

Revisiting Poverty: Some Issues, Concerns and Policy Remedies

The issue of poverty is at the heart of the development discourse in India. This is not entirely unexpected in view of the magnitude of the problem and its multifaceted manifestation that touches all walks of life, social, political and of course economic. As per the official estimates for 2011-12 (Planning Commission, Government of India), around 270 million people or, over one-fifth of India's population is still categorized as living below the most basic food-adequacy poverty line. This remains an issue of central concern for the nation's political economy. The magnitude of the problem apart, the mutually reinforcing layers of social and economic deprivation have also made poverty a rather stubborn phenomenon for the policymakers to tackle.

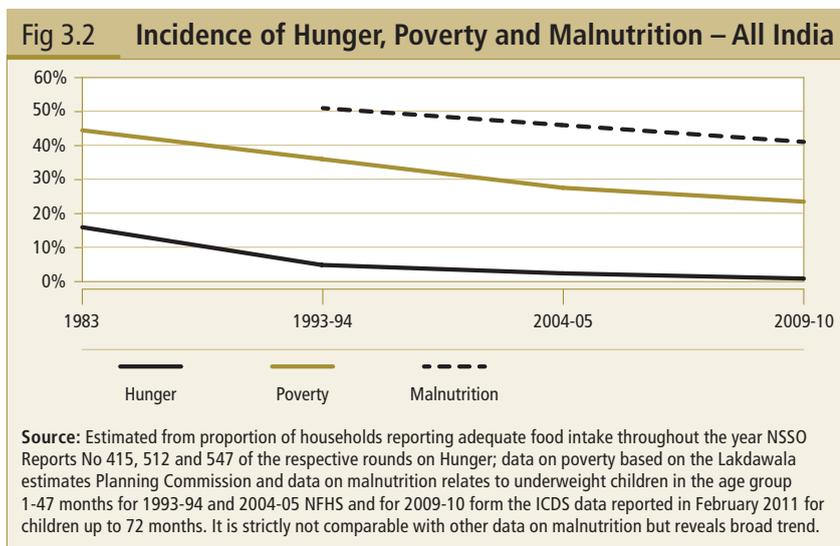
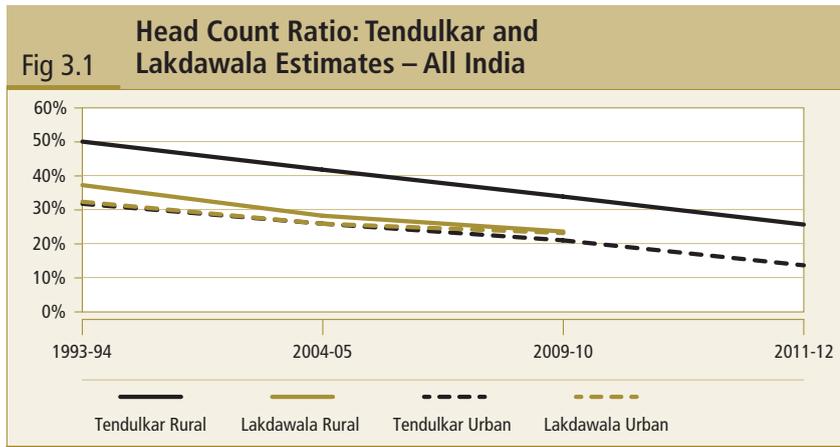
India's poverty is not just about people who are hungry. It is about people who are malnourished, acutely prone to health vulnerabilities and illness, unemployed or underemployed with poor productivity levels, homeless and invariably living an insecure life. It is about households that are poorly endowed, have a high dependency burden, are situated in habitats with limited, if any, coverage of civic amenities and constantly threatened by environment sustainability concerns. Indeed, India's poverty is about population groups that are powerless, socially marginalized and can be easily disempowered and dispossessed of their entitlements i.e., commodity bundles over which an individual or family can establish command using their endowments including labour, because of their peculiar circumstances (see Sen 1977, 1981). It is also about certain regions that continue to be underdeveloped and poorly governed. All this adds up to the complexity of the issue and to the policy challenges that ensue in overcoming it in a durable manner.

Yet, over the past decades and certainly since 1973-74, from when poverty estimates are available on a consistent methodology, there has been a decline in the poverty Head Count Ratios (HCR) at the national level and in most states in India on most methodologies put forth for estimating the poor. HCR is the proportion of people with income/expenditure below a certain specified threshold level to the total population. There are however, a number of concerns that take away the shine from this achievement. To begin with, the magnitude of poverty continues to be unacceptably high on any count for a country nearing the completion of the seventh decade of its independence. India has the largest number of poor among all countries and it is home to one-fourth of the world's poor. That notwithstanding,

the official estimates have been often contested by scholars and development practitioners, who periodically present alternative numbers at both lower and higher end of official estimates. The concern raised in these debates, not only about the poverty estimates but also on the procedure for identifying poor at the ground level, need to be addressed so as to create an unambiguous policy and public focus on poverty eradication in a time-bound manner.

Two estimates of poverty incidence are presented in this report (see the Statistical Annexure) the currently official (Tendulkar methodology) and Lakdawala methodology, which was the earlier official methodology (Planning Commission, 1993). The latter allows for a longer series of estimates, from 1973-74 and, as pointed out in subsequent sections, is perhaps methodologically more tenable than the former and therefore preferred in the analysis presented in this Chapter. Figure 3.1 shows the difference in the two sets of estimates at the national level. Both reflect an overall decline in the HCR. The decline is sharper for the Tendulkar methodology and it shows a nearly 10 percentage point difference between the rural and urban estimates, unlike the Lakdawala estimates that appear to be converging as of 2009-10.

Second, in the popular discussion in India there is confusion about the notion of poverty, hunger and malnutrition and their respective magnitudes. The contrast is often pointed out that despite the country having attained self-sufficiency in food production for nearly three decades and the carrying of huge stocks of publicly procured foodgrains at any point of time, the high (higher than poverty HCR) and sticky incidence of malnourishment on the contrary (measured for instance by underweight children under the 'weight for age' criterion) is an issue of national shame (Figure 3.2). Indeed, these are three distinct concepts and entail distinct policy emphasis as is highlighted in this report. The thematic focus of this report is guided by the thought that a country aspiring to be among the



ranks of developed nations in the not too distant future cannot afford to overlook any longer the concerns on poverty, hunger and particularly malnutrition among its children.

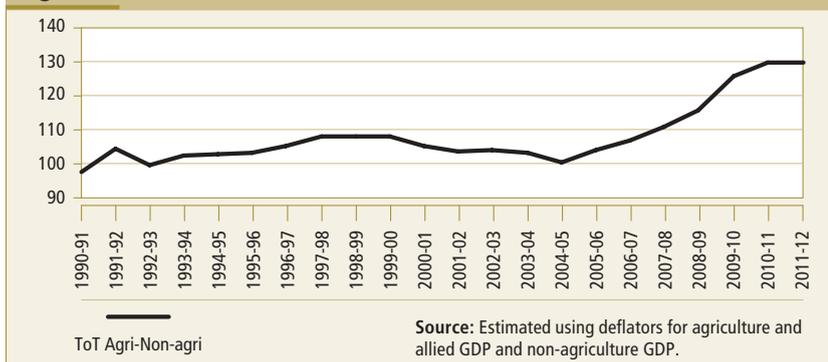
Third, there are many pockets in the country where poverty is endemic and persistent. It is getting increasingly concentrated in a few geographical areas and among specific social groups, including the schedule tribes, asset-less labour and women. There is also evidence to suggest that inter-personal, rural-urban and across-state inequalities in per capita consumption, among some socially valued human development outcomes and income, have increased in recent years (see for instance Figures 2.14 and 2.15, Chapter 2).

Fourth, even though there has been a significant improvement in the growth rates of the economy, particularly in the last decade, it has not necessarily translated into a durable reduction in poverty. As per the official estimates of poverty, there is a difference of nearly eight percentage points between the HCR for 2009-10 and 2011-12. Though the overall GDP growth rate is considerably higher at 8.6 per cent in 2009-10 as against 6.2 per cent in 2011-12, these are agriculturally depressed and normal years, respectively, which perhaps partly explain the huge difference in the HCR. It translates into nearly 97 million people, who as it appears, despite having experienced a significantly high average per capita growth in income over a decade are significantly impacted by agricultural vulnerability in 2009-10. It can be argued that growth may not be adequately inclusive, sufficiently widespread, or durable in its impact. Agriculture growth is stagnant from early 1990s, with agricultural diversification and rural non-farm activity not being able to keep pace. However, there are signs of improvement in recent years. During the Tenth Five Year Plan (2007-12) there is a step-up in the average growth rate of agricultural GDP from around 2.8 per cent per annum in the preceding five-year period to over 3.2 per cent, and pace of crop and regional

diversification of agriculture has also improved. On the whole, as pointed out earlier, since 2004-05 employment content of growth (as reflected in employment elasticity of output) has declined by over two-thirds relative to the preceding period, in the process limiting the spread of growth benefits from adequately percolating down.

Fifth, although there has been a considerable step-up in public allocations to poverty alleviation programmes, particularly in the last decade, the results are far from being commensurate. These programmes have fallen short due to design deficiencies, serious implementation bottlenecks, in some instances misplaced prioritisation of interventions and public accountability issues, and enhanced public allocations to social sectors and rural development programmes at the expense of increased public investment in agriculture. However, post 2004-05 there is evidence of some turn around with improved results on decline in poverty incidence in rural areas. The rollout of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in February 2006 (with provision for cost of living indexed wages under the Act) has contributed to the firming up of rural wages across states and to their growth in real terms. During the course of the Eleventh Five Year Plan (2007-12) as against a nominal growth of 17.5 per cent per annum, the real farm wages have grown by 6.8 per cent per annum, the fastest since the launch of economic reforms in 1991 (Gulati et al. 2013). At the same time, an unusually prolonged good run with monsoons, significant increase effected in the minimum support prices for major agricultural crops that are publicly procured (partly in response to rising labour costs), along with expansion in procurement operations of grains in some of the non-traditional public procurement states (Madhya Pradesh and Bihar) has helped the agricultural sector and the rural economy to improve its growth momentum and resilience to stress. Indeed, the gross inter-sectoral terms of trade may have shifted towards the

Fig 3.3 Gross Terms of Trade Between Agriculture and Non-Agricultural Sectors



agricultural (rural) sector by up to 30 per cent during the six-year period since 2004-05 (Figure 3.3, Planning Commission 2011). This has contributed to bringing down rural inequality (Gini coefficient for rural consumption expenditure) resulting in a faster decline in HCR in rural areas relative to its urban counterpart in the period since 2004-05. These trends may need to be further reinforced at least in the pockets with chronically high poverty incidence.

Sixth, the structural changes presently underway in the Indian economy, including increased migration and urbanisation has a bearing on the composition and distribution of the poor across regions and sectors of the economy. Indeed, the global trend of poverty shifting from the poor to middle-income countries (UNDP, HDR 2010) manifests in the current India context in the form of rising urban poverty. Urban poverty is not only more widespread than rural poverty but it also extends to regions beyond the traditionally poor pockets of the country. These developments may not work in alleviating the growing urban poverty. A fresh policy perspective is needed taking into account that what may have worked in the rural areas, in howsoever limited a manner, may not work in the urban context.

Seventh, there are good reasons to look at the issue of poverty beyond the food-adequacy matrix, in its broader context, both for measurement and for policy prescription. In all fairness

it is already being done, though only in a limited manner. NHDR 2001 (Planning Commission, 2002) presents a multidimensional poverty index and identification of poor at the state level is being done by applying multiple criteria that recognise the multifaceted nature of poverty (more on this in the next section). The principal reason for such a concern arises from the fact that provisioning of certain public and quasi-public goods that are implicit in the definition of a poverty line starting with 1973-74 (see Malhotra 1997) and are vital for building the capabilities of the poor to enable them to fend and sustain a life away from poverty, may not have materialised in adequate measures. It includes the public provisioning of education and health services. A household close to the poverty line existence may be spending more from its budget on education and health services than what was anticipated while drawing the original poverty lines in 1973-74. This may well be at the expense of expenditure on food and better nutrition. Thereby, it is likely to underestimate the incidence of poverty benchmarked on food adequacy norm. While the supply of public education may have picked-up in the more recent years, huge qualitative concerns relating to learning outcomes of children from government run schools remain (see discussion on SOI, Chapter 2). Similarly, several studies document health related vulnerabilities pushing even those above the poverty line into indebtedness and life of destitution and deprivation in the absence of adequate access to public health services. Indeed, this has been one of the reasons behind the public clamour for a revision of the poverty line for estimating the poor. At the same time with development and improvement in average prosperity levels there is a case for accommodating additional attributes in a society's notion of wellbeing that go beyond the income yardstick. This has been, for instance, the basis for looking at deprivation in terms of a relative as against an absolute measure over time, or looking at poverty in all its facets and not only in terms of income/consumption or

food adequacy as is implied in the extant official methodology.

Finally, there is also the issue arising from the use of HCR in policy guidance. The estimates of proportion and number of poor have been important parameters in the composite criteria used by the Central Government in India to allocate budgetary (plan, as well as non-plan) resources between different states and regions to ensure balanced regional development in the country. This use not only adds political sensitivity to poverty estimates, but also imposes a certain requirement on the way they have to be estimated, a fact well underlined by the periodic controversies that come up whenever new poverty estimates are tabled. Most proposals on methodology for estimating poverty incidence are not adequately sensitive to this consideration on the use of poverty estimates in India.

It is necessary that these concerns are not brushed aside in the preoccupation to regain the growth momentum of the economy that slipped in the last couple of years, for it may compromise the very sustainability of the growth process and the political stability of the country in the medium to long term. The revival and spread of naxal-movement and separatist tendencies in the north and north-eastern parts of the country attest to these concerns. The conceptualisation of poverty, its measurement, the identification of the poor and the measures to eradicate poverty are all inter-related issues that need a review at the present juncture of India's development transition. However, this report cannot do justice to the vast literature on the analysis of different aspects of poverty in India or even adequately address all the issues raised in this introductory section of the Chapter. Instead it only focuses on the concerns related to the estimation and identification methodology for the poor, presents a profile of the poor particularly for the endemically poor regions of the country and points out major policy take-away for building a more effective poverty eradication strategy for the next few decades.

I. Estimation and Identification of the Poor

Estimation of poverty and identification of poor, though closely related, are not the same concepts or involve the same procedure. Estimation of poverty is the responsibility of the Planning Commission. It requires the application of a specified poverty line, updated to reflect prices prevailing in the year for which poverty is to be estimated, to household consumer expenditure distribution of that year compiled by the NSSO through a direct survey (NSS survey) of households. These are annual or quinquennial surveys, the former because of its limited coverage are suitable only for estimating poverty at the national level, but the latter support poverty estimation at state level, separately for rural and urban areas. The official estimates of poverty are based on the quinquennial surveys. The identification of the poor is done through door-to-door survey with 100 per cent coverage, conducted at the state level under the guidance of the Central Ministry of Rural Development. Estimation of poverty helps in assessing the magnitude of poverty, (i.e., the number and proportion of the poor and the non-poor in the country), identification of poor households (i.e., those living 'Below Poverty Line' (BPL)) helps in locating the poor, which is necessary for targeting them under various poverty alleviation programmes. There are several concerns voiced from time to time on the procedures employed and the underlying assumptions of these concepts.

Estimating Poverty

The development process, as it has unfolded, has supported the self-enriching endeavour of many analysts who, with an alarming sense of consistency, have come up with

different estimates of poverty incidence (see, for instance Deaton and Kozel 2005 that brings together some such estimates). These are mostly based on, or highlight the limitations of the official methodology to estimate poverty in the country. Most of these initiatives (including the Expert Group under Suresh Tendulkar setup by the Planning Commission and whose recommendations, popularly known as the Tendulkar methodology, were accepted as the official methodology to estimate poverty in the country in December 2009), while adding to the analytical body of research on the subject, have failed in providing a credible alternative to the approach that has been hitherto followed as the official methodology (the Lakdawala methodology, Planning Commission 1993). With the recent controversy surrounding the perceived inadequacy of Rs 32 per capita per day as the poverty line in urban areas and Rs 26 per capita per day in rural areas, the Planning Commission has been forced, yet again, to set up another Expert Group to review Tendulkar methodology for estimating poverty in the country (see Box 3.1). Indeed, the multiplicity of poverty estimates has ended up muddying the water, rather than lending clarity to the issue, especially in the public debates on the subject.

In general, several of these proposals fail to adequately address the relevant conceptual and methodological concerns underlying the estimation of poverty incidence. Often they also lose sight of the objectives for which these estimates have been put to use, or the practical difficulties in devising elaborate measurement procedures for poverty head count measures. While it is, no doubt, desirable to refine this indicator by improving the underlying data and methodology for constructing it and making it more reflective of the reality and effective in its application, it cannot become an ideal estimate overnight due to data limitations. Too much of tinkering with the methodology, without making any substantive improvements could undermine the credibility and practical use of the poverty estimates, be it for policy

guidance or for development assessment.

India's official poverty line approach articulated in early 1970s follows the seminal work of Dandekar and Rath (1971). It is based on an absolute notion of poverty and defines the poverty line as the minimum consumption expenditure at which the national energy adequacy norms, separately specified for rural and urban areas, are met for an average individual. The energy adequacy norms are estimated to be 2,400 and 2,100 kilo calories per capita per day for rural and urban areas, respectively, and are derived from the age-sex-occupation-specific energy norms using the all India demographic data from the Census 1971. On an average, the minimum consumption expenditure at which these norms are satisfied for the NSSO's 28th round (1973-74) data are Rs 49.09 and Rs 56.64 per capita per month at 1973-74 prices for rural and urban areas, respectively (Planning Commission 1979). Proportion of population not able to attain the specified level of expenditure is segregated as poor. For estimating poverty ratios in subsequent years, the approach taken is to update the 1973-74 estimated poverty lines to take care of changes in price levels and then applying them on the relevant NSS consumption distribution. This method of defining the poverty line, for a given year, aims at estimating the purchasing power at current prices required to meet the expenditure associated with the standardised national consumption basket separately for rural and urban areas, which satisfied the calorie norm in the base year 1973-74. The NSS consumer expenditure survey is based on a uniform recall period wherein the expenditure data on all items is collected for a 30-day recall period.

Over the years several refinements were introduced in this approach. Lakdawala Expert Group introduced a number of much desired modifications in the methodology with a view to better capture the regional incidence of poverty in the country (Planning Commission, 1993). It favoured the use of state-specific poverty lines for rural and urban areas to be updated over time to reflect state-

specific movement in prices, instead of the national rural and urban poverty lines adjusted for national inflation and applied across states. Thus, what was essentially until then an all India methodology to estimate regional dimension of poverty was replaced by an approach more suitable to estimate the regional incidence of poverty with minimum recourse to additional assumptions (Malhotra 1997).

This methodology follows a reductionist approach to define the poverty line. It primarily captures one dimension of human deprivation, namely the food-nutrition-hunger dimension, undoubtedly the most predominant one in a developing country, of what is essentially a multi-faceted phenomenon. This in itself may not compromise the merit of the approach. If

the objective of the exercise is to estimate the magnitude of poverty, at best such an approach captures most of the poor and at worst it nets in only the poorest of the poor. Further, 1973-74 poverty lines were partly normative and partly behavioural as they were based on a certain specified calorie requirement of the population and were estimated using the observed consumption expenditure pattern of the population from the NSS distribution for that year. The poverty lines as defined, also included the actual expenditure on all other non-food goods and services afforded by the household, albeit residually, and as noted earlier, with the assumption that some of that expenditure would be supplemented by their access to public provisioning of education and health services. However, for subsequent years the mere adjustment of

Box 3.1: Is India's Official Poverty Line too Low?

The middle class sense of morality makes one wonder whether India's poverty line, recently described in the media as an expenditure of Rs 32 per capita per day in urban areas and Rs 26 per capita per day in rural areas, reflects today's difficult reality of managing even a bare subsistence living on that level of spending. The public uproar that followed obscured some relevant facts, but may have compelled the Planning Commission to set up another Expert Group, with C. Rangarajan as chairperson, to review the existing methodology for estimation of poverty with wide ranging terms of reference. While that step in itself is welcome, as it offers an opportunity to correct some serious conceptual and even methodological shortcomings in the current official methodology for poverty estimation in the country, it is necessary to also encourage a more constructive perspective on this issue among opinion makers and the general public.

Planning Commission estimates poverty quinquennially on the basis of a well specified methodology that has been subject to revision from time to time. It involves a poverty line, typically described as an expenditure level for a household (taken as comprising, on an average, 5 members as a unit), separately for rural and urban areas. Thus, a household spending less than Rs 4,824 (at June 2011 price level) per month in urban areas and Rs 3,905 per month in rural areas at the all India

level would be classified as a poor BPL household in 2011-12. These poverty lines will vary across states in keeping with the inter-state price differentials. Since there are significant economies of scale to be had in consumption at the household level, what is presented as the poverty line spending at the household level for the duration of month when broken down to the required daily expenditure for an individual will end up trivializing the poverty line.

The absolute and the relative norms for deprivation and wellbeing cannot remain time invariant in any society. They must reflect the changing average standard of living and have a normative and an aspirational element reflective of the societal concerns. Yet whatever be the chosen standard, it needs to be applied consistently till such time that a new standard replaces it.

Finally, it is also important to keep in mind that when a poverty line is seen in isolation from provisioning of public goods, social transfers including subsidies or even the limited legal entitlements for work in rural areas that are intended to be universal in their coverage of the population, there is a tendency to undermine it. If however, there are issues of access and quality of these public goods and transfers, as may be the case in most parts of India, focus has to be on addressing those shortcomings in institutions and delivery mechanisms and not necessarily through a premature revision in the poverty line or related benchmarks. There is a fiscal affordability issue that also has to be kept in view.

the poverty line to reflect changes in price level, amounts to holding the consumption basket implicit in the poverty line constant over time. In the process, the methodology ignores the income and substitution effect for households on account of change in their income/expenditure levels and relative prices of items in the food basket, or for that matter change in tastes on their consumption pattern over time. This freezes the behavioural aspect of the poverty line methodology. Thus, for any year after 1973-74 so long as an individual has the requisite purchasing power to afford the standardised base year consumption basket, even though she chooses to actually spend on a different basket, which may or may not fetch the required calories, the individual is classified as non-poor.

Such an approach can be justified only on the grounds that in any country the absolute minimum standards for poverty benchmarking have to be necessarily relative to the average living standards in that country. There is also the consideration that a common benchmark (it could well be an absolute minimum to start with) is needed to track the situation over time, at least until improvement in average living standards in the country necessitate a review of the absolute minimum to benchmark estimates on poverty and deprivation. Moreover, the calorie norms anchoring the poverty line are an average for a reference group and not the minimum required for biological existence of an individual. Their use to measure the incidence of malnourishment or under-nourishment in the population would, therefore, be grossly inappropriate. The minimum calorie requirement for sustaining healthy life is a function of individual adaptability, climate, work-load and other factors. Thus, people estimated as poor using the poverty line may not necessarily be malnourished. Indeed, the adequacy of calories in a diet may not even ensure adequacy of other macro and micronutrients.

Some of these assumptions and features of the poverty line approach have

been frequently questioned. Thus for instance, changes in occupational-age-sex profile of the population may necessitate the use of fresh calorie norms for benchmarking the reference consumption basket for a food-adequacy poverty line. The dated reference consumption basket may itself require replacement by a more recent consumption basket reflective of altered consumption patterns and availability of food items. The sole reliance on NSS household consumption expenditure data for estimating poverty in the face of dramatic differences with the National Accounts Statistics estimates of private consumption expenditure may not be tenable, and there is also the issue of what are the most appropriate price indices for updating the poverty lines over time. At the same time, it has been argued that, perhaps, time has come to move from a predominantly income focused criteria to one that can generally be described as a social indicators approach to measurement of human wellbeing and human poverty.

The Tendulkar methodology that superseded Lakdawala methodology (as the official methodology) accepted Lakdawala urban poverty ratio for 2004-05 as the benchmark for identifying the consumption basket corresponding to the national poverty line. However, it choose to use the NSS household consumer expenditure survey on mixed recall period. Unlike the uniform recall period the mixed recall period data on five non-food items namely clothing, footwear, durable goods, education and institutional medical expenses are collected for a 365-day recall period and the remaining items for a 30-day recall period. This has the consequence of raising the average monthly household consumption expenditure and it is a more appropriate way of collecting the data for poverty estimates. Further, the so identified national reference consumption basket is apparently validated by other data for required normative consumption of food and other social expenditures, though not reflected in an adequately transparent manner in this report (Planning Commission 2009). Next, using

predominantly the implicit NSS prices at disaggregated level along with data from Consumer Price Index for Agriculture Labour (CPIAL) and Consumer Price Index for Industrial Workers (CPIIW) (both for only about 10 per cent of expenditure at the household level) and the identified consumption weights from the reference national consumption basket, state level urban price relatives are estimated to derive the state-wise urban poverty lines. These are then converted to state-wise rural poverty lines using rural-urban price relatives. To carry forward the poverty line the urban implicit price deflators were estimated from the two NSS rounds (2009-10/2004-05) to update the urban poverty lines for 2009-10. Again the rural-urban implicit price relatives were estimated for 2009-10 to convert the urban poverty lines into rural for that round.

The procedure so described is not only unwieldy, but it also breaks the conceptual and methodological moorings of the poverty line approach, howsoever tenuous in the Lakdawala methodology. It does not adequately address the various issues raised about the official methodology and where addressed only in a piece-meal manner. At the same time, it introduces major assumptions in the estimation procedure without providing an adequate basis for them, thereby adding ambiguity to the methodology. There is therefore, every reason to revisit the approach to poverty estimation in India which the new Expert Group under Rangarajan will hopefully do. It offers an opportunity to place the estimation procedure for poverty on sound conceptual foundations.

The new Expert Group needs to consider several issues, such as those flagged earlier. It needs to consider how frequently should the substantive definition of poverty line be revisited. It needs to keep in mind that HCR estimates will continue to serve a broad purpose along with other macroeconomic aggregates in the overall management of economic policy in the country, at least for the next couple of decades. Hence, the need to be

based on a methodology which is easy to follow and is credible. There is also scope not only to reflect, for instance the notion of relative poverty, but more importantly a broader notion of wellbeing perhaps in terms of achievements and opportunities, anchored in Sen's notion of capabilities (Sen, 1983, 1985 and 1993). The former is relevant because with development and improvement in average living standards there is a periodic need for new benchmarks for development and deprivation assessment. There is also an evolving aspirational content to human wellbeing that may have to be factored as well. As regards the latter, Sen has argued that human poverty can be viewed as an absolute deprivation in the space of capabilities, as observed by the set of functionings available and exercised by an individual, and as relative deprivation in the space of commodities or resources. Some of this body of work has been reflected in the NHDR-2001, in the methodology used for identification of the poor (see next section) and in UNDP's work on human development and multidimensional human poverty indices especially in its recent global report (UNDP, HDR 2010). There is further work that can be undertaken on this issue in the Indian context. However, in general, it would serve the cause of policymakers and the policymaking process if revised estimation methodology is objective, transparent, consistent and simple to interpret, as well as to administer and, at the same time, to yield estimates that support inter-temporal and spatial comparisons of poverty incidence in the country. It is also important that the methodology and the estimates reflect adequately the society's prevailing valuation of wellbeing and understanding of the phenomenon, or else it may not be useful.

Identification of Poor

Identification of the poor is the starting point in the implementation of the poverty alleviation programmes in the country. Ideally, the estimated poverty line

should be used in a Census of the income/household consumption expenditure of the population to separate the poor from the non-poor. This is, however, an expensive and a time consuming exercise, made more difficult by the informal nature of reporting on incomes or consumption expenditure, especially in the context of a census and in rural India. It also implies applying a unidimensional income/consumption measure for identifying the poor, which is not necessarily appropriate and has its own limitations. As a result, in the extant official practice for identification of the poor, recourse is taken to applying poverty HCR as a control total in a procedure involving the use of multidimensional poverty check-lists. The poor so identified define the target BPL group for the numerous poverty alleviation programmes at state level.

Starting with the Eighth Five Year Plan (1992-97) a systematic procedure was laid out for identifying the BPL households in rural areas. This was necessitated by the feedback from evaluation studies of programmes like the Integrated Rural Development Programme (IRDP), suggesting significant benefit flows of the programme going either to ineligible categories of households, or to the non-poor. Thus, from using self-reported household incomes in the 1992 BPL village census, government moved away to using a multi-faceted criterion based on information on household attainments on a number of wellbeing dimensions, as well as asset (productivity) ownership, to identify the poor in the rural areas. In 1997, the below poverty line village census used information on size of land holdings, nature of housing construction, annual income, ownership of certain consumer durables and farm equipment. For the 2002 village census, this list of indicators was further modified and enlarged to include 13 socio-economic indicators to rank the surveyed households. Though, the cut-off level for these rankings vary from village to village or rather from district to district, the relevant state-specific Planning Commission estimates of the poor serve as a cap on the actual identification of the poor and their inclusion in the BPL list. The number of poor identified on the

multi-faceted criterion corresponds roughly to the Planning Commission estimated incidence of poverty on HCR. In addition, the states are also given the flexibility of another 10 per cent to account for the transient poor. For conducting the BPL census for the Eleventh Five Year Plan, the Rural Development Ministry constituted an Expert Group under the chairmanship of N.C. Saxena, which submitted its report in August 2009. It recommended a methodology for identification of BPL families, including criterion for automatic exclusion of rural household from the BPL list, automatic inclusion in the BPL list and grading of the remaining households on a scale of one to ten for their possible inclusion. It also recommended the methodology for conducting the census and appropriate appeal mechanisms (Ministry of Rural Development, 2009). Accordingly, the Socio-Economic and Caste Census was launched in June 2011 and as of January 2014, barring in a few states, it is yet to be completed.

Based on these BPL census exercises, various state governments have prepared the list of BPL households which are generally much larger than the Planning Commission estimates based on NSS consumption surveys. This has also contributed to the widespread perception that the current estimates of poverty provided by the NSS surveys are gross underestimation of the prevailing ground realities. On the other hand, it is alleged that BPL list is often inflated at state level to corner more resources from the common pool of central resources, thus giving rise to perverse incentives to identify a higher pool of BPL persons and declaring a higher poverty at state level. Accurate identification of the poor through such means is therefore becoming increasingly important because once identified as BPL households, they acquire entitlements over flow of public transfers and access to other resources under poverty alleviation programmes. There are several central government programmes targeted to the BPL households in rural areas. It includes Public Distribution System (PDS),

Indira Awas Yojana (IAY), National Social Assistance Programme (NSAP), Swarnjayanti Gram Swarazgar Yojana (SGSY), Total Sanitation Campaign (TSC), National Maternity Benefit Scheme (NMBS) and health insurance. It is not surprising therefore, that getting a BPL identity is a major achievement for people in rural areas.

There are development practitioners and civil society actors who argue that the most basic programmes for impacting poverty like land reforms and protections against discrimination do not necessarily entail targeting or even financial transfers, but political will, affirmative action and statutory redistribution. At the same time, they argue that for schemes involving social transfers or specific subsidies, there is greater efficiency in ensuring universal coverage or through implementation of a statutory affirmative action programme. Thus, in programmes with self-targeting criterion (universal coverage), such as with MGNREGS, which is open to anyone who seeks work as a manual labour on public works, or Mid-day Meal (MDM) scheme, where any child can access meals provided at schools if they are enrolled there, outcomes realised are likely to be better (Mehrotra and Mander, 2009).

In the case of urban India, until recently there has been no attempt to identify the poor or have procedures in place to have comparable urban BPL lists. Delhi is perhaps among the only state that has identified the urban poor and prepared the BPL lists for the urban areas. This glaring gap is now being addressed with the Planning Commission constituting an Expert Group under S.R. Hashim to recommend a detailed methodology for identifying the poor in the urban areas (Planning Commission 2012). Identification of urban poor households is necessary for an effective targeting of the benefits under the growing number of poverty alleviation programmes being implemented by the central and the state governments in urban areas. These include programmes of the Ministry of Housing

and Urban Poverty Alleviation, such as the Swarna Jayanti Shahri Rozgar Yojna (SJSRY) for Livelihoods, the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) for urban services and Rajiv Awas Yojna (RAY) for housing and a slum-free India. In addition, there are national programmes such as the right to food under the National Food Security Act that also target the urban poor.

For planning and designing appropriate public interventions, though the starting point is to know who the poor are and to ensure a targeted delivery of public services for them, it is equally important to know the precise nature of their vulnerabilities or deprivation that they face and also the extent of such deprivation. Addressing this concern the Hashim Committee (Planning Commission 2012) goes on to identify three categories of vulnerabilities that the urban poor is usually subjected to namely, residential, occupational and social vulnerability. It goes on to recommend a number of indicators covering these three vulnerability dimensions to capture the intensity of the problem which, and like the rural BPL approach, provides a three-stage identification process involving criteria for automatic exclusion, automatic inclusion and a scoring card that identifies others who need to be included in the BPL list.

Under the present framework for poverty estimation and alleviation interventions followed by the government at the central and state level, it is important to have a credible and acceptable methodology to estimate the poor. It is equally important to have a pointed set of criterion for the identification of the poor at the ground level to minimize mis-targeting of the benefit-flows under the targeted poverty alleviation programmes. While the identification criteria for the poor has responded to the critique of the practitioners, from time to time, over improving the procedure in the past two decades, the same cannot be said for the methodology to estimate the poor in India. There is some distance to travel on that count.

II. Who are the Poor and Where are They Located?

This section of the Chapter presents a profile of the poor based on Lakdawala methodology for estimating poverty. Using the NSS unit-level data for 1993-94, 2004-05 and 2009-10 it decomposes the aggregate picture to reflect the socio-economic and religious profile of the poor for the country as a whole, and for selected states that have a chronically high concentration of poverty. With the exception of a few, these are states confined mostly to the central heartland of the country, which have

traditionally been identified as backward states. There has been a steady decline in the proportion of poor over the entire period. The overall annual average decline is roughly the same in the ten year period on either side of 1993-94, with only a marginal increase since 2004-05. Further, the rate of decline in the proportion of poor is same in both rural and urban areas in the pre-1993 period, but in the post-1993 period the decline is faster for rural areas than for urban areas (Figure 3.4). The absolute number of total poor remained above 300 million until 2004-05, declining thereafter to 280 million in 2009-10 (Table 3.1).

As pointed out earlier, the decline is sharper on Tendulkar methodology (official approach) for the most recent period. While the decline in the HCR on Lakdawala methodology between 1993-94 and 2004-05 is marginally higher (8.5 percentage points as against 8.1 percentage points on official methodology), in the subsequent period the decline is 54 per cent higher on the official methodology, 7.4 percentage points as against 4 percentage points, respectively. The Lakdawala estimates have not been made for 2011-12 and Tendulkar methodology shows a further drop of 7.9 percentage points in the overall HCR at the all India level in the two year period from 2009-10 to 2011-12.

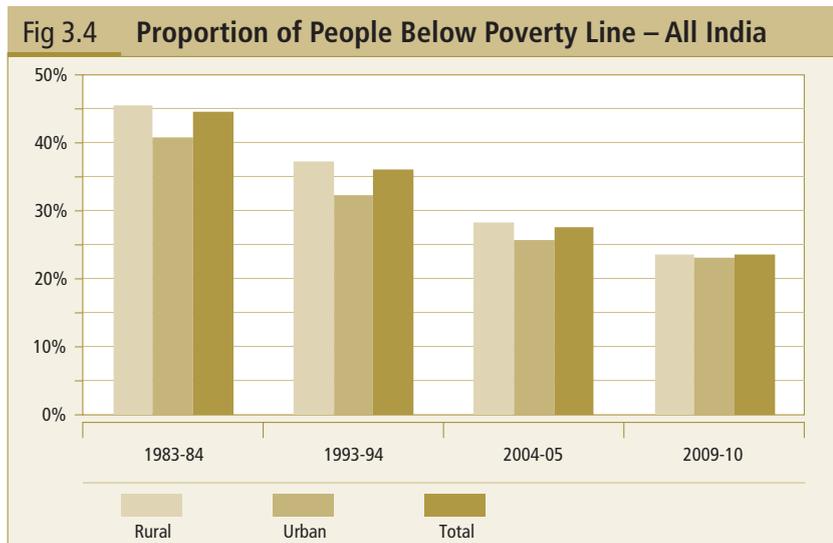


Table 3.1 Incidence of Poverty 1973-74 to 2009-10

Year	1973-74	1977-78	1983	1987-88	1993-94	2004-05	2009-10
Proportion below poverty line (per cent)							
Rural	56.4	53.1	45.7	39.1	37.3	28.3	23.7
Urban	49.0	45.2	40.8	38.2	32.4	25.7	23.2
Total	54.9	51.3	44.5	38.9	36.0	27.5	23.5
Number of persons below poverty line (millions)							
Rural	261.3	264.2	252.0	231.9	244.0	220.9	194.7
Urban	60.0	64.6	70.9	75.1	76.3	80.8	84.9
Total	321.3	329.0	323.0	307.0	320.4	301.7	279.6

Source Estimates based on NSSO data on household consumer expenditure and the Lakdawala methodology, Planning Commission, Government of India. The years correspond to the NSSO quinquennial household consumer expenditure rounds.

Fig 3.5(a) State's Share of Poor in Total Poor in India (Rural)

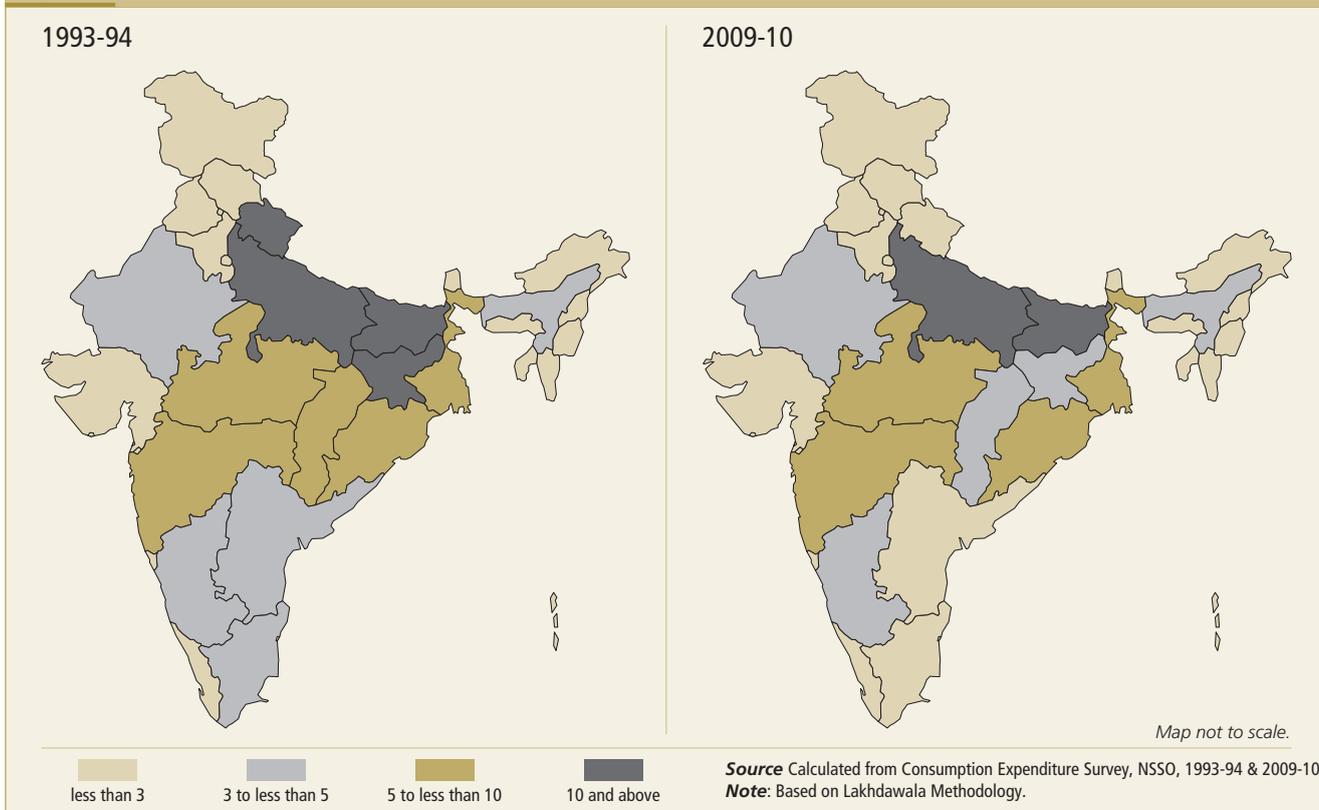
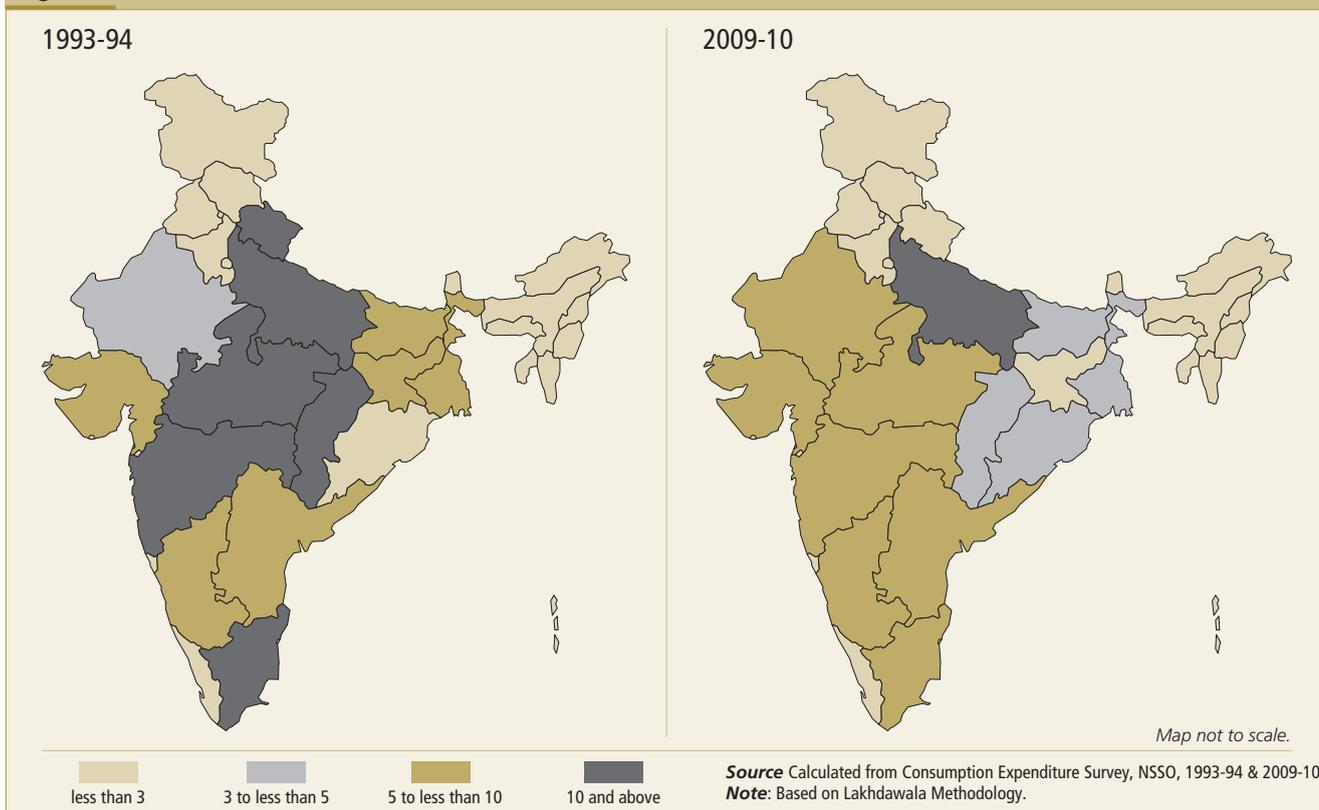


Fig 3.5(b) State's Share of Poor in Total Poor in India (Urban)



Poverty Profile: Regional

Figure 3.5 provides the spatial concentration of the poor in the rural and urban regions of the country for 2003-04 and 2009-10. The number of poor is getting increasingly concentrated in the four states of undivided Uttar Pradesh, Bihar and Madhya Pradesh and also in the state of Odisha. Nearly 60 per cent of the total poor (rural and urban together) in the country come from these states in 2009-10 as against about 45 per cent in 1983 or a little over 40 per cent in 1973-74. In 2009-10, these states contribute 65 per cent of the rural poor and 45 per cent of the urban poor in the country, as against 50 per cent and 33 per cent, respectively in 1983. Between 2003-04 and 2009-10, rural poverty has become less widespread and the concentration of poor in states, other than indicated earlier, has come down, as can be seen from the Figure 3.5 (a) and (b) with some states transiting from higher category of contributors to the number of poor in the country to the lower category. In urban areas, while the number of states contributing more than 10 per cent to the total urban poor has come down dramatically; urban poverty remains as widespread in 2009-10 as in 1993-94. In 2009-10 Uttar Pradesh and Bihar account for more than 10 per cent each of the total rural poor in the country, while only Uttar Pradesh has a similar proportion of the country's poor in its urban areas. Urban

poverty is widespread and more uniformly distributed across the states than rural poverty, which is largely confined to the central Indian states indicated earlier, and West Bengal and Maharashtra.

In the post-1993 period, though there is a decline in the HCR for both rural and urban areas, the absolute number of poor has declined in rural areas, but increases significantly in the urban areas. This is due to changes in the numerator as well as the denominator of the HCR. Thus, population growth is declining in rural areas and number of poor is declining faster, partly also on account of migration of poor to urban areas in search of livelihood opportunities. At the same time, though the population growth is higher for urban areas, there is a proportionately higher growth in the urban poor. Figure 3.6 at the all India level reflects this in terms of faster rise in the share of urban poor relative to the rise in the share of urban population. These trends suggest that despite rural HCR remaining higher than urban and markedly so until 2009-10 (Table 3.1), poverty is gradually becoming more of an urban phenomenon.

Figure 3.7 and 3.8 present the ratio of state's share of poor in the total poor and the state's population share in the total population of the country, separately for rural and urban areas. In other words, if this ratio is higher than one for any state, it implies that state is contributing more than its share in total population to the total poor in the country. It is an indicator of poverty concentration for the country. Thus, between 1993-94 and 2009-10 in rural areas, all the north-eastern states other than Assam, West Bengal and Maharashtra are able to bring down the said concentration ratio to less than one. The three undivided states of Uttar Pradesh, Bihar and Madhya Pradesh, along with Odisha and Assam continue to contribute in excess of their population share to the total rural poor in the country. In urban areas the concentration of poverty, as defined above, has shifted from the lower and middle half of the country to the middle

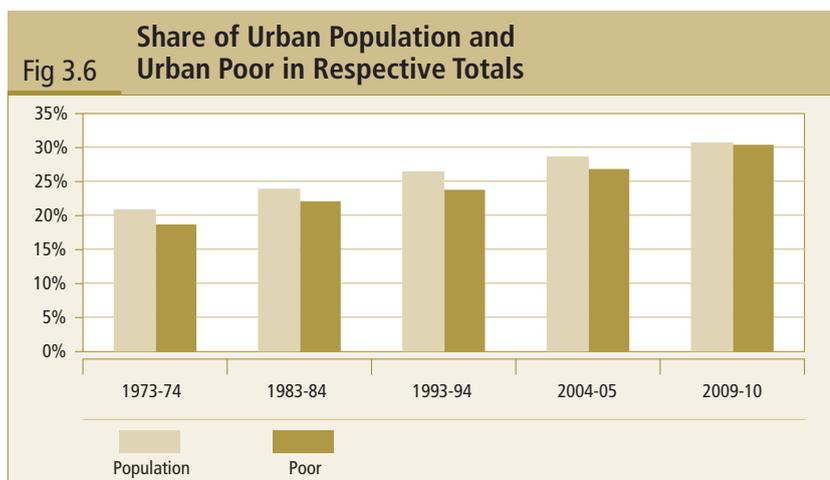


Fig 3.7 Ratio of State's Share in India's Poor to Share in India's Population (Rural)

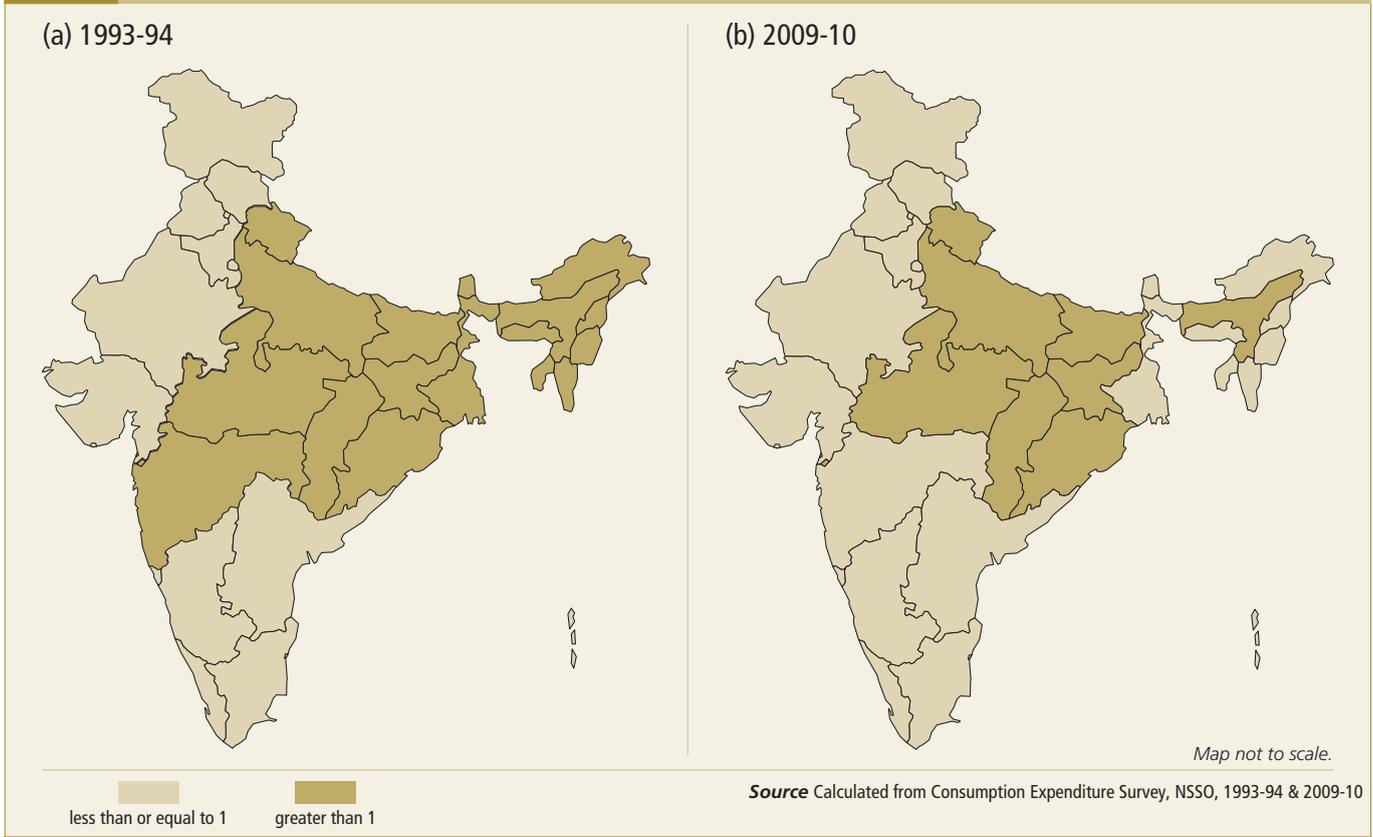
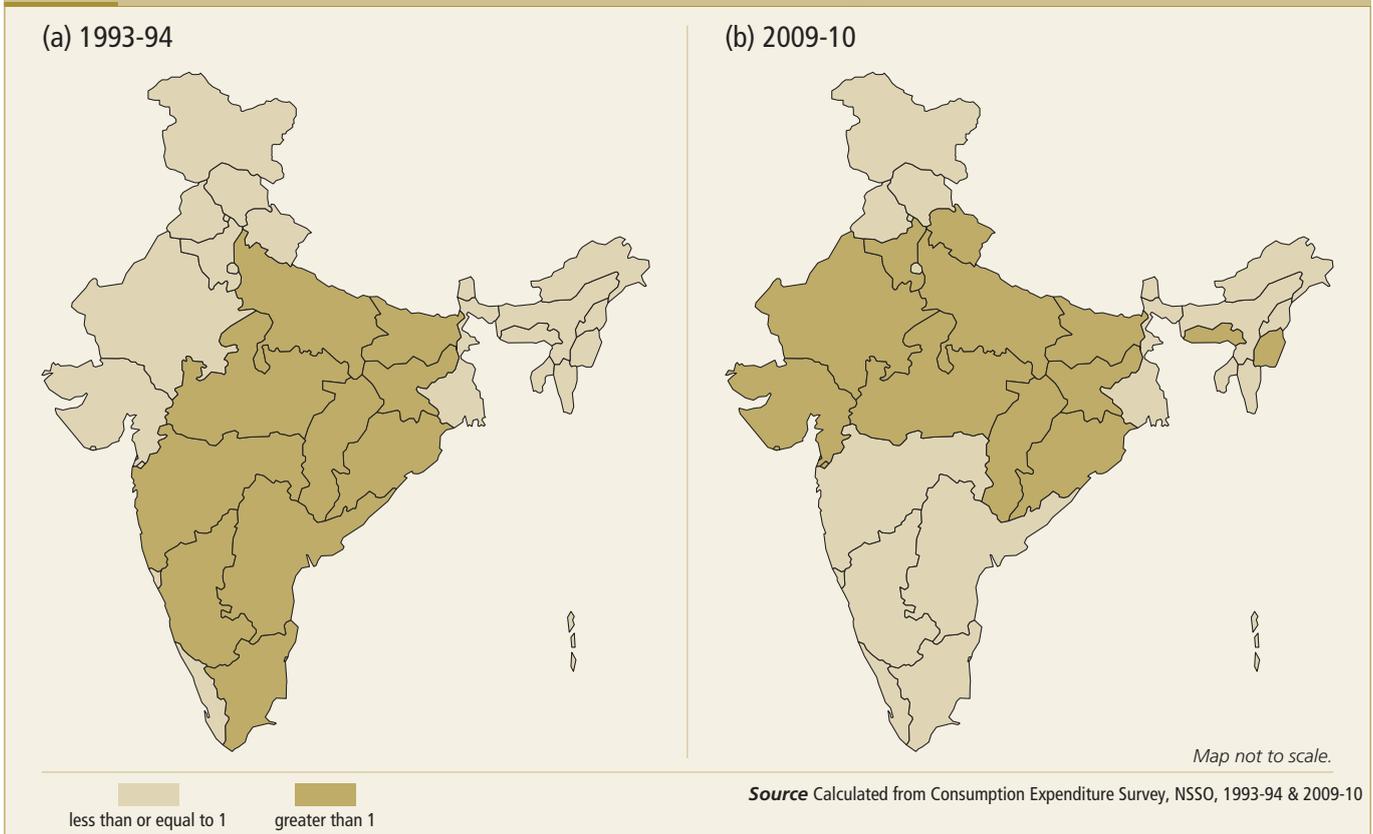


Fig 3.8 Ratio of State's Share in India's Poor to Share in India's Population (Urban)



and western half during the period 1993-94 to 2009-10. The two unexpected entrants to the category of states contributing disproportionately to urban poverty in the country are Gujarat and Haryana, which otherwise are seen as more developed states in popular perception.

Poverty Profile: Social Groups

In terms of social groups, poverty incidence at the all India level is higher among Scheduled Tribes (STs) than among the Scheduled Castes (SCs) in rural areas and vice-versa in urban areas, though in both cases it declines sharply between 1993-94 and 2009-10. In rural areas (Figure 3.9 (a)), SCs as a group experience a faster decline between 1993-94 and 2004-05, whereas in case of STs the faster decline is in the period 2004-05 to 2009-10. In the urban areas (Figure 3.9(b)) while SCs experience a continuous decline throughout the period, for STs the declining trend stagnates post 2004-05. Despite the decline in the poverty incidence for STs and SCs, in 2009-10 HCR for STs is 42 and 48 per cent higher respectively, in rural and urban areas in comparison to the all India figure. Similarly in the case of the SCs, the HCR in 2009-10 is 33 per cent higher in rural areas and 31 per cent higher in urban areas vis-à-vis the all India incidence. If the reference benchmark is the other category,

i.e., non-STs and non-SCs at the all India level, this difference is likely to be starker.

Figure 3.10 (a) to (h) presents the state level profile of poverty incidence among social groups selectively for states with the most overall incidence of poverty. These are also states with a sizeable proportion of SC and ST population. Though they have a somewhat similar overall economic profile, but due to differences in their social and cultural contexts, there are significant variations in poverty incidence by social groups in these states. Thus, in rural areas (like at the all India level) the poverty incidence of STs is higher than SCs in Odisha and Madhya Pradesh for all three years, but in Bihar and Uttar Pradesh (except 2009) it is the SCs who have a higher incidence. In urban areas, while Bihar and Uttar Pradesh have consistently higher proportion of poor among the SCs relative to STs, it is not so for all the years for Odisha and Madhya Pradesh. For the Other Backward Castes (OBCs), in general the HCR is lower than that of SCs and STs and in case of Odisha rural, it is also lower than the others (i.e., non-SC, non-ST and non-OBC). Finally, in Bihar for 2009, the HCR for SCs was nearly six-folds and four-folds higher for urban and rural areas respectively, in comparison to the HCR for others. There is also a stark difference in 2009 in the case of Odisha rural and Uttar Pradesh rural, where HCR for STs is nearly three-folds higher than that for others.

Fig 3.9 Poverty Incidence Social Groups – All India

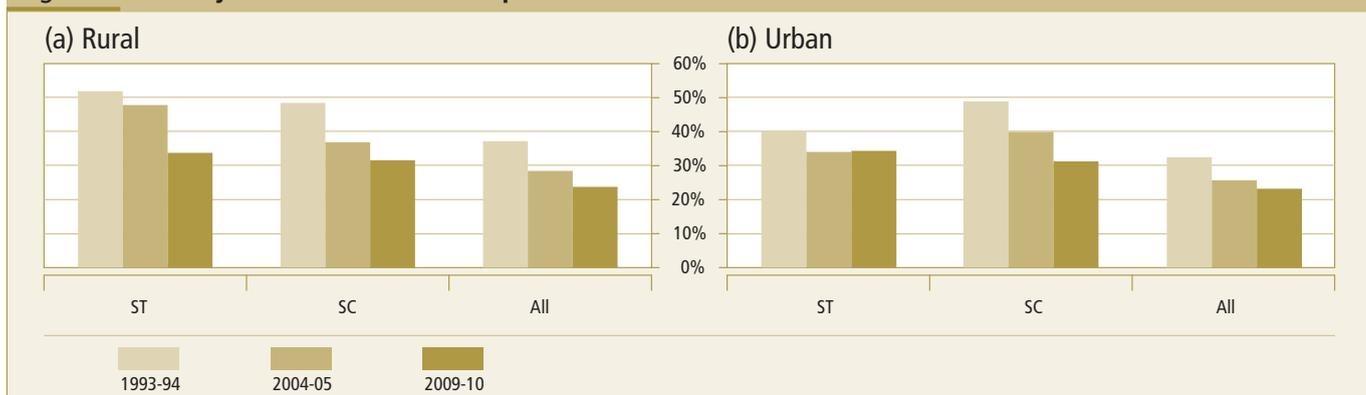
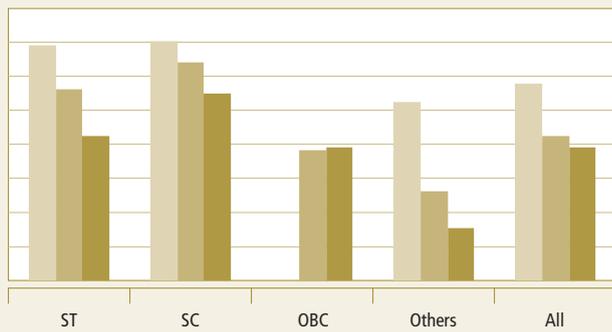
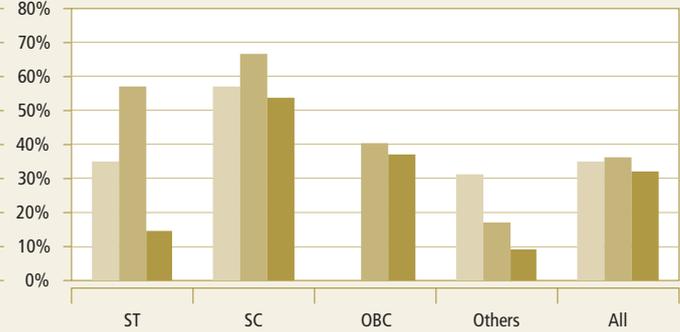


Fig 3.10 Poverty Incidence Social Groups – Selected States

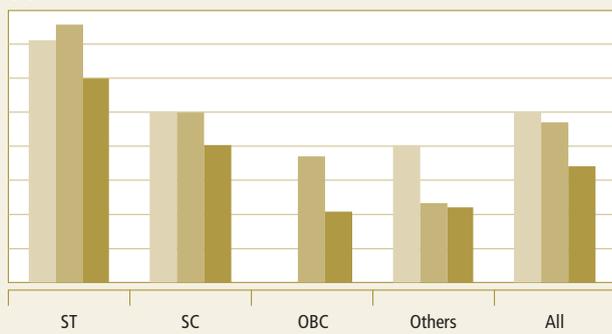
(a) Bihar – Rural



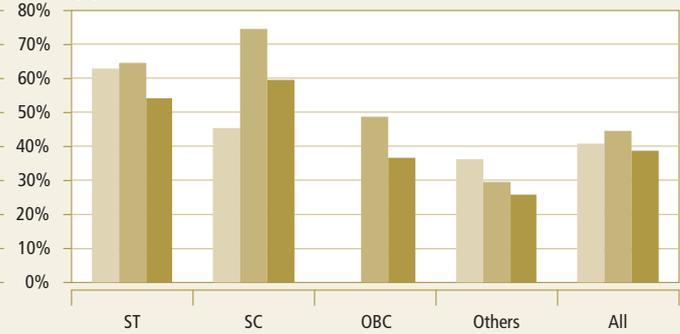
(b) Bihar – Urban



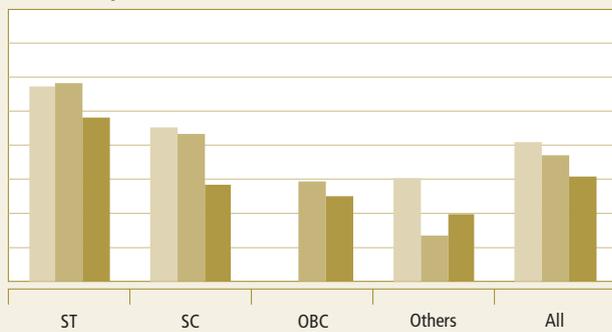
(c) Odisha – Rural



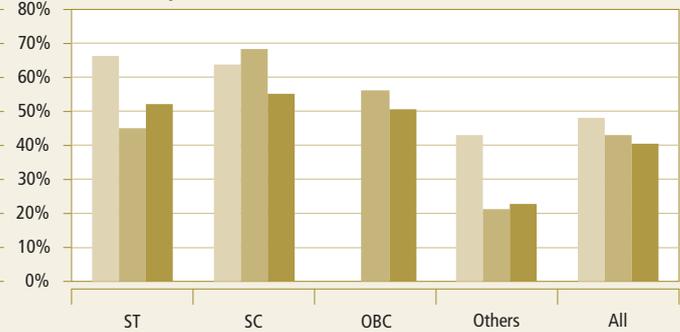
(d) Odisha – Urban



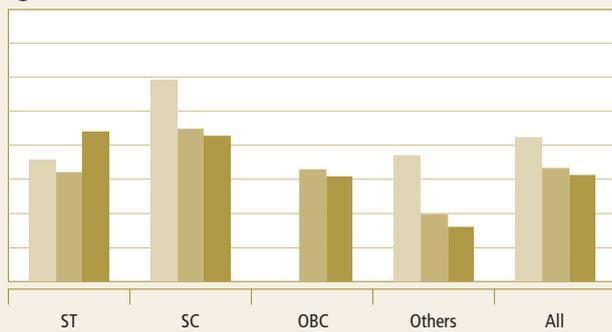
(e) Madhya Pradesh – Rural



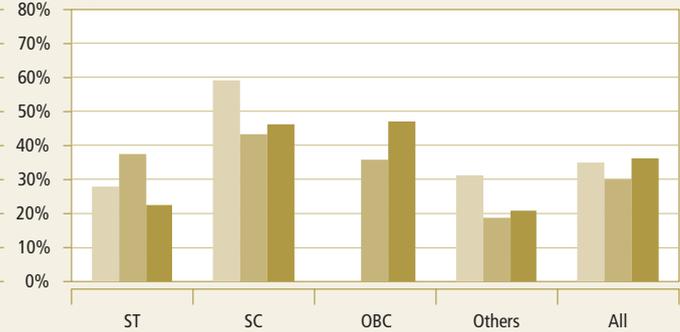
(f) Madhya Pradesh – Urban



(g) Uttar Pradesh – Rural



(h) Uttar Pradesh – Urban



1993-94 2004-05 2009-10

Poverty Profile: Religious Groups

Just as there are differences in the HCR for social groups, there are also differences in the HCR for religious groups and its pace of decline over the years (Figure 3.11). In 2009-10 nearly one in every three Muslims is poor, whereas only one in every four Hindu is poor (Table 3.2). Other than the HCR for Buddhists, which is higher than

that of Hindus and Muslims, all other religious groups have lower incidence of poverty and there is a steady decline in their respective HCRs over the period. Hindus and Muslims account for more than 94 per cent of the total population and marginally higher share of the poor in the country at the all India level for all the three years for which the estimates have been presented here. While Muslims have a higher incidence of poverty in both rural and urban areas, they have experienced a faster decline in their HCR in rural areas

Table 3.2 Poverty Incidence by Religious Group

Religious Group	1993-94			2004-05			2009-10		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Hindu	37.5	29.9	35.6	28.9	23.3	27.4	23.9	21.1	23.2
Islam	41.3	48.1	43.7	29.3	41.4	33.7	25.6	37.1	29.4
Christian	30.3	21.4	27.4	16.2	12.5	14.9	13.0	14.5	13.5
Sikhs	5.9	12.9	7.6	5.0	6.1	5.3	8.5	8.7	8.5
Jains	14.0	5.4	7.9	2.6	2.6	2.6		3.8	3.3
Buddhist	55.4	43.9	51.3	40.6	28.6	35.9	39.2	22.3	32.3
Others	35.2	28.8	34.6	36.0	18.3	34.3	25.7	6.8	21.8
All	37.2	31.9	35.9	28.3	25.6	27.6	23.7	23.2	23.5

Source Estimates based on NSSO unit level data on household consumer expenditure and the Lakdawala methodology for this report.

Fig 3.11 Poverty Incidence by Religious Groups – All India

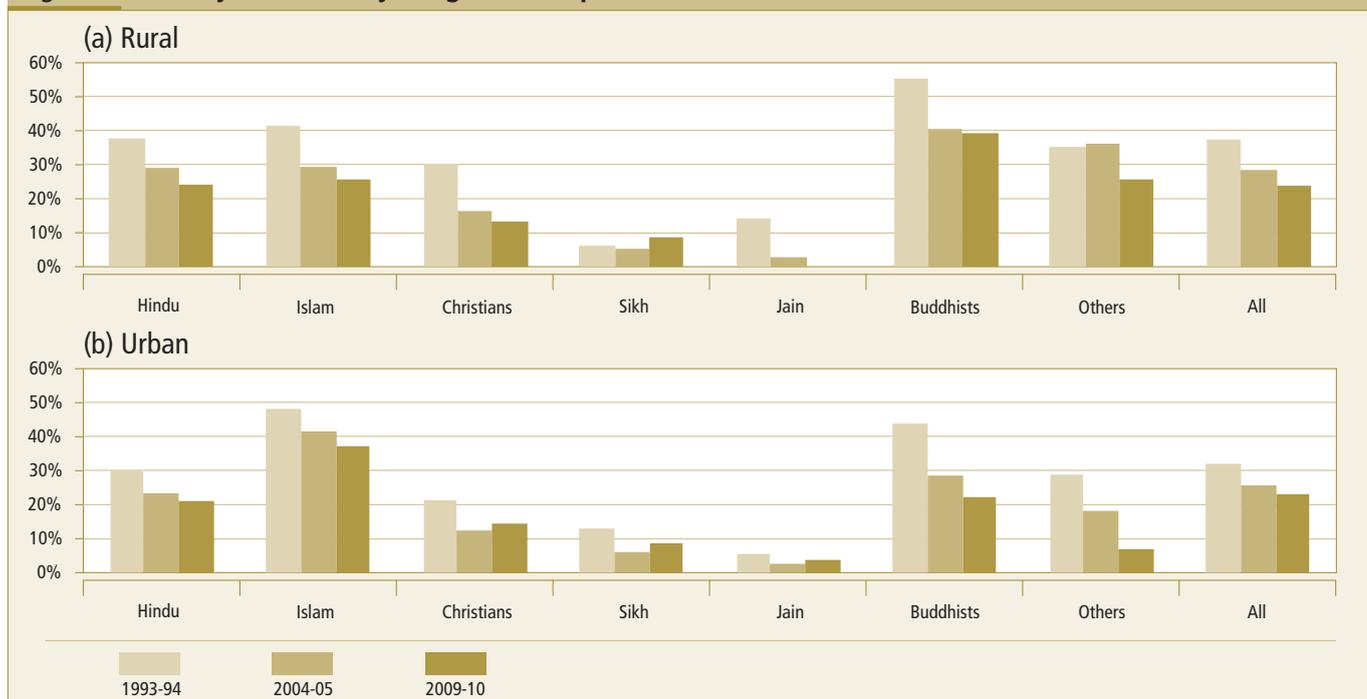


Fig 3.12 Poverty Incidence by Religious Groups – Selected States



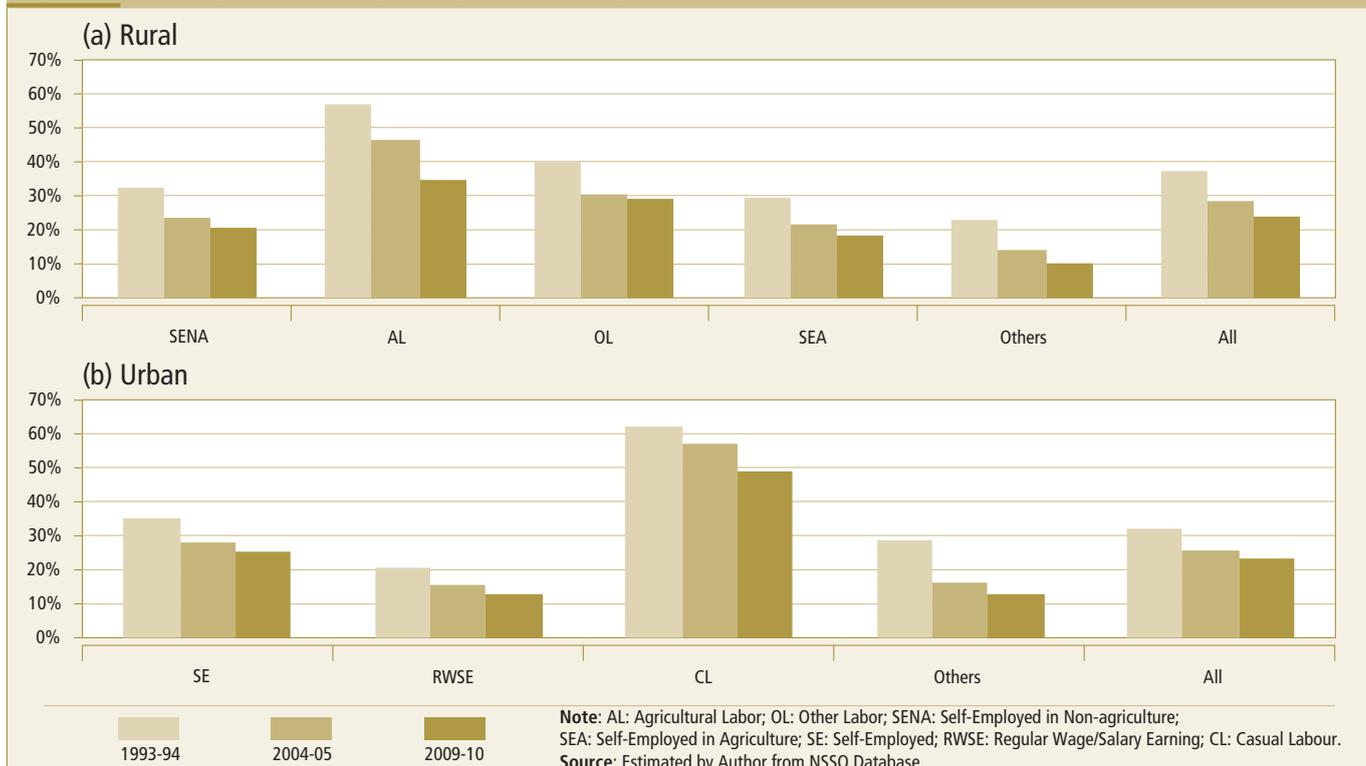
than the Hindus, with the result that in 2009-10 the HCRs for Hindus and Muslims are nearly the same. However, in the urban areas even though there has been a faster decline in the HCR for Muslims, due to a higher HCR than the Hindus in 1993-94, the HCR for Muslims in 2009-10 remains 76 per cent higher than that of Hindus. Poverty among Muslim is widespread and concentrated more in urban areas than in rural. They account for a much larger share of the urban poor relative to their share in urban population, unlike the Hindus who have a much lower share in the urban poor, relative to their share in urban population.

The poverty profile by religious groups varies across states (Figures 3.12(a) to (h)). From among the selected states that have been highlighted here, rural Bihar and rural Uttar Pradesh both have higher HCR for Muslims as against Hindus, except in 2009-10. The pace of decline in HCR for Muslims is sharper in these states, but for Hindus it stagnates between 2004-05 and 2009-10. Rural Odisha's HCR for Christians is consistently high and rising

over the period. While every three out of four Christians is poor in rural Odisha in 2009-10, the HCR for Hindus is less than half of that for Christians. In the case of Assam HCR for Muslims is consistently much higher than that of Hindus and has risen in 2009-10 over 2004-05.

In urban areas, all the four states shown here have higher HCR for Muslims in comparison to the Hindus during the entire period. For Odisha, Uttar Pradesh and Gujarat there is an increase in poverty incidence for Muslims in the most recent years, with a more than doubling of HCR in the case of Gujarat from about 30 per cent in 2004-05 to over 64 per cent in 2009-10. In the case of Madhya Pradesh the HCR for Muslims shows an increase between 1993-94 and 2004-05 and then registers a sharp decline in 2009-10. Urban Odisha shows a significant decline in the HCR for Christian between 2004-05 and 2009-10, falling from over 50 per cent to less than 5 per cent, but the HCR for Hindus and Muslims remains high at proportions similar to those in 1993-94.

Fig 3.13 Poverty Incidence by Occupational Groups – All India



Poverty Profile: Occupational Groups

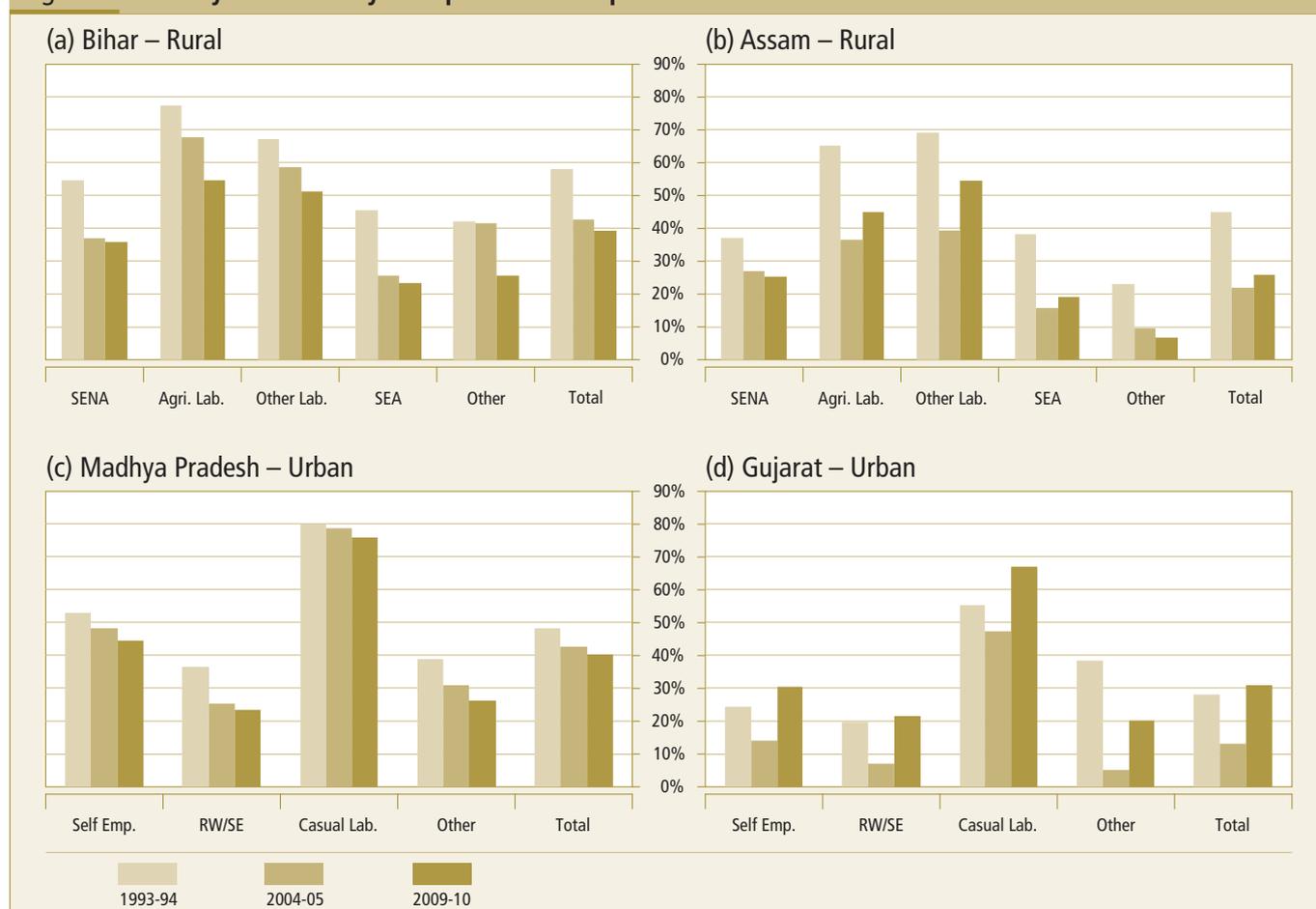
The analysis of poverty profile by occupational groups at the all India level suggests that two categories of workers, agriculture labour in rural areas and casual workers in urban areas have the highest poverty HCR. This is not surprising as both these occupational groups suffer from insecurity of employment as well as wages. In the rural areas, the wage insecurity has started coming down in the past few years due to implementation of floor-wages on public programmes under MGNREGS. The agriculture labour in rural areas comprise nearly one-fourth of the population and exhibit the most widespread poverty with over one-third of them being poor in 2009-10. The self-employed and

others comprising 56 per cent of the rural population have a lower HCR to labourers (agricultural and other labour), in 2009-10.

In the urban areas, casual labour comprising about 12 per cent of the population are the poorest with nearly half of them being poor in 2009-10. The regular wage and salary earners and others comprising about 45 per cent of the urban population are the least poor with a HCR of around 12 per cent, with others registering the highest fall in the poverty incidence over the period. The poverty ratio of self-employed is close to the overall average for urban areas.

At the state level there are large variations across occupation groups in the incidence of poverty and in the pace of its decline over the years. In rural Bihar, Odisha and Madhya Pradesh over 50 per cent of

Fig 3.14 Poverty Incidence by Occupational Groups – Selected States

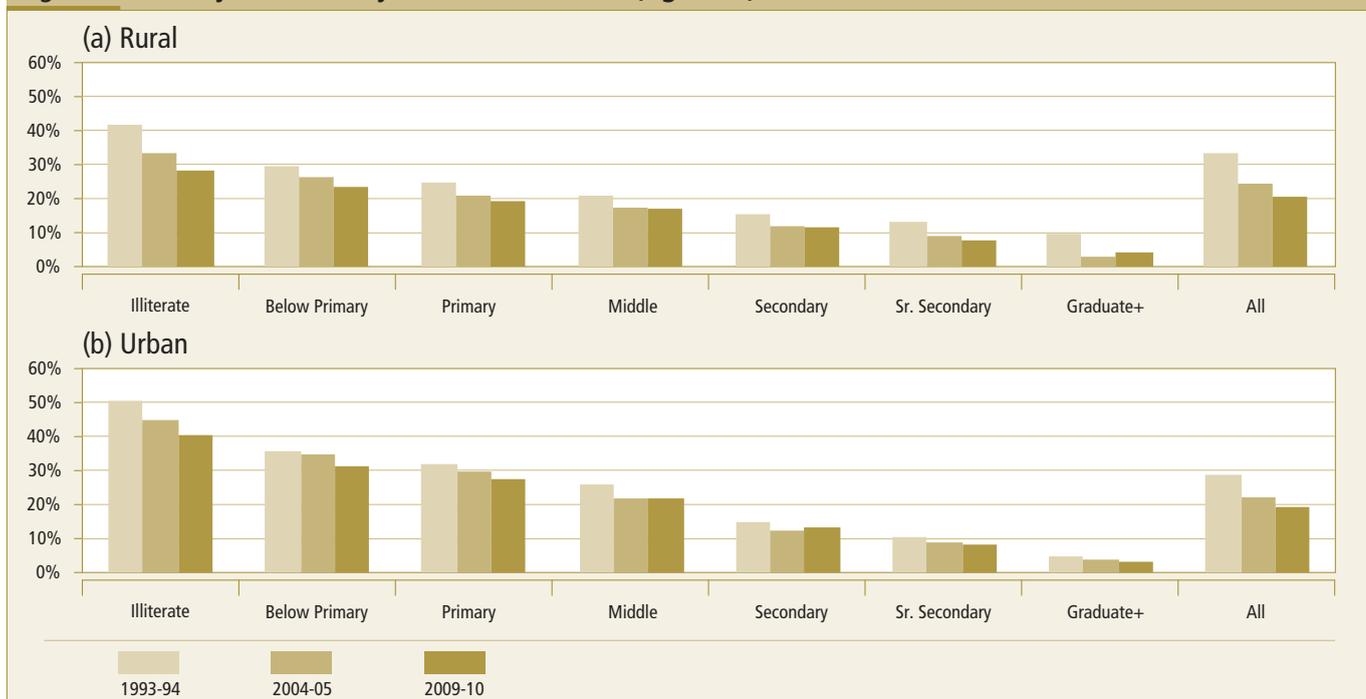


agricultural labour are poor and in Uttar Pradesh and in Assam it is a little less at 45 per cent in 2009-10. Even in a state like Punjab, about 20 per cent of agricultural labour is poor in 2009-10. Himachal Pradesh at less than one per cent has the least HCR among agricultural labour in 2009-10. Among the self-employed in agriculture, while Punjab at less than one per cent has the least proportion of poor, Bihar and Odisha with about 29 per cent and Jharkhand with over 36 per cent have the highest poor in 2009-10. Bihar, Jharkhand, Uttar Pradesh and Chhattisgarh also have a high incidence (50 per cent or around) of poverty among the category of other labour in rural areas. Bihar, Uttar Pradesh and Odisha have over 30 per cent poverty among the self-employed in non-agriculture in 2009-10. In the urban areas, most of the poor states namely, Bihar, Odisha, Uttar Pradesh, Madhya Pradesh, Uttarakhand, Chhattisgarh have a HCR of over 70 per cent for casual worker in 2009-10. Even among the better-off states like Punjab and Kerala casual workers have a poverty HCR of 20 per cent whereas Himachal Pradesh and Maharashtra at over 30 per cent and Manipur a staggering 81 per cent in 2009-10.

Poverty Profile: Educational Level

There is an inverse relationship between poverty incidence as measured on the HCR and education levels for both rural and urban areas (Figure 3.15). People with higher education levels have lower poverty HCR. While overall poverty ratio is higher in rural areas than in urban, for lower level of educational attainments say up to middle level (upper primary level) HCR is lower in rural areas in comparison to urban areas. In other words even with lower average education attainments in rural areas, with spread of school education the prospects of overcoming poverty in rural areas improve more than those in urban areas. This implies that the share of population with higher levels of education is significantly higher in urban areas than in the rural areas. Only in that case the overall poverty ratio can be lower in urban as compared to rural areas. Indeed, in 2009-10 the proportion of secondary and higher levels of educated in the urban areas is more than two-fold the level in rural areas, even though this

Fig 3.15 Poverty Incidence by Educational Levels (Age 15+) – All India



disparity has been declining over time. It is also the case that the fastest decline in poverty incidence over the period is experienced by the illiterates in both rural and urban areas (Figure 3.16). In general across all educational levels the decline is faster in rural than in the urban areas.

At state level for rural areas, Bihar, at over 61 per cent, has the highest HCR among the illiterates with Odisha and Assam also having HCR well above 50 per cent in 1993-94. By 2009-10 this has come down to around 45 per cent for Bihar and

Fig 3.16 Incidence of Poverty by Educational Level – All India Trend

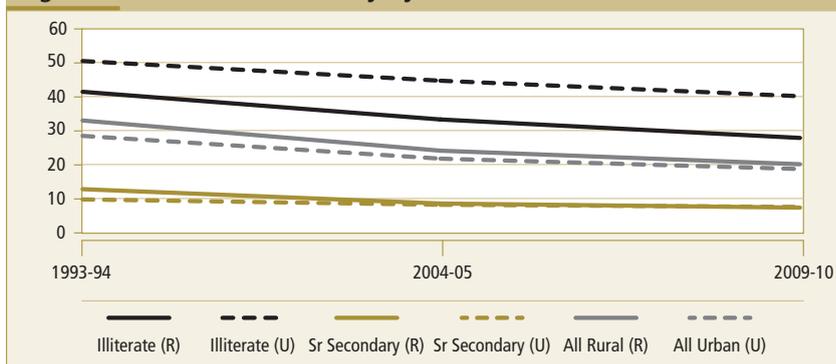
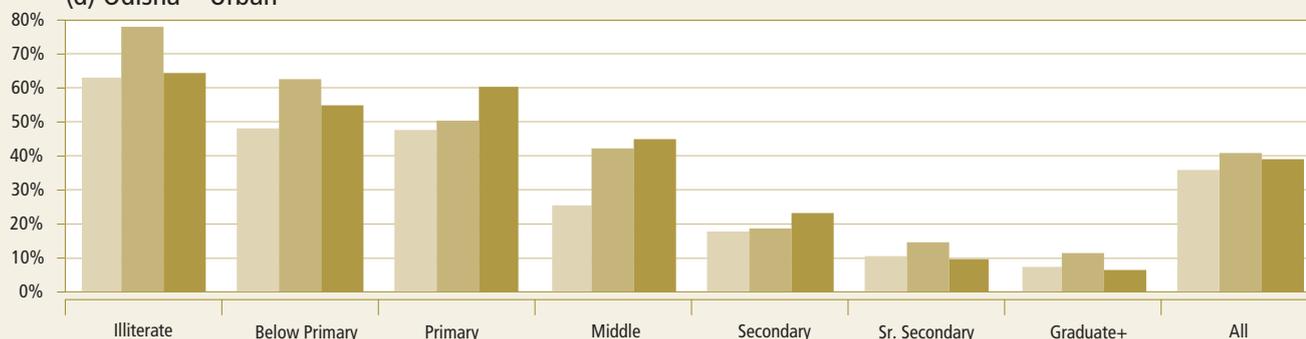


Fig 3.17 Poverty Incidence by Education Level (Age 15+) – Selected States

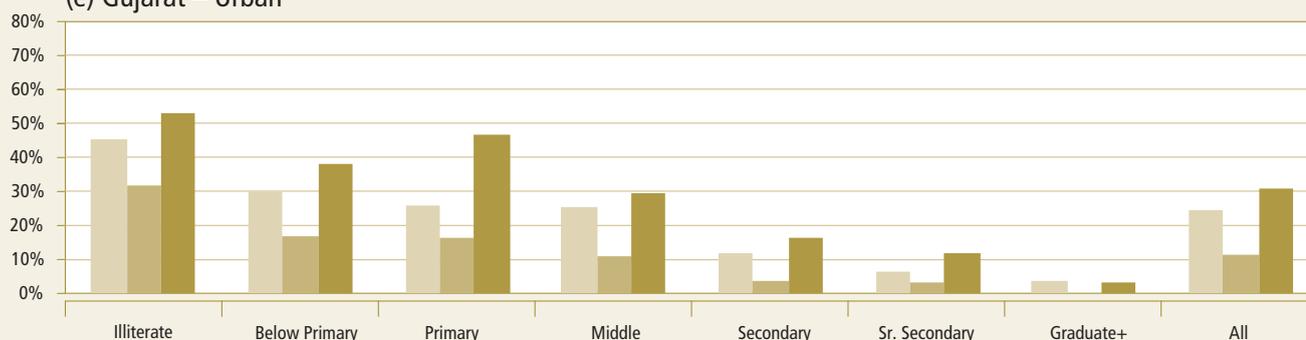


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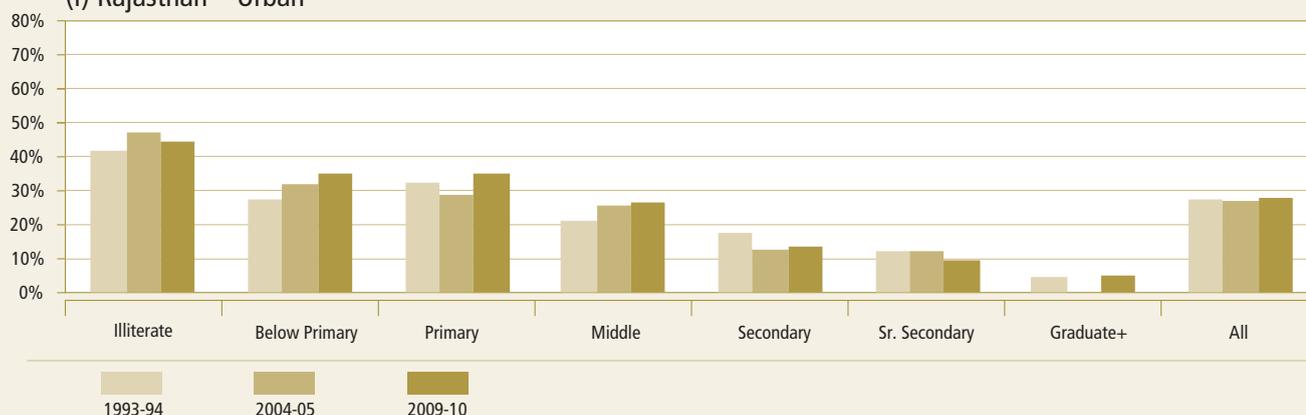
(d) Odisha – Urban



(e) Gujarat – Urban



(f) Rajasthan – Urban



Odisha and 33 per cent for Assam. In the case of rural Assam, there is a turn towards the worse with HCR rising across all education levels in 2009-10 over 2004-05. In urban areas, Madhya Pradesh, Odisha and Karnataka have poverty HCR of over 60 per cent in 1993-94 and it is around 55 per cent in Andhra Pradesh and Tamil Nadu. In 2009-10 it continues to be over 60 per cent in Odisha, Madhya Pradesh and in Uttarakhand and Manipur. In the case of Odisha, its urban poverty is considerably higher than rural poverty for lower level of education (up to middle level). Strikingly for Gujarat, like Assam in rural areas, there

has been a considerable increase in urban poverty across all education levels in 2009-10 over 2004-05, with its overall poverty being higher in 2009-10 than even in 1993-94. Rajasthan urban shows a deteriorating urban poverty incidence across education levels up to middle, during the period 1993-94 to 2009-10.

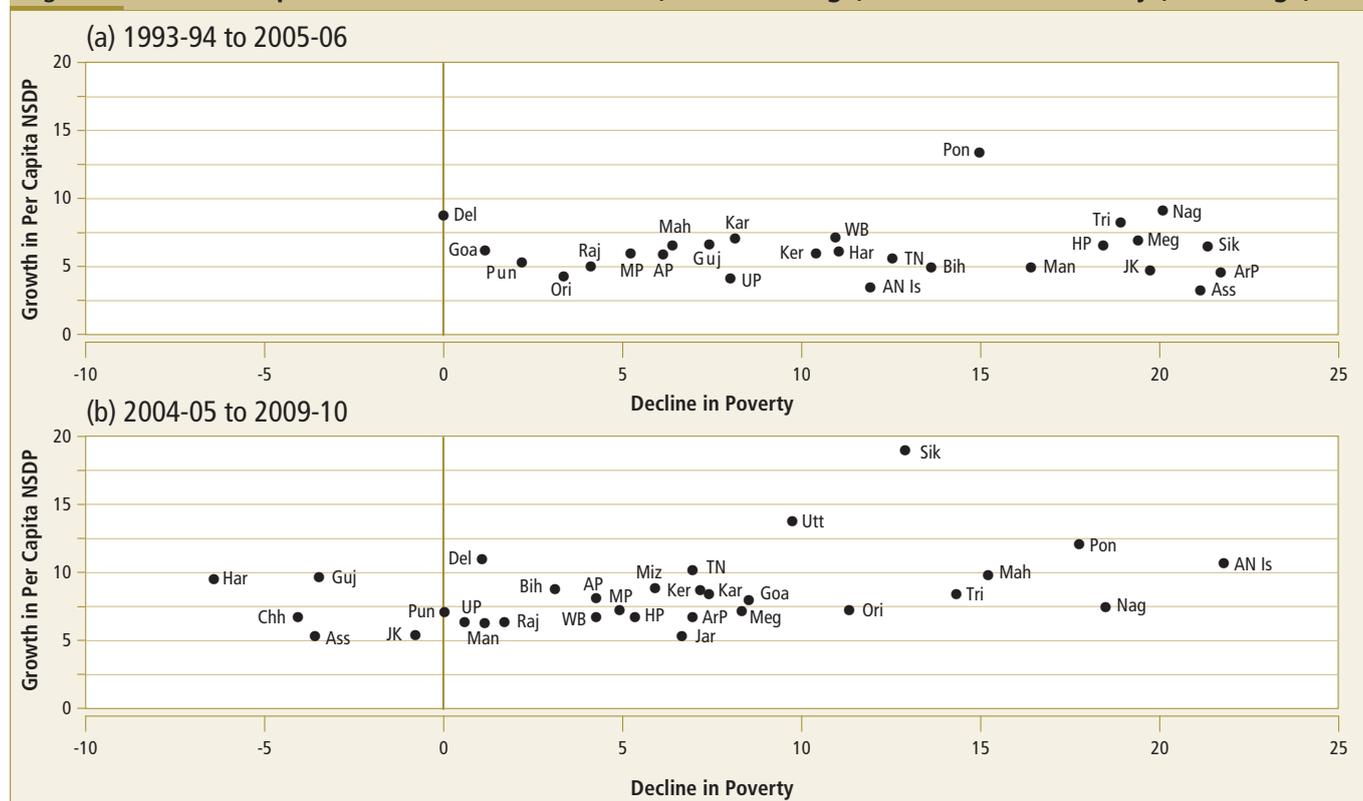
Poverty Growth and Inequality

The relationship between economic growth and poverty reduction is not as such very straightforward, and certainly not so in the India context. Figures 3.18(a) and (b) suggest that there is a faster decline in poverty with a slower average growth in NSDP during the period 1993-94 to 2004-05, and a slower decline in poverty with higher average growth in the period 2004-05 to 2009-10. Indeed, there are some states (Figure 3.18(b)), particularly Haryana and Gujarat, that have near double digit growth rates accompanied by a rise in poverty (i.e., negative decline in poverty). Composition of growth, including its sub-regional spread, as well as changes in inter-personal income inequality (captured in this report in Gini coefficient of household consumer expenditure) could explain some aspects of this observation. Moreover, this conclusion could also change if one considers the extended period of 2004-05 to 2011-12 on Lakdawala methodology and

especially so with Tendulkar methodology estimates, which as pointed out earlier, show a dramatic fall in poverty incidence on HCR during the two year period 2009-10 to 2011-12.

In examining the relationship between poverty HCR and inequality coefficient, it turns out that between 1993-94 and 2004-05, among the large states (other than north-eastern states) there is only one state namely, Bihar which shows a double digit decline (16 percentage points) in its rural HCR and also an improvement (i.e., a decline) in the Gini coefficient. Karnataka's 9 percentage points decline in HCR is also accompanied by improvement in Gini. However, seven states namely Jammu and Kashmir (26), Assam (23), Himachal Pradesh (20), Haryana (14), Kerala (13), West Bengal (12) and Tamil Nadu (10) record near ten or above percentage point decline in their rural HCR with a deterioration in Gini coefficient (i.e., an increase in 2004-05 as against 1993-94). In the period since

Fig 3.18 Relationship Between NSDP Growth Rate (Annual Average) and Decline in Poverty (Percentage)



2004-05, there are three large states namely Maharashtra, Odisha and Tamil Nadu along with Nagaland, Tripura and Uttarakhand that have double digit decline in poverty accompanied by an improvement in Gini coefficient. Also there are at least five states with sub-double digit decline in poverty HCR and improvement in Gini coefficient. At the same time, there are several states where double digit decline in poverty HCR is accompanied by deterioration in Gini coefficient.

In the urban areas, between 1993-95 and 2004-05, only two states namely Himachal Pradesh and Jammu and Kashmir have an improvement in Gini coefficient and a decline in the poverty HCR, albeit only 6 percentage points for the former and less than 2 percentage points for the latter. All states with a double digit decline in poverty HCR (Andhra Pradesh, Gujarat and Tamil Nadu) during this period show deterioration in the Gini coefficient. During the subsequent period 2004-05 to 2009-10, only Karnataka has a double digit decline in its urban poverty HCR accompanied by improvement in Gini coefficient all other states with a double digit decline in HCR (Maharashtra and Kerala) have a deterioration in their Gini coefficient. States like Gujarat and Haryana and some states in the north-eastern region have significant increase in urban poverty accompanied by either deterioration or no change in their Gini coefficient. It is however important to recall that, in general, Gini coefficient shows a rising trend for urban areas (Figure 2.14), though with a diminishing momentum since 2004-05. It implies that states with large reduction in poverty HCR in this period have been able to do so on account of a widespread growth that has helped the poor come out of their BPL status, but is not inclusive enough in its impact on reducing inter-personal inequality.

It is thus difficult to suggest that decline in poverty HCR benefits from reduction in inter-personal income/consumption inequalities, without going into further analysis at sub-state level. It

also requires consideration of Lakdawala estimates for HCR for the NSS 2011-12 survey. There is perhaps a limited exception to this observation confined to the post-2004-05 phase, where several large states in their rural areas experienced considerable drop in poverty HCR with an improvement in inequality coefficient. In general, it could be said that for growth to benefit the poor, it is important that deterioration in inequality is checked for it tends to nullify the benefits of improved growth on poverty reduction.

As one moves to the next section of this Chapter there are a few take-away points for the policy framework to address poverty eradication. The first one is the need to focus on urban poverty which is becoming more widespread than rural poverty and is likely to grow further as the pace of urbanization picks-up in the coming decade. As per United Nations World Urbanization Prospects, 2011 projections (see Malhotra 2013), between 2010 and 2050, urban population of India will see a three-fold increase to about 875 million and it will be marginally more than the rural population at 816 million. While the growth rate of urban population will be positive but continuously declining, rural population will see a negative growth rate in the last two decades of this period. Second, poverty remains entrenched in some parts of the country: undivided Uttar Pradesh, Madhya Pradesh and Bihar and in Odisha, and among some social and religious groups, SCs and STs in both rural and urban areas, Muslims in urban areas and Christians in rural areas (Odisha). Third, there must be a focus on poverty incidence among agricultural labour in rural areas and casual workers in urban areas, with an urgent need to create some kind of social protection floor for the urban poor. Finally, with a focus on recovering and then sustaining a high growth momentum of the economy in the coming decades, it is necessary to check deterioration in income inequalities that could surface in the initial years, especially in urban areas (and, as seen historically in other countries), so that growth can effectively support a rapid reduction in poverty incidence in the country.

III. Poverty Alleviation Framework – The Way Forward

The policy framework for poverty alleviation in India, like elsewhere in the world, has moved back and forth between the importance to be accorded to growth, on one hand and to a direct attack on poverty, on the other. While growth through its ‘trickle-down’ effect is expected to alleviate poverty over time, a direct attack on poverty requires implementation of special programmes focused on the disadvantaged social groups and backward regions. This is not to say that it has been an either/or approach over the past seven decades. Rather, it has been a matter of policy emphasis sometimes subtle, occasionally explicit and with mixed results.

It was always recognised that growth has to be sufficiently high and sustained over an extended period to have a meaningful trickle down impact on poverty. It was known that market-failures could prevent the poor from taking advantage of growing opportunities that would come with growth. However, such an approach assumed that poverty was only a marginal problem in the larger context of underdevelopment and if the latter was addressed rapidly, poverty would get eradicated. It overlooked the structural hurdles, including social and political that fragments markets in developing countries, thereby reinforcing their failure in reaching out to the poor. It also paid little attention to prevailing low levels of endowments among the poor and the impact that would have on their ability to participate in the growth process. These assumptions were misplaced. The magnitude of poverty was so immense that it needed a direct attack on the problem. There was a need felt for measures to create and augment the productive assets of the poor so that they could improve their exchange entitlements and benefit from opportunities that come with economic expansion. With hindsight

of India’s development experience over 1970s and 1980s and more recently in the last decade, it appears that the success of a strategy involving a direct attack on poverty may also eventually hinge on the economy’s capacity to sustain adequate growth. Indeed, it was never the case that growth was not important for a direct attack on poverty, it was more about the composition of growth. There are at least two reasons that warrant such a conclusion. Growth is needed for generating resources to mount, or expand the direct attack on poverty and it is needed to create the opportunities for the (capacitated) poor to enter the markets productively. This is more so for a large lower-middle income country like India (World Bank categorisation) that does not have recourse to adequate foreign aid to fund its poverty alleviation programmes and therefore has to mobilise its own resources for undertaking the said task.

The evidence on growth-poverty relationship at the macro level in India is far from conclusive. However, as highlighted earlier, there are good reasons to believe that poverty reducing impact of growth can be significantly improved through such direct measures that prevent deterioration in income inequalities in the economy, both in the short term and over the medium to long term. The first requires social protection or social security measures. The latter requires measures to improve capabilities and assets endowments of the poor and in the chronically backward regions of the country to enhance their productivity levels over time. Economic expansion could then provide effective means for sustained improvement in living standards and human wellbeing. Historically, this is also the dominant lesson from countries that have successfully eradicated poverty in the last century. Growth is seen as a necessary condition, if not sufficient, for inclusive development (Commission on Growth and Development 2008).

The development process in the country has been a fertile ground for policymakers when it comes to devising

direct measures for poverty alleviation. Periodic compulsions of electoral-cycles and the demands of competitive politics at state and sub-state levels have, at times, led to modification of half implemented poverty alleviation programmes, or their relaunch just with a change of name. In some instances, it has resulted in overlapping schemes with large overhead programme costs, lack of adequate context-relevance and occasionally design deficiencies that fail to support the intended outcomes. However, in all fairness, some initiatives have been effective in delivering the desired results in some parts of the country. In general, measures to attack poverty directly have focused on half-hearted redistribution (of land) and augmentation of household assets; creation of adequate livelihood opportunities through self and public wage-employment programmes; social security including food and nutrition security programmes and social transfers; provisioning of public goods and services that have a direct bearing on an individual's capabilities and her quality of life;

strengthening of institutions and delivery mechanisms that empower the poor; and targeted development of backward regions through resource transfers and supportive policy measures. Without exception, these interventions have suffered from one or the other implementation weaknesses that have prevented the full realisation of the intended outcomes. Yet, in a country like India, given the magnitude of its poverty and the depth of deprivation, there is room for all these different interventions to work in tandem to improve the effectiveness of the development process for a rapid eradication of poverty. There is also the case for having a tailored approach, including use of standard operating procedures to address the social security and poverty of the people impacted in conflict and post-conflict situation (Box 3.2).

Some of these interventions can be categorized as social protection measures that seek to specifically address the vulnerability of individuals (or households) to poverty and deprivation arising out of

Box 3.2: Social Security in Conflict and Post-conflict Situation

Policy response to meet the social security needs of a humanitarian, conflict or a post-conflict rehabilitation situation poses a distinct challenge that is often not reflected in the discourse on poverty alleviation strategies. If, in addition, the scale of crisis is huge, such as in the case of the recent forced internal displacement in the aftermath of ethnic violence between the Bodo and Bengali-Muslim communities in Assam during 2012, the consequences of a business-as-usual approach for the rehabilitation and recovery process could be grave. The Bodo land crisis is one of India's most severe humanitarian crises. With approximately half a million internally displaced persons (IDPs) living in relief camps, it represents the largest occurrence of forced displacement in India's post-partition history. The inability of returnee population to access health services and markets as well as their confinement to makeshift camps primarily due to an atmosphere of insecurity, has had serious implications for their food and nutrition security and more generally for meeting their basic needs. This was particularly so when the relief

agencies were withdrawn as their immediate task was over. The presence of armed groups and low levels of violence against returnee population complicated the recovery process. It highlighted the fact that implementation of recovery programmes especially in housing reconstruction and livelihoods' regeneration cannot afford to ignore the importance of addressing the erosion in the ubiquitous feeling of insecurity.

The main take-away is the importance of evidence-based and context-specific feedback for adapting and adjusting policy interventions for restoring, renewing and sustaining the social and economic dynamics of communities/regions in conflict, and post-conflict situations. While standard operating procedures and policy intervention templates help deliver the immediate relief to protect food security in the case of humanitarian emergencies a more differentiated and rigorous approach is required in addressing issues of social security including livelihood security in the case of protracted conflicts or post-conflict situations.

Source: Base on Sinha (2014), Background Paper for IPPR.

their weak economic and disempowered social context. Indeed, at the central and state level in the country, there is a multitude of social protection schemes covering a range of activities across different sectors, including elementary and secondary education, preventive and curative public health services, self and wage employment, food and nutrition security, old-age pensions and there are several schemes involving one-time transfers/grants to the BPL households. Some of these interventions on basic education (right to education), manual work in rural areas (right to work) and food security (right to food) are now supported through limited legal entitlements, guaranteed by the government. Srivastava (2013, pages xiv and 72) estimates that the total expenditure by the central government, as a share of GDP on six of the major social protection related sectors (elementary education, health and family welfare, labour and labour welfare, social security and welfare, and rural development) has increased from 1.06 per cent in 1995-96 to 1.35 per cent in 2005-06 and on to 1.75 per cent in 2010-11. With the state governments spending almost twice this amount (3.5 per cent of GDP in 2010-11), which has remained relatively stable for the period 2000-10, the total government expenditure (centre and states combined) on major social protection programmes is estimated to be around 5.25 per cent of GDP for the year 2010-11.

Using the number of poor on Lakdawala estimates in 2009-10 (280 million, Table 3.1) and Census population for 2011, the total government expenditure (centre and states) on major social protection programmes for 2010-11 translates into a potential income transfer of Rs 1,135 per month per BPL person or, Rs 5,675 per month per BPL household (an average household comprising five members). Alternately, as several of these measures are not specifically targeted at the poor (such as elementary education or health and family welfare, though it could be argued that these publicly provided services are largely accessed by the poor as against

non-poor who are likely to depend more on private supply of these services), this huge public expenditure on social protection still translates into a Rs 263 per capita per month, or Rs 1,314 per household per month. Thus, if the expenditure on social protection in the country was accurately targeted as an income transfer only to the BPL households every poor household would become a non-poor household on the official as well as Lakdawala methodology for estimating the number of poor in 2010-11. If however, this expenditure was made into an income transfer for everybody, it would still reduce poverty incidence by anything from one-fourth to one-half, depending on the expenditure distribution of the BPL households.

The idea in presenting these numbers is not to suggest that the objective of alleviating or eradicating poverty could be better served by taking recourse to targeted income transfers to the BPL households, instead of persisting with the on-going social protection programmes. Clearly, apart from the practical difficulties in ensuring accurate targeting of the BPL households in a country like India (at least until the expansion of the Aadhaar-linked financial inclusion platform to cover all poor and vulnerable households), there are larger social and economic sustainability concerns (for instance, see Box 3.3) that may go against an exclusive reliance on an income-transfer approach for a direct attack on poverty. However, it also raises serious accountability issues on the public agencies responsible for implementing these programmes. The criticism that these programmes are consistently yielding sub-optimal outcomes is valid. There is an urgent need to ensure that every rupee spent on social protection measures counts and contributes in delivering the intended outcomes. That task is easier said than done. It requires a coherent and integrated policy framework that balances the objective of a time-bound eradication of poverty with that of sustaining growth for improvement in average living standards. It also requires some 'out-of-box' ideas to improve the administrative and implementation design

of the programmes so as to effectively target the delivery of benefits to the poor and ensuring that the stated larger social objectives of these programmes are met with full accountability.

India's poverty alleviation framework needs a functional dovetailing into a four-pronged strategy. The four pillars of the strategy are not necessarily mutually exclusive. They reinforce each other and collectively provide a policy framework that is reasonably exhaustive for supporting effective poverty eradication. At one level, there is nothing new in these strategy pillars as various elements of the strategy pillars are already being pursued by different administrative agencies at different tiers of the government in India. Yet, unless they are recognised as a part of an integrated operational policy framework for poverty alleviation, there will be little attempt made at the administrative level to seek convergence of different programmes and harness the benefits from the potential synergies of these interventions. It is this aspect, more than anything else that requires some out-of-box ideas to break the vicious cycle of sub-optimal results, which persists due to piece-meal, adhoc, even self-serving and standalone sectoral (departmental) nature of these measures. It does not help matters when the poverty alleviation interventions are pursued without involving or strengthening the participation of local institutions of governance in the implementation process. It is also the case that one or more of these strategy pillars would need to be in the forefront, depending on their relevance to the specific context, with others providing a facilitative environment for the strategy to effectively eradicate poverty.

Basic Needs Approach

The first pillar of the strategy relates to what has been generally described in the literature as the basic needs approach. It includes a set of policies, programmes and direct public

provisioning of goods and services that supplements the development approach in meeting the identified basic needs of the people. It goes beyond pure social protection measures in the sense defined earlier to include free or subsidised provision for food and nutrition security, public goods and utilities covering basic education, public health, water and sanitation, access to energy and even basic livelihood opportunities in the Indian context. Almost all the poverty alleviation programmes implemented by the government such as self-employment programmes, wage employment programmes, food security programmes and other social protection programmes could be included as programmes directed at meeting the basic needs, in one way or another. While some of the programmes are by way of direct supply of goods and services, either free of charge or subsidised, and others by way of creating livelihood support to improve the purchasing power of the targeted population.

There are several concerns that need to be addressed or taken to their logical conclusion to strengthen this pillar of the poverty alleviation strategy. First, given that the central government's role is only to supplement the public efforts on poverty alleviation underway at the state level, it should restrict that role to providing technical support and monitoring of the programmes once the funds have been transferred transparently and in a timely manner to the state governments. There is some improvement in the central government practices particularly related to the release of funds but there are other issues that remain to be addressed in this regard. Second, a bouquet approach to social protection initiatives should be evolved at the centre so that funds are not extended thinly across states and across all conceivable programmes, and states are able to exercise an option to the choice of programme it would like to benefit from. To start with this could take the shape of creative pooling of resources by the central administrative ministries based on the programme(s) preferred in a state along the lines of practices evolved for area based approach, including in the

Box 3.3: Conditional Cash Transfer – A Possible Alternative

Conditional Cash Transfer (CCT) involves distribution of money with certain behavioural conditions imposed on the beneficiaries. It is useful in targeting specific groups (particularly among the poor) with the intention of building their capabilities to overcome vulnerability to poverty and deprivation. It impacts poverty directly by providing an immediate additional income to the household and has the advantage of giving households the freedom of choice as to how to spend their social transfers between various potential items of expenditure including health, education, consumption and income generating activities. CCTs, if properly implemented can have quick impacts. It has been reported to help in human capital formation and prevents inter-generational transmission of poverty in countries where it has been deployed.

CCT was for the first time implemented in Brazil in 1980s to transfer cash to poor families on the condition that they send their children to school and vaccinate them. It

was one among many programmes for poverty alleviation. The Brazilian experience suggests that complementarity of other programmes in the strategy for poverty alleviation may have been a factor in the success of the CCT. In their absence CCT might become a never ending dole for the poor with no improvement in human capital. In addition, success of CCT is seen to largely depend on the availability of required infrastructure, the access to banking services and the quality of service providers relevant for the targeted change sought among the poor. In the absence of access to appropriate service providers CCTs could fail in attaining their declared objectives. In the Indian context, there could be another issue as well. Micro-level studies suggest that while food remains within the domain of women, cash is controlled by men (and often subject to spending on liquor). Transferring benefits through cash (even if women are the recipients) has the possibility of increasing violence against women by men seeking to gain control over the cash.

Sources: Based on Rao (2013), Vyasulu (2010), and Yanes (2011).

north-eastern region. These could differ in other states giving the opportunity for most central ministries to take a lead in at least some states. This is administratively difficult to achieve as no central ministry is expected to play a second fiddle to another ministry whose programme(s) get a preference at the state level. In fact, none would like to see their scope in the public domain reduced. It is an issue that will have to be resolved with political foresight, leadership and effective evidence-based analysis of past programme performance, local requirements and the capacity to administer at the state and sub-state levels, and could be based on an implementation model outlined in Box 4.4. Also, there is a need for further rationalisation of the number of central government schemes. Attempts in the past have been made mostly at the time of drafting the Five Year Plans, but the number of programmes continue to be very large and overlapping. Third, there has to be a serious attempt at building convergence across different state and central or centrally-sponsored schemes at the state level, more specifically at the district implementation level. The single biggest constraint in this endeavour

is the inadequate dedicated planning and development capacity at the district and sub-district level, which incidentally, impacts the effective implementation of both developmental and social protection activities.

Fourth, perhaps the easiest way is to expedite the shifting of the social security transfers including pensions, scholarships and subsidies directed at the BPL population to the Aadhaar-linked bank accounts of the beneficiaries at the earliest. More importantly, the various subsidies and social transfers for the BPL households need to be consolidated into a few and implemented as a conditional cash transfer where desirable and feasible (see Box 3.3) for lower overhead costs and better impact. This again has a problem such as the one described in the second point and therefore needs resolution also along the suggested lines. Fifth, in extending the supply of public goods and services related to water, sanitation and access to energy there is a need to support public-private-partnerships and encourage financial as well as administrative empowerment of Panchayati Raj Institutions (PRIs) to set-

up and run these utilities at the local level. The strengthening of the PRIs is necessary for improving the overall effectiveness of social security framework and to anchor the development of local economy (Box 3.4).

Sixth, employment generation programmes, principally the flagship wage-employment programme, MGNREGS, is to be seen as a social security intervention at a minimal level of sustenance for the rural population. While it should have the capacity to be rapidly scaled-up in times of economic stress and to redress temporary labour dislocation, it should not be

viewed as a developmental mode for the rural economy. Employment generation programmes are effective in their impact on poverty alleviation if they bring about a rise in real wages, otherwise it leads to an increase in the number of working poor, i.e., those who are employed by the time criterion but are unable to sustain a living above poverty line. The real wages could improve either due to statutory provisions (as under MGNREGS) or through overall productivity gains in the local economy. Ideally, it should be the latter with the local economy able to sustain wages higher than those under MGNREGS. In

Box 3.4: Gujarat Integrated Watershed Management Programme – Some Lessons

Gujarat located in a semi-arid region of India is a drought prone state. In order to address water scarcity, Integrated Watershed Management Programme (IWMP) was launched in 2009 with the objective of enhancing sustainable livelihood alternatives for rural poor. The important focus areas of the programme were management of soil and land, water, livestock, rural energy, agricultural and pasture development. A salient feature of the project was to make appropriate use of information technology (natural and social resource database) and participatory local governance (involvement of Gram Sabha during planning process) in design, prioritisation of project areas, implementation and monitoring of the programme.

The starting point of the programme was preparation of database at the block level, prioritizing and targeting areas, and development of a work plan with the involvement of local governance bodies. This phase took between one to two years before the project implementing agency started implementing it. A watershed committee monitored the implementation of this programme using GIS based tracking system. In addition to regular line-agency monitoring, independent monitoring agencies were engaged and social audits were conducted at the level of Gram Sabha.

In preparing the database and prioritization of areas, a set of variables were selected and a score was assigned to an area, depending on the range of values for it on the selected variables to bring in objectivity in the exercise. The variables included poverty incidence, proportion of SC/ST population, wage rate, ground water status, moisture index, extent of assured irrigation,

drinking water availability, crop productivity and future potential, proportion of degraded land, and contiguity to watershed. The database was created using information from various government sources, focus group discussions, GIS maps and remote-sensing satellite imagery. There was a centralized management information system and all data fields were entered at the project level. The entire financial transaction of this project was carried out by a single bank which helped track flow of funds at different levels.

In terms of project outcomes, more than 80 per cent of watersheds reported rise in ground water level, reduction in soil loss and a near doubling of cropping intensity. Almost 90 per cent of watersheds reported significant increase in person days of employment. Nearly 60 per cent of watersheds reported about 50 per cent increase in crop yield. As a result, there has been a reduction in poverty incidence and distress out-migration

A data driven approach to decision-making, use of GIS and remote sensing technology and involvement of local governance bodies in planning and decision making were cited as the primary reason for its success. While replication of the success of this programme requires a pool of well trained professionals, requisite infrastructure to put in use advanced technology (GIS, remote sensing) and willingness on the part of all stakeholders to cooperate and work in a coordinated manner, it demonstrated how a well designed and well implemented programme can ensure the attainment of intended results.

Source: Ministry of Personnel, Public Grievances and Pensions, Government of India, accessed at: http://indiagovernance.gov.in/files/gkc_integrated_watershed_management_programme.pdf on 16 December 2013.

the other case, when MGNREGS wages happen to be higher than what the local economy on an average can sustain, there is danger of consumption growth outpacing growth in output, creating an inflationary tendency in the economy. Due to real wage growth outstripping productivity growth, there is also a possibility of a premature loss of labour-competitiveness internationally, and a shift towards labour-saving technology domestically. That has the potential of compromising India's structural transformation into an economy where most jobs are in the non-farm sectors and retarding the harnessing of its demographic dividend. Some part of this phenomenon in its early stages may have been witnessed in the past few years with persisting high food inflation and higher overall inflationary expectations in the economy contributing to an industrial slow-down. There is also anecdotal evidence to suggest that the non-farm urban sector may be facing some loss of semi and skilled labour, even in the non-peak agricultural season, and a squeeze to their margins due to increase in labour costs.

It makes it necessary to use the MGNREGS more creatively and for the other pillars of the poverty alleviation strategy to also kick-in their impact at the local level. The two specific suggestions that have been frequently highlighted in this context are the need to build flexibility in the activities that can be undertaken as part of MGNREGS deployment and strengthening of the district level resource base for planning, implementation and monitoring of the scheme (see also Box 3.5). It has been argued that there should be options available to deploy MGNREGS workers in both public and private works, including agriculture and self-employment activities (with adequate safeguards), for skill up-gradation and training as artisans, craftsman, and technicians in trades guided by market demand. A dedicated district programme coordinator for MGNREGS could be charged foremost with the task of catalysing the preparation of a comprehensive five-year Perspective

Plan at district level, be a resource person for capacity building of grassroots institutions, including Gram Sabhas and oversee implementation, monitoring, and evaluations of the MGNREGS and other development programmes (Sinha, 2012).

One of the biggest concerns with a wage-employment programme (or even a food for work programme, where wages are paid in kind) is that no matter how effectively they are implemented, work made available on a daily basis can at best address the current or the transient poverty and not provide a durable solution to the problem. On the other hand, self-employment programmes if successfully implemented have the potential of making a more sustainable impact on alleviating poverty. Indeed poverty incidence among the self-employed is significantly lower than for those who are either working as agricultural labour in rural areas or as casual workers in urban areas (Figure 3.13 and 3.14). Yet, wage employment programmes are preferred as they are more cost-effective, better targeted than the self-employment programmes and importantly, politically attractive to sell to the constituency of poor voters. Several studies have also shown that the self-employment programmes such as the Integrated Rural Development Programme (IRDP) introduced in the 1970s and its successor SGSY in the late 1990s, have suffered from extensive leakages (including corruption in selection of the beneficiaries), design deficiencies both in terms of assets created or delivered and the amount of credit or investment facilitated, resulting in sub-optimal outcomes (Planning Commission, 2006). Though there is considerable improvement from the IRDP to SGSY outcomes, self-employment programmes may have yielded less impressive results in rural areas, also due to limited size of local markets and weak linkages with urban areas. Nonetheless, they have a role to play in tandem with the wage employment programme and especially so in urban areas where targeted employment generation programmes for poverty alleviation are yet to be put in place.

Human Rights Entitlement Approach

The removal of political and social barriers faced by the excluded population groups to their participation in the economic mainstream of a society is an important precondition for making a durable impact on poverty and transforming a society. Unlike in the newly industrialised high

growth economies since World War II, where the state model of authoritarian developmentalism brought about the desired rapid social transformation, India's evolving democracy and its political economy needs a transformation model that can overcome hurdles posed by extant social order and power relations in addressing poverty and deprivation. Such a model could be usefully anchored in the international human rights normative framework to guide the conduct and the

Box 3.5: MGNREGA Best Practices

The Mahatma Gandhi National Employment Guarantee Act (MGNREGA), 2005, universalized as MGNREGS in 2008 is one of the largest social security programmes in the world with approximately 50 million rural beneficiary households being covered every year. Despite several positive developmental spin-offs, micro-level studies have pointed out malpractices and procedural difficulties at various stages in the implementation of this programme. This box highlights best practices related to some of these issues that potentially can be replicated in other places.

Wage payment: Wages are to be paid on a piece-rate basis as per state-wise notified MGNREGA wages, on a weekly basis through bank accounts or post office accounts of the beneficiaries. However, delay in wage payments along with lower wages and fake entries in muster rolls is a common complaint of the beneficiaries from several regions of the country.

In Cuddalore district (Tamil Nadu), villagers used Automated Teller Machines (ATM) with a second level authentication (finger impression) for withdrawing wages. This eliminated any scope for corruption as wages could only be withdrawn by the beneficiary. In order to assist villagers in withdrawing money and manage an ATM, the panchayat employed a villager (Sudha) for the purpose. The panchayat also employed a villager whose responsibility was to collect weekly lists of workers and their due wages from the worksite and deposit cash with the bank. It was the bank's responsibility to put cash in ATM. In three districts of Odisha, information and communication technology (ICT) based wage payment system (using GPRS based mobile phones) was put to use in 2009. The village Pradhan issued a cheque as per the number of beneficiaries and their dues that was deposited in the bank. The amounts got credited to the accounts of the beneficiaries and through the business correspondent who

withdrew the money to make payments to the beneficiaries as per the list.

Asset creation (land development): In addition to providing wage employment, the other important objective of MGNREGS is to create durable assets to support sustainable livelihood security for the rural poor. Several micro-level studies have found asset creation under MGNREGS to be of poor quality, reducing the programme as a means to just doling out money without any significant impact on sustainable livelihood generation.

Development of farm land belonging to SCs and STs and construction of ponds for regular supply of water resulted in increase in crop yields in Vizianagram village in Andhra Pradesh. SCs and STs who were earlier casual labourers for major time became self-cultivators for almost the entire year. This resulted in higher incomes and a sustainable means of livelihood for the poor labourers. In addition, several civil society organizations helped the government in forming labour groups for information dissemination of provisions under MGNREGA. This ensured regular participation of workers and completion of work.

Social audit: Transparency and accountability in MGNREGS is ensured through the provision of social audit, wherein all accounts and records relating to the scheme are to be made available for public scrutiny. Most often, District officials have been reluctant to conduct social audits as it could highlight shortcomings on their part.

Andhra Pradesh has set an example in this context by establishing an independent directorate for conducting social audits. In order to successfully implement the process, youth groups (volunteers) have been formed primarily from households participating in MGNREGS. The volunteers are trained in generating awareness about various provisions of the Act and register complaints, cross-check official records by door-to-door verification of muster rolls and also by undertaking physical verification of work. The findings are read out in public meetings

results of the development process. India has indeed taken a lead in this respect.

Over the last few years initiatives have been taken by the central government in giving shape to a rights-based social protection floor in India. It includes the MGNREGA, providing 100 days of unskilled manual labour to every rural household on demand within fifteen days and ordinarily within a distance of five kilometres of place of residence; Right

to Education Act (2009), providing free education up to 14 years of age in keeping with some norms and benchmark standards including those related to nutrition through the provision of mid-day meals; National Food Security Bill (2013), providing subsidized cereals for up to 67 per cent of the population with higher entitlements for destitute families (Antyodaya Anna Yojana); Draft National Health Bill (2009), seeking to provide universal health entitlement to all citizens (a major part of

and officials are required to respond to the issues and concerns raised.

Convergence areas programmes: MGNREGA due to its flagship status and as a legal entitlement, commands considerable amount of budgetary allocation, while several other developmental programmes face shortage of required financial support. In such a context, it is desirable to have an arrangement involving different programmes that safeguards the primary objective of each programme by creating a smooth working coalition among them. Such a coordinated approach is likely to yield a more inclusive socio-economic development in comparison to the approach where different developmental programmes continue to be implemented separately.

In Andhra Pradesh and Madhya Pradesh there is a successful convergence of MGNREGS with agriculture and horticulture department initiatives. In Chittoor District of Andhra Pradesh, this convergence resulted in doubling of area under mango orchard within a span of two years (2007-08 to 2009-10). Further, survival rate of plantations increased by almost 90 per cent due to activities like land development, and various programmes related to water conservation and water harvesting undertaken through MGNREGS. In parts of Madhya Pradesh, convergence resulted in increased availability of water and four to five-fold increase in wheat yield. In Bankura district of West Bengal, landless women formed self-help groups and leased barren land for 25 years. They used MGNREGS funds for land development and planting Mango orchards and timber. In addition water conservation works were undertaken in upland (to reduce velocity of water runoff), in midlands (water tanks were built on private lands) and in low lands (where small seepage tanks were constructed). Thus principles of natural resource management informed MGNREGS activities.

Inclusive development approach in naxalite affected areas: Balaghat district in Madhya Pradesh

is one of the naxalite affected districts in India where almost one-third of the district was beyond the reach of any administration. With a participatory approach to implement MGNREGS, the situation changed dramatically.

In order to gain confidence of the people local administration started organizing medical camps at weekly markets. Efforts were also made to improve functioning of public distribution system and facilitating government interaction with local community (where government officials from most departments participated). The objective of these meetings was to understand development priorities of the region, and thereby, plan out appropriate measures in a coordinated way. As a part of the coordinated approach, the administration pooled-in funds from different schemes (such as rural road building fund, backward region grant fund) and planning and implementation of different schemes were integrated. For example blacktopping from PWD funds, well construction from MGNREGS, and pump provision under SGSY were pooled together. It enabled generation of considerably more employment opportunities and improved infrastructure and other assets. Moreover, in order to provide employment beyond stipulated 100 days under MGNREGA, forest activities like bamboo felling and *tendu* leaf collection were also initiated by the district administration. As a result of this integrated approach, there was an increase in crop yield, reduction in distress out-migration, increase in casual wages, improvement in rural connectivity and more importantly influence of naxalism reduced substantially, with naxal-related crimes coming down from 21 in 2005 to nil in 2009.

Source: Compiled from MGNREGA Sameeksha, Ministry of Rural Development, Government of India, and Ministry of Personnel, Public Grievances and Pensions, Government of India, accessed at: http://indiagovernance.gov.in/files/gkc_oneworld_mgnrega_for_naxal_affected_areas.pdf on 10 February 2014.

this initiative in the rural areas is being implemented under the National Rural Health Mission); and social pensions, the Task Force on Restructuring National Social Assistance Programme (NSAP) has proposed a significant expansion for old age persons and single woman pension. In addition there are initiatives on housing for both rural and urban areas with limited entitlements to affordable housing, for instance under the Rajiv Gandhi Awas Yojana for urban poor. These initiatives seek to improve the current entitlements of the poor, and also the scope of their future exchange entitlements. More importantly, the rights-based approach works towards bringing about greater accountability and transparency in the implementation and delivery of public programmes.

The public interventions creating legal entitlements for meeting basic human needs have to be selectively used without undermining the fiscal sustainability of the process and the overall macroeconomic environment. It is important to undertake a complete rationalisation of extant subsidies and social transfers directed at the poor (households). There has to be a guarded consensus based approach adopted for their roll-out, especially taking into account the availability of the required supportive infrastructure (such as Aadhaar-linked bank accounts for all targeted beneficiaries, a more efficient public distribution system and buffer stock operations). Legal entitlements to selected basic needs cannot be in addition to the plethora of existing schemes that seek to provide specific transfers or subsidies. They also have to be necessarily accompanied by a serious attempt at revamping of the quality of publicly provided services, mainly education and public health, and making them accountable to institutions of local governance.

The rights-based approach also has an important resource-neutral component that has a direct bearing on the lives of poor and deprived as well as on overall governance standards in the society, which impacts the wellbeing of all. There is ample evidence

to suggest that poor are disproportionately impacted by corruption and are often denied the benefits of rule of law in practice. Rule of law and administration of justice are the cornerstone in speeding up the social and economic transformation of a society. Justice has to be not only delivered but perceived as being impartially delivered. That is where several measures need to be taken. Corruption has to be rooted out through transparency in administration, elimination of discretionary powers vested in or deliberately acquired by public official and agencies, improved oversight systems, incisive investigations, time-bound adjudication and effective enforcement of law. Some steps like the Right to Information Act (2005) have been taken in recent times both at the central and at the state levels in addressing these concerns. Another measure is the Unique Identification Authority of India which has been set-up to create a universally acceptable identity instrument and addresses a critical gap in the effective delivery of public services to the intended beneficiaries. It provides the digital linkage to make everybody a part of the economy's growth process and has the potential of radically changing the delivery mechanism of government welfare programmes, when fully implemented. If the targeted population groups are correctly identified and leakages checked, government subsidies will come down dramatically.

Natural Resource Management Approach

India with 16 per cent of the world's population, just 2 per cent of the world's land mass and 4 per cent of the world's fresh water resources, presents a difficult challenge for a sustainable management of its natural resources to meet the needs of its poor and the growing population. Not only are the poor typically more dependent on natural resources including the commons for their daily sustenance, they are also likely to face a disproportionate impact

of natural disasters and climate change. About 69 per cent of India's population resides in rural areas (Census 2011), with every second person living off agriculture, two-third of which is rain-fed or prone to droughts. At least 12 per cent of India's landmass is prone to floods and river erosion and three-fourths of its coastline threatened by cyclones and salinity ingress. This makes the Indian sub-continent one of the world's most disaster-prone areas. Unfortunately, much of India's poverty is also concentrated in regions that are likely areas of environmental stress. An optimal and sustainable management of limited natural resources including land, water, and energy along with expansion in sanitation and public services are vital for India to overcome poverty and reap the demographic dividend.

Agriculture, in terms of sustainability of land, water and energy, is at the heart of the natural resource management approach for poverty alleviation in India. There are other aspects of natural resource management related to exploitation of its mineral wealth that has relevance for economic growth, particularly as India seeks to raise its growth momentum. There is the question of environmental sustainability, which indirectly impacts poverty alleviation. There is the issue of managing adverse disease ecology linked to vector-borne communicable diseases such as malaria, with high incidence particularly among the poor. It also has an important dimension in the management of natural resources and basic services of sanitation and potable water. All these distinct dimensions need to be addressed as a part of an integrated approach to natural resource management for poverty alleviation and sustained development in the country.

More than 50 per cent of India's food requirement is at present met from just three crops – rice, wheat and maize. India's agricultural policy has promoted these at the cost of more nutritive coarse cereals. These three crops are also known to have high water requirements compared to coarse cereals, which are more suited

to arid regions and adapt more easily to weather stress. The emphasis on creating a national food security, primarily based on these three cereals, was a historical necessity, guided by the adverse geopolitical conditions confronting the country in the mid-1960s. There is, however, no reason for the agriculture policy to retain the same emphasis both in terms of the crops, and implicitly also in terms of the regions that supported it in the first instance, and continue to benefit from that emphasis even today but at huge environmental costs. In view of such concerns, as well as limitations in productivity growth seen in the original green-revolution regions, there is a need for a second green revolution for the eastern and dry-land farming regions of the country. It will result in productivity gains as well as help in targeting the concentration of poverty in these regions. That would also require a sustainable management of water resources including, setting-up of institutional structures at the macro- and micro-levels for river basin management, involvement of communities, water pricing and regulation of the use of water for multiple purposes. The issues of energy consumption and energy efficiency is directly linked to better management of land and water resources, particularly in the context of a rapidly urbanizing and growing economy. Renewable energy sources like biomass and solar power have the potential to augment incomes as they lend themselves to decentralized energy production and dissemination, thus offering new livelihood options. A greater policy focus on renewable energy sources will encourage technological improvement in those areas, reduce pressure on land and water and will lead to better air and water quality, thus contributing to positive health and resilience to economic stress.

An integrated natural resource management policy for poverty alleviation requires: better policies and regulation of the use of the natural resources, better demand management vis-à-vis these resources and use of innovative technologies and practices such as those related to organic farming, system of rice

intensification and participatory irrigation management along with their adaptation at local levels. India's food, agriculture and environmental policies must conserve and nurture natural resources, reclaim soil health, promote nutritious crops/products, safeguard common resources for food, water and fodder and empower and equip people so that they are able to access and absorb a diverse basket of food items. There has to be better preparedness and institutionalisation of standard operating procedures for disaster management and priority accorded to climate change adaptation. Local self-governance institutions have to be engaged and be at the forefront in formulation and implementation of an integrated natural resource management policy (section draws on Kapoor, Kathpalia and Kapoor 2014, Background Paper for IPPR 2014).

Growth and Reforms for Poverty Alleviation

Sustained high growth is a vital element of a strategy to pull the poor out of their state of poverty and deprivation. Growth has to be inclusive in its reach, supporting equality of opportunity for a productive life with freedom and dignity. A strategy for inclusive growth has to encompass economic and social mobility for all sections of society, in particular for the disadvantaged segments of population through expansion in their capabilities. It also requires creating rapid expansion in opportunities across a range of skill sets backed by an effective social protection floor, in part based on creation of limited legal entitlements. This will enable transient market fluctuations in a globalised economy to be easily absorbed, without much hardship to labour or dislocation of the growth momentum.

History of the modern nations, without exception, suggests that economic transformation of a society is sustainable if it is a result of competitive pressures in product market, factor market and more generally, in the financial market, as it

helps in an efficient intermediation of capital and risk between competing ends. In India's case, economic reforms so far have basically focused on plucking the low-hanging fruits. Thus, apart from the product market, and to a lesser extent the capital (or the financial) market, the other two markets namely, the labour and land markets have been practically untouched. Rigidity in labour regulation and the inherent inefficiencies of a segmented labour market has paradoxically prevented India from making an optimal use of its relatively abundant factor of production and in evolving its comparative advantage. Similarly, the land market in India is in a rudimentary stage. Attempts to address the legislative framework for developing one have been contested by different interest groups and the political process, thereby creating a major bottleneck in meeting land needs of non-farm sectors of a growing economy. While reforms in these markets remain high on the agenda, even the other two markets that benefitted initially from the macroeconomic reforms covering the fiscal policy, trade liberalisation and industrial deregulation, need to be revisited for tying the remaining loose ends together. That includes issues related to consumer protection, financial inclusion and deepening of the financial markets for an efficient mobilisation of resources for growth and development (Malhotra 2013).

The crux of India's poverty and development problem requires giving effect to a transition from low-productivity farm-based employment to non-farm opportunities. This is essential for harnessing its demographic dividend. It entails focus on manufacturing sector, which the ambitious New Manufacturing Policy (NMP) announced by the government in 2011, seeks to address. It is a difficult challenge, quite distinct from the earlier success stories of industrial policy seen in East Asia both in terms of the local context and the magnitude of the task involved. Several policy measures will have to be pursued in that context, some of which have been summarized in Box 2.3. It also requires two complimentary

Box 3.6: India's Skill Development Challenge

Two-thirds of the country's population is below 35 years of age and with as yet falling dependency ratio, it is of vital importance to design policies aimed at improving the skill-set of the working-age population if India has to harvest its demographic dividend. It will help in improving workforce participation, ensure greater livelihood opportunities, and thereby result in poverty reduction on a sustainable basis. Currently, the level of skill development of the labour force is extremely low, which results in low productivity. Only 10 per cent of the labour force in the age-group of 15-59 years is vocationally trained (2009-10, NSS, Employment and Unemployment Survey). In terms of absolute numbers, out of a total labour force of 431 million in the age-group of 15-59 years, only 1.9 million are receiving formal training, 9 million have already received formal training and another 32.7 million have received non-formal training.

Vocational training and skill up-gradation has been largely ignored in the country. It is only in the last five-six years, the issue has started getting some attention of the policymakers. Part of this policy-neglect has to do with lack of evidence-based demonstration and documentation of the impacts and returns to vocational training and skill up-gradation. India's caste-based occupational specialisation implies that many skills-based occupations are inherited with occupational or technical skills transmitted from one generation to the next. This informal skill transmission process is unable to achieve the skill standards that a modern economy and enterprises require. At the same time, with sub-standard performance of public educational and skill training institutions in the country, the quality gap between formal and informal delivery may be less severe than expected. Moreover, in the absence of reliable official certification on skills, employers end up hiring through the known and existing networks in most of the occupations. It is therefore not surprising to find that many good plumbers are from Odisha, health workers from Kerala, electricians in many big industries from Agra and carpenters from among the Muslim in Uttar Pradesh and Bihar. There is a need for skill-gap monitoring against international standards in the country. There is also a case for analysing the evidence on long term implications of cognitive skill deprivation reflected in the low standards of education in government schools and the consequence of certain type of psychosocial skills for acquiring vocational skills, and in the process on livelihood opportunities.

Among the recent government initiatives to address the widening skill-gaps, the National Skill Development Corporation (NSDC) has been set up with the target to skill/upskill 150 million people by 2022. NSDC is mandated to constitute Sector Skill Councils (SSCs) to create appropriately trained manpower for specific sectors. SSCs are to map the skill-gaps for the next ten years and appropriately arrange for the training of the trainers (with infrastructural support of Industrial Training Institutes and other institutions). It is to also act as a certification institution for students, and provide accreditation to various training course. Certification standards are to be set skill-wise (like welder, fitter) and function wise (like production supervisor, maintenance engineer). Candidates are to be graded by the competencies achieved in each of these spheres. In this entire process, participation of the industry is of vital importance especially in developing the course content, providing apprenticeship to students, and providing trainers in case of shortage.

The National Rural Livelihoods Mission (NRLM) with the objective of alleviating rural poverty through investments in livelihood projects has also been launched. Currently, pilot projects are in place in a number of states with a variety of interventions being tested, including direct placement of rural youth in the private sector, the selection, training and placement of the youth by private sector firms that choose to participate in the programme and finally, training and placement of youth by the government.

A number of private initiatives have also started to impart skill training to the working population. Construction company Larson and Tourbo set up a Construction Skills Training Institute (CSTI) in 1995 with training facility spread all across the country. Domesteq is another private firm which acts as an intermediary and placement agency for domestic workers with the objective of improving the status and dignity of domestic workers and ultimately to professionalise the sector. Their training programmes cover 'soft' as well as the practical skill-needs of domestic workers, office cleaners, peons and personal and official drivers.

Source: Iverson (2014), Background Paper for IPPR 2014 and the Twelfth Five Year Plan.

policies focused on urbanisation and raising agricultural productivity, crop and regional diversification of the sector.

A successful management of India's urbanisation in the next few decades is vital for eradicating poverty and its emergence as a developed country. With rising incidence of urban poverty, urbanisation process has to be guided to create more inclusive and sustainable growth of towns and cities in terms of social and economic opportunities and with adequate civic amenities. Infrastructure deficit in power, railways, road transportation, ports, urban and rural water supply, sanitation and irrigation are a major constraint in this task that need innovative solutions (see also

the discussion on PIDI in Chapter 2). One can visualise the process of infrastructure development over the current and the next decade in two phases. In the first phase focus has to be on developing the required public infrastructure and services to facilitate connectivity, rural-urban and within urban habitations between the peripheral settlements and economic centres. It has to be focused on supporting growth, ensuring an orderly development of second and third tier urban habitations and transition of a few large cities to the level of megalopolis. Kapoor et al (2014, IPPR Background Paper) suggest the need to create 7000 small towns in the country, roughly corresponding to the number of administrative blocks. This has

Box 3.7: Improving Urban Livelihood Opportunities – The Missing Link

Recognizing the importance of security of tenure to land for poverty alleviation, different approaches to improve security of land tenure of low income households have been explored in several countries as a part of their urban poverty alleviation strategies. Urban poor constitute a heterogeneous group, whose needs and interests with respect to land vary. A dominant tendency among policymakers is to treat land as a 'physical space' devoid of any other attributes. The manner in which land opens up or forecloses opportunities for low income households are rarely considered.

During 1960s and 1970s, the government's approach to land for low income households was to demolish their settlements and rehouse them in tenements. Many of these projects started with a promise of transferring legal title to the beneficiary household. With regional governments prioritizing the promotion of their cities in a global arena and the increase in the demand for land for infrastructure projects or for allocation to large business, regularization policies were discontinued. In the 1990s, the strategy moved towards city-wide eviction of squatter settlements and resettlement of evictees in mass housing colonies at the periphery. These were justified as the only way for providing secure legal land tenure to low income households. During 2004-05 around 150,000 people were evicted in Delhi, 77,000 in Kolkata and 350,000 in Mumbai. Since 2002, nearly 200,000 households were evicted from different parts of Chennai city and relocated in the

periphery. Many of these households were dependent on a variety of small scale economic activities and around manufacturing, trade and services.

Several studies on resettlement colonies in Indian cities have highlighted the burden imposed on resettled households on account of the move. These include the simultaneous increase in housing costs, decrease in income, lack of security in the resettlement colonies and poor quality of infrastructure. The resettlement colonies are invariably located at a distance of 15-20 kilometres from the city. As a result, on account of the time taken in commuting to work and the constraint that imposes in taking up jobs flexibly, there is invariably a loss in income for most households. Shifting to resettlement colonies also means restriction in taking up supplementary employments to augment incomes.

The approach to land in urban poverty policies/ programmes has an exclusive, narrow focus on housing. The interlinkages between housing and work or their interest with respect to location and the ways in which poor groups tap land for generating an income to meet basic needs or for investment is overlooked. An issue of concern is the increasing tendency to mobilize poverty alleviation programmes to move out poor affected by various urban development projects into the periphery. This is also the case with the recent inclusive city policy (Rajiv Gandhi Awas Yojana Programme) and policies to support street vendors (Street Vendors' Bill), both of which are geared towards promoting ownership housing.

Source: Raman (2014) Background Paper for IPPR 2014.

to be followed in the second phase by a massive programme for up-gradation and revitalisation of existing housing stock and townships, while pursuing the objective of a house for every family. Innovative and decentralised approaches to housing and local body finance, regulation of the real estate sector and efficient delivery of public services will be critical elements in meeting that objective. Programmes to facilitate a continuous exit of low-skilled workforce from construction sector and their absorption into semi-skilled and skilled service activity in these secondary and tertiary urban centres will have to be planned for. At the same time, creation of a unique dynamics of economic viability for these habitations, including through promotion of tourism, art, culture and handicrafts and also their integration with regional and national supply-chains will have to be prioritised.

Indian agriculture faces a daunting challenge at a time when land availability for agriculture is shrinking and available land under cultivation is getting fragmented due to multiple pressures. Unlike the Indian industry where growth could perhaps still be afforded through factor accumulation in some sub-sectors, agricultural growth has to necessarily come from rapid productivity improvement and crop and regional diversification. Though incremental productivity gains of the green revolution achieved in late 1960s and 1970s are waning away, large yield-gaps varying from 60 to 100 per cent across regions and crops persist due to differences in cultivation practices and input use. These productivity gains can be realised with existing varieties using best practices in farm conditions and through local tenancy reforms. The extension of the green revolution to the eastern and rain-fed regions and steps to transform national level food security into nutritional security at household level has to be pursued to its logical end in the course of the current decade. Investment in agricultural infrastructure has to go into power, water, rural roads, storage and cold chains for productivity improvement in agriculture, its diversification and resilience

to weather stress. These investments will also help in deepening and broad-basing of activities in the rural economy and help in the intensification of pull-factors in overcoming poverty. Some steps taken by the government in this context in the past few years have already started yielding results, whether it is through increased production of rice in Bihar, substantially improved wheat procurement in Madhya Pradesh, closing of the demand-supply gaps in pulses or improved production of oilseeds. It attests to the potential of an agriculture diversification strategy in delivering outcomes to meet multiple developmental objectives. Mehta et al. (2011, chapter 7) talk of alternative growth framework with agriculture playing a central role in promotion of livelihoods to overcome chronic poverty.

These four pillars of the poverty alleviation strategy between them provide a policy framework for a time-bound eradication of poverty. Over the past decades elements that comprise this strategy have been seen to be instrumental in making significant gains in overcoming poverty and deprivation in large parts of the country. Success has been more visible in those states where besides tailoring the strategy to respond to the local context, an 'X-factor' of sensitive governance and leadership involving the administrative machinery of the programme, including the PRIs, as well as the civil society, have played a vital role. Almost all Boxes presented in this report bring this facet of the policy approach to the fore.

Ultimately agriculture growth, while balancing the concerns for raising productivity with sustainability has to be the principle instruments for addressing poverty in the chronically poor regions of the country. This is further elaborated in the next Chapter. The social protection floor in the urban areas has to be expanded with an employment generation programme that focuses in equal measures on promoting self-employment through skill and asset augmentation measures, and also provides a limited wage employment

guarantee. The public wage employment programmes could cover works devoted to urban waste management, urban horticulture and green cover, extension of urban amenities, improvement of living conditions in slum, rehabilitation of slum dwellers and revitalisation and maintenance of urban water bodies. There is also a good case for a limited use of CCT for social and religious population groups

(Muslims), mainly in the urban areas, with a view to address their social protection needs and encourage them to become a part of the social and economic mainstream of the society. Finally, there is a specific role for the rights-based entitlement approach to social protection, but this cannot be at the expense of fiscal responsibility and sustainability of the growth process in the economy.
