

POVERTY ALLEVIATION PROGRAMMES

Eradication of poverty remains a major challenge of planned economic development. Experiences of different states with economic growth and poverty reduction have been so varied that it is difficult to offer any general policy prescription. There are states that followed the path of high agricultural growth and succeeded in reducing poverty (Punjab and Haryana) and states that focused on human resource development and reduced poverty (Kerala). There have been states that implemented land reforms with vigour, empowered the panchayats, mobilised the poor and implemented poverty-alleviation programmes effectively (West Bengal) and states that brought about reduction in poverty by direct public intervention in the form of public distribution of foodgrains (Andhra Pradesh).

2. Poverty had declined substantially in 1980s. However, recent estimates suggest that projections on reduction of proportion and number of people below poverty line made in the Ninth Plan have not been realised in the first two years of the plan period. While this calls for a much more rigorous analysis, the possible factors that might have contributed to this could be:

- fiscal crisis faced by State Governments resulting in lower spending on social sectors,
- slowing down of and less dispersed agricultural growth, especially foodgrains,
- decline in employment intensity in the agricultural sector with a small increase in real wages,
- failure of Targeted Public Distribution System (TPDS) to reach the poorest in northern and eastern states,
- a negligible expansion in the non-farm sector, and
- indifferent functioning of the poverty alleviation and watershed development schemes .

3. Given the enormity and complexity of the task, the Ninth Five Year Plan envisaged a multi-pronged approach. Besides recognising the role of high economic growth in tackling poverty, the strategy comprised creation of *entitlements* (through self-employment and wage-employment schemes, food security and social security) and building up of *capabilities* (through basic minimum services like education, health and housing). The issues of governance also engaged the attention of the Plan, which envisaged greater participation of the Panchayati Raj Institutions as the most effective delivery mechanism for poverty reduction. This chapter discusses the effectiveness of programmes of the Ministry of Rural Development in alleviating poverty.