Introduction

Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum. In the process, India has become the fourth largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. They have become part of the global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life.

Apart from this burgeoning middle class in the country, the economic growth seemed to have touched the lives of the poor also. According to the National Sample Survey results, people living below poverty line have dramatically come down during the post-economic reform era. People living below poverty line (BPL) came down from 36 per cent in 1993-1994 (50th Round, NSSO) to 26 per cent in 1999-2000 (55th Round, NSSO). Many economists question this dramatic change in poverty level. However, the intention of this paper is not to join the debate on the level of poverty reduction in the country but to recognize the reduction
of poverty in the country during the post-economic reform era and to undertake a social audit of poverty alleviation programmes in this era of fast economic growth.

Relevance of poverty alleviation programmes

The fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not touched by the benefits of economic growth. It is proved globally that the so-called trickle down effect does not work in all the societies and India is no exception to this. There are various reasons for this uneven development in the society. Modern economy is technology driven and not labour-intensive. High volume of high quality goods and services are produced with fewer labour hands. In short, the modern economy is not generating much employment and sometimes it displaces and replaces labour with machines and tools. The period of 1999-2000 to 2004-2005 saw rapid economic growth in the country but it has not impacted on the unemployment problem of the country. During this period, the unemployment rate remained almost same for rural males and decreased by just one percentage for urban male. On the other hand, unemployment among females increased by one percentage for urban and rural females.

One-third of the country’s population is still illiterate and a majority are not educated up to the age of 15 yr. Even among the educated, all do not have employable skills of the modern economy. The education system is not tuned to the changing economic scenario. The large agriculture workforce in rural areas is not sustainable with dwindling cultivable land and use of modern methods of cultivation. As a result, the rural labour is pushed into cities in search of work but they do not have any employable skills in the urban formal sector often end up doing odd jobs in urban areas. Urbanization in this country is mainly due to acute poverty in rural areas rather than due to the economic opportunities in urban areas. Further, poverty is not uniformly spread in the country. States like Orissa, Bihar and Madhya Pradesh have high level of poverty and the levels have not come down significantly in the post-economic reform era.

It is therefore that clear while the economic reform did bring in prosperity to the country, the benefits are not evenly distributed and some are even deprived of the benefits. It is also pertinent to understand that some of them are unable to be part of the economic reform and do not have the capacity to participate in the economic development process. Such groups need government intervention to ensure that they are not left behind in the development process and deprived of the benefits because they do not have the capacity to be part of the global economy. The government needs to develop safety nets for such groups and try to mainstream them in the development process. They need welfare measures in the form of poverty alleviation programmes to ensure that they survive if not prosper in this era of economic reform. Further, the poor are not a homogeneous population and their capacity to survive the economic reform varied from one group of poor to another. Especially, those who are below the poverty line or the poorest among the poor need more government help.

Poverty alleviation programmes

The programmes have been broadly classified into self-employment programmes, wage employment programmes, food safety programme and social security programmes. The focus is on the central government schemes only. It is not possible to map the special programmes of all the States. It must be noted here that some of the progressive States have added additional components or given further subsidy to enhance the benefits of the central schemes. For example, in the highly subsidized public distribution system of Andhra Pradesh, the BPL card holders were provided rice at Rs. 2 per kg.

Self-employment programmes: This programme was started in 1970s in rural areas of the country in the name of Integrated Rural Development Programme (IRDP) to increase the source of income of small farmers and landless labourers. The beneficiaries were given subsidized credit, training, and infrastructure, so that they could find new sources of earning. In this scheme, agricultural labourers and small farmers received new skills to involve in vocations other than cultivating land. They included fishery, animal husbandry, and forestry. In the 1980s, this scheme was extended to schedule castes and tribes, women and rural artisans.

IRDP suffered from certain shortfalls. One important factor is the attempt to develop an entrepreneur out of the unskilled landless labourer, who has no experience in managing an enterprise. Therefore, unviable projects were undertaken and sub-critical investments were made leading to collapse of these micro-enterprises. Banks were also indifferent to provide credits to the poor. It did not make a good banking sense to provide a loan to individual poor
farmer and landless labourer, who did not have any experience in entrepreneurship. Poor targeting was another problem, where many non-poor managed to get the benefits.

Considering the shortfalls of the IRDP, the government replaced this programme with *Swarnajayanti Gram Swarojgar Yojana* (SGSY) in 1999. Considering the non-viability of the enterprise of the poor individual and his/her poor credit worthiness, SGSY focused on groups to lend money and develop micro-enterprises. This scheme involves the organization of the poor into self-help groups or SHGs and are provided with credit, technology, infrastructure and training. The SHG may consist of 10 to 20 members. Thus SGSY is a credit-cum-subsidy programme, where credit is the major component and subsidy is the minor component. It is a credit driven programme back-ended with subsidy. Banks are generally comfortable with the credit worthiness of the SHGs. Unlike the IRDP, SGSY is more an empowering process and it focused on mainstreaming the poor to join the economic development of the country.

According to Asian Development Bank, micro-finance is the provision of a broad range of services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their micro-enterprises\(^{10}\). SGSY is one such micro-financing scheme of the government. Talking about micro-finance, the Grameen Bank concept of Bangladesh is well known. It is a non-governmental financial institution providing credit to the poor in Bangladesh. In India, this concept is adapted to the existing commercial banking system. Instead of creating a parallel banking system for micro-credit like in Bangladesh, the Reserve Bank of India issued a policy circular in 1991 to all the commercial banks to participate actively and extend finance to SHGs\(^{10}\). Banks had always problems of doing social banking with individuals, as they had to spend time and resources to select those who would pay back the loan. But SHGs, as a group presented a picture of solidarity among like-minded people committed to some micro-enterprise or individual goal seem to be credit worthy for the bank. The bank also ensured that the loan is put to use within 7 days for the purpose it was borrowed. Further, the banks allow SHGs to pay in weekly installment of small amount. Apart from the bank credit, the SHGs received government subsidy for their micro-enterprises.

By using the existing banking system of the country, the government has mainstreamed the rural poor into the formal financial system and to the market economy. By the end of March 2004, 1,232,768 SHGs have been linked to mainstream banks for savings services, of which 1,079,091 groups have accessed credit from more than 35,000 branches of commercial, co-operative and rural banks\(^{10}\). The cumulative credit disbursed to these groups was US$ 887.32 millions. With an average membership of 16, at least 19 million people have access to formal savings facilities through SHGs, of which about 17 millions have also accessed credit services\(^{10}\). This showed the magnitude and the impact of the programme in the country. It has become a social movement across Indian villages.

As a poverty alleviation programme, the success of micro-finance is gauged from its ability to service the population below the poverty line, *i.e.* targeting the poor. Compared to the normal State led financial institutions, the micro-credit programme performed better in serving the poor. But looking within the programme, various studies showed that only one-eighth of the beneficiaries belonged to below poverty line. If is in strong contrast to the Grameen Bank programme of Bangladesh, where only 4.2 per cent were outside the targeted population\(^{11}\). On the whole, the richest among the poor benefited most and they have the capacity to use credit and technology to their advantage.

As a second indicator of evaluation of micro-financing, one would like to see increase in income and asset of the SHG members. Hulme and Mosley\(^{12}\) had compared the change in income of micro-credit target population and those who are not participating in the micro-credit programme. Their study also differentiated the targeted population into those who are above poverty line and those who are below poverty line. The study showed substantial income increase among the borrowers - an increase of 202 per cent as compared to the non-borrowers. The increase was 133 per cent for the BPL borrowers. This showed that the programme had surely benefited the BPL but at the same time those above BPL could benefit disproportionately higher than the BPL borrowers. In the same study, the researchers had found that those who adopted new technologies in their micro-enterprises had benefited the most and they formed just 12 per cent of the beneficiaries\(^{11}\).

The sustainability of the programme depends on the default rate of borrowers of the programme. While Chavan et al\(^{11}\) claimed that the default rate of micro-credit was high in India, Satish (2005)\(^ {8}\) found that the non-performing loan in his study area was zero per cent. We may need more information from the banks to
analyze and find the default rate. It was interesting to note that the default rate was less among the first and second time borrowers as against third and fourth time borrowers. Further, the default rate increased with the increase in size of the loan Chavan et al\textsuperscript{11}.

The strength of the micro-credit programme of India is the linkage between SHG and the existing banking institutions. It has helped the rural masses hitherto outside the mainstream economy, to come within the mainstream economy of the country. Since the existing banking infrastructure is used, the administrative cost is found to be low. It also gave the bank the opportunity to penetrate into the rural areas and expand the banking operations in the country.

Wage employment programmes: The main purpose of the wage employment programmes is to provide a livelihood during the lean agricultural season as well as during drought and floods. Under these programmes, villagers worked to improve the village infrastructure such as deepening the village ponds, constructing village schools and improving the rural roads. Thus the programmes not only provided employment to the villagers but also improved village infrastructure and created village public assets. A positive fall out of this programme is that it created higher demand for village labour, thereby pushing up the wage of the labourer in the villages.

Wage employment programmes were first started during the Sixth and Seventh Plan in the form of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programmes (RLEGPs). These two programmes were later merged in 1989 into more well known Jawahar Rozgar Yojana or JRY. The JRY was supposed to produce employment for the unemployed and the underemployed and to improve the village infrastructure and assets. The performance of JRY programme declined over a period of time. As a result, fewer jobs were generated. One of the reasons was lower allocation of funds for this programme during the Ninth Plan period.

The JRY was revised and re-launched in April 1999 and was named as Jawahar Gram Samridhi Yojana or JGSY. The secondary objective of the JRY has become the main objective, i.e., creating economic assets and infrastructure for the village and the creation of employment is a by-product of the main objective. In terms of wage employment, the new programme lagged behind JRY. While the JRY produced 1.03 billions of man-days of labour in 1993-1994, the JGSY produced just 270 millions man-days each year. Since the programme was implemented by the panchayats, many did not have the capacity and experience to implement the programme. Further, the allocation of funds was inadequate to manage the programme. There are also incidences of corruption by way of fudging the muster rolls.

A special wage employment programme in the name of Employment Assurance Scheme or EAS was launched on October 2, 1993 for the drought prone, desert, tribal and hill area blocks in the country. It was further expanded to all the blocks in 1997-1998. The EAS is also meant for providing employment during lean season. While the scheme emphasized on creating economic and social assets in the village, it prohibited construction of panchayat buildings, secondary school and college buildings and religious structures. The Food for Work Programme was started as part of EAS in 8 drought prone States in 2000-2001. Here part of the wage was provided in the form of food grains. Though food grains were supplied free of cost to these States, the uptake of the food grains was very poor.

Considering the fragmented efforts of different wage employment programmes in the country, all these programmes were merged into one programme called Sampoorna Gramin Rozgar Yojana or SGRY in 2001. The three-fold objective of this programme is generation of employment for the rural poor, creation of community assets and infrastructure, and ensuring food and nutrition security for the rural poor.

A review of different wage employment programmes in the Ninth Plan showed that there had been erosion in the programme in terms of resource allocation and employment generation. There was steady decline in employment generation in these programmes. The allocation for these programmes came down from Eighth Plan to Ninth Plan. Ninth Plan allocation was only 88 per cent of the Eighth Plan. Further, the cost of generating employment had gone up during this period. As a result, only 2.86 billion man-days of labour were produced during the Ninth Plan as against 5.13 billion man-days of labour produced during the Eighth Plan period. Even the allocated fund was very poorly utilized\textsuperscript{9}. A latest report collated by National Social Watch Coalition shows that out of the Rs. 130 billion allocated for wage employment in rural areas, only Rs. 65 billion was utilized, i.e. just 50 per cent of the allocated fund. (Asian Age, June 30, 2007)\textsuperscript{13}.

The wage employment programmes suffered from various problems leading to poor implementation of
schemes. First of all, for the rural poor, it was difficult to understand the nuances of the programme. As a result, they were cheated and false muster rolls were prepared to siphon off the money. Second, the schemes suffered from the bureaucratic muddles. It is a centrally sponsored programme with rigid guidelines, which may not fit into local conditions. By the time it reached the poor, it passed through the central government, State government, panchayat and the beneficiary. At every level, there is red tapism and delays leading to underutilization of funds. Adding to all these, the government started reducing the allocation to the wage employment programme from the Ninth Plan. It is totally a government managed programme at every level and the poor is the silent or passive beneficiary of the scheme. The poor had no say in the programme.

A comparison between the self-employment programmes and wage employment programmes bring out contrasting results. While the performance of self-employment programmes improved over a period of time by adopting SHG approach, the wage employment programme declined over a period of time even after merging different programmes into one programme. The major difference between the two programmes was participation of the poor in the programme. While the SGSY (self-employment programme) was highly participative in nature and empowered the poor to a great extent, the SGRY (wage employment programme) was implemented by the government and the poor in the community were the passive beneficiaries. The administrative cost was high and the scope of corruption was also high. As a result, fewer jobs were created benefiting fewer poor persons. There were incidences of non-poor receiving the benefits and ghost labourers were enrolled by fudging the muster rolls. Also the SGSY was totally managed by the SHGs and the government played a supportive role. The least involvement of the government administration surely reduced the administrative cost and increased the number of beneficiaries of the programme. The scope of corruption was comparatively less in the SGSY, as the SHGs are empowered and were aware of their rights and benefits.

Food security programme: Meeting the very basic need of access to food is a major challenge to the government in the post-economic reform era. Those who are below poverty line are faced with the problem of meeting this very basic need. Starvation and hunger have been reported in different parts of the country, even in economically advanced States like Maharashtra. There is malnutrition in all age groups, especially among children. Problem of low birth weight due to undernutrition of mother during pregnancy and underweight of children are rampant in the country. The purchasing power of certain section of the society is so low that they cannot access food at the market price. They need the safety net of food subsidy. In this context, public distribution system or PDS assumes importance.

The PDS was originally a universal public distribution system or UPDS. The original UPDS was not conceived as an anti-poverty programme. The main objective was to create a demand for food grains thereby farmers benefiting from their produce. It was meant for price stabilization of food grains by giving price support. Due to widespread poverty in the country, the purchasing power for food grains was low but the supply of food was increasing. As a result, farmers got lower prices for their produce prompting the government to provide support prices and procure the food grains. Thus the government had to sit with overstock of food grains in the absence of a food distribution system. Thus the UPDS was a means to distribute the food grains to the people. Thus this strategy provided food subsidy to the consumers and price support to the farmers.

In the post-economic reform era, the PDS became a very significant poverty alleviation programme of the government. The central government initiated a new PDS programme in June 1997 and called it targeted public distribution system or TPDS. Under this scheme, the States are to identify households below poverty line and provide them 10 kg of food grains at highly subsidized price and this amount was raised to 20 kg in April 2000. In addition, some States have provided additional quantity of food grains or increased the food basket by adding edible oil, sugar and cereals to the BPL households.

The cost of operating the PDS is three-fold. First cost component is the subsidy of the programme. The cost of procuring the food grain is higher than the price of selling it through the PDS. Second component of the cost is the administrative cost involved in procurement, transport and storing. The last component is the loss due to wastage and pilferage that occur at different stages of PDS-procurement to distribution.

One of the problems of PDS is the diversion of food grain to the open market. Various studies show that one-third of the grains supplied to PDS leaked into the open market in the UPDS programme. The leakage level had increased to 41 per cent in the TPDS programme.
because the price gap between the TPDS and the open market was wider than the price difference between UPDS and the open market price\textsuperscript{15}. Even the urban poor community is not aware of what they are entitled in the PDS. As a result, the fair price shop owners cheated them. The situation must be worse among the rural poor.

Another problem was the purchasing power of the poor. The food grain is supplied to them once in a fortnight. It is difficult for the families living below poverty line to buy food grains for 2 wk in one go. Under the TPDS programme, the quota of food grains was increased to 20 kg. The very poor do not have the purchasing power to buy such large quantity of food grains at a time. This resulted in many not availing the PDS and the unutilized food grain was diverted to the open market.

Targeting was a major problem in the TPDS programme. According to Jha and Srinivasan\textsuperscript{15}, “the selection of beneficiaries was not transparent and the basis for selection was too complicated for the local officials to administer”. It also involves high cost in identifying the poorest among the poor. As TPDS narrowly targets at the household level, it requires very detailed data for these households and a complex and expensive means testing process.

Apart from the issues of transparency, administrative complications and high cost, social and political factors played a role in identifying BPL families. Caste factor played a role in rural areas. In urban areas, the issue of “residency” played a role. Those who are not “residents” but living in the slum are not considered for the food subsidy. They are mainly migrants. Those who are not in favour of the ruling leadership were not included in the list of BPL. In urban areas, those who are not living in dwellings but on the roadside (pavement dweller) are the poorest among the poor but they are excluded from the TPDS because they do not have an address in the city.

According to Parikh\textsuperscript{16} a majority of the poorest of the bottom 20 per cent of the households in the north and north-eastern States do not procure any food grains from the PDS. Dutta & Ramaswami\textsuperscript{8} found that 20 per cent of the poor in Maharashtra do not buy food grains from PDS due to lack of access. Ramaswamy\textsuperscript{14} had calculated the cost of subsidy and found that it costs Rs. 3.14 and Rs. 4.00 to transfer a rupee to the target group of bottom 40 per cent in Andhra Pradesh and Maharashtra respectively. The cost of food subsidy is high because of targeting errors and lapses in implementation.

Though PDS is a very important poverty alleviation programme directly acting as safety net for the very poor, it suffered from several problems during the implementation. Due to the centralized procurement system, it incurred very high administrative cost. Further, there were problems of wastage and pilferage at every stage of its operation. Then there are problems at the consumer level in terms of buying a large quantity of food grains at a time from the fair price shops. Finally, the problem of targeting was a major issue, where non-poor are included and many BPL groups like migrants and pavement dwellers are left out of PDS. All these problems led to much lesser benefits reaching the poor. While the PDS has very high potential to protect the poor from starvation and hunger, problems of its implementation have reduced its actual potential to a great extent.

### Social security programmes:
Social security programmes are meant for those who are at the bottom of the BPL facing destitution and desertion. The central government has launched the National Social Assistance Programme or NSAP in August 1995. Under NSAP, there are three schemes. The first one is the National Old Age Pension Scheme or NOAPS. A pension amount of Rs. 75 per month is given to those who are above the age of 65 yr and are destitute without any regular source of income or support from any family members or relatives. Though it is a very useful scheme for the elderly destitute, the coverage of the programme was not satisfactory. In the year 1999-2000, 8.71 million eligible elderly were identified, but the scheme could reach out to only 5 million beneficiaries. It was found that the benefits really reached the poor and the leakage rate was found to be low.

In addition to NOAP, the government has launched another programme called Annapurna in April 2000 for those elderly who are eligible for NOAPS but did not receive it due to budgetary constraints. They are given 10 kilograms of food grains per month free of cost. This programme did not take root in many States. As a result, only Rs. 174.4 million were utilized out of the allocated fund of Rs. 990.5 million in the year 2000-2001\textsuperscript{9}.

The second scheme under NSAP is National Family Benefit Scheme or NFBS. Under this scheme, a lump sum of Rs. 10,000 is paid to a family, where the breadwinner of the family died of natural or accidental causes. The total amount is given to a member of the deceased family who has assumed the role of head of family. This scheme is available to BPL families only.

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Another scheme under NSAP is National Maternity Benefit Scheme or NMBS. Under this scheme, a lump sum of Rs. 500 is given to pregnant women belonging to the BPL households. The pregnant woman should be 19 yr or above and the sum is given 8 to 12 wk before delivery. The purpose of the scheme is to enhance the nutritional intake of these pregnant women during pregnancy to safeguard the life and health of the mother and the infant.

Though there are large number of persons needing protection under NSAP, these social security schemes are small and their out reach is limited. In the absence of universal social security scheme as seen in Europe14, those who are at the bottom of the BPL are left to destitution and desertion. It is the responsibility of the government to take care of those who do not have any support in the community.

**Urban poverty alleviation programme:** Urban poverty is the spill over effect of rural poverty. It is the push factor rather than the pull factor that is driving the urbanization process in most developing countries like India. Due to acute poverty in rural areas, the poor tend to migrate to cities (push factor) in search of work. Since they do not have any employable skills to get employment in the formal sector of the cities, they end up doing odd jobs in the informal sector of the city. Since normal housing is not affordable to them, they settle in lands that are not developed for housing, thus forming slums in cities. Living conditions in some of these slums are more depressive than the living conditions of the rural poor in villages.

It is estimated that a quarter of the population in large cities (million plus population) lives in slums. In a city like Mumbai, a majority of 60 per cent of the population live in slum and slum like housing. Central, State and municipal governments use the dual approach of providing minimum amenities to some slums that are well established and also try to demolish and evict the poor to prevent the spread of slums in the city.

Comparable to the self-employment and wage employment programmes in rural areas is the *Nehru Rozgar Yojana* in urban areas. It has three components. The first one is the Scheme of Urban Micro Enterprises or SUME. Under SUME, the urban poor (annual income less than Rs. 11,850) are provided training to learn new skills to start micro-enterprises. The beneficiary gets a 25 per cent government subsidy with a ceiling of Rs. 5,000 for the scheduled caste/tribe and women and Rs. 4,000 for general beneficiaries. They get a bank credit of Rs.15,000 for schedule caste/tribe and women, and Rs. 12,000 for general beneficiaries. Though the central government has made provision for giving training and subsidy for starting micro-enterprises, it is not known as to how many of them have actually started micro-enterprises after receiving the training. Between 1990 and 1994, the government had made financial provision to start 621,000 micro-enterprises but only 149,000 were trained in various trades to start micro-enterprises. Out of those trained, how many were able to start micro-enterprises was not known.

The second scheme under the *Nehru Rozgar Yojana* is the Scheme of Urban Wage Employment or SUWE. Under SUWE, the labour of the urban poor is utilized to create socially and economically useful public assets. This scheme is applicable to small towns with a population of less than 100,000.

The third component is the Scheme of Housing and Shelter Upgradation or SHASU. Under SHASU, the urban poor is given a loan not exceeding Rs. 9,950 and a subsidy of Rs. 1,000. The beneficiary may opt for additional loan of Rs. 19,500 from HUDCO.

*Nehru Rozgar Yojana* is implemented by the local self-government with the active participation of non-governmental organizations. Compared to the need of the urban poor, the financial allocation is very small and hence only a few could benefit from this programme.

The largest urban poverty alleviation programme currently operating in the country is the Urban Basic Services for Poor or UBSP. It is based on the principle of community development involving the community, especially women to improve their communities and environment. This programme is implemented in 25 States and 6 union territories covering 296 cities. Ten million urban poor are benefited from this programme. More than 130,000 women work as volunteers in this programme. The programme is a partnership of city, State and central governments along with NGOs and UNICEF.

Unlike other urban poverty alleviation programmes, which have specific service components, UBSP follows a different approach. Communities are encouraged to prepare their own community mini plan based on their local needs and UBSP addresses these local needs. UBSP has a strong health, nutrition, water and sanitation components. The programme addresses the issue of low immunization coverage and poor utilization of antenatal
The indicators' improvements have been seen in health and education care among the urban poor. It is claimed, “dramatic improvements have been seen in health and education indicators”\textsuperscript{17}.

Though urban population is less than 30 per cent of the total population, the country is going to get urbanized soon. In States like Tamil Nadu and Maharashtra, almost half of the total population is living in urban areas. These governments have to develop strategies to deal with the problems of the urban poor.

Beyond economic benefit: From the above review of poverty alleviation programmes, one gets the impression that these programmes are not benefiting the poor in terms of increasing their income. For example, the PDS is plagued with seepage, corruption, high administrative cost and targeting errors. Self-employment programmes like the micro-credit scheme is better utilized by the non-poor or those who are above BPL. Wage employment programme is caught in red-tapism and administrative delays leading to poor utilization of the allocated funds. All these factors have been used by some economists to argue against these programmes and to suggest the winding up the programmes. Looking at purely narrow economic point of view is not the right approach to poverty alleviation. Poverty does not mean not having enough income alone. Poverty means not having access to a whole lot of services like education, health services, water supply, sanitation and so on. It also means loss of status in the community, exclusion from certain social functions, and a sense of inferiority in the group or community. In short, poverty means marginalization of an individual or household in the community.

There is no denial that poverty alleviation programmes should lead to high income to the poor but to come out of the culture of poverty, one needs to be empowered and also requires access to basic services.

While some of the poverty alleviation programmes discussed above, may not be performing well in terms of utilizing the allocated funds and increasing the income of the poor, these programmes have contributed to the social arena of poverty. For example, wage employment programme was not very successful in terms of utilizing the allocated resources and generating additional employment for the BPL. But this programme has created village level assets and infrastructure in terms of schools, health centers, roads and ponds. Similarly, SHGs formed by the women has given them tremendous confidence and empowered them to become entrepreneurs. Today, SHGs are not only active in creating micro-enterprises but also they are involved in implementing community programmes like immunization programmes, literacy programmes and so on. Some of them have empowered to the level of contesting panchayat elections and become members of Panchayat Raj Institutions (PRI). Again there is no denial that all these cannot be achieved without an increase in income. Therefore, the economic and social aspects of poverty alleviation are interlinked to one another. Economic upliftment alone cannot alleviate poverty but it must lead to social upliftment in terms of access to services, empowerment and independence. Therefore, the current poverty alleviation programmes in the country should broaden their focus and goal in addition to increasing income to achieve the target of removing poverty from the country.

Towards poverty alleviation

First of all, involvement of the local communities is key to the success of poverty alleviation programmes. In the absence of community involvement, the programmes are plagued with bureaucratic muddle and corruption at every level. Wage employment is an example to show how too much of administrative interference has led to underutilization of funds, high administrative cost, corruption and poor employment generation. Contrary to the wage employment programme, self-employment programmes like micro-credit or SHGs is successful because of people’s participation in the form of SHGs. The government has taken a major step in this direction in the form of 73\textsuperscript{rd} and 74\textsuperscript{th} amendment to the constitution to give more powers to PRI\textsuperscript{9}. While a few States have made use of these constitutional provision better than others, most of the States still lag behind handing over these programmes to PRIs. While PRIs are created in most of the States and elections are held, these institutions are not given the financial resources, administrative powers and the capacity to run programmes. State governments still hold the financial powers and the PRI is not in a position to plan and decide based on their needs. The administrative machinery of the PRI is very week to carry out these national level programmes. Also, the PRI does not have the capacity to handle resources and technical capacity to implement programmes. These issues have to be addressed immediately to strengthen PRI to implement poverty alleviation programmes.

If the PRIs are stronger, then the decentralization of the poverty alleviation programme can take place. Currently, all the poverty alleviation programmes have national guidelines with very little space to maneuver.
to meet the local needs. For example, in the current PDS, the food grains are supplied every fortnight making it difficult for the poor to buy high quantity of grains at a time. This should be left to the local communities to decide the frequency of selling grains to the BPL. Further, targeting the BPL is a major issue in TPDS, where targeting error is high resulting in seepage of benefits to non-poor. Identifying the BPL household is a labourious process. It is time consuming and costly. Targeting can be done differently for different settings and places. Geographical targeting in very backward districts of the country may be an easy way of targeting the poor. In another setting like a slum, it may be the female-headed households that can be targeted for the TPDS. Similarly, all the pavement dwellers can be targeted for the TPDS in large cities.

In the case of wage employment programmes, the local communities through PRI mechanism should be able to identify the beneficiaries and also to identify the type of work to be carried out in villages that can create economic and social asset to the village. Such decentralization can generate more man-days of work to a large number of poor persons as well as meaningful community assets and infrastructure. Thus decentralization and localization are important to make the poverty alleviation programme efficient and relevant for the poor.

Apart from decentralization and community involvement, participation of the poor in the programme that affects their welfare, is important. Some of the self-employment schemes failed to take off because no effort was made to involve the poor in identifying the skills, which they can learn easily. As a result, the skills imparted are not utilized. Some of the skills imbibed may not have job potential in the community. On the positive side, micro-enterprise under the self-employment programme was successful because of the role of SHGs. The SHG members actively participated in the whole process and decided for themselves for the kind of skills they wanted to learn and also the kind of credit they needed from the bank to start the micro-enterprise. Many well-intentioned programmes fail to take off because of lack of understanding of the ground realities due to lack of participation of the beneficiaries.

At the macro-level, there is a need to co-ordinate a myriad of poverty alleviation programmes of the central government and the State governments. The transfer of central funds to the States for different programmes should be efficient. Currently, such funds and goods like food grains are not fully utilized by the States. There is a need to strengthen the financial management capacity of certain States to use the funds efficiently. These are the States where the percentage of the BPL is more than the national average.

It is unfortunate to note that in an era of rapid economic growth, public funding for the social sector has come down drastically. Central funding as well as the State funding in many major States have decreased in the era of economic reform and rapid economic growth. The fruits of economic growth should be ploughed into the social sector to elevate the quality of life in the country by raising the economic and social status of the population. It makes good economic sense also, because better quality of human resource in terms of better health status, employable skills and better purchasing power will add on to the economic investment of the country.

**Conclusion**

Debate on poverty in India has remained mostly in the domain of economists. Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Social dimension of poverty is a neglected area of study. Poverty is more of social marginalization of an individual, household or group in the community/society rather than inadequacy of income to fulfill the basic needs. Indeed, inadequate income is therefore one of the factors of marginalization but not the sole factor. The goal of poverty alleviation programme should aim merely increasing the income level of individual, household or group but mainstreaming marginalized in the development process of the country. The country cannot claim economic growth when a section of the people are marginalized to the periphery of the society. The rapid economic growth process should accelerate the access to services like education and health services for all, especially the marginalized citizens.

The link between ignorance and poverty and ill health and poverty are well-established. There are diseases of poverty such as malaria, tuberculosis, diarrhoea and malnutrition. Having fallen ill due to poverty, the poor do not have the resources to seek quality health care, for which he/she has to borrow money for treatment. Indebtness due to hospitalization leading to poverty has been well documented. Poverty therefore is a complex phenomenon of many dimensions not merely the economic dimension. Poverty alleviation programmes should address the issue of poverty from broader social and economic perspectives.
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