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**Follow-up to the World Summit for Social Development and
the twenty-fourth special session of the General Assembly:
priority theme: strategies for the eradication of poverty to
achieve sustainable development for all**

Statement submitted by VAAGDHARA, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Extreme poverty in the world has decreased considerably in the past three decades. In 1981, more than half of citizens in the developing world lived on less than \$1.25 a day. This rate has dropped dramatically to 21 percent in 2010. However 1.2 billion people living in extreme poverty (in 2010) is still an extremely high figure, and India contributes to one third of this statistic. United Nation's latest Millennium Development Goals Report suggests that despite all economic reforms and other measures taken by the government, India could only manage to reduce its poverty rate from 49.4% in 1994 to 42% in 2005 and 32.7% in 2010. Other statistics suggest that India also accounted for the highest number of under-five deaths in the world in 2012, with 1.4 million children not reaching their fifth birthday. This is a particularly unfortunate situation for a country that claims to be the third largest economy of the world (in PPP terms) and a rising super-power in the continent. The country has definitely made strides in reducing poverty; however the task ahead remains herculean.

This statement attempts to analyse the key causes of poverty in India and evaluates the government response to these challenges. The document also shares VAAGDHARA's experiences of working with the poor tribal areas of Rajasthan, Madhya Pradesh and Gujarat and recommends some practical strategies (based on the experience of organisation) to address the poverty conundrum through cost-effective and locally available resources.

Background: Understanding Poverty in India:

To understand the reasons of poverty in India, one must first understand who are defined as poor in India. Earlier, the poverty line in the country was based on expenditure for buying food worth 2,400 calories in rural areas and 2,100 calories in urban areas. Later on, it was defined on the basis of monthly spending on food, education, health etc. And recently a government panel considered people living on less than Rs. 32 a day (USD 0.48 at current prices) in rural areas and Rs. 47 a day (USD 0.70 at current prices) in urban areas as poor. However, none of the above definitions truly represent the characteristics of the poor in India and remain narrowly focused on a person's earning or spending levels.

Noble Laureate Amartya Sen suggests 'Poverty is not just a lack of money; it is not having the capability to realise one's full potential as a human being.' The capability to realise the fullest potential of an individual depends on a range of factors, including the information (or awareness) and the access to services, and not just a lack of money. Therefore, one simple analysis of the problem of poverty in India is that we are using incorrect parameters to address the challenge at hand. Since the official definition of poverty takes into account only the earnings/expenditure made by an individual, the scope of majority of the government's poverty alleviation programs has been limited to increase the income of the poor (through training, loan, subsidies, etc.). Other low hanging fruits such as information and ensuring access, which have the potential of driving people out of poverty, have not been targeted effectively. So if we have wrongly understood the problem of poverty, we can never come up with right solutions.

Specific examples of accomplishments by VAAGDHARA and remaining challenges:

VAAGDHARA's experience suggests that information is the most effective tool of empowering people and steering them out of the vicious cycle of poverty. The poor are poor, mainly because they do not have the correct information about how they can make cheap gains in day-to-day lives which may impact their overall productivity and income levels. For example, water borne diseases are quite common in VAAGDHARA's field areas. Once a person contracts diarrhoea and other such disease/infection, the family savings if any are spent on treatment sometimes resulting in significant debt. Such diseases and infections are easily preventable and the prevention tools (for example, chlorine pills or the information about the benefits of boiled water) are mostly free or very cheaply available. Therefore, if educated properly the poor are able to save their hard-earned money and the loss of work days.

Working with tribes in remote villages, VAAGDHARA found that most of the government's awareness generation campaigns do not reach the correct target group, the poor. For example a newspaper advertisement about a loan scheme for rural entrepreneurs or the free ambulance service for Below Poverty Line (BPL) families is not effective as the community does not read newspapers. The poor delivery of such simple information costs the community a number of life changing opportunities.

The organisation realised an urgent need to redefine the communication strategies used. In response to this, VAAGDHARA closed/narrowed this information gap by adopting locally appropriate and more interpersonal communication strategies. VAAGDHARA did this by creating teams of volunteers in villages to engage in face-to-face communication with other villages. Each volunteer received training and then was responsible for 10 households in order to remain effective in their efforts. The organisation also arranged for screened documentaries/films to show in the villages at night to educate communities on various government programs. These effective communication strategies resulted in enhanced awareness and increased demand for services leading to visible improvements in government service delivery mechanisms. There was a remarkable decline in the absenteeism of teachers and health workers; whereas there was a modest increase in the work availability under the Government of India Rural Employment Guarantee Scheme.

Secondly, the organisation identifies reduced profitability of agriculture as another key reason for poverty in rural parts of India, especially tribal regions. Historically, tribes have been dependent on forestry, agriculture and allied activities for their subsistence. Despite the fact that agriculture contributes to only 14% of the GDP, it is still the largest employer in rural India. However profitability of agriculture has reduce to a variety of reasons including climate change, excessive use of chemical fertilisers, has forced younger generations to give up farming and work as labourers. This has resulted in high youth migration from rural areas. This is a concern for the agricultural based rural economy as the youth possess the greatest potential to transform farming into a science and knowledge-based enterprise. Therefore, in order to curb migration and tackle the issue, VAAGDHARA has introduced the Sustainable Integrated Farming System Approach which has improved nutrition levels among the community especially women and children, reduced dependency of farmers on markets and has also enhanced income

levels through reduced input cost and increased productivity. Efforts are also focused on establishing market linkages in order to provide maximum benefits to farmers.

Thirdly, the Indian Constitution has made special provisions for development of tribal populations under which separate funds should be allocated in proportion to the percentage of the tribal population. However, often allocation of budget is not in proportion to the population size. This apart, more than one third of the funds allocated remain unspent. The fund allocation and expenditure pattern is uneven which implies that there are many schemes which receive more attention and others which continue to suffer negligence in implementation. In order to address these issues and to advocate for optimum utilisation of the allocated budget, VAAGDHARA has carried out a research study on the Scheme Wise Performance analysis for various schemes under the Tribal Welfare Fund. The findings of the study revealed that adequate provisioning for allocating resources for financing various schemes is required. It also highlighted that allocated resources for a specific scheme often remain unspent or spent on account of another scheme.

Based on VAAGDHARA's experience of working with tribal communities for more than two decades the organisation identifies the following recommendations for effective poverty eradication:

1. Communication strategies should be appropriately chosen keeping in view the target community's access to various modes/ means of communication.
2. Wage employment aside, focus should be placed on making agriculture and allied activities more profitable and sustainable. The state heads should develop the pro-poor sensitive market and SDG implementation policies for the equitable growth among all sections of society.
3. Volunteerism among local community (especially among educated youth) needs to be promoted to strengthen the local bodies and other institutions, and to create demand for services.