



## ROLE OF GOVERNMENT POLICES IN ALLEVIATION OF TRIBAL POVERTY IN INDIA- A CASE STUDY OF KARNATAKA STATE

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### **Abstract**

Poverty and unemployment are two major concerns of the world even today. As on may 2018 three billion people are living in poverty worldwide. According to recent World Bank reports Nigeria became the home for largest poor in world with 87 million people under poverty line, followed by India 73 million. Over many decades India stood as a home for largest poverty in world but it came out of that stage by fetching more people out of poverty. This could be attributable to increasing education and employment level, migration of people from agriculture to service and industry sectors and government efforts. In India poverty is measured based on level of Income. However, still large people in India are suffering with low level standards of living. Therefore, present study emphasized on the policies of Karnataka government for poor people to help them in crossing poverty line during 2008-2017. In over all, the study concluded that, Karnataka government has made good efforts to reduce poverty among tribal in the State through implementation of three different schemes during 2008-2017. They are focused on reduction of tribal poverty through developing entrepreneurship skills, development of land and ownership and finally by providing micro finance to tribal women. The study observed that government has spent huge funds under tribal land ownership and development schemes, after this sufficient funds allocated under entrepreneurship programme, finally very less funds allocated under micro finance scheme. Therefore, it is suggested to enhance for funds for micro finance and entrepreneurship programmes which increase employment opportunities and economic conditions of poor tribal which ultimately leads to bring them out of poverty.

**Key Words: Tribal Poverty, Government Policies, Micro Finance, Land Development.**

### **Introduction**

Poverty and unemployment are two major concerns of the world even today. Unemployment is one of the cause roots for increase in poverty worldwide. Level of employment and income are major determinants of poverty in any country. There is a direct positive relationship between employment and income levels and negative relation hip between employment and poverty which implies that increase in employment leads to increase in income level and reduction in poverty, in contrast decrease in employment leads to decrease in income levels and increase in poverty. Even today fifty percent of population income is less than 2.50 \$ per day. Many empirical studies revealed that unemployment and under employment are major contributing factors of poverty along with increasing population, low education, violence, unequal job opportunities, low skills, crimes, financial, social and political exclusion. Poverty can be measured in different ways in different countries among them popular are measuring poverty in absolute terms based on “economic food plan” in USS. Another popular technique is measuring poverty relatively in economic distance i.e level of income by EU & OECD. Both monetary and non-monetary indicators are using world wise to measure the poverty. Monetary indicators consist of income and consumption and non-monetary indicators comprises of health, education, food and wealth. Increase in poverty leads to birth of child with low weights, increase stress on human life, bad health, low nutrition rate, illiteracy, backwardness and low productivity. Therefore governments have to concentrate on the remedies to reduce poverty by initiating employment, entrepreneurship programmes, increasing education accessibility, imparting skills for self employment and providing sufficient financial assistance at reasonable cost etc.

As on may 2018 three billion people are living in poverty worldwide. According to recent World Bank reports Nigeria became the home for largest poor in world with 87 million people under poverty line, followed by India 73 million. Over many decades India stood as a home for largest poverty in world but it came out of that stage by fetching more people out of poverty. This could be attributable to increasing education and employment level, migration of people from agriculture to service and industry sectors and government efforts. In India poverty is



measured based on level of Income. However, still large people in India are suffering with low level standards of living. Therefore, present study emphasized on the policies of Karnataka government for poor people to help them in crossing poverty line.

### **Review of Literature**

(2015)<sup>1</sup> Manjula has revealed that political interference and gender discrimination are major obstacles in effective implementation of government employment schemes in India with particularly in Mahatma Gandhi National Rural Employment Guarantee Scheme as result still rural poverty existed in India. The study found that female headed households lagged behind male headed households in getting employment under the scheme. Therefore, he suggested equal gender opportunities and wages to reduce poverty in rural areas.

(2012)<sup>2</sup> Algis and jurgia have discussed the theoretical issues of relationship between unemployment, poverty and crimes which is one of the social economic problems of the country. In general high unemployment leads to poverty which ultimately increases the crime rate of the country. The strength of the relationship between poverty and crime depends upon the nature of the crime. The study revealed that there is a strong relationship between poverty and crime, on the other hand no strong relationship with between poverty and terrorism. The study found the at many research activities have done on two variables but no research works have done to study the relationship between these variables in respect of sustainable development of the country.

(2012)<sup>3</sup> Goulden has made an attempt to find the reasons for unemployment in United Kingdom after world meltdown in 2007, examined the effectiveness of prevailed policy to overcome the problem and suggested a way to create longer lasting routes out of poverty. He believed that level of employment alone not helpful to overcome the poverty, unless consideration of level of income, job security, wage rate and progression rate. It is found from the study that people are getting income in or out of work were to lower than income required for survival. They needed to spend more amount on house rent and food than other minimum needs. Many organizations are recruiting the employees on temporary basis which is subject to no job security and lower wages. The existed employment and wage policies in UK are subject to update as per changing socio- economic requirements of people.

(2008)<sup>4</sup> Shivakumarswamy has found that shorter duration and inconvenient time in public distribution system causing for moving of Below Poverty Line families on outside markets for good grains and other necessities. Consequently, they are spending more than 60 percent of their income for these open market food grains. Moreover, price variation and exploitation of sellers BPL families are losing of major portion of income and unable to come out of poverty. Thus, he suggested the need of dealer shops should be open for a longer duration and in convenient time.

(2008)<sup>5</sup> Himanshu and Parekh have done a cross country analysis between china and India to analyse the impact of harmonious economic growth Inclusive growth of the countries during 1993-2005. The study observed that economic growth in china is driven by industrial sector where as service sector is a major driven factor in India. It is observed that the rate of poverty reductions is higher in case of rural areas compared to urban areas in both countries during entire reform period due to fall in food prices during the study period.

(2005)<sup>6</sup> vilas has opined that unemployment, inequality and poverty are interrelated phenomena. He also found that unemployment is very higher in rural than urban area in India due to labour surplus which calls for more employment generation programmes. In the study he analysed the progress of Training of Rural Youth for Self-employment (TRYSBM) central scheme initiated in 1979, in Belgaum district of Karnataka State and revealed satisfactory performance of the scheme in generation of employment in the Belgaum district

### **Need of the Study**

After review of literature above, it is observed that many research studies are focused on unemployment, poverty, crimes, literacy and impact of poverty on economies etc. But very few studies have done on government policies regarding poverty alleviation in tribal where poverty rate higher than other categories. Therefore, present study focused on poverty alleviation in tribal through study of a new model consists of entrepreneurship, land ownership



and micro finance policies in Karnataka State during 2008-2017. Karnataka government has implemented these policies with a Maharshi Valmiki Tribal Development Corporation in the State.

### Objectives of the Study

1. To study the progress of Tribal Entrepreneurship Development Scheme in Karnataka during 2008-2017.
2. To study the progress of Tribal Ownership Land Development Scheme in Karnataka during 2008-2017.
3. To study the progress of Tribal Micro Finance Scheme For SHG Scheme in Karnataka during 2008-2017.
4. To offer appropriate suggestions based on the findings.

**Research Methodology:** Present study is purely based on secondary data collected from annual reports of Maharshi Valmiki Tribal Development Corporation functioning in Karnataka. The study covers ten years period i.e. from 2008-2017. The study collected information regarding funds allocated for tribal under different entrepreneurship, land development and micro finance schemes during the study period and analysed through statistical technique of averages. The study also observed number of persons benefited and benefits per person year wise.

**Tribal Entrepreneurship Development Schemes:** With an intention of reducing the poverty in tribal through developing entrepreneurship, government of Karnataka has initiated four entrepreneurship development schemes for the purpose of self employment, industries and services, direct loan and, training schemes. Karnataka government has initiated self employment scheme for tribal unemployed candidates with an intention of making them financially self reliant through getting financial assistance from government to carry self employment activities which are profitable. For this purpose government fixed unit cost at Rs 50,000 initially (50 % margin money loan at 4 percent Interest and 50 % term loan at 6 percent interest) which is further raised to Rs 1,00,000 with maximum subsidy of Rs 35,000 and remaining in the form of term loan.

In addition to this government also offered one more scheme for tribal unemployed candidates to establish own business units either industrial or services with unit cost range from Rs 50,000 to Rs 1,00,000 which subject to 20 percent margin money loan, and subsidy of Rs 10,000 and remaining in the form of term loan. Along with NSTFDC and Karnataka government offered one more scheme in the form of direct loan to tribal unemployed persons to set up mini diary, tractor and trailer, Auto Rikshaws etc.

The cost of unit under the scheme is fixed in the two options first option is with cost of below one lakh and another is between one to ten lakh. Under below one lakh option subsidy is available at Rs 25,000 (Rs 10,000 before 2011-12), 20 percent margin money and remaining term loan. If unit cost is in between one to ten lakh then owner has to contribute five percent, government provides 20 percent as margin money loan and remaining 75 percent as term loan from financial institutions. Finally, government also provided training programmes for tribal to impart job oriented skills, but this programme is discontinued from its third year i.e from 2009. Therefore, funds spent and beneficiary's data during 2008-2017 is given below.



<b>Table 01-Progress of Tribal Entrepreneurship Development Scheme During 2008-2017</b>			
<b>Year</b>	<b>Funds Allocated Rs Crore</b>	<b>No.of Persons</b>	<b>Benefit Per Person Rs</b>
2007-08	6.37	3465	18384
2008-09	6.19	4695	13184
2009-10	6.28	4017	15634
2010-11	9.25	3515	26316
2011-12	4.21	1607	26198
2012-13	20.07	7030	28549
2013-14	29.86	7968	37475
2014-15	13.00	6000	21667
2015-16	15.42	4300	35860
2016-17	12.00	3392	35377
<b>Total</b>	<b>122.65</b>	<b>45989</b>	<b>258644</b>
<b>AVG</b>	<b>12.26</b>	<b>4598</b>	<b>25864</b>

It is observe from the above table that government has spent Rs 6.37 Crore for 3465 tribal i.e. Rs 18,384 per person during 2007-08. The total amount under the scheme is decreased slightly to Rs 6.19 Crore, in contrast number of beneficiaries increased to 4695 persons as result a drastic fall is observed in per person cost i.e. Rs 13184 during 2008-09. However, in 2009-10 the total amount increased slightly by nine lakh and reached to Rs 6.28 Core, in contrast number of benefited persons decreased to 4017 as result cost per person has increased to Rs 15634. In 2010-11 the fund under the scheme is increased to Rs 9.25 crore, but, benefited persons are decreased to 3515 due to low persons and huge funds, cost per person is increased substantially to Rs 26316. In immediate year the total funds fallen sharply to al time lowest i.e. Rs 4.21 Core which only half of previous year, similarly, benefited persons also very low during the period i.e. 16.07, as result cost per person is stood at Rs26198. In the next year (2012-13) the government has allocated Rs 20.07 Crore, similarly, the beneficiaries also increased substantially to 7030 and cost per person is also reported Rs 28549. The year 2013-14 is very significant due to allocation of all time highest funds i.e 29.86 Core for 7968 beneficiaries with spending of Rs 37475 per person which is all time highest during the study period. This indicates that during this year top priority of the government is development of tribal entrepreneurship in the State. This trend is not continued in the next year i.e. 2014-15 in which fund allocation is decreased to Rs 13.00 Cr with beneficiaries of 6000 and cost per person is Rs 21667. But in the next year fund amount is slightly increased to Rs 15.42 Cr , but beneficiaries are decreased to 4300, as result cost per person is stood at Rs 35860 person. Again in the year 2017-18 the funds amount is decreased to Rs 12 Cr with 3392 beneficiaries and cost per person is Rs 35377.

### **Tribal Ownership and Land Development Schemes**

Karnataka government initiated two major land schemes for tribal development. First scheme is aim at provision of two dry acres and one acre wet/garden land to land less tribal women laborers which make them owners of the land. The cost of each unit is not fixed in initial years, but, latter fixed at Rs 5 Lakh which is further increased to Rs 7.5 Lakh at 50 percent subsidy and 50 percent term loan. In addition to

this government also took development of existed land of tribal through provision of irrigation facility for small tribal farmers of the State. Under this scheme units cost is fixed at one lakh in initial years available Rs 86000 in subsidy form and remaining in term loans. Since 2012 the cost of unit is increased to Rs 1,50,000 which is further increased to Rs 2,00,000 from within two years, Similarly, the subsidy amount also increased to one and one lakh fifty thousand during this period. In recent years Karnataka government has extended this scheme to 114 new talukas which are recognized as most backward in the State. In the below table we presented the progress of tribal ownership and land development scheme during 2008-17.



<b>Table 02-Progress of Tribal Ownership Land Development Scheme During 2008-2017</b>			
<b>Year</b>	<b>Funds Allocated Rs Crore</b>	<b>No.of Persons</b>	<b>Benefit Per Person Rs</b>
2007-08	35.20	4706	74798
2008-09	85.24	4522	188501
2009-10	47.19	3388	139286
2010-11	56.59	5309	106593
2011-12	60.61	4741	127842
2012-13	87.50	3974	220181
2013-14	64.43	7816	82433
2014-15	102.88	4874	211079
2015-16	102.00	8565	119089
2016-17	101.20	5583	181265
<b>Total</b>	<b>742.84</b>	<b>53478</b>	<b>138906</b>
<b>AVG</b>	<b>74.20</b>	<b>5347.8</b>	<b>13890.6</b>

It is observed from the table above that under the land ownership and development scheme Govt of Karnataka has spent total funds Rs 742.84 Cr during ten years i.e. 2008-2017, and total tribal beneficiaries under the scheme are 53478 members. This also found that an average of Rs 1, 38, 906 spend per person during the study period. However, the year wise of progress of the scheme revealed that in 2007-08 government has spent Rs 35.20 Cr for 4706 beneficiaries which indicate Rs 74,798 per person. In the next year (2008-09) the amount has increased by more than two times to earlier year i.e. Rs 85.24 Cr, but less member of the scheme compared to previous year i.e. 4522 as result the cost of the scheme per person has increased to Rs 1,88,501. But, in the next year (2009-10) only Rs 47.19 for 3388 beneficiaries has spent and amount per son stood at Rs 1,39,286. In 2010-11 the allocated fund has slightly raised to Rs 56.59 Cr for 5309 persons at Rs 1,06,593 per person. In the year 2011-12 the fund amount is further increased to Rs 60.61 Cr for 4741 beneficiaries at per person cost of Rs 1,27,842. Similarly, even in 2012-13 the fund amount is raised to Rs 87.50 Cr, in contrast beneficiaries decreased to 3974 and cost per person is Rs 2,20,181. In the next year (2013-14) the total amount has decreased slightly to Rs 64.43, but number of beneficiaries are increased to 7816 as result the cost per person has fallen to Rs 82,433. In the year 2014-15 the total fund under the scheme reached to highest during the study period i.e. Rs 102.88 Cr which is in the same range in the next two years also i.e. Rs 102 and Rs 101.20 Cr in 2015 and 2016 respectively.

**Micro Finance Scheme for Tribal Women:** With an intention of fetching more tribal women out of below poverty line Government of Karnataka started provision of micro finance to Self Help Groups operating in Karnataka. Under this scheme finance to each group is fixed at Rs 5000, which is further extended to Rs 10,000 and Rs 15,000 in 2012 and 2014 respectively. Similarly, the subsidy amount is Rs 2500 initially which is further increased to Rs 5000 and Rs 10000 in 2012 and 2014 respectively during the study period. The excess of subsidy amount in the scheme is provided in the form of margin loan at 4 percent interest repayable in 36 installments. In the below table we presented the progress of Micro finance through SHG for tribal development during 2008-17.



<b>Year</b>	<b>Funds Allocated Rs Crore</b>	<b>No. of Persons</b>	<b>Benefit Per Person Rs</b>
2007-08	1.47	5134	2863
2008-09	1.35	2737	4932
2009-10	0.44	880	5000
2010-11	1.12	2248	4982
2011-12	1.22	1000	12200
2012-13	11.36	11365	9996
2013-14	8.05	7502	10730
2014-15	9.55	7200	13264
2015-16	6.00	3344	17943
2016-17	5.57	5578	9986
<b>Total</b>	<b>46.13</b>	<b>46988</b>	<b>9817</b>
<b>AVG</b>	<b>4.61</b>	<b>4698.8</b>	<b>981.7</b>

Above table clearly speaks financial assistance provided to number of tribal beneficiaries and fund allocated benefit per person under this scheme during 2008-2017. In 2007-08 government has spend Rs 1.47 Cr for 5134 members and benefit per person is Rs 2863. In 2008-09 the amount of fund has decreased slightly to Rs 1.35 Cr for 2737 persons with Rs 4932 per person benefit. In 2009-10 the scheme amount is reduced drastically to Rs 0.44 Cr for only 880 persons with Rs 5000 benefit per person, this is lowest amount during the entire study period. In 2011-12 under the scheme total Rs 1.12 Cr has spend for 2248 persons with benefit per person of Rs 4982. Similarly, in 2012-13 the fund amount of the scheme is raised to Rs 1.22 Cr for 1000 members with benefit per person of Rs 12,200. In 2012-13 the fund of scheme is raised to Rs 11.36 Cr which is highest during the entire study period for members of 1365 with benefit per person of Rs 9996. In 2013-14 the fund of the scheme is Rs 8.05 Cr for 7502 members with benefit per person of Rs 10,730. Similarly, in 2014-15 the amount of the scheme is raised to Rs 9.55 Cr for 7200 beneficiaries and benefit per person is Rs 13264. In 2015-16 the amount is fallen to Rs 6.0 Cr for 3344 beneficiaries in which benefit per person at Rs 17943 which is highest during the study period. In the last year of the study period the fund amount is Rs 5.57 Cr for 5578 beneficiaries at Rs 9986 per person. In overall, under the scheme total Rs 46.13 Cr allocated for 46988 beneficiaries with Rs 9817 benefit per person.

### **Findings and Suggestions**

1. During first three years of the study period i.e. (2008-2010) beneficiaries under development of tribal entrepreneurship scheme are increased significantly, but funds remains unchanged which caused to the fall in amount of benefit per person. In contrast in the next year 2010-11 funds increased significantly to 9.2 Cr for 3515 persons, therefore benefit per person under the scheme has increased significantly to Rs 26316. In contrast to this, in 2011-12 funds fallen sharply to half of previous years for only 1607 members which is lowest during entire study period under the scheme. In the next years government has recognized the need of more funds for tribal development and allocated all time largest funds for tribal during 2012-14 above twenty and less than thirty Crore and benefited persons also increased by two fold. But in the last three years again funds allocated for tribal is decreased as result beneficiaries also shown decreased trend. Overall, the entrepreneurship scheme is progresses with Rs 122.65 Crore (an average of Rs 12.26 Cr per year) with 45989 beneficiaries (an average of 4598 persons every year).
2. Funds allocated under land development scheme are four to five times much higher than funds allocated under entrepreneurship scheme similarly beneficiaries under scheme is also much higher than remaining two schemes. Karnataka government has spent lowest amount of Rs 35.20 core in 2007-08 and highest of Rs 102.88 Crore in 2014-15. The lowest tribal beneficiaries under the scheme are 3388 persons in 2009-10 and highest tribal are benefited in 2015-16 i.e. 8565. Benefit per person under the scheme is Rs 74798 in 2007-08 and highest is Rs 220181 in 2012-13. Overall, total Rs 742. Cr spent for tribal land ownership and development of land, and totally 53478 tribal members are benefited during the study period.



3. Under the scheme of micro finance for tribal women groups total Rs 46.13 Cr spent by the government during 2008-2017 for 46988 beneficiaries. Government has spent highest amount of Rs 11.36 Cr in 2011-12 and lowest amount in 2009-10 i.e. Rs 0.49 Cr. Similarly, highest number of persons benefited in 2012-13 i.e. 11365, in contrast lowest persons benefited in 2009-10. Overall, government has spent an average of Rs 4.61 Cr per year under this scheme for an average of 4698 members per year. Therefore, it is suggested to improve more beneficiaries by allocating more funds under this scheme which leads to reduction poverty of among tribal women.

### **Conclusion**

In over all, the study concluded that, Karnataka government has made good efforts to reduce poverty among tribal in the State through implementation of three different schemes during 2008-2017. They are focused on reduction of tribal poverty through developing entrepreneurship skills, development of land and ownership and finally by providing micro finance to tribal women. The study observed that government has spent huge funds under tribal land ownership and development schemes, after this sufficient funds allocated under entrepreneurship programme, finally very less funds allocated under micro finance scheme. Therefore, it is suggested to enhance for funds for micro finance and entrepreneurship programmes which increase employment opportunities and economic conditions of poor tribal which ultimately leads to bring them out of poverty.

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