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ROLE OF GOVERNANCE IN POVERTY ALLEVIATION IN INDIA: EXPECTATIONS & OUTCOMES

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Abstract: *The betterment of the standard of living of poor people is the only way of bringing about the development of any nation. In the early 1970s, there was redirection of the policy framework adopted by the international agencies and national governments. However, since the 1980s there has been a primary rethinking about the role of the state. The new perspective suggests a reduced role and extent of the government and a broader role of the private sector and civil society organizations. In fact, this is what is popularly known as the new perspective of governance. This article intends to analyze the new perspective of governance and its role in poverty alleviation with empirical evidence from India and also suggests the substantial role which the civil society and the private sector have to play in poverty alleviation.*

Keywords: *Governance, Poverty alleviation, Developing countries, India*

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INTRODUCTION

One of the very common questions asked on various social forums is “Why is India Poor?”

Poverty is not a definite state; rather it is a comparative state. Poverty is a complex socio-economic state characterizing particular families in a given society. It is regarded as both a condition of economic inefficiency and a condition of social and political exclusion. The identification of the poor depends partly on how we define poverty. But Schultz maintains that the living at the subsistence level measured in food and shelter is not a meaningful definition of poverty. There has been great spurt in the literature on poverty in India after the appearance of Gunnar Myrdal’s Asian Dreams – An enquiry into the poverty of the nation. Before its publication there were only field studies by Dadabhai Naoroji(1962, reprint), Tarlok Singh(2nd edn, 1969), Charan Singh (1964). Dadabhai and Charan Singh do not view the problem of poverty as different from that of growth. However, as per Tarlok Singh “the problem of poverty is not different from the problem of growth.

Almost all the countries in the developing world have unequivocally accepted the reality that no meaningful development of a country can take place without the betterment of the standard of living of the poor people. Such a value judgment came into force when growth-oriented strategies failed to make meaningful contributions to the development of living conditions of the majority of the people. It is quite evident that the adoption of the technocratic growth strategy, which was basically directed towards industrialization with little regard for the rural economy, resulted in expanding bureaucracies and marginalization of the rural poor. Inter-regional and inter-class disparities were profoundly observed in many developing countries. As gross national products increased so did poverty, inequality and unemployment. In the early 1970s, there was redirection of the policy framework adopted by the international agencies and national governments. The harsh realities prompted many national governments to go for such policies, strategies and approaches of rural development, which could contribute, to the amelioration of the living standards of the rural poor (Sarker, 1991). However, since the 1980s there has been a fundamental rethinking about the role of the state. The new perspective suggests a reduced role and size of the government and a broader role of the private sector and civil society organizations. In fact, this is what the concept of governance entails, that is the tripartite relationship between the state, the private sector and civil society organizations. This article suggests that the civil society and the private sector have to play substantial role in poverty alleviation. It also suggests that without efficient state intervention other actors cannot play effective role in poverty alleviation.

India has the benefit of being a free society. The diversity of opinion, the traditional adherence to representational democracy and a vigorous free media help ensure that there is healthy debate, with checks on the abuse of power and corruption. Yet there are still those who yearn for a harder regime, with less debate about development strategies and more action

POVERTY IN INDIA: CURRENT SITUATION

Poverty is one of the main issues, attracting the attention of sociologists and economists. It indicates a condition in which a person fails to maintain a living standard adequate for a comfortable lifestyle. Though India boasts of a high economic growth, it is shameful that there is still large scale poverty in India. There has been no uniform measure of poverty in India. The Planning Commission of India has accepted the Tendulkar Committee report which says that 37% of people in India live below the poverty line (BPL). The Arjun Sengupta Report (from National Commission for Enterprises in the Unorganised Sector) states that 77% of Indians live on less than ₹20 a day (about $0.50 per day). The N.C. Saxena Committee report states that 50% of Indians live below the poverty line.

With the rapid economic growth that India is experiencing, it is likely that a significant fraction of the rural population will continue to migrate toward cities, making the issue of urban poverty more significant in the long run. Some, like journalist P Sainath, hold the view that while absolute poverty may not have increased India remains at an abysmal rank in the UN Human Development Index. India is positioned at 132nd place in the 2007-08 UN HDI index. It is the lowest rank for the country in over 10 years. In 1992, India was at 122^{ond} place in the same index. It can even be argued that the situation has become worse on critical indicators of overall well-being such as the number of people who are undernourished (India has the highest number of malnourished people, at 230 million, and is 94th of 119 in the world hunger index), and the number of malnourished children (43% of India's children under 5 are underweight (BMI<18.5), the highest in the world) as of 2008.

Economist Pravin Visaria has defended the validity of many of the statistics that demonstrated the reduction in overall poverty in India, as well as the declaration made by

India's former Finance Minister Yashwant Sinha that poverty in India has reduced significantly. He insisted that the 1999-2000 survey was well designed and supervised and felt that just because they did not appear to fit preconceived notions about poverty in India, they should not be dismissed outright. Nicholas Stern, vice president of the World Bank, has published defenses of the poverty reduction statistics. He argues that increasing globalization and investment opportunities have contributed significantly to the reduction of poverty in the country. India & China have shown the clearest trends of globalization with the accelerated rise in per-capita income.

A 2007 report by the state-run National Commission for Enterprises in the Unorganised Sector (NCEUS) found that 77% of Indians, or 836 million people, lived on less than 20 rupees per day (USD 0.50 nominal, USD 2.0 in PPP), with most working in "informal labour sector with no job or social security, living in abject poverty." However, a new report from the UN disputes this, finding that the number of people living on US$1.25 a day is expected to go down from 435 million or 51.3 percent in 1990 to 295 million or 23.6 percent by 2015 and 268 million or 20.3 percent by 2020.

A study by the Oxford Poverty and Human Development Initiative using a Multi-dimensional Poverty Index (MPI) found that there were 645 million poor living under the MPI in India, 421 million of whom are concentrated in eight North Indian and East Indian states of Bihar, Chattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. This number is higher than the 410 million poor living in the 26 poorest African nations.

MEASURING AND PROFILING THE POOR IN INDIA - THE HEADCOUNT RATIO (HCR)

India has successfully reduced the share of the poor in the population by 27.4 percentage points from 54.9 in 1973 to 27.5 in 2004. Between 1973 and 1983, the HCR of the poor had declined from 54.9% to 44.5%, and it fell further to 36% in 1993–94 and to 27.5% by 2004–05 Thus, 60 years after independence, over a quarter of our population still remains poor. There is growing consensus that the poverty line (Rs 356 monthly per capita consumption expenditure for rural areas and Rs 539 for urban areas in 2004–05) in India is much too low, and continues to be based on a consumption basket that is too lean. If the poverty line was higher, the share of the population below the poverty line would be accordingly higher.

Tabe 1: Percentage of People below Poverty Line in India (1973–2010)			
Years	Rural	Urban	Combined
1973	56.4	49.0	54.9
1983	45.7	40.8	44.5
1993	37.3	32.3	36.0
2004	28.3	25.7	27.5
2010	33.8	20.9	29.8

Source: Planning Commission, NSSO, Ministry of Statistics & Programme Implementation, Govt. of India

The new poverty estimates for 2011-12 only adds to the jeopardy triggered by the Commission's affidavit in the Supreme Court in October in which the BPL cap was pegged at an expenditure of Rs. 32 and Rs. 26 by an individual in the urban and rural areas respectively at the going rate of inflation in 2010-11. (Balchand 2012)

Union Minister of Rural Development Jairam Ramesh and Planning Commission Montek Singh Ahluwalia jointly set aside the cap suggested by the Tendulkar Committee and set up a new committee to work out a new methodology for identifying the BPL households. As per the Household Consumer Expenditure Survey, 66th Round in 2009-10, 29.8 per cent of the population were living under the Below Poverty Line (BPL). Rural poverty has been estimated by 33.8 per cent in comparison urban poverty by 20.9 per cent in this survey. At the national level, anyone earning Rs. 672.8 monthly that is earning Rs. 22.42 per day in the rural area and Rs. 859.6 monthly or Rs. 28.35 per day in the urban area is above the poverty line. The total number of people below the poverty line in the country is 35.46 crore as against 40.72 crore in 2004-05. In rural areas, the number has come down from 32.58 crore five years ago to 27.82 crore and the urban BPL number stands at 7.64 crore as against 8.14 crore five years ago.

One of the most shocking eye-openers is that poverty has actually gone up in the north-eastern States of Assam, Meghalaya, Manipur, Mizoram and Nagaland. Even in big States such as Bihar, Chhattisgarh and Uttar Pradesh only a minor decline in poverty ratio, particularly in the rural areas has been observed. On other hand, Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, Sikkim, Tamil Nadu, Karnataka and Uttarakhand saw about 10 per cent decline in poverty over the past years.

States with high incidence of poverty are Bihar at (53.5 per cent), Chhattisgarh (48.7 per cent), Manipur (47.1 per cent), Jharkhand (39.1), Assam (37.9 per cent) and Uttar Pradesh (37.7 per cent). However, it is in poverty-ridden Odisha that monthly per head expenditure of just Rs. 567.1 and Rs. 736 in rural and urban areas respectively puts one above the poverty line, while in Nagaland, where the incidence of poverty has gone up, the per capita consumption expenditure of Rs. 1016.8 and Rs. 1147.6 in rural and urban areas puts one above the poverty level.

CONCEPT OF GOVERNANCE

Governance is hard to measure. Even defining governance can be challenging, since different perspectives exist on what variables should be included. For instance, some think of governance rather narrowly, equating it with anti-corruption. The Worldwide Governance Indicators (WGI) provide a more comprehensive answer by defining governance as a set of traditions and institutions by which authority in a country is exercised.

Daniel Kaufmann, the Director of Global Programs at the World Bank Institute, points out ten common fallacies concerning governance, corruption, and development. Among them probably the most striking one is the refutation of a claim that the importance of governance and anticorruption is overrated. In fact, research shows a very large development dividend countries can derive from better governance. It is estimated that if a country improves its governance from a relatively low level to an average level, it can almost triple its income per capita in the long term and reduce infant mortality and illiteracy.

Thompson (1996) observes that "governance is the act or manner of governing or exercising control or authority over the actions of subject, a system of regulations." It is defined as the exercise of political power to manage a nation's affairs (United Nations Development Program (UNDP), 1995: 19). The new perspective of governance stipulates that the public sector is no longer defined solely in relation to the presence of the government as a planner or service provider. Rather, the planning, management and provision of public services is seen as something to be negotiated between a number of factors, including the government, the civil society organizations and the private sector (Osborne & McLaughlin, 2002: 4). All these actors are to coordinate and network with each other more through horizontal linkages which are both non-hierarchical and non-bureaucratic (Chandhoke, 2003; Keohane & Nye, 2000).

The plurality of the state for development is basically a major feature when governance is conceptualized from the descriptive point of view. The prescriptive approach of governance becomes visible in the approaches advocated by the multilateral agencies like the World Bank, the United Nations Development Program (UNDP), the Development Advisory

Committee (DAC) of the Organization for Economic Cooperation and Development and other bilateral agencies. In fact, the notion of "good governance" came into prominence this time. To the World Bank, good governance is characterized by "predictable, open and enlightened policy making; a bureaucracy imbued with professional ethos; an executive arm of government accountable for all its actions and a strong civil society participating in public affairs; and all behaving under the rule of law" (World Bank, 1994). The DAC has defined good governance as including "the rule of law, responsible leadership and effective systems for public management, transparency and accountability" (Development Assistance Committee (DAC), 1997: 11).

The DAC has combined this with participatory development, democratization and human rights to form its concept of "participatory development and good governance." Many actors in the international donor community appear to have accepted the whole package under the rubric of "good governance." Pragmatically governance now a days are more crucially associated with the factors of ''Good Governance'' Good governance is a necessity for development and poverty reduction, not a luxury. Various studies suggest that good governance is a major contributor to development, while people living in ineffective or venal states suffer from a lack of economic and social development (Olson et.al. 1996., Mauro 1995)

THE NEW PERSPECTIVE OF GOVERNANCE

In the recent years, the discourse on 'good governance' has assumed a lot of significance. It is admitted by Government of India (GOI) that continued deprivation and inequality is the result of poor governance in the country (GOI 2002a). 'Good governance' has identified as an instrument which would help overcome the challenges of poverty and deprivation. To GOI, governance means the 'management of all such processes that, in any society, define the environment which permits and enables the individual to raise their capability levels, on one hand, and provide opportunities to realize their potential and enlarge the set of available choice. (ibid: 177). Governance, it is identified, would become 'good governance' if it goes with certain universally accepted features like exercise of legitimate potential power, and formation and implementation of policies and programmes that are equitable, transparent, non- discriminatory, socially sensitive, participatory, and above all accountable to people at large(ibid).

A close relationship is established between 'good governance' and the success and failure of poverty alleviation efforts in India. The Tenth Five Year Plan specifically takes up the case of rural development programmes to illustrate how governance affects any process. It has identified issues such as 'excessive compartmentalization of executive into ministries/department; has ensured that such programmes are not only spread over host of ministries which encourages a narrow sectoral approach to conceiving, formulating and implementing schemes, but also prevents mutual synergies that are inherent in most social sector programmes to benefit the plan initiatives (ibid:179) as some of the concerns involved in governance of rural development programmes. Large-scale leakage and the resultant continuation of poverty and deprivation are identified as the fallout of the poor governance of the rural development programmes.

The initial discourse on the new governance paradigm is characterized to a certain extent by lack of clarity both in the conceptualization and operationalization of the phenomenon, though the essence of the phenomenon could be seen in the efforts made in the west to dismantle the welfare of the state in the 1980s, the clear conceptualization and articulation of the phenomenon appeared much later. Further, the complexity of the phenomenon due to its multi- dimensional and multi – layered nature further added to the difficulty in the clear conceptualization. However, the growing literature along with the increased efforts towards advocating the concept by various agencies in the last few years has brought in some amount of clarity about its meaning in the ongoing discourse.

The new governance paradigm is being seen and analyzed both in the descriptive and prescriptive sense (Chandhoke 2003). In the descriptive sense, governance is seen as a phenomenon which is emerging in response to the changing role of state due to various reasons both in the developed and developing countries. In the developing countries, the state is being forced to give more scope for other actors of development with the introduction of globalization and structural adjustment programmes.

In the prescriptive sense there are two approaches to governance, a narrow and a broader approach. In the narrow approach it is mainly about enabling the right manner of exercise of power for attaining better economic development in a country as prescribed by the World Bank (World Bank 1994). In the broader sense, it is both about the right manner of exercise of power for economic development as well as simultaneously enhancing the scope for promoting participation and even democratic processes as being advocated by bilateral or official aid agencies like – DFID, USAID & OECD.

A growth-enhancing governance strategy can only address the poverty reduction issues by focusing on assisting developing countries to identify critical constraints to growth and develop the institutional capacities to address them. Keeping poverty reduction in mind a desirable mix of growth and distribution is needed. A successful growth-enhancing governance strategy will consequently give some consideration to its feasibility by paying attention over the resistant factors of implementing the strategy. A governance strategy is only feasible if it can be implemented with achievable changes in the distribution of power. (Khan 2009)

Development is to be delivered by multiple agencies including the state. The state has to limit itself or contract its role so that other players like market and civil society are given adequate space and scope to contribute for development. The actors in development are to co-ordinate and network with each other more through horizontal linkages which are both non- hierarchical and non-bureaucratic (Chandhoke 2003).

Table 2: Actors in development under Governance Paradigm (Shylenra 2004)

Reach/ Jurisdiction	**State**	**Market**	**Civil Society**
Global	Multilateral Agencies (UN, WB, WTO etc.)	Multi-National Companies (MNC's)	International NGOs
National	National/ Regional Governments	Domestic Companies/ MNC Branches	National/ Regional NGOs
Local	Local Self Government	Local Traders/ Businessmen	Local NGOs/ CBOs/ Citizens

THE ROLE OF THE STATE

The role of the state in governance is paramount. The state in good governance responds effectively and efficiently to citizen needs and demands, projects a development vision and demonstrates a commitment to realize this vision through putting in place policies and programs, develops a capacity to fulfill its commitment, including administrative, institutional, political and technical capacity. This will help mobilize necessary support both within civil society as well as in the political arena to translate the vision into reality (Sobhan, 1998).

For many developing countries, poverty alleviation became the primary objective once they achieved independence from their colonial masters after the World War II. The notion was the modernization of the traditional economy. The state was accorded the primary role in this modernization process (Esman, 1991). This perspective essentially focused on economic growth with expectations that the benefits would trickle down to the rural poor having the state played the most dominant role. Such a perspective did not do justice to society. In practice, the trickledown theory gave rise to widening inter-regional and inter-class disparities. As GNPs increased so did poverty, inequality and unemployment (Sarker, 1991). In recent years, new perspectives have emerged for reforming the public sector. This has also been supported by the international and bilateral donor agencies. The reforms initiated in the 1980s introduced a new public management paradigm and macroeconomic policy framework (United Nations, 2001). This new paradigm mounted criticisms on two aspects: the expanding role and over-size of the state and the bureaucratic, lethargic and corrupt administration (Hughes, 1998; Minogue, 1998).

The new conceptualization of the role of state is not without criticisms. The idea that the state is a problematic also begs questions. Public sector reformers in the West went for restructuring in the particular context of over-governance. The same situation does not prevail in many developing countries. Even in the context of the developed world, the whole-sale criticism of the public bureaucracy is now being questioned. Charles Goodshell is against the widespread berating of the bureaucracy and has explored the falsehood (Goodshell, 1994). After reviewing a wealth of research reports, he found satisfactory citizen treatment as the norm rather than the exception.

More importantly, the minimalist state is potentially at odds with a focus on poverty alleviation, which requires state action to compensate for market failures across a range of issues. The first attempt in reducing the size and scope of the government is to cut public expenditure substantially. This has greater implications for poverty alleviation programs such as such as primary health care, education, safety nets etc (Shepherd, 2000). In many developing countries, this has adversely affected the state's traditional role in providing basic services (Haque, 2001).

The Role of the Private Sector, according to the new perspective, the market and the private sector have crucial roles to play in development. Particularly the neoclassical economists and the international agencies such as the International Monetary Fund (IMF) and the World Bank have consistently clamored for widening the space of the private sector and reducing the scope and role of the public sector over the years. They strongly believe that markets are more efficient than state intervention. The market approach to economic development is concerned with creating conditions in which the production and distribution of goods and services can flourish with the support of an enabling environment for private sector activity and an economic framework of incentives and rewards for good organizational and individual performance.

The Role of Civil Society Civil society is an ever-changing kaleidoscope of organizations as diverse as nongovernmental organizations (NGOs), community-based organizations, tribal groups, religious entities, charities, clubs, foundations, citizens' watch-dog organizations, cultural groups, professional organizations, environmental groups, consumer groups, academic and research institutions and local communities (United Nations Development Program (UNDP), 1995). In recent years, the role of civil society has been seen as contributing to the accumulation of social capital which is the community's capacity to participate in and benefit from development activities. Related to the concept of social capital is the useful idea that it functions through and with state and private sector, not in place of them (Hye, 2000). Rahman, Wadood and Eusuf (2000) say that a strong civil society is crucial for good governance and is considered one of the prerequisites of democracy. Civil society organizations provide checks and balances on the state power and the private sector. They contribute to and strengthen both of the domains.

They channel people's participation in economic and social activities (Blair, 2005; United Nations Development Program (UNDP), 1997). Of the civil society organizations, NGOs' role has been prominent in poverty alleviation over the years. There has been a massive growth of NGOs in the last two decades or so along with the intensification of global efforts for poverty alleviation (Edwards & Hulme, 1998; Edwards, Hulme, & Wallace, 1999). NGOs are considered as a 'magic bullet'' or panacea for certain problems of development and poverty alleviation. They not only reach out to the poor more effectively but also can deliver services and implement programs more efficiently. NGOs can both mobilize the poor as well as ensure their participation in the program formulation and implementation (Chowdhury, 1989; Edwards & Hulme, 1998; Sarker, 2005; World Bank, 1996). Despite tremendous contributions, NGOs performance has been under criticisms in recent years. Firstly, while NGOs have some success in delivering services, their failure in advocacy is quite visible, whereas both services and advocacy are an integral part of the fundamental change (Blair, 2005). Secondly, their impact on poverty alleviation has been limited. Their interventions mainly try to reform some of the limitations of the state's programs rather than bring about any radical change in the distribution of resources and power (Chandhoke, 2003; Haque, 2004). Thirdly, since NGO activities are mostly funded by the international donor agencies, they emphasize their accountability to the donors ignoring the broader accountability required for them for the poor and the grassroots organizations (Edwards & Hulme, 1998).

ROLE OF THE DOMAINS OF GOVERNANCE IN POVERTY ALLEVIATION IN INDIA

The prosperity of the rural sector and alleviation of poverty in India has been dominating the agenda of planning. Till the third five year plan (1961-1966) the emphasis was laid on maximization of the rate of growth of the Gross National Product (GNP). It was during the fourth five year plan that the focus shifted from growth-oriented strategy to direct intervention to attack poverty. In 1979-80, for monitoring the schemes/ programmes implemented through different departments and ministries under the 20-point programme, the government created District Rural Development Agencies (DRDAs) which remains the nodal agency fo implementation and co-ordination of anti-poverty programmes implemented through the Ministry of Rural development. In addition, the sectoral programmes like primary education, health, housing, water supply, sanitation, social welfare, development of agriculture etc continued to be implemented by the concerned departments. Some of the programmes which were initiated include - Self employment programme, Small Farmers development programme, The IRDP(Integrated Rural Development Programme), TRYSEM(Training of Rural Youth for Self Employment, Wage employment programme, Minimum Needs Programmes

ANTI-POVERTY PLANS AND PROGRAMS OF GOVERNMENT OF INDIA (GOI) – 11TH FIVE YEAR PLAN

The government of India in the 11th five year plan launched a variety of programs specifically aimed at rural India for poverty alleviation which include the following:

Guaranteed Wage Employment— National Rural Employment Guarantee Act (NREGA)

Workfare programmes have been important programme interventions in India and elsewhere in developing countries since long. These programmes typically provide unskilled workers with short-term employment on public works. They provide income transfers to poor households during periods when they suffer on account of absence of opportunities of employment. In areas with high unemployment rates and under employment, transfer benefits from workfare programmes can prevent poverty from worsening, especially during lean periods. Durable assets that these programmes create have the potential to generate second-round employment benefits as requisite infrastructure is developed.

The significance of NREGA lies in the fact that it creates a right based framework for wage employment programmes and makes the government legally bound to provide employment to those who seek it. In this way the legislation goes beyond providing a social safety net, and towards guaranteeing the right to employment. The experience with NREGA so far suggests that it is one of the main planks of rapid poverty reduction in the Eleventh Five Year Plan. Initially known as the National Rural Employment Guarantee Act (NREGA) the act was renamed on 2 October 2009 as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In 2011, the program was widely criticised as no more effective than other poverty reduction programs in India. Despite its best intentions, MGNREGA is beset with controversy about corrupt officials, deficit financing as the source of funds, poor quality of infrastructure built under this program, and unintended destructive effect on poverty. Therefore, best efforts with sufficient transparency and scope for regular social audit for maintaining the transparency are required. ''Good Governance'' in the programme by proper delegation of power among local self governance, PRIs and involving private partners for regular social auditing can only make the programme a successful one.

Self-Employment—Swarnjayanti Gram Swarozgar Yojana (SGSY)

The SGSY was launched with effect from 1 April 1999 to bring the assisted poor families above the poverty line by ensuring appreciable sustained level of income over a period of time. This objective was to be achieved by organizing the rural poor into SHGs through the process of social mobilization, their training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. Group processes and collective decision were to enable them in the identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power. The SGSY is, by design, meant to create widespread income generating activities, through the empowering mechanism of SHGs, where group dynamics are expected to compensate for the basic weaknesses of the individual rural poor and present them as credit worthy and financially accountable units.

Rural Housing for the Houseless

Housing is a basic human need. A roof overhead endows a shelterless person with an essential asset and improves her physical and mental well-being. The importance of housing has been acknowledged and housing as a human right was recognized way back by the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations on 10 December 1948. Article 25 of this declaration states: 'Everyone has the right to standard of living adequate for the health and well being of himself, and his family, including food, clothing, housing.'

India also embarked on the path of making 'housing for all' a reality. The conference of Chief Ministers, 1996 recommended the Basic Minimum Services (BMS) Programme. One of the seven BMS requiring priority attention was 'Provision of Public Housing Assistance to all shelterless poor families'. Consequently, the BMS programme became part of Ninth Five Year Plan and concerted efforts in a focused manner were initiated to make these basic services accessible to everyone. Later, the National Housing and Habitat Policy, 1998 stated that the ultimate goal of the policy was to ensure 'Shelter to all' and better quality of life for all citizens.

Indira Awaas Yojana (IAY)

Though the earliest housing programme taken up by the GoI was for rehabilitation of refugees immediately after the partition of the country, the government started implementing its major housing scheme of IAY as an independent scheme only from 1 January 1996. In the present form, IAY is one of the very popular schemes of the MoRD and has caught the imagination of the rural people. The popularity can be attributed to the fact that the scheme enables beneficiaries to participate and involve themselves in construction of their home. The role of the State Government is confined to mere facilitating use of local, low cost, environment-friendly, and disasterresistant technology and also in encouraging construction of sanitary latrine and smokeless *chulha*. There is no prescribed design or technology and no contractors are involved. Funds are released in installments directly to the beneficiaries and there is no creditportion as part of the assistance which enable timely release of funds. The beneficiaries construct the houses as per their own choice of design, technology, and requirement. Not surprisingly, evaluation studies reveal high levels of occupancy and satisfaction.

Social Protection—National Social Assistance Programme (NSAP) and Associated Programmes

The basic aim of this programme was to provide social assistance benefit to the rural poor in case of old age, death of primary breadwinner, and for poor women during maternity. It aims at providing them with a modicum of dignity and support, thereby ensuring a minimum quality of care and attention from the community. It provides an opportunity for linking the social assistance package to schemes for poverty alleviation and provision of basic needs. It was a CSS with 100% Central assistance provided to States/UTs. This programme is implemented through a synergistic partnership with State Governments and under the direct supervision of DRDAs in close collaboration with the various PRIs. This programme included three schemes viz., National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS), and National Maternity Benefit Scheme (NMBS).

Flagship Programmes

The thrust of the Eleventh Five Year Plan is social inclusion coupled with provision of improved livelihood opportunities. This approach calls for renewed emphasis on education, health, and other basic public facilities. Inadequate access to these essential services directly limits the welfare of large sections of our population, and also denies them the opportunity to share fully in the growth process. Indeed, inadequate attention to human resource development limits the growth process itself. In the Tenth Plan, many schemes were either launched or revamped and strengthened to provide education, health care, nutrition, sanitation, and social security. Many of these programmes are implemented on an all-India basis, while some are implemented only in rural areas. Even the programmes that are implemented across the country tend to favour rural and backward areas in terms of resource allocation. These programmes, called flagship programmes, form the second strand for development of rural areas, the first being the Bharat Nirman Programme. The following flagship programmes are discussed in the ensuing paragraphs incuding - NREGP, NRHM, Integrated Child Development Services (ICDS), Sarva Shiksha Abhiyan (SSA), MDM, TSC, NSAP, BRGF,

National Rural Employment Guarantee Programme (NREGP)

The NREGA has been enacted to reinforce the commitment towards livelihood security in rural areas. The Act was notified on 7 September 2005. The significance of NREGP lies in the fact that it creates a right-based framework for wage employment programmes and makes the government legally bound to provide employment to those who seek it.

National Rural Health Mission (NRHM)

The main aim of NRHM is to provide accessible, affordable, accountable, effective, and reliable primary health care, especially to poor and vulnerable sections of the population.

Integrated Child Development Services (ICDS)

The ICDS scheme is a child-focused intervention to address the inter-related needs of young children and pregnant and lactating mothers. The ultimate objective of the scheme is to reduce incidence of mortality, morbidity, malnutrition, and school dropouts and enhance the capability of the mother and family to look after the health, nutritional, and development needs of the child. It is now a nation-wide programme, which aims at promoting health and nutritional requirements of children up to six years and expectant and nursing mothers. As on 31 March 2007, there are 6284 sanctioned projects and 10.53 lakh *anganwadi* centres in the country. Out of these, 5672 projects are operational through 7.8 lakh anganwadi centres servicing 7.05 crore beneficiaries comprising 5.81 crore children below six years and 1.23 crore pregnant and lactating mothers.

Sarva Shiksha Abhiyan (SSA)

SSA is the principal programme for universalization of elementary education. SSA aims to provide useful and relevant elementary education for all children in the age group of 6–14 years by 2010. The other significant objective is to bridge social, regional, and gender gaps with the active participation of the community in the management of schools, besides focusing on elementary education of satisfactory quality with emphasis on education for life. SSA addresses the needs of about 20 crore children in more than 12.37 lakh habitations covering 10.42 lakh existing primary and upper primary schools (SES, 2004–05; MHRD, 2007). SSA successfully ensured universal access to primary education. About 94% of Indian villages/ habitations have access to schools within a distance of 1 km. In the remaining villages/habitations, alternative schooling arrangements have been made through Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) centres.

Mid-Day Meal (MDM)

The MDM Scheme launched in 1995 aims to give a boost to universalization of primary education by increasing enrolment, retention, and attendance and simultaneously impacting upon nutritional status of students in primary classes.

National Social Assistance Programme (NSAP)

The NSAP is a flagship programme of the government which aims to provide human security to the poor and the destitute. The programme was launched on 15 August 1995 as a wholly centrally funded program to give financial assistance to families with little or no regular means of subsistence, living below the poverty line. NSAP presently consists of three components, namely, NOAPS, NFBS, and Annapurna Scheme.

Total Sanitation Campaign (TSC)

Provision of sanitation facilities in rural areas has been highly inadequate. Many programmes were initiated in the past to expand coverage but with little success. In 1999, the DoDWS launched 'Total Sanitation Campaign' (TSC) which is a demand-responsive, community-oriented, low-subsidy programme in a project mode. The performance of project mode TSC was very satisfactory and, therefore, from 2002–03, the entire Central Rural Sanitation Programme has been converted into TSC. The objective of TSC was attaining 100% sanitation coverage in terms of household,

Backward Regions Grant Fund (BRGF)

The BRGF has replaced the Rashtriya Sam Vikas Yojana (RSVY) in order to provide a more participative approach through the involvement of PRIs. The spatial coverage was also expanded and it now covers 250 districts (RSVY covered 147 districts). The scheme aims to help converge and add value to other programmes such as the Bharat Nirman Programme, the NREGP, and other flagship programmes that are explicitly designed to meet rural infrastructural needs but that need supplementation to address critical gaps. It aims at catalysing development in backward areas by: (i) filling infrastructure gaps; (ii) promoting good governance and agrarian reforms; (iii) converging, through supplementary infrastructure and capacity building, the substantial existing development inflows into these districts.

The Role of the Private Sector

"Private sector" and "poverty reduction" are two topics that seldom complement each other in people's minds. Recently, however, the Asian Development Bank (ADB) and other multilateral and bilateral development institutions1 with an interest in poverty reduction have begun to look more closely at the relationship between poverty and the private sector. Increasingly, researchers of development are examining not only how the private sector contributes directly and indirectly to poverty reduction, but also concluding that it contributes significantly to poverty reduction.

Across countries, differences in investment climate have led to contrasting growth performances.

And across countries, the impact of growth on poverty reduction has also varied enormously. In India, for example, the same growth rate has reduced poverty in some states (e.g., Kerala) by 6 times as much as in others (e.g., Bihar). One reason for this is differences in education opportunities and levels of health spending, which allow poor people to take advantage of opportunities in a growing economy. Another is governance. Corruption invariably hurts the poor, and poverty has fallen less in those states where governance and the rule of law are weak.

This emphasizes on the importance of twin pillars—a congenial private sector-led growth/investment climate, and social investments enabling the poor to participate in growth. The private sector is already central to the lives of the poor and has the power to make those lives better. It is about using the managerial, organizational and technological innovation that resides in the private sector to improve the lives of the poor. It is about unleashing the power of local entrepreneurs to reduce poverty in their communities and nations. The Millennium Development Goals, ambitious in scale and scope, can be achieved only through committed application of best knowledge and practice. The problem is huge, with a fifth of the planet's people living on less than Rs.50 a day. But some encouraging examples show how private enterprise can alleviate poverty.

- Infosys, an Indian information technology services firm, grew from less than $10 million in sales in the early 1990s to become a leading global player with almost $800 million in sales today. Along the way, it has also been setting international standards for corporate governance and creating a new partnership for development with local and central government.

- ICICI Bank, is applying technology and a comprehensive approach to the full range of its client base— particularly in rural markets and to small and medium enterprises and micro entrepreneurs.
- In India small-scale soybean farmers use a village Internet kiosk to check spot prices for their products on the Chicago Board of Trade's website, bypassing local intermediaries and getting better prices.

CONCLUSION

While the new paradigm is yet to emerge in its fullest form of pluralisation, but there are both skepticism and optimism about its possible outcomes for issues like poverty alleviation and equity. There is a fear that the new paradigm is serving as an instrument or façade for thrusting upon the capitalist and neo liberal order on developing countries with a potential to reverse the past achievements of the developmental regime. The other view is that the new (good) governance paradigm is a need of the hour for making amends in the past failures of the state led development for achieving higher economic and human development (GoI 2002a). Hence, there is a need to look at the real nature of governance phenomenon along with its possible implications for the crucial issue of poverty eradication and equity. The following issues need to be examined in the above light

- Will the new paradigm, and the actors involved serve as the right kind of synergy which would help in addressing the problem of poverty.
- How far the real nature of the new governance about which there is no clear unanimity would help in achieving the much needed synergy?
- How can there be harmony between the goals and mechanisms of the state, market and civil society institutions?
- Can the elements of good governance ensure that the 'governance failure' does not occur for the poor?
- Lastly, The impact of NGOs and other social institutions in alleviating poverty.

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