

Chapter 9

Conclusions



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Poverty elimination is often noted as a core policy objective in India as well as globally. If poverty elimination “alone” is used to measure success¹, then India’s report card on poverty is dismal. Despite rapid economic growth and improvement on a range of development indicators, a large proportion of India’s population continues to suffer extreme poverty in multiple dimensions.

In the various chapters of this volume, we have attempted to present data and analyses on different dimensions of poverty and poverty alleviation programs in India, with an underlying focus on the dynamics of poverty – a strand of literature that provides insights on how the poor escape poverty or how the non-poor fall into poverty. Prevalence of “chronic poverty” or “persistent poverty” of households over long periods of time is particularly a failure of the development programs and requires multiple coordinated instruments to address the challenge of overcoming chronic poverty.

NITI Aayog is the nodal agency for monitoring progress towards achieving all the SDGs in India and for mapping the Ministries and Departments responsible for achievement of specific targets and indicators. The nodal ministry for achieving SDG1 is the Ministry of Rural Development (see Table 1).

Two schemes, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and National Social Assistance Programme (NSAP), are regarded as the Core of the Core interventions by Government for achieving an end to poverty in all its forms everywhere. The third scheme, Deen Dayal Antyodaya Yojana (DAY) – National Rural Livelihood Mission (NRLM) and National Urban

¹As was stated in the Cabinet Secretariat press note while constituting NITI Aayog.

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Table 1 SDG1 – end poverty in all its forms everywhere

Centrally sponsored schemes/central sector schemes (CSS)	Related interventions	Targets	Other concerned ministries/ departments
1. National rural employment guarantee scheme (MGNREGA) (Core of the Core) 2. Deen Dayal Antyodaya Yojana (DAY) – National Rural Livelihood Mission (NRLM) and National Urban Livelihood Mission (NULM) (Core) 3. National Social Assistance Programme (NSAP) (Core of the Core)	1. Pradhan Mantri Jan Dhan Yojana 2. Pradhan Mantri Jeevan Jyoti Bima Yojana 3. Atal Pension Yojana (APY)	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to	RD, HUPA, Skill Development and Entrepreneurship RD, HUPA Skill Development and Entrepreneurship Social Justice and Empowerment, RD, Labour, WCD, Minority Affairs, Tribal Affairs Agriculture and Cooperation, Land Resources, Drinking Water and Sanitation, HUPA, RD, Panchayati Raj, Urban Development Home Affairs
			(continued)

Table 1 (continued)

Centrally sponsored schemes/central sector schemes (CSS)	Related interventions	Targets	Other concerned ministries/ departments
		<p>climate-related extreme events and other economic, social and environmental shocks and disasters</p> <p>1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions</p> <p>1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions</p>	<p>RD, HUPA</p> <p>External Affairs, RD</p>

Nodal Ministry Ministry of Rural Development

Source Government of India (2017)

Note RD is Rural Development; HUPA is Housing and Urban Poverty Alleviation; WCD is Women and Child Development

Livelihood Mission (NULM) is regarded as a Core Scheme. While it is promising its coverage is very limited so far. A brief analysis of NSAP and MGNREGA as Core of the Core interventions is given below to draw attention to the fact that the design, implementation and funding for programmes such as these are crucial in India's efforts towards poverty elimination and will determine whether or not India will achieve SDG1.

1 Achieving SDG1 Through Core of the Core Schemes: NSAP and MGNREGS

1.1 National Social Assistance Programme (NSAP)

The Preamble to the NSAP Guidelines on the Ministry of Rural Development Website² mentions Article 41 of the Constitution of India:

The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

Hence, the Ministry states on the Website that³

“The National Social Assistance Programme (NSAP) which came into effect from 15th August 1995 represents a significant step towards the fulfilment of the Directive Principles in Article 41 of the Constitution. The programme introduced a National Policy for Social Assistance for the poor and aims at ensuring minimum national standard for social assistance in addition to the benefits that state are currently providing or might provide in future. NSAP at present comprises Indira Gandhi National Old-Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna.”

Assistance under the sub-schemes of NSAP is applicable to persons belonging to Below Poverty Line (BPL) category. The other eligibility criteria and the scale of assistance under the sub-schemes of NSAP are as follows:

- Indira Gandhi National Old-Age Pension Scheme (IGNOAPS) – at Rs. 200/- per month for persons aged 60–79 years. For persons, who are 80 years and above the pension, is Rs. 500/- per month.
- Indira Gandhi National Widow Pension Scheme (IGNWPS) – at Rs. 300/- per month for widows aged 40–79 years. After attaining the age of 80 years, the beneficiary will get Rs. 500/- per month.

²Available at http://nsap.nic.in/Guidelines/nsap_guidelines_oct2014.pdf accessed 16th April 2018.

³<http://nsap.nic.in/> (accessed 16th April 2018).

- Indira Gandhi National Disability Pension Scheme (IGNDPS) – at Rs. 300/- per month for disabled aged 18–79 years. After attaining the age of 80 years, the beneficiary will get Rs. 500/- per month.
- National Family Benefit Scheme (NFBS) – One-time assistance of Rs. 20,000/- on the death of primary breadwinner.
- Annapurna Scheme – Provision of 10 kg foodgrains per month for the old who could not be covered under Old-Age Pension Scheme.

The members of the First Common Review Mission (CRM), constituted by the Ministry of Rural Development to review the implementation of its schemes, visited eight States in May 2016. The Mission found that the amount received per month as pension in the eight States varied considerably (see Table 2). While the amount released by the Centre to all State Governments for old-age pension was constant at Rs. 200/- per month, the old-age pension received by a citizen who was Below Poverty Line and lived in Madhya Pradesh was Rs. 275/-, in Odisha Rs. 300/-, in Karnataka, Rajasthan and Tripura Rs. 500/-, in Jharkhand Rs. 600/- and in Andhra Pradesh Rs. 1000/-.

It is important to note that the eligibility norms and amounts for pension provided by the Centre are the same for all States and UTs (see row 3 of Table 2). However, the pension received by beneficiaries depends on the extent to which a State supplements the amount provided by the Centre. This needs to be viewed in the context of the following:

- (a) Achievement of SDG1 – End poverty in all its forms everywhere – will not be possible unless all those who are Below Poverty Line and above the age of 60 or widows or disabled are able to move out of poverty.
- (b) The official poverty line was Rs. 816/- per capita per month for rural and Rs. 1000/- per capita per month for urban areas for 2011–12. It would be higher for subsequent years. Clearly, therefore, the old-age pensions provided as per

Table 2 Variation in monthly pension reaching the vulnerable (in Rs)

Centre/state	Old-age pension		Widow pension	Disability pension
	60–79 years	80 + years	40–59 years	
Central funds	200	500	300	300
Andhra Pradesh	1000	1000	1000	1000–1500
Jharkhand	600	700	600	600
Karnataka	500	750	500–800	500–1500
Madhya Pradesh	275	500	300	300
Maharashtra	600	600	600	600
Odisha	300	500	300	500
Rajasthan	500	750 (at 75)	500–750	500–750
Tripura	500	700	500	500–1100

Source Government of India (2016), p. 70. The information is based on data reported by CRM Teams visiting States and information from Ministry of Rural Development

Table 2 above are not adequate for moving the 3,20,29,352 persons mentioned as beneficiaries on the NSAP dashboard, out of poverty.

Hence, among other recommendations, the first CRM urged the Government to increase old-age, widow and disability pensions “substantially in line with the directions provided by Article 41 of the Constitution”. It also recommended that pensions be increased annually based on linkage with inflation.

Additionally, “where eligible beneficiaries are left out, they should be identified and included by the local administration. All eligible persons (widows, elderly, disabled) need to be mapped and facilitated in filing applications for pension. The Panchayat Secretary, Gram Rozgar Sewak and/or other social capital like SHG leaders, Anganwadi Workers may be motivated to facilitate this process”.⁴

Delays in disbursement of pensions must be avoided and this should follow a fixed monthly schedule. Resources required for NSAP should be estimated by identifying the number of men and women who are vulnerable, based on SECC data.

Clearly, therefore, the present approach to implementing NSAP, which is regarded as Core of the Core interventions for ending poverty, requires considerable strengthening in order to achieve SDG1.

2 MGNREGS

While there are a large number of programmes and schemes that are being implemented by Government of India, none of the schemes commits the State to providing a minimum level of subsistence to either individual citizens or households. For instance, MGNREGA aims at enhancing livelihood security of households in rural areas of the country by providing one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. However, MGNREGA is not designed to provide work that generates an adequate annual income for a household to cross the poverty line. The 100-day entitlement is for a household and not for each adult who needs and demands unskilled work. In practice, there are a large number of implementation challenges that prevent households from accessing even the 100 days of work. Only 7.8% households in 2016–17 and 5.7% households in 2017–18 completed 100 days of wage employment (Table 3). Further, on average only 46 days of employment were provided to a household in 2016–17 and 45.65 days in 2017–18. Unless there are other avenues of income for the households, the employment guarantee scheme alone would not lead to poverty elimination. Monitoring the impact of the employment guarantee scheme towards poverty elimination is necessary to make required corrections to the scheme.

⁴See Government of India (2016).

Table 3 Employment and wages under MGNREGA in recent years

	FY 2017–2018	FY 2016–2017	FY 2015–2016	FY 2014–2015
Average days of employment provided per household	45.65	46	48.85	40.17
Average wage rate per day per person (Rs.)	169.49	161.65	154.08	143.92
Total No of HHs completed 100 days of wage employment	29,10,340	39,91,202	48,47,975	24,92,654
Total households worked [in Cr]	5.11	5.1224	4.8134	4.14
Total individuals worked [in Cr]	7.58	7.6693	7.2261	6.2

Source MoRD Website accessed on 16 April 2018

http://mnregaweb4.nic.in/netnrega/all_lvl_details_dashboard_new.aspx

Delayed payments, shortfalls in fund flow, low-wage rates and overloading of the Gram Rozgar Sevak with non-MGNREGS tasks are among the many reasons for this. Average employment of 45.65 days per household at a wage rate of Rs. 169.49 per day translates into Rs. 7737/- per household per year or Rs. 645 per household per month. This is obviously very inadequate for enabling 5.11 crore households who worked under MGNREGS in 2017–18 to move out of poverty just through this work. Earning from other sources would be required to enable them to cross the poverty line.

3 What Needs to Be Done to End Poverty⁵

A large number of programmes and schemes have been implemented over decades to directly attack poverty through generating work, provide health care, education, nutrition and support to backward areas and vulnerable groups. Although poverty has declined, the outcomes are well below expectations as a massive number of India's population continues to live in poverty. There are several reasons for this and some of these are outlined below.

While a large number of poverty alleviation programmes have been initiated, it is recognised that their implementation is not integrated with one another. Systematic attempts to identify people who are in poverty in each village and slum and determine their needs are at a nascent stage. This systematic approach is needed to identify the households that require assistance as well as the type of assistance that is required.

There are exclusion errors even in the case of programmes such as old-age pension. The effort that is needed to ensure that pensions reach all those who are

⁵With necessary permissions, this section draws on Mehta (2017).

eligible, as soon as they become eligible, is missing. Entitlement does not automatically translate into benefit.

The resources allocated to anti-poverty programmes are inadequate and expenditure is often curtailed according to availability of funds. In the process of planning budgetary expenditure and allocating resources to different programmes, the highest priority needs to be given to programmes and processes that will end poverty. Funds needed for this should be estimated on the basis of identifying priorities, related tasks and outcomes at the village, block, district, state and national levels. Preference in fund allocation should be given to improve outcomes in the most backward geographic locations.

While our plans have taken cognisance of the literature on chronic poverty and dynamics of poverty, programmes and schemes have not used this understanding to address this issue. To address poverty effectively, alleviation programmes need to understand and address chronic poverty and the dynamics of poverty. We know, for instance, that poverty is especially prevalent among certain occupational groups. Casual agricultural labour is the largest group that is stuck in poverty. These are the “working poor”, for whom the state has not been able to secure the right to an adequate means of livelihood. Similarly, there is a geographical dimension to poverty – concentration of poverty in certain parts of the country. The focus of programmes and schemes should be on ensuring that the poorest households, villages, blocks and districts come out of poverty. Poverty has persisted among marginalised groups, especially the Scheduled Tribes. Hence, inclusion of tribal girls or women in programmes in the poorest blocks and villages should be used as an indicator of performance.

We also know that chronic ill health is a cause of entry into poverty for all those who are not financially secure or fully insured. Full cover for ill health is available only to beneficiaries of the CGHS and beneficiaries of a few other schemes. The private health cover available is limited to expenses of around Rs. 1 to 5 lakh. Most of India’s population does not have access to even this. Yet, public provisioning for health care remains lower than in many countries. The budget for public provisioning of health has to increase significantly for delivery of equitable health care of a high quality that is accessible to all.

The Head Count Ratio (HCR), or percentage of population below the poverty line, is an important indicator of the extent of poverty in a country. The HCR is used to track progress in reducing poverty as well as design programmes to alleviate it.

The Socio-Economic Caste Census (SECC) for rural areas has provided us with evidence regarding the deprivation suffered by 6.89 crore out of 17.98 crore (38.36%) rural households⁶ that are landless and depend on manual casual labour for their survival. Among these are a large number of households identified by the SECC that have no adult member, or that have a disabled member and no able

⁶See <http://secc.gov.in/stateSummaryReport>. Accessed 19th May 2018.

bodied adult member or no literate adult or that are houseless or have one room with kucha walls and roof.

Achievement of SDG1 and 2 would require that we ensure access to food, shelter, basic income support to children in all rural households identified by the SECC that have no adult member.

Hence, unless we try to understand the drivers, maintainers and interrupters of poverty and strengthen the processes that address them, many of those living in poverty today will remain poor over time and may pass their poverty to their children. This, combined with the size of the problem, demands that we address the poverty challenge on priority.

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