

## Impact Of Poverty Elimination Programmes In India: With Special Reference To Bihar

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### ABSTRACT

Bihar is the poorest state of the country, with the exception of Orissa, and also ranks among the slowest growing regions of the country. The slow growth of the state along with the demographic pressure has led to its economic retrogression-the per capita income not only stagnated during the 1990s but actually showed a decline during some of the years. Bihar's per capita income, which was approximately 60 per cent of the Indian average during the 1960s, declined to approximately 40 per cent in 1993-94, and further to about 30 per cent during 2003-04. In respect of other social and human development indicators too, the state's performance has been poor. However, in recent years, there have been signs of change. The growth rate has started accelerating and there have been concerted and massive efforts during the last three years or so by the Bihar government to alleviate poverty and generate livelihoods for the poor. There have been signs of improvements on several fronts. However, Bihar's poverty is deep-rooted and overcoming it requires coordinated efforts not only from the state and central governments, but also from many other actors, including local and non-governmental organisations (NGOs), international agencies, and many others. Poverty is a very complex issue and there is a dire need to devise a focused strategy for poverty eradication and clearly defined roles for the various stakeholders in this regard.

In this context, the Institute for Human Development (IHD, in association with the Asian Development Research Institute (ADRI), organised an international seminar at Patna from 18th to 20th April, 2010. The seminar, which was supported by the United Nations Development Programme (UNDP), brought together an eminent panel representing a wide range of experience and expertise from within and outside India to examine the existing perceptions of poverty and to review the impact of alternative policy approaches. The objective of the seminar was to analyse the nature and pattern of poverty in Bihar, discuss the issues relating to its measurement and identification, and suggest an effective and innovative strategy for its eradication. The

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participants at the seminar also examined the roles of different agencies and stakeholders involved in the alleviation of poverty in the state.

### INTRODUCTION

India's rural economy in general and that of Bihar in particular, are entirely dependent on land and agricultural activities. A few other non-agricultural activities like animal husbandry or fishery are also land-related and carried out largely as a household-level petty production activity to supplement agricultural income, and is rarely treated as an independent occupation. Thus, not having adequate land is the principal reason for rural poverty in both Bihar and India. Landless and land-poor households, therefore, constitute the large bulk of 'below poverty line' households throughout the country. According to one estimate, nearly 70 percent of the landless wage earners and nearly 45 percent of the marginal farmer households in India live below poverty line (NCAER, 1996). That the rural poverty ratios are much higher in Bihar is easily explained by large number of landless and marginal farmer households here. As regards landless rural households, they constitute 50.2 and 38.6 of the total number of rural households in Bihar and India respectively; for marginal farmer households, the shares are 21.8 and 15.3 percents.

Any macro developmental effort that aims at increased employment and income opportunities or expansion of social benefits like education or health, is likely to impact the poverty scenario. But it has been a worldwide general experience that only a small part of the benefits of such macro development programmes reach the very poor; the process of 'trickling down' of development benefits to the poor is extremely slow. And poverty cannot be eliminated through such interventions alone. Thus, poverty alleviation demands programmes that aim to directly help the poor, instead of the entire population. The rationale for such targeted poverty alleviation programme is that their benefits or social returns are higher for the population at lower end of the income distribution than at the upper end. Within this broad objective, the government has launched several targeted poverty alleviation programmes (PAP) in India. For further efforts in this direction, it is desirable to understand the rationale for different types of programmes as well as analyse their impacts. Broadly speaking, these programmes can be grouped into three categories, each trying to remove a particular dimension of the socio-economic disadvantage suffered by the poor.

In the first category, one may group all those poverty alleviation programmes that aim to raise 'directly' the existing income and consumption levels of the poor households. At present, major programmes under this category can again be sub-grouped into the following four heads- (a) Self

employment Programmes, (b) Wage-employment Programmes, (c) Public Distribution System (PDS) and Nutrition Programmes, and (d) Social Security Programmes. For promotion of self employment, most important programmes are Swarnajayanti Grameen Swarojgar Yojana (SGSY). For wage-employment, it is National Rural Employment Guarantee Programme (NREGP) which now enjoys the largest resource support. The Public Distribution System, now redesigned as Targeted Public Distribution System (TPDS) aims to enhance the food consumption of the poor through provision of subsidized foodgrains. Finally, there are a number of social security programmes, like National Old Age Pension Scheme (NOAPS), which try to ameliorate the poverty of aged and other seriously disadvantaged persons.

The second category of poverty alleviation programmes has a distinctly different approach to the problem, taking into account the capability poverty of the poor households. These incapability arise from their low literacy rates, poor health and nutrition standards, poor living standards in terms of housing, drinking water and sanitation facilities and some other social constraints. Under these circumstances, the poor should not only be enabled to cross the poverty line through programmes listed before, there should also be simultaneous effort to improve their human development status in terms of education, health, nutrition, skills and assets so that they can ultimately stay above the poverty line, even without the external government support for income and consumption. This demands adequate resource allocation and increased efficiency for various delivery systems, particularly those for education and health. Two important programmes serving that particular objective are Sarva Siksha Abhiyan (SSA) and National Rural Health Programme (NRHP). In addition, the enhancement of the capability of the poor also demands simultaneous efforts to create appropriate institutions for empowerment of the poor so that they can participate in decisions relating to the delivery system and hold the system accountable when it fails to serve them. Strengthening of Panchayati Raj Institutions (PRI) is one of the attempts of the government for empowering poor. Collective action is at the core of such empowerment and, therefore, the government has also consciously promoted all institutions that facilitate collective actions, like Self- Help Groups (SHG), cooperative societies, non-governmental organizations (NGO), Forest Protection Bodies and the like.

Although it is important to differentiate among the above three approaches for poverty alleviation programmes in India, it should also be noted that these approaches are not contradictory or antithetical to each other. Thus, historically, the initial attempts for poverty alleviation was along the first approach of providing income opportunities and subsidizing consumption; later, these programmes were supplemented

by the efforts towards empowerment of poor which could help them overcome their capability poverty; and still later, there have been additional interventions which could ensure a sustainable livelihood for the poor through capacity building, institutional support and better management of natural resources. At present, all these approaches are being followed simultaneously, choice for a particular approach depending on the local needs and the policy orientation of the resource provider.

**OBJECTIVE OF THE STUDY**-Government of Bihar through the Bihar Rural Livelihood Promotion Society (BRLPS), is planning a major intervention for promoting rural livelihood opportunities in rural Bihar with financial support from the World Bank. The project aims to attain its objectives by developing organization of the rural poor and producers to enable them to access and negotiate better services, credit and assets from public and private sector agencies and financial organizations. The project also plans to invest in building capacity of public and private service providers. The preparation of the project will have the following key elements

- (a) identifying existing innovations in various areas and help in developing processes, systems and organizations for sealing up these innovations;
- (b) focusing on the poor - vulnerable and disabled members of the community
- (c) building and empowering institutions and organizations-community, public and private
- (d) focusing on stimulating productivity growth in key livelihood sectors and employment generation on the project area
- (e) project investments which are catalytic in nature to spur public and private investment in the poor.

**POVERTY**-The extent of poverty in Bihar as a whole is very high, and the above interventions are desirable in every region of the state. However, even at this high level of poverty, its severity in different regions or districts of Bihar is not uniform. Along with a small number of districts where agricultural productivity is reasonably high resulting in lesser incidence of poverty, there are other districts where conditions of the local economy are very poor and the level of poverty is extremely high. Thus, some districts need effective government interventions for poverty alleviation far more urgently than others. In addition, social condition of the people across different districts is also dissimilar, calling for very district-specific strategies that could ensure the success of various development programme.

For classifying the districts with respect to the level of poverty, the first indicator is the percentage of rural population living below poverty line in each district. Generally, these poverty estimates are available for the state as a whole. However, for 1993-94, a study had prepared the district wise estimates for 29 districts, as they existed in that year. Later,

some of the areas were partitioned to form the present 38 districts. For all those districts, which were later partitioned, the overall poverty estimate has been used for each of the comprising smaller districts. Secondly, the 2001 census had collected information on household not having any of the following 6 consumer durables- car/jeep/van, telephone, scooter/motor cycle/ moped, television, radio/transistor and bicycle. This obviously provides an alternative indicator of poverty of rural households. Yet another indicator of poverty is the percentage of rural households living in one room, information on which is again available from the 2001 census.

The very phenomenon of some able-bodied adults being engaged as marginal workers indicate a strenuous livelihood practice and, as such, the phenomenon is more visible among the poor households, for both men and women. However, if a woman is a marginal worker, this is indicative of higher poverty of the household, since such work is often the last resort of the poor as a survival strategy. The study, therefore, used 'work participation rates of females as marginal workers' as the fourth indicator of the level of poverty in different districts.

The above characterization of the different regions of Bihar vis-à-vis their poverty levels and social situation could be a useful guide for choosing appropriate livelihood-oriented poverty alleviation programme in the respective regions. However, BRILS is already engaged in such interventions in districts of the state- Ara, Buxer, Siwan, Chapra, West Champaran and Patna. One may, therefore, investigate the specific poverty and social profile of these six districts to design the livelihood-oriented interventions, suited to each districts. the poverty levels are very high in Ara, Buxer, Siwan, Chapra, West Champaran and Patna. All these districts are also characterized by very low levels of social capital. Livelihood potential is also rather limited in these three districts and, firstly, at least one of these districts (Siwan) suffers from high social vulnerability. Thus, the urgency for livelihood-oriented interventions in all these three districts is very high. Ara and Chapra are two districts where poverty levels may not be high, but if one takes into account their relatively higher levels of social capital, the poverty levels there should have been even lower. In case of Gaya, even the livelihood potential is found to be above average. Thus, these two districts seem to be rather 'failing' districts where the existing economic and social potential are not fully utilized to reach a matching level of development. In these backgrounds, both these districts are in need of an innovative intervention programme and BRLPS could possibly undertake the task. Finally, the district of Ara is seen to enjoy average levels of livelihood potential, social vulnerability and social capital and, yet, the present level of poverty is below the average. This obviously makes the district a performing one,

which has overcome its natural and social constraints to attain a none-too-low level of development. It can therefore provide the functionaries of the BRLPS with a learning opportunity to identify the kind of social forces that promote development and low levels of poverty.

**REVIEW OF LITERATURE Pravin Visariya and Leela Visariya (1973)16** - Since the Approach to the Fifth Plan anticipates that the additional wage-employment will fall short of the estimated increase in labour force and envisages agriculture as the residual employment sector to absorb the increments to the labour force, public rural works will have to form an important component of the employment generating activities during the Plan period. In the Third Plan's Rural Works Programmes in the Crash Scheme for Rural Employment started in 1971-72, in the Pilot Intensive Rural Employment Project launched in 1972-73, and in Bihar Employment Guarantee Scheme, we already have some experience of rural works programmes. This article focuses, in the light of this experience and the characteristics of the weaker sections, on the several research issues and variables that deserve careful attention in the planning of future employment programmes in rural areas.

**Gaiha (1996)17** reveal that the EGS was mis-targeted contrary to the conclusions of the former researchers. According to these studies, a little over 48 per cent of the EGS participants in 1979 were poor. In 1989, the share of the poor among EGS participants was a little over 27 per cent. Thus the proportion of non-poor rose more than moderately. Gaiha's conclusions are based on data sets for two villages in Bihar First, this evidence may not be true for the entire Bihar. Secondly, the poverty lines used by the author appear to be much lower than official poverty lines. Most of the other evidence shows that EGS well targeted to the poor.

**Stuti Lall (2001)18** - The study traces developments in approaches to employment management for the urban poor in India. In the process, it deals at length with the changes in the employment planning policy over a period of five decades and brings out the macroeconomic imperatives that led to addressing of poverty issues as a separate sector, having no linkages with the rest of the economy and how the attempts to link them with the rest of the economy have been made and what the outcomes have been.

**Ministry of Rural Development. Govt. of India (2003)19** - The SGRY is an omnibus employment guarantee programme of Ministry of Rural Development, Government of India. It assists the state governments in their support to the Panchayati Raj Institutions and executes rural infrastructure development projects through food subsidy and partial wages, ensuring 100 days of employment. The project focuses on rural infrastructure to improve connectivity (rural roads), irrigation (water resources development & drainage) and food security The major works

undertaken in Jharkhand are irrigation tank rehabilitation and irrigation channel development.

**Sampoorna Grameen Rozgar Yojana Guidelines (2004)20-**To provide a greater thrust to additional wage employment, infrastructural development and food security in the rural areas, an ambitious New Scheme with an annual outlay of Rs.10,000 crores (in terms of cash and food grains) was launched. The Ministry of Rural Development reviewed the hitherto on-going Schemes of the Employment Assurance Scheme (EAS), (the only additional wage employment Scheme for rural areas), the Jawahar Gram Samridhi Yojana (JGSY) (a rural infrastructure development Scheme) and by merging them into one Scheme, launched the New Scheme of the Sampoorna Grameen Rozgar Yojana (SGRY) w.e.f 25th September, 2001.

### **RESEARCH DESIGN**

**The research design adopted for the study is Exploratory Research Design.**

- Collection of the Primary Data using a detail questionnaire to be filled by the people working in the field/area of the research, i.e. Bihar Poverty.
- Collection of Secondary Data, by taking the reference from the previous researches in the field of management of continuity and change in the Poverty.

### **CONCLUSION**

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 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, Self-help Groups (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.

There was a general consensus that implementation of government programmes was now much better in Bihar than it had been in the past. New schemes such as the Balika Cycle Yojana, the Mukhya Mantri Kanya Suraksha Yojana, and the Janani Suraksha Yojana appeared to be working well at the ground level. At the same time, there was considerable scope for improvement in various schemes such as the NREGA, PDS and ICDS. In terms of the NREGA specifically, it was felt that the employment generated in the state was especially low and there was a considerable scope for improvement here. This was expected to have an impact on the migration situation in the state. Women's participation should also be increased. The viability of cash transfers was discussed at length. While the state's experience with the coupon system in the PDS was overall positive, there were some issues of concern. The possibility for corruption was one such issue. It was also pointed out that cash transfers may be unfairly biased against the poor in the state. The targeting of beneficiaries was another issue that was raised during the discussion. There was a lot of debate on universal vis-à-vis targeted poverty alleviation programmes. It was felt that a poor administrative machinery at the lower level coupled with high levels of corruption made implementation of targeted schemes difficult.

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