

GOAL:1

*ERADICATE EXTREME
POVERTY AND HUNGER*

1 Eradicate Extreme Poverty and Hunger

TARGET 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

1.1 Poverty alleviation has been one of the guiding principles of the planning process in India. The role of economic growth in providing more employment avenues to the population has been clearly recognized. The growth-oriented approach has been reinforced by focusing on specific sectors, which provide greater opportunities to the people to participate in the growth process. The various dimensions of poverty relating to health, education and other basic services have been progressively internalized in the planning process. Central and State Governments have considerably enhanced allocations for the provision of education, health, sanitation and other facilities which promote capacity-building and well-being of the poor. Investments in agriculture, area development programmes and afforestation provides avenues for employment and income. Special programmes have been taken up for the welfare of Scheduled Castes (SCs) and Scheduled Tribes (STs), the disabled and other vulnerable groups. Anti-poverty programmes that seek to transfer assets and skills to people for self-employment, coupled with public works programmes that enable people to cope with transient poverty, are the third strands of the larger anti-poverty strategy. Consequently, a number of anti-poverty programmes have been launched from time to time to reduce the incidence of poverty in the country.

1.2 The incidence of poverty declined from 55 percent in 1973-74 to 36 percent in 1993-94 and further to 27.5 percent in 2004-05. During the intervening period, poverty estimates for the year 1999-2000 were also released, which were not strictly comparable with the earlier estimates and those of 2004-05 due to difference in recall period followed for the consumer expenditure survey of the NSSO. As per the estimates for the year 1999-2000 incidence of poverty was 26 percent. The estimate of poverty ratio for the year 2004-05 by a method roughly comparable with that of 1999-2000 is however, 21.8 percent. The reduction of proportion of people living below poverty line has been marked with interesting features in the last decade, when there has been 8.5-percentage points decline between 1993-94 and 2004-05, estimated by comparable uniform recall period (URP)¹ consumption distribution for both the years. As per the alternative mixed recall period (MRP)² consumption distribution the decline is 4.3 percentage points from 1999-2000 to 2004-05. These trends indicate that India is on track with respect to the target of halving the proportion of people below the poverty. The trends of the indicators are given in Table 1.1

1 For Uniform Recall Period consumption, data for all items are collected from the consumers for 30-day recall period.

2 For Mixed Recall Period consumption, data for five non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses are collected for 365-day recall period and data for remaining items are collected for 30-day recall period.

Table 1.1
Poverty Headcount Ratio

| Indicator:1A | By URP consumption distribution | | By MRP consumption distribution | |
|--------------|---------------------------------|---------|---------------------------------|---------|
| | 1993-94 | 2004-05 | 1999-2000 | 2004-05 |
| Overall | 36.0 | 27.5 | 26.1 | 21.8 |
| Rural | 37.3 | 28.3 | 27.1 | 21.8 |
| Urban | 32.4 | 25.7 | 23.6 | 21.7 |

1.3 It is important to mention that despite a reduction in the proportion of people living in poverty by over 50 per cent between 1973-74 and 2004-05, the absolute number of poor continued to be in excess of 301 million (as per URP) in 2004-05 due to huge incremental population of India. This number was over 320 million in 1993-94. Of the 301 million persons, 221 million persons lived in the rural areas. Going by the MRP-based estimates, the number of poor has declined to 238 million in 2004-05, down from 260 million in 1999-2000. While the decline has been sharper in the urban areas during 1987-88 to 1993-94, the decline was sharper in the rural areas (9.0 percentage points) than in the urban areas (6.7 percentage points) during 1993-94 to 2004-05. However, this is not the first time that rural poverty has declined faster than urban poverty has. This was observed in earlier periods also — 1977-78 to 1983, 1983 to 1987-88. Further, the rural-urban gap in poverty has narrowed — the respective shares of the poor in the total population for urban and rural India are closer to each other than ever before. There is a marginal difference (2.6 percentage points) in the poverty levels of urban and rural India with poverty ratio of 28.3% in the rural areas and 25.7% in the urban areas in 2004-05. The poverty ratio in the rural and urban areas in 1993-94 was 37.3% and 32.4%, respectively with a gap of 4.9 percentage points.

1.4 While the average divide in poverty levels of rural and urban India is not much, in some states the divide is rather stark. For instance, in rural areas of Jharkhand, 46.3% of the people live below the poverty line in comparison to 20.2% in the urban areas. In some states like Madhya Pradesh, the poverty ratio is higher in urban areas than in the rural areas. In rural Madhya Pradesh, the poverty ratio is 36.9% compared to 42.1% in urban parts of the state. Moreover, the number of poor in rural areas has actually shrunk in absolute terms by over 2.3 crore between 1993-94 and 2004-05. In the urban areas the number of poor, however, increased by almost 45 lakh during this period. In 2004-05, by the MRP-based estimates, there were seven States including Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu where the proportion of urban poor exceeded the proportion of rural population below the poverty line.

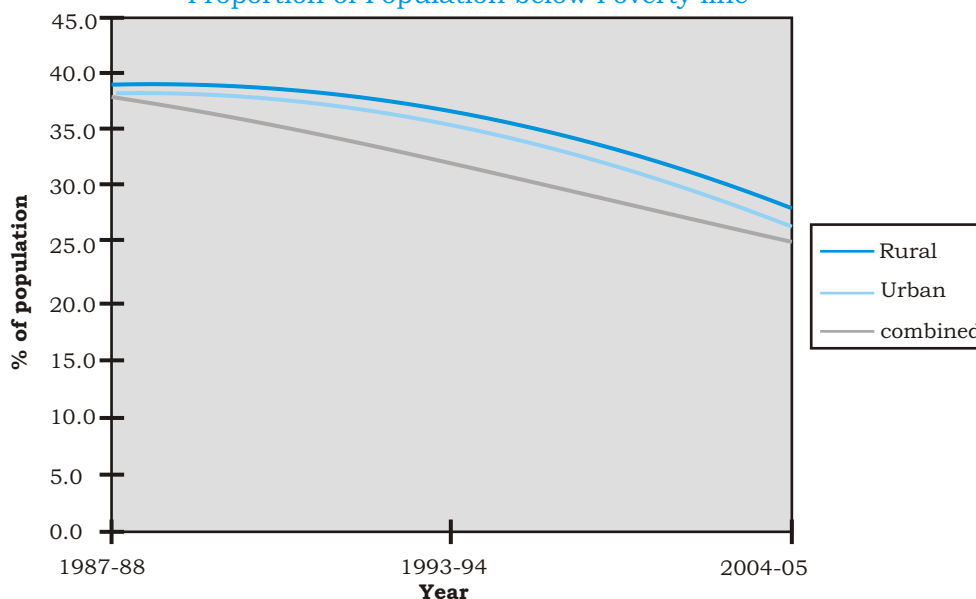
1.5 In a country as large and as diverse as India, the aggregates tend to obscure the fact that the proportion of those living below the poverty line widely varies from State to State. By the URP based estimates, the poverty ratio is the least in Jammu and Kashmir (where 5.4% of the population is poor). Other large States having poverty ratio less than 20% include, Andhra Pradesh (15.8%), Assam (19.7%), Gujarat (16.8%), Haryana (14%), Himachal Pradesh (10%), Kerala (15%) and Punjab (8.4%). The dubious distinction of being the poorest state goes to Orissa, where 46.4% people are poor. States where one-third or more of the population is poor are Madhya Pradesh (38.3%), Uttarkhand (39.6%), Jharkhand (40.3%), Chhatisgarh (40.9%) and Bihar (41.4%). UP has clocked a poverty ratio of 32.8%.

1.6 Economic deprivation is also linked with health and educational deprivation and these three dimensions combined together make what has been termed as 'Human Poverty Index (HPI)'. According to the National Human Development Report, 2001 Human Poverty Index India has shown a decline: from 47 percent in the early eighties

to about 39 percent in the early nineties. However, inter-state differences in human poverty are quite striking. It was in the range of 55-60 percent in the early eighties for the worse-off States, namely, Orissa, Bihar, Arunachal Pradesh, Assam and Uttar Pradesh and between 32-35 percent in the better-off States like Kerala, Punjab, and Himachal Pradesh. The magnitude of HPI in

early nineties had declined in all the States. However, the relative position of different States remained quite similar to the earlier period. The decline in HPI was significant in case of Himachal Pradesh, Tamil Nadu, Maharashtra, Jammu & Kashmir, Karnataka and Kerala. In case of Bihar, Uttar Pradesh and Rajasthan, the decline was only marginal.

Fig. 1
Proportion of Population below Poverty line



Salient features of Estimating States' Poverty Level

- Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- Poverty Ratio of Tamil Nadu is used for Pondicherry and Andaman-Nicobar Islands.
- Poverty Ratio of Kerala is used for Lakshadweep; poverty ratio of Goa is used for Daman & Diu.
- Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
- Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
- Poverty line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli; poverty ratio of Himachal Pradesh is used for Jammu & Kashmir.
- Urban poverty ratio of Rajasthan may be treated as tentative. 8. Poverty line is in Rupees per capita per month; 1 lakh is equivalent to 100,000

TABLE-1.2: INDICATOR NO.1A

PROPORTION OF POPULATION BELOW POVERTY LINES³ BY URP-BASED ESTIMATES

| STATES/UTS | 1987-88 | | | 1993-94 | | | 2004-05 | | |
|---------------------------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
| | RURAL | URBAN | TOTAL | RURAL | URBAN | TOTAL | RURAL | URBAN | TOTAL |
| Andhra Pradesh | 20.92 | 40.11 | 25.86 | 15.92 | 38.33 | 22.19 | 11.20 | 28.00 | 15.80 |
| Arunachal Pradesh | 39.35 | 9.94 | 36.22 | 45.01 | 7.73 | 39.35 | 22.30 | 3.30 | 17.60 |
| Assam | 39.35 | 9.94 | 36.21 | 45.01 | 7.73 | 40.86 | 22.30 | 3.30 | 19.70 |
| Bihar | 52.63 | 48.73 | 52.13 | 58.21 | 34.50 | 54.96 | 42.10 | 34.60 | 41.40 |
| Chhatisgarh | | | | | | | 40.80 | 41.20 | 40.90 |
| Delhi | 1.29 | 13.56 | 12.41 | 1.90 | 16.03 | 14.69 | 6.90 | 15.20 | 14.70 |
| Goa | 17.64 | 35.48 | 24.52 | 5.34 | 27.03 | 14.92 | 5.40 | 21.30 | 13.8 |
| Gujarat | 28.67 | 37.26 | 31.54 | 22.18 | 27.89 | 24.21 | 19.10 | 13.00 | 16.80 |
| Haryana | 16.22 | 17.99 | 16.64 | 28.02 | 16.38 | 25.05 | 13.60 | 15.10 | 14.00 |
| Himachal Pradesh | 16.28 | 6.29 | 15.45 | 30.34 | 9.18 | 28.44 | 10.70 | 3.40 | 10.00 |
| Jammu & Kashmir | 25.70 | 17.47 | 23.82 | 30.34 | 9.18 | 25.17 | 4.60 | 7.90 | 5.40 |
| Jharkhand | | | | | | | 46.30 | 20.20 | 40.30 |
| Karnataka | 32.82 | 48.42 | 37.53 | 29.88 | 40.14 | 33.16 | 20.80 | 32.60 | 25.00 |
| Kerala | 29.10 | 40.33 | 31.79 | 25.76 | 24.55 | 25.43 | 13.20 | 20.20 | 15.00 |
| Madhya Pradesh | 41.92 | 47.09 | 43.07 | 40.64 | 48.38 | 42.52 | 36.90 | 42.10 | 38.30 |
| Maharashtra | 40.78 | 39.78 | 40.41 | 37.93 | 35.15 | 36.86 | 29.60 | 32.20 | 30.70 |
| Manipur | 39.35 | 9.94 | 31.35 | 45.01 | 7.73 | 33.78 | 22.30 | 3.30 | 17.30 |
| Meghalaya | 39.35 | 9.94 | 33.92 | 45.01 | 7.73 | 37.92 | 22.30 | 3.30 | 18.50 |
| Mizoram | 39.35 | 9.94 | 27.52 | 45.01 | 7.73 | 25.66 | 22.30 | 3.30 | 12.60 |
| Nagaland | 39.35 | 9.94 | 34.43 | 45.01 | 7.73 | 37.92 | 22.30 | 3.30 | 19.00 |
| Orissa | 57.64 | 41.63 | 55.58 | 49.72 | 41.64 | 48.56 | 46.80 | 44.30 | 46.40 |
| Punjab | 12.60 | 14.67 | 13.20 | 11.95 | 11.35 | 11.77 | 9.10 | 7.10 | 8.40 |
| Rajasthan | 33.21 | 41.92 | 35.15 | 26.46 | 30.49 | 27.41 | 18.70 | 32.90 | 22.10 |
| Sikkim | 39.35 | 9.94 | 36.06 | 45.01 | 7.73 | 41.43 | 22.30 | 3.30 | 20.10 |
| Tamil Nadu | 45.80 | 38.64 | 43.39 | 32.48 | 39.77 | 35.03 | 22.80 | 22.20 | 22.50 |
| Tripura | 39.35 | 9.94 | 35.23 | 45.01 | 7.73 | 39.01 | 22.30 | 3.30 | 18.90 |
| Uttar Pradesh | 41.10 | 42.96 | 41.46 | 42.28 | 35.39 | 40.85 | 33.40 | 30.60 | 32.80 |
| Uttarakhand | | | | | | | 40.80 | 36.50 | 39.60 |
| West Bengal | 48.30 | 35.08 | 44.72 | 40.80 | 22.41 | 35.66 | 28.60 | 14.80 | 24.70 |
| Andaman & Nicobar Islands | 45.80 | 38.64 | 43.89 | 32.48 | 39.77 | 34.47 | 22.90 | 22.20 | 22.60 |
| Chandigarh | 14.67 | 14.67 | 14.67 | 11.35 | 11.35 | 11.35 | 7.10 | 7.10 | 7.10 |
| Dadra & Nagar Haveli | 67.11 | | 67.11 | 51.95 | 39.93 | 50.84 | 39.80 | 19.10 | 33.20 |
| Daman & Diu | | | | 5.34 | 27.03 | 15.80 | 5.40 | 21.20 | 10.50 |
| Lakshadweep | 29.10 | 40.33 | 34.95 | 25.76 | 24.55 | 25.04 | 13.30 | 20.20 | 16.00 |
| Pondicherry | 45.80 | 38.64 | 41.46 | 32.48 | 39.77 | 37.40 | 22.90 | 22.20 | 22.40 |
| Small states & UTs | | | | | | | | | |
| India | 39.09 | 38.20 | 38.86 | 37.27 | 32.36 | 35.97 | 28.30 | 25.70 | 27.50 |

³ Source: Planning Commission, Government of India.

TABLE-1.3: INDICATOR NO.1A

PROPORTION OF POPULATION BELOW POVERTY LINES⁴ BY MRP-BASED ESTIMATES

| STATES/UTS | 1999-2000 | | | 2004-2005 | | |
|---------------------------|-----------|-------|-------|-----------|-------|-------|
| | RURAL | URBAN | TOTAL | RURAL | URBAN | TOTAL |
| Andhra Pradesh | 11.05 | 26.63 | 15.77 | 7.50 | 20.70 | 11.10 |
| Arunachal Pradesh | 40.04 | 7.47 | 33.47 | 17.00 | 2.40 | 13.40 |
| Assam | 40.04 | 7.47 | 36.09 | 17.00 | 2.40 | 15.00 |
| Bihar | 44.30 | 32.91 | 42.60 | 32.90 | 28.90 | 32.50 |
| Chhatisgarh | | | | 31.20 | 34.70 | 32.00 |
| Delhi | 0.40 | 9.42 | 8.23 | 0.10 | 10.80 | 10.20 |
| Goa | 1.35 | 7.52 | 4.40 | 1.90 | 20.90 | 12.00 |
| Gujarat | 13.17 | 15.59 | 14.07 | 13.90 | 10.10 | 12.50 |
| Haryana | 8.27 | 9.99 | 8.74 | 9.20 | 11.30 | 9.90 |
| Himachal Pradesh | 7.94 | 4.63 | 7.63 | 7.20 | 2.60 | 6.70 |
| Jammu & Kashmir | 3.97 | 1.98 | 3.48 | 2.70 | 8.50 | 4.20 |
| Jharkhand | | | | 40.20 | 16.30 | 34.80 |
| Karnataka | 17.38 | 25.25 | 20.04 | 12.00 | 27.20 | 17.40 |
| Kerala | 9.38 | 20.27 | 12.72 | 9.60 | 16.40 | 11.40 |
| Madhya Pradesh | 37.06 | 38.44 | 37.43 | 29.80 | 39.30 | 32.40 |
| Maharashtra | 23.72 | 26.81 | 25.02 | 22.20 | 29.00 | 25.20 |
| Manipur | 40.04 | 7.47 | 28.54 | 17.00 | 2.40 | 13.20 |
| Meghalaya | 40.04 | 7.47 | 33.87 | 17.00 | 2.40 | 14.10 |
| Mizoram | 40.04 | 7.47 | 19.47 | 17.00 | 2.40 | 9.50 |
| Nagaland | 40.04 | 7.47 | 32.67 | 17.00 | 2.40 | 14.50 |
| Orissa | 48.01 | 42.83 | 47.15 | 39.80 | 40.30 | 39.90 |
| Punjab | 6.35 | 5.75 | 6.16 | 5.90 | 3.80 | 5.20 |
| Rajasthan | 13.74 | 19.85 | 15.28 | 14.30 | 28.10 | 17.50 |
| Sikkim | 40.04 | 7.47 | 36.55 | 17.00 | 2.40 | 15.20 |
| Tamil Nadu | 20.55 | 22.11 | 21.12 | 16.90 | 18.80 | 17.80 |
| Tripura | 40.04 | 7.47 | 34.44 | 17.00 | 2.40 | 14.40 |
| Uttar Pradesh | 31.22 | 30.89 | 31.15 | 25.30 | 26.30 | 25.50 |
| Uttarakhand | | | | 31.70 | 32.00 | 31.80 |
| West Bengal | 31.85 | 14.86 | 27.02 | 24.20 | 11.20 | 20.60 |
| Andaman & Nicobar Islands | 20.55 | 22.11 | 20.99 | 16.90 | 18.80 | 17.60 |
| Chandigarh | 5.75 | 5.75 | 5.75 | 3.80 | 3.80 | 3.80 |
| Dadra & Nagar Haveli | 17.57 | 13.52 | 17.14 | 36.00 | 19.20 | 30.60 |
| Daman & Diu | 1.35 | 7.52 | 4.44 | 1.90 | 20.80 | 8.00 |
| Lakshadweep | 9.38 | 20.27 | 15.60 | 9.60 | 16.40 | 12.30 |
| Pondicherry | 20.55 | 22.11 | 21.67 | 16.90 | 18.80 | 18.20 |
| India | 27.09 | 23.62 | 26.10 | 21.80 | 21.70 | 21.80 |

⁴ source: Planning Commission, Government of India.

1.7 It needs to be highlighted that India is one of the very few countries that has identified different poverty lines at the sub-national level. The poverty ratios are estimated for different States of the country and have State specific poverty lines for rural and urban areas separately. Such State specific poverty lines essentially reflect the differences in the cost of living in different States of the country. Consequently, there are variations in the poverty line among the States within the country as well as between the rural and the urban areas, mainly on account of price differentials in the rural and urban areas and across States. The implicit all India poverty line in the urban areas is nearly 51 percent higher than that in the rural areas for the year 2004-05. For rural areas the poverty line is highest in Uttarakhand, which is 63% higher than that of Andhra Pradesh, the State with lowest poverty line, in 2004-05. The State with the highest prices has a poverty line, which is 57 per cent higher than that for the State with lowest prices despite the basket of goods and services being the same for all states of the Union.

1.8 The importance of these regional variations in the poverty lines cannot be over-emphasized. Applying a uniform poverty line for the country as a whole would underestimate poverty levels in the urban areas and overestimate such levels in the rural areas, and would also distort the measurement of poverty in the different States. This would not serve much purpose from the policy point of view, and could in fact lead to gross errors in policy intervention strategies. Applying a uniform international poverty line such as US \$1 (PPP) per day to estimate the proportion of people living in poverty can distort the picture further.

1.9 The Planning Commission in the Tenth Plan (2002-07) set target at reducing poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012. It aimed at achieving poverty ratio of 19.3% for the country as a whole by 2007, 21.1%

for the rural and 15.1% for the urban areas.

These targets were set taking into consideration the 1999-2000 estimates. In absolute terms, the number of poor was projected to decline from 260 million in 1999-2000 to 220 million in 2007, with rural poor declining to 170 million and urban poor to 50 million. Going by the MRP-based estimates for 2004-05, which are comparable with the 1999-2000 estimates, it is likely that the Tenth Plan targets would be realised or bettered in the rural areas while in the urban areas, there could be a possibility of narrowly missing the target. 1.10 The objective of planning is to improve the lot of the poorest of the poor, and it is more than likely that the most deprived may not rise above the poverty line within the given time frame. Nevertheless, amelioration of their lot must be a focal point of public policy. It is in this context that indicators like the **Poverty Gap Ratio (PGR)** become important. PGR reflects the degree to which mean consumption of poor falls short of the established poverty line, indicating the depth of poverty. The PGR for the country has decreased from 8.5 to 5.7 in rural India and from 8.1 to 6.1 in urban India during the period 1993-94 to 2004-2005. The decline in the PGR over the period points towards better and improved economic condition of both rural and urban poor in the country. The anti-poverty programmes have helped in reducing the depth and severity of poverty in the country.

1.11 **The share of poorest quintile** in total consumption (consumption that is accounted for by the poorest fifth of the population) in the rural areas declined from 9.6% in 1993-94 to 9.5% in 2004-05 based on URP. This decline was sharper in the urban areas where the ratio declined from 8% to 7.3%. This decrease in the share of consumption for the poorest quintile could be one of the reasons for growing inequities, particularly in the urban areas.

1.12 As per the report on 'Level and Pattern of Consumer Expenditure' for 2004-05 on the basis of 61st round of the National Sample Survey, 30% of the rural population lived below a Monthly Per Capita Consumption

Table 1.4: Measures of Poverty Depth and Consumption share of the Poorest

| | | 1993-94 | 2004-2005 (URP) |
|---|-------|---------|-----------------|
| Poverty Gap Ratio | Rural | 8.5 | 5.7 |
| | Urban | 8.1 | 6.1 |
| Share of Poorest Quintile in national consumption | Rural | 9.6 | 9.5 |
| | Urban | 8.0 | 7.3 |

Expenditure (MPCE) level of Rs. 365, 10% lived below a monthly per capita expenditure level of Rs.270. Compared with 30 percent at the all-India level, in Orissa and Chhatisgarh as many as 55-57% of villagers were living below the MPCE level of Rs.365, which is about Rs. 12 per day. In MP, Bihar and Jharkhand, percentage of such population was 46-47%. 31% of the rural population in Orissa and over 20% in Chhatisgarh and MP (compared to 10% at the all- India level) was living at lower levels of living of Rs.270 per person per month (Rs. 9 per day) .



1.13 For urban India, 30% of the population lived below the monthly per capita expenditure level of Rs. 580 per month and 10% lived below the monthly per capita expenditure level of Rs. 395. 55% of Bihar's and 50% of Orissa's urban population lived below the MPCE level of Rs. 580(Rs.19 per day). Lower levels of MPCE of

Rs. 13 per day or less (MPCE<Rs.395) were observed among 28% of Bihar's and 25% of Orissa's urban population.

1.14 In the upper ranges of MPCE distribution i.e. for the relatively affluent category of people, Rs.690 and Rs.890 were respectively the approximate values of the 80th and the 90th percentiles of the all-India distribution of MPCE of the rural population. In other words, the top 20% and the top 10% of the rural population of India lived above the MPCE levels of Rs. 690 and Rs. 890 respectively in 2004-05. Similarly, the top 20% and the top 10% of the urban population lived above the MPCE levels of Rs.1380 and Rs.1880 in that year.

Poverty alleviation in rural areas

1.15 The past trends regarding the condition of the poor do not entirely reflect the efforts made in this direction. It is important to consider the measures being taken to improve the condition of the poor. Poverty alleviation is of continuing relevance to India's development since poverty levels continue to be relatively high and there is evidence of some deprivations in few areas of the country and among certain groups. The Indian anti-poverty programmes are designed to perform two functions, viz. (a) alleviate immediate deprivation by providing supplementary incomes; and (b) create infrastructure and other assets, which can reduce poverty through their growth effect.

1.16 The wage employment programme not only has valuable anti-poverty content but is also a way of creating community infrastructures. The Government of India launched the **National Food for Work Programme (NFWP)** in order to provide additional resources, apart from the resources available under **Sampoorna Grameen Rozgar Yojana (SGRY)** [Total Rural Employment Scheme], to 150 most backward districts of the country from November 2004 so that generation of supplementary wage employment and providing food security through creation of

need-based economic, social and community assets in these districts is further intensified. The programme is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work. Food grains are provided to



the States free of cost. The NFWP has been completely subsumed in the recently launched **National Rural Employment Guarantee Scheme**. The SGRY has also been subsumed under the NREGA and continues to be implemented only in those districts where NREGA is not under implementation. As all the districts under NREGA get covered under NREGA, SGRY will be completely subsumed under this programme.

1.17 The **Sampoorna Grameen Rozgar Yojana (SGRY)** was launched in September 2001 with the primary objective to provide additional wage employment in rural areas for food security and nutritional improvement. The secondary objective is the creation of durable community, social and economic assets and infrastructural



development in rural areas. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual

and unskilled work in and around the village/ habitat. While providing wage employment, preference is given to agricultural wage earners, non agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes and Scheduled Tribes, parents of child labour withdrawn from hazardous occupations, and handicapped children /adults with



handicapped parents.

1.18 The **Swaranjayanti Gram Swarozgar Yojana (SGSY)** [Golden Jubilee Rural Self-employment Scheme] was launched in April 1999. The objective of the SGSY is to bring the assisted poor families above the



poverty line by organizing them into Self Help Groups (SHG) through the process of social mobilization, their training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy besides backward input and forward marketing linkages.

1.19 The **Indira Awaas Yojana (IAY)** [Indira Housing Scheme] is the major scheme for construction of houses to be given to the rural poor, free of cost. It has an additional component, namely, conversion



of unserviceable kutcha houses to semi pucca houses.

1.20 The **National Employment Guarantee Scheme**, that has been launched in 200 districts, provides a measure of income and employment insurance for the rural poor. It has been extended to an additional 130 districts and will cover the entire country over a period of 5 years from its launch. These measures are likely to enhance reduction in poverty and help achieving the millennium development goals.

Poverty alleviation in Urban areas

1.21 Most of the Urban Poverty Alleviation programmes focus on urban slums as these areas house a significant proportion of the urban poor. The main objective of these programmes has been to provide housing, basic facilities and employment opportunities to them.

Jawaharlal Nehru National Urban Renewal Mission:

1.22 The ever increasing number of slum dwellers in India has caused tremendous pressure on urban basic services and infrastructure. In order to cope with the massive problems that have emerged as a result of rapid urban growth, there was a felt need to draw up coherent urbanization strategy to implement projects in select cities in mission mode. Hon'ble Prime Minister launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3rd December, 2005. It is a 7 year mission (2005-12) seeking to ensure sustainable development of 63 select cities

through a reform driven, fast track, planned development with focus on efficiency in urban infrastructure, services delivery mechanism, community participation and accountability of Urban Local Bodies (ULBs), towards citizens. The mission would attempt to secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained but also become self-sustaining over time.

1.23 The mission has two sub-missions viz.

(i) **Sub-mission on Urban Infrastructure and Governance** in which the main thrust would be on major infrastructure projects relating to water supply including sanitation, sewerage, solid waste management, road network, urban transport and urban renewal i.e. redevelopment of inner (old) city areas;

(ii) **Sub-Mission on Basic Services to the Urban Poor** seeks to provide basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery through convergence of other already existing universal services of the government for education, health and social security.

Integrated Housing and Slum Development Programme (IHSDP):

1.23 Hon'ble Prime Minister launched this scheme along with Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3rd December 2005. IHSDP combines the existing schemes of VAMBAY and National Slum Development Programme (NSDP) and aims at having an integrated approach to ameliorate the conditions of the urban slum dwellers not possessing adequate shelter and residing in dilapidated conditions, in all cities/towns, excepting cities/towns covered under JNNURM.

Urban Infrastructure Development scheme for small and Medium Towns (UIDSSMTU):

1.24 This scheme aims at improvement in urban infrastructure in towns and cities in a planned manner. It has subsumed the existing schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP). The main objective of the scheme is to improve infrastructure facilities and help create durable public assets and quality oriented services in cities & towns

Swarna Jayanti Shahari Rojgar Yojana (SJSRY):

1.25 This scheme was initiated in December 1997 to integrate the local urban poor with the main stream population, with the objective of providing gainful employment to urban poor through self-employment as well as wage employment. The scheme relied on creation of suitable community structures and delivery of inputs through the medium of ULBs. However, the implementation of the scheme was beset with enormous problems due to which a comprehensive evaluation of the scheme has been done. It is now proposed to bring new focus into the scheme in keeping with the fact that urban areas have developed new skill



requirements and build capacity in 43 new trades that have been identified and thereby create employment opportunities for 30 million urban poor.

Low Cost sanitation scheme:

1.26 This centrally sponsored scheme of the Government of India is one of the components of the National Action Plan (NAP) for Total Eradication of Manual Scavenging by 2007. The scheme did not perform very well earlier. It is now proposed to revise the scheme by removing the earlier lacunae. In its revised form, the scheme envisages conversion of 6 lakh dry latrines into low cost twin-pit sanitary latrines, on a 'whole town basis', to be operated through the Housing and Urban Development Corporation (HUDCO) and NGOs, by providing a mix of subsidy from the Central Government and loan from the HUDCO in a synchronized manner.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

1.27 The 61st round of the National Sample Survey has revealed that out of every rupee spent in 2004-05 by the average rural Indian household on consumption of various goods and services, 55 paise was spent on food. Of this, 18 paise was spent on cereals and cereals substitutes, 8 paise on milk and milk products, 6 paise on vegetables, 5 paise on edible oil, 5 paise on sugar, salt and spices and 5 paise on beverages, refreshments and processed food.

1.28 Both share of food and share of

cereals fall appreciably with the rise in MPCE level. In rural India as a whole, the share of food falls from over 68% in the lowest MPCE class (Rs.0-235) to under

34% in the highest (Rs.1155+). In urban India the decline in the share of food is steeper, i.e. from 65% in the lowest expenditure class to under 24% in the highest. The share of cereals in total consumption expenditure declines, from over 34% in the lowest MPCE class to under 7% in the highest in the rural areas. In urban India, the share of cereals drops from 26% in the lowest MPCE class to a mere 3% in the highest.

1.29. Prevalence of (moderately and severely) underweight children—The prescribed indicator in the MDG is the

percentage of children under five years old whose weight for age is less than minus two standard deviations from the median for the international reference population aged 0–59 months. In Indian context, data on this indicator is not available. The National Family Health Survey (NFHS) collected data on the under-weight children below three years of age. In 2005-06 nearly 46 percent of the children under age three years were found to be severely under-weight at the national level as compared to 47% in 1998-99. However, 51.5% of the children under age four years were found underweight in 1992-93.

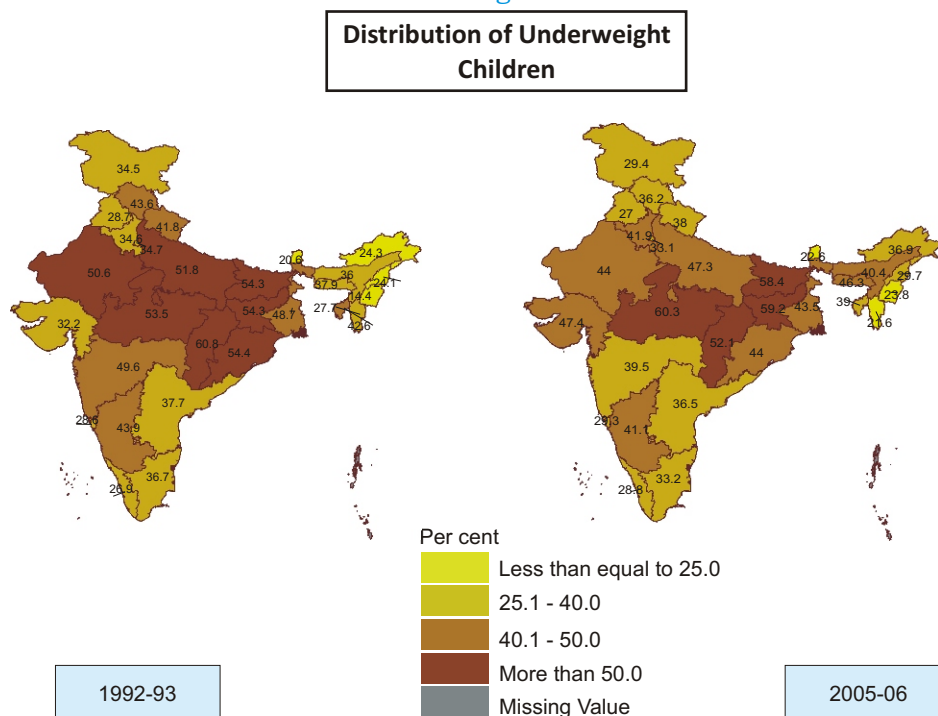
Table 1.5: Measures of Undernourishment of Children

| Indicator | 1992-93 | 1998-99 | 2005-06 |
|---|---------|---------|---------|
| 1. Children (<3 Yrs) who are underweight (%) | 51.5* | 47.0 | 45.9 |
| 2. Children (<3 Yrs) who are wasted (%) | n.a | 15.5 | 19.1 |
| 3. Children (<3 Yrs) who are stunted (%) | n.a | 45.5 | 38.4 |
| 4. Children aged 6-9 months receiving solid and semi-solid food and breast milk (%) | n.a | n.a | 55.8 |

n.a: not available; source: NFHS-III;

* : < 4 years of age

Fig. 2



1.30 The District Level Rapid Household Survey (DLHS) (2002-04) has for the first time provided district level estimates on the magnitude of “hidden hunger” or micronutrient deficiencies and malnutrition. Severe malnutrition has decreased significantly in India and severe nutritional deficiencies have considerably declined.

1.31 The incidence of malnourishment among women (and children) continues to be widespread, the consequence of which is the high rate of morbidity and mortality among them. According to the NFHS III, in 2005-06, more than 56 percent of the ever-married women and 79 per cent of children suffered from anaemia. In some areas, women still lack access to the daily per capital requirement of the recommended

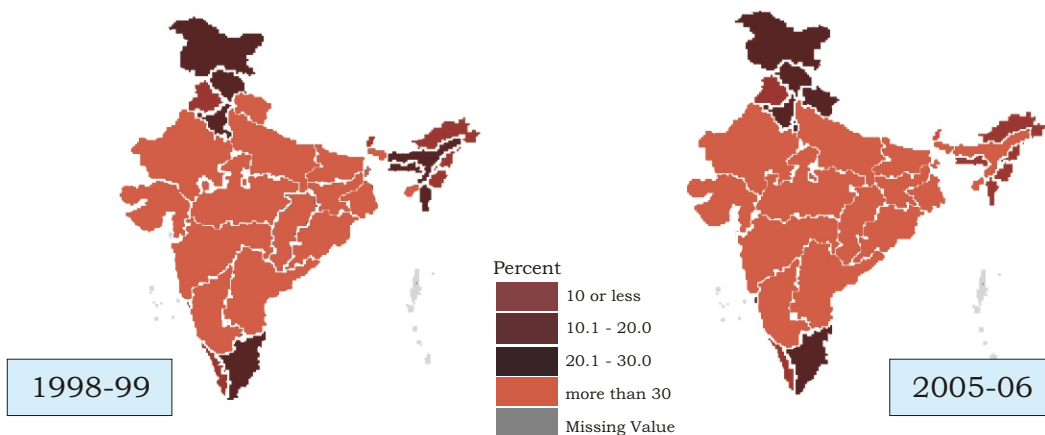


minimum nutrition. Nearly 58 per cent of the pregnant women suffer from anaemia. About 33% women have below-normal

body mass index as compared to 28% men. A programme has been implemented since 1997-98 to treat anaemia and severe anaemia among pregnant women, provides them with iron and folic acid tablets daily for 200 days.

1.32 As a country dependent significantly on rain-fed agriculture, India has faced periodic droughts. There have been occasions when starvation has been reported despite availability of food grains in the country. Consequently, food security has occupied a central place in Indian economic policy. The longest running and most widely spread intervention in this regard has been the public distribution system (PDS), which seeks to make a minimum quantity of food available to every household even in the remotest parts of the country at an affordable price. This, along with a well-developed calamity relief system, has ensured that drought and scarcity do not have much impact on the vulnerable population. However, the prevalence of malnutrition, particularly among women and children, is a serious reality facing the country. Even today, nearly 45 per cent of all children in the country continue to be underweight and a very high proportion of women suffer from anaemia.

Fig. 3
Percentage of ever-married women (15-49 years) whose body mass index is below normal



1.33. In the recent years, a range of strategies have been devised to address these issues. By and large, these strategies have been based primarily on the provision of cheap, and even free, food to the poor and vulnerable classes. There are a host of such interventions, which cover a full range of life-cycle vulnerabilities affecting the poor. The Targeted Public Distribution System (TPDS) provides heavily subsidized cereals to the entire below poverty line (BPL) class; the Antyodaya Anna Yojana (AAY) targets the poorest among the poor; the Integrated Child Development Services (ICDS) covers young children and mothers; the Mid-day Meal Scheme (MMS) supports the school-going children; the various Food For Work (FFW) programmes provide food grains to the working poor; and the Annapurna scheme supports the aged.

1.34 **Integrated Child Development Services (ICDS)** as a nation-wide programme continues to be the major intervention for the nutrition and overall development of children below 6 years of age and expectant and nursing mothers. The scheme is in the process of Universalisation in order to reach the targeted beneficiaries in each habitation. In order to ensure regularity in distribution mechanism of supplementary nutrition under ICDS, a significant decision was taken by the Central Government to share 50% of the cost of supplementary nutrition under the scheme with effect from 2005-06. National Nutrition Policy 1993 and the National Plan of Action for Nutrition 1995 have placed special emphasis inter-alia on improving the nutritional status of expectant and lactating mothers, adolescent girls, control of anaemia and micro-nutrient deficiencies and nutrition and health education of women. The National Nutrition Mission has been set up under the chairpersonship of the Prime Minister in 2003, with the basic objective

of addressing the problem of malnutrition in a holistic manner. The National Guidelines on Infant and Young feeding were released in August 2004. Food Security for the poorest is attempted through the Targeted Public Distribution System (1997), the Antyodaya Anna Yojana (2000) and the Grain Bank Schemes.

Gender and Poverty

1.35 More than 1 billion people live in poverty around the world, and a great majority of them are women. Women's poverty is a violation of their human rights to health and well-being, food, adequate housing, a safe and healthy living environment, social security, employment and development. Poverty can also be the result of human rights violations when women are denied equal access to employment opportunities, are paid less than men for equal work, are prevented by law or custom from owning or inheriting land, or when women become the victims of physical and sexual abuse. When women are denied equal access to education, when they do not have the right to decide on the number and spacing of their children, or when they face an unequal share of the responsibility for raising children, their ability to earn an income and to be protected from poverty is greatly compromised. Women are vulnerable to poverty because gender inequalities distort the distribution of income, access to productive resources such as credit, command over property or control over earned income, and access to labour markets. In addition, women do not always have full control or command over their most basic asset: their own labour. During the last decade there have been several changes in the way poverty is addressed, including changes to poverty eradication policies. These changes are

reflected in the shift from a psychological model of deprivation, focused on the failure to meet basic material and physiological needs, to a social model of deprivation focused on such elements as lack of autonomy and dignity and powerlessness.

1.36 The success of the micro credit initiatives through self-help groups (SHGs) has encouraged the government to use this as an instrument to address the issues of poverty and unemployment. Women SHGs are implementing a large number of developmental initiatives viz. for providing women with access to savings and credit mechanisms and institutions through micro-credit schemes. **Rashtriya Mahila Kosh** [National Credit fund for Women] provides credit for livelihood and related activities to poor women. The Department of Women & Child Development implements the STEP (Support to Training and Employment Programme for Women) Programme, Swawlamban Programme, Swayamsiddha project and Swashakti project for the all round empowerment of women. Sampoorna Grameen Rozgar Yojana, Swaranjayanti Gram Swarozgar Yojana (40% of the benefits under this programme are earmarked for women), Swaranjayanti Shahari Swarozgar Yojana, Development of Women and Children in Urban Areas (DWCUA) etc have strengthened income generation capacity and economic security of women. Micro finance institutions have increased the outreach and NGOs have promoted SHGs at the village level while also linking them to banks. A 14-point Action Plan for strengthening credit delivery to women particularly in tiny and Small Scale Industries (SSI) sector has been formulated. Public sector banks earmark

5% of their net bank credit for lending to women. In December 2004, the aggregate lending was 5.47 percent.

1.37 Considering the complex inter-relationship between women and the economy, there is increased focus on infrastructure, capacity building in market and enterprise development skills of women, as that would benefit women both as workers and entrepreneurs. Interventions to prevent exploitation and contractualisation of labour that have been adopted like fixation of minimum contractual wages in accordance with the subsistence needs of the workers and collective organization measures like the micro-credit and micro-finance schemes and the social security measures like Unorganised Workers Social Security Scheme, the Universal Health Insurance Scheme and the National Social Assistance Programme have already lead to beneficial outcomes on income and working conditions for women and in mitigating the ill effects of poverty on women.

1.38 Effective access to land is perhaps the single most significant determinant of economic and social status in India. Women's unequal access to land rights is one of the most important reasons for the poor status. Enhancing women's direct access to land in the rural economy proves critical for meeting the national goals of improving food and livelihood security, children's welfare, agricultural productivity and women's empowerment.

1.39 There is an emphasis on the importance of enacting new legislation that

gives women equal rights of ownership of

houses and land. The recent amendment to the Hindu Succession Act provides that daughters would get equal rights in ancestral property.

1.40 Government policy directives on allotment of land rights in the names of husband and wife and in the names of women alone has yielded good dividend. In our federal polity, the land rights are a State subject under the Constitution, and the land transfer to women has not been uniform throughout the country. It has been recognized that allotment of government land and wasteland to women's groups and land in State farms enables women to take up agricultural and allied activities.

1.41 In addition to schemes and programmes exclusively for women, the Gender Budgeting and Women Component Plan (WCP) are also two major mechanisms adopted so as to push forward the initiative towards gender equity and empowerment in the country.

1.42 It is evident, from the above policies and strategies of the Government and the enactment of an Employment Guarantee Act providing measures of insurance and income security for the rural poor, that these measures will hasten the poverty reduction process and help achieving the Millennium Development Goal 1.

