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# An Analyzing the Effectiveness of Poverty Alleviation **Programmes through Decentralization**

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#### **Abstract**

After independence India was burdened with many social, economic and political problems and poverty was among one of them. There were many steps or programmes which were taken by the government in a decentralized form to reduce poverty. In this paper we have define decentralization and the role of decentralization in poverty alleviation. Decentralization is a simple and multifaceted concept that involves transfer of authority and responsibilities for public function from a central government to subordinate government. The programmes which were introduced were mainly related to five categories and they were wage employment programmes, selfemployment programmes, food security programmes, social security programmes and urban poverty alleviation programmes. In this paper the major programmes are defined as well as their aims and achievement which were introduced after independence and how far they have help the Indian economy in reducing poverty. There were about 21 programmes which were launched by government to reduce poverty through various ways. Some at the state level, some at the district level and some at the village level.

In the first part we have given the introduction of decentralization and how it had helped Indian government to reduce poverty and various concerns and conceptual linkages between Decentralization and poverty reduction. In the second part deals with the poverty of India and estimates about the poverty before independence and after independence and economics measures. The third part deals with the need for decentralization and types of decentralization that why decentralization was needed and when it was introduced. In the fourth part, the indicators and estimators of poverty are given. In the fifth part I have taken 8 major poverty alleviation programmes and have given the main information about the programmes. And the last part consists of conclusion

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in which the effectiveness of programmes are explain and the hurdles which are in poverty alleviation.

#### Introduction

Exploitation of Indian resources by the colonial British and draining its resources for 200 years lead poverty as the topmost problem for Indian society. India is set to become the most populous nation by 2028 when its population rising from the current 1.25 billion to about 1.45 billion and its economy is among the top 10 in the world though it is the biggest Centre of poverty. To tackle with the problem of poverty government of India initiated various programmes and schemes. One of the main step is decentralization i.e. devolution of different decision-making powers and responsibilities to sub-units of the government.

Decentralization is a complex and multifaceted concept that involves the shifting of fiscal, political and administrative task to lower level government. Decentralization can have significant repercussion for resource mobilization and ultimate for macroeconomics stability, service delivery and equality. Decentralized self-governing institution have been playing a significant role in the matter of poverty alleviation and rural development in India. It is believed that decentralization can help to mobiles resources, introduce locally and regionally diverse solution and promote equitable growth by bringing the poor into mainstream development.

#### **Types of decentralization**

- Political decentralization: power of decision making including setting standards and legal frameworks is given to local citizens
- Administrative decentralization: this kind of decentralization redistribute authority, responsibility and resources to the different levels of government. Precondition for the effectiveness of this kind of decentralization is the strength of all tiers.
- Fiscal decentralization: This is related to the authority over raising revenues or dealing with the transfers and decision making related to current and investment expenditures.



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#### **Linkages between Decentralization and Poverty Reduction**

The patterns and causes of poverty in a specific country setting (e.g. lack of resources; Discrimination) along with governance conditions will largely determine the opportunities and risks of decentralization for the poor. The framework which show the linkages between decent ralization and poverty reduction in respect of driving forces of decentralization is discussed below.

Decentralization has long been ignored. In the mid-nineties, there was a strong focus on public sector reform as well as capacity building and institutional strengthening to increase both, the focus on social priorities and the capacity of the state to reduce poverty. Now attention is being paid to promoting opportunities, facilitating empowerment and enhancing security and rights .all these are very much related to local public goods and services and are directly linked to decentralization. Thus lately decentralization and poverty reduction have come jointly into focus through the search for "good governance" and related poverty implications.

#### 73rd and 74th Amendments

A multidimensional approach was adopted with the implementation of the 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts 1992 which gave provide constitutional status to panchayati raj institutions(PRIs) and urban local bodies (ULBs), in both letter and spirit in order to bring about greater decentralization and increase in the involvement of the community in planning and implementing schemes and thus increase accountability As Jha (2000: 103) has argued.

The 73<sup>rd</sup> and 74<sup>th</sup> Amendments are designed to promote self-governance through statuty recognition of local bodies. The latter are expected to move away from their traditional role of simply executing the programs handed down to them by higher levels of government and to formulate and implement their own programs of economic development and social justice.

73<sup>rd</sup> Amendment identifies 29 areas over which panchayats can have jurisdictions .Many of these – such as agriculture, minor irrigation, animal husbandry, fisheries, social forestry, and implementation of social reforms focus on particular sectors within the rural areas. Rural housing electrification, transportation and communication linkages are concerned with the maintenance and



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provision of rural infrastructure. Other rural services such as health, sanitation, and primary, secondary and vocational education are govern by others.

So, this act covers many areas that would enable the panchayats to improve the lives and wellbeing of poor and the groups which are vulnerable. It also contain specific provisions that guarantee the participation of groups which are traditionally excluded such as women SCs and STs, and transparency of local institutions such as Gram Panchayats and Gram Sabha.

# 73rd Amendment: major provisions

- 1. The third establishment of a three-tier PRI structure, with elected bodies at village, district levels (States with populations less than 2 million are not required to introduce block level panchayat);
- 2. The recognition that the Gram Sabha constitutes a deliberative body at the village level;
- 3. Direct election to five years terms for all members at all levels;
- 4. One- third of all seats are reserved for women; reservation of SCs and STs proportional to their populations;
- 5. Reservations for chairpersons of the Panchayats- Sarpanches- following the same guidelines;
- 6. State legislatures may provide reservations for other backward groups;
- 7. A state election commission (SEC) will be created to supervise, organize and oversee Panchayat elections at all levels;
- 8. A state finance commission (SFC) will be established to review and revise the financial position of the Panchayats on five- year intervals, and to make recommendations to the State government about the distribution of the Panchayat funds.

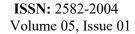
# 74<sup>th</sup> Amendment: major provisions

The 12<sup>th</sup> schedule of the 74<sup>th</sup> constitutional Act of India gives 18 tasks for the urban local bodies which are as follows:



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- 1. Urban planning including town planning.
- 2. Construction of building and regulation of land use.
- 3. Planning for social and economic development.
- 4. Bridges and roads
- 5. Water supply for domestic, industrial and commercial purposes.
- 6. Sanitation conservancy, public health and solid waste management.
- 7. Fire services.
- 8. Urban forestry, protection of the environment and promotion of ecological aspects.
- 9. Slum improvement and upgradation
- 10. Urban poverty alleviation.
- 11. Promotional of cultural, educational and aesthetic aspects.
- 12. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.

# **Decentralization and Poverty Reduction: Some Vital Concerns**

Traditionally decentralization was linked with politics, political sciences and to the sphere of power play between Centre and sub divisions whereas poverty reduction was relegated to economic growth and distribution. Decentralization is said to be accaccompanied by participation, empowerment, transparency and accountability, its impact its likely to be positive for it reduces cost of service provision and transaction costs.this concern is related to what we mean by decentralization and what are its characteristics.

The second concern is related to the nature of the requirements for effective decentralization. Presently, prerequisites for good governance include social and economic rights, free and contestable elections, the rule of law, independence of the judiciary and the media. The prerequisites for effective decentralization means that there is devolution of power and that participation, accountability and empowerment of communities is a ,easure on how successful the process has been.



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The third concern is related to the instruments of decentralization that deals with poverty reduction. One can have the difference between instruments which are endogenous and exogenous to decentralization. Endogenous instruments includes service to citizens, citizen satisfaction, and economies in the provision of services. The exogenous instruments to decentralization may be even more influentual for efficiency consideration alone, and the well targeting benefeciaries, may go some way but do not in themselves empower the poor. In this case micro finance, propoor budgets and other initiatives that are complementary instruments in support of decentralized process.

#### **Poverty In India**

Poverty in india is widespresd, and a variety of methods have been proposed to measure it. The official measure of indian government before 2005 was based on food security and it was defined by per capita expenditure for a person to consume enough calories. Since 2005, indian government adopted the Tendulkar method which changed from calorie anchor to a basket of goods and used urban, rural and regional minimum expenditure per capita necessary to survive.

The Indian government stated 21.9% of its population is below poverty limit. The world bank, in 2011 estimated 23.6% of Indian population below poverty line based on 2005's PPP's International Comparision Program. India's current official poverty rates re nbsed on its Planning Commision's data derived from so called Tendulkar methodologywhich sets different poverty lines for rural and urban areas. The world bank reviewed and proposed revisions in May 2014 for the estimates of povert worldwide including India. According to this revised methodology, the world had 872.3 million people below the new powerty line, of which 179.6 million people lived in India. So basically India with 17.5% of total world's population.



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# State specific Poverty Lines for 2011-12

S.No.	States	Monthly per capita (Rs.)		
	1335	RURAL	URBAN	
1	Andhra Pradesh	860	1,009	
2	Arunachal Pradesh	930	1,060	
3	Assam	828	1,008	
4	Bihar	778	923	
5	Chhattisgarh	738	849	
6	Delhi	1,145	1,134	
7	Goa	1,090	1,134	
8	Gujarat	932	1,152	
9	Haryana	1,015	1,169	
10	Himachal Pradesh	913	1,064	
11	Jammu & Kashmir	891	988	
12	Jharkhand	748	974	
13	Karnataka	902	1,089	
14	Kerala	1,018	987	
15	Madhya Pradesh	771	897	
16	Maharashtra	967	1,126	
17	Manipur	1,118	1,170	
18	Meghalaya	888	1,154	
19	Mizoram	1,066	1,155	
20	Nagaland	1,270	1,302	
21	Odisha	695	861	
22	Punjab	1,054	1,155	
23	Rajasthan	905	1,002	
24	Sikkim	930	1,226	
25	Tamil Nadu	880	937	
26	Tripura	798	920	
27	Uttarakhand	880	1,082	
28	Uttar Pradesh	768	941	
29	West Bengal	783	981	
30	Puducherry	1,301	1,309	
	All India	816	1,000	

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#### **Estimators of Poverty**

#### The Global Hunger Index (GHI)

The report on Global Hunger Index for seventh year was released on 11 October 2012. The basic theme of the report for the 2012 Global Hunger Index was: *The Challenge of Hunger: Ensuring Sustainable Food Security under Land, Water, and Energy Stresses*. The Global Hunger Index (GHI) is basically a measure of malnutrition and hunger – two biggest enemies of extremely poor people. It is focused on three measures weighted equally:

- 1) Proportion of people who are undernourished
- 2) Proportion of children under five who are underweight

#### 3) Child mortality rate

The index number varies between 0 and 100. The higher the score, the worst the food/nourishment related poverty of the country. The GHI puts countries in the 5 categories based on their index score: Low hunger (score below 5), moderate hunger (5-10), serious hunger (10-20), alarming hunger (20-30) and extremely alarming hunger (above 30).

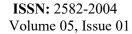
In the list of 79 countries, India was ranked 65th behind China, placed at the 2nd position, Pakistan at 57th and Sri Lanka at 37th position. The hunger level in India (along with Pakistan and Bangladesh) is higher than per capita gross national income (GNI),.

India did not show any significant improvement in its GHI score (22.9) over the previous year, 23.5 in 2011. In the group of developing countries called BRICS (Brazil, Russia, India, China and South Africa), the other four outperform India in dealing with hunger poverty. India still finds



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company among countries with "alarming" hunger levels (score 20 - 30) of the sub-Saharan Africa.

The major reason of India's bad performance on GHI is high prevalence of underweight children. Since 1990 the proportion of underweight children has only fallen from 60% to 43% and the under-five mortality rate from 12% to 7%. Acknowledging the level of high food insecurity, the Indian parliament has recently enacted the National Food Security Act covering two-third of the population, about 800 people. This should make a significant difference in the levels of hunger and under-nutrition in the coming years.

#### **High Prevalence of Child Under-Nutrition**

India with 43.5 percent underweight children under five, together with Bangladesh and Timor-Leste, ranked 68th and 73rd, respectively, has the highest proportion of underweight children under the age of five.

On this index, India finds itself in the company of countries with the highest levels of hunger, stunted children, and poorly fed women and way behind China. India ranks below several countries in sub-Saharan Africa, such as Cameroon, Kenya, Nigeria, and Sudan in GHI, even though per capita incomes in these Sub-Saharan African countries are much lower than in India. In India, 46% children under five are undernourished compared to just 5% in Pakistan. Even the neighboring Nepal and Sri Lanka as well as Sudan and North Korea did better than India. The relative rankings have remained virtually unchanged since last year's GHI report.

The bad nutrition situation in India is a sign of many things wrong with the Indian society – high social inequality, high poverty, weak gender status of women's, low female literacy, poor healthcare awareness, poor sanitation, etc. Ultimately, all these factors are reflected in poor child nutrition. India ranks even poorer than several countries in sub-Saharan Africa, such as Cameroon, Kenya, Nigeria, and Sudan, even though their per capita incomes are much lower.

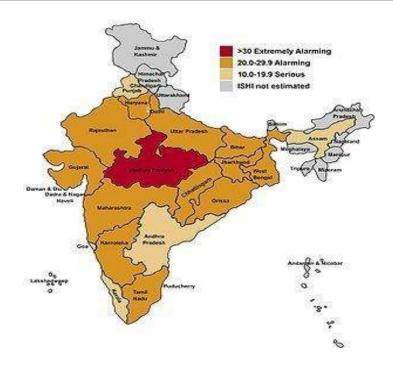


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#### The Multidimensional Poverty Index (MPI)

In July 2010, the United Nations Development Program (UNDP) and the UK based Oxford Poverty and Human Development Initiative (OPHI) came up with a new measure of poverty, called Multidimensional Poverty Index (MPI), replacing the Human Poverty Index popular since 1997. It is more comprehensive than the erstwhile HPI and incorporates ten weighted indicators that measure education, health and standard of living. The Indicators used are:

**Education**: Years of schooling and child enrollment (education) (each with 1/6 weight-age);

Health: Child mortality and nutrition (each with 1/6 weight-age);

**Standard of Living**: Electricity, flooring, drinking water, sanitation, cooking fuel and assets (each with 1/18 weight-age).

A household is poor if deprived in at least 30 percent of the weighted indicators. By this definition, the 2012 report reveals that 53.7% (650 million) of Indian population is poor. Another notable finding is that almost 20% (240 million) of Indians are deprived on 6 of the 10 indicators – it



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translates into highly vulnerable and perilous life.

The 2011 MPI report contained analysis of poverty among castes and tribes. It found 81% Scheduled Tribes (ST) to be poor, followed by 66% poor in the Scheduled Caste (SC) community and 58% poor among Other Backward Class (OBC). Among rest of the Hindus only 33% were MPI poor. The ST, SC and OBC community also showed high intensity of deprivation – between 52% and 59% of weighted indicators. In fact, these three communities together make up the largest fraction of poor in India.

The 2011 report also highlighted the fact that South Asia has the world's highest levels of poverty: Fifty-one percent of the population of Pakistan is MPI poor, 58% in Bangladesh, and 65% in Nepal; not very different from 55% in India.

The 2010 MPI report analyzed individual Indian states and compared them with other countries. It found that there were more poor people (421 million) in the eight Indian states – Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, and West Bengal – than in the 26 poorest African countries combined (410 million). It also revealed that the magnitude of regional differences within India almost range from that of a reasonably well off Indonesia to that of a desperately poor Somalia.

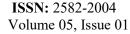
The expert committee set up by the Planning Commission last year under C Rangarajan, former chairperson of Prime Minister's Economic Advisory Council, has redefined the poverty line. According to the report of the committee, the new poverty line should be Rs. 32 in rural areas and Rs. 47 in urban areas. The earlier poverty line figure was Rs. 27 for rural India and Rs. 33 for Urban India (see table).

No	of Rural No. of	f urban Perce Total	ent of
рос	or poor	poor	



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Rangarajan Committee	260.5 million	102.5 million	363 million	29.5
Tendulkar committee	216.5 million	52.8 million	269 million	21.9%
Difference	44 million	49.7 million	93.7 million	

The Rangarajan report has added 93.7 million more to the list of the poor assessed last year as per the Suresh Tendulkar committee formula. Now the total number of poor has reached 363 million from 269 million in 2011-12. This raise in the poverty line income bar by 93.7 million.

The Planning commission had set up the five-member expert group under Rangarajan to review the methodology for measurement of poverty. The committee was set up in the backdrop of national outrage over the Planning Commission's suggested poverty line of Rs.22 a day for rural areas.

# **Major Poverty Alleviation Programmes**

There were about 21 programmes and many more which were launched by the Indian government to alleviate poverty. And some programmes are explained under:

#### Antyodaya Anna Yojana (AAY)-2000

Antyodaya Anna yojana(AAY) is a scheme for ten million of the poorest families.it was launched by NDA government on 25 December 2000.it is on the lookout the poorest of the poor by providing them 35 Kg of rice and wheat at Rs.3 &Rs2 per Kg respectively.. Under this scheme one crore the poorest among the BPL families covered under the targeted public distribution system were identified.. Poor families were identified by the respective state rural development facility through a below poverty line survey. The scheme has been further expanded twice by additional 50 lakh BPL families each in June 2003 and in August 2004, thus covering 2 crore families under the AAY scheme . This was first witnessed in the Rajasthan state

#### **Twenty Point Programme (TPP)-1975**



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The Twenty Point Programme was initiated by Prime Minister Indira Gandhi in 1975 and was subsequently restructured in 1982 and again on 1986. With the introduction of new policies and programmes it has been finally restructured in 2006 and it has been in operation at present. The Programmes and Schemes under TPP-2006 are in harmony with the priorities contained in the National Common Minimum Programme, the Millennium Development Goals of the United Nations and SAARC Social Charter. The restructured Programme, called Twenty Point Programme – 2006 (TPP-2006), was approved by the Cabinet on 5th October, 2006 and operated i.e. 1.4.2007.

The basic objective of the TPP is to eradicate poverty and to improve the quality of life of the poor and the under privileged population of the country. The programme covers various Socio-economic aspects like poverty, employment, education, housing, health, agriculture and land reforms, irrigation, drinking water, protection and empowerment of weaker sections, consumer protection, environment etc... The TPP consisted following:

- 1- Attack on rural poverty Strategy for Rained agriculture
- 2- Better use of irrigation water
- 3-Bigger harvest Enforcement of Land Reforms Special Programs for rural labour
- 4-Clean drinking water
- 5-Health for all two child norm expansion of education Justice for SC / ST Equality for women
- 6-New Opportunities for women Housing for the people Improvement for slums

7-New Strategy for Forestry Protection of environment concern for the consumer Energy for the villages a responsive administration.

The TPP further restructured in 2006 has following Points:



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- 1-Poverty eradication power to people Support to farmers Labour welfare Food security
- 2-Clean drinking water Housing for all Health for all Education for all Welfare of SC/ ST/ OBC and minorities
- 3-Women welfare Child welfare Youth Development Improvement of slums
- 4- Environment protection and afforestation Social security
- 5-Rural Roads energizing of rural areas Development of Backward areas IT enabled and egovernance

The monitoring of the programme at the centre has been assigned to the Ministry of Statistics and Programme Implementation, Government of India. The management information system relating to Twenty Point developed by the Ministry consists of a monthly Progress Report (MPR) and yearly Review of the Programme, Point-wise, Item-wise and State-wise Among the 20 points and 66 items mentioned earlier, 25 items are monitored on monthly basis. In the Monthly Progress Reports, prepared and published by the Central Nodal Department, ranking among States are being prepared and published depending on the percentage of achievements against targets of 20 ranking items/parameters (in case of West Bengal.

#### National Food for Work Programme (NFFWP)-2004

A new programme of National food for work programme (NEFWP) has been launched from the month of November, 2004 in 150 most backward districts of the country, identified by planning commission in consultation with the ministry of rural development and state government. The objective of the programme is to provide additional resources apart from the reso urces available under the Sampoorna Grameen RozgarYojana (SGRY) to 150 most backward districts of the country so that generation of supplementary wage employment and providing of food-security through creation of need based economic, social and community assets in these districts is

furtherintensified.



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For States (other than special category States and States in the North Eastern (N.E.) region except Assam) most backward Districts have been chosen the basis of an exercise undertaken by the Pl anning Commission using three parameters, namely

- i)agricultural productivity per worker
- , ii) agriculturalwage rate
- iii) SC/ST population. Same criteriawas followed for Assam.

For the special category States and States in N.E. region (except Assam), districts were identified from out of the list selected under Rashtriya SamVikas Yojana (RSVY). At last one district has bee selected in each State other than Goa. While selectingthese districts suggestion received from the Governments were also considered. The programme is being implemented as a 100% Centrally Sponsored Scheme. Foodgrains are alsoprovided to the States free of cost. The transportati on cost, handling charges, and taxes on foodgrains are, however, be the responsibility of the States. For the current year, Rs. 2020 crores have been allocated for the Scheme. In addition, 20 lakh tonneso foodgrains are also provided to the States. If the present level of SGRY allocation is maintained the eannual requirement for the next year under NFFWP is estimated to be about Rs. 5400 crores and 3 lakhtonnes of foodgrains. It is expected that with this level of investment it will be possible to provide 100 days of supplementary wage employment to one member of each BPL family in the rural a reas of the identified 150 districts.

## Minimum Needs Programme (MNP)-1974

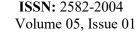
**Minimum Needs Programme** (MNP) was introduced in the first year of the Fifth Five Year Plan(1974–78), to provide certain basic minimum needs and improve the living standards of people. It aims at "social and economic development of the community, particularly the underprivileged and underserved population.

Components:-



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- Rural health
- Rural water supply
- Rural electrification
- Elementary education
- Adult education
- Nutrition
- Environmental improvement of urban slums
- Houses for landless labourers

The **objectives** to be achieved by the end of the Eighth Five Year Plan are:

- One peripheral health Centre for 30,000 population in plains and 20,000 population in tribal and hilly areas
- one sub-Centre for a population of 5000 people in the plains and for 3000 in tribal and hilly areas
- one community health Centre for a population of 100,000

The establishment of peripheral health Centre, their up gradation also come under MNP.

#### **Integrated Rural Development Programme (IRDP)-1978**

IRDP in India is among the world's most ambitious programs to alleviate rural poverty by providing income-generated assets to the poorest of the poor. This program was first introduced in 1978-79 in some selected areas, but covered all the areas by November 1980. During the sixth five year plan (1980–85) assets worth 47.6 billion rupees were distributed to about 16.6 million poor families. During 1987-88, another 4.2 million families were assisted with an average investment of 4,471 per family or 19 billion rupees overall.

The main objective of IRDP is to raise families of identified target group below poverty line by creation of sustainable opportunities for self-employment in the rural sector. Assistance is given in the form of subsidy by the government and term credit advanced by financial institutions

(commercial banks, cooperatives and regional rural banks.) The program is implemented in all



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blocks of the country as centrally sponsored scheme funded on 50:50 basis by the center and the states. The target group under IRDP consists of small and marginal farmers, agricultural laborers and rural artisans having annual income below Rs. 11,000 defined as poverty line in the Eighth Plan. In order to ensure that benefits under the program reach the more vulnerable sectors of the society, it is stipulated that at least 50 per cent of assisted families should be from scheduled castes and scheduled tribes with corresponding flow of resources to them. Furthermore, 40 per cent of the coverage should be of women beneficiaries and 3 per cent of handicapped persons. At the grassroots level, the block staff is responsible for implementation of the program

# Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) -2005

National Rural Employment Guarantee Act 2005 was later renamed as the "Mahatma Gandhi National Rural Employment Guarantee Act" (or, MGNREGA), is an Indian labour law and social security measure that aims to guarantee the 'right to work'. It aims to ensure livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

Starting from 200 districts on 2 February 2006, the NREGA covered all the districts of India from 1 April 2008. The statute is hailed by the government as "the largest and most ambitious social security and public works programme in the world". In its World Development Report 2014, the World Bank termed it a "stellar example of rural development".

The MGNREGA was initiated with the objective of "enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work". Another aim of MGNREGA is to create durable assets (such as roads, canals, ponds, wells). Employment is to be provided within 5 km of an applicant's residence, and minimum wages are to be paid. If work is not provided within 15 days of applying, applicants are entitled to an unemployment allowance. Thus, employment under MGNREGA is a legal entitlement.

MGNREGA is to be implemented mainly by gram panchayats (GPs). Labour-intensive tasks like creating infrastructure for water harvesting, drought relief and flood control are preferred.

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Apart from providing economic security and creating rural assets, NREGA can help in protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others. The law provides many safeguards to promote its effective management and implementation. The act explicitly mentions the principles and agencies for implementation, list of allowed works, financing pattern, monitoring and evaluation, and most importantly the detailed measures to ensure transparency and accountability.

#### Swarnajayanthi Gram Swarojgar Yojana (SGSY)-1999

Swarnajayanthi Gram Swarojgar Yojana (SGSY) is an initiative launched by government of India on April 1<sup>st</sup> 1999. Its aims was to provide self-employment to villagers through self-help groups(SHG). Through this program about 2.25 million self-help groups have been established with an investment of rupees 14403 crores ,profiting over 6.697 million people. The main aim of SHGs was to bring poor families above the poverty line and to generate income .the programme focus on establishing micro enterprises in rural areas. The SGSY is mainly run through government-run district level development agencies (DRDA) with the support from private institutions and panchayat raj institutions this scheme is renamed as national rural livelihood mission (NRLM)

Since its inception about 2.25 million SHGs have been established consisting 3.55 million people.

The total investment was rupees 14403 crores including 12200 crores provides by the government of India for 2006-07. Among the beneficiaries 45.54% have been SC/STs and 47.85% women.

#### Jawahar Rozgar Yojana (JRY)-1989

When the Seventh Five Year Plan came to an end, two initiatives of the Indian Government – NREP (National Rural Employment Program) and RLEGP (Rural Landless Employment Guarantee Program) were combined together. This gave rise to the birth of Jawahar Rozgar Yojana which was launched during 1st April 1989.

The main target audience of this plan was the people below poverty line. This plan which works towards its main aim of providing 90 to 100 days of employment to people residing in the rural and most backward areas is the biggest employment generating programmes in the country.



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The Panchayat Raj Institutions were given the responsibility of including every single rural area as the beneficiary of the Jawahar Rozgar Yojana. The District Rural Development Authority supported these rural areas financially. The funds for this project were borne primarily by the Central Government (80%) and partly by the State Government (20%). This initiative has been gaining momentum ever since it was launched, as the Central Government has been providing for increased funds for the same, in the annual budgets

Today, the three main areas of this initiative are:

First Stream – This received 75% budget allocations every year and this stream mainly aimed at working towards JRY, Million Wells and Indira Awas Yojna schemes. Out of these, Million Wells scheme got 30% and Indira Awas Yojna got 10% allocation of funds.

Second Stream – This received 20% budget allocations every year and is considered to be quite an intense stream. This stream provided benefits to 120 extremely backward districts.

Third Stream – This received the remaining 5% budget allocations every year and focus on specific innovative schemes like taking control of labor migration, constructing watersheds with drought proofing etc

#### **CONCLUSION**

So far we have seen that after independence the economic condition of India was very worse which needs serious attention. With the starting of first five year plan government of India introduced a poverty alleviation programmes. With this series of programmes were introduced which showed drastic changes. The most important factor responsible for poverty alleviation was the 73<sup>rd</sup> and 74<sup>th</sup> amendment act in 1993. But the point here is that the poverty was not reduced by that level by which it should reduce. Main reasons behind the ineffectiveness of these programs are rapid growing population, corruption, unawareness among the people of these programmes, high illiteracy rate etc. There is a mismatch between the rate of increase in population and the level of job opportunities.

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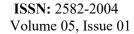
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