



Poverty Alleviation Programmes In India-Policy Perspectives

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Abstract:

The ultimate objective of development planning is human development or increased social welfare and well being of the people. Development process therefore needs to continuously strive for broad-based improvement in the standard of living and quality of life of the people, Henceforth the basic objective of the plan process happens to be focusing on educational, public health including hygiene, sanitation and ensuring safe drinking water as the priority components followed by, women empowerment and poverty alleviation programmes through employment generation. The millennium development goals set during the millennium summits held in New York, September 2000 has framed eight specific goals to eradicate poverty and hunger to strengthen the qualitative improvement of the people in general. The thrust of the goals needless to say to improve the quality in population of every country so as to have qualitatively improved human resources of the country. Therefore, the review of poverty alleviation programmes are having at most prominence in the countries where the poverty and vicious circle of poverty is a road block to the Economic Growth. The objectives of the present paper is to review the policy perspectives of PAP (Poverty Alleviation Programmes) and to analyze various programmes and its policy back-drops from first to eleventh plan onwards. As the Government of India and the respective state governments facing financial constraints, the public expenditure on education, public health considerably increased along with poverty alleviation programmes. The poverty alleviation programmes, recycles the overall standard of living of the people. As these programmes ensure a minimum income and ensures a lively hood, in turn PAP ensures better health, better education to their children. Hence the income generation through employment gives minimum hopes to take care of the future generation in respect of their education, public health including adaption of family planning and other developmental aspects in growing economies.

Keywords: Poverty- Poverty Alleviation Programmes-Policy Perspectives in India.

1.Introduction

The development strategies adopted in various five year plans lead yawning gap between the standard of living of the people, and the economic indicators in India. Although the eradication of poverty has been a recurrent theme over several decades of planning, the proportion of those living below the poverty line has not declined substantially. The millennium development set during the millennium summits held in New York 2000 has framed eight specific goals to eradicate poverty and hunger to strengthen the qualitative improvement of the people in general. The thrust of the goals, needless to say to improve the quality of population in every country so as to have qualitatively improved human resources of the country. Therefore, the study of poverty and poverty alleviation programmes are having at most prominence in countries where Poverty is still a phenomenon.

The objective of the present paper is to review the policy perspectives of PAP (Poverty Alleviation Programmes) and to analyze various programmes and its policy back –drop. More specifically the objectives of the present study are:

To analyze the phases of various Anti- poverty programmes in India.

To elucidate the conceptual Objectives of the poverty alleviation programmes in Five-Year Plan periods still the XII Plan Periods of Indian Planned Development process.

To analyze specific Programmes during XI and XII Five Year Plan periods.

More consciously the study not entered in to the controversial aspects of Defining Poverty and its precise meaning as it is a relative conceptual issues.

In order to review the policy perspectives of poverty alleviation programmes, the present study and the methodology is based on Historical – Analytical method of analysis. As poverty is happen to be a persisting phenomenon having vicious circular dimensions, the analysis of policy perspectives of poverty alleviation programmes are obviously having more relevance in Indian context. In course of time with the long term mission of development more emphasis given on increase in national income, gross national product, gross domestic product (GDP), income distribution and equity, raising per capita income besides several other dimensions of development including public health, education and infrastructure. Thus the last six decades of development planning has resulted in widening the concept of development to include various socio economic aspects in order to improve the quality of life. However poverty and its severity reminds, besides the overall economic growth in India. This happens to be the biggest concern among economists and administrators.

Schematically, the postwar history of development can be divided into three periods: intensive growth until the mid- or late 1970s, the debt crisis and adjustment during most of the 1980s, the recent reactivation of growth in the midst of economic recession all over the world. Different state governments followed different poverty alleviation strategies besides the Government of India. Though the content and the core objectives of the theme are the same and the results are not encouraging and varying among the states. Therefore the central government has to play a positive role to have unified strategies based on effective, equitable results from different states. Over the years the centre had intervened increasingly with what have come to be known as centrally sponsored scheme in the matters relating to Poverty Alleviation Programmes. The reason for a central role in state objects is the responsibility of the center for social and economic planning. It has used the mechanism of a centrally-sponsored scheme to initiate programmes in the rural sector. "These schemes subserve the objectives of providing basic social infrastructure which will lead to an improvement in the quality of life of the people in the rural areas". But of late these schemes have come to cover virtually every field of activity, and poverty alleviation programmes are also covered by it. There are at least two reasons for the centre to play an active role in the area of rural development over which states have jurisdiction. One is that the states are reluctant to formulate specific programmes and initiate policies because they lack the expertise or funds or both. Central intervention can fill the need. The other may be that the states are hesitant because the necessary political will does not exist. Removed from local politics the centre comes to play a leadership role.

2. Phases Of Anti-Poverty Programmes

The frontal attack on poverty was perused in four successive phases in India. In the FIRST PHASE lasting from the beginning of the 1950s till the end of the 1960s. The major emphasis was on redistribution of land and improving the plight of poor tenants on abolition of functionless intermediaries, on tenancy reforms culminating in the principle of 'land to the tiller', on imposing ceilings on large holdings, sequestering surplus land and redistributing it among the landless agricultural laborers and marginal farmers. A parallel and complementary movement to state-sponsored redistributive land reforms was started by the leading spokesman of Gandhian thought, Acharya Vinoba Bhave. This movement believed in 'change of heart' of those who owned large resources to induce them to share some of their assets, notionally one-fifth, with their poor brethren. This

movement, the “bhoodan” movement, achieved remarkable success in its initial phase, but soon degenerated into “targetry” and got diverted from its original purpose. Lack of sufficient effort to support the beneficiaries of the “land-gift” further weakened its contribution to poverty alleviation.

By the late 1960s the SECOND PHASE of Poverty Alleviation Programmes started with measures that promised to address directly and exclusively the poor in rural areas. This target group oriented approach started with the programme for backward regions, graduated to the programme for development of small and marginal farmers, landless laborers, etc. and finally culminated in the Integrated Rural Development Programme and National State Employment Programme. Serious efforts for poverty alleviation were initiated only during this phase. The distinguishing feature of the poverty alleviation programme during this phase was the emphasis on creating employment opportunities and distributing renewable assets among the poor. This was in sharp contrast to the intentions in the earlier phase, i.e., redistributing existing, non-renewable, assets, similarly heavy emphasis was placed during this phase of Poverty Alleviation Programme on transfer of income to the poor in indirect ways, e.g., through food subsidies and ‘dual pricing’ of essential commodities. Recourse was taken to soft, non-confrontationist measures.

In the THIRD PHASE starting from the beginning of the 1990s, emphasis has shifted to measures aimed at accelerating economic growth and on creating an environment for ensuring a ‘spread effect’. In keeping with Indian traditions, lip-service is continued to be paid to structural change, as much as to target-group oriented programmes, but the dominant through is to create more wealth and to enable the poor to benefit from the secondary effects of growth which, it is presumed, will percolate down and reach the poor. Beginning with the launch of integrated rural development programme (IRDP) in the year 1980, a number of Poverty Alleviation Programme has been formulated fresh from time to time. Among these Poverty alleviation Programme :Training of Rural youth for Self-Employment (TRYSEM 1975), food-for-Work Programme (NREP 1980), Rural Landless Employment Guarantee Programme (RLEGP 1983), Development of women and Children in Rural areas (DWCRA), Million wells Scheme (MWS), Nehru Rozgar Yojana (NRY) and National Rural Employment Guarantee Scheme (NREG), Employment Assurance Scheme (EAS), Prime Minister’s Rozgar Yojana (PMRY), Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP),etc are very important to note. Although over time relative emphasis has shifted from structural

interventions, to a target group oriented approach, to market oriented policies, all states have acted in all these phases, more or less, in unison.

In the FOURTH latest PHASE the Poverty Alleviation Programmes dealt with reference to the New Economic Reforms (Liberalization, privatization and Globalization) and Millennium Development Goals. Of the eight 'Millennium Development Goals' of 1990, (each goal is to be reached by 2015), the first goal, "Eradicate extreme poverty and hunger" has given further boost to the poverty alleviation programmes towards the targeted groups of people who are below poverty line in India, especially the rural poor. The UPA Government particularly the UPA-II has committed towards the poorest among the poor and enacted a) Right to information act, b) right to education act, c) right to food act (food security act), d) Right to employment guarantee act and e) women reservation bill (pending with the parliament) acts to safeguard the common man. The NREG is the result of the above revolutionary vision of the government. However the poverty alleviation programmes started from each plan periods with different strategy towards the objectives starting from the first five year plan. The present policy mechanism of poverty alleviation programmes are with the pretext of the New Economic Policy wherein the socio-economic and high technological development taken into account. No doubt the new orientation of policy reduced certain extent of urban poverty and aggravates more rural poverty. Therefore the policy mechanism of poverty alleviation programmes is looked into new perspectives as in the Eleventh Plan with reference to the 'Millennium Development Goals' of 1990:

Policy Mechanism of the special programmes can be described as follows:

Precise identification of the weaker sections or the target groups on the basis assets, income, and caste.

Investigation of their economic problems and formation of programmes to raise their income and employment in the present as well as in the new occupations.

Provision of special extension facilities so that the poor are not only informed about the existence of the programmes, but is also helped in participating in them.

Providing credit for undertaking the scheme in such a way that it is available,

it meet all the type of credit needs of the scheme for the poor,

it is available at lower than the market rate of interest, and

it is to be repaid in easy installments.

Providing a complete package of infrastructural facilities to the poor to run the scheme successfully.

Evaluation of the programmes from time to time and monitoring them effectively to ensure efficient performance of the programs.

Therefore it is clear the attempt made by the governments to eradicate poverty through various programmes, policy and legislations are all not given the expected results. Amidst the rate of increase in the population of the country and the given political scenario the poverty alleviation programs in India given a positive response to the governments policies. Various policies and programmes are basically having certain common policy strategies in general. The assault on poverty in India during the period of economic planning has relied on five types of policy strategy towards the specific objectives of poverty alleviation and the related programmes.

3.Redistribution And Income Inequality

Better results seem to spring from the political economy channel, especially the notion that initial inequality fuels instability and more frequent recourse to populist policies, violating the macroeconomic stability constraint and reducing investment and growth. The poorer the median voter, it is assumed, the more likely that a political equilibrium will be establishment, yielding more populism and less growth. These transfer programs are also important for creating and maintaining a safety net for all poor families. Over the years they have filled the gap left by the decline of traditional patron-client or kinship-based insurance systems for the poor and by the erosion of access to common property resources.

Recognition of the distributional consequences of stabilization and reform programs has led to widespread acceptance of the need to incorporate distributional objectives in the design of these programs. Once again propriety must go to protecting the poor through appropriate safety nets, but it is unrealistic to suppose that policymakers can stop at that in practice. They cannot ignore significant adverse impacts on the incomes of other groups simply because of those groups are above the poverty line. The Redistribution of assets by means of land reform has been repeatedly proclaimed as a national objective, while responsibility for implementation has been vested in the states. Its mountainous legal framework had largely been divorced from other development goals and has been bedeviled with loopholes and exemptions through which, it has been said, "an elephant can pass". The removal of income inequality is the major policy in the second phase of

our planned economic development process. Though various monetary and fiscal policies adopted time to time still the rural poverty and unemployment is a major threat to the national mainstream. Much of the attention in the past fifteen years has turned away from dealing directly with income inequality to the task of reducing poverty. These are not the same objectives. In this effort Hollis Chenery and the World Bank have led the way. World development Report 1980 was centrally directed to the question of poverty, not of income inequality-with four implications. First, such as shift obviously meant more direct concern with those who were worst off, the poorest of the poor. Second, it meant directing attention to the populations of Asia, where incomes were much lower, changing the geographic focus. Third, it meant directing attention to the rural sector, where the poverty burden larger. Fourth, it reduced the tension between the simultaneous objectives of improving the distribution of income remained as unequal as it had been or became even more equal. Trickle-down effects could still eliminate some poverty.

4.Growth

The growth strategy adopted almost all the countries of the world while attempting any other specific policy strategies to alleviate poverty. The growth rate accelerates employment, income, consumption, and investment and thereby encouraged to undertake the care of poor and sustain to take care of the whole economy. The long-term growth rate during the initial period of economic planning has been 4.0 per cent, though this declines to about 2.0 per cent after allowing for population growth. The record of growth percentage has been neither striking nor unimpressive considering pre-independence rates of growth and against the background of a highly diverse land and against the background of a highly diverse land and population mass where production is considerably dependent on uncertain rainfall. After the structural reform policy adopted, the GDP has impressively increased up to 9.00 per cent and expected to be around 10.00 per cent. No doubt the urban unemployment situation improved and the rural unemployed are still vulnerable as the agricultural growth rate is far behind the industrial growth rate. In this, presumed assumption that 'development is the best road to eradicate poverty' through the 'trickle down effect'.

5. Transfer Programs

The transfer programs are important for creating and maintaining a safety net for all poor families. There are unemployables or happened to be sub-groups of the poor who are not helped by the effects of growth on employment opportunities. In this group are the physically disabled, the elderly, the ill, and the women over burdened with reproduction and child care or constrained in joining the labor force. The policy imperative is appropriate targeted transfers such as food stamps, subsidized food distribution, school lunches, and nutritional programs for pregnant and nursing women, adequate facilities for primary and secondary education (including financial endorsement for children who would otherwise be employed to attend school) and low cost shelter. In the twenty years since, vast experience has been accumulated with targeted programs in several developing countries, such as program aimed at small farmers, employment generation through construction of productive assets in rural areas, provision of credit for microenterprises, and programs providing support for self-help groups. The need for such targeted programs providing help for self-help groups. The need for such targeted programs as a complement to general strategy of employment-generating growth cannot be doubted, especially where significant groups may not benefit directly from accelerated growth for some time. Many of these programs have been successful and need to be replicated and strengthened. But there are also problems. A common one is top-down designing of programs that does not adequately reflect actual conditions and leads to ineffectiveness, many income-generating activities have turned out to be unsustainable. Problems of leakages to non-target groups have been endemic. Implementation capacity on the ground is often weak, especially where beneficiaries are not sufficiently organized or empowered. The solution to these problems clearly lies in much greater attention to project design, greater decentralization of project control, and greater participation by beneficiaries in the design of programs. There is also a growing consensus that active involvement of nongovernmental organizations can improve implementations. Little of this was known at the time redistribution with growth was written.

6. Basic Needs

Basic needs provision did not await the initiative of either academic or international advocacy. On the other hand, its provision has not been impressive in comparison with other low income countries such as China, Cuba, Sri Lanka, Tanzania and Vietnam.

Large proportions of the poor live with few and variable 'minimum needs'. Their provision varies state-wise according to resources, political interests and administrative capacity. It also varies according to rural urban location, gender and caste status. A minimum need provision is neither decentralized nor it is directed at primary levels of deprivation. Various minimum needs programmes attempted by the government have proved that it doesn't reach the bottom slot especially the rural mass. A leading part in the initial effort to focus attention on poverty was played by the "basic needs" approach. This approach emphasized the importance of separating generalized increase in income from the more significant attainment of requirements for a permanent reduction of poverty-improvements in health, regular access to nutritional food, more education, and better and affordable shelter. Arguments were advanced to support this view. First, many poor people are not themselves producers but are the part of dependent population. So, they have no direct earnings of the kind typically evaluated in distributed studies. Second, there is no guarantee that increased income will be spent on essential services. Better medical care may not be available-or safe drinking water or better housing. In such circumstances individuals are normally better off but lack basics for permanent improvement. Third, households vary in their ability to spend wisely and effectively. They may irrationally prefer "better" consumption good that contribute less to welfare than other goods that might serve as inputs to higher productivity. In the end "basic needs" vanished as a tracking device, perhaps as much because of the difficulties of aggregating them as for any other reason. But the attention that the concept directed-first to poor, and then to the policies required from improving their lot had persisted. To begin with nostalgia, Redistribution with growth was written in a more innocent world in which growth was taken for granted and the doubts were mainly about whether benefits would be equitably distributed. Several international labor organization missions had focused on the problem of worsening unemployment even in situations of reasonable growth. In a celebrated article Fishlow (1972) showed that the poor may have become worse off despite impressive growth. In a similar piece on India Bardhan (1973) estimated that the percentage of the rural population below the poverty line increased significantly between 1960 and 1968. At the institute of development studies in Sussex, Michael Lipton, Dudley seers, and Richard Jolly, all working on different aspects of the development experience showed that the poor-especially the rural-poor did not benefit sufficiently from growth.

7. Directed Programmes (Targeted Programmes)

The publically provided minimum economic security program for the poor generally includes targeted income transfer programs. It also includes public works programs, which provide a necessary income backup for workers in distress and a means for building community capital, as with the employment Guarantee scheme in Maharashtra state in India and the Food-for-work Program in Bangladesh. Other important components are basic education and health care, safe drinking water sanitation, and some environmental protection measures. Directed Programmes have been related to the concept of a target group. This concept itself is derived from the poverty line which demarcates the technically poor from the technically non-poor. The line does not take into account the non-technically poor, the nature and levels of whose deprivation may not lend it to be line-defined. The directed programme which later on refined in the name of targeted programs is the first of its kind. The programmes like public distribution system, various housing schemes including all employment generation programmes are all included in this. Any programmes directed towards the poorest among the poor are all comes under the category which generates income through employment. More specifically the NREG is having a remarkable impact among the rural folks included in this category. The development experience after 1951 to 1990 brought into serious doubt the assumptions of the planners that strategies of growth and productivity in them would suffice to resolve the problems of the rural poverty. As a prescription, what was necessary was to promote public policies that would accelerate agricultural development and thus help in the 'trickle down' of benefits to the poor. The trickle down impact of growth has remained the dominant ideology of development.

Based on the above strategies the poverty alleviation programmes especially employment based have been restructured and redesignated to improve their efficiency-impact on the poor. The important Poverty alleviation Programmes, through employment generation presently are

7.1. Self Employment Programmes

Swarna Jayanti Gram Swarozgar Yojana

7.2. Wage Employment Programmes

National Food For work Programme

Sampoorna Grameen Rozgar Yojana

Jawahar Rozgar Yojana (1989)

National Rural Employment Guarantee Act (Right to employment Act)

7.3.National Social Assistance Programme

7.4.Urban Employment And Anti-Poverty Programmes

Prime Ministers Rozgar Yojana

Swarna Jayanati Shahari Swarozgar Yojana

7.5.Rural Employment And Anti-Poverty Programmes

MNREG (Mahatma Gandhi National Rural Employment Guarantee Act)

Of the above programmes the Jawahar Rozgar Yojana (JRY) is very important to the present context with reference to the Mahatma Gandhi National Rural Employment Guarantee Programmes which is whole-heartedly appreciated by all.

8.The Jawahar Rojgar Yojana (Jry)

The Jawahar Rojgar Yojana (JRY) was started in 1989 by merging the two then existing employment programme (NREP) and the Rural Land less Employment Guarantee Programme (RCEGP) in to a single employment programme (JRY). As both NREP and RCEGP were centrally sponsored programmes funded 50:50 by the centre and the state. Whereas JRY was funded 80 percent of the combined central and state shares was released directly to the 'Gram Shaba's' to be utilized by them for village works, while balance 20 percent was spent by District Rural Development Agency(DRDA). Therefore it is clear that in the earlier schemes the entire funds were utilized by the DRDA with nothing going directly to the 'Gram Shaba's'. The primary objectives of the JRY were to Generate employment through manual labor and

To create durable community assets in the process of employment generation.

Till late 1993, the JRY was being operated uniformly all over the country without specifically focusing on the backward districts in the states. A policy shift occurred in the second half of 1993, when it was decided to consciously concentrate JRY resources in the relatively more backward districts of the country. Two significant changes were made in this regard. The first was the change in criteria for allocation of funds to districts. Formerly, the district wise allocation was made using an index of backwardness formulated on three criteria

The percentage of agricultural laborers to main rural workers;

The percentage of rural SC/ST population to total rural population; and

The inverse of agricultural productivity, in the ratio of 20:60:20 respectively.

In November 1993, the central government changed this norm to include only two parameters, viz,

proportion of rural SC/ST population in a district to total /ST population in the state and inverse of the districts agricultural productivity, in the ratio of 50:50 respectively.

The main implications of this change in criteria for allocation of funds are:

Districts with low agricultural productivity now get higher JRY allocations;

Weightage for SC/ST population has been decreased from 60 percent to 50 percent; and

No more weightage is given for percentage of agricultural laborers in a district.

The second major policy shift was the starting three new sub schemes under the JRY ambit, specifically targeted at the more backward districts in the country. The first of these was the Employment Assurance scheme (EAS) announced by the prime minister in his Independence Day speech on August 15, 1993. Broadly based on the Maharashtra, Employment Guarantee Scheme, the EAS's seeks to provide 100 days of employment during the lean agricultural season to all those who desire it. In keeping with the shift in JRY policy to focus on the more backward areas, the EAS coverage is restricted to Drought Prone Area Programme (DPAP) classified development blocks. At present, with the recent inclusion of 23 block in Jammu and Kashmir, the total number of EAS blocks in the country is 1,778, covering 23 states and four union territories.

Another sub scheme of JRY is the intensified JRY (IJRY) programme. Here, again the focus is only on the backward districts countrywide. One of the factors for the selection of these 120 IJRY backward districts in 10 states was whether more than 50 percent of the blocks in the district were under DPAP. High SC/ST percentage and low agricultural productivity were also criteria for determining the backwardness under IJRY. Apart from this, districts which were commercially and industrially advanced were also excluded from the purview of this scheme. The third sub scheme of JRY introduced in late 1993 was the JRY 'umbrella' scheme aimed at special and innovative projects aimed at specific problems faced in districts, such as prevention of migration of labor, enhancing women's employment, etc. these district specific projects are approved by the ministry of rural development. All the above three new programmes are basically sub scheme of JRY and operate under the same broad guidelines along with the 80:20 centre-state fund sharing pattern. The main JRY sub scheme with most of the funds is the EAS, under

which huge funds are being pumped into each DPAP block. The DPAP classification however could lead to some minor imbalance in the field. The new JRY approach of concentrating more resources in backward districts is conceptually sound since it should lead to more balance development in the rural areas. The basic point, however, still remains that the influx of such massive funds to backward areas alone is not sufficient without simultaneously creating the infrastructure to optimally utilize these resources. It is also important for district authorities and the DRDA's to be wary of vested interests attempting to distribute these funds within the district on political lines. All in all, the pumping of JRY funds into backward districts is a unique opportunity to tackle both unemployment as well as underdevelopment in the relatively backward rural areas. To ensure that this opportunity is utilized optimally, much closer attention needs to be paid to shore up the supporting delivery system.

9. Mahatma Gandhi Rural Employment Guarantee Act (Nrega)

India is having a long history and experience in implementing wage employment programmes. However, beginning with Jawahar Rojgar Yojana in 1989, the outreach of these programmes increased significantly as in the period 1989 to 2006, ultimately culminating in NREGA. These wage employment programmes implemented by State Governments with Central assistance were self-targeting, and the objective was to provide enhanced livelihood security, especially of those dependent on casual manual labor. Work for programmes have been important programme interventions in India and elsewhere in developing countries since long. These programmes typically provide unskilled workers with short-term employment on public works. They provide income transfers to poor households during periods when they suffer on account of absence of opportunities of employment. In areas with high unemployment rates and under employment, transfer benefits from workfare programmes can prevent poverty from worsening, especially during lean periods. Durable assets that these programmes create have the potential to generate second-round employment benefits as requisite infrastructure is developed. Based on the experience of these programmes the NREGA was enacted to reinforce the commitment towards livelihood security in rural areas. The Act was notified on 7 September 2005. The significance of NREGA lies in the fact that it creates a right based framework for wage employment programmes and makes the government legally bound to provide employment to those who seek it. In this way the legislation goes beyond providing a social safety net, and towards guaranteeing the right

to employment. The experience with NREGA so far suggests that it is one of the main planks of rapid poverty reduction in the Eleventh Five Year Plan.

Starting with 200 districts across the country in Phase-I during 2006–07, NREGA was extended to additional 130 districts in Phase-II during 2007–08. From 1 April 2008 onwards the Act will cover the whole of rural India. As a district is notified under the Act, Sampoorna Grameen Rozgar Yojana (SGRY) is automatically merged in the NREGA and would therefore cease to exist with effect from 1 April 2008. The objective of the NREGA is to enhance the livelihood security of the people in rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household whose members volunteer to do unskilled manual work. The Act further aims at creating durable assets and strengthening the livelihood resource base of the rural poor. The choice of works suggested in the Act address causes of chronic poverty like drought, deforestation, soil erosion, etc., so that the process of employment generation is on a sustainable basis. Employment is dependent upon the worker exercising the choice to apply for registration, obtain a Job card, and then to seek employment through a written application for the time and duration chosen by her. The legal guarantee has to be fulfilled within the time limit prescribed and this mandate is underpinned by the provision of unemployment allowance. The Act is thus designed to offer an incentive structure to the States for providing employment as 90% of the cost for employment provided is borne by the Centre, and there is a concomitant disincentive for not providing employment, if demanded, as the States then bear the double indemnity of unemployment and the cost of unemployment allowance. Earlier wage employment programmes were allocation based. However, NREGA is not supply driven but demand driven. Resource transfer under NREGA is based on the demand for employment and this provides another critical incentive to States to leverage the Act to meet the employment needs of the poor. The delivery system has been made accountable, as it envisages an Annual Report on the outcomes of NREGA to be presented by the Central Government to the Parliament and to the State Legislature by the State Government.

9.1. Funding

The Central Government bears the costs on the following items:

The entire cost of wages of unskilled manual Workers.

75% of the cost of material, wages of skilled and semi skilled workers.

Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and the allowances of the Programme Officer and his supporting staff and work site facilities.

Expenses of the National Employment Guarantee Council.

The State Government bears the costs on the following items:

25% of the cost of material, wages of skilled and semi skilled workers (as a ratio of 60:40 is to be maintained for wages of the unskilled manual workers and the material, skilled/semi-skilled workers' wages, the State Government has to bear only 25% of the 40% component, which means a contribution of 10% of the expenditure).

Unemployment allowance payable in case the State Government cannot provide wage employment on time.

Administrative expenses of the State Employment Guarantee Council.

Since NREGA is a right-based programme, articulation of demand by the rural poor is the basic premise of its operation, especially if wage seekers are not literate and not organized. Generating awareness among local rural communities through Information, Education, and Communication becomes critical for enabling the rural poor to articulate demand. States have forged a variety of methods for communication and social mobilization that include preparation of communication material on NREGA processes in simple local language, one day orientations of sarpanches/ward members, convening gram sabhas, using district teams for village level interactions, local vernacular newspapers, TV and radio spots, pamphlets and brochures, local cultural forums, information counters on local market days, village information wall, fixing a Rozgar Day in a week, and establishing a helpline. Full knowledge of the rights that NREGA confers to the rural poor is the most important prerequisite to enable them to seek employment as per their choice of time and duration. Most of the Policy Mechanism of Poverty Alleviation Programmes is in the form of employment generation schemes aimed at the target groups, i.e., the households living below the line of poverty. Further these programmes have been successful and need to be replicated and strengthened. But there are also problems. A common one is top-down designing of programs that does not adequately reflect actual conditions and leads to ineffectiveness. Many income-generating activities have turned out to be unsustainable. Problems of leakage to non-target groups have been endemic. Implementation capacity on the ground is often weak, especially where beneficiaries are not sufficiently organized or empowered. The solution to these problems clearly lies in much greater attention to project design, greater

decentralization of project control, and greater participation by beneficiaries in the design of programs. However these programmes ensures minimum guarantee to improve the livelihood of poverty stricken people and thereby strengthen the human resource development qualitatively by generating income and educational status of their children.

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