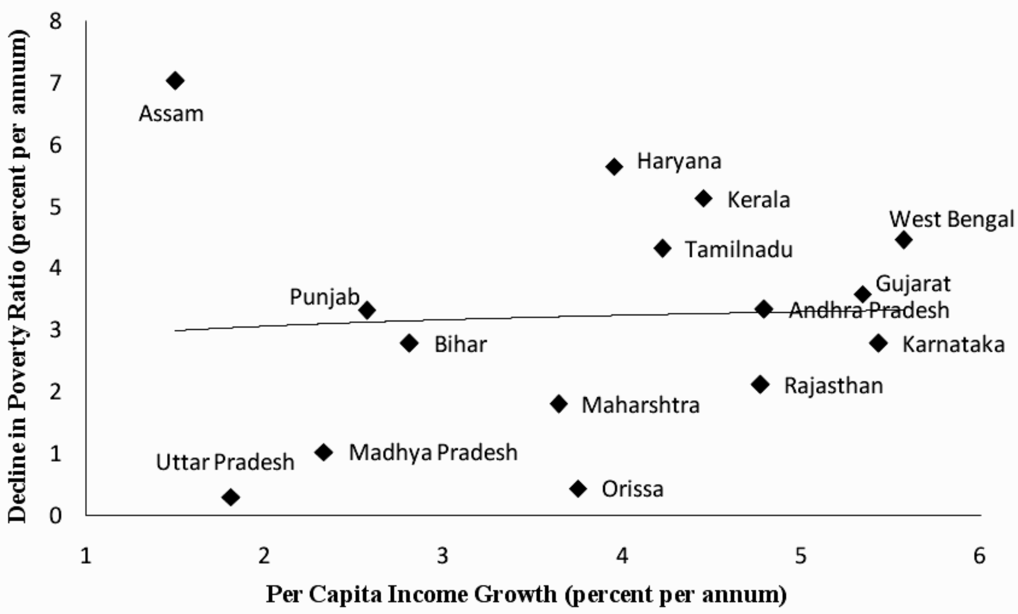


Figure 2: Poverty Reduction and Income Growth across Indian States (1993-94 to 2004-05)



Source: For both Figure 1 and Figure 2, Poverty Ratio is based on Planning Commission (2002) and Planning Commission (2007) and CSO for Per Capita Income (Per Capita NSDP) Growth.

Bihar and Orissa have registered a phenomenal decline in effectiveness. Andhra Pradesh has experienced a marginal decline in effectiveness in the post-reform period. What is worth noticing in the figures, however, is that with the exception of Assam and Maharashtra, all the states that belong to category I and category II have experienced a decline in terms of anti-poverty effectiveness in the post-reform period. The economic reform process does not seem to have yielded benefit for the chronically poor states like Bihar, Madhya Pradesh, Uttar Pradesh and Orissa both in terms of per capita income growth and decline in poverty. Moreover, Gujarat, a prosperous state belonging to Category IV, which has performed well both in terms of income growth and poverty reduction throughout the pre-reform period has registered a decline in anti-poverty effectiveness in the post-reform period.

The economic reform also does not appear to have triggered any phenomenal changes in the percentage concentration[11] of very poor[12] across the major states (see figures 3 and 4). However, what is really noteworthy is that seven states, namely, Assam, Punjab, Haryana, Kerala, Andhra Pradesh, Gujarat and Karnataka, which had experienced increase in concentration of the very poor in the pre-reform period, have experienced a decline in such concentration in the post-reform period with Haryana experiencing a significant decrease. However, for the relatively poorer states belonging to categories I and II the reform appear to have either negative or imperceptible influence in terms of reduction in concentration of the very poor.

The concentration of the very poor has increased post-reform in Uttar Pradesh, West Bengal and Orissa. For Bihar, the decline is marginal and for Madhya Pradesh, the decline is modest. Thus, the category I and most of the category II states with relatively higher poverty ratio initially and with a more regressive record of poverty reduction over the successive plans, have persistently failed to root out the concentration of the very poor and hence failed to remove chronic poverty.

The picture of regional disparity in terms of poverty reduction would become clearer in the next section where a rural-urban disparity in poverty and inequality has been examined at the all-India level and across the states.

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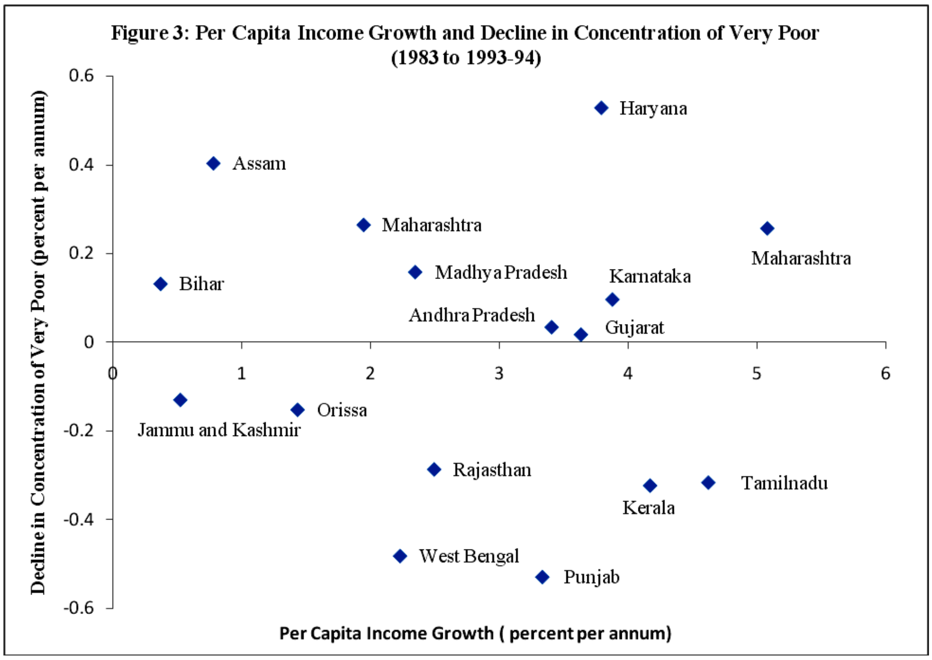
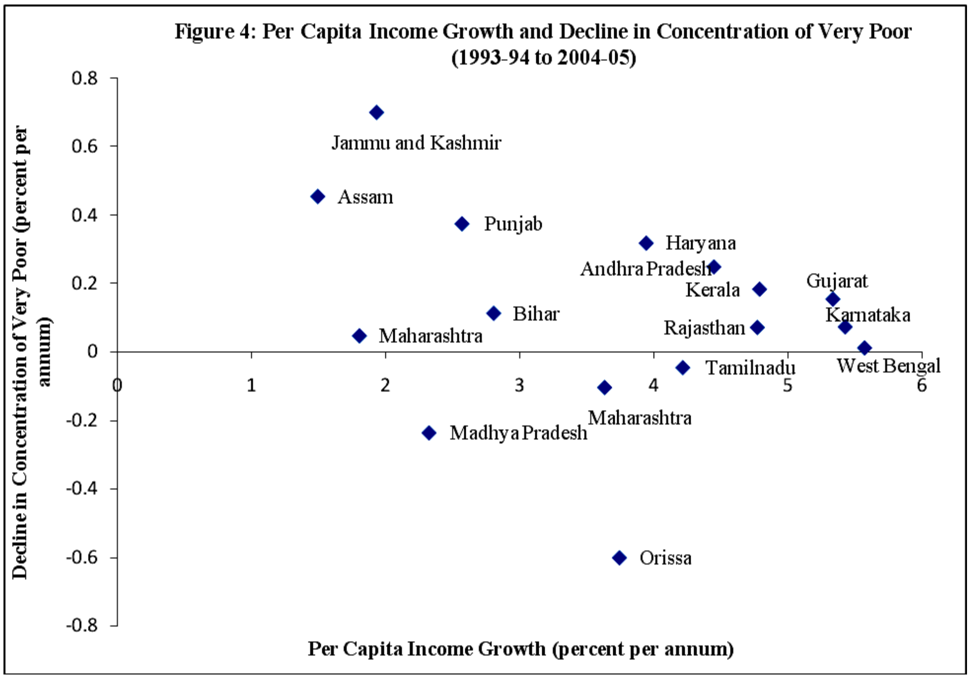
11. The term 'concentration' used here implies the percentage distribution of India's very poor across the states.
12. The Very Poor is defined as people whose per capita expenditure lies below three fourth of the poverty Line. The distribution of very poor across the states have been obtained on the basis of unit level record for 49th and 55th Round , and Report No. 508 on Consumption Expenditure containing grouped data for the 61st Round. Bihar, MP and UP refer to undivided states.





Source: Concentration of very poor computed on the basis of unit level record for 49th and 55th Round, and Report No. 508 on Consumption Expenditure containing grouped data for the 61st Round. Bihar, MP and UP refer to undivided states. The data on Per Capita Income (Per Capita NSDP) Growth have been obtained from CSO.

Regional Poverty and Inequality

Although, income poverty has declined significantly at the all–India level, the decline has not been uniform across rural and urban areas. Table 4 gives the estimates of Poverty Ratio (Head Count Ratio), Gini Index[13] and Urban-Rural Disparity in average monthly per capita expenditure[14] for both 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). The table also shows that although the rural income poverty has been declining continuously, income inequality had been growing till 1983-84, declined from 1983-84 to 1993-94 and increased afterwards from 1993-94 to 2004-05. On the other hand, although the urban poverty has been declining continuously, the urban

Table 4: Poverty and Inequality across Rural and Urban Areas

Year	Poverty Ratio (in percent)		Gini Index of Per Capita Consumption Expenditure (in percent)		Urban–Rural Disparity in Average Monthly Per Capita Expenditure
	Rural	Urban	Rural	Urban	
1973-74	56.4	49.0	28.7	31.9	1.334
1977-78	53.1	45.2	29.5	33.7	1.396
1983-84	45.7	40.8	30.0	34.1	1.458
1987-88	39.1	38.2	29.4	34.5	1.585
1993-94	37.3	32.4	28.5	34.4	1.628
2004-05	28.3	25.7	30.5	37.6	1.882

Note: Estimate of HCR and Average Monthly Per Capita Expenditure for 2004-05 are based on Uniform Recall Period (URP) and for Per Capita Expenditure figures at current prices have been used.

Source: Planning Commission (2002) for HCR and Gini Index till 1993-94; Planning Commission (2007) for HCR of 2004-05 and Report No. 508 on Level and Pattern of Consumer Expenditure for 61st Round, 2004-05 for Gini Index and Average Monthly Per capita Expenditure for 2004-05, reports of various rounds of household expenditure surveys conducted by NSSO for the data on average monthly per capita expenditure at current prices from 1973-74 till 1993-94.

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13. Gini coefficient (or Lorentz ratio) is a measure of equality of distribution and is a ratio (with value between 0 and 1) - the numerator in the ratio is the area between the curve of the distribution (known as Lorenz Curve) and the uniform (45 degree) distribution line; the denominator is the area under the uniform distribution line. Lorenz curve is often used to represents income distribution, where it indicates the percentage of the total income (y percent) that the bottom (x percent) of the household have. The percentage of households is plotted on the *x*-axis, the percentage of income on the *y*-axis. Gini Index is the Gini Coefficient expressed in percentage (by multiplying the Gini Coefficient with 100). Here, 0 corresponds to perfect income equality (i.e. everyone has the same income) and 100 corresponds to perfect income inequality (i.e. one person has all the income, while everyone else has zero income).
14. The Urban-Rural Disparity is measured as the ratio of Urban to Rural per capita consumption expenditure as obtained from reports of household consumer expenditure survey conducted by NSSO for various rounds. This disparity also reflects the disparity in the per capita household income.

inequality has been rising in an uninterrupted manner. The last column in the table displays the urban-rural differential in per capita consumption expenditure which indicates a widening disparity from 1.334 in 1973-74 to 1.882 in 2004-05 on account of a higher rate of increase in per capita expenditure in urban areas as compared to rural areas.

Tables 5 and 6 based on Annexure 1 shows the relative performance of the fifteen major states in poverty reduction in comparison to the national average rural and urban poverty ratio. As evident from the tables, Orissa, Bihar, Madhya Pradesh, Uttar Pradesh remained perennially above and Gujarat, Haryana and Punjab remained perennially below the all-India rural and urban poverty ratio. Other than these states, rural poverty ratio in West Bengal remained above the all-India rural poverty ratio for the entire period. Similarly, the urban poverty ratio of Karnataka remained above the all-India urban poverty ratio persistently for the two decades.

Table 5: Relative Performance of Fifteen Major States in Rural Poverty Reduction from 1983-84 to 2004-05

(States have been sorted according to the poverty ratio as reported by the Planning Commission in the order of higher to lower value)

1983-84 (45.65%- All India)	
States with rural poverty ratio above national average	**States with rural poverty ratio below national average**
Orissa, Bihar, West Bengal, Tamil Nadu, Madhya Pradesh, Uttar Pradesh	Maharashtra, Assam, Kerala, Karnataka, Rajasthan, Gujarat, Andhra Pradesh, Haryana, Punjab
1993-94 (37.27%- All India)	
Bihar, Orissa, Assam, Uttar Pradesh, West Bengal, Madhya Pradesh, Maharashtra	Tamil Nadu, Karnataka, Haryana, Rajasthan, Kerala, Gujarat, Andhra Pradesh, Punjab
2004-05 (28.30%)- All India)	
Orissa, Bihar, Madhya Pradesh, Uttar Pradesh, Maharashtra, West Bengal	Tamil Nadu, Assam, Karnataka, Gujarat, Rajasthan, Haryana, Kerala, Andhra Pradesh, Punjab

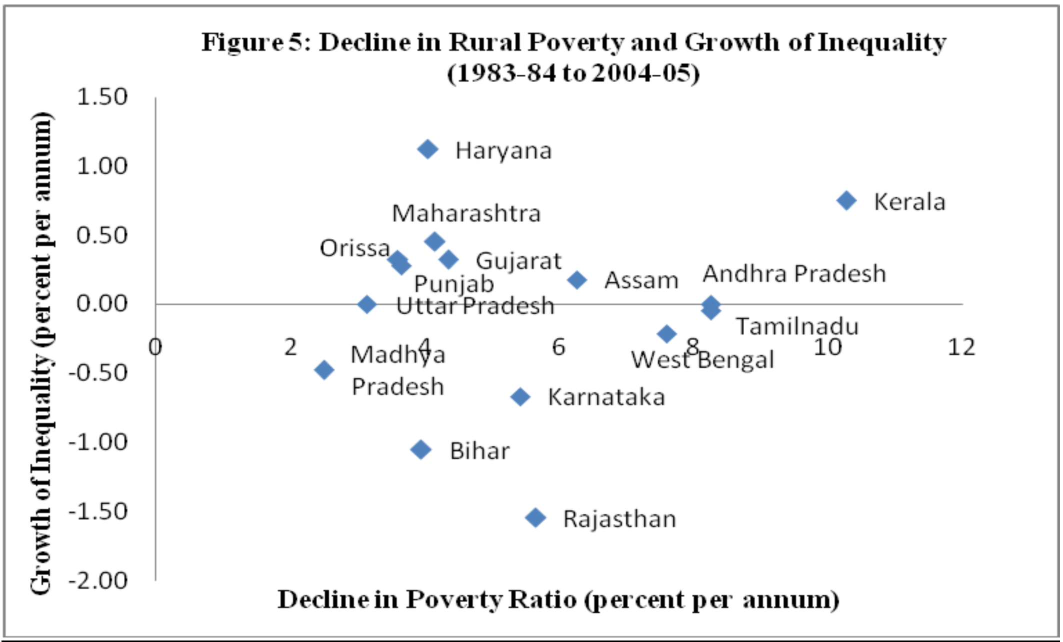
Source: Based on Annexure1

Table 6: Relative Performance of Fifteen Major States in Urban Poverty Reduction from 1983-84 to 2004-05
(States have been sorted according to the poverty ratio as reported by the Planning Commission in the order of higher to lower value)

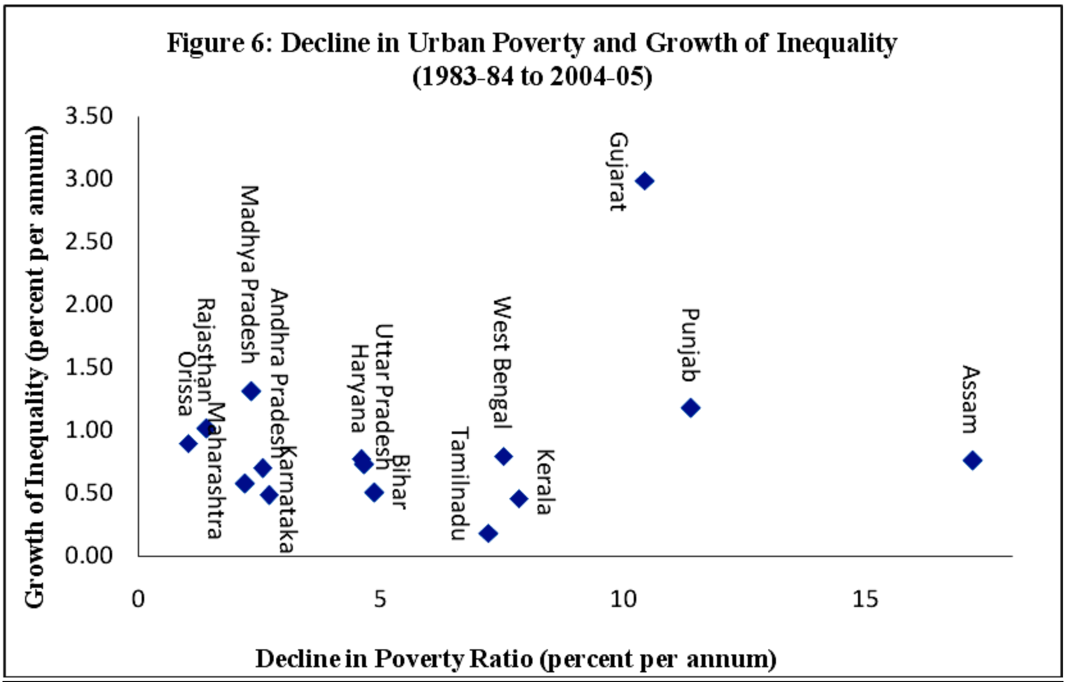
1983-84 (40.79%- All India)	
States with urban poverty ratio above national average	**States with urban poverty ratio below national average**
Madhya Pradesh, Uttar Pradesh, Orissa, Bihar, Tamilnadu, Kerala, Karnataka, Uttar Pradesh	Maharashtra, Gujarat, Rajasthan, Andhra Pradesh, West Bengal, Haryana, Punjab, Assam
1993-94 (32.36%- All India)	
Madhya Pradesh, Orissa, Karnataka, Tamilnadu, Andhra Pradesh, Uttar Pradesh, Maharashtra, Bihar	Rajasthan, Gujarat, Kerala, West Bengal, Haryana, Punjab, Assam
2004-05 (25.30%)- All India)	
Orissa, Madhya Pradesh, Rajasthan, Karnataka, Maharashtra, Uttar Pradesh, Bihar, Andhra Pradesh	Tamil Nadu, Kerala, Haryana, West Bengal, Gujarat, Punjab, Assam

Source: Same as Table 5

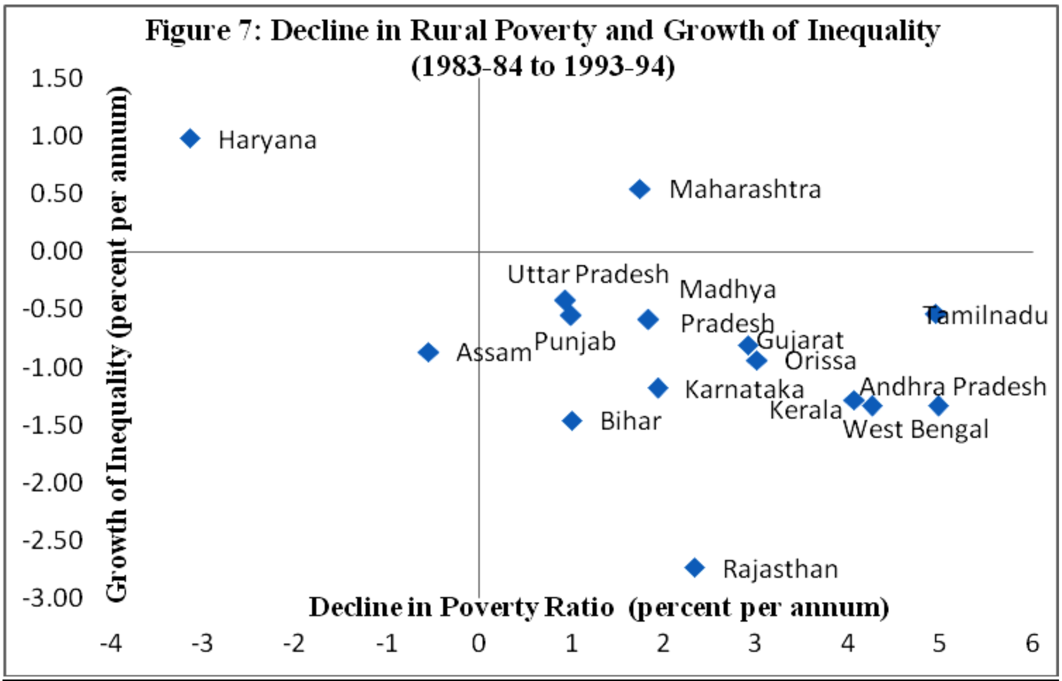
Figures 5 and 6 depict the decline in poverty and growth of inequality across the states for rural and urban areas from 1983-84 to 2004-05. As seen from the figures, although poverty has declined for all the states from 1983-84 to 2004-05 for both rural and urban areas, the picture of inequality, has been quite diverse. Urban inequality has increased in all the states for the entire period from 1983-84 to 2004-2005 with increase being highest for Gujarat and lowest for Tamilnadu (see figure 6). However, rural inequality has come down for many of the chronically poor states, like Bihar and Madhya Pradesh (see Figure 5). Other states that have experienced a decline in rural inequality are Karnataka, Rajasthan, West Bengal and Tamilnadu. However, much of the decline in rural inequality that has taken place from 1983-84 to 2004-05 is primarily attributed to the decline in the pre-reform period, as is evident from the concentration of 13 major states in the fourth quadrant in Figure 7. However, in the post-reform period 1993-94 to 2004-05 (see figure 9); inequality has worsened, which is evident from the concentration of 9 major states in the first quadrant.



Source: Based on Annexure 1.



Source: Same as Figure 5.



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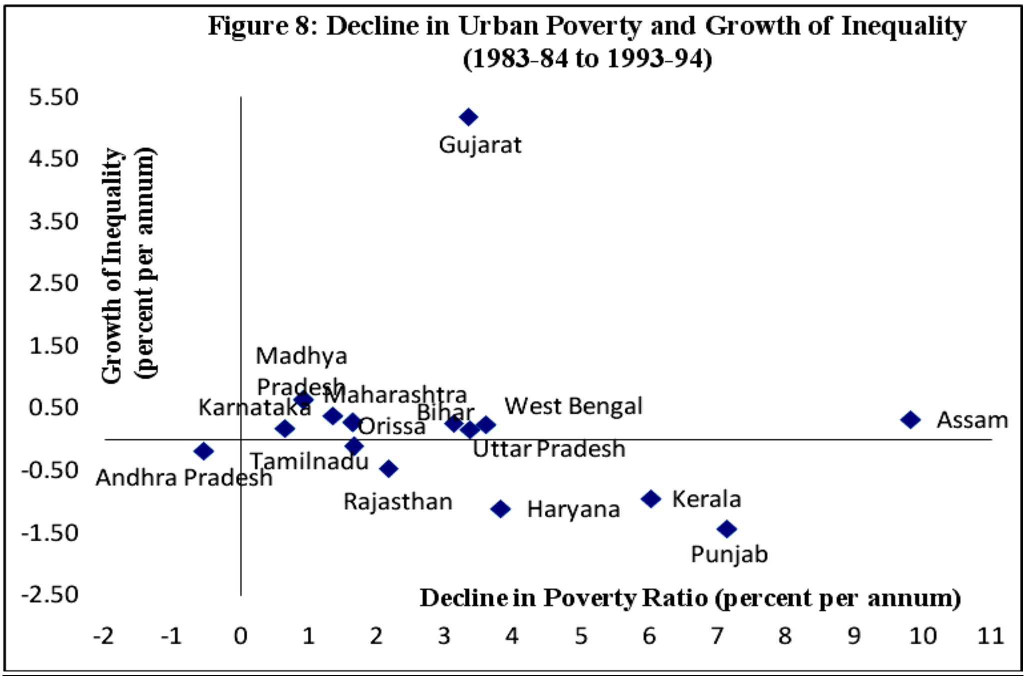

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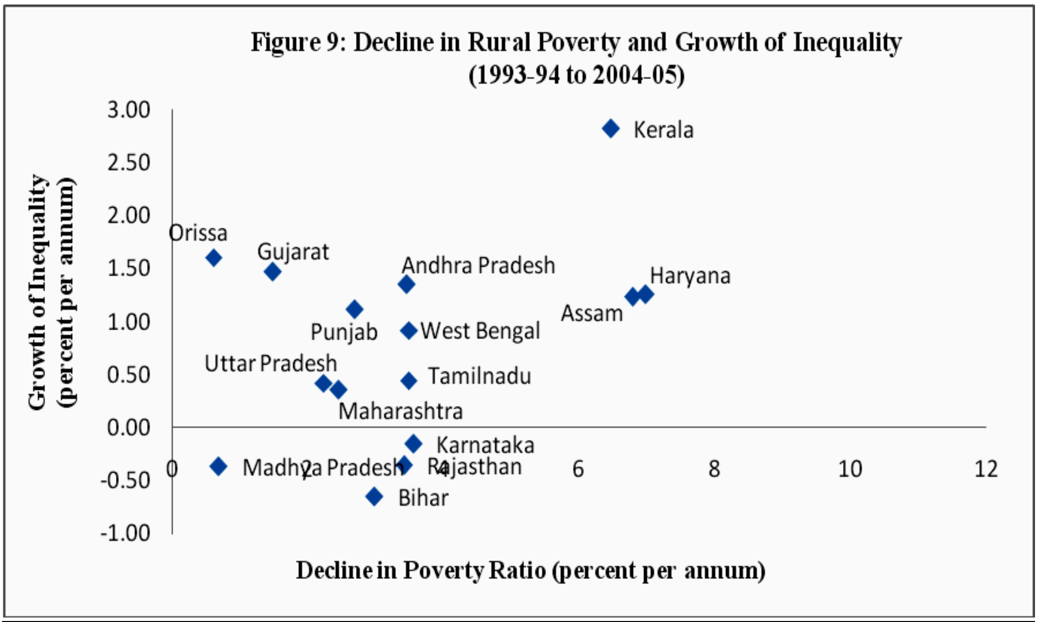

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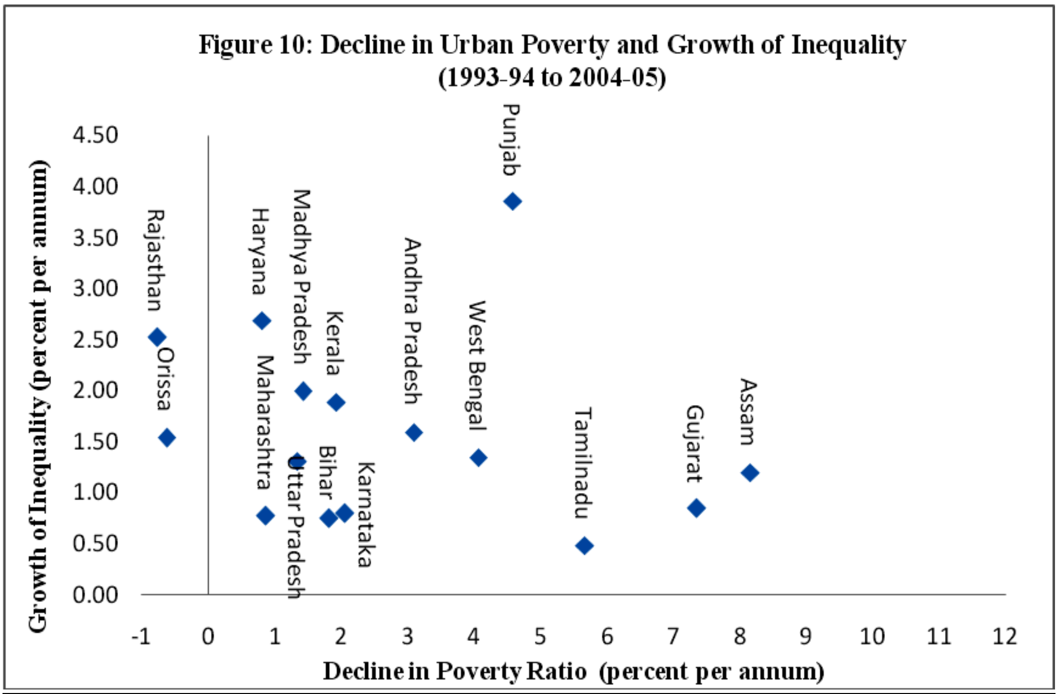


Source: Same as Figure 5.

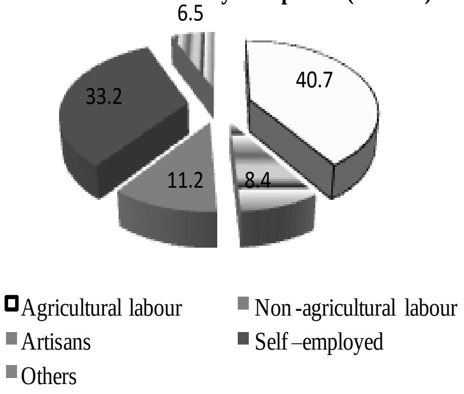
The urban inequality also worsened during the period 1993-94 to 2004-05 in comparison to the period 1983-84 to 1993-94 (see Figures 8 and 10). In fine, as evident from the figures, economic reform process appears to have led to a worsening of both rural and urban income inequality. Thus, it may be difficult to dub the economic reform process in India as 'pro-poor'.

Poverty across Population Groups: Caste and Occupation

Analysis of NSSO unit level record for the 50th and 55th Rounds shows that the composition of the poor in terms of occupation and social groups has also been changing in the post-reform period (post-1991). Between 1993-94 (i.e. 50th Round of NSSO) and 1999-2000 (i.e. 55th Round), the share of wage earners (agricultural, non-agricultural and urban casual) and artisans has risen, while that of the self-employed and others has gone down. The picture of the rural areas in terms of occupation groups is shown in pie diagrams (Figures 11 and 12) below.

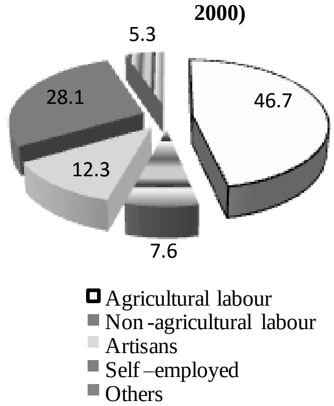
In urban areas, the casual labour households accounted for 25% of the urban poor in 1993-94 which went up to 32% in 1999-2000.[15] The concentration of poverty among rural wage earners and artisans and urban casual workers – all of whom are basically daily wage earners – leads to the inescapable conclusion that casual workers are highly prone to poverty due to fluctuations in labour market.

Figure 11: Percentage Distribution of Rural Poor by Occupation (1993-94)



Source: Based on unit level record for 50th & 55th round.

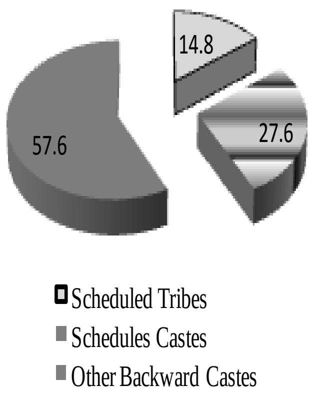
Figure 12: Percentage Distribution of Rural Poor by Occupation (1999-2000)



Source: Same as Figure 11

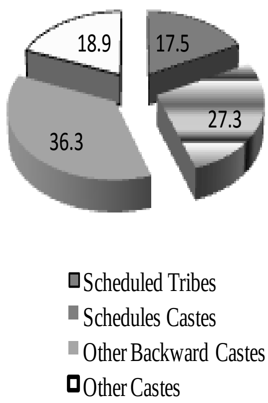
15. Radhakrishna and Ray, 2005b

Figure 13: Percentage Distribution of Rural Poor by Social Class (1993-94)



Source: Same as Figure 11

Figure 14: Percentage Distribution of Rural Poor by Social Class (1999-2000)



Source: Same as Figure 11

Among the Social groups, the Scheduled Castes (SCs) constituted 27.6% of the rural poor in 1993-94, the Scheduled Tribes (STs) 14.8%. While the share of SCs marginally came down from 1993-94 to 1999-00, that of STs has gone up by nearly 3 percentage points (see Figures 13 and 14). The SCs are primarily concentrated in Uttar Pradesh, Madhya Pradesh, Bihar and West Bengal, while the tribals are concentrated in the Central Tribal Belt comprising Jharkhand, Andhra Pradesh, Chhattisgarh, Orissa, Madhya Pradesh, Gujarat and Maharashtra. The inclusion of the two better-off states, namely, Gujarat and Maharashtra in the list is indicative of deep disparities across population groups within the better-off states. Table 7 shows the incidence of poverty level by social and occupational group for all India.

Table 7: Incidence of Poverty by Social and Occupational Group (in percent)

Category	Very Poor		Poor	
	1993-94	1999-00	1993-94	1999-00
Caste	Rural			
Scheduled Tribes	22.1	17.0	50.2	44.2
Schedules Castes	21.7	11.5	48.3	35.3
Other Backward Castes	NA	7.0	NA	25.5
Occupation				
Agricultural Labour	26.2	14.1	54.4	39.7
Non-agricultural labour	15.2	8.7	42.2	27.2
Caste	Urban			
Scheduled Tribes	24.0	17.5	43.0	37.5
Schedules Castes	26.1	16.4	50.9	39.1
Other Backward Castes	NA	10.7	NA	30.2
Occupation				
Casual Labour	36.6	26.0	64.5	53.0

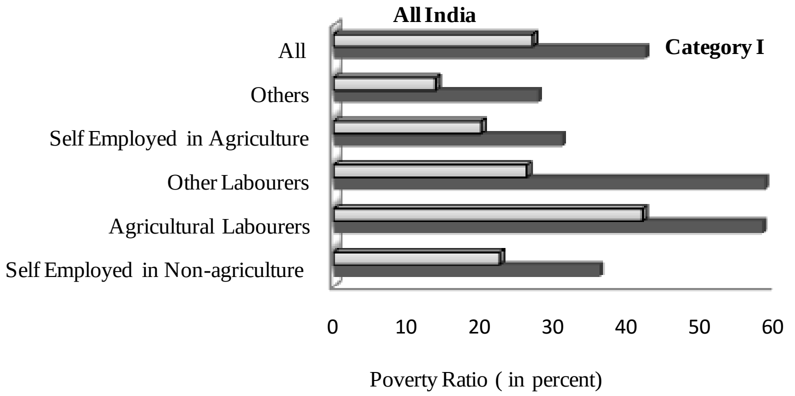
Notes : Very Poor denotes all those persons whose per capita total expenditure is less than 75 percent of State Specific Poverty Line and Poor denotes all those persons whose per capita total expenditure is less than State Specific Poverty Line.

Source: Radhakrishna and Roy, 2005b.

The occupation-specific poverty ratios of states belonging to category I as compared to All India based on unit level NSS Consumer Expenditure data of the 55th Round (July 1999 to June 2000) are given in Figures 15 and 16. The poverty ratio for Category I states is computed by averaging the poverty ratio for Bihar, Orissa and Madhya Pradesh.

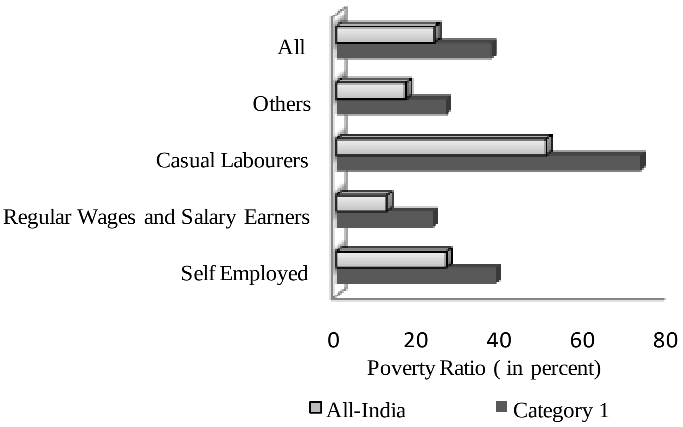
The incidence of rural poverty among the different occupation groups in Category I states for 1999-00 is nearly 40 to 120 per cent greater than the respective national average. Similarly, in the urban areas, the occupation-specific incidence of poverty in these states is 45 to 90 per cent greater than the national average. The difference is particularly striking in case of other labourers and others who are not subjected to extreme poverty.

Figure 15: Poverty Ratio by Occupation in Rural Areas



Source: Based on unit level record on NSS consumer expenditure for 55th Round

Figure 16: Poverty Ratio by Occupation in Urban Areas



Source: Same as Figure 15

The specific occupation groups such as agricultural labourers in the rural areas and casual labourers in the urban areas are prone to extreme poverty in the Category I states. The incidence of poverty among the casual labourers in Category I states is more than 70 per cent. Occupation categorized under ‘other labour’ in rural areas which elicits a higher wage rate than agricultural labour has been found to be rewarding in all the states excepting the three perennially poor states. This could possibly explain the difference between Category I states and All India in the poverty ratio for this occupation.

Figure 17: Poverty Ratio by Social Class in Rural Areas

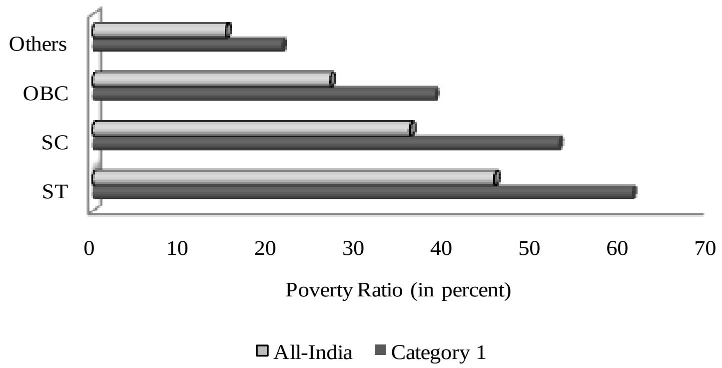
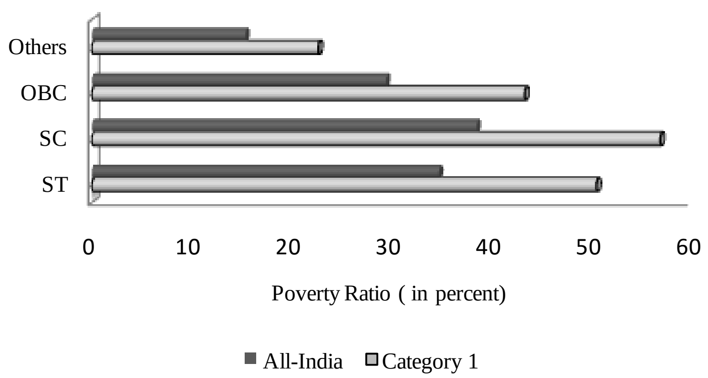


Figure 18: Poverty Ratio by Social Class in Urban Areas



Source for Figure 17 and 18: Same as Figure 15

Poverty among the scheduled castes and scheduled tribe population has also been found to be severe in Category 1 states. The Figures 17 and 18 exhibit the poverty ratio among these vulnerable groups in the three states where poverty is traditionally high. In the rural areas of Orissa, 73.9 per cent of the scheduled tribe population is poor, when the average poverty ratio among the scheduled tribe population at the national level is around 45.8 per cent. Considered together, these three groups of population (SC, ST and OBC) constitute about 77.5 per cent of the total population in these three states as compared to 63.4 per cent at the national level. The concentration of economically and socially backward population, therefore, could explain the persistence of perennial poverty in these three states.

Poverty across Population Groups: Religion

Religion-specific poverty ratios have been estimated from the NSS consumption distribution by religious groups and the poverty line for all population for rural and urban areas[16].

Figure 19: Percentage Distribution of Rural Poor and Very Poor across Religion

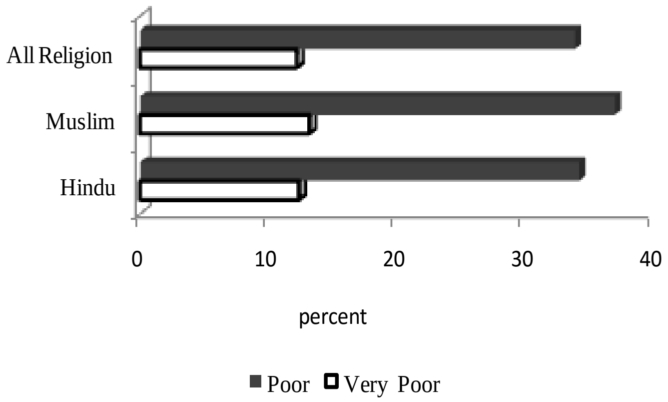
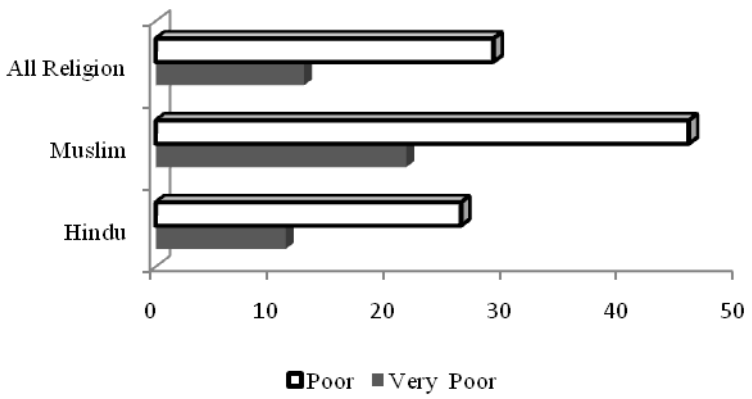


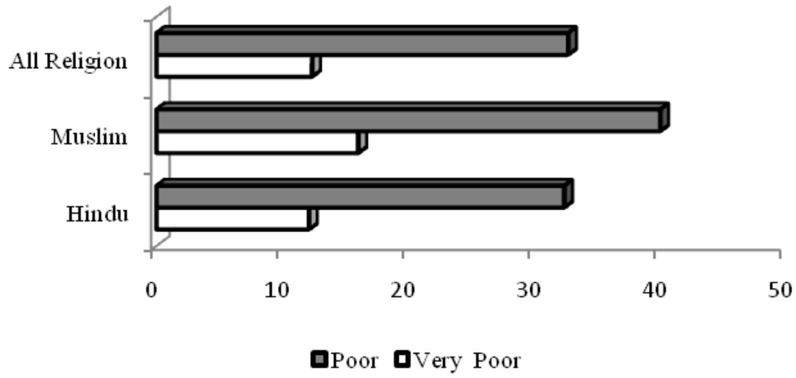
Figure 20: Percentage Distribution of Urban Poor and Very Poor across Religion



Source: Computed from Report Number 468, NSS 55th round, September 2001

16. These are estimated from the class distribution of person given in NSS 55th Round, Report No. 468, September 2001. Table-R2 and Tables-R3, Pages-A3 to A8. Very Poor denotes persons with per capita consumption less than three-fourth of the poverty line.

Figure 21: Proportion of Poor and Very Poor across Religion for Rural and Urban Combined



Sources for Figure 20 and 21: Same as Figure 19

The poverty ratio of the Muslims in general has been observed as greater than that of Hindus. However, the incidence of poverty among the Muslims in urban areas is more than that in the rural areas. The deprived urban Muslims primarily comprise the migrant section of the population, who has migrated from rural areas in search of gainful employment.

The poverty ratio of the two religious groups differs marginally in the rural areas and very substantially in the urban areas. The disparity in the level of living between the Hindus and the Muslims, as revealed by the incidence of poverty, therefore, is primarily an urban phenomenon.

Chapter 3

The State of Capability Poverty

The definition of an individual and his/her social well-being and the evaluation of well-being in terms of constitutive elements of living comprise the central element of "The Capability Approach". The notion of 'capability', as conceived by Prof. Amartya Sen, rests on the assessment of well-being and freedom to pursue well-being. Thus, the capability of a person basically reflects 'a person's freedom to choose between different ways of living'.[17] Some of the basic capabilities which are crucial to live a life with dignity are: capability of being free from hunger, capability of being free from ill-health and capability of being free from illiteracy.

When a person fails to realise these basic capabilities then he may be considered as poor since lack of these capabilities constrains and cripples the person in not only accessing the economic opportunities but also in the enjoyment of other fundamental freedoms, which are equally important to live a life with dignity. Poverty could thus be conceived of as a 'capability failure'. However, capability failure may not necessarily be the outcome of lack of command over purchasing power, but may well be the consequence of lack of an enabling environment due to social, political, cultural factors, and weak institutional framework. At the same time, failure to realize the basic capabilities by a person may constrain his or her access to economic opportunities. Thus, capability failure may well turn out to be a causal factor for income poverty.

The architects of the Indian Constitution recognized the multidimensional nature of poverty and made suitable provisions in the Constitution in the form of the Directive Principles of State Policies. There are a number of directives in the Indian Constitution relating to access to social services, especially for the poor and the disadvantaged. However, on account of pre-occupation of Indian planners with growth and income poverty, the social sector issues, such as the universal elementary education, healthcare for all, rural housing, nutrition and health of women and children, free medical care for the poor, did not assume much significance till the early eighties (the Sixth Five Year Plan).

The following sections deal with three basic capabilities, which are: capability to be free from hunger and malnourishment; capability to be free from ill health; and capability to be free from illiteracy. Instead of using a composite

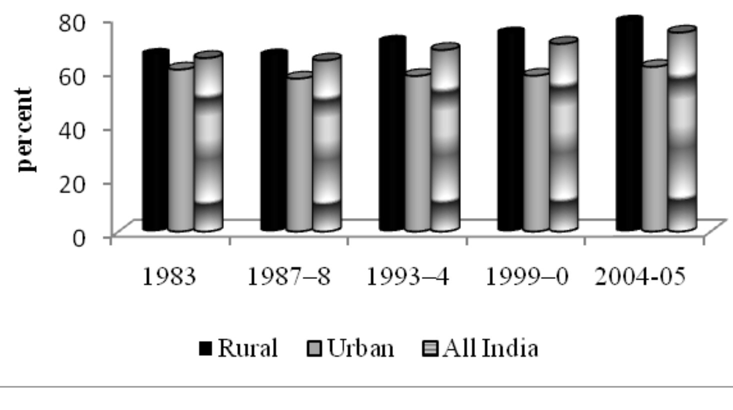
17. Sen (1989)

index like Human Development Index various indicators pertaining to these capabilities and the deprivation in terms of these indicators for different disadvantaged groups have been considered to get a clearer picture of pro-poorness at the disaggregate level in terms of realization of these basic capabilities.

Capability of being free from hunger and being adequately nourished

As an indicator of the capability of being free from hunger one can consider the number of persons whose consumption level are not satisfying the nutrition or calorie norm, as specified by the Indian Council of Medical Research (ICMR) for rural and urban areas. The growth and poverty reduction scenario, as delineated in Table 2 in Chapter II, should have ideally led to a decrease in the number of persons below recommended daily calorie allowance. But this does not seem to have happened as the number of people below recommended daily calorie intake (2400 kcal per person per day in rural areas and 2100 kcal per person per day in urban areas) continued to increase in an unabated manner from 1983 to 2004-05 (for various NSS Rounds) with a relatively higher rate of increase in rural areas as compared to urban areas (as shown in figure 22).

Figure 22: Percentage of Persons below Recommended Daily Calorie Intake



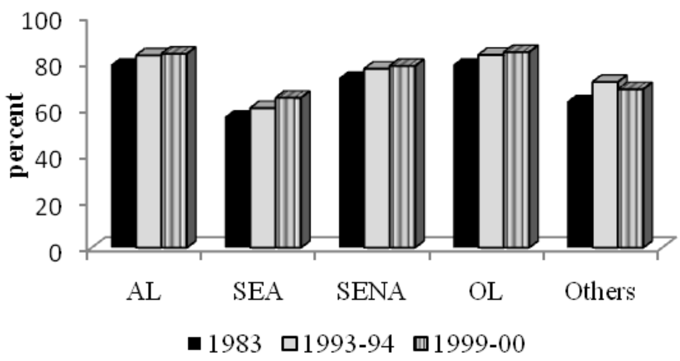
Source: Based on NSS data from 38th to 61st round adopted from Deaton and Dreze (2006)

A disparity is also observable in the nutritional situation among vulnerable strata of rural population across occupation, social class, and land category and by the standard of living measured in terms of per capita consumption. Figures 23 to

26 exhibit the variation in calorie deficiency across the vulnerable groups on the basis of NSSO unit level records of 38th, 50th and 55th rounds of quinquennial household consumer expenditure surveys. Across occupational group, agricultural and other labourers were most calorie deficient with a progressive increase in calorie deficiency from 1983 to 2000. This is also evinced by the relatively higher calorie deficiency among the landless labourers. Across social class, STs have been observed as the most deprived followed by SC and OBC.

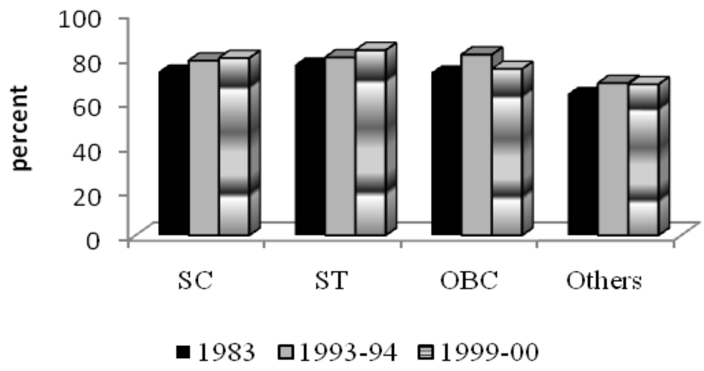
In the landholding category, the landless and the marginal farmers turned out to be the deprived lot. The calorie deficiency among the marginal farmers has hardly improved over the years (as seen from Figure 25). The Situation Assessment Survey for Farmers conducted in 2003 by NSSO indicates that nearly 95 percent of the landholding and farming households belong to the category of marginal and small farmers with landholdings below 1 hectare. Thus, the calorie deficiency among the marginal farmers indicates a near stagnation in agriculture. The calorie deficiency among the lowest 30 percent expenditure class has increased in rural areas during 1983 to 1999 although the calorie deficiency has come down in urban areas during the same period.

Figure 23: Percentage of Rural Population below Recommended Calorie Intake by Occupation



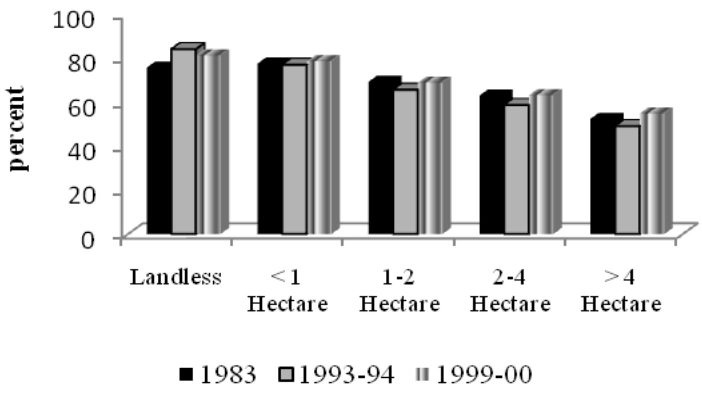
Source: Estimated from unit level record on consumption expenditure for 38th, 50th and 55th rounds of NSS respectively

Figure 24: Percentage of Rural Population below Recommended Calorie Intake by Social Group

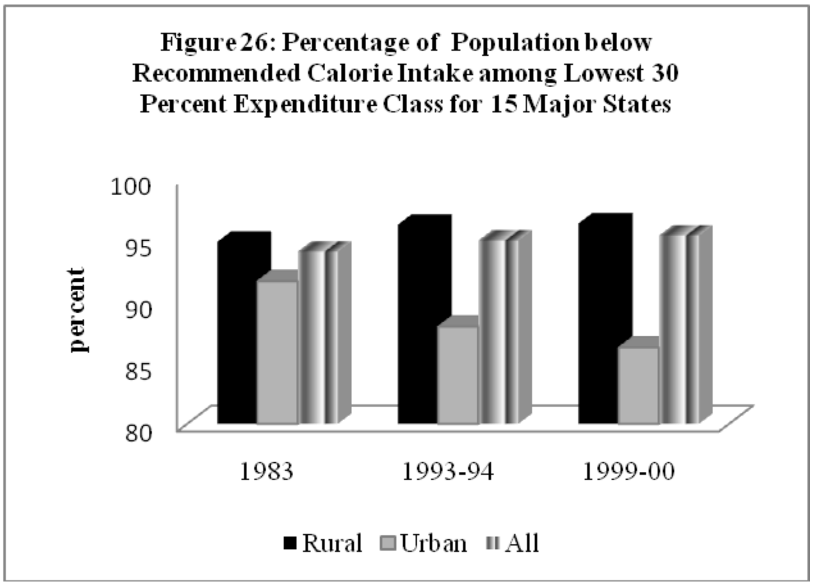


Source: Same as Figure 23

Figure 25: Percentage of Rural People below Recommended Calorie Intake by Landholding Category



Source: Same as Figure 23



Source: Same as Figure 23

The growth in per capita income and reduction in poverty should also have led to a concomitant improvement in the nutritional status among children and women. However, this does not seem to have happened. Table 8 shows the picture of disparity in terms of some direct anthropometric measures of nutritional status of children (Weight for Age below normal among children less than 3 years and Anemia among children aged 6 to 35 months) and women (Body Mass Index[18] for ever married women and Anemia for pregnant women) based on National Family Health Survey (NFHS) for various years.

18. Body Mass Index is measured as weight/ (height)2 and is an indicator of chronic energy deficiency.

Table 8: Some Direct Measures of Nutritional Status of Women and Children
(States have been sorted according to the value of the indicator from higher to lower value)

Children with weight for age below normal	
NFHS-1 (1992-93) (Data for Bihar, Madhya Pradesh, Uttar Pradesh was not available for this round)	
More than national average (>52 %)	Less than national average (<52 %)
West Bengal, Orissa	Karnataka, Maharashtra, Assam, Gujarat, Punjab, Tamilnadu, Andhra Pradesh, Rajasthan, Haryana, Kerala
NFHS-2 (1998-99)	
More than national average (>47 %)	Less than national average (< 47 %)
Bihar, Madhya Pradesh, Orissa, Uttar Pradesh, Rajasthan, Maharashtra, West Bengal	Gujarat, Karnataka, Andhra Pradesh, Tamilnadu, Assam, Haryana, Punjab, Kerala
NFHS-3 (2005-06)	
More than national average (>46 %)	Less than national average (< 46 %)
Madhya Pradesh, Bihar, Gujarat, Uttar Pradesh	Orissa, Rajasthan, West Bengal, Haryana, Karnataka, Assam, Maharashtra, Andhra Pradesh
Children aged 6 to 35 months with anemia	
NFHS-2 (1998-99)	
More than national average (>74.2 %)	Less than national average (< 74.2 %)
Haryana, Rajasthan, Bihar, Punjab, West Bengal, Gujarat	Uttar Pradesh, Andhra Pradesh, Orissa, , Maharashtra, Madhya Pradesh, Karnataka, Tamilnadu, Assam , Kerala
NFHS-3 (2005-06)	
More than national average (>79.2 %)	Less than national average (< 79.2 %)
Bihar, Uttar Pradesh, Karnataka, Madhya Pradesh, Haryana, Punjab, Gujarat, Rajasthan	Andhra Pradesh, Assam, Maharashtra, Orissa, Tamilnadu, West Bengal, Kerala
Ever Married Women with Body Mass Index below normal	
NFHS-2 (1998-99)	
More than national average (>36.20 %)	Less than national average (<36.20 %)
Orissa, West Bengal, Maharashtra, Bihar, Karnataka, Andhra Pradesh, Gujarat, Uttar Pradesh	Rajasthan, Madhya Pradesh, Tamilnadu, Assam, Haryana, Kerala, Punjab
NFHS-3 (2005-06)	
More than national average (>33 %)	Less than national average (<33 %)
Orissa, Bihar, Madhya Pradesh, West Bengal, Assam, Uttar Pradesh, Rajasthan	Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Haryana, Tamilnadu, Punjab, Kerala
Pregnant Women with Anemia	
NFHS-2 (1998-99)	
More than national average (>49.7 %)	Less than national average (<49.7 %)
Assam, Orissa, Tamilnadu, West Bengal, Haryana, Maharashtra, Rajasthan, Madhya Pradesh	Karnataka, Gujarat, Bihar, Uttar Pradesh, Andhra Pradesh, Punjab, Kerala,
NFHS-3 (2005-06)	
More than national average (>57.9 %)	Less than national average (<57.9 %)
Assam, Haryana, Orissa, West Bengal, Rajasthan, Gujarat, Bihar, Karnataka, Madhya Pradesh	Maharashtra, Andhra Pradesh, Tamilnadu, Uttar Pradesh

Note: The data for NFHS-3 has been taken from the provisional factsheet for various states (website: www.nfhsindia.org, accessed June, 2007).

In terms of malnutrition of children, Bihar, Madhya Pradesh, belonging to category I and Uttar Pradesh, belonging to category II remained persistently below national average. However, Gujarat, a more prosperous state, ,has recorded dismal performance in terms of nutritional status of children. As noted in chapter 2, Gujarat also recorded a decline in anti-poverty effectiveness in the post-reform period. However, an inter-state comparison of relative decrease in the incidence of malnutrition from 1998-99 to 2005-06 based on NFHS-2 and NFHS-3 tend to suggest that Haryana, Kerala have performed better than Gujarat, Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Maharashtra and West Bengal.

This could be largely attributed to the fact that the former group of states has put in place relatively better functioning food security system and social sector programmes and projects as compared to the latter group. The chapter on Evaluation of Poverty Alleviation Programmes dwells on the problems related to Targeted Public Distribution System (TPDS) addressing the question of food security, in general, and Integrated Child Development Services (ICDS), addressing the nutrition security for children between 3 to 6 years respectively, and nutrition supplementation for pregnant mothers. The chapter would also analyse the findings of evaluation of other employment programmes with food-linked components.

Although poverty and malnutrition have usually been observed to be positively correlated, reduction in income poverty may not necessarily lead to a corresponding reduction in malnutrition among children. In addition to income, factors such as poor nutrition among pregnant mothers, lack of ante-natal and post-natal care, less education of parents (particularly mothers) have been found to cause malnutrition by various research studies[19].

In case of children suffering from anemia, the better performers in terms of growth and income poverty, like, Punjab, Gujarat, Karnataka, have recorded relatively higher incidence of anemia among children along with the chronically worst performers belonging to the categories I and II. In terms of nutritional status of women, as measured by Body Mass Index of ever married women between 15 to 49 years, the states below national average, as of 2005-06, primarily belongs to category I and category II. As for pregnant women with anemia again Gujarat, Karnataka, and Haryana remained above the national average as of 2005-06 along with the low performers belonging to categories I and II. The prevalence of

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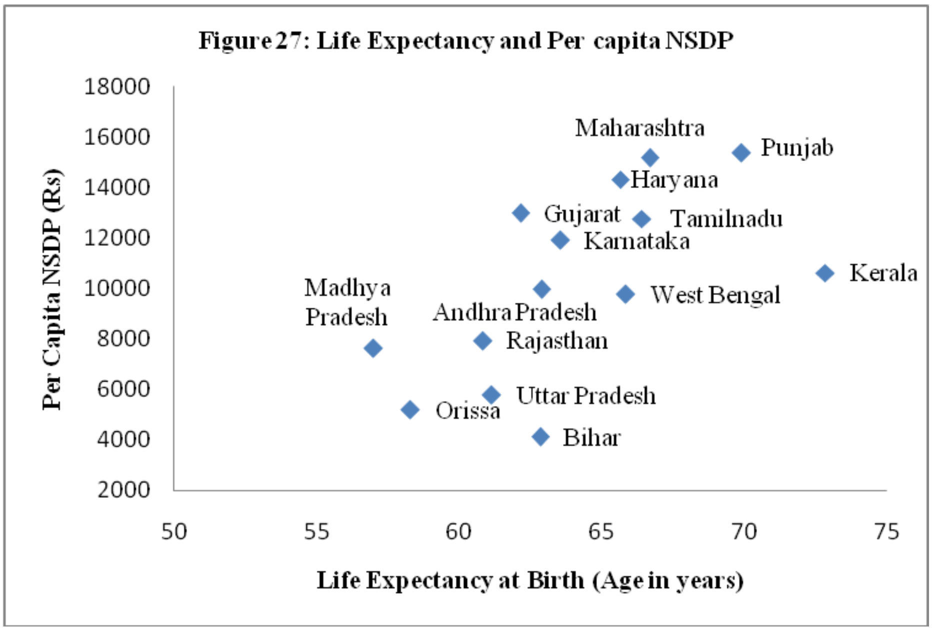
19. For instance, Bandyopadhyay (2005) has observed higher incidence of malnutrition and mortality among children of less educated mothers and mothers who did not have access to institutional sources for pre-natal care. The findings are based on primary survey of some selected states, namely, Andhra Pradesh, Bihar, Maharashtra and Orissa carried out by institutions at the state level during 2004-05.

anemia among pregnant women could largely explain the trend in anemia among children across the respective states.

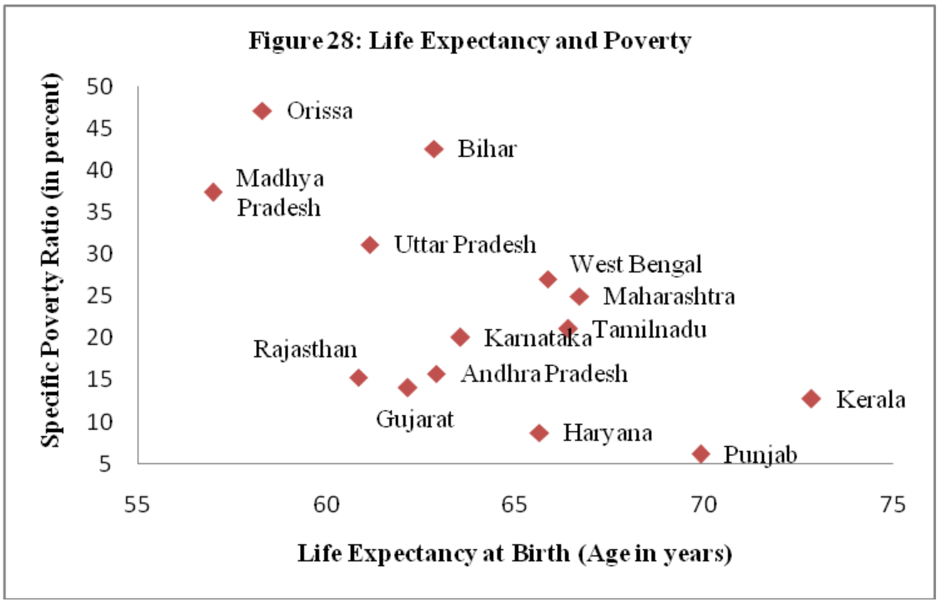
Capability of being free from ill-health

This section addresses the question of health and healthcare and examines the entire picture of disparity in the capability of being free from ill-health across location and population group. As a foremost indicator, life expectancy at birth has been considered in relation to income growth and poverty ratio for major states.

Figure 27 below shows the relationship between per capita income and life expectancy at birth and Figure 28 shows the relationship between specific poverty ratio and life expectancy respectively for 15 major states.



Source: CSO for Per Capita NSDP, Planning Commission (2002) for Poverty Ratio and CBHI (2002) for Life Expectancy for 1996 to 2000.



Source: Same as Figure 27

As is evident from the above two figures, life expectancy is usually higher for states with higher PCNSDP and low poverty. However, Kerala and Andhra Pradesh in spite of having their PCNSDP at lower levels have much higher life expectancy as compared to the other states with similar PCNSDP. West Bengal with lower PCNSDP and higher specific poverty ratio, as of 2000, however, indicates a much better performance in terms of life expectancy. The expectation of life by sex and states reveals a considerable gender and interstate variation. Among the males, the expectation of life is the highest in Kerala (70.6) followed by Punjab (66.9), Andhra Pradesh (65.1), Maharashtra (64.5) to the lowest in Madhya Pradesh (56), followed by Orissa (57.6), Uttar Pradesh (58.9) and so on. Among the females, the life expectancy is the highest in Kerala (76.1) followed by Punjab (69.1) and Maharashtra(67).

Table 9 indicates the status of some principal health indicators across the major states. The data on Infant Mortality Rate (IMR) indicates that Bihar, Madhya Pradesh (Category I) and Uttar Pradesh (Category II) have been the worst performers in terms of decline over the years. Assam (Category II), Orissa (Category I) which were much below the all India figure of IMR for 1992-93 have registered considerable improvement in terms of decline in IMR. Maharashtra and West Bengal (Category II) which were above the national level IMR for 1998-99 have experienced considerable decline from 1998-99 to 2005-06. The more prosperous Gujarat (Category IV), however, recorded dismal performance and registered considerable increase in terms of IMR from 1992-93 to 2005-06.

Gujarat, as noted in the earlier section, has also recorded worst performance in terms of pregnant women and children suffering from anemia, and could be considered as a state needing attention along with Bihar, Madhya Pradesh and Uttar Pradesh in terms of condition of the healthcare.

Table 9: Some Indicators of Health Status of Women and Children across the Major States

(States have been sorted according to the value of the indicator from higher to lower value)

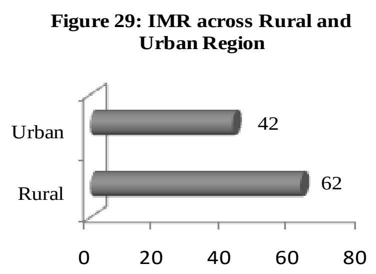
Infant Mortality Rate (per thousand live births)	
NFHS-1 (1992-93) (Data for Bihar, Madhya Pradesh, Uttar Pradesh not available for this round)	
More than national average (>79)	Less than national average (<79)
Orissa, Assam	West Bengal, Haryana, Rajasthan, Andhra Pradesh, Gujarat, Tamilnadu, Karnataka, Punjab, Maharashtra, Kerala
NFHS-2 (1998-99)	
More than national average (>68)	Less than national average (<68)
Bihar, Madhya Pradesh, Orissa, Uttar Pradesh, Rajasthan, Maharashtra, West Bengal	Gujarat, Karnataka, Andhra Pradesh, Tamilnadu, Assam, Haryana, Punjab, Kerala
NFHS-3 (2005-06)	
More than national average (>57)	Less than national average (<57)
Madhya Pradesh, Bihar, Gujarat, Uttar Pradesh	Orissa, Rajasthan, West Bengal, Haryana, Karnataka, Assam, Maharashtra, Andhra Pradesh
Neonatal Mortality 1998-99 (per thousand live births)	
More than national average (>43.4)	Less than national average (<43.4)
Madhya Pradesh, Rajasthan, Orissa, Bihar, Assam, Andhra Pradesh	Gujarat, Karnataka, Haryana, Tamilnadu, Punjab, Maharashtra, West Bengal, Kerala
Under-5 Mortality 1997 (per thousand live births)	
More than national average (>94.9)	Less than national average (<94.9)
Madhya Pradesh, Uttar Pradesh, Rajasthan, Bihar, Orissa	Assam, Andhra Pradesh, Gujarat, Haryana, Punjab, Karnataka, West Bengal, Tamilnadu, Maharashtra, Kerala

Source: For Infant Mortality NFHS-1, 2 and Provisional Factsheets for NFHS-3. For Neonatal Mortality and Under-5 Mortality, NFHS-2 final report of states and India (website: www.nfhsindia.org, accessed June, 2007)

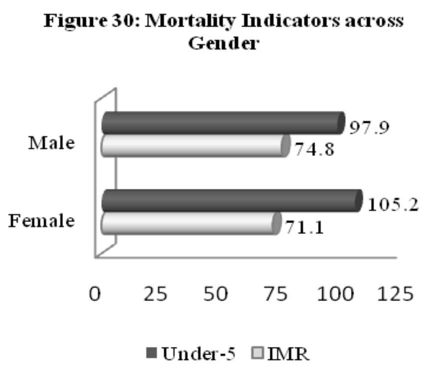
As for neo-natal mortality and under-5 mortality, Category I and Category 2 states (except West Bengal and Maharashtra), as of 1998-99 and 1997, respectively, have performed poorly. However, in Rajasthan (Category IV) both neo-natal and under-5 mortality rates have been found to be considerably higher. For Andhra Pradesh (Category III), the neo-natal mortality rate has been found to be quite high.

As is evident from Figures 29 to 33 below which are based on information provided in provisional fact sheets of NFHS-3 (2005-06) and Chapter 2 and Chapter 7 of India Social Development Report (CSD, 2006), there is a clear disparity in mortality across region, gender, social class, religion and between the poorest and richest quintile. The rural population, females, STs and SCs and Muslims are relatively worse off in terms of health status as evinced by the mortality rates among infants and under-5 per 1000 live births.

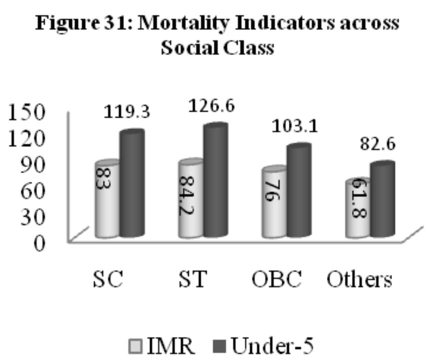
Mortality Indicators (per thousand live births) across Region, Gender, Caste, Standard of Living and Religion



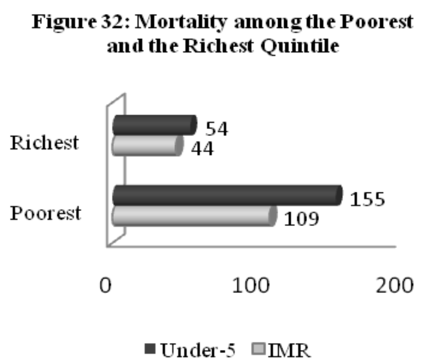
Source: NFHS-3 Provisional Factsheet for India (available at www.nfhsindia.org)



Source: India Social Development Report

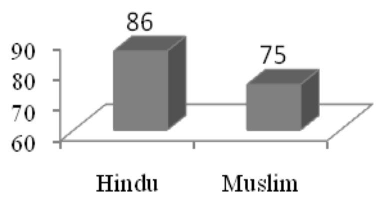


Source: India Social Development Report



Source: India Social Development Report

Figure 33: IMR for Hindus and Muslims



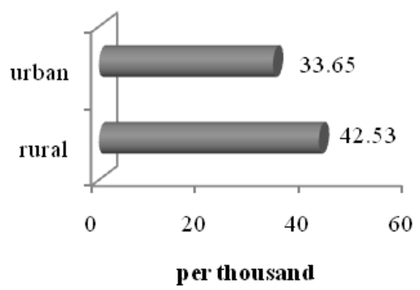
Source: India Social Development Report

This could be partly explained by the incidence of severe morbidity across various groups which are given in the next set of figures (Figures 34 to 38).[20] The economic and social inequality across various locations and groups could explain the health inequality only partially. The persistence of the inequality in healthcare could be largely explained if one identifies the primary problems in healthcare in terms of access and delivery of health services.

In a brief diagnostic evaluation of health scenario in India as taken up in the next section the basic problems with respect to healthcare in the Indian context have been largely explained. The persistence of health inequality across various groups also explains the disparity in capability of these groups in transforming their endowment to productive output and hence income and thereby explains the persistence of economic inequality across these groups.

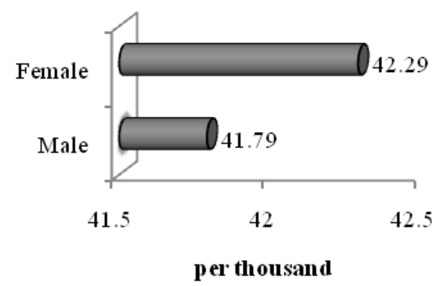
Prevalence of Serious Morbidity across Region, Gender, Caste, Religion (per thousand population)

Figure 34: Morbidity by Rural-Urban



Source: Ministry of Health and Family Welfare (2005)

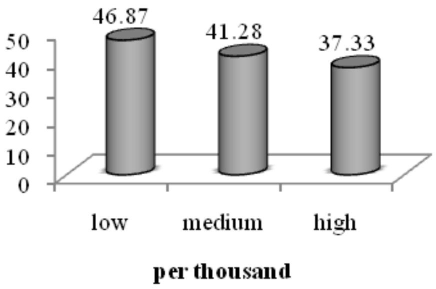
Figure 35: Morbidity by Gender



Source: Ministry of Health and Family Welfare (2005)

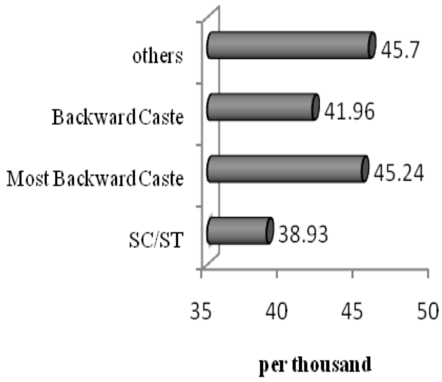
20. Figures 34 to 37 are based on Table1.2 of the Report of the National Commission on Macroeconomics and Health (MoHFW, 2005).

Figure 36: Morbidity by Standard of Living



Source: Ministry of Health and Family Welfare (2005)

Figure 37: Morbidity By Social Class



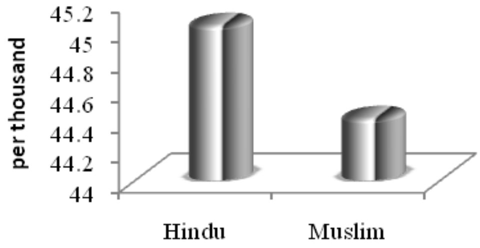
Source: Ministry of Health and Family Welfare (2005)

India's Health Sector: a Brief Evaluation[21]

A diagnostic analysis of the Indian health scenario reveals that the major problems with the Indian health system have been the insufficient amount of government spending in the health sector (1.4 per cent of GDP as per the revised estimate for 2005-06 against an average of 2.2 per cent by the lower-middle-income countries) and the inefficiencies and misuse of the meagre resources that are available. Since a lion's share of healthcare is out-of-pocket expenses, the system tends to favour those who can pay. Due to low public expenditure the amount allocated for public health or disease control has also been inadequate which has led to the undeterred incidence of communicable diseases like malaria and tuberculosis. There has also been insufficient increase in the number of hospitals per million population and hospital beds per lakh population. Public health services are largely inaccessible, of poor quality, with long waiting periods, and have overlapping functions among various tiers leading to duplication and inefficiency in services.

21. This section draws largely on India Health Report, 2003 and Report of the National Commission on Macroeconomics and Health, 2005.

Figure 38: Morbidity by Hindu-Muslim



Source: Ministry of Health and Family Welfare (2005)

Although India, as a signatory to the Alma Ata Declaration of 1978, was committed to attaining the goal of 'health for all' by 2000 through the primary healthcare approach, the goal of universal healthcare for all still remains a far cry. There is a clear mismatch between the objectives and the resources being tapped to achieve the objectives, namely universal healthcare and poverty alleviation. Furthermore, Indian health system is yet to put in place financial risk protection for the poorer and weaker sections of the population.

The slow pace of decline in IMR in the 1990s and the large disparity in IMR across rural and urban areas reflects a stark deterioration in rural health services. The low rate of decline in IMR could be attributed to the deterioration in basic health intervention and immunisation. As per the NFHS-3 Factsheet of 2005-06, only 43.5 percent of the children between 12 to 23 months are immunised and the immunisation across rural India is about 39 percent.

The high prevalence of neonatal mortality is clearly linked to maternal factors, such as early marriage and childbirth, and low utilisation of antenatal and obstetrics services. As per the NFHS-3 data for 2005-06, nearly 45 percent of the women aged 20 to 24, got married by age 18, and about 16 percent of the women aged 15 to 19 were already mothers or pregnant at the time of he survey. Furthermore, the percentage of the institutional births was quite low at 41 percent and only 48 percent of the births were attended by skilled health personnel[22]. An important cause of persistent morbidity and mortality of children under-5 is communicable illness, primarily waterborne diseases. This is mainly attributable to non-availability of safe drinking water and dearth of proper sanitation facilities. The NFHS-3 Factsheet indicates that only 42 percent of the habitations surveyed have piped drinking water facility and only 45 percent have access to toilet

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22. Janani Suraksha Yojana (JSY), a modified form of National Maternity Benefit Scheme (NMBS) has been launched in April 2005-06 all over the country for protection of pregnant women, promote safe delivery and incentives are also being provided to the Below Poverty Line (BPL) families for institutional delivery. This was launched after NMBS failed to reduce the prevalence of high neonatal mortality. While the NMBS was linked to provision of a better diet for pregnant women from BPL families, the JSY moved one step forward and integrated cash assistance with antenatal care during the pregnancy period, institutional care during delivery and immediate post-partum period in a health centre by establishing a system of coordinated care by field level health worker.

facility. In rural area, the percentage of habitations served with piped drinking water is a meagre 28 and only 26 percent of the habitations have access to toilet facility.

India accounts for nearly one-third of the global Tuberculosis (TB) incidence and the largest number of active TB patients. In case of malaria, the number of cases has decreased to nearly two million, but on account of local outbreaks, the mortality tends to be quite high. The resurgence of communicable diseases, such as malaria and tuberculosis could partly be attributed to low levels of public expenditure and lack of purchasing power in the hands of the poor.

Though there has been considerable increase in healthcare infrastructure over the successive plans, there is still a shortage of 19269 Sub-Centers (SCs), 4337 Primary Health Centers (PHCs) and 3206 Community Health Centers (CHCs) as per 2001 population norm (Rural Health Infrastructure Bulletin, 2006).In the year 1982, the number of hospitals per million population was 10 and even after two decades the same increased to 15 only. As regards number of hospital beds (all types) in 1982 it were 83 per lakh population which increased to only 92 in two decades.

In India, healthcare services in the public sector are not adequate in volume and quality to have any significant impact, especially with regard to the health status of the under-privileged majority. It is plagued by many ills like inaccessibility of the public health facilities and poor quality of their services. and long waiting periods that prompt even the poor to seek expensive private treatment; rising involvement of the private sector in the growth of curative services for a small affluent section of the population even as the goal of provision of basic healthcare for the masses remains elusive; and the rural-urban disparity which is evident from the fact that urban areas with lower percentage of the population house nearly 70 per cent of the hospital beds and health infrastructure, and 80 per cent of the doctors. Within the cities or towns itself, although a large variety of health services are available, all have not benefited from these facilities on account of various kinds of inequalities and deficiencies obtaining in the provision of health services.

In the past two decades, despite a massive increase in health inputs across public and private sectors, diseases like tuberculosis, leprosy, tetanus, gastroenteritis, and acute respiratory infections still continue to take their toll in an unabated manner. The communicable diseases still constitute a large proportion of child mortality and preventable morbidity or mortality among the poor[23]. The emphasis in the last two decades has gradually shifted from 'preventive' to 'curative medicine' for diseases like cancer, and heart attack that mostly affect the urban rich, rather than on the far more common communicable diseases that continue to plague the rural poor frequently. Preventive and social medicine and family practice have the lowest status in medical education. Furthermore, the pass-outs from government medical collages prefer to emigrate to greener pastures or work for profit in the private sector.

The total social spending in India accounts for about 1.4 percent of GDP and constitutes about 5 percent of the total expenditure as of 2005-06 revised estimates. However, the allocation for public health spending and disease control programmes is very low as compared to many other countries with the same per capita income level. Even the meagre expenditure in the rural primary health centres (PHCs) tends to have been primarily devoted to achieving family planning targets. Several studies have revealed that there are possibilities to provide more healthcare to people at much lower costs, since the absolute amount of funds in thousand crores that is being allocated is just a pre-requisite. What is really important is the way it is utilised as is evident in Kerala in India, and Sri Lanka. They not only incurred higher expenditure on the social sector, like health and education, but also ensured proper utilisation of funds in an egalitarian manner.

A review of the healthcare system in India by Berman[24] points out that the healthcare system in India is largely 'curative' and 'clinical' with emphasis on the number of hospitals, institutions, health infrastructure, equipment, and personnel, rather than primary healthcare; the urban rather than rural population; doctors rather than paramedical (again with urban bias); and on services that have larger private than social returns. The private sector also shows marked preference for large hospital-based curative services in urban areas. On the other hand, the preventive, promotive and surveillance and improvement of healthcare – including environment-related diseases for the masses mainly in rural areas – have received very low priority.

The present state-mechanism of delivering public health services also faces serious problems like, overlapping functions among the various tiers of the healthcare system; duplication in the services provided; and lack of clear delineation at each type of facility. PHCs remain under-utilised due to lack of facilities and doctors and support from referral institutions. The same reasons apply to the national disease control programmes. The non-availability of quality staff impedes the technical efficiency of health programmes and affects

23. For details on moratlity and morbidity from the primary survey of some selected states see Bandyopadhyay, 2005.
24. Berman,1997.

productivity. There is also no provision for supplementary central funding to the backward states where alternative sources of revenue are limited[25].

Furthermore, there is a clear gender bias in healthcare system in India. The females continue to be at greater risk than men of dying from childhood through their childbearing years. The sex ratio remains unbalanced, and in some states appears to be deteriorating. Publicly-supported reproductive and other healthcare for women has barely begun to meet the needs, particularly among the rural poor. The dwindling number of girl children is primarily the outcome of the high incidence of female feticide. There is a statute in place prohibiting pre-natal test known as Pre-Natal Diagnostic Techniques (PNDT) Act, 1994. In spite of the Act being in existence for more than a decade, sex determination before birth is rampant. Some prosperous districts in Punjab and Haryana, the two regions with high per capita income, have demonstrated substantial decline in the child sex ratio. In fact, the more prosperous districts in the country tend to account for a larger decline in the child sex ratio. For instance, the plushest South Delhi district has one of the highest records of the decline in the child sex ratio on account of the rampant use of sex determination techniques.

The annual plan documents of the states hardly provide any detailed report on the progress of completion of the buildings of the peripheral healthcare institutions as also of staff quarters, provision of essential supplies, filling up of vacant posts and in-service training to the workers to improve their knowledge and skills for which funds are allotted. Moreover, convergence of services at the grass-root level, although essential, is highly lacking in most of the states. The achievements of the states in terms of establishment of PHCs and CHCs are most unsatisfactory.

Though the pattern of funding to the states by the Planning Commission is uniform, there are substantial differences between the states in the utilisation of funds, as well as the completion of the targeted work without time and cost overruns. The communicable disease programmes and other primary healthcare services have suffered mainly due to inadequate funding or under-utilisation of funds in many states. Most of the poor states are unable to provide matching state

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25. The National Rural Health Mission (NRHM) initiated in 2005, has been operationalised throughout the country with a special focus on 18 states with weaker health infrastructure and health status indicators, The basic objective of the NRHM is to provide accessible, affordable, accountable, effective and reliable primary healthcare facilities especially to the poor and vulnerable sections of the population, bridging the gap in rural healthcare services, improved hospital care, decentralized planning, ensuring population stabilization, inter-sectoral convergence and maintaining gender balance. The NRHM intends to strengthen service delivery by ensuring community ownership of health facilities. However, the effectiveness of NRHM in addressing the problem would become clear once a comprehensive performance evaluation of the programme comes out.

funds. As a normal practice, funds from the Centre are withdrawn if a state fails to provide for matching grants. The Planning Commission provides approximately 50 per cent of plan funds for Minimum Needs Programmes. Some states are not able to spend this amount and usually divert it for non-minimum needs programme component.

The fact that funds allocated are under-utilised goes unnoticed because of the lack of an adequate 'financial management information system.'[26] Within a given programme, the variations in the utilisation of different schemes are also significant. Facts reveal that it is generally the larger states that face problems, as there are complexities in managing programmes in these states. Patients are the worst affected when government hospitals fail to utilise funds.

There is an acute shortage of para-medical personnel in Indian health system though there is no shortage of doctors and nurses in the country (according to the National Health Profile, 2005, there are about 8, 65,135 nursing personnel and 6, 56,111 doctors who are available in India). In order to meet the shortage of para-medical manpower, which varies from state to state, the Planning Commission identified several areas of vocational training course in the 10+2 stream. But only a few states could actually make use of this facility.

Capability of being free from illiteracy

The capability of being free from illiteracy could be assessed in terms of the progress achieved in literacy nationally and across the states and examining the disparity across region, gender, class and religion. Table 10 classifies 15 major states on the basis of the rate of illiteracy (for age group 6+) below and above national average based on the Census data for 1971 and 2001.

Table 10: Grouping of States According to Literacy Rates

Year -1971	
Less than national average (34.45%)	More than national Average (34.45)
Andhra Pradesh, Assam, Bihar, Haryana, Punjab, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh	Karnataka, Kerala, Gujarat, Maharashtra, Tamil Nadu, West Bengal
Year -2001	
Less than national average (64.84)	More than national average (64.84)
Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh Orissa.	Karnataka, Kerala, Gujarat, Maharashtra, Tamil Nadu, West Bengal, Haryana, Punjab.

Source: Census, 1971; 2001.

26. Bhatt, 2000.

The grouping clearly indicates that although the national literacy rate has nearly doubled from 1971 to 2001, almost all the states (excepting Haryana and Punjab) that were lying below the national average literacy rate for 1971 are still lying below the national average as of 2001. Most of the states lying below the national average belong to either Category I or II (see the categorization done earlier in chapter 2).As per the literacy rate for the 2001 Census, the major states could be grouped into three categories: High literacy, Medium literacy and Low literacy.

Table 11: Grouping of states in terms of magnitude of literacy for 2001

High Literacy States (> 75 %)	**Medium Literacy States (65 to 75 %)**	**Low Literacy States (<65 percent)**
Kerala, Maharashtra	Tamilnadu, Gujarat, Punjab, West Bengal, Haryana, Karnataka, Assam	Madhya Pradesh, Orissa, Andhra Pradesh, Rajasthan, Uttar Pradesh, Bihar

The progress in literacy is not only uneven across the several states but disparities in terms of gender across the states have also been observed to be very high[27]. In fact, gender disparities in literacy level have been observed to be vey high among the states which have been classified as low literacy states (see Table 11). Disparity in literacy has also been observed to vary across region (rural-urban), caste, class, religion, occupation and living conditions and level of poverty and across gender within each of these groups.

The following panel of figures makes an attempt to capture these disparities. The figures are primarily based on Census data for 2001 and on Report No. 473 on ‘Literacy and Levels of Education in India’ and other reports pertaining to NSS 55th Round for 1999-2000. The data for NSS 55th Round have been considered in order to maintain conformity with the time-period for Census data pertaining to 2001. The horizontal and vertical bar diagrams make the picture of disparity crystal clear. Figure 39 (based on 2001 Census) reflects that female literacy for All India is lower than that for male literacy and the gender disparity in literacy is higher in rural than in urban areas. Figure 40, based on NSS data shows that disparity in literacy level between the poor (below poverty line) and very poor (below three-fourth of the poverty line) and non-poor (above poverty line) is higher in rural than in urban areas.

The gender-disparity is higher among the poor and the very poor than non-poor in urban areas. However, the picture for rural area in quite startling with the prevalence of a very sharp gender disparity across all the groups. Thus, for rural

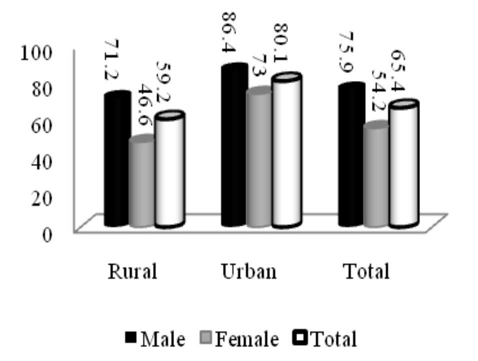
27. Tilak, 2006

area the state of poverty does not seem to matter much in terms of providing education to the girl child as the discriminatory attitude appears to be present in the mindset of the population. Figure 41 indicates disparity across regional occupation and gender. The agricultural labourers in rural areas and casual labourers in urban areas are the most backward in terms of literacy. The gender disparity is also higher within these two classes as compared to other occupations.

Figure 42 shows the disparity in literacy across the lowest and highest standard of living measured in terms of MPCE (monthly per capita expenditure) class provided in reports of the NSS 55th Round. The figure clearly indicates the prevalence of gender disparity among the urban lowest. However, gender disparity is equally higher among the rural highest as well as the lowest MPCE. The observed disparity reinforces the observation from Figure 40 based on poverty.

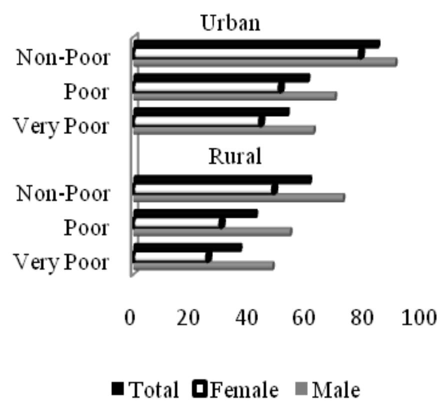
Disparity in Literacy Rate Across Gender, Region, Occupation, Living Standard, Religion and Poverty

Figure 39: Literacy Rate by Region and Gender



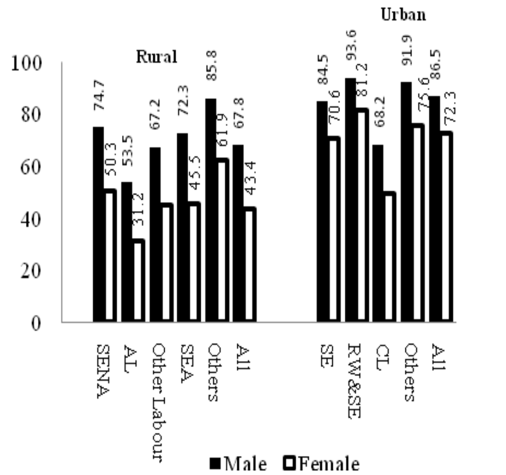
Source: Literacy and Levels of Education in India, 1999-2000, NSS 55th Round, Report No. 473.

Figure 40: Literacy by Poverty, Region and Gender



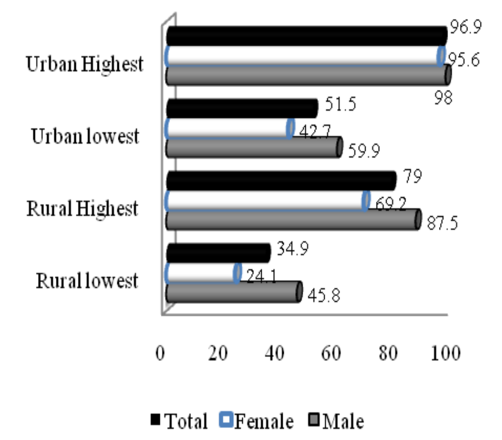
Source: Based on NSS 55th Round, Table-52R and 52U, Page-141-2, Sarvekshana and the Official Poverty Line of Planning Commission for 1999-00

Figure 41: Literacy Rate by Rural and Urban Occupation and Gender



Source: NSS 55th Round, Table-53, Page-143. Sarvekshana.

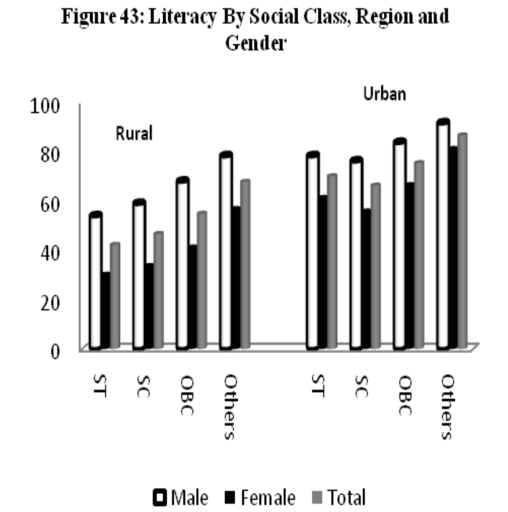
Figure 42: By Standard of Living and Gender



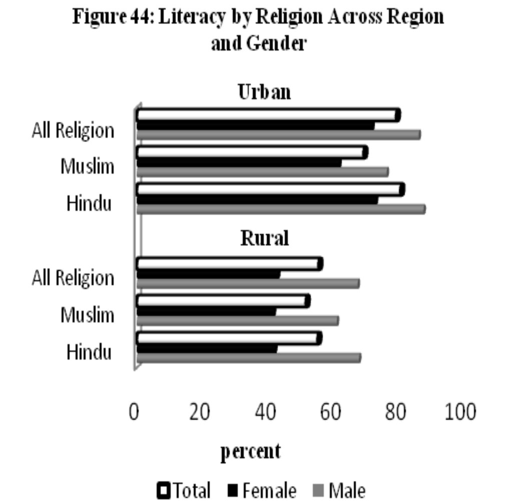
Source: NSS 55th Round, Table-52R and 52U, Page-141-2, Sarvekshana

Figure 43 indicates the disparity in literacy across social class. The STs are the most backward in terms of literacy in rural areas followed by SC, OBC and others. In urban areas, however, SCs appear to be the most deprived, followed by STs and OBCs. The 'other' class is most progressive in both rural and urban areas. Gender disparity in literacy is higher in rural areas and of nearly equal magnitude within SCs, STs and OBCs. However, gender disparity is of a much lower magnitude within these classes across urban areas.

Figure 44 displays the disparity in literacy across religion. Clearly, the Muslims are more backward in terms of literacy in both rural and urban areas. However, the Hindu-Muslim disparity is much higher in urban than in rural areas. Within Hindus and Muslims, the gender disparity is almost the same in urban areas but the disparity is higher among the Hindus in rural areas. Thus, there is a clear disparity in capability of being free from illiteracy across location, gender, standard of living and poverty, social strata and religion.



Source: NSS 55th Round, Table-54, Page-144. Sarvekshana.



Source: NSS 55th Round, Table-56R, Page-146 and Table-56U, Page-147. Sarvekshna.

Education Scenario: A Brief Evaluation

Since the time of Independence India had failed to provide free and compulsory education to all children upto the age of 14. It was only in 1986 that the government announced the National Policy on Education (NPE) followed by the announcement of National Literacy Mission (NLM) in 1988. In 1992, the NPE was modified to prioritize free and compulsory elementary education covering children with special needs, eradication of illiteracy, women's education for gender equality and special focus on the education of SCs, STs and Minorities. Major steps that have been taken by the Government for strengthening Universalisation of Elementary Education (UEE) are:

- A recent Constitutional Amendment[28] making free and compulsory education for all children in the 6 to 14 years of age a fundamental right.
- Streamlining and rationalization of the elementary education programmes by bringing them fewer than five major schemes: Sarva Shiksha Abhiyan (SSA); National Programme for Nutritional Support

28. The 86th Amendment of the Constitution in December 2002.

to Primary Education (Mid-Day Meals Scheme); Teachers' Education; Kasturba Gandhi Balika Vidyalaya (KGBV); and Mahila Samakhya.

- Universalisation of the Mid-Day Meal Scheme at the primary level, with the Central government providing the lion's share of the expenditure, including the supply of foodgrains.

- Levying of an Education Cess[29] on major direct and indirect taxes to finance the expenditure on education.

- Launching of "Bharat Shiksha Kosh" in 2003 to receive donations for various education sector activities.

Despite these positive developments, there is a broad range of national concerns mainly centered around dropout rates and the quality of education Though the network of primary schools has expanded, nearly 8.1 million children are still out of school as on September 2004; although female enrolment has increased, gender disparity does not seem to have been reduced. The DISE (District Information System for Education) data for 2005-06 (NUEPA, 2007) produced by the National University of Educational Planning and Administration (NUEPA) and Ministry of Human Resource Development indicates the girls' enrolment in primary education at 47.79 percent. The retention rate of students at the primary level is nearly 71 percent and has recorded a substantial increase in a span of two years from 2002-03, the earliest period from which information is available. The transition rate from primary to upper primary level has also been found to be around 83 percent. However, the difference between boys and girls enrolment does not seem to show any sign of narrowing particularly at the upper-primary stage.

The school dropout rates among the Scheduled Castes/Scheduled Tribes (SC/ST) children continue to remain high. The DISE data from 2003-04 to 2005-06 indicates continuous decline in the enrolment ratio for both SCs and STs. The Mid-Term Appraisal of the Tenth Five Year Plan has noted that children from particular lower castes in Bihar do not go to school even today. The location of schools and training centres make them inaccessible to SCs and STs; these groups are socially excluded from certain areas in the community of the village. Untouchability, though statutorily prohibited for more than half a century, is still prevalent in many parts of the country. The Mid-Term Appraisal of the Tenth

29. A 2 per cent cess has been levied since 2004 on the five major taxes, covering income tax, corporation tax, customs duties, central excise duties and the service tax. These five taxes account for about 99 per cent of the revenue income of the Central Government. Therefore, the cess is levied on the entire tax incidence.

Five Year Plan further states that in Rajasthan and Gujarat, dalit children are made to sit separately in the classrooms. In the Mid-Day Meal Scheme meant for providing nutritional support to students at the primary level in government and government-aided schools, parents of upper caste children have been found to protest against SC/ST women being employed to cook or serve meals.

Poverty and language barriers continue to impede the education of tribal children. The achievements of Non Formal Education (NFE) remain an illusive goal as the incidence of child labour continues to correlate with dropout rates. Even though India is a signatory to the 1989 UN Convention on the *Rights of the Child,* actual participation of children with disabilities in schools remains low.

Infrastructure is a major problem. Teachers remain underpaid; the increase in their number has not kept pace with increase in enrolment. The DISE data for 2005-06 indicates that nearly 12 percent of the schools spread across all the districts are operating with just a single teacher. Even though the government has given space for private schooling, government schools dominate the elementary education system. The planners specified distance and population norms for opening new primary schools, but the quality of service delivery suffered and government schools grew in number but often with no school buildings or classrooms or academic support materials. As indicated by the DISE data for 2005-06, nearly 11 percent of the schools are without classrooms and about 30 percent are without pucca buildings. Moreover, 8 percent of the schools are without a blackboard, 83 percent without drinking water facility and about 52 percent have no separate toilet facility for girls.

The core problem of education for all in India is one of equity and public spending. Some sections benefit from education, but most of the sections remain on the fringes with no education at all. Also, due to resources crunch, quality has not kept pace with expansion. The Government of India has tried in vain to increase the public funding of education to at least 6% of the national income and presently it stands only at 2.88 percent of GDP as per the revised estimate of 2005-06 (Economic Survey 2005-06)[30]. However, expenditure on education has shown increase in successive five-year plans and the proportion is also quite high in some backward states like Bihar.

30. For a more recent account on the implication of Budget 2007-08 on education, see Mukherjee, 2007.

Chapter 4

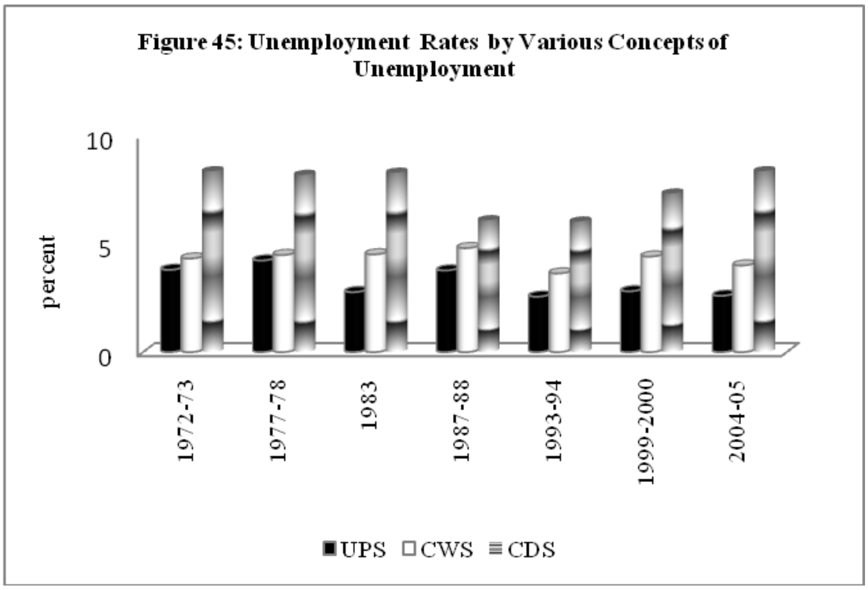
On the Question of Employment

Any discussion on the pro-poorness of the growth process would be incomplete without considering the question of employment. Gainful employment provides the purchasing power or command over resources. The pro-poorness of economic growth is often judged by the ability of economic growth to generate adequate employment for the vulnerable and deserving section of the population through growth in employment across sectors or occupations on which these sections are dependent. The effectiveness of such a growth process, however, can be assessed not only by the number of people employed but also by the quality of employment in terms of gains in productivity and hence real wages. An important indicator addressing the quality of employment is: employment elasticity with respect to output which measures the percentage increase in employment due to one percent increase in output and thus assesses the employment content of economic growth. Other indicators are labour productivity and real wage rates, job security (issue of casualisation and multiplicity) and access.

The question of pro-poor employment is all the more relevant in the present context in the light of the debate on jobless growth that emerged in the eighties and continued in the nineties, particularly in the post-reform era. The other crucial problems that have recently come to the fore are the declining employment in agriculture, increase of dualism within the secondary sector due to the existence of an increasingly large informal and unorganized sector within itself and a general tendency of casualisation of the labour force (increase in share of casual labourers). All these issues would be addressed in the following sections.

Employment generation has always featured as a crucial priority throughout the development planning process in India and has been primarily based upon the idea of a reasonable rate of economic growth combined with an emphasis on labour-intensive sectors like small-scale industry. Unemployment in the initial years of planning was never a problem. However, unemployment started increasing in the late sixties with the growth in labour force gradually exceeding the growth of employment opportunities. When the National Sample Survey (NSS) data for 1972-73 indicated a very high incidence of poverty (54 percent rural and 41 percent urban) coupled with very high rate of unemployment (8.4 percent on current daily status basis and 4.3 percent on current weekly status basis), the entire approach of the Fifth Five Year Plan towards poverty and employment changed with primary emphasis on growth of the employment-intensive sectors.

As mentioned earlier, a number of special employment and poverty alleviation programmes had also been launched during the fifth plan in order to supplement the strategy of economic growth. These programmes underwent several rounds of modification throughout the subsequent plans (as shown in the matrix of poverty alleviation in Annexure 2). Although these programmes appear to have reduced the magnitude and degree of unemployment to some extent, the more chronic unemployment rates as reflected by the Current Daily Status (CDS)[1] showed no sign of receding. Figure 45 below shows the rate of unemployment from 1972-73 till 2004-05 under UPS, CWS and CDS.



Source: Based on NSS Report No. 515 for the 61st Round on Employment and Unemployment Situation in India.

On viewing the rate of unemployment from various angles, it is clear that unemployment as measured in CDS is of a much higher magnitude than under

1. There are four types of concepts of Unemployment. These are Usual Principal Status (UPS), Usual Principal and Subsidiary Status (UPSS), Current Weekly Status (CWS) and Current Daily Status (CDS). The UPS notion considers a person as unemployed if he/she is available for but without work for he major part of the year. UPSS encompasses UPS along with those who are unable to find work on a subsidiary basis during a year. Under the CWS, a person is considered as unemployed if he/she is available for but unable to find employment for even one hour during the reference week. Under the CDS, unemployment is considered in terms of person days of unemployment of all persons in the labour force during a reference week. CDS is thus an all-encompassing measure which not only includes open unemployment but also underemployment.

UPS or CWS. Furthermore, since CDS as a measure encompasses both open unemployment and underemployment, this also indicates that underemployment is no less serious a problem than open unemployment. Thus, the employment question in the context of pro-poor growth in India is not just confined to creation of jobs for the unemployed but also generation of additional employment opportunities for the underemployed. However, whether the increase in employment actually leads to a commensurate improvement in the standard of living of the poor could be gauged on observing the growth in wage rates, particularly the wage rates prevailing in those sectors which have absorbed the growing labour force more as compared to other sectors. Table 12 shows the growth rate in employment by sectors.

Table 12: Sector-wise Growth of Employment (percent)

	1972-73 to 1977-78	1977-78 to 1983	1983-84 to1987-88	1987-88 to 1993-94	1993-94 to 1999-00	1999-00 to 2004-05
Agriculture	2.32	1.20	0.04	2.39	0.06	0.80
Mining	4.68	5.85	6.16	2.09	-3.27	0.55
Manufacturing	5.10	3.75	2.10	1.45	2.05	4.63
Electricity	12.23	5.07	4.64	3.39	-5.25	4.74
Construction	1.59	7.45	13.59	-1.10	6.61	2.48
Trade	4.85	6.35	2.67	3.58	5.28	0.91
Transport	3.71	4.12	4.42	3.20	6.20	3.26
Other Services	3.67	4.69	3.92	3.76	0.55	2.95
Total	2.82	2.22	1.55	2.37	1.02	2.48

Source: Based on EUS for various rounds of NSS and Report No. 515 for the 61st Round of NSS on EUS in India

As is evident from the table, the growth rate of employment in agriculture declined in an undeterred manner from 1972-73 across the quinquennial survey periods except for the quenquennium 1987-88 to 1993-94. Higher employment growth during the period 1987-88 to 1993-94 is attributed to growth in employment in agriculture which for the other periods had experienced very low and declining growth rates as compared to the growth in employment in other sectors. Employment across other sectors had neither been constantly declining nor increasing but had been fluctuating across the various quenquennium.

The very low growth in agriculture which is inhabited by nearly 60 percent of the total workforce had been largely responsible for pulling down the overall growth rate of employment for all the years. In the period immediately after economic reform (1993-94 to 1999-2000) the growth of employment in agriculture was nearly zero and the growth in overall employment was around 1.02. In the second phase of the post-reform period (1999-00 to 2004-05) employment in agriculture, however, has recovered marginally from near stagnation. The secondary sector consisting primarily of manufacturing has also registered considerable increase in terms of employment growth in the second phase of the post-reform period. Electricity, gas, water supply and other services sectors registered considerable increase during this period. The construction sector has maintained a reasonable growth rate for both the periods, with growth rate in the first period being more significant and much higher than the latter period. The growth of employment in the agricultural sector, although very insignificant, coupled with reasonable increase in employment across manufacturing and other sectors pulled up the overall growth rate to around 2.5 percent for the period 1999-00 to 2004-05.

However, it seems quite paradoxical that in the initial years (1972-73 to 1977-78), when the growth rate of GDP was around 3 to 4 percent, the growth rate in employment was hovering around 2 to 3 percent. But, at the advent of the millennium, when the growth rate of GDP has picked up substantially and is presently hovering around 8 to 9 percent, the employment growth rate is just about 2.5 percent. The paradox could be largely explained by near stagnation in the growth of agriculture as discussed in the preceding paragraph. The deceleration in the growth of agriculture is attributed to deterioration in the GDP growth coupled with a decline in the employment elasticity in the sector as measured by the ratio of growth in employment per annum to GDP growth per annum.

One of the assumptions underlying the economic reform process which was initiated in 1991 in India was that as trade restrictions are relaxed and industrial controls lifted it would accelerate the rate of output growth and lead to creation of additional employment opportunities and a commensurate decline in poverty and inequality. However, in the first phase of post-economic reform era (1993-94 to 1999-00) the rural employment growth declined to around 0.7 percent per annum from 2 percent per annum for the period 1987-88 to 1993-94. Simultaneously, the urban employment growth also declined from 3 percent to 1 percent during the same period.[2]

The concern on declining employment led to the constitution of the Task Force on Employment Opportunities by the Planning Commission, Government of India, which submitted its Report in 2001. The Task Force underscored the role of organized sector employment with a particular focus on the services sector.

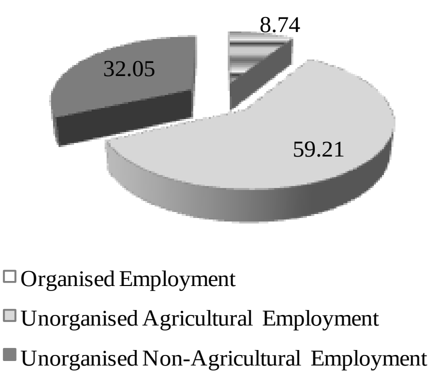
2. Dev (2002).

This was followed by the constitution of a Special Group on Targeting Ten Million Employment Opportunities per year by the Planning Commission which submitted its report in 2002. The Special Group unlike the Task Force, however, laid emphasis on the role of unorganized sector with a core focus on agriculture for generating additional employment opportunities.

The latest quinquennial NSS survey, namely, the 61st round, however, reveals a faster increase in employment during 1999-00 to 2004-05 as compared to 1993-94 to 1999-2000 when the growth rate was around 1.02 indicating near stagnation in employment or joblessness. The growth, as explained above, mainly took place in tertiary sector and to some extent in manufacturing sector. However, the labour force grew much faster at an annual 2.54 percent as compared to annual employment growth rate of 2.48 percent leading to an unemployment rate of 3.06 percent of the labour force as compared to 2.78 in 1999-00.[3]

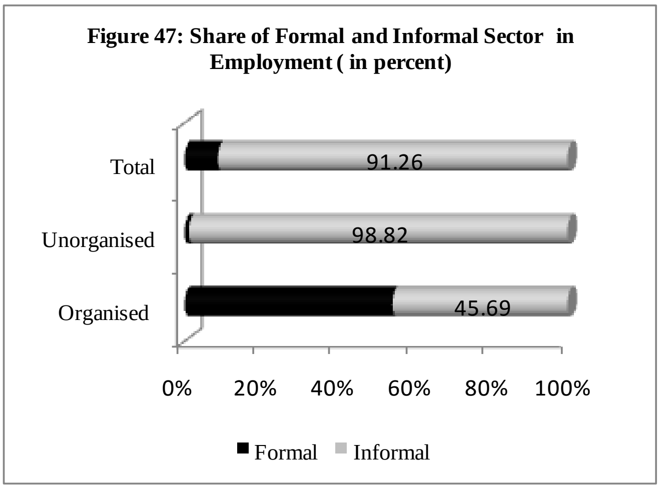
The Economic Survey for 2006-07 points out that during the entire post-reform period from 1993-94 to 2004-05, the employment growth in the organised sector has been negative. This clearly implies that the entire growth in employment that took place in the post-reform period has been in the unorganized sector. This is all the more reinforced by the share of organised and unorganized employment across sectors and across rural and urban areas as shown in Figure 46. Of the total employment in 1999-00, 91 percent belonged to unorganized sector and 35 percent of the employment in unorganized sector belonged to non-agriculture sector.

Figure 46: Share of Organised and Unorganised Employment (in percent)



Source: Based on NSS unit level record for 1999-00, pertaining to 55th Round

3. Economic Survey, 2006-07, Chapter 10, p 210 (available at http://indiabudget.nic.in).



Source: Same as Figure 46

Furthermore, Figure 47 shows the share of formal and informal sectors[4] in employment across organized and unorganized sectors separately and in combination. Nearly 91 percent of the total employment as of 1999-00 took place in the informal sector. Moreover, the lion's share of the unorganized sector is of informal nature and has absorbed the major share of the labour force. The labourers in the unorganized and especially informal sector are completely unprotected. They are not being paid the minimum wages and are not being provided social security and proper work establishments with adequate accompanying facilities.

What is all the more intriguing is the fact that 46 percent of the organized sector employment also took place in informal sector. In fact, within the organized sector an increasing number of workers are being employed in a flexible manner on 'casual' and 'contract' basis without the social security benefits which are normally available to regular workers. This indicates a tendency towards informalisation or casualisation of the workforce and loss of job security not only within the unorganized sector but also within the organized sector itself. This growing dualism and inequality in the pattern of employment is really worrying and clearly inconsistent with pro-poor growth. The recent NSS

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4. The informal sector basically implies a group of production units, which form part of the household sector as household enterprises or equivalently unincorporated enterprises owned by the household. In India the distinction between informal sector and unorganized sector is however minimal. As per the definition provided in the National Account Statistics, the unorganized sector covers unincorporated proprietary or partnership enterprises, as also cooperative societies, trusts, private and public limited companies (not covered by the Annual Survey of Industries). The enterprises in this sector are those, 'whose activities or collection of data is not regulated under any legal provision and /or which do not maintain any regular accounts.

Report No.515, however, indicates a declining tendency towards casualisation in 2004-05 as compared to 1999-00.

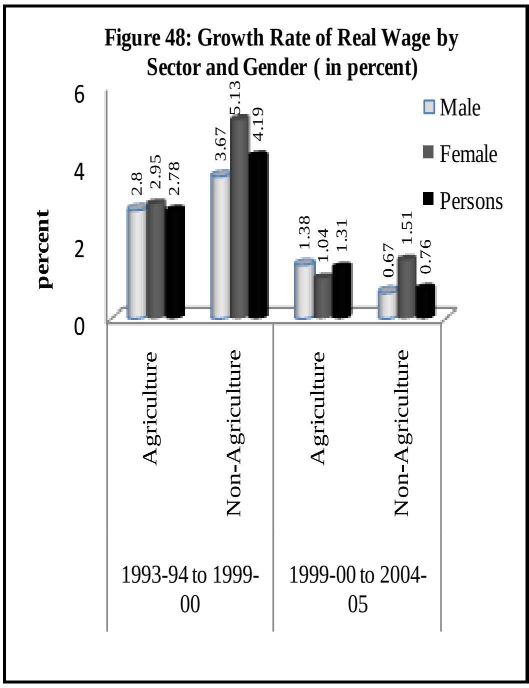
Table 12 examines the status of employment by occupation, region and gender from 1983 to 2004-05. Three employment categories have been considered. These are self-employed, regular wage and salaried workers and casual wage earners. As is evident from the data, the percentage of casual employment has come down both across rural and urban areas for the period 1999-00 to 2004-05. However, the decline for females has been much higher as compared to the males. The regular and salaried employment which is primarily urban in nature has almost stagnated for males. However, for females the regular employment has been continually increasing, although the increase in the latter phase of the post-reform (1999-00 to 2004-05) has only been marginal. In other words, there is a general tendency towards stagnation of the regular and salaried employment. The percentage of self-employed persons, however, has increased across both the rural and urban areas. The decline in the tendency of casualisation and increase in self-employment could explain to some extent the increasing decline in poverty and concentration of the very poor in the latter part of the post-reform period (1999-00 to 2004-05).

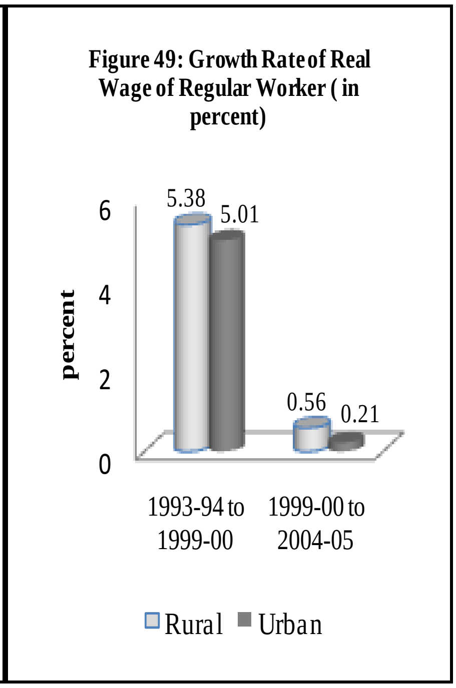
Table 12: Percentage of Usually Employed (Usual Plus Principal Status) by Region, Occupation and Gender

Occupation/Region	**1983**		**1993-94**		**1999-00**		**2004-05**	
	M	F	M	F	M	F	M	F
Rural								
Self-employed	60.50	61.90	57.70	58.60	55.00	57.30	58.10	63.70
Casual wage workers	29.20	35.30	33.80	38.70	36.20	39.60	32.90	32.60
Urban								
Self-employed	40.90	45.80	41.70	45.80	41.50	45.30	44.80	47.70
Regular wage/ salaried workers	43.70	25.80	42.00	28.40	41.70	33.30	40.60	35.60
Casual wage workers	15.40	28.40	16.30	25.80	16.80	21.40	14.60	16.70

Note: M and F denote male and female respectively.
Source: Based on NSS Report No. 515, Employment and Unemployment Situation in India, Statement 5.7.

However, whether the decline in the tendency of casualisation in the workforce could actually improve the life of the poor qualitatively could be understood on observing the growth in wage rates. The data from NSS Report No. 515 does not seem to indicate a higher increase in wage rate as compared to the growth in employment. What is really striking in that there has not only been a declining trend in wage rates among casual labourers but also among the regular workers. Figure 48 show the growth in wage rates for casual workers across occupation, gender and figure 49 indicates the growth in real wage rate of regular workers and clearly reinforces the declining trend in both.





Source: Same as Figure 46

The non-agricultural sector which has been maintaining higher employment elasticity throughout has particularly shown a declining trend in earnings. The casualisation process is a combination of increase in the share of casual workers and a decline in their earnings. Thus, although for the current quenquennium (1999-00 to 2004-05) the proportion of casual workers has come down marginally, there has not been any increase in their earnings. Hence, it may not be correct to infer that the casualisation process has actually receded. Furthermore, if in addition to decline in earnings of the casual workers, the share of regular and salaried wage-earners shows a tendency towards near stagnation and their earnings also decline concomitantly, then it is all the more difficult to infer that the intensity of 'casualisation' or 'informalisation' of the workforce has actually come down. In other words, there has not been any improvement in the quality of employment in the post-reform period.

In addition to this formal-informal dualism that is prevalent in general in the non-agricultural sector, especially the manufacturing sector, there is another type of dualism that is prevalent in the formal manufacturing sector. This dualism is in the nature of bipolar distribution of employment by size-group in the formal manufacturing sector and the disparity in productivity between the smallest and the largest firms within the sector. The formal manufacturing sector is characterized by the existence of small (employing 5 to 49 employees), medium sized firm (employing 50-199 employees), and large firms (equal to or more than 200 employees) within the manufacturing sector. However, from the mid-eighties, as evinced by the percentage distribution of employment, the smallest firms (with around 5 to 9 employees) and the largest firms (employing more than 500 people) had the highest concentration of employment with a near stagnation in employment in the medium-sized firms which implies a tendency for the medium sized-firms towards stagnation.[5]

This phenomenon is often referred to as the missing middle. Some of the major reasons for the missing middle are: unfriendly labour legislation and policy constraints in the growth of small firm to medium status. Since the medium-sized firms fall within the ambit of most of the labour regulations in India, they are worst affected in case of labour disputes. Moreover, they do not often have the necessary resources to bear the cost involved in labour disputes in terms of time and resources. Some of the cases in labour disputes get unnecessarily extended to even about 10 years whereas ideally they should be decided in a span of three to four months. The small enterprises which do not fall under the purview of most of the regulations are thus shielded from these high costs of litigation, whereas for larger firms such costs may not be difficult to bear.

In addition to this, a major policy constraint on expansion of small-sized firms to medium size has been the industrial policy. The industrial policy in India since independence has always underscored the protection of small-scale units and has constantly provided fiscal, financial and legislative incentives as long as the units stayed below a certain size. Although post-1991 the policy of reservation for small scale units was largely ended yet the economic, social, institutional structure had got itself acclimatized with the policy of reservation for small-scale units for so long that it continued to persist in the same manner as before with incentives for horizontal expansion into many small units rather than vertically into larger units.

Thus, the development of entrepreneurship got largely impeded and the growth of labour force with modern industrial skills also showed down. Furthermore, the weak expansion of small to medium-sized firms also exacerbated the tendency for product market segmentation. As a result, the market

5. Mazumdar and Sarkar (2006).

for industrial products showed an increasing tendency to get split into low quality products meant for low-income consumers and high quality products meant for higher-end consumers. The low quality products were supplied by the small-scale local producers and the high quality products were supplied by the larger establishments. This lack of market-integration further aggravated the phenomenon of missing-middle and created impediments in the process of development of a mass market for manufactured consumer goods[6].

Apart from the unorganized and informal manufacturing sector, a major absorber of the labour force has been the tertiary sector. However, the higher absorption of labour in the tertiary sector does not seem to have provided a respite. In fact, an analysis of the movement of distribution of the mean per capita expenditure over the successive rounds of National Sample Survey indicates an outward shift in the distribution and an increasing inequality and dualism within this sector[7]. The tertiary sector employs labour in a wide range of activities and at various income levels. On the one hand, it covers a number of non-traded activities which provide employment of labour of low skills and earnings. On the other hand, it increasingly develops a range of activities clearly related to the increase in exposure to the global economy which has higher but also much more dispersed pattern of earnings. Since the tertiary sector is primarily concentrated in the urban sector, the increase in urban inequality in the post-reform period as shown in section 2 is largely related to the development of dual structure in this sector.

On the basis of the analysis that has been carried out in this section, it would be seen that although economic growth generated adequate employment in the initial years of planning it gradually deteriorated both in terms of quantity as well as quality of employment generated. The process got more aggravated in the eighties and the nineties, especially in the post-reform period with an increasing dualism and inequality in earnings and productivity across different sectors. It may thus be difficult to infer that economic growth has actually been pro-poor.

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6. Source same as footnote 33.
7. Source same as footnote 33.

Chapter 5

Some Major Poverty Alleviation Programmes in India and Their Pro-poor Impact: An Assessment[1]

The development strategy in India, as has already been mentioned, is tuned to poverty alleviation in such a way that reduction in poverty is supposed to be the outcome of increase in income accruing to the poor from the general growth process and from the direct income generation programmes complementing the general growth process. However, India's attempts to reduce income poverty have yielded mixed results as causes of poverty have not always been related to "lack of adequate income" but also to factors outside income or purchasing power. These factors included problems related to institutions, social norms and perceptions, governance and delivery of public services which led to difficulties in the realization of basic capabilities by the poor and the disadvantaged and eventually incapacitated these disadvantaged sections to enhance their purchasing power.

In order to address these problems, the present policy frame is based on three-pronged action to alleviate and reduce poverty in the country which constitutes: (1) acceleration of economic growth; (2) direct attack on poverty through employment and income-generating programmes and assets-building for the poor; and (3) human and social development policies for the poor and the disadvantaged. The strategy of accelerating economic growth is derived through the solution of a family of mathematical models which is outside the scope of the present study. The second and the third components are arrived at by combining quantitative analysis and judgment based on the needs assessment and the availability of resources.

The chapter on capability poverty in this study focused on three basic capabilities and had gone into a discussion of institutions, governance and delivery-related problems with respect to realisation of capability of being free from ill-health and capability of being free from illiteracy. However, no discussion was carried out on governance and delivery-related problems that had arisen over time in relation to the realization of the capability of being free from hunger and malnutrition. This chapter intends to take up that analysis as a part of the evaluation of the targeted income poverty alleviation programmes in India. This is being done because most of the programmes on income poverty have

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1. This section draws largely on Pal and Bandyopadhyay, 2005.

direct food-linked component and thus have a large bearing on the capability to be free from hunger and malnutrition.

The programmes which are aimed at directly helping the poor instead of the entire population are termed as targeted poverty alleviation programmes and constitute the second component of the three-pronged approach as described above. The benefits derived from these programmes are in addition to those that accrue to the poor from the normal economic activities. The targeted poverty alleviation programmes are basically conceived of as income redistributive schemes and are aimed at direct income generation of the poor. The existing major programmes for the poor in India that are in operation could be classified into the following broad categories:

(a) Public distribution system (PDS) and nutrition programmes

(b) Self employment programmes

(c) Wage employment programmes

(d) Social security programmes

The summary-matrix in Annexure 1 makes an attempt to link the policies with the programmes of poverty alleviation in India over the successive plans. Annexure 2 makes an attempt to capture the social and economic welfare policies that have been adopted by the policymakers for the empowerment of the vulnerable sections of the community which include SCs, STs, OBCs, Aged, Minorities, Women and Children. However, this chapter would confine itself to a discussion of the first three components namely, (a), (b) and c) and analyse their impacts in delivering pro-poor outcomes.

Public Distribution System (PDS)*:* The PDS is a safety net programme open to all citizens and an instrument for improving food security at the household level in India where millions of poor are crippled by chronic poverty and malnutrition. It distributes six essential commodities, namely, food grains, edible oil, sugar and kerosene at subsidized prices (less than market prices) through a network of more than 400,000 fair price shops (henceforth FPS) in both rural and urban areas. At present, about 20 million tonnes of food grains (nearly 13 to 15 per cent of total production) are distributed through the PDS. All households irrespective of their income levels have access to subsidized items in the PDS, but only a part of the household requirement (i.e. demand) of these commodities could actually be met from the PDS. Furthermore, the majority of India's poor who are concentrated in a few states (namely Bihar, Orissa, Uttar Pradesh and Madhya Pradesh) did not benefit much from the PDS, partly because of the weak

PDS infrastructure and partly due to certain rules and procedures which were not beneficiary–friendly (e.g. monthly ration quota for daily–wage earners).

This assessment led Government of India (henceforth GoI) to targeting of the PDS supplies for specific disadvantaged areas and for the poor. In 1992, the Revamped Public Distribution System was introduced in 1752 backward and inaccessible blocks to distribute PDS supplies at specially subsidized prices. A second major revision was undertaken during 1997-98 budget in which provision was made to grant the BPL households upto 10 kg. of cereals at half the prevailing economic cost. Further changes were announced in 2003-04 by raising the monthly quota of food grains for BPL households to 20 kg at half the economic cost (i.e. cost without subsidy) and issuing of food grains to the non-poor (APL) households at economic cost. Moreover, the GoI considered targeting PDS benefits to the poor who were also benefiting from other anti-poverty programmes where self-selection had been working well. These changes appear to indicate that GoI had been deliberately trying to keep the non-poor out of the purview of PDS so that food and nutrition security to the poor could be ensured at least cost to GoI. The transition from the 'universal' to 'targeted' PDS (TPDS) was a part of broad reform measures initiated by GoI to bring the fiscal deficit under control, without compromising on the food and nutrition security of the poor and the disadvantaged. However, this transition occurred without putting in place adequate institutional reforms. This consequently led to emergence of new problems.

The operation of the PDS involves huge budgetary food subsidy, which has been growing over time. It rose from 0.43% of GDP in 1990-91 to about 0.98% in 2002-03. Though the subsidy includes expenses for buffer stocking operation and some other items, nearly one-third of this subsidy is spent on the subsidized grains meant for the poor i.e. those targeted under TPDS. If this subsidy reaches the targeted poor households numbering nearly 65 million, each family on an average should get about Rs. 1200 per annum as income transfer on account of budgetary food subsidy. However, a number of evaluation studies which were conducted to examine the efficacy of TPDS indicate that though the transition from universal PDS to TPDS led to an increase in budgetary subsidy, only a small percentage of that subsidy actually reached the poor. A recent evaluation carried out by the Programme Evaluation Organization (PEO), Planning Commission[2], shows that an average poor family effectively gets a mere 25 percent of the budgetary consumer subsidy. This has been attributed by the evaluation study to the following factors:

2. PEO (2005)

- *Errors of Exclusion:* TPDS has been observed as characterized by large Errors of Exclusion (i.e. low coverage of targeted BPL households). Of the estimated 45.41 million BPL households (as of March 2000), TPDS could extend coverage to only 57 percent of BPL households. This implies that 43% of the BPL families in the country do not derive benefits from the government subsidy in food grains.

- *Prevalence of Ghost Cards[3]:* The problem of ghost cards has been quite serious. It has led to unintended leakages and diversion and increased the delivery cost of TPDS.

- *Errors of Inclusion:* TPDS has been observed as suffering from diversions of subsidized grains to unintended beneficiaries (APL households) on account of targeting and inclusion errors. The targeting errors have led to issuance of excess cards in some of the states. While small inclusion errors and diversions could be attributed to errors in measurement, in some of the states, namely, Andhra Pradesh (36 percent)[4], Himachal Pradesh (20 percent), Karnataka (42 percent), Kerala (21 percent) and Tamil Nadu (50 percent), the proportion of subsidized grains received by APL households has been observed to be unacceptably large.

Wide inter-state variations have been observed in different types of leakages. While in Bihar, Punjab, Haryana, Madhya Pradesh and Uttar Pradesh the leakages have been observed to the extent of 50 percent or more, in some other states like Andhra Pradesh, Kerala, Tamil Nadu and West Bengal the leakages have been to the extent of 25 percent. The inter-state variation in the extent of leakages and unintended diversions indicates the variation in the efficacy of the delivery system in the aforesaid states. Leakages and diversions also increased the delivery cost. The evaluation study estimated that for every kilogram of food grains delivered to the poor, the GoI had to issue 2.4 kg of subsidized grains from the Central Pool. The study further observed that the increase in delivery cost is a form of unintended implicit subsidy that was being borne by GoI and exceeded the explicit subsidy as measured by difference between the Economic Cost[5] and Central Issue Price[6].

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3. Ghost cards mean unidentifiable cards, which are in possession of unintended beneficiaries.
4. Figures inside the parentheses indicate proportions of subsidized food grains received by the APL households.
5. The economic cost is the cost incurred by Food Corporation of India (FCI) and comprises the procurement price of food grains, costs related to procurement (such as statutory taxes, labour costs, mandi fees, and so on) and costs of distribution (including freight, storage and administration).

Thus, although conceptually TPDS appeared as the right kind of intervention to ensure food and nutrition security for the poor, it's planning and implementation was plagued by loopholes. These loopholes, as has already been discussed, have serious implications in terms of resource requirements (on account of unintended overspending). The problems that have cropped up in the TPDS have also brought to fore the fact that merely having a targeted programme in place without adequately reforming the state institutions impedes its effective functioning as weak institutions inherently lead to a weak delivery system.

Integrated Child Development Services (ICDS)

The programme Integrated Child Development Services (ICDS), which was initiated in 1976, is considered the largest food supplementation programmes in the world for malnourished children and women. The programme provides an integrated approach for converging basic services for improved childcare, early stimulation and learning, health and nutrition, water and environmental sanitation. The programme targets young children (below 6 years), expectant and nursing mothers and women groups. These target groups are reached through nearly 300,000 trained community-based Anganwadi workers[7] and an equal number of helpers, supportive community structures or women groups - through the Anganwadi center (ICDS center), the health system and the community. The programme has received assistance from the World Bank for its expansion since 1990-91 and the services under ICDS have been much in demand. But just like TPDS, ICDS also suffered from problems relating to delivery, maintenance of quality, and coordination in a large number of states. [8] Therefore, the programme failed to effectively address the issue of prevention, detection and management of undernutrition among children and mothers in these states.

An evaluation study on ICDS undertaken by the National Council of Applied Economic Research (NCAER)[9] reveals that the programme performance was below average in states like Bihar, Punjab and Uttar Pradesh. The following reasons are given for the inter-state variation in the performance of the ICDS scheme:

- Prevalence of rampant corruption in the operation of ICDS programme in low performing states

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6. Central issue price is the price at which the Food Corporation of India (FCI) sells grain to State governments for distribution through fair price Shops (FPS).
7. The ICDS operation is carried out in centres located in a village or town. These centres are known as 'anganwadis' and the people who work in the centres are known as anganwadi workers.
8. ICDS have been observed as functioning effectively in Andhra Pradesh, Karnataka, Tamil Nadu and Kerala with near universal coverage.
9. NCAER (2001).

- Lack of adequate staff in the ICDS centres
- Although the supplementary food supplied in many states was meeting calorie norm, it was not adapted to suit local taste, making it less attractive for the age group concerned (e.g. "murmura" and "panjiri" supplied in Rajasthan and Uttar Pradesh).
- The time of operation and location of the ICDS centres (known as anganwadis) affected the performance of the programme. (As the anganwadis function only till noon, daily wage earners find it difficult to utilise the service and this affects the coverage of the children belonging to their families).

In addition to region-specific problems, as mentioned above, it has usually been observed that the majority of the anganwadis are located either in the locality of dominant caste or the anganwadi workers often belong to a dominant caste, restricting the accessibility to the programme for the SC/ST population, particularly the dalits. It has been further observed that anganwadi workers are inadequately trained and often fail to fulfil their duties of monitoring the nutrition of children and their pre-school education and health of the mother.

On November 28, 2001, the Supreme Court of India ordered that in every village in the country, ICDS should provide services to every child upto 6 years of age, every pregnant or lactating mother, and every adolescent girl. However, only about 22 percent of India's young children are presently served by the programme.[10] Furthermore, "there are only six lakh anganwadis in the country, compared to an estimated 17 lakh required for universal coverage based on existing norms."[11]

The programme has failed to tackle its primary aim to improve the health and nutritional standards of children, and anemia among children continues to be as high as 79 percent[12]. Furthermore, although women form an important target group of the ICDS scheme, research studies that looked into the improvement attained by pregnant and lactating mothers by the programme are scarce. However, the available indicators are not positive as the anemia continues to be very high among the pregnant women (58 percent) [13] and even among the target population of 0-6 years girls who gained less than boys[14].

10. Shanta Sinha (2006).
11. Dipa Sinha (2006).
12. NFHS III Provisional Factsheet for India.
13. NFHS III Provisional Factsheet for India.
14. NFHS II.

In addition to TDPS and ICDS, the GoI also introduced other supplementary food security programmes and nutrition schemes like providing Cooked Mid-day Meals (CMM) to all children at primary levels in all government-run and aided schools. But implementation of food and nutrition security schemes has been found to be plagued by perennial problems like procedural delays in delivery of food grains and flow of funds, etc.

Programmes in Agriculture

The first two programmes that were initiated in the late 1960s and incorporated into agricultural planning are: Small Farmers' Development Agency (SFDA)[15] and Marginal Farmers and Agricultural Labourers (MFAL). These programmes were intended to provide special incentive to the poorest of the poor in agriculture, namely, small and marginal farmers and landless agricultural labourers, for raising their incomes. The two programmes were merged into Integrated Rural Development programme (IRDP) in 1980 along with five other schemes, which subsequently got revamped into Sampoorn Grameen Rozgar Yojana (SGSY) in April 1999.

The Drought Prone Area Programme (DPAP) was initiated in 1973-74 to mitigate the adverse effects of drought on production of crop and livestock, productivity of land, water and human resources. The programme was intended to provide scarcity relief and generate employment through labour-intensive schemes, such as major, medium, and minor irrigation works, soil conservation, afforestation, and rural roads. Thus, the programme had the potential of improving the economic condition of the poor and the disadvantaged, besides contributing to the overall economic development. In the late 1980s, this programme was made exclusively a watersheds-based programme. At present, DPAP is being implemented in 972 blocks of 182 districts in 16 states[16].

Desert Development Programme (DDP) was launched in 1977-78 in order to contain the adverse effects of desertification on crops and on human and

15. Small Farmers Development Agencies (SFDA) was set up following the recommendations of the All-India Rural Credit Review Committee (1969)
16. The states are: Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamilnadu, Uttar Pradesh, Uttaranchal, and West Bengal.

livestock population[17]. The activities that are covered under DDP are: (a) afforestation; (b) ground water development; (c) construction of water harvesting structures; (d) rural electrification for energizing tube wells and pump sets; (e) development of agriculture, horticulture and animal husbandry. Since its inception in 1977-78 till 1992-95, as a part of core sector activities, 185,000 hectares under land resource development, 83,000 hectares under water resources development and 285,000 hectares under afforestation and pasture development had been successfully treated. Since 1 April, 1995 this programme is being implemented on watershed project basis and 2202 watershed projects sanctioned so far are at various stages of implementation. The programme at present is operational in 235 blocks spread over 40 districts and seven states.

The Integrated Wasteland Development Project (IWDP) was introduced to check land degradation and increase biomass availability, especially fuel wood and fodder by putting wastelands under sustained use. This scheme has been under implementation since 1989-90. From 1 April, 1995, the scheme is being implemented under the new guidelines for Watershed Development. Presently, it is being implemented in 403 districts in the country.

Evaluation studies of watershed based projects carried out under the aegis of Ministry of Rural Development in 16 states highlight the following strengths and weaknesses of the projects.

The positive sides are:

- Overall improvement in land use.
- Increase in net-sown area and gross cropped area.
- Increase in options for irrigation, improvement in water table, increase in number of dug-wells and bore-wells.
- Increase in the availability of fuel-wood and fodder, especially in Integrated Wasteland Development Project areas.
- Increase in number of livestock with a marked preference for improved breeds in the post-project phase.

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17. The programme covered: (a) the hot arid desert areas comprising 11 districts of Rajasthan, 4 districts of Haryana and 3 districts of Gujarat, and (b) the cold arid desert in the Ladakh region of Jammu and Kashmir and Spiti sub-division of Lahaul and Spiti district of Himachal Pradesh. Subsequently, the areas were delineated based on the parameters such as : (a) the trend of variation of rainfall and temperature amongst the meteorological stations, (b) the moisture index (c) observable arid region characteristics (d) contiguity (geographical boundary), which would facilitate administration and execution of the programmes.

- Increase in household income. In some states, increase in incomes was as high as 50 per cent.

The lacunae, as observed in the watershed projects, are:

- There was insignificant impact on drinking water availability although there was an overall improvement in water availability.
- The benefits went largely to land owners and large and medium farmers. They could extract re-charged ground water as they are in a better position to make investments in dug-wells and bore-wells.
- The improved availability of water led to an increasing tendency in the cropping pattern towards more water-intensive crops, which further compounded the water stress.
- The lion's share of the expenditure on the projects went for construction activities with little emphasis on institution and capacity building.
- People's participation was not satisfactory in most of the states.
- The socially and economically deprived communities like Scheduled Castes/Scheduled Tribes and the landless labourers benefited only marginally through increased employment opportunities.
- Women's participation was marginal.
- The involvement of the NGOs was limited.

Employment and Asset Generation Programmes

The GoI have introduced various types of employment generation schemes since the late 1970s to raise the income levels of the daily wage earners and the other poor. The employment opportunities that are available particularly in rural areas in agriculture, which is the main occupation, are not of a permanent nature and hence are not uniform all round the year. This lack of permanence and uniformity is attributable to seasonal pattern of agricultural operations which even today is largely dependent on the vagaries of monsoon. The seasonality in the flow of income for the wage earners, small and marginal farmers and artisans thus makes their earnings inadequate to sustain their nutritional and other requirements throughout the year. To address these problems, the GoI have been formulating and implementing a large number of wage and self-employment generation programmes for the rural poor. For the urban poor, too, the GoI have been formulating and implementing a number of self-employment and wage-employment schemes with the objective of addressing the problem of growing unemployment among the educated youth and to safeguard those who are exposed to the fluctuations in the labour market[18].

The current major rural employment generation schemes are: (i) Swarna Jayanti Gram Swarozgar Yojana (SGSY), a self-employment programme for rural areas through promotion of micro enterprises; (ii) Sampoorna Grameen Rozgar Yojana (SGRY), a wage-employment scheme for rural areas with the provision of meeting a part of the wage payment in kind (food grains) and thus ensuring directly the food security of the rural poor; (ii) National Food for Work Programme (NFFW), a wage employment programme being implemented presently in 200 backward districts of the country.

These programmes are described below along with the problems that have evolved in their formulation, design and implementation on the basis of various evaluations that have been carried out to examine the efficacy of the programmes in delivering pro-poor outcomes.

Swarnjayanti Gram Swarozgar Yojana (SGSY)[19]

SGSY is a holistic scheme covering all aspects of self-employment, such as organisation of the poor into self-help-groups, training, credit, technology, infrastructure and marketing. The scheme is funded by the Centre and the states in the ratio of 75:25 and is implemented by the District Rural Development Authorities (DRDAs), with the active involvement of Panchayati Raj Institutions (PRIs), the Banks, the Line Departments and the Non-Government Organizations (NGOs). The basic objective of the SGSY is to assist the rural poor families by providing them with income-generating assets and promoting micro-enterprise development thereby ensuring appreciable sustained income over time.[20]. The programme caters to the rural population living below the poverty line and in

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18. The urban poor population comprises a large section of the migrant population who migrate from rural areas in search of employment. Since opportunities for these migrant communities in mainstream employment, which demands skilled labour, is limited, hence they get mostly employed in public works programmes which fall under the purview of these special wage employment programmes.
19. The English translation of this programme would be Golden Jubilee Self-Employment Programme. ‘Swarojgar’ is the national vocabulary for self-employment. The individuals or families who are assisted under this programme are known as ‘Swarojgaris’.
20. The SGRY is the modified and restructured programme constituted by merging Integrated Rural Development Programme (IRDP) and other associated sub-programmes. The self-employment and asset generation programme for two decades from April 1980 to March 1999 was known as Integrated Rural Development Programme (IRDP). From 1st April 1999 it was re-named as Swarnjayanti Gram Swarozgar Yojana (SGSY) replacing along with the IRDP, the other income generation programmes (see Annexure for a schematic presentation of the programmes that were existent prior to SGSY).

some cases to those marginally above the poverty line with special safeguards for the weaker and vulnerable section.[21] The main features of SGSY are:

(a) The scheme is intended to mobilise the rural poor to enable them to organize into self-help groups (SHGs)

(b) It is a credit-cum-subsidy scheme where bank credit is a critical component and government subsidy is an enabling element.

(c) It emphasizes the development of activity clusters both for individuals and groups to ensure proper forward and backward Linkages.

(d) Strengthening of groups by augmenting their corpus of fund and improving their creditworthiness through Revolving Fund Assistance (RFA)[22]

(e) Capacity-building of beneficiaries through training and skill development.

(f) Providing marketing support with emphasis on market research, upgradation and diversification of products, packaging, and creation of market facilities.

(g) Provisions for development of infrastructure

(h) Assigning important roles to Non-Government Organizations (NGOs) and the Community Based Organization (CBOs) along with the financial institutions in the formulation of programmes under SGSY, particularly in the capacity-building of the self-help groups (SHGs).

(i) Implementation of the programme through three-tier Panchayati Raj

(j) Focus on vulnerable groups i.e. SC, ST, Women and Disabled.[23]

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21. This is a departure from the past since in its earlier formulation as Integrated Rural Development Programme (IRDP), only the BPL (below poverty line) families were eligible.
22. A two stage grading system was devised to enable SHG members to gain access to credit. SHG members are prepared gradually to take up income generating activities through purchase of small value asset with the help of pooled member saving. Along with this, initiatives are taken to impart education and build capacity of the members and also impart a spirit of self-help and cohesiveness. Grading I is usually conferred to an SHG after six months of its operation. External resources in the form of Revolving Fund are introduced to the group to expand the scale of operation and improve familiarity with the credit rules and formal banking operation. Such Revolving Credit is usually given by the District Rural Development authority (DRDA) and banks as cash credit limit to SHGs when a SHG qualifies for Grading I.
23. The programme has inbuilt safeguards for these weaker sections with 50 per cent benefits reserved for Scheduled Castes/Scheduled Tribes. In addition, 50 per cent of the groups formed in each block are expected to be exclusively for women who should account for at least 40 per cent of the Swarozgaris.

(k) A part of the fund (generally 15 percent) is earmarked for special projects to ensure a time-bound programme for bringing specific number of BPL families above poverty line.

A concurrent evaluation of SGSY was carried out in 2002-03 under the aegis of the Ministry of Rural Development and involved the engagement of 29 research institutions spread across the country in conducting the field survey, collection, collation and analysis of data which has been finally compiled by the Centre for Management Development (CMD), Thiruvananthapuram.[24] The evaluation study shows that the programme is well targeted, as most of the swarozgaris belong to below poverty line (BPL) families, but are lacking in training and marketing. The study also reveals that the primary objective of SGSY in bringing BPL families above the poverty line was satisfied to some extent as 49 percent of the SHGs, which had just started their economic activities registered an increase in income and about 43 percent of the SHGs reported considerable increase in savings.

In the perception of the Swarozgaris, the SGSY has helped them in increasing their income and improving their status and quality of life. The evaluation study indicates that among the 15 major states (that have been considered in the present research study), Haryana, Punjab, Andhra Pradesh ranked as the best performing states with regard to the implementation of the programme based on the criteria, *inter alia*, of average investment for BPL families, credit-subsidy ratio, utilisation of funds, receipt and disbursement of funds.

However, the programme has a number of pitfalls. The major complaints that have been received by the district authorities are:

- Non-cooperation from the banks
- Delay in bank procedure and disbursement of the assistance
- More than two-third of the districts, where SGSY has been implemented, face problems in operationalising the scheme which include, among others, problems in coordination with the banks, lack of awareness among the target groups, inadequate infrastructure and staff support.
- Presence of a number of ineligible beneficiaries
- The pace of formation of the SHGs was sluggish

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24. CMD(2003).

According to the Annual Report of the Ministry of Rural Development for 2002-03, only 20 percent of the SHGs that passed Grade I, could cross Grade II[25] so as to qualify for higher doses of credit support. The Report of the Expert Committee on Rural Credit of NABARD which came out in 2001, opined that the subsidy provided under SGSY was not in the spirit of self-help and most often the entire fund provided through revolving credit got frittered away through purchase of low quality assets or for consumption purposes. In the process of achieving the targets (by the state functionaries) by increasing the number of SHGs, the element of accountability within an SHG did not receive the attention that it deserved. There was hardly any mechanism for joint liability, where other members of an SHG would be liable for a defaulting member. This resulted in negligible peer pressure for repayment. Therefore, the failure of most of the SHGs to pass Grade II was seemingly due to the inability of the SHG members to hold on to the revolving fund provided to them after they had qualified for Grade I.

Wage-Employment Programmes: A Chronology

The objective of the employment generation programme is to generate sustained and supplementary employment for the rural poor. Unlike the self-employment and asset generation programme, this has often been modified, both in name and content, over the years. It began in 1960 with the introduction of Rural Manpower Programme (RMP), which was aimed at providing employment to 2.5 million people in areas exposed to pronounced seasonal employment. The programme continued till 1969.

This was followed by the launching of Crash Scheme for Rural Employment (CSRE) in 1971 in order to provide employment to 1000 persons in 350 districts through labour-intensive works and creation of durable assets. The programme lasted for three years. Along with CSRE another programme namely Rural Works Programme was introduced in 1971 with the objective of mitigating the severity of scarcity conditions by organising labour-intensive and production-oriented works. The programme got modified in 1973 as Drought Prone Areas Programme and subsequently as Area Development Programme (discussed earlier in programmes under agriculture).

In 1977, the GoI launched the Food for Work Programme (FWP) with the intention of creating gainful employment for a large number of unemployed and underemployed persons, both men and women, in rural areas and simultaneously strengthening the rural infrastructure. The programme aimed at utilising the

25. Grading II is usually the performance evaluation that is conducted to examine whether an SHG member is eligible for loan with subsidy, possibly of higher value than the revolving credit obtained after passing Grade I, depending upon the chosen activity under SGSY.

surplus food grains for the development of human resources. The objectives, as delineated in FWP continued in 1980 with the introduction of National Rural Employment Programme (NREP) which was supplemented by Rural Landless Employment Guarantee Programme (RLEGP) in 1983. Both NREP and RLEGP were expected to generate additional gainful employment in the rural areas, create durable community assets, and improve nutritional status and living standards of the poor. RLEGP aimed to improve and expand employment opportunities for the rural landless with a view to providing guarantee of employment to at least one member of every landless household up to 100 days in a year and in the process create durable assets, which would strengthen rural infrastructure. In 1989, Jawahar Rozgar Yojana (JRY) was launched merging NREP and RLEGP.

Employment Assurance Scheme (EAS) was introduced in 1993 to cater to the rural poor in selected backward blocks, which were located in drought prone, desert, tribal and hill areas[26]. The EAS began with the 1775 such identified blocks[27], but soon was extended to additional blocks, which were covered by Drought Prone Area Programme (DPAP), Desert Development Programme (DDP), and the Modified Area Development Approach (MADA) blocks having a larger concentration of tribals. EAS was also extended to the flood prone blocks of a few states, such as Uttar Pradesh, Bihar, Assam and Jammu & Kashmir. By 1997, the EAS covered all the development blocks in the country.

EAS had some similarity with the RLEGP of the 1980s. It was designed to provide 100 days of assured casual manual employment to a maximum of two adults per family in the age group 18 to 60 years during the lean agricultural season, at statutory minimum wages, in economically productive and labour-intensive social and community works. The employment got generated in the sectors, such as watershed development, agro-horticulture, minor irrigation works, water and soil conservation, and afforestation. The Village Panchayats were involved in the registration of persons seeking employment and in the coordination and monitoring of the works. Although EAS started as a demand-driven scheme in which the allocations were made in response to the demand for employment, it subsequently became an allocative scheme and the expenditure was allocated among the states and the Union Territories following certain criteria.

From 1st April 1999, the nature of EAS was changed and JRY was replaced by Jawahar Gram Samridhi Yojana (JGSY). In the early 2001, Food for Work Programme (FWP) was again initiated in selected rural areas in the country

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26. These areas/blocks were already covered by a state sponsored food distribution programme, Revamped Public Distribution System (RPDS).
27. Out of a total of about 5450 rural development blocks in the country.

well-known for their hard-core poverty in order to generate additional employment for the poor. Finally, in September 2001 both JGSY and EAS were replaced by Sampoorna Grameen Rozgar Yojana (SGRY). The Food for Work Programme was discontinued as a specific programme, and the tasks it was supposed to perform were subsumed in the objectives of SGRY.

The programmes meant for raising incomes of the poor have been extensively evaluated. This has helped in identifying the following major problems.

First, the rural wage employment generation programmes generally suffered from inadequate allocation of resources. The allocations meant for Employment Assurance Scheme were thinly spread across a large number of villages. The evaluation of EAS by the Planning Commission (2000) reveals that EAS could cover only about 5% of the target beneficiaries. Although the scheme was observed as demand-driven it was inconsistent with the fact that only 5% of the daily wage earners in rural India demanded work[28] when the rural poverty ratio was quite high. The evaluation report observes that owing to limited resources, the programme covered different sets of villages and beneficiaries each year which meant that most beneficiaries got employment only once in a cycle of 3 to 5 years.

Second, the schemes were mostly implemented through contractors who indulged in fudging of accounts, siphoning of materials and funds. The Planning Commission's studies on JRY and EAS found that such practices were common in almost all the states.

Third, most poverty alleviation programmes have extensively talked about participation of Panchayati Raj Institutions (PRIs) and local people in the implementation of schemes. However, in a majority of the states, the intended beneficiaries were not even aware of the existence of such schemes. In some states, like Kerala and West Bengal, although beneficiary participation was noted, the implementation was under the control of local influential people and the government officials who did not share full information with the villagers.

Fourth, the impact in terms of rise in income levels of beneficiaries was insignificant on account of the above factors.

Finally, the monitoring system was weak and failed to bring out the problems involved in implementation because the indicators chosen were

28. PEO (2000).

inappropriate and data transmission and analysis were not designed to identify and solve implementation problems.

Sampoorna Grameen Rozgar Yojana (SGRY)

As mentioned above, the Sampoorna Grameen Rozgar Yojana (SGRY) evolved as an integrated wage employment scheme for the rural poor and is in operation since 2001.

The objectives of the scheme are:

- Providing wage employment in the rural areas along with ensuring food security and improving nutritional status.
- Creating durable community, social and economic assets and infrastructure in the rural areas.
- Providing food grain to calamity-stricken states for undertaking relief activities. Providing wage employment to women, Scheduled Castes, Scheduled Tribes and parents of children withdrawn from hazardous occupations.

The programme was implemented by the Panchayati Raj Institutions (PRI) until 2003-04 in two streams as below:

(i) The First Stream of the Programme was implemented at the district and block levels. Half of the food grain and funds available under SGRY were distributed between the district level Panchayats and the Intermediate level Panchayats or Panchayat Samitis at the block level in the ratio of 40:60.

(ii) The Second Stream of the Programme was implemented at the village level and the other half of the food grain and funds were distributed to the village level Panchayats.

In 2004-05 the two streams of SGRY got merged into one integrated scheme. At present, the food grain and funds earmarked for SGRY are allocated to three tiers of Panchayat Raj Institutions (PRIs), i.e., the Zilla Parishad (district level PRI), the Panchayat Samiti (Block level or the intermediate level PRI) and the Gram Panchayat (village level PRI), in the proportion of 2:3:5. In other words, 20 per cent, 30 per cent and 50 per cent of the food grain and funds earmarked for SGRY are allocated to the Zilla Parishad, the Panchayat Samiti and the Gram Panchayat, respectively.

The allocation mechanism at each of the three levels is as follows:

(i) *District Panchayats (Zilla Parishad):* The resources reserved for the district level are utilized by the District Panchayats/DRDAs preferably in the areas suffering from endemic labour exodus/areas of distress.

(ii) *Intermediate Level Panchayats (Panchayat Samitis):* The resources are allocated to the Intermediate Level Panchayats keeping in view the proportion of Scheduled Caste and Scheduled Tribe population as also the rural population in the areas, according equal weightage to these two factors. In regard to the selection of areas for the works, backward and calamity-prone areas and the areas which face migration of labour are preferred.

(iii) *Gram Panchayats:* The resources allocated among the Gram (Village) Panchayats are utilized for generation of supplementary wage employment and creation of demand-driven community village infrastructure, which includes durable assets to enable the rural poor to increase opportunities for sustained employment.

The SGRY accords priority to the employment of the socially disadvantaged section. About 22.5 per cent of the resources allocated under SGRY are earmarked for individual beneficiary schemes for the Scheduled Castes (SC) and Scheduled Tribes (ST) families living below the poverty line. Nearly, 50 per cent of the food grain and funds allocated to the Gram Panchayats is earmarked for the creation of need-based village infrastructure. Efforts are also made to provide 30 per cent of the employment opportunities to women.

The Ministry of Rural Development undertook a concurrent evaluation of SGRY during 2003-04. The reference period for the evaluation was 2002-03. The study was carried out in all the states and districts of the country where the programme had been in operation covering 1926 blocks, 17,371 Gram Panchayats, 26,431 assets, 91,984 beneficiaries besides canvassing information from 36,616 non-beneficiaries.

The study inferred that, by and large, the programme has been helpful in improving the economic conditions of the beneficiaries and has therefore helped in achieving the objective of food security. However, the study also pointed out several drawbacks and failures, which are given below.

- Though the wage rates were more or less satisfactory, the man days of employment generated were far from adequate. On an average, only 28.81 days of employment were generated per beneficiary during the year, which is far below the required level.

- Though majority of the beneficiaries said that the food grains supplied were sufficient, a sizable proportion of the beneficiaries felt that the supply was inadequate. Although some degree of improvement had been observed in monitoring as compared to the previous versions of the programme, a lot more is required to be done.
- As per the guidelines for implementation of SGRY, Vigilance and Monitoring Committees (VMCs) are supposed to be constituted at the state, district and panchayat samiti levels. These VMCs are responsible for monitoring the implementation of works under both the streams of SGRY. However, Village Monitoring Committees (VMCs) were not formed in a number of states, districts and panchayat samitis. Wherever they were formed, their performance level was not satisfactory and the guidelines of the programme were mostly violated. Thus, monitoring system continued to be deficient.
- Maintenance of records remained a perennial problem for SGRY just like the earlier employment generation programmes. As per the SGRY guidelines, each Panchayat Samiti is supposed to maintain an employment register for the works in its area. The study showed that only in 68.35% of the total surveyed districts, employment register was maintained. This led to persistence of data fudging as before.

Other problems with the programme which have been clearly brought out in the Sixth Report of the Commissioners to the Supreme Court, submitted in 2005, are:

- Low coverage of beneficiaries than stipulated under the scheme.
- Low level utilisation of allocated fund by the states with the utilisation being observed at a much lower level in the poor states. Underutilization was acute in 150 backward districts selected under National Food for Work Programme.
- Low expenditure on wages and spending. More than 50 percent of the allocated resources had been spent for meeting other costs.

- 85 percent of the resources that were allocated got utilised during the last three months of the financial year. The late utilisation by the states is attributable to: - (i) delay by the Food Corporation of India (FCI) in disbursing the food grains; (ii) poor storage infrastructure; and (iii) complex formalities of disbursing the resources. The disbursement of funds from state governments to the panchayats towards the end of the financial year led to completion of the work in haste in order to avoid surrendering of funds.
- Use of contractors and labour-displacing machines in complete violation of the guidelines. The contractors were hired by the Panchayats primarily to finish the work in haste These contractors executed the works much before actual availability of funds using machines and migrant workers and thus leading to labour displacement and payment of wages less than the stipulated minimum.
- Poor monitoring mechanism in the states and GoI on account of poor staff strength, non-existing or non-performing VMCs and state hostility towards social audits – an instrument for monitoring by the people.

National Food for Work Programme (NFFWP)[29]

As a result of the thin spread of resources and governance and delivery related problems, SGRY, the main wage employment programme for the poor in the country, had limited impact in generating employment in the backward areas (as is evident from the above discussion). Such a situation prompted the state to initiate the food for work programme at the national level. Hence, on 14th November, 2004 the National Food for Work Programme (NFFWP) was launched.

The NFFWP is being operated in the backward districts of the country where rural unemployment is high. The backward districts have been identified by a Task Force of the Ministry of Rural Development (MoRD). The Task Force

29. FWP as seen in the section on chronological analysis of evolution of wage employment programmes was existent since 1977. However, some evaluation results of the past FWP programs in drought prone areas and comments and observations by the National Monitors (appointed by the Supreme Court to apprise the Court of the progress) revealed, among the other things, procedural delays in delivery of food grains and flow of funds affecting operation of the scheme, appointment of contractors to run the schemes, contractors procuring hired labourers from outside and using food coupons to siphon off food grains to the market, low coverage of people willing to offer themselves for employment under FFW, low awareness among the local people about the existence of schemes, fudging of master rolls and accounts and dearth of people's participation.

initially considered a set of variables and parameters for this purpose. These are: (a) incidence of poverty, (b) unemployment rate, (c) agricultural wage rate, (d) agricultural productivity per hectare and also per worker, (e) Scheduled Caste and Scheduled Tribe population, (f) susceptibility to drought and desertification, and (g) rural connectivity. After deliberations, the Task Force zeroed on: (a) agricultural productivity per worker (b) agricultural wage rate and (c) Scheduled Caste and Scheduled Tribe population to compute the index of backwardness.

The NFFWP was initially launched in 150 identified backward districts, but has subsequently been expanded to 200 poor districts in the country where SGRY is in operation. In view of the high demand for wage employment and the need for local level community assets and infrastructure in the backward districts, the NFFWP has been designed to meet the following objectives.

- Ensure a minimum level of employment and incomes to the poor.
- Give the poor an opportunity to develop their collective strength.
- Improve the economic position and reduce the vulnerability of the poor.
- Discourage migration.
- Provide access to health, education and welfare services in the village.
- Expedite the construction of environment-friendly infrastructure works which enhance productivity levels (both on-farm and off-farm) and provide a basis for further promoting economic activities in the region.

National Rural Employment Guarantee Act (NREGA), 2005

The National Rural Employment Guarantee Act (NREGA), which came out in 2005 as a part of the United Progressive Alliance (UPA) agenda for Common Minimum Programme (CMP), explicitly recognises the ‘right to employment’. It intends to provide for 100 days of unskilled manual work in a year to one adult member of every household in the rural areas whose adult members volunteer to do such work. This eventually would replace the existing wage employment generation programmes, such as SGRY and the National Food for Work Programme (NFFWP) to become the sole wage employment programme in the country. In the first phase, the 200 poorest (backward) districts in the country where the National Food for Work Programme is currently in operation would be covered. The programme would gradually be extended to the entire country.

The difference between the National Rural Employment Guarantee and the earlier programmes is that now the employment is statutorily guaranteed and one member of all the families, poor and non-poor, in the rural areas would be employed whereas only the poor were entitled to get employment in the National Food for Work Programme and the Sampoorna Grameen Rozgar Yojana. No comprehensive nation-wide evaluation study is presently available as the programme is being implemented throughout the country. A recent survey which had been undertaken by Centre for Budget and Governance Accountability, New Delhi, in 2006[30] to monitor the implementation of NREGA in Andhra Pradesh, Chhattisgarh, Jharkhand and Madhya Pradesh has brought out some crucial problems related to awareness, application for job-cards and distribution, identification of appropriate work, worksite facilities, payment of wages, display of muster rolls and in transparency and accountability. Some of the major findings that have been brought out by the study are given below:

Problems of awareness

Most respondents were aware of the NREGA in some way. But awareness was lowest among Adivasis (Tribals) and Dalits (Scheduled Castes). Others problems related to awareness are:

- In many areas, the Guidelines had not been received or were not available in Hindi/local language.
- The idea that NREGA is demand-driven has still not permeated among local officials in most areas.
- Workers were mostly unaware about their specific rights and the processes that are required to avail of the rights.

Problems related to job cards application and distribution

AP had the most job card applications, while MP had the lowest. However, Adivasis and Dalits had the lowest rate of application for job cards. In MP job cards were distributed without applications; AP had the highest rate of receiving cards among those who had applied. In Jharkhand and Chhattisgarh the ratio was very low. Dalits and general category had the lowest rate of receiving cards after applying.

30. Survey to monitor implementation of the NREGA: Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh (Presentation by Jayati Ghosh to Ministry of Rural Development on a survey by the Centre for Budget and Governance Accountability, 30 August 2006); source: http://www.righttofoodindia.org/links/field_reports.html (accessed on 29 June, 2007)

- Panchayat sevaks who are responsible for creating awareness were mostly overworked and underpaid.
- Job cards were sometimes not available.
- Receipts were not provided when applications were submitted.
- Joint families were registered as one household, because of problems with the definition of "household".
- Money was being charged for application forms in some cases (e.g. in Jharkhand).
- Female Headed Households were sometimes denied access to job cards.
- Cards were often distributed according to "quota" and by caste/community/tribe. (in Jharkhand and Chhattisgarh).
- Panchayat sevaks had to distribute job cards to 2 or 3 panchayats, which was difficult and time-consuming.

Problems related to application for work

- Many workers were not aware that they need to apply for work after receiving the job card.
- Dated receipts were not being given to workers.
- Often work was provided not on the basis of applications, but simply when the local authority decided to set up a work and therefore mobilised workers.

Problems related to identification of works

- Local authorities and panchayats lacked adequate technical support to identify appropriate works and estimate labour and other requirements.
- Works were being identified in centralised fashion without participation in gram sabhas. Top-down approach of earlier schemes was still in continuation.
- In some cases, even when local people had made their wishes clear, the preferred work was not chosen.

- Too much focus on roads and big ponds instead of creating productive assets which meet local needs.

Problems related to worksite facilities

- In most worksites there was no crèche or provision for first aid.
- Drinking water was also not being provided and there was no effort to ensure provision of shades in the vicinity for resting.
- Machines were being used on some sites.
- Local contractors were present at some sites (e.g. in MP in the guise of “mates”).

Problems related to payment of wages

- In many cases workers did not receive the minimum wage even for a full day’s work (with the exception is Andhra Pradesh).
- Significant underpayment was observed in some areas, e.g. MP and Chhattisgarh – as low as Rs. 6 -13 per day for a full day’s digging work.
- As payment was based on groups, there were some cases of fudging of muster rolls (MP) leading to listing of more workers and hence a reduction of per worker wage.

Problems related to muster rolls

- Except in AP, muster rolls have not been displayed and were not available for public inspection even at the offices.
- In some areas (e.g. MP) muster rolls were treated as secret, which was in complete violation of the NREGA guidelines for transparency. This was primarily due to lack of awareness of the local officials about the guidelines.

Transparency, accountability and social audit

- In some areas, (in MP, Chhattisgarh, and Jharkhand) the local administration or other authorities (mainly at the Block level) obstructed people’s right to information and open expression.

- Officers were often not willing to be present at Jan Sunwais and respond positively to feedback.

Broad nature of the Intervention: Area versus Beneficiary

From the aforesaid discussion, it becomes clear that the approaches to the formulation of the programmes for reducing income poverty over the successive plans could be broadly classified into two categories based on their nature of emphasis. These are: (a) area based; and (b) beneficiary/community based. The poverty alleviation programmes in the first few years of planning mostly belonged to the latter category under which a programme was implemented in an entire area and the poor within the area were selected as the intended beneficiary. However, in the later years of development planning, the emphasis shifted to the area-based approach in which the areas with higher concentration of poor were chosen for implementing the poverty alleviation programmes. The programmes in agriculture like SFDA, MFAL and those in allied areas were primarily aimed at benefiting the rural population as a whole. The programmes, such as the DPAP, DDP, and IWDP were primarily area-based approaches as people in the areas designated for the programmes were generally poorer than other areas.

Some employment generation programmes in the country followed area approach in the beginning. Subsequently, these were extended to the entire country and became beneficiary-oriented. The emphasis on specific areas in the beginning could possibly be attributed to constraint on resources. The Rural Labour Landless Guarantee Programme (RLEGP), under which all the landless families in specific poor and backward areas of the country were provided employment, was initiated in 1983. This was subsequently extended to the entire country. The Employment Assurance Scheme, initiated in 1993 followed an area-based approach as the programme was restricted to the selected backward (rural development) blocks in the country. Similar is the case for the National Food for Work Programme (NFFWP), which was restricted to 150 most backward districts at the time of its inception. The NFFWP has recently been converted into a wage employment programme under the recently enacted National Rural Employment Guarantee Act (NREGA). This is also formulated on area approach under which 200 most backward districts in the country would be covered.

The state-sponsored programmes to assist the poor, which do not come directly under the ambit of the poverty alleviation programmes, have also been found to follow area approach. An example is the public distribution of food grain with state subsidy. The Targeted Public Distribution System (TPDS) introduced in the late 1990s focused on the poor by providing food grain at specially subsidized prices. This programme, like the employment programmes, was designed on area approach. Initially, only the selected backward and drought prone blocks of the country was covered by TPDS but later it was extended to the entire country.

The matrix in the Annexure 2 shows a schematic presentation of the major programmes based on the broad nature of intervention.

Governance and Implementation: Some General Observation

While India's policymakers responded to the emerging situation by framing suitable policies and programmes and by allocating resources, the impact of such initiatives has not always been in the desired direction and of the required magnitude. Although the achievements at the macro-level appear laudable, such achievements have been accompanied by marked disparities across regions, states and population groups (as indicated in chapters 2 and 3). Thus, the pro-poorness of these programmes in outcome is also disputable. This is all the more evinced by the slow pace of decline in poverty and improvement in the human development scenario as shown in chapter 2.

The previous sub-sections probed into some of the major programmes that are in operation at present and made an attempt to analyse the causes of their inefficacy in delivering pro-poor outcome. It has also been observed that the factors affecting the performance of programmes are more or less similar in nature. They mostly relate to problems of identification, inadequate resource allocation, faulty design, weaknesses in implementation and institutional bottlenecks. This section intends to take up each of these issues separately.

Identification of the poor and its associated problems[31]

The identification of the poor is the fulcrum on which the poverty reduction programmes are based and constitutes a critical component of poverty alleviation since those who get identified are considered as beneficiaries for state assistance towards income and employment generating anti-poverty and social welfare programmes. The approaches to identify the poor can be grouped under three broad categories: means testing; indicator targeting; and self-targeting. Information on income or consumption is generally used as a means test, that determines whether household income or consumption lies below a cut-off point designated as poverty line.

However, on account of informational and administrative constraints, means-testing may not always be appropriate and may induce costly leakages and create adverse incentives. These considerations lead to a variety of schemes for

31. This section draws largely on CDHR, 2005 b.

indicator targeting, whereby transfers are made contingent on some correlates of poverty. The indicator targeting can be of two types. The first type is identical to means-testing and uses some characteristics of households to select beneficiaries. Under this category, instead of information on income or consumption, information on variables like land holding, profession, social class are used for targeting. The second type of indicator targeting known as geographical targeting uses the place of residence as a poverty indicator. The geographical targeting allocates resources to states, municipalities or neigbourhoods based on their average welfare level (e.g. head count ratio). The means-testing and the indicator targeting form the basis of beneficiary approach and area approach, respectively, as discussed in the previous sub-section.

As far as beneficiary targeting is concerned, the Ministry of Rural Development of the Government of India, in association with the state governments identifies the poor households for selection as beneficiaries under the poverty alleviation programmes[32]. The identification process is carried out through a complete census of the rural households and is conducted at an interval of approximately five years, generally on the eve of the Five Year Plan. This is known as below poverty line (BPL) census.

The first two BPL censuses were conducted in 1991-92 (at the beginning of the Eighth Five Year Plan, which covered the period 1992-97) and 1996-97 (at the beginning of the Ninth Five Year Plan, which covered the period 1997-2002). Both the censuses yielded the estimate of percentage and number of poor households at the village, block, district and state levels.

The BPL census conducted for identification of poor families in the Tenth Plan (2002-2007) tried to incorporate the element of accessibility to basic essential needs in addition to other indicators like assets and endowment. This census is based on thirteen indicators of well-being. The indicators are: (a) Land Holding; (b) Shelter; (c) Clothing; (d) Food Security; (e) Sanitation; (f) Ownership of Consumer Durables; (g) Education; (h) Labour Characteristics; (i) Occupation category; (j) Children's status; (k) Indebtedness; (l) Migration; (m) Preference towards State Assistance. For each of these thirteen indicators, the households are awarded a score in a five point scale as 0, 1, 2, 3 and 4; the scores being inversely related to the poverty and deprivation of a household. A low score implies a higher level of poverty and deprivation and *vice-versa*. Hence, the lower

32. The process of identification of the poor is distinct from the process of estimation of the incidence of poverty, for which the Planning Commission is the nodal agency in the Government of India. The poverty ratio, as estimated by the Planning Commission, is used as a parameter in designing the poverty alleviation programme and as a component of the overall planning and development strategy in the country. (CDHR , 2005b).

the score of a household, the higher is the probability of its selection as a beneficiary.

For each household, the scores assigned on the basis of these 13 indicators are added up to get an aggregate score for a household, which lies between zero (minimum possible aggregate score when a household is assigned a zero score for all indicators) and 52 (maximum possible aggregate score when a household is assigned the highest score i.e. '4' for all the 13 indicators). The household with the least score is selected for assistance first. Then the household with next lowest score is selected. Following this pattern, the household with the highest score will be the last to be covered. Thus, in this method, the rural households are ranked in terms of their inaccessibility to some basic essential needs, which are crucial to live a life with dignity.

Although the recent census has been novel in its coverage and methodology as compared to the earlier censuses, it has not been eventually implemented by the government due its non-acceptance by many on account of methodological, administrative and other problems.[33] Hence, the earlier BPL census of 1997 pertaining to the Ninth Plan is still in use for designing of the poverty alleviation programmes.

Here it may be pointed out that the process of identifying the poor is fraught with problems. Targeted interventions run the risk of major welfare loss and wastage of resources because of definitional and measurement problems on the one hand and administrative corruption on the other. One can take TPDS as an example. TPDS is an income-targeted transfer-cum-food-security programme for the poor. Under TPDS a BPL (Below Poverty Line) ration card is provided to the poor people lying below the poverty line. The possession of a BPL ration card entitles its holder to a range of benefits, such as subsidized agricultural inputs, bank loans, free books and uniforms in school, low cost medical care and many other concessions, other than just subsidized foodgrains. Hence, there is a general tendency among households to understate income to get a BPL ration card. The situation sometimes gets all the more complicated because of interference by politicians who impede the process and due to weak governance (a BPL card is often issued on paying bribes in most states of India).

Moreover, the means testing by using income or consumption criterion is ridden with problems because of the difficulty in measuring the incomes of the

33. For details on some of the administrative and governance problems with respect to BPL Census 2002, see: http://studentorgs.utexas.edu/aidaustin/projects/lss-prayas/bpl/BPL_Census_Report.pdf. For some of the points that have been raised regarding the methodological framework see : http://pd.cpim.org/2006/1112/11122006_brinda.htm

poor, a lion's share of whom actually belongs to the unorganized sector without any secure source of income. Other than measurement problems, the notion of income poverty is itself ambiguous. For instance, an assetless person, who has uncertainty in the flow of his income and is highly vulnerable to shocks and fluctuations in the labour market, would be categorised as above the poverty line on the basis of his current income/ consumption level if it happens to be marginally above the poverty line.

Thus, the identification of the poor and the vulnerable demands consideration of other attributes or indicators rather than just income or consumption. For example, one may examine the quality of life that the person is leading in terms of realisation of the basic capabilities which may not always be reflected in terms of his consumption or income. One can further probe into the factors that are detrimental to the process of realisation of these basic freedoms or capabilities and include these factors within the ambit of consideration for the identification process. In other words, the identification process would be more appropriate if it accepts poverty and deprivation as multidimensional. This would make the domain of identification much wider, and would be able to cover many of those who are excluded at present.

Another crucial problem in the identification of the poor is lack of their participation in the process of identification. The development plans and policies have over the years been earmarking funds and benefits for socially excluded like SCs and STs in view of their perennial deprivation and discrimination on account of the social hierarchy which has been persisting prior to independence. The largest self-employment and wage-employment generation schemes, such as SGSY and SGRY have reservation of benefits for the SCs and STs. In education and other social sector schemes, there are special provisions for the socially backward classes.

However, despite administrative simplicity, targeting of social groups for development intervention and reservation of economic benefits for them does not appear to have yielded the desired result. There has only been a marginal decline in the share of SCs among the poor whereas the share of STs has gone up substantially (see the sub-section on poverty by social group in section 2 for the change in the composition of poverty by social groups from 1993-94 to 1999-00). The primary reason for such an undesirable outcome is the lack of participation of the socially deprived and excluded groups during the identification process itself which has led to their failure in realising their entitlements.

Thus, in order to resolve the problems associated with targeted development interventions, not only a new and broader definition of poverty is necessary taking into account its multidimensional character, but the participation of the poor themselves in the process of identification is crucial. Though most policies and programmes for poverty reduction provide for people's participation in their planning and implementation, such participation has not really been possible as the poor have not been adequately empowered with knowledge and information. Conducive institutional reforms like effective decentralization of the devolution of power and resources which facilitates people's participation and empowerment could eliminate the problems of inclusion and exclusion errors in a poverty alleviation programme to a large extent and could also set the tone for a system of accountability of the organs of the state which are responsible for the process of identification. An example of such successful experience of decentralization in reducing poverty is that of Kerala. As has already been discussed in the section on income poverty, Kerala never had a very high per capita income growth which could solely bring about such a phenomenal decline in poverty. It is Kerala's institutionalization of decentralization process in an effective manner which actually led to such a fast and phenomenal decline in poverty.

Public Expenditure in Social Sectors

One of the reasons as identified in the diagnostic evaluation of the health and education scenario in Chapter 3 on capability poverty as well as in the evaluation of some of the major programmes that have been considered in this section is the inadequacy in allocation of budgetary resource. Table 11 below gives the relevant information on different components of social sector expenditure by the centre and the state governments.

Table 13: Social Sector Spending (% of GDP) –Centre & States

Items	1987-88	1990-91	1995-96	2004-05
Social Service	6.86	6.61	6.18	5.66
Education	3.13	3.40	3.05	2.74
Health	1.65	1.45	1.33	1.25
Others	2.08	1.76	1.80	1.67

Source: Economic Survey for various years.

The expansion of social welfare and development projects in the 1980s and the 1990s in India unaccompanied by a corresponding rise in budget resource allocation led to a thin spread of resources across a large number of programmes and widespread irregularities and corruption that pervaded the whole social sector. Access to public health care and education services, by the poor especially got affected. Inadequate financial allocation particularly affected the quality and delivery of the Cooked Mid-Day Meal System (considered as a flagship programme by the government for improving enrolment and ensuring nutrition security of the primary school children) and widened the disparities between the government and private schools and hence, between the rich and the poor.

However, in this gloomy scenario, states like Kerala and Tamil Nadu have performed better both in terms of resource allocation as of 2005 and indicators of performance though it may not be possible to get a one-to-one relationship between increase in social expenditure and the outcome indicators in terms of poverty and capability. However, the social sector expenditure for Kerala and Tamilnadu as a percent of total expenditure has been quite high at around 36 and 33 percent, respectively for 2005, and was considerably higher than states like Bihar, Madhya Pradesh Uttar Pradesh and Orissa[34]. The performance of the former group of states in terms of literacy, infant mortality and other social indicators and with respect to income poverty reduction (as already seen in sections 2 and 3, respectively) is much better than the latter group. In terms of governance, one can make out from the evaluation of some of the major programmes that the latter group of states has performed badly. Gujarat, although a prosperous state, shows a high rate of infant mortality and also higher prevalence of anemia among women and children. Gujarat's health expenditure as a percentage of total expenditure is the lowest as compared to the others states and has remained around 3 percent of the total expenditure as of 2005.

Weakness of Governance[35]

The sub-optimal performance of poverty reduction programmes during the last three decades could be attributed largely to the inadequacies and weaknesses of governance. The ex-post evaluation of some development interventions for poverty reduction has brought out clearly some glaring inadequacies in their planning and implementation which are given below:

- Inadequate analysis of the findings of past evaluation studies and other available information during project/programme planning.
- Formulation of multiplicity of programmes in an area of concern which led to thin spread of available resources.
- Target-oriented approach with emphasis on achieving physical and financial targets. This has essentially stimulated the 'Quantity-Quality' (known as Q-squared) debate in the evaluation of poverty

34. The data and information on state expenditure has been obtained from 'State Finances: A Study of Budgets of 2006-07' (available at: http://www.rbi.org.in).
35. This section draws largely on Pal and Bandyopadhyay, 2005.

alleviation programmes. Various evaluation studies revealed that the fulfillment of these targets need not necessarily ensure that the programme objectives are being met. In many anti-poverty programmes, though the targeted numbers of families, beneficiaries, districts and villages have been covered and the allotted money spent, such programmes have failed in making the desired impact on the well-being of the beneficiaries. The implementing agencies are often concerned more with the fulfilment of targets assigned to them than with the actual flow of benefits to the target groups. For instance, in the case of wage employment programmes, the focus had been on the man days of employment generated even at the cost of quality of the employment in terms of real wages paid.

- 'Top-down' rather than 'bottom-up' approach in planning and implementation has led to formulation of schemes without proper assessment of the needs of the people which often led to the wastage of resources without meeting the actual needs of the beneficiaries.
- Creation of a number of independent implementing agencies with similar functions for a single programme. These agencies often lack coordination between themselves leading to digression from the primary objectives and wastage of resources.
- The findings of monitoring and evaluation are often not put to use. An important reason for the non-utilisation of the available findings is - lack of any mechanism through which the planners and implementing agencies can have ready access to information in a format that is useful to them. Therefore, publicity and streamlining of available information in a user-friendly format is essential to ensure its use in decision- making. In addition, there are problems associated with the quality of information generated at grassroots level and flow of monitored information to the decision-makers.
- Lack of accountability of the lower tier to the upper tier of the government and lack of accountability to the people have largely been responsible for diversion of funds in development programmes. This is primarily attributable to lack of people's participation in the implementation of programmes, lack of transparency in the operation of schemes and inadequacy of monitoring mechanism. Most often, due to presence of loose ends at the planning stage, the implementing agencies and administrators can get away easily with time and cost overruns or non-fulfilment of targets by attributing these to factors beyond their control. Suitable institutional reforms

conducive to people's participation, involvement of grassroots level non-government agencies in the formulation and implementation of programmes and dissemination of information to the people about their entitlements are needed to overcome these problems.

- The operational expenses of some of the programmes become abnormally high which makes the programmes unviable. Such high cost comprises avoidable delivery-related cost or unproductive expenses on account of inadequate planning, tardy implementation and corrupt administration.
- Several poverty alleviation and social sector programmes are formulated without addressing the question of sustainability of their benefits. These programmes are primarily intended to build the capability of the vulnerable groups to become self-reliant. However, most programmes run with ever-expanding government budgets and instead of making the beneficiaries self-reliant mostly end up increasing the dependence of the beneficiaries on the government funding and eventually become untenable. However, it is possible to recover the full or a part of the operation and maintenance costs of many programmes, if service delivery is improved and if people are involved in the formulation, implementation and operation of schemes and also in subsequent monitoring and evaluation.
- The performance of development programmes gets adversely affected on account of irregularity in the disbursement of funds to the implementing agencies. Most often, the implementing agencies receive the lion's share of the Central Fund in the last quarter of the financial year. This practice often leads to under-utilization of resources, hiring of contractors, fudging of accounts and corruption, as it is not possible to formulate a viable project and spend the money efficiently in such a short span of time.

In the planning and implementation of poverty reduction programmes, the bureaucracy plays the most important role. They are involved in detailed planning, allocation of allotted funds for the lower tiers of the administration and line departments, flow of funds, approving the plans and projects prepared by the lower tiers and monitoring inputs, outputs and outcomes of development interventions. Since the weaknesses in implementation are the root cause of failure and sub-optimal performance of programmes, it brings into focus the functioning of the bureaucracy in terms of its accountability, transparency and interface with the civil society.

Transparency in the functioning of the administration involved in development can create pressure for reform and make administration responsive and performance-oriented. The Comptroller & Auditor General (CAG) of India have, on several occasions, observed accounting irregularities in the use of development funds by the Central Ministries and state governments. Evaluation of development interventions have also pointed out inadequacies and irregularities mentioned earlier in this chapter; yet the plans continue to be formulated and implemented without introducing the necessary correctives in planning and execution.

An important requirement for the planning and implementation of all development programmes has been to involve the people and their institutions. In accordance with this requirement, the bureaucracies engaged in development involve the people for consultation at the planning and execution stages. However, such involvement of intended beneficiaries without adequate information, empowerment and awareness about their roles does not facilitate improvement in the planning, implementation and effectiveness of the development programmes.

From the aforesaid discussion it could be inferred that without reforming the bureaucracy and changing their mindset, the development interventions are unlikely to be effective and efficient. Furthermore, specific reforms need to be designed to make development administration responsible, transparent, accountable and culpable.

Chapter 6

Disparity in Economic and Human Well-being across Gender[1]

As indicated in the discussion on various capability indicators, the situation of women in India is particularly grim. Although six decades have elapsed since independence, women in India still continue to suffer from inequitable gender relation, despite the existence of a couple of provisions in the Indian constitution[2] and a number of binding international instruments[3] pertaining to their well-being. In the backdrop of this persisting gender inequality, this section endeavours to delineate women's position as revealed by important social, demographic variables across the major states and provides a brief assessment of the gender perspective in India's poverty reduction strategy.

Annexure 5 provides a summary of some major social, demographic and economic indicators which reflect the state of well-being of women. With respect to their life expectancy, a number of states fall below the national average. While in states like Kerala and West Bengal, the life expectancy is not only above the national average, but also shows significant female advantage in survival. On the contrary, states like Orissa and Bihar indicate a much lower female advantage in survival. However, majority of the states under consideration show an improvement in life expectancy for both male and females and a reduction in gender gap, for the years under consideration.

Another crucial indicator of female well-being is sex ratio. An analysis of the sex ratio across the states clearly indicates that except Kerala none of the

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1. This section draws largely on Thimothy, 2005.
2. Gender equality is recognized as a part of the fundamental human right enshrined in the Indian Constitution. Other important article, which deals with gender equality, are: 'Article 15' that prohibits discrimination against any citizen on grounds of sex, religion, race, caste etc.; Article 15(3) which empowers the state to make affirmative discrimination in favour of women; Article 16, which provides for equality of opportunities in the matter of public appointments for all citizens; Article 39, which stipulates that the state shall direct its policy towards providing men and women equally the right to means of livelihood and equal pay for equal work; Article 42, which directs the state to make provisions for ensuring just and humane conditions of work and maternity relief; and Article 51(A)(e) which imposes a fundamental duty on every citizen to renounce practices derogatory to the dignity of women.
3. The Convention on Elimination of All Forms of Discrimination against Women (CEDAW) is a major international instrument, which has been ratified by India in 1993. The other major declarations which have been endorsed by India include the Mexico Plan of Action (1975), the Nairobi Forward Looking Strategies (1985), the Beijing Declaration and Platform for Action (1995).

states has a sex ratio favorable to females. The data further reveals that, over the years, the sex ratio has declined in states like Gujarat, Haryana, Madhya Pradesh and Punjab, implying higher female disadvantage across these states. With respect to the sex ratio for people in the age group 0-6 years, the situation in Punjab and Haryana is grim. About seven districts of Punjab and three districts of Haryana belong to the list of top ten districts in India with the lowest sex ratio in the age group of 0-6 years[4]. Such blatant discrimination against the female population tends to indicate higher prevalence of foeticide or infanticide, though no concrete proven evidences are available to substantiate this except for the newspaper clippings. However, on juxtaposing the low sex ratio with the high infant mortality of girl children in the above two states, the picture becomes quite clear. What is really intriguing, however, is that Punjab and Haryana in terms of their performances in the area of income growth and poverty reduction belong to the category of most prosperous states.

The rate of literacy for women presents an equally gloomy picture. Not surprisingly, gender disparity in literacy continues to be the highest in states like Bihar, Orissa, Rajasthan and Uttar Pradesh (often referred to as BIMARU). Table 14 below makes an attempt to classify 14 major states in India (with the exception of Assam) with respect to their performance in terms of female well-being and economic growth. This categorization is a preliminary attempt to depict the various patterns with respect to gender and economic growth, based on the table provided in the Annexure 5. In order to maintain conformity with the indicators from 2001 Census, the figure for Per Capita Net State Domestic Product (PCNSDP) for 2000-01, the poverty ratio for 1999-00 and the growth of PCNSDP from 1970 to 2000, have been considered in the Annexure 5.

Table 14: Categorisation of 14 Major States Based on Women's Position and Economic and Human well-being

	Better indicators of female well-being	**Moderate indicators for female well-being**	**Poor indicators for female well-being**
High Economic Growth		Karnataka, Maharashtra, Tamil Nadu	Gujarat, Punjab
Moderate Economic Growth	Kerala, West Bengal	Andhra Pradesh	Haryana
Poor economic Growth			Bihar, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh

4. Census of India, 2001.

The experience of Gujarat, Punjab, and Haryana, shows that high growth rates of PCNSDP need not automatically translate into higher well-being of females. On the contrary, Kerala represents a true success story and sets the example of the possibility of improving social and demographic variables without high economic growth. However, it deserves to be mentioned that it is difficult to categorize the states or regions in terms of watertight compartments as attempted above. For instance, even in better performing states with respect to gender, significant intra-state variation may exist in the status of women among the marginalized sections like dalits and indigenous people[5] which is not just attributable to gender but also to rampant social discrimination, and the picture could be worse if other 'non-conventional'.[6]

Women's participation in economic activity, positively contributes in improving their position in society. Though work participation among women has increased over the last few decades, majority are employed as marginal workers in the agricultural sector. Such women fall in the category of landless labourers. The land legislations implemented in the country were also not beneficial for women[7]. Wage differential in the earnings of men and women are widespread in India, particularly in the informal sector where equal pay legislation is not applicable. Furthermore, majority of women's work goes unrecorded as no value is attached to the family labour and other domestic work.

Gender Perspective in India's Poverty Reduction Strategies

This section endeavours to inquire into selected development interventions designed to address unequal gender relations and to assess its impact on the empowerment of women. The discussion is primarily centered on the programmes intended to empower women socially and economically, to improve their access to food, health and education. The discussion also underscores the process of political empowerment of women through their representation at the local level.

In the case of women, exogenous factors like accessibility to food distribution centres, lack of household purchasing power and endogenous factor like unequal gender relation within the household put them at a disadvantageous position.

Though guidelines on the various wage and self-employment programmes contain provisions to ensure gender equality, in practice it has not been followed

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5. Pushpangadan and Murugan, 1999
6. Eapen and Kodoth, 2003
7. Aggarwal, 1994

either in beneficiary selection or wage payment. Some concurrent evaluation results of the Ministry of Rural Development have, however, noted some positive impact on women, both in terms of their coverage and wage payment. There have also been other gratifying experiences so far as gender empowerment is concerned, as in the case of Maharashtra where participation of women in the Employment Guarantee Scheme (EGS) was as high as 40 to 50 percent, making it worth referring to as a 'programme for women'. But, these are only few isolated evidences of gender empowerment. In most states and in many areas of social concern, gender inequality is conspicuous. The participation of women in various poverty alleviation programmes needs to be improved, both quantitatively and qualitatively, taking into consideration caste and class components.

The evaluation of health interventions, such as Maternal and Child Health Programmes (MCHP) and Family Planning Programmes (FPP) brings out sub-optimal performance, with some isolated cases of success and wide inter-state and across population groups variations. Despite a strong concern to arrest Maternal Mortality Rate (MMR) as expressed in all five-year plans, the goal often gets diluted while translating it into policy and programmes at the national and state levels, partly because of inadequate allocation of resources and partly, due to lack of adequate infrastructure. The lack of adequate services to ensure safe motherhood, essential antenatal care, safe delivery, postpartum service and safe abortions within the reach of households especially poor, leads to high MMR in the country. The poor health status of women and pregnancy at an early age are the other complementary causes.

The supplementary nutrition provided through Integrated Child Development Services (ICDS), for pregnant and lactating mothers, could not fully solve the prevalence of anaemia because of a number of lacunae in programme implementation. Women formed the important direct target group in achieving the goals of FPP policies/ programmes implemented in the country, as most of the family planning methods were women-centric. However, the way by which the success of family planning is measured often misses out on the quality of services from the client's perspective. The success of family planning programme also depends on the qualified and trained staff, especially lady doctors, supervisory visits, etc., which aspects were often overlooked.

The education scenario in India, as explained before, is characterized by inadequate school infrastructure, high teacher absenteeism and large-scale unfilled teacher vacancies, non-availability of separate schools for girls, lack of female teachers, toilet facilities, and child caring centres, etc. that affect girl's enrolment. Operation Black Board (OBB), which was launched in 1986, was an attempt to improve the physical infrastructure in schools. However, the DISE data from 2002-03 to 2005-06, as indicated earlier in the discussion on education scenario, points out that the schools in the country function without the minimum essential facilities. Significant gaps exist in the number of enrolment and dropouts, with girls placed at a disadvantaged position with respect to both these indicators.

Furthermore, there is a wide gap in the enrollment and actual attendance of students in schools and the gap is wider for girls. Gaps also exist in the quality of education provided by schools in different sectors and regions of the country, with government schools, which are the main source of education for low-income households, especially girls generally providing poor quality of education. Further, a number of evaluation studies have shown that contrary to the official claims, elementary education in India is not free even in government schools.[8] This becomes a crucial factor in the case of girls, for whom the economic returns from schooling are still not highly valued in rural areas (as indicated earlier in the discussion on capability of being free from illiteracy). There is also an urgent need to draw on local resources and accommodate teachers form local community to prevent children from being distanced away from schools.

Reservation for women in the local bodies is an important initiative towards mainstreaming gender concerns in development. However, the degree of success varies across the country, depending on the specific trajectory of social and cultural development of the region. Major problems occurred with the inability of women to break the social taboo, which defines and delineates the unsuitability of public space for women. In many cases, women who got empowered were those from the dominant castes (upper social strata), whereas scheduled caste and scheduled tribe members among the women representatives maintained a low profile, thus questioning the very notion of 'empowerment'.

By and large, the reservation for women in local bodies could be considered as an important step towards progressive and inclusive politics, though huge gap still exists between the ideals as contained in the 73rd amendments and the local scenario in which women need to be empowered. The Gender Budgeting, which was initiated in 2000, was another attempt to correct gender imbalances. However, the existing evidences indicate that the special programmes for women and general development programmes with a pro-women component are showing a decreasing trend over the years in terms of resource allocation. The

8. Tilak (1996a, 1996b); Chandrasekhar and Mukhopadhyay (2006).

problems have also got compounded due to the existence of too many programmes with thin spread of funds.

Though significant improvement has been achieved with respect to access to food, health and education, India has a long way to go in order to break the rigidities with respect to poverty in general and its nexus with gender in particular. As has been noted in this discussion, though there is an array of different programmes addressing the issue of food, health and education, lacunae in the programme formulation and implementation often act as a major constraint towards realizing the desired objective. Evaluation of gender empowerment programmes shows that the success and failure are contingent upon state specific circumstances like enabling socio-cultural development, commitment and enthusiasm of the state-level leadership and capacity to adopt innovative approaches. The major factors that affect gender empowerment, as has been brought out by these evaluation studies, are: inadequate resources for gender empowerment programmes, lack of access to information, lack of effective participation of women in all aspects of a programme starting from formulation till implementation and subsequent monitoring and evaluation. Additional factors are: inadequate efforts to make the women aware of their rights and entitlements as also the need to mobilize them and overcome some of the constraints imposed by the existing social arrangements in widening their social and political space.

Chapter 7

Right to Land and Rural Poverty

The rural bias in population pressure and in the incidence of poverty, coupled with dependency on agriculture both for employment and income generation makes the structure of land ownership central to poverty alleviation in rural areas. Thus, right to land has often been used as a proxy for property right in India in the context of rural poverty alleviation.[1] Land is considered as a major asset in rural areas and hence inequality in the distribution and ownership of land may largely explain the persistence of rural poverty. The following section analyses the diagnostic link between land ownership, per capita consumption and rural poverty based on unit level record for the 55th Round of National Sample Survey.

Land ownership and Rural Poverty: a Diagnostic Analysis[2]

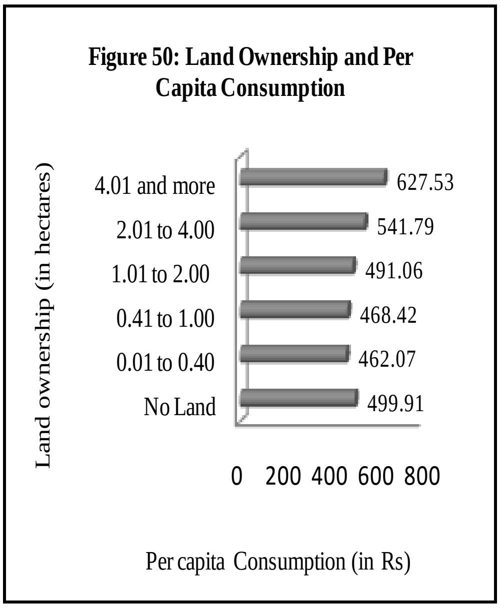
The land distribution in the country is highly skewed. The land distribution pattern that emerges from the NSS Survey of the 55th Round shows that among the rural households, 5.67 percent are landless, 66.05 percent possess less than one hectare of land, 13.71 percent possess land between one to two hectares and 14.57 percent possess between two to four hectares of land. The skewness in distribution is reinforced by the Situation Assessment Survey of Farmers (SAS) conducted by NSSO in 2003 which indicates that 94 percent of the farming households have holdings less than 4 hectares, 4.8 percent between 4 to 10 hectares and a meager 0.8 percent more than 10 hectares.

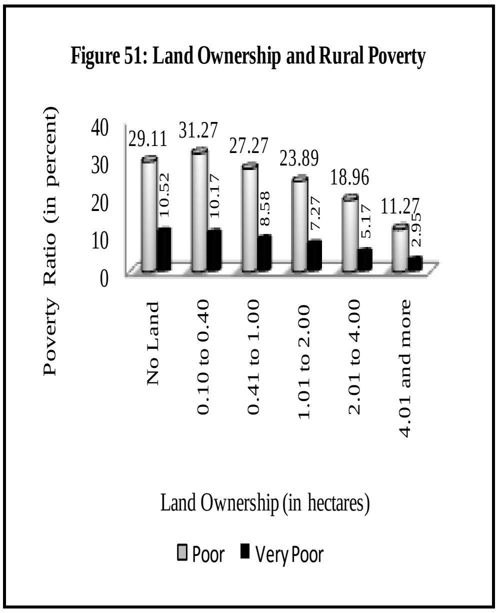
The pattern of land distribution, however, differs widely across the states which is partly attributable to conditions that were prevailing in the states in the pre-independence era and largely to the socio-economic transformation that has taken place in the post-independence period on account of institutional reforms.

The Figure 50 below indicates the link between per capita consumption and land holding. The figure clearly indicates a tendency for the per capita consumption to rise with the rise in the land holding. It has also been observed from the NSS data for 55th Round that in the case of households with more than four hectares of land the per capita consumption is nearly 35 percent higher than the households with landholding less than one hectare.

1. Besley, 2004; 2006.
2. This analysis draws largely on CDHR, 2005b.

The poverty ratio across the families categorised by their land holding is shown in the figure 51 below. This figure also demonstrates a near inverse relationship between landholding and poverty ratio (head count ratio). As is evident from Figures 50 and 51 on consumption and poverty, the households with landholding between 0.10 to 0.40 hectares are the most deprived. These households could be considered as equivalent to marginal farmers.





Source: Based on unit level record for the NSS 55th Round

What is really intriguing is that land possession has a significant impact on the percentage of population who are very poor (per capita consumption below three-fourth of the poverty line) Thus, re-distribution of land and conferring of ownership may be crucial in the amelioration of the plight of the very poor and disadvantaged. However, the relationship between land ownership and poverty has not been observed as uniform for all states and depends largely on the pattern of land distribution across the states.

Even the pattern of land distribution obtaining in the three perennially poor states, namely, Bihar, Orissa and Madhya Pradesh is divergent. There is a near absence of landless persons in Madhya Pradesh as the state is home to 23 percent of the country’s tribal population and tribal families are historically landowners (on account of statutory prohibition of transfer of ownership of tribal land). The percentage of landless in Bihar and Orissa has also been observed to be quite low. The marginal farmers with landholdings between 0.1 to 0.4 hectares comprise 70 to 75 percent of the rural households in Bihar and Madhya Pradesh and about 50 percent of the rural households in Orissa. The SAS indicates considerable inter-state differences in incomes earned from farming by the rural households across the 15 major states that have been considered in the study. In terms of income from farm sources, Punjab and Kerala have been observed to be at the top and Orissa at the bottom. The other states which are at the lower end in terms of farm income are: Rajasthan, Madhya Pradesh, and Bihar. The inter-state differences in farm income could be attributed largely to the heterogeneity in the productivity of land and partly to variegated pattern in diversification towards non-farm sources.

The improvement in the productivity of land is dependent on: (i) the incentives for the farmers to produce[3]; and (ii) on the adoption of improved agricultural practices and land development. The incentive to produce is largely dependent on a conducive institutional framework for land distribution and the existence of unambiguously defined land rights. As far as the adoption of improved agricultural practices and land development are concerned, it is contingent upon state investment in agriculture and generation of adequate awareness among the farmers regarding proper utilization of improved practices. Since the small and marginal farmers cannot afford to go in for such expensive practices on their own; they, in the absence of adequate state initiative and investment in agriculture, are left with no other alternative but to resort to borrowing which inherently pushes them into a vicious cycle of indebtedness and to suicidal deaths on account of their inability to repay.[4] As the concentration of marginal farmers is quite high in the perennially poor states as has already been indicated, this could largely explain the persistence of high rural poverty in these states.[5]

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3. In the literature on property rights a distinction is often made between 'residual claim' and 'residual control'. Residual claim on a property is the residual return that remains with the owner of the property, after paying for all other costs that are involved in utilization of the property. Residual control basically involves the power in decision making about utilization of the property or activities involved therewith. The incentive to perform and increase productivity in terms of utilization is thus clearly dependent on the balance or symmetry between the residual claim and residual control. The incentive is highest and perfect when the residual claimant is the residual controller. In the case of share-cropping or tenancy, the incentive to be more productive is clearly contingent upon the balance between residual claim and residual control (for a detailed discussion on these notions and their implications for rural poverty in India, see Pal and Chakraborty, 2007).
4. The SAS brings out that nearly 80 percent of the total indebted households belong to marginal and small categories of household possessing less than 2 hectares of land. The Survey also indicates that nearly 65 percent of the loans were taken for productive purposes. The Survey of Farmers also paints a dismal scenario regarding the functioning of government agencies, the extension services, the input supply organizations which have failed to provide necessary services to the farmers and making them adequately aware of the improved practices.
5. Orissa has the highest incidence of poverty among farmers with a HCR among farmer of 53.3 percent followed by Bihar (39.9 %), UP (37.4%) and MP (35.3%) (see Bhalla, 2006, p 42).

From the above discussion it is clear that the amelioration of poverty of the rural poor is contingent upon: (i) redistribution of land and provision of incentives in the form of ownership rights to farmers and tenants through land reforms; and (ii) state initiatives and investment in agriculture along with proper monitoring and supervision of essential services (which has deteriorated in the last few years leading to a near stagnation of this sector). The following section would discuss the role of land reforms in ameliorating rural poverty.

Land Reforms

Land reforms usually refer to redistribution of lands from the rich to the poor. Such a process primarily involves regulation of ownership, operation, leasing, sales, and inheritance of land. In India, from the inception of development planning land reform had been considered as a major instrument for rural poverty alleviation. The Land Reform legislation in India comprises four main categories, namely: abolition of intermediaries or rent collectors operating between the state and peasants in the pre-independence era, tenancy regulation that attempted to improve the contractual terms for tenants, implementation of ceiling on land holdings with the aim of redistributing surplus land to the landless and consolidation of fragmented land holdings. In terms of the abolition of intermediaries, the success has more or less been uniform across the states. However, in terms of other components, the success has been mixed and varies across the states[6].

Tenancy laws in different states have been following different patterns. Several states have either banned tenancy completely or have imposed such restrictive conditions that make leasing of land virtually impossible. Such ban on tenancy, which was meant to protect the poor tenants, actually ended up hurting their economic interests. The ban on tenancy was reinforced by an imperfect legal system on account of which the market for land failed to operate in a proper manner as these imperfections inherently increased the frictions and costs involved in leasing transactions. In a recent study Conning and Robinson[7] has shown that although the tenancy laws were designed with the object of helping the poor tenants, it actually reduced the extent of tenancy.

There is, therefore, a need to re-examine the tenancy laws in the country. Prohibition of tenancy by law, especially in the poorer states, adversely affects the interests of the rural poor. Thus, it is essential to recognize tenancy, register the

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6 Ghatak (2007).

7 Conning and Robinson (2005).

tenants and provide them security of tenure and at the same time create an enabling legal system to protect their interests.

The progress on the consolidation of land holdings had also been sluggish. As a result, dualism cropped up within the agrarian economy itself with simultaneous co-existence of semi-feudal agriculture in some states and commercial and more improved farming practices in others.

A study by Besley and Burgess[8] has used state-level data for the sixteen major states from 1958 to 1992 in order to examine the variation across states over time in land reform legislation and its impact on productivity and poverty. They found that land reform legislation has had a significant negative effect on rural poverty. They attributed this to the tenancy reform component. They found that the abolition of intermediaries had a negative effect on poverty, but no effect on productivity. They also could not find any significant effect of imposition of land ceiling on either rural poverty or agricultural productivity, but found a positive impact of consolidation of fragmented land holdings on rural poverty.

A subsequent study by Banerjee et al[9], however, examined the impact of implementation of land reforms on agricultural productivity of West Bengal and found a significant positive impact. The 'Operation Barga' is the local nickname for the process initiated by the State Government of West Bengal in 1977 to enable the sharecroppers to acquire the right to cultivate the land thereby doing away with the threat of their displacement by the landowner. The rent sharing arrangement under Operation Barga was statutorily put in place by amending the West Bengal Land Reform Act 1955. As per the rent sharing agreement, if tenants registered with the Department of land Revenue, they would be entitled to permanent and inheritable tenure on the land they sharecropped as long as they paid the landlord at least 25 percent of the output as rent. In reality, however, numerous combinations of rent-sharing existed and were more an outcome of local political influence of the Communist Party of India than the state government itself. The entire operation was completed within five years i.e. by 1982, during which period nearly seven lakh sharecroppers (known as bargadars in local vocabulary) got registered[10].

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8 Besley and Burgess (2000).

9 Banerjee et.al (2002)

10. The exact class structure of the sharecroppers was not known; but it was observed that a large part of them were not poor as the landless tenants hardly figured in the list of registered sharecroppers. Thus, a grey area exists with regard to the people to whom the benefits of the Operation Barga percolated (CDHR, 2005b).

The land reforms implemented through Operation Barga in West Bengal was not intended to transfer the ownership right of the land to the peasants. It only conferred the right to farm the land and provided insurance from eviction by the landloads according to their whims. Still this step was a great leap forward in the liberation of the poor peasants from the subjugation of the landlords and provided enough incentive for improving the productivity of their lands. However, on account of excessive politicization the success of 'Operation Barga' is disputed by many.

A more recent study by Bardhan and Mukherjee[11] on the basis of the village-level data from West Bengal finds that land reform activity is more where left-wing parties hold a large number of seats in the state legislature and where they face greater political competition. Thus, the effective implementation of land reforms is like a proven evidence of political credibility of the left-wing parties in West Bengal.

However, there is enough room for dispute regarding the success of 'Operation Barga' because of the negative outcomes that have cropped up on account of excessive politicization of the entire process.[12] In fact, the outcome of the tenancy reform in West Bengal, in terms of agricultural productivity has also been disputed. In view of the disputes that have arisen, the West Bengal experiment of registering the sharecroppers can be used only as a guide for tenancy reform, but not as a successful model[13].

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11 Bardhan and Mukherjee (2005).

12. The association with the Communist Party was like a necessary pre-condition for registration of the sharecroppers. Although the fear of eviction from the whims of the landlord disappeared but the bargadars continue to suffer from the constant fear of losing their land in case they do not comply with the whims of the local secretary of the Communist Party. Because of making the agricultural workforce captive to the political system, it may be difficult to consider the impact of Operation Barga on the agricultural production and rural poverty as completely satisfactory, despite the fact that the agricultural production in West Bengal increased at a faster rate as compared to the national level and the rural poverty declined in the 1980s and 1990s (CDHR, 2005b). Moreover, although the decentralization process in West Bengal, provided a fillip to land reforms, a lot of disincentives cropped up in proper utilization of land, water bodies and common-property resources at some places on account of imperfect justice-delivery system in spite of the existence of unambiguously defined right to property (for more details on the problems of justice-delivery, see Pal and Chakraborty, 2007).

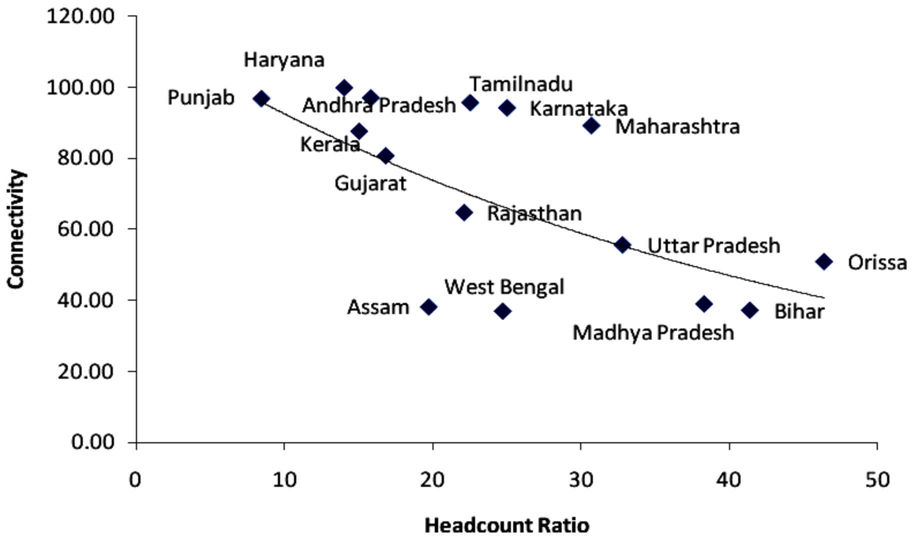
13 CDHR, 2005b.

Chapter 8

Physical Accessibility and Poverty

A crucial factor which determines the disparity in the effectiveness of the economic growth across the states and subsequently to districts and villages is ‘physical access’ or ‘connectivity through all-weather roads’. However, there are hardly any well-documented research studies which bring out the direct link between physical access and pro-poor outcomes. Some studies have only hinted at the positive impact of transport investment in poverty reduction. Ali and Pernia[1] conclude from their review of the recent econometric literature that infrastructures (mainly roads, irrigation and electricity) play a crucial role in poverty reduction in rural areas; Fan, Hazel and Thorat[2] and Fan, Zhang and Zhang[3] also highlight the contribution of roads to rural poverty in India and China, respectively. The following graph based on the recent official data on State-Specific Poverty Ratio for 2004-05[4] and State-wise connectivity for 2005[5] clearly indicates a strong inverse relationship between connectivity and poverty, as evidenced by the exponential trend line.

Figure 50: Statewise Connectivity and Poverty 2005



1. Ali and Pernia, 2003.
2. Fan, Hazel and Thorat, 1999.
3. Fan, Zhang and Zhang, 2002.
4. Planning Commission, 2007.
5. Database of AITD.

The trend line shows that as Connectivity improves across the states Poverty Ratio also declines concomitantly. Figures 51 and 52 are two district-level maps in terms of connectivity network across the districts and district-wise poverty level (measured in terms of percentage of BPL population) respectively. On observing the maps from close it could be clearly seen that districts with higher level of poverty are also with inadequate connectivity through all-weather roads. Besley and others, in their recent study on pro-poor growth[6] also indicate that extensive research is necessary to examine the link between pro-poor growth and investment in infrastructure of which investment in roads is very crucial.

The gap has been filled up to a great extent through a recent study by the Asian Institute of Transport Development[7], based on primary survey data of a 995-km long stretch of national highway (NH2), falling in the poverty stricken states of UP, Bihar, and Jharkhand (most of the areas contiguous to this stretch have a high incidence of rural poverty).

Contrary to the traditional view that a national highway mainly facilitates intercity travel and transport of goods, the study firmly brings out that it is also an integral part of the road network serving the rural areas. The road is extensively used by the rural population for various social and economic activities.

Proximity to the highway has significant influence on major aspects of socio-economic well-being of the rural population. Greater opportunities of employment and earnings in non-farm activities are generated. Access to education and health facilities improves. Household incomes rise and so do asset holdings. A poor rural household living in its vicinity thus derives considerable benefits.

The benefits of the highway extend up to a distance of 4-5 km on either side, which has been treated as the influence zone. Beyond this distance, a divergent pattern has been observed for some outcome variables. Two hypotheses relating to this concept of influence zone have been empirically validated in the study.

The first, called gradient of change hypothesis, asserts that the impact of the highway systematically declines as one moves farther away from it. The other one postulates that a poor household residing in the influence zone would be better-off in terms of various indicators of well-being vis-à-vis comparable household living away from the influence zone.

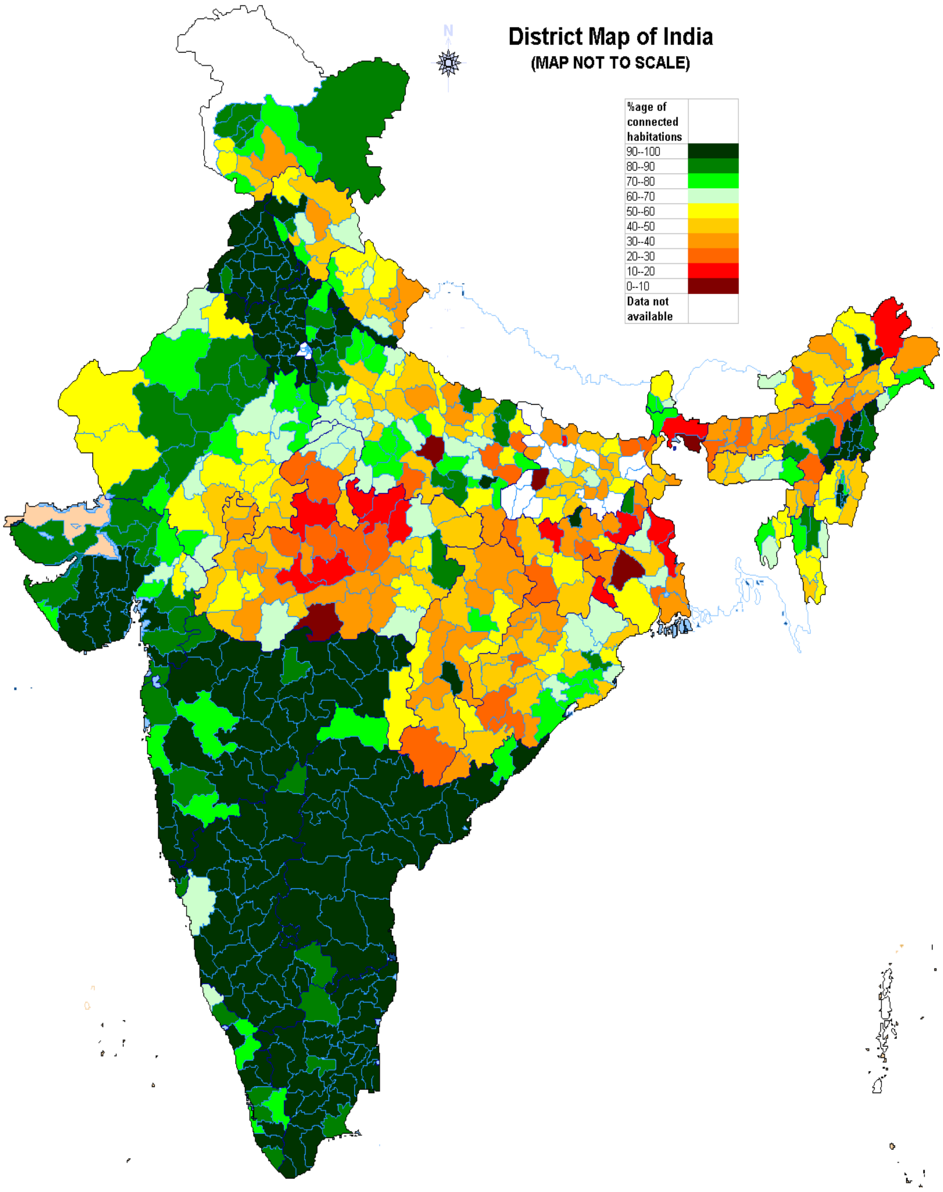
6. Besley et al, 2005.
7. For more details on the study see AITD, 2003.

The study clearly shows that proximity to the highway has significant influence on major aspects of socio-economic well-being of the rural population and amelioration of income poverty. The analysis of the data from the study delineates that proximity to the highway increases the mobility for gainful employment by 32 percent. The proportion of the poor households has also been observed as declining by about 15 percent. Moreover, the proportion of the non-agricultural workers in the total working population improves by as much as 50 percent. The overall school enrolment increases by 40 percent and that for girls by nearly 17.5 percent.

Three indices have been used to analyse the impact: (i) index of overall well-being; (ii) index of well-being in respect of mobility; and (iii) index of well-being in respect of access to amenities like electricity, drinking water, sanitation, and other assets. The indices show positive results. There is a gain of 30.94 percent in overall well-being, 6.51 percent in respect of mobility, and 22.21 percent for access to amenities.

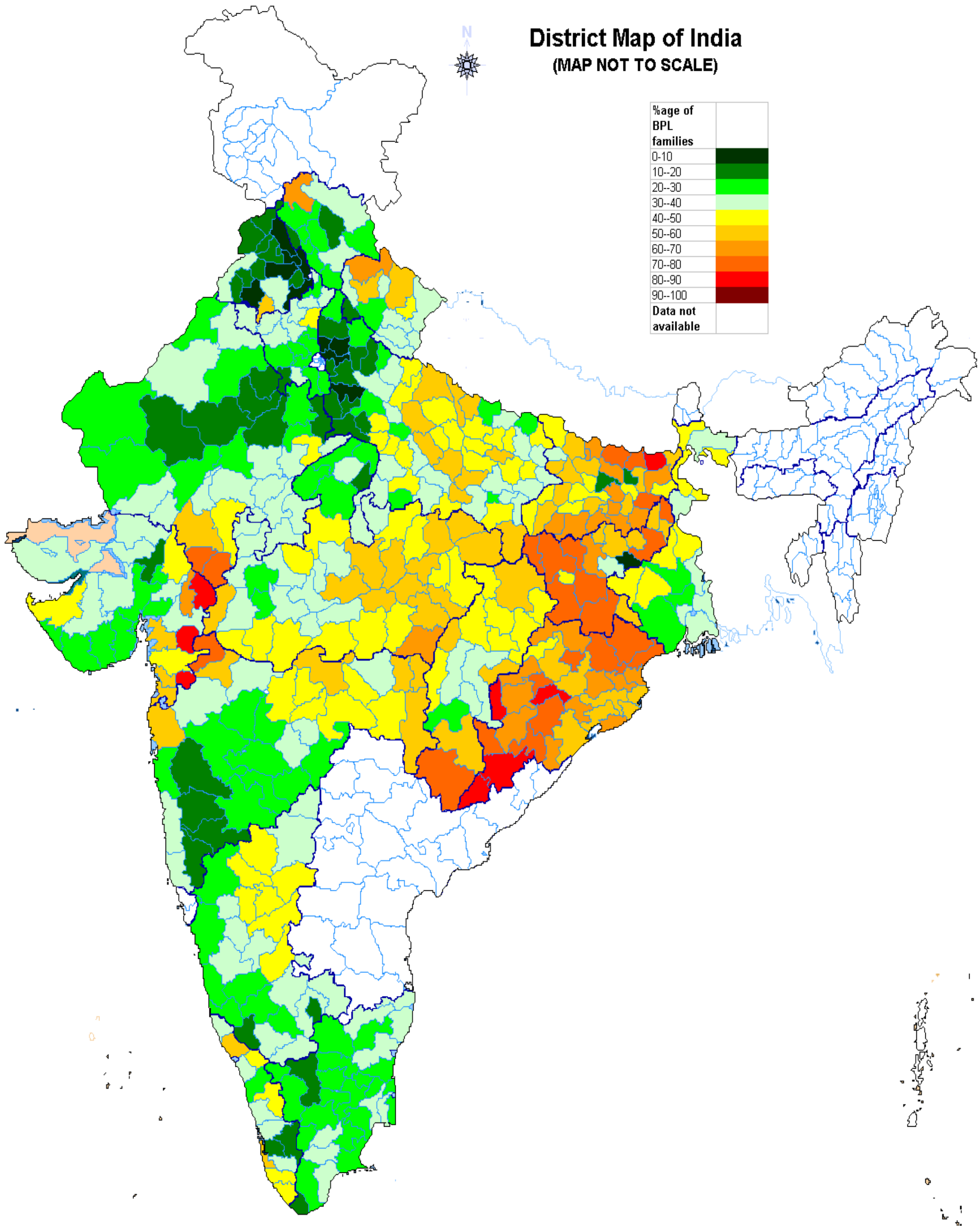
The study facilitates in understanding the linkage between a public good infrastructure like road and the well-being of rural people. The results of the study evince the positive contribution to poverty reduction that investments in highway expansion in particular and road infrastructure development in general can generate. Further, it document and confirm quite convincingly that among other interventions, large-scale public investments in road infrastructure development can be an effective and viable policy measure for pro-poor growth, for the benefit of economic growth to percolate to the population who are disadvantaged in terms of physical accessibility.

Figure 51: District-wise Status of Accessibility in India



Source: Asian Institute of Transport Development

Figure 52: District-wise Status of Poverty in India (1999)



Source: District level Poverty data for the NSS 55th Round

Chapter 9

Reconciling Rights and Growth: The Way Forward

The planners and policy makers in India, since the inception of development planning, have been grappling with the objective of reconciling growth with justice. 'Justice' may either be conceived of as 'economic' or 'social'. Economic injustice arises from inequalities in distribution of income or purchasing power and social injustice is related to inequalities arising out of social and cultural institutions (caste, class, religion, gender, etc.).

Thus, the first step towards identifying whether growth has been pro-poor is through an assessment of the efficacy of growth in ensuring both economic and social justice in terms of realisation of purchasing power and basic capabilities. After that it may be required to examine whether growth has increased the purchasing power and capabilities of the poor more than non-poor. Such an examination is all the more necessary as the criterion of pro-poorness is not just dependent on whether growth has been able to distribute purchasing power evenly among the people but on whether it has actually led to an asymmetric improvement in command over resources and in realisation of basic capabilities for the poor and the deserving. The efficacy and sustainability of pro-poor growth process is, however, clearly contingent upon whether an enabling environment exists for the realization of purchasing power and basic capabilities like the capability of being free from hunger, ill health and illiteracy for the poor and the disadvantaged[1].

The study observes that the initial conditions of poverty influenced the magnitude of poverty reduction. This accounts for why Bihar, Madhya Pradesh, Orissa still continues to be poorest and most deprived despite considerable efforts for the last few decades to eliminate poverty across these states. The figures of poverty for 1973-74, the first quinquennial round of National Sample Survey, indicate that these states were at the lowest category with the figure for both urban and rural poverty lying much above the national average. The recent official

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1. The requirement of enabling environment essentially brings to the fore issues, like, quality of delivery of public goods and services, appropriate institutions and mechanisms for empowerment of the poor and the disadvantaged, justiciability (through constitutionality and legalization) of the basic human rights and freedoms, free and hassle-free access to justice for the poor and the disadvantaged, justice-delivery system, well-defined property rights, rule of law and enforceability of contracts. Some of these critical issues have been take up by the Commission on Legal empowerment of the Poor launched in 2005 (for more details see- http://www.undp.org/legalempowerment/)

estimate, which has been brought out by the Planning Commission, for 2004-05 also shows that these states are still lying much above the national average poverty level. The situation is similar in terms of rural and urban poverty.

The study also tried to examine the disparity in pro-poorness of growth in the pre and post-reform period in India. It observes that, with the exception of Assam and Maharashtra, all the states that belong to category I and category II (see the categorization done in Chapter 2) have experienced a decline in terms of the anti-poverty effectiveness of growth in the post-reform period. However, Gujarat, a more prosperous state, which has performed well both in terms of income growth and poverty reduction throughout the pre-reform period has registered a decline in anti-poverty effectiveness in the post-reform period. On the whole, the economic reform process does not seem to have yielded much benefit for the chronically poor states, both in terms of per capita income growth and decline in poverty. Additionally, these states have also failed to register a substantial decline in terms of concentration of the 'very poor', which still continues to be the highest there. Furthermore, although there has been a decline in rural and urban poverty for a number of states in the post-reform period, there has been a general worsening of both rural and urban income inequality. Therefore, one cannot consider the economic reform process as pro-poor.

The study notes that persistence of discriminatory environment (on grounds of sex, class, caste, religion etc.) and economic disadvantage (on grounds of occupation, ownership of assets, etc.) has further induced growth in disparities in exercising command over resources and in realizing the basic capabilities like nutrition, health and education. The continued failure to realize the basic capabilities by the disadvantaged communities, in turn, made them increasingly incapable in transforming their endowment (human capital or raw labour) into actual increase in purchasing power. Gender inequality has been observed to be a crucial factor in impeding pro-poorness. A clear disparity has been observed in workforce participation rates between male and female, between the wage rates of a male and a female worker and in access to basic needs for women. Although, the recent figures of employment, pertaining to Employment Unemployment Survey for 61st round of NSSO, show improvement in position of women through an increase in regular employment and decrease in casualisation across both rural and urban areas, but questions still remain with regard to the existence of such positive trend at the disaggregate level. The gender-mainstreaming in the development intervention also has not yielded much fruits.

Employment growth, both in terms of quantity and quality, in sectors which are more labour-intensive is crucial for a pro-poor growth process. Although unemployment was not a serious problem in the initial years of planning, the lack of employment assumed serious proportion in the late 1960s and 1970s. Moreover, the benign growth period of 1980s had been jobless and the absorption of the increasing workforce in 1990s and in the first half of the millennium has primarily been confined to unorganized and informal sector and in the tertiary sector and exacerbated dualism and inequality in earnings. The current policy framework does not also appear to be conducive to growth and protection of workers in unorganized or informal sector, which provides employment to a vast pool of unskilled workers, seasonally or for shorter duration, and thus make the condition worse for them. In view of the increasing informalisation and casualisation of the labour force in the post-reform era, an initiative towards institutionalizing social security particularly in the unorganized and informal sector would be really crucial to ensure pro-poorness.

As for developments in the rural employment front, the movement towards an employment guarantee is highly laudable[2] but the problems with the governance and implementation of earlier employment programmes are still persisting. However, efforts are on through social audit and awareness generation in order to improve the efficacy of the programme.

Agricultural sector, which is still home to 67 percent of the Indian households, has almost stagnated in the last couple of years. As par the National Accounts Statistics, the share of public investment in agriculture has come down phenomenally from 14.44 percent in 1980-81 to about 6.17 percent in 2004-05. According to the Situation Assessment Survey of Farmers, 94% of the farmer households have holdings of less than 4 hectares, another (4.8%) between 4 to 10 hectares and a small portion (0.8%) in more than 10 hectares. However the government policy does not seem to have pro-actively addressed the plight of these 94 percent of the farming household either through enhancement of public investment in irrigation, water management, dry-land farming and research and technology or through policies exclusively targeting them.

The lack of well-defined property rights and effective land reform process have added further woes to the process of amelioration of these farming households and have also created impediments in their access to credit. Furthermore, as observed in a more recent study by the Asian Institute of Transport and Development (AITD)[3], one of the primary factors that has crippled the poor, particularly the rural poor, in terms of realization of their basic needs

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2. The policy is all the more laudable in view of the fact that that the government policy is yet to provide a substantial boost to the rural-non farm sector which has a huge potential in absorbing this growing labour force
3. AITD (2003).

and capabilities and affected their ability to enhance their purchasing power is 'mobility'. The dearth of all-weather roads has aggravated the process of the economic and social exclusion of the poor and the vulnerable. This is all the more reinforced in the study by the observed inverse relationship between proximity to the highway and the economic and social well-being of the poor.

The poverty alleviation programme complements the process of economic growth and enhances its pro-poor dimension[4]. Hence, the study also tried to explore the effectiveness in poverty reduction of the poverty alleviation programmes. From the evaluation of some major poverty alleviation and social development programmes, which have been covered in the study, it becomes clear that they mostly lacked a concrete basis or rationale, when they were initiated. The programmes appear to have been introduced like immediate antidotes or short-term 'safety-nets' to take care of the poor and the disadvantaged, who were excluded from the benefits of the economic growth process from time to time. However, deeper introspection about the existing non-egalitarian economic and social structure (in terms of endowment and ability to transform that endowment into productive outcomes), that had been persisting from the pre-independence era was clearly lacking. This accounts for why the outcomes of these interventions have failed to become pro-poor and inclusive. Furthermore, the geneses of many of the programmes were hardly based on concrete 'readiness assessment'.[5] A large number of the intended beneficiaries were unaware of their entitlements, a lot of deserving beneficiaries were simply not identified and in many cases the process of selection was quite arbitrary or ad-hoc. The selection processes were also conducted in a non-participatory manner.

Sometimes, a clear lack of willingness had been observed on the part of the state to augment resources for a programme, which truly addressed the concerns of the poor. Moreover, due to delay in disbursement of funds, a number of projects suffered and failed to deliver the intended outcomes and encouraged malpractices and corruption. All these factors affected the quality of outcomes in terms of improving the conditions of the poor in a productive manner. In addition to these problems, mostly related to governance and implementation, policies seemed to have been driven largely by the political prerogatives that arose from

4. The pro-poorness of the economic growth depends largely whether the benefits have trickled down to the poor and the deserving.

5 .Readiness assessment is an assessment of whether the time or location is befitting for a development intervention that is being planned (for details see Chapter 1 of Kusek and Rist, 2004).

time to time. There is also no well-defined mechanism of accountability for the state and its organs for failing to deliver on the promised benefits[6].

In the light of the aforesaid problems, it is clear that for the poverty reduction strategies to have the desired impact, the intended beneficiaries must be made adequately aware of their basic entitlements under the programmes. The generation of awareness about the entitlement is the foremost step towards empowering the poor to demand their rights to those entitlements. Next in line comes the issue of participation of the intended beneficiaries. Participation of the intended recipients of the benefits of poverty alleviation and social development programmes, right from the process of identification, through design and implementation, and in subsequent monitoring and evaluation, is extremely crucial for empowering the poor to derive the entitled benefits from a programme. Adequate participation of the intended beneficiaries would also make the primary provider i.e. the state[7] culpable for failing to deliver intended benefits.

Moreover, as the persisting inequalities in social and economic institutions are unlikely to distribute the fruits of economic growth evenly among citizens, the strategy for economic growth also needs to be progressively complemented from time to time with policy for non-discrimination and affirmative action, adequate protection of civil and political rights and policy improvement and investment in other areas of concern such as nutrition, health, education, housing, drinking water and sanitation and access to basic infrastructure for mobility, like, all-weather roads.

In other words, the development policy and associated instruments, in general, and poverty reduction strategy, in particular, has to essentially internalize

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6. It may, however, be difficult to bring the state and its organs to book for non-compliance, unless a reasonable correspondence is established between a policy undertaken by the state and its outcome. This is indeed a challenge in the Indian context, given the persistence of non-egalitarian structure and the non-amenable social, political and cultural institutions even six decades after independence. Thus, an unintended outcome may not necessarily be attributed always to problems of governance and implementation or on account of malfunctioning or negligence of state organs. It may well be the consequence of a non-conducive environment due to the rigid norms and institutions in place.
7. In the case of development, ‘the primary duty-bearer will have to be the state-authorities who are in the position to design appropriate development policies and implement them. There will be other duty-bearers who will have responsibilities with respect to different aspects of development – taxpayers must pay taxes, multi-nationals must follow the appropriate conduct and the international community must cooperate. But the state-party would have the responsibility to ensure that these other duty-bearers fulfill their obligations. When these duty-bearers are subject to their domestic legal and administrative forces, the national states could hold them accountable. When the duty-bearers are other sovereign states and institutions, the national states will have to persuade them to cooperate to carry out those duties. But in either case, the exact responsibilities with respect to the different aspects of the development policies will have to be assigned to these duty-bearers. The design of the development policies must incorporate such assignments of specific responsibilities to all the different agents and methods of monitoring and enforcing the accountabilities’ (Sengupta, 2004, p 201).

the moot principles of the international normative framework of human rights like non-discrimination, participation and accountability[8]. This requires the nation state to put in place suitable legislative and administrative codes and streamlined justice-delivery system to ensure guaranteed access to legal remedies in case of violation of rights of the poor and the disadvantaged. It also requires creation of mechanisms or institutions to ensure empowerment of the people. However, such enactment of legislation or bringing in legislative modification by the judiciary and designing of rights-sensitive policies and programmes by the state, albeit necessary, may not be considered as sufficient for the well-being of the poor if the resources (financial or otherwise) that are available are inadequate to implement the policies, programmes or legislation[9].

The study delineates that one of the main reasons for India's poor record in poverty reduction is inadequate resource allocation to poverty alleviation programmes and social development. The inherent tendency of announcing multiple programs and projects addressing an area of social concern or any identified target group, without proper financial planning and provision for adequate resources led to thin spread of constrained resources. The multiplicity of the programmes also led to overspending of resources on administering the programs at the cost of delivering the intended benefits to the poor. In addition, India's bureaucracy, responsible for governing the development policies and programmes, is crippled by non-transparency and corruption, leading to diversion of available resources, meant for the poor, to unintended beneficiaries.

Although, India's policy pronouncements provide for people's participation in development planning and administration, such participation has generally been ineffective. For instance, for rural poverty alleviation programmes, the gram sabha (or village council) is considered as an epicentre of participation. However, in some research studies and programme evaluation[10], it has been documented that, at many places, the gram sabha is never held at all and the minutes of the meeting are prepared arbitrarily without any participation of the poor and the vulnerable, for whom such meetings are meant.

Thus, for positive policy outcome, fundamental changes are required in development planning and administration so as to ensure actual implementation of

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8. For the principles of international normative human rights framework see OHCHR, 2004.
9. However, with economic growth in India hovering around 9 percent and is not anticipated to come down phenomenally in the near future, a strategy of progressive realisation of rights does not seem implausible. Such progressive realisation implies prioritizing the realization of the more fundamental or basic rights without compromising on the existing level of realization other non-prioritised rights and gradually move on to realization of the non-prioritised rights, as resource constraints get relaxed (say, with increase in economic growth).
10. For instance, Bandyopadhyay and Mukherjee, 2005.

what is guaranteed and promised in policy pronouncements. India would be able to enhance the pace of poverty reduction significantly if such changes are moulded in rights-based framework.

To have a 'right' means to have a claim to something of value on other people, institutions, the state or the international community, which in turn have the obligation of providing or helping to provide that something of value[11]. As Amartya Sen put it, 'Rights are *entitlements*[12] that require *correlated duties*. If a person A has a right to some X, then there has to be some agency, say B that has the duty to provide A with X'[13]. Right holders could be individuals, or groups behaving like individuals capable of ordering 'things' or 'objects' in terms of 'value', 'utility' or 'preference'. Duty bearers are agents, whose actions or behaviours can influence or fulfil the enjoyment of those rights. Establishing this relationship between a right-holder and one or more duty-bearers is important for all rights – moral, legal, contractual or any others, because rights imply accountability. The matching of rights with duties could be explained in terms of the Kantian concept of *perfect* and *imperfect obligations*[14]. Someone having a right does not mean anything unless agent-specific duties and ways of fulfilling the obligation of duty bearers can be identified. When such duties can be specified precisely for a particular agent responsible for the realization of a right it is subjected to *perfect obligations* and could be legally enforced if that right is recognized in law. However, the duty bearers would have imperfect obligations wherein claims are addressed to anyone who can help without specifying the action that would deliver the rights. Thus imperfect obligations are essentially moral obligations that duty bearers ought to fulfil by trying to help but that cannot always be legally enforced. A rights-based approach to development gives primacy to human rights[15] and basically involves progressive realization of basic

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11. CDHR (2004), p. 49.
12. Entitlement, as explained by Amartya Sen, is a very general concept. It implies the totality of things, which a person can have by virtue of his rights. The 'things' referred to here need not be commodities but anything that a person can conceivably wish to have like non-molestation in the streets, or the freedom to lecture on the immorality of the modern age or adequate means of livelihood and so on. (see Sen,1982 for details).
13. Sen (1999), p 228.
14. Stanford Encyclopedia of Philosophy, 'Kant's Moral philosophy',source: http://plato.stanford.edu/entries/kant-moral.
15. Recognizing a 'right' as a 'human right' essentially lifts the status of the right to one with universal applicability to all human beings and at all places and articulates a set of norms governing the action by states and non-state actors, of individuals and groups, on which that claim is made. Realising human dignity is the essential concern of human rights, which confers on the implementation of these rights a first-priority claim and also obliges the state and non-state actors including the international community to take all steps to implement those rights. The most important characteristics of human rights as recognized by the international law of human rights are that they are universal, inviolable, indivisible and interdependent (for details see Sengupta and Bandyopadhyay, 2007).

human rights[16], which are crucial for a dignified human existence. The approach has the novelty in giving equal importance to the nature of the process by which the outcomes are realized[17]. So, if the outcome, for instance, is economic growth then the rights-based approach requires that growth has to be realized in a manner so that it does not violate the standards which are recognized in the International Normative Framework of Human Rights. Such an approach, as advocated by the rights-based approach to development, would essentially make the economic growth more pro-poor and inclusive.

However, a clear analytical framework also has to be developed in Indian context in linking the analysis of rights and freedoms with the analysis of economic growth. In developing such a framework, a distinction could be made between the intrinsic and the instrumental role[18] of freedoms and rights in influencing economic growth. The intrinsic valuation underscores the relevance of rights to the characterization of growth and development and the evaluation of the benefits of different trajectories (that evolves from such characterization) for individuals, groups and populations. The instrumental valuation emphasizes the ways in which realisation of rights and freedoms can exert influence on the nature and scope of economic growth[19].

The instrumental valuation of human rights in determining the growth process is extremely crucial as the rights consistent approach may not be acceptable to the development practitioners if such realisation increases the probability of pulling down the rate of economic growth and eventually leads to a trade-off between achieving higher economic growth and realising human rights on account of resource constraint. This could be all the more so if globalization and competition actually constrains and influences the domestic policy and leads to a situation where a country is left with an all or nothing choice between higher growth or higher level of realisation of the basic human rights and freedoms. Under such circumstances, a nation may actually choose to violate human rights if such violation allows it to cut costs and move forward at the expense of others. The non-compliant nation may defend such policy on ground of sovereignty by

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16. For a discussion on some basic human rights see Shue, 1980.
17. The importance of the 'process' has been underscored by Prof. Amartya Sen (Sen,2004) and subsequently by UN Independent Expert on Human Rights and Extreme Poverty, Arjun Sengupta (Sengupta, 2004).
18. A human right has an intrinsic value which arises from its ethical and moral foundation and an instrumental value which is judged by the purpose it serves (for details see http://plato.stanford.edu/entries/value-intrinsic-extrinsic).
19. Mc Kay and Polly Vizard (2007).

projecting economic decline as a probable consequence in the case of compliance with the human rights norms.[20]

The developments in India in the first five years of the millennium, however, have been quite heartening. The Government has enacted legislations for guaranteeing employment and right to information; the Supreme Court has pro-actively intervened and ordered the state to ensure food security for the vulnerable and protect rights of children[21]. The recognition of "Right to Information" and the element of "guarantee" in employment through enactment of the Right to Information Act, 2004 and National Rural Employment Guarantee Act, 2005 could be considered as crucial steps in recognising the instrumental value of 'human rights' in guaranteeing benefits of development to the poor. It also implies acceptance of the correlative duties that such acts entail on the state as a primary provider of such benefits. Furthermore, of the six principal international human rights instruments, India has signed as well as ratified[22] five. Box 1 below indicates the Status of ratification of the Principal Human rights Instrument.

Box 1: India's Status of Ratification of the Principal International Human Rights Treaties

Convention	Signature	Ratification/ Accession	Entry into Force
ICESCR	- - -	10 April 1979 (a)	10 July 1979
ICCPR	- - -	10 April 1979 (a)	10 July 1979
CERD	2 March 1967	3 December 1968 (r)	4 January 1969
CEDAW	30 July 1980	9 July 1993 (r)	8 August 1993
CRC	- - -	11 December 1992 (a)	11 January 1993
CAT	14 October 1997	- - -	- - -

Source: Treaty Body Database of the Office of the UN High Commissioner for Human Rights

The Government of India has also moved one step forward in making primary education compulsory by inserting a new article 21 (A) in the section on

20. Some of the critical issues that may arise in realising economic growth and at the same time maintaining the human rights-standards had been raised in a presentation by Abhijit Sen at the Third Workshop on Right to Development, held in New Delhi (Sen, 2003).
21. Bandyopadhyay, 2003.
22. Ratification' defines an international act whereby a state indicates its consent to be bound to a treaty. 'Signature' merely expresses the willingness of the signatory state to continue the treaty-making process, though it does create an obligation to refrain, *in good faith*, from acts that would defeat the object and the purpose of the treaty.

Fundamental Rights in the Indian Constitution in 2002 under the 83rd Constitutional Amendment. The Article states - "The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine." This implies, in the first instance, that the State is now under a legal obligation to ensure free and compulsory education to all children aged six to fourteen years. This transformation of imperfect obligation of the State in terms of mere pronouncement or directive to a perfect obligation, through a constitutional amendment and inclusion as fundamental right, holds enormous significance in reconciling the development policy, in general, and human development policy, in particular, with the rights based approach in India[23].

Furthermore, the public pressure along with a pro-active adjudication process by a more open judiciary in the public interest litigation cases, which involved rescuing bonded labour from de-humanising conditions of work, ensuring availability of legal aid to destitute under-trial prisoners, protecting the rights of pavement dwellers to due processes while facing forced evictions, delineating the right to emergency, medical care for accident victims (as forming a core minimum of the right to health) and understanding the right of access to food supplies as bare minimum to preserve human dignity are examples of recognition of some basic human rights by the Indian state. Through the intervention by the Supreme Court, the judiciary has established the fulcrum of justiciability of the basic right to livelihood, which includes food, health, education, shelter, work etc. The justiciability has been established through a broadened interpretation of the fundamental 'right to life and liberty', as enshrined in Article-21 of the Indian Constitution.[24]

Notwithstanding the aforesaid positive developments, several primary interventions are still required to frame rights-sensitive policies and make them work in practice. Some of these are: sensitizing the planners and development administrators about human rights norms through proper education and training; continued 'administrative reforms' to ensure accountability and culpability; reforming the legal system to make justice more accessible to the poor and the disadvantaged; ensuring speedy trials; building practical guidelines for development professionals in making them understand the essence of right-based approach, in theory and in practice[25]. Research documentation should also be encouraged to improve the understanding of the realization of development goals

23. However, the enactment of legislations related to compulsory primary education has to be exercised with caution so that the primary objective of empowering the poor and the diasadvantage does not get frustrated. For a detailed analysis of the problems, that may arise, see Bandyopadhyay, 2007b.
24. Sengupta and Bandyopadhyay, 2007.
25. CDHR, 2005a.

as *entitlement* and ways of budgeting and implementing the inclusion of such rights-based pro-poor norms in development policies[26]. Such inclusion would also pave the way for a faster realisation of the foremost Millennium Development Goal (MDG) of halving poverty by 2015.

26. For a recent approach towards budgeting human rights norms in development policies in Indian context see Malajovich and Robinson, 2006. For an approach towards integrating macro-economic strategies with human rights see Balakrishnan, 2005.

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Annexure 1: Poverty and Economic Inequality for Rural and Urban Areas across the States from 1983-84 to 2004-05

State	Poverty Ratio (in percent)						Gini Index					
	1983-84		1993-94		2004-05		1983		1993-94		2004-05	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Andhra Pradesh	26.53	36.30	15.92	38.33	11.20	28.00	29.4	32.7	25.7	32.1	29.4	37.6
Assam	42.60	21.73	45.01	7.73	22.30	3.30	19.2	27.6	17.6	28.5	19.9	32.1
Bihar@	64.37	47.33	58.21	34.50	43.02	28.72	25.6	30.1	22.1	30.9	21.3	33.3
Gujarat	29.80	39.14	22.18	27.89	19.10	13.00	25.6	17.2	23.6	28.5	27.3	31.0
Haryana	20.56	24.15	28.02	16.38	13.60	15.10	27.2	31.3	30.0	28.0	34.0	36.5
Karnataka	36.33	42.82	29.88	40.14	20.80	32.60	30.3	33.4	26.9	34.0	26.5	36.8
Kerala	39.03	45.68	25.76	24.55	13.20	20.20	33.0	37.4	29.0	34.0	38.3	41.0
Madhya Pradesh@	48.90	53.06	40.64	48.38	37.97	41.91	29.5	30.6	27.8	32.6	27.7	39.7
Maharashtra	45.23	40.26	37.93	35.15	29.60	32.20	28.5	33.7	30.1	35.0	31.2	37.8
Orissa	67.53	49.15	49.72	41.64	46.80	44.30	26.7	29.6	24.3	30.4	28.5	35.4
Punjab	13.20	23.79	11.95	11.35	9.10	7.10	27.9	31.9	26.4	27.6	29.5	40.3
Rajasthan	33.50	37.94	26.46	30.49	18.70	32.90	34.3	30.4	26.0	29.0	25.1	37.2
Tamil Nadu	53.99	46.96	32.48	39.77	22.80	22.20	32.5	34.8	30.8	34.4	32.2	36.1
Uttar Pradesh@	46.45	49.82	42.28	35.39	33.75	30.93	29.0	31.9	27.8	32.4	29.0	36.9
West Bengal	63.05	32.32	40.80	22.41	28.60	14.80	28.6	32.7	25.0	33.5	27.4	38.3

Source: Planning Commission (2002) for Poverty Ratio of 1983 and 1993-94 and Planning Commission (2007) for Poverty Ratio of 2004-05, based on URP (Uniform Recall Period). Gini Index of 2004-05 is based on Report No. 508 on Consumption Expenditure containing grouped data for the 61st Round. Bihar, MP and UP refer to undivided states.

@ The Specific Poverty Ratio of Undivided Bihar, Madhya Pradesh and Uttar Pradesh has been computed separately by using rural and urban population weights.

Annexure 2: Linking Policies and Programmes through a Programme Matrix

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Community Development ↓		1952	Integrated development at the local level through co-operation of people and convergence of technical knowledge in various fields.	Rural community	Rural Extension	Combination of central and local contribution
Land Reforms ↓	Tenancy Reforms and Consolidation of Land Holdings	Launched in early 50s after independence	Abolition of intermediary tenures, tenancy reforms, ceiling on agricultural holdings and redistribution of surplus land, consolidation of agricultural holdings and updating and maintenance of land records	Rural poor and the tillers	Department of Land Resources, District Authorities, Village Panchayats	SRA & ULR and CLR are CSS. with 50: 50 sharing between the States and the Centre. In case of CLR UTs are provided 100 percent central assistance.
	Strengthening of Revenue Administration and Updating of Land Records (SRA & ULR)	1988-89				
	Computerisation of Land Records (CLR)	1988-89				
Agricultural Development ↓	Programmes for Small and Marginal Farmers	late 60s	Development of agriculture by preparing appropriate programmes, helping to ensure availability of inputs, services and credit. The emphasis in both the schemes was on self-employment through diversification of farm economy. In addition, there was a limited road works component of the schemes for marginal farmers and agricultural labour.	Poorest of the poor (small and marginal farmers and agricultural labourers)	SFDA (Small Farmers' Development Agency) and MFAL (Marginal Farmers and Agricultural Labourers Agency)	Sharing between the Centre and the States.
Area Development / Land Development/ ↓	DPAP (Drought Prone Area Programme),	1970-71	Mitigating adverse effects of drought on the production of crops and livestock and productivity of land water and human resources, restoration of ecological balance, improving the socio-economic conditions of the poor and disadvantaged by generating employment.	Poor and the disadvantaged section of the rural community	DRDA, Zilla Parishad, Project Implementing Agencies (PIA)	CSS with 50:50 sharing between the Centre and State.
	DDP (Desert Development Programme)	1977-78	Combating desertification and drought with the same objective as DPAP			CSS with centre's sharing varying from 75 to 100 percent.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Area Development/ land Development/	IWDP (Integrated Wasteland Development Programme),	1978	Developing non-forest wasteland on village micro-watershed basis, enhancing people's participation in wasteland development for equitable sharing of benefits and sustainability and generate employment			100 percent grant by the Centre
Direct and Targeted Income Generation and Asset building	**Self-employment**					
	Pivotal Programme			BPL families with special emphasis on rural youth, rural women, deprived rural artisans, small and marginal farmers	DRDAs, Zilla Parishad through PRIs	Combination of bank credit and government subsidy
	IRDP (Integrated Rural Development Programme)	1978-79	Self-employment and asset endowment			
	Subsidiary / Allied Programmes					
	TRYSEM (Training of Rural Youth for Self-Employment)	1979	Training programmes as a subsidiary of IRDP with focus on rural youth selected under IRDP			
	DWCRA (Development of Women and Children in Rural Areas	1982-83	Training programmes as a subsidiary of IRDP with focus on poor rural women			
	SITRA (Supply of Improved Toolkit for Rural Artisans)	1992	Training programme as a subsidiary of IRDP for modernisation and improvement of productivity and efficiency of poor rural artisans			
	GKY (Ganga Kalyan Yojana)	1996-97	Programme as a subsidiary of IRDP with focus on land-based activities particularly irrigation requirement of the small and marginal farmers			
			↓			
	SGSY (Sampoorna Grameen Swarojgar Yojana)	1998-99	Launched as a holistic self-employment programme of micro-enterprise development in place of IRDP and allied programmes	BPL families with special safeguards/ reservation for the weaker sections: SC/ST (50%), women (40%), disabled (3%)	DRDAs through PRIs	CSS with cost sharing between centre and states in the ratio of 75:25

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Direct and Targeted Income Generation and Asset Building	**Wage Employment**					
	RMP (Rural Manpower Programme)	1960-61 till 1968-69 (third plan)	The programme aimed at providing employment for 100 days to at least 2.5 million persons by the last year of the Third Plan especially in areas exposed to pronounced seasonal unemployment.	BPL families	DRDAs through PRIs	Fully funded by the Centre
	CSRE (Crash Scheme for Rural Employment)	1971	Provide employment to at least 1000 persons in each of 350 districts of the country every year through labour intensive works and creation of durable assets.	BPL families	DRDAs through PRIs	Fully funded by the Centre
			↓			
	NREP (National Rural Employment Programme)	1980	The Programme was having three fold objectives of generation of additional gainful employment, creation of durable community assets and raising of nutritional standards	BPL families	DRDAs through PRIs	Centrally Sponsored Scheme on 50:50 sharing basis between the Centre and the States
	RLEGP (Rural Landless Employment Guarantee Programme)	1983	Provide 100 days of employment to at least one member of each household in a year	Landless households	DRDAs through PRIs	Fully funded by the Centre
			↓			
	JRY (Jawahar Rozgar Yojana)	1989	The primary objective of the JRY was to generate additional gainful employment through creation of rural economic infrastructure, community and social assets and improve quality of life in the rural areas.	Unemployed and under-employed men and women	DRDAs through PRIs	CSS on 80:20 sharing between the Centre and State. In case of UTs, the entire resources under the scheme were provided by the Centre.
	Employment Assurance Scheme (EAS)	1993	The primary objective is to provide employment to all adult rural poor. Secondary objective is creation of durable and productive assets.	Adult rural poor in need of employment during lean agricultural season.	Zilla Parishads	CSS. Cost sharing between Centre and the States in the ratio of 75:25
	JGSY (Jawahar Gram Samriddhi Yojana)	1999	Restructured JRY with the primary objective of providing demand-driven community & village infrastructure and the secondary objective is creation of supplementary employment for the unemployed poor.	Unemployed villagers with preference to SCs/STs, families below poverty line and handicapped persons.	Village Panchayat	CSS. Cost sharing between Centre and the States in the ratio of 75:25

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Direct and Targeted Income Generation and Asset Building	Food For Work Programme (FFW)	early 2000-01	The Food for Work Programme was started as a part of the EAS in eight notified drought affected States Viz. Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan & Uttaranchal with the objective of augmenting food security through wage employment in drought	Both APL and BPL families	DRDA	Cost of the foodgrains supplied to the states is being borne by the Central Government. Wage and material cost are to be met from the EAS under which the programme was operating.
	SGRY (Sampoorna Grameen Rozgar Yojana)	late 2000-01	The objectives of the Programme are to provide wage employment in the rural areas along with ensuring food security, improving nutritional status and creating durable community, social and economic assets and infrastructure in the rural areas. A special component under SGRY provides foodgrains to calamity stricken states for undertaking relief activities.	BPL families with special emphasis on women, SCs, STs and parents of children withdrawn from hazardous occupations.	PRIs	Cost of the foodgrains supplied to the states is being borne by Central Government. Wage and material cost are to be shared in the ratio 75:25
	NFFW (National Food for Work Programme)	2004-05	To provide additional resources apart from the resources available under the Sampoorna Grameen Rozgar Yojana (SGRY) to 150 most backward districts of the country so that generation of supplementary wage employment and providing of food-security through creation of need based economic, social and community assets in these districts is further intensified.	All rural poor who are in need of wage employment and desire to do manual and unskilled work.	It is implemented at District level headed by the District Collector having overall responsibility of planning, implementation, coordination; monitoring and supervision The necessary assistance are provided to the Collector from the DRDA/ District Panchayat (DP) to whom funds and foodgrains are released.	100% CSS. Foodgrains will also be provided to the States free of cost. The transportation cost, handling charges, and taxes on foodgrains will, however, be the responsibility of the States.
	NREGA (National Rural Employment Guarantee Act)	2005	The Act guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act will come into force initially in 200 districts, and will be extended gradually to other areas notified by the Central Government. It will cover the whole country within five years.	All rural poor who are in need of wage employment and desire to do manual and unskilled work.	Broadly, the main implementation activities are at the village and Block levels, while coordination activities are mainly at the Block and District levels. Planning, supervision and monitoring take place at all levels (village, block, district and state). At each level, the concerned authorities are accountable to the community.	100% CSS. Foodgrains will also be provided to the States free of cost. The transportation cost, handling charges, and taxes on foodgrains will, however, be the responsibility of the States.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Direct and Targeted Income Generation and Asset Building	Swarna Jayanti Shahari Rozgar Yojana (SJSRY)	1997	The objectives are: Generating gainful employment to urban poor, unemployed and underemployed. Setting up self employment ventures and provision of wage-employment. Community empowerment through creation of suitable community structures. Capability building of women's group for small enterprises and women's thrift-cum-credit societies. All these objectives are lumped under two main schemes of SJSRY: Urban Self Employment Programme (USEP), and Urban Wage Employment Programme (UWEP).	Urban poor and Jobless with special preference to urban poor women, physically disabled, and persons belonging to the SC and ST.		The funding pattern is based on 75:25 ratio between Government of India and the State Governments.
Basic Need Based and Service Oriented Approach towards Human and Social Development	**Drinking water**					
	Rajiv Gandhi National Drinking Water Mission (RGNDWM)	1991	Primary objective is to accelerate rural water supply programme (under ARWSP) of states/UTs and creating awareness on the use of safe drinking water (free from chemical and bacteriological contamination) among the villagers.	Rural population, not covered or partially covered by water supply programme and quality affected (excess fluoride, arsenic and other pollutants) rural habitations.	Public Health Engineering Departments, Water Supply and Sewerage Body (Gujarat), Water Authority (Kerala), Jal Nigam (U.P)	CSS. Cost sharing between Centre and States in the ratio of 50:50
	Swajaldhara	2001-02	Adoption of demand responsive, adaptable approach along with community participation based on empowerment of villages to ensure their full participation through a decision making role in the choice of the drinking water scheme, planning, design, implementation, control of finances and management arrangements.		District Water & Sanitation Committee (DWSC) through Gram Panchayats	The community has to share partial capital cost either in cash or kind or both (10 percent) with 100% responsibility of operation and maintenance (O&M).

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Basic Need Based and Service Oriented Approach towards Human and Social Development	**Housing**					
	Indira Awas Yojana (IAY)	1995	Primary objective is construction of dwelling units and upgradation of kutcha houses of rural poor below poverty line. Sanitary latrine and smokeless chullah are an integral part of the scheme.	People below poverty line; subsequently extended to widows, next of kin of defence personnel killed in action, ex-servicemen and retired members of paramilitary forces.	DRDAs/Zilla Parishads.	CSS. Cost sharing between Centre and the States in the ratio of 75:25
	Credit-Cum-Subsidy Scheme (CCSS)	1999	Primary objective is construction of houses for all rural households who have some repayment capacity. Sanitary latrine and smokeless chullah are an integral part of the scheme.	Rural households having an annual income of Rs. 32000 only with preference to those below poverty line. Subsidy per household: Rs. 10,000/- (plains), Rs. 11,000/- (hills), loan: Rs. 40,000/- per household.	State Housing Board, State Housing Corp., select Commercial Banks, Housing Finance Institution, DRDAs/Zilla Parishads	CSS. Cost sharing between Centre and the States in the ratio of 75:25
	Innovative Stream for Rural Housing and Habitat Development (ISRHHD)	1999	Primary objective is promotion of innovative and proven housing technologies, designs and materials in the rural areas	A rural person desirous of adopting technologies, materials, methods, designs etc. for cost-effective rural housing.	Government/non-government agencies with experience in technology promotion/ propagation of cost effective, environment friendly housing.	Agencies may apply for funding to Ministry of Rural Development through their state governments for assistance/grant.
	Samagra Awas Yojana (SAY)	1999-2000	Primary objective is to improve the quality of life of people as well as overall habitat in the rural areas with people's participation; scheme ensures integrated provision of shelter, sanitation and drinking water.	Rural poor preferably those below the poverty line	Public Health Departments, Zilla Parishads/DRDs are the main implementing agencies.	Existing scheme of housing sanitation, drinking water will follow normal funding pattern. Special assistance of Rs. 25 lakh to be provided by Central Government for habitat development.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Basic Need Based and Service Oriented Approach towards Human and Social Development	Valmiki Ambedkar Malin Basti Awas Yojana (VAMBAY)	2001	Primary objective is to facilitate the construction and up-gradation of dwelling units for the slum dwellers, and provide a healthy and enabling urban environment through community toilets under Nirmal Bharat Abhiyan, a component of the Scheme.	Urban slum dwellers below poverty line (with preference to women-headed households)	Housing and Urban Development Corporation (HUDCO) is the main implementing agency	Subsidy/grant (50 % of project cost) for the state to the HUDCO and the balance is provided by the state
	Sanitation					
	Central Rural Sanitation Programme (CRSP)	1986	Primary objective is to improve the quality of life of rural people and to provide privacy and dignity to women	Rural population below the poverty line	State Government Departments/ Boards	It is a CSS with equal contribution by the Centre and the State.
			↓			
	Total Sanitation campaign (TSC)	1999	It is a community-led and people-oriented programme aimed at improving the quality of life in rural areas through accelerated rural sanitation coverage. The primary emphasis of the programme is on awareness creation and demand generation.	Rural poor (BPL) as well as APL community	PRIs	Cost sharing among centre states and beneficiaries
	Roads					
	Prime Minister Gram Sadak Yojana (PMGSY)	2000	The primary objective of the PMGSY is to provide connectivity, by way of an all-weather road (with necessary culverts and cross-drainage structures, which is operable throughout the year), to the eligible unconnected habitations in the rural areas. The secondary objective is to promote access to economic and social services and thereby generating increased agricultural incomes and productive employment opportunities in India.	Unconnected rural habitations	State Executing Agency/ Agencies like Public Works Department / Rural Engineering Service / Organisation / Rural Works Department / Zilla Parishad / Panchayati Raj Engineering Department etc. The Executing Agency will have a Programme Implementation Unit (PIU) in the District, or a compact group of Districts, with an officer of the rank of at least Executive Engineer as its head.	100% CSS. 50% of the Cess on High Speed Diesel (HSD) is earmarked for this Programme.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Basic Need Based and Service Oriented Approach towards Human and Social Development	**Social Assistance/Security**					
	National Social Assistance Programme (NSAP)	1995	Primary objective is to extend financial assistance to old persons having no regular means of subsistence, households living below the poverty line in case of death of primary breadwinner and to pregnant women of households below the poverty line upto the first two live births.	Assistance is available to the destitutes, the poorest of the poor and families below the poverty line.	It is implemented by the district level authorities headed by DC/Magistrate with the assistance of Panchayats and Municipalities.	It is a CSS with 100% central assistance from the Central Government.
	National Minimum Social Security Scheme	2006 (proposed)	Proposed by the National Commission for Enterprises in the Unorganised Sector (NCEUS) and consists of the following: (i) Health Benefits to cover hospitalization, sickness allowance, and maternity benefit. (ii) Life insurance to cover natural and accidental death. (iii) Provident Fund cum Unemployment Benefit for APL workers and pension of Rs. 200 per month for old aged (60+) BPL workers.	All informal workers, who can not pay for their social security, will be eligible for this scheme. These include marginal and small farmers and all non-agricultural informal workers whose monthly income is less than Rs.6500 per month.	The National Social Security Board (NSSB) will formulate and implement the scheme at the Central level, while State Social Security Boards (SSSBs) will do the same at the State and District level. Worker Facilitation Centres (WFCs) which may be NGOs, trade unions, or PRIs will facilitate the scheme including the registration of workers. The actual registration of the workers as well as issue of identity cards will be the responsibility of a District Committee which would liaise between the State Board and the WFCs.	The scheme will be contributory in nature. Workers, employers and government will pay Rs.1 each towards the scheme (Rs. 3 per day in all). Since only 17 per cent informal workers (in non-agriculture) have identifiable employers, their contribution may be paid by government and recouped through tax/cess. BPL workers will be exempt from their contributions which shall be paid by Central government on their behalf. The remaining government contribution shall be shared by the Central and State governments in the ratio 75:25.

Annexure 3: Programmes Exclusively Addressing the Poverty Alleviation Empowerment and Welfare of SCs, STs, OBCs, Minorities, Women and Children

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Living of the Scheduled Castes and Scheduled Tribes	Special Central Assistance	1979-80	A programme of the Ministry of Social Justice and Empowerment for the alleviation of poverty among scheduled castes people to provide an added thrust to the development programmes meant for scheduled castes people with reference to their occupational pattern and the need for increasing the productivity of and income from their limited assets through family oriented schemes .	SCs in various State and UTs	Various sectors and agencies (including state level Scheduled castes Development Corporation) which are involved in the implementation of economic development programmes for scheduled castes.	Cent-percent grant to States and Union Territories as an additive to their special component plans
	Coaching and Allied Schemes	Fourth Five Year plan	Imparting training to scheduled castes/scheduled tribes in respect of various competitive examinations held by recruiting bodies such as Union Public Service Commission, State Public Service Commissions, public-sector undertakings, banking service recruitment boards and similar agencies.	SCs/STs in various State and UTs. OBCs were also included from 1998-99 onwards	Pre-Examination Training Centres (PETCs) which are run either by the State/UT governments or universities or private institutes	Grant is given to the Pre-Examination Training Centres (PETCs) which are run either by the State/UT governments or universities or private institutes. Financial assistance is provided to State governments on a matching basis 50:50 over and above their committed liabilities. The UT administrations, universities and private institutes are given cent-percent grants.
	Book Bank Scheme	Fourth Five Year plan	Intends to provide text-books required for the students pursuing medical and engineering degree courses. From 1991-92 agricultural, veterinary and polytechnic courses have also been included under the scheme. A group of two students are provided one set of text-books.	SCs and STs in various States/UTs	State Education Departments	Funding provided by the state governments

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Living of the Scheduled Castes and Scheduled Tribes	Pre-matric Scholarships	1977-78	Meant to promote education and wean the children of those engaged in the so called unclean occupation away from the clutches of their traditional occupations. There had been a number of modifications in the scheme in 1991 and 1994 regarding the amount of scholarships, income ceiling and restrictions on eligibility. However, a significant change has been effected in 1998 by including the persons with disabilities under the ambit of the programme	Those who are engaged in the so-called unclean occupations, viz., scavenging of dry latrines, tanning, flaying and sweeping with traditional links with scavenging.	State Education Departments	Centrally Assisted Scheme
	Post-matric Scholarships	1994-95	Providing financial assistance to students studying at post-matriculation stages in different schools and colleges so as to enable them to complete their education.	for SCs/STs	State Education Departments	Centrally Assisted Scheme
	Liberation and Rehabilitation of Scavengers	1991-92	A national scheme of liberation and rehabilitation of scavengers and their dependents has been formulated with the following components; (i) time-bound survey for identification of scavengers and their dependents with their Welfare aptitudes for alternative, trades, etc., (ii) training as per TRYSEM norms in identified trades at the nearest local training institutions/centres of the State governments/Central government and semi-government and non-government organisation,	Scavengers	A Scheme of the Ministry of Urban Employment and Poverty Alleviation and implemented by SCDCs or state government where SCDCs are not present	The scheme provides for funding projects costing up to Rs 50,000 per beneficiary with 50 per cent of the project cost as subsidy with a maximum of Rs 10,000, 15 per cent Margin Money Loan at four per cent rate of interest and balance loan from bank. The expenditure on subsidy and training is met by the Central government and Margin Money Loan is shared between the central and state governments in the ratio of 49:51.
	Tribal Sub-Plan(TSP)	Fifth Five Year Plan	Have twin objectives: (i) protection of interests of tribals through legal and administrative support; and (ii) promotion of developmentefforts through plan schemes to raise their level of living.	STs	State Governments and UTs	Funded by the State Governments.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Living of the Scheduled Castes and Scheduled Tribes	Special Central Assistance and Grants under Article 275 (1) of the Indian Constitution	Sixth Five Year Plan	Provided as an additive to Tribal Sub-Plan to undertake a number of developmental schemes. The focus is on family-oriented income-generating schemes, creation of critical infrastructure, extending financial assistance to SHGs for community-based activities, development of Primitive Tribal Groups (PTGs) and forest villages. Grant-in-aid under Article 275(1) is being provided to the States with an objective to promote the welfare of the STs and improve administration in the States to bring them at par with the rest of the States, and to take up such special welfare and development programmes which are otherwise not included in the Plan programmes.	STs	State Governments and UTs	(100 per cent grant by the Ministry of Tribal Affairs extended to States)
	Scheme for Primitive Tribal Groups(PTGs)	1998-99	A Central Sector Scheme has been introduced for all round development of PTGs from 1998-99 under which financial assistance is made available to Integrated Tribal Development Projects, Tribal research institutes and non-governmental organisations for undertaking projects/ activities not covered by any of the existing schemes.	Tribal communities with low level of literacy, declining or stagnant population, and pre-agricultural level of technology and economically backward	State Governments through Integrated Tribal development Projects (ITDPs)/ Integrated Tribal Development Agencies (ITDAs), Tribal Research Institutes (TRIs) and Non Governmental Organizations having capability and willingness.	Central Sector Scheme, with 100% financial assistance. The optimum period for grant-in-aid to the implementing agencies will be for a period of 3 years.
	Boys Hostel Scheme and Girls Hostel Scheme	1989-90 and 1998-99	The main objective is to provide residential facilities to tribal boys/girls in pursuit of education.	ST boys and girls	State governments and UTs	Central assistance of 50 per cent of the cost of construction to the States and cent percent to the UTs.
	Tribal Cooperative Marketing Development Federation of India	1988	Providing marketing assistance and remunerative prices to ST communitiesfor their minor forest produce and surplus / agricultural produce and to wean them away from exploitative private traders and middlemen.	STs	States/UTs Administration	Share capital assistance with the central contribution not normally exceeding the State contribution of the total paid up share capital amount.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Living of the Scheduled Castes and Scheduled Tribes	Ashram Schools in TSP Area	1990-91	Ashram schools (residential schools) under this scheme are constructed for primary, middle, secondary and senior secondary stages of education. The scheme will also cover up-gradation of existing Ashram Schools.	Priority to scheduled tribe girls and children of primitive tribal group, migrant scheduled tribes, labour and nomadic tribes.	TSP States/ UT Administrations	Matching financial assistance i.e. on 50:50 basis provided to the state governments for the construction of ashram schools, i.e. school building, hostel and staff quarters and financial assistance on 50:50 basis will be given for other non-recurring items of expenditure i.e. purchase of equipment, furniture and furnishing, purchase of few sets of books for a small library for use of inmates of the hostels etc.
	Vocational Training in Tribal Areas	1992-93	Developing the skills of tribal youth in order to gain employment/self-employment opportunities. The scheme envisages setting up of Vocational Training Centres (VTCs).	Tribal Youths	States/UTs/NGOs	100% central assistance
	Education for ST Girls in Low Literacy Pockets	1993-94	Raising the literacy level of tribal females in 48 identified tribal districts in eight States with female literacy below two per cent. The scheme envisages residential educational complex up to fifth standard.	Tribal Women	Eligible State Government Institutions or NGOs	100% Central Assistance
	Village Grain Banks	1996-97	Launched as part of the Government's efforts to prevent deaths of children in remote and backward tribal areas, due to fall in nutritional standards.	family of tribals or SCs living below poverty-line	Village Committee elected by the beneficiaries themselves	A one-time grant towards purchase of grains, at the rate of one quintal per family of tribals or SCs, storage facilities for the grain and purchase of weights and scales is provided by the Ministry of Social Justice and Empowerment through TRIFED, the channelising agency.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Living of the Scheduled Castes and Scheduled Tribes	Grant-in-Aid for Minor Forest Produce Operations	1992-93	Multipronged objectives: (i) strengthening the share capital base of STDCCs for increasing the volume of procurement of MFPs; (ii) construction of scientific warehouses; (iii) establishing process industries for value addition to MFP items; and (iv) research and development activities.	Tribals engaged in minor forest produce operations	State Tribal Development Cooperative Corporations (STDCCs), Forest-Development Corporations (FDCs), and Minor Forest product (Trading and Development) Federations (MFPTDFs)	Central Sector Scheme with cent percent grant available to the State Tribal Development Cooperative Corporations (STDCCs), Forest-Development Corporations (FDCs), and Minor Forest product (Trading and Development) Federations (MFPTDFs).
	Aid to Voluntary Organisations Working for STs	1998	Provided to voluntary organisations working for the welfare of the Scheduled Tribes for projects like residential schools, hostels, medical units, computer training units, shorthand and typing training units, balwadis/crèches (in areas not covered by ICDS programmes), libraries and audio-visual units.	STs	Eligible Voluntary Organisations	The grant is generally restricted to 90 per cent of the approved total cost of the project and the balance 10 per cent is borne by the grantee organisations.
Welfare and Upliftment of the Standard of Backward Classes	The National Backward Classes Finance and Development Corporation (NBCFDC)	1992	A company , not for profit, was set up by the Government of India under Ministry of Welfare (now Ministry of Social Justice and Empowerment), under Section 25 of the Companies Act, with the objective of providing concessional finance for the socio-economic development by extending loans for income generating schemes.	Members of Backward Classes living below the poverty line and those living above the poverty line but below double the poverty line are eligible for loans by the NBCFDC.	State Channelising Agencies (SCAs)	Authorised share capital is Rs. 700 crore and paid up share capital is Rs. 425.35 crore (as on 30.8. 2005).
	Pre-matric Scholarships for OBCs	1998-99	The scholarships are given to the students in class 1 or any subsequent class of pre-matric stage to day scholars; and class II or any subsequent class of pre-matric stage to hostlers.	OBC students whose parents'/guardians' income does not exceed Rs 44,500 per annum	State Education Departments	50 percent central assistance
	Post-Matric Scholarships	1998-99	The scheme provides financial assistance to the OBC students at post-matriculation/post-secondary stage to enable them to complete their education.	Indian nationals belonging to OBCs studying in recognised institutions. Students whose parents'/ guardians' income does not exceed Rs. 44,500 per annum	State Education Departments	100 percent Central assistance

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Standard of Backward Classes	Hostels for OBC Boys and Girls	1998-99	The main objective is to provide residential facilities in pursuit of education. The hostels are constructed for middle, secondary, college and university level students. At least, one third of the hostels set up are meant exclusively for girls.	OBC boys/ girls with 5 percent seat reservation for disabled students and excludes students belonging to creamy layer (section of OBC with income above a stipulated limit)	State Education Departments	Central assistance for construction will be 50 per cent and the remaining cost is borne by the concernedstate government. Hundred per cent central assistance is being given to the Central Government institutions and UTs setting up such hostels. The expenditure on procurement of land, staffing, and other maintenance is borne by the State Government/UT concerned.
	Assistance to Voluntary Organisations for OBC Welfare	1998-99	Involves the voluntary sector to improve educational and socio-economic conditions of the OBCs to get them gainfully employed. Assistance is given to establish centres and develop services which equip the OBCs to start income generating activities.	OBCs as per notified list in the Central List of OBCs; with parents'/ guardians' income not exceeding Rs 1.00 lakh annually.	Eligible Voluntary Organisations	The quantum of assistance is determined in each case on merit. The Government of India may, however, meet 90% of the approved expenditure on any or all of the approved items. The remaining expenditure is to be met by the concerned voluntary organization from its own resources.
Welfare and Upliftment of the Minorities	National Minorities Development and Finance Corporation (NMDFC)	1994	Facilitate in economic and developmental activities for the benefit of backward sections among the minorities; preference being given to occupational groups and women among minorities.	Backward section of the minorities (which includes five communities namely, Muslims, Sikhs, Christians, Buddhists and Zoroastrians as Minorities at the national level).	State Channelising Agencies (SCAs) nominated by the State Governments and the Non Government Organisation (NGOs).	The authorised share capital of NMDFC is Rs.500 crore. The paid up share capital (till 31.03.2003) was Rs.318.21 crore, of which Rs.258.42 crore has been contributed by the Government of India and Rs. 59.79 crore by various state governments as well as UT administrations.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Minorities	15 Point Programme for Welfare of Minorities	1983	The Programme is in the nature of guidelines to the States/UTs and aims at giving a sense of security and ensuring rapid socio-economic development of minority communities. It is based on a three pronged approach, namely, (i) to tackle the situation arising out of communal riots, (ii) ensuring adequate representation of the minority communities in employment under the Central and State Governments as well as Public Sector Undertakings and (iii) other measures, such as, ensuring flow of benefits to the minority communities under various development programmes, maintenance and development of religious places, Wakf properties and redressal of grievances of the Minorities.	Minorities	Ministry of Social Justice and Empowerment at the national level and the concerned ministries at the state or UT level.	
	Maulana Azad Educational Foundation(MEF)	1989	Maulana Azad Education Foundation has been set up as a society with the objective of promoting education amongst the educationally backward sections of the society, minorities, in particular, and others, in general. The Foundation is providing financial assistance to NGOs for various educational activities.	Educationally backward Minorities	NGOs	The Government (Ministry of Social Justice and empowerment) is giving grants-in-aid to the Foundation for building up a 'Corpus Fund' for financing its different activities.
	Development of Urban WAKF Properties	1995	Wakfs are permanent dedication of movable or immovable properties for purposes recognised by the Muslim Law as religious, pious or charitable. The objective of this programme is to develop Wakf property, save it from encroachment, beautify the city and increase the welfare activities through a soft loan from the Central Wakf Council upto 75% of the estimated cost of the project which is released in instalments. There is no upper limit for the cost of the project	Only the Wakf institutions and Wakf Boards having urban Wakf land free from all encumbrances and having potential for development,	Wakf institutions and Wakf Boards	The scheme is funded by the Central Government by giving an annual grant-in-aid to the Central Wakf Council, a statutory body established by the Government of India under the Wakf Act, 1995.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Minorities	Coaching and Allied Assistance for Weaker Sections Including Scheduled Castes, Other Backward Classes and Minorities.	2001	The amended version of the Coaching and Allied Schemes for SCs and STs aims at assisting students belonging to weaker sections, SCs, OBCs and Minorities by way of special coaching for: admission in to institutions imparting technical, vocational courses such as in engineering, medical, agricultural, management, information technology and service related courses, both in public and private sectors; recruitment to services under Groups 'A' and 'B' under the Central and State Governments, Public Sector Undertakings, Banks as well as in Private sector.	Students of weaker sections Including SCs, STs, Other Backward Classes and Minorities.	Eligible institutions of repute, both public and private, which are running coaching courses.	The selected institution will be paid based on the course and number of students per course as sanctioned on contractual basis. Assistance to NGOs, Universities and institutions running coaching programs will be borne on 90:10 basis, with the Centre bearing 90% of the expenditure and concerned State/UT bearing the remaining 10%. Institutions run by State Governments will be paid Central assistance on 50:50 basis and 100% assistance will be provided to UTs.
	Employment of the Handicapped		The basic objective of the scheme is to help the disabled persons in getting gainful employment either through special cells in normal employment exchanges or special employment exchanges located throughout the country.	Disabled people	State Governments/UT administrations.	The extent of financial assistance is hundred per cent in the case of special cells and 80 per cent in the case of special employment exchanges.
Welfare and Upliftment of the Diasabled	Grant-in-Aid Schemes	1988	Schemes / programmes for the rehabilitation of the disabled and includes the following schemes: (1) Scheme of assistance to voluntary organisations for the disabled, (2) Assistance to disabled persons for purchase/fitting of aids/appliances, (3) assistance to voluntary organizations for the rehabilitation of leprosy-cured persons, (4) Assistance to organizations for persons with cerebral palsy and mental retardation, (5) establishment and development of special schools, (6) science and technology development projects in mission mode.	Physically, psychologically, socially and economically disabled.	Government Agencies and voluntary NGOs	Central assistance upto 90 to 100 percent of the project cost depending on the nature of the project and distribution of aids and alliances to eligible disabled persons (determined on the basis of income ceiling) free of cost.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare and Upliftment of the Aged	Central Assistance Scheme(CAS)	1992	Under the scheme, financial assistance is provided to voluntary organisations for establishing and maintaining of day-care centres, old-age homes, and mobile medicare units as well as for supporting and strengthening non-institutional services for the aged.	Aged population	Eligible voluntary organisations	Up to 90 per cent of the cost of the project will be provided by the Centre and the remaining shall be borne by the institution/ organisation concerned. However, in the case of schools, colleges, and recognised youth organisations undertaking programmes and services for older persons, hundred per cent cost of the project shall be provided by the government. If an activity is taken up by Union Territory administration, 100 per cent of the cost shall be borne by the Government of India. Similarly, if the Ministry of Social Justice and Empowerment itself executes any part of the programme full cost shall be payable from budgetary allocations made for the programme.
	Scheme of Assistance to PRIs/Voluntary Organisations	1996-97	The scheme aims at providing at least one old-age home per district for at least 25 persons over 60 years of age, preferably destitute (with 25 per cent of the capacity being reserved for scheduled castes/ scheduled tribes), in districts where no Government-aided old-age home exists.	Aged persons over 60 years preferably destitute	PRIs or voluntary organisations	A one time construction grant from the Centre limited to Rs five lakh.
Welfare of Children	Integrated Child Development Services	1975-76	Provides an integrated package ofservices comprising supplementary nutrition, immunization, health checkup, referral services, pre-school non-formal education and health andnutrition education for mothers.	The target groups are children of the age group 0-6 years and expectant and nursing mothers	Anganwadi centre is a focal point of delivery services under ICDS scheme. The Child Development Project Officer (CDPO) is in charge of an ICDS Project who provides the link between ICDS functionaries and the Government administration.	ICDS is a CSS. While the Central Government bears the full cost of meeting the operational requirements, the States provide funds for meeting the cost of supplementary nutrition.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Welfare of Children	Scheme for Universal Access and Quality at Secondary Stage	2007-08	To meet the increased demand for access to secondary education	Students pursuing Secondary Education	Department of School Education and Literacy, (Secondary Education)	CSS
	Scheme for Incentive to Girl Child for Secondary Education	2007-08	To provide Incentive for secondary education	Girls pursuing Secondary Education	Department of School Education and Literacy, (Secondary Education)	CSS
	Integrated Child Protection Scheme	2007-08	To build a protective environment with Government-Civil Society Partnership	Children	Ministry of Women and Child Development	CSS
	Conditional Cash Transfer Scheme for the Girl Child with Insurance Cover	2007-08	Cash Transfer to mother of girl child for - Girl's Birth; Birth Registration; Immunization; School Enrolment and Retention; Delaying age of marriage beyond 18 years.	Children	Ministry of Women and Child Development	CSS
Empowerment of Women	The Programme of Support to Training-cum-Employment for Women (STEP)	1987	Strengthening and Improving the skills for employmentopportunities for women below poverty-line, in traditional sectors ofagriculture, small animal husbandry, handlooms, handicrafts, cottage andvillage industries and sericulture where women are employed on a largescale.	Marginalised and assetless women, female headed households and women of other dispossessed groups.	Department of Women and Child Development	Central assistance
	Training-cum-Employment-cum-Production Centres	1983	Extending financial assistance to public sector undertakings/corporations/ autonomous bodies/voluntary organisation to train women in non-traditional trades and provide employment on a sustainable basis. Priority is given on training in areas like electronics, electrical, watch assembly and manufacturing, computer programming, printing and binding, handlooms, garment making, weaving and spinning, hotel management, fashion technology and tourism.	Women in general	Department of Women and Child Development	Central assistance
	Condensed Courses of Education and Vocational Training (CCE&VT)	1958	This scheme aims to provide new vistas of employment through continuing education and vocational training	Women and girls who are school drop-outs.	Central Social Welfare Board (CSWB)	Central assistance

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Empowerment of Women	Socio-economic Programme(SEP)		Under this programme, the Central Social Welfare Board gives financial assistance to voluntary organisations for undertaking a wide variety of income-generating activities which include the production of central components in ancillaries units, handlooms, handicrafts, agro-based activities such as animal husbandry, sericulture and fisheries and self-employment ventures like vegetables or fish-vending.	Needy women such as destitutes, widows, economically backward and the handicapped.	Central Social Welfare Board (CSWB)	Grants, to the extent of 85 per cent of the project cost and the remaining 15 per cent is to be met by the grantee institutions.
	Rural Women's Development and Empowerment Project (also being called "SWA-SHAKTI Project")	1998	The objectives of the project are (i) Establishment of self-reliant women's self help-groups (SHGs) between 7,400 and 12,000 having 15-20 members each, which will improve the quality of their lives, through greater access to, and control over, resources; (ii) Sensitizing and strengthening the institutional capacity of support agencies to proactively address women's needs; (iii) Developing linkages between SHGs and leading institutions to ensure women's continued access to credit facilities for income generation activities; (iv) Enhancing women's access to resources for better quality of life, including those for drudgery reduction and time-saving devices; and (v) Increased control of women, particularly poor women, over income and spending, through their involvement in income generating activities	Rural poor women	Women's Development Corporation of the concerned States of. At the Central level, the project is handled by the Department of Women and Child Development, assisted by the Central Project Support Unit (CPSU).	Centrally Sponsored project
	Indira Mahila Yojana (IMY)	1995	The primary objective is to empower women from rural areas and urban slums, both socially and economically, by ensuring their direct access to resource through a sustained process of Awareness generation, mobilisation and convergence of all the on-going sectoral programmes.	Women at the grass-root level	Department of Women and child development and the concerned ministries in the states or UTs	Centrally Sponsored Scheme

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Empowerment of Women	Balika Samriddhi Yojana (BSY)	1997	Raising the overall status of the girl child and bringing about a positive change in family and community attitudes towards her. The scheme covers up to two girl children born on or after 15th April 1997 in a family living below the poverty line as defined by the Government of India in any rural or urban area.	Girl children	Department of Women and child development and the concerned ministries in the states or UTs through district level implementing agencies by using the ICDS Infrastructure	Post-delivery grant of Rs 500 per girl child (up to two girls in a family living below the poverty line).In the same account will be deposited annual scholarships ranging from Rs 300 for class I to Rs 1,000 for class X when the girl starts going to school. The matured value of the deposits (along with interest) will be repayable to the girl on her attaining the age of 18 years and having remained unmarried till then.
	Integrated Women's Empowerment Programme (IWEP) or Swayamsiddha	2001	Empowering the Indian women both socially and economically to enable them live with dignity and self-reliance. The programme lays stress on enabling women to have a full understanding of social, economic and political issues. It will not only educate women on their status, rights and privileges but also generate awareness about women's health, nutrition, education, sanitation and hygiene. The scheme also emphasises on access to micro-credit and envisages block and panchayat-level participation among women by forming self-help groups, cutting across all regional, economic and social groups.	destitute women, particularly those in extreme poverty, disadvantaged women, disabled widows, elderly women, single women in difficult circumstances and women in conflict situations	State Governments through nodal departments which will in turn identify block-level implementing agencies called Project Implementation Agencies (PIAs)	The BAIF Development Research Foundation, in partnership with IDRC and nine Indian non-governmental organizations, and with the financial support of the Canadian International Development Agency, has been exploring women's empowerment processes through a five-year, multi-institution, multi-state initiative, the Swayamsiddha project.

Broad Policy Objective	Major Programmes	Period/Year When Launched	Programme Objective	Target Group	Implementing Agency/Agencies	Funding Pattern
Empowerment of Women	National Credit Fund for Women (Rashtriya Mahila Kosh)	1993	By providing access to credit, it aims to raise the capacity of women by enhancing through productivity and economic self-reliance. Major objective is to meet the credit needs of poor women, particularly in the informal sector.	poor women in the informal sector	Department of Women and Child Development	Funding pattern of Kosh: 1. Grants received from the sponsors or any members of the Kosh. 2. Grants received from Central and State Government(s), other Trusts, Societies, and Foundations and national and international bodies. 3. Donations or contributions from person or bodies. 4. Income from investments. 5. Income from other sources 6. Loans raised by the Kosh. 7. Membership fee.

Annexure 4: Summary Matrix for Major Development Interventions

		Broad Nature of Intervention				
Stratification Criteria	**Target Groups/Area**	**Land Reforms**	**Agricultural Development**	**Area Development/Land Development**	**Employment, Income generation and asset building**	**Basic Needs and Services, Human Development and Welfare (Nutrition and Food Security, Education, health, housing, water, sanitation, roads, energy, social security)**
Area/Land /Region	Deprived Areas/Degraded Lands	SRA/ULR, CLR	SFDA, MFAL, SGSY	DPAP, DDP, CADP, IWDP, HADP, SGSY		
	Backward region/districts				NFFW, NREGA	
	Agro-ecological/Agro-climatic zones		Watershed Development: DPAP, DDP, CADP, IWDP, HADP, National Watershed Development Project for Rain Fed Areas (NWDPRA), Watershed Development Projects in Shifting Cultivation Areas (WDSCA), Flood Control Programme and River Valley Projects. Integrated Afforestation and Eco-Development Projects (IAEPs)			
	North East	Mandatory Contribution of 10 percent of the budget of all central ministries and creation of NLCPR for unspent budget, creation of DONER and its subsequent upliftment to status of ministry				
Rural	Poor	SRA/ULR, CLR	SFDA, MFAL, SGSY	DPAP, DDP, CADP, IWDP, HADP	DPAP, DDP, CADP, IWDP, HADP, SGSY, SGRY, SWA-SHAKTI Project, NFFW, NREGA	RGNDWM, Swajaldhara, TSC, PMGY, PMGSY, Rural Electrification Programme, NSAP, IAY, CCSSRH, ISRHHD, SAY, TPDS, NSAP, ICDS, Other Rural Education and Health Intervention (NLM, EFA, OBB, KGVB, NFE, SSA, NRHM etc.), NMSSS (proposed)
Urban					SJSRY	VAMBAY, TPDS, Urban Education and Health Intervention, NMSSS (proposed)

Stratification Criteria		Target Groups/Area	Land Reforms	Agricultural Development	Area Development/Land Development	Employment, Income Generation and Asset Building	Basic Needs and Services, Human Development and Welfare (Nutrition and Food Security, Education, Health, Housing, Water, Sanitation, Roads, Energy, Social Security)
Occupation	Formal	Farming (Farmers, Agricultural Labourers)		SFDA, MFAL, THE FARMERS (WELFARE) BILL, 2006, Introduced in the Lok Shabha		Minimum Wage Act 1948, Payment of Wage Act 1936	
		Non-Farming/ Industry (Non-agricultural Labourers, Artisans, Industrial workers etc.)				Minimum wage Act 1948, payment of wage Act 1936 Wage Boards, KVIC, SGSY, SGRY	
	Informal	Farming				The Unorganised Sector Worker's Social Security Bill 2005 , NMSSS (proposed) by NCEUS, GoI, The Unorganized Labor and Agricultural Workers (Welfare) Bill, 2006, introduced in the parliament	
		Non-Farming/ Industry					
Caste		SCs / dalits/scavengers				SGSY, SGRY, SJSRY, SCA for SC, Liberation and Rehabilitation of Scavengers,	Coaching and Allied Schemes, Book Bank Scheme, Pre and post-matric Scholarships, All Basic Needs Based Interventions (Rural and Urban) towards Capability Development with or without Reservation
Tribe		STs or PTGs				SGSY, SGRY, SJSRY, TSP and SCA under article 275(1) of Constitution for STs/PTGs, Scheme for PTGs	

Stratification Criteria	Target Groups/Area	Land Reforms	Agricultural Development	Area Development/Land Development	Employment, Income Generation and Asset Building	Basic Needs and Services, Human Development and Welfare (Nutrition and Food Security, Education, Health, Housing, Water, Sanitation, Roads, Energy, Social Security)
Class	OBCs				NBCFDC	
Minorities	Muslims, Christians, Buddhist, Zoroastrians				15 Point Programme for Welfare of Minorities, NMDFC	15 Point Programme for Welfare of Minorities, Coaching and Allied Assistance, NMDFC, MAEF, All Basic Needs Based Intervention towards Capability Development with or without Reservation
Gender	Women		STEP		SGSY, SGRY, SJSRY, NMBS, NFBS, STEP, Training-cum-Employment-cum-Production Centres, CCE&VT, SWA-SHAKTI Project, IMY,BSY, KGVB, IWEP, RMK	IAY, VAMBAY, KGVB
Age	Children (3-14 years)					ICDS, Midday Meals Scheme, BSY, CCE&VT, KGVB, DPEP
	Young				SGSY,SGRY, SJSRY, NFFW, NREGA	
	Aged				NOAPS, NMSSS (proposed)	CAS, Scheme of Assistance to PRIs/Voluntary Organisations
Disability	Disabled				SGSY, SJSRY, Employment of the handicapped	Grant-in-Aid Schemes

Annexure 5: Socio-demographic and Economic Indicators of Development of Women

States	Life Expectancy at Birth (age in years)				Sex Ratio			Infant Mortality Rates (per thousand live births)				Literacy Rates (in percent)				PCNSDP 2000-01 (Rs)	Annual Average Rate of Real PCNSDP Growth from 1970 to 2000 (in percent)	Poverty Ratio for 1999-2000 (in percent)
					For all Age Group		0-6 years											
	1992-96		1996-2001					2000		2003		1991		2001				
	M	F	M	F	1991	2001	2001	B	G	B	G	M	F	M	F			
Andhra Pradesh	60.8	63	62.4	63.4	972	978	964	66	64	65	68	55.1	32.7	70.85	51.17	9982	2.6	15.77
Bihar	60.2	58.2	63.6	62.1	911	921	938	62	61	59	65	52.5	22.9	60.32	33.57	4123	1	42.6
Gujarat	60.5	62.5	61.5	62.8	934	921	878	59	67	63	67	73.1	48.6	80.5	58.6	12975	3.6	14.07
Haryana	63.4	64.3	63.9	67.4	865	861	820	63	71	56	67	69.1	40.5	79.25	56.31	14331	2.8	8.72
Karnataka	61.1	64.5	61.7	65.4	960	964	949	65	47	62	61	67.3	44.3	76.29	57.45	11910	3.5	20.04
Kerala	70.2	75.8	70.7	75	1036	1058	963	15	13	12	12	93.6	86.2	94.2	87.86	10627	1.9	12.72
Madhya Pradesh	55.1	54.7	56.8	57.2	931	920	931	81	93	85	87	58.4	28.8	76.8	50.25	7620	0.9	37.43
Maharashtra	63.8	66.2	65.3	68.1	934	922	917	46	50	37	60	76.6	52.3	86.27	67.51	15172	3.8	25.02
Orissa	56.9	56.6	58.5	58.1	971	972	950	98	92	86	85	63.1	34.7	75.95	50.97	5187	1.7	47.15
Punjab	66.4	68.6	68.4	71.4	882	874	793	45	62	49	57	65.7	50.4	75.63	63.55	15390	3.1	6.16
Rajasthan	58.6	59.6	60.3	61.4	910	922	909	76	81	72	86	55	20.4	76.46	61.46	7937	2.5	15.28
Tamil Nadu	62.8	64.8	65.2	67.6	974	986	939	49	54	50	46	73.7	51.3	82.33	64.55	12779	3.5	21.12
Uttar Pradesh	57.7	56.4	61.2	61.1	897	898	916	81	87	71	88	55.7	25.3	70.23	42.58	5770	1.2	31.13
West Bengal	61.8	63.1	64.5	67.2	917	934	963	54	47	48	48	67.8	46.6	77.58	60.22	9778	2.8	27.02
India	60.1	61.4	62.4	63.4	927	933	927	67	69	63	69	64.1	39.3	75.85	54.16	10376	2.4	26.1

Source: For column 1, CBHI (2002); for column 2 and 4, Census, 1991 and 2001; for column 3, Sample Registration System 2002 and 2005; for column 5 and 7, EPW Research Foundation (2003) and Planning Commission (2002b) and column 6 from Duraisamy and Mahal (2005).

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