

Poverty Elimination in India

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Rural Poverty in India is a multi-dimensional phenomenon encompassing the inability to satisfy basic needs. In short, the poor suffer from the following three deprivations:

- Lack of access to essential services
 - lack of education and skills,
 - lack of shelter
 - poor access to water, sanitation and adequate nutrition
- Lack of access to means of economic growth
 - lack of control over resources and their productive use
 - Lack of access to capital
- Lack of access to safety nets.
 - Vulnerability to diseases and poor health,
 - vulnerability to disasters, violence and crime.

Programme based approaches for elimination of poverty that address each of these deprivations separately have not worked well. While synergy and integration between different programmes is talked about, these do not actually happen at the field level, because each programme is run by a separate department, which is more anxious to protect its turf rather than to take a holistic look. There are as many poor people in India today as its entire population in 1947. The pace of poverty reduction in India has been slow, in comparison with other countries. lack of political freedom and voice.

The important challenges in this respect are as follows:

- **Ownership to the concept of and definition of the 'poorest of the poor':** The definition of who are the 'poorest of the poor' varies amongst line department staff at all levels. This lack of consensus has resulted in many programs not targeted to the groups intended. Moreover, awareness of and incentives to ensure responsive public services to the poorest are often limited.
- **Lack of empowerment:** The most salient constraint in overcoming poverty for the 'poorest of the poor' is their inability to access health, nutrition, and education services, ownership of land, drinking and irrigation water, anti-poverty programs, etc. of adequate quality. The poorest are often marginalized in households, village, and/or local government level decisions. At times, they may not even be able to organize and consolidate their voice with other possessing similar characteristics (e.g. sub-caste, elderly) or sharing a common purpose. Even when the poor are organized, social discrimination due to caste differences still prevail.

- **Limited access to economic activities:** The poorest have very limited access to viable economic activities. They are often landless laborers or marginal landowners and are dependent on agricultural wage rates as major source of household income. Additionally the state has a limited potential to improve assured irrigation, resulting in slow agricultural growth. Increasingly marginal land holdings have also affected the livelihoods and opportunities accessible to the poorest. Rural non-farm (RNF) employment opportunities are also limited. The generation of employment in the RNF sector (especially in service) may not be accessible by the poorest but may open spaces in agricultural labor markets that the poorest can access.
- **Inadequate human capital development:** Global research today emphasizes the synergistic, interdependent, and complementary nature of health, nutrition, and education in the context of human capital development. This relationship becomes even more critical in the context of the rural poor as it impacts on their capacity to access and utilize available services. Critical health issues for the rural poor are Maternal and Child Health (MCH), Reproductive and Child Health (RCH), malnutrition, and communicable diseases.

Lack of holistic approach to rural poverty reduction:

The lack of appropriate targeting and synergy in development programs for the poorest limits the effectiveness of public sector interventions. Too much focus has gone into funds, and too little into process. **Evaluations show that programmes for the poor have nearly always tended to be poor programmes.** The major concerns are as follows:

- leakage, wastage and inefficient use of funds,
- the fact that even among the poor, it is the marginally poor that gain most from programmes rather than the marginalized poor,
- the lack of sustainability of anti-poverty efforts- a family that has escaped from poverty is just as likely to fall back into it on account of a natural or family calamity.

The questions that we need to ask are

- First, is it possible to substantially increase the pace of poverty reduction?
- Second, is it possible to better target approaches to the poorest of the poor?
- Third, is it possible to make poverty reduction a one-way street?

There are a few essential biases that need to be put out of the way for the three questions to be answered in the affirmative.

- First, the mindset problem. We need to get out of the feeling that the further up the levels you go, the more egalitarian is decision making.
- Second, we need to be patient.
- Third, we must be largely non-judgmental while monitoring preferences of the poor. We cannot judge or clear investments on the basis of our subjective assessments of what is “good”, or what is “bad”.

The next issue is how the investments for anti poverty have to be packaged and to whom have they to be primarily delivered.

If we agree that action has to be local and convergent in order to be effective, then this is possible only through the village Panchayats, which is the level of local rural self government that is closest to the people. There are several comparative advantages of the Village Panchayats in leading a convergent plan for elimination of poverty.

- First, Village Panchayats know better the dimensions of poverty in their local areas;
- Second, they know better the kinds of bottlenecks to progress that must be removed;
- Third, because Village Panchayats are closest to the poor, they have a greater chance of successfully combating it.

The comparative disadvantages of the Gram Panchayats in eliminating poverty could arguably be as follows:

- That they have a weak administrative capacity and even with the responsibility and inclination to spend for essential pro-poor services, they may not have the capacity to deliver these effectively;
- That the oft repeated fear of capture of the PRI elected leaders by the stronger economic class, who may not be willing to invest in poverty alleviation, may actually happen,
- That generally there is no buy-in for anti poverty programmes through a contributory element by way of local taxation, which is the best way to build downward accountability of the Village panchayat to the people,

It can be seen that several of these so-called comparative disadvantages can be handled effectively. For instance, a programme of strengthening the administrative capacity of Village Panchayats may yield far better dividends than pushing money through intermediaries, such as Block level officials to user and self help groups, The fear of elite capture can be handled

by putting in place mechanisms for disclosure to, participation of, prior approval of and certification of utilization by Grama Sabhas. Regarding collection of local taxes, which is largely not an area of priority, the trigger is capacity building of Panchayats, Own revenues, if incentivised through proper approaches, (such as funding for capacity building, developing generic models for tax mapping and collection and incentives for tax collection against a mapped tax base) could end up being the largest 'Centrally Sponsored Scheme', in terms of funds mobilized by the Panchayats themselves, with the GOI only funding a catalyzing investment.

Given the multidimensional character of poverty approaches to the elimination of poverty should be equally multidimensional and should chase down and address every aspect that could hinder or render the programme unsuccessful. The process must contribute to improving the lot of the poor, as also ensure that they do not slip back into poverty once the project closes. This cannot be done without a greater focus on strengthening governance institutions.

Initiatives in strengthening Panchayati Raj Institutions could be in the following seven areas:

- enhance the quality of people's participation in grassroots level institutions such as the *Geam Sabha* and *Gram Panchayats*
- delineate the roles, functions and responsibilities of each tier in the PR system so that there is greater clarity and thus lesser overlapping,
- strengthen mechanisms that ensure downward of PRIs accountability to the people that they serve,
- adopt appropriate measures of fiscal decentralisation so that PRIs are empowered to deliver what they have been entrusted to;
- decentralise the planning process so that plans and programmes of PRIs reflect the aspirations of people;
- clarify the relationship between elected representatives and staff working in PRIs so as to bring in greater managerial professionalism and accountability of the staff to elected bodies; and
- bring in electoral reforms that aim to remove distortions in the representative mechanism and prevent elite capture through questionable electoral practices.

A strategy of poverty elimination approaches would essentially be aimed at aiding PRIs to identify, implement, operate and maintain their own priority investments in the direction of improving delivery of services that benefit the poor, within the available resource envelope.