

New Economic Strategies to Leave No One Behind: A Case Based on Himachal Pradesh of India

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Abstract

The tag line of the Sustainable Development Goals (SDGs) is to 'leave no one behind'. The basic thrust and need today is, if not eradicate, then at least take steps to alleviate poverty. The common goals given by the United Nations has been the most unique and mammoth achievement to which 193 countries, including India, pledged to work to attain the SDGs goals. Inclusive Sustainable Development depends upon the relief of poverty of the marginalised and the extremely poor. This is not to undermine the fact that the other indicators like health, education, clean water, environment and other SDGs can be ignored but the masses living in misery without a square meal a day cannot fathom life beyond the basic needs. The SDGs require rapid and absolute transformation of societies across the world to achieve the SDGs by 2030. The Government of India has initiated many programmes and as directed the states to formulate their budgets in alignment with the SDGs. The main purpose of this paper is to discuss poverty alleviation attempts initiated by the State of Himachal Pradesh in India. This study is mainly based on the secondary data. Himachal Pradesh has successfully maintained a balanced economic growth by minimizing the poverty rate through appreciable development results. The state managed to decrease poverty four times in between the years 1993-94 and 2011. In Himachal Pradesh, approximately 90 % of the population lives in the rural areas. It is commendable that the state has achieved a reduction in the rural poverty from 36.8% to 8.5%. This shows that the state has achieved the goals of SDG to a considerable extent and its

methods must be considered as good practices for the other developing nations.

Introduction

Poverty is not a singular but a complex fact because it has many related complexities. The marginalized sections of a society face problems like low income, unemployment, low life expectancy, illiteracy, and poor health (Selvaryan & Elango, 2004). There are no universally acceptable indicators to measure poverty. However, there are parameters like poverty head count and poverty gap which are accepted in the academics. Most students of public administration and international agencies believe that poverty is either absolute or relative. This implies that some populations are relatively poorer than others in terms of access to basic life amenities. (Kartar S., 1999). Statistics show that 800 million people of the world are extremely poor. The United Nation's reports show that one in five persons lives on less than USD 1.25 per day making poverty an extreme poverty, presents one of the most critical problems in the present (United Nations in India, n.d). There has been much debate on the impact of economic growth and structural transformation in developing countries on poverty. Amongst developing countries, India has conducted a number of surveys for tracking the living conditions.

This study highlights the status of poverty and economic strategies followed by the Government of Himachal Pradesh for poverty reduction with the aim to eliminate poverty by the end of 2030. The aim of the SDG Agenda 2030 includes the 'Sustainable Development Goal 1: No Poverty'. Hence, the broad objectives of the study are to:

1. Discuss the socio-economic profile of Himachal Pradesh to identify the levels of poverty in the state.

2. Discuss the Government initiatives for poverty reduction from the State by 2030 or earlier.

The problems faced by the government in reduction of poverty are numerous but overcoming them is the only way to increase the outreach of the benefits to the weak and marginalized sections of the society. The Himachal state has achieved a decline in the rural poverty significantly. This is a massive reduction in the level of poverty. Poverty alleviation efforts discussed in this study is a good example for other areas in India and elsewhere.

Literature Review

The 2030 Agenda for Sustainable Development is a plan that has been laid down by the United Nations concerning people, planet and property. Its objective is to establish world peace by eliminating poverty to attain sustainable development. Sustainable Development Goal No. 1 is – No Poverty resolved to free humanity from the tyranny of poverty to secure the planet Earth. (Transforming Our World: the 2030 Agenda for Sustainable Development, 2015). There are abundant challenges in this goal out of which the major one is *funding*. Many non-governmental organizations and civil society organizations are collaborating with the governments of developing and underdeveloped nations for the cause. The World Economic Forum encourages governments to include the civil society in this mammoth task. The second challenge is to find *committed manpower* to work in this field.

As in India and other countries, many cases have been registered against the civil society organizations not only for committing fraud by bringing in funds from external sources but also for misdirecting the funds. India did not encourage the civil society till 2017 because of the fraudulent activities of such

organizations. The Government of India promoted the participation of civil society organizations only after 2017.

The third major challenge that is faced by the Indian states in implementing schemes to reduce poverty is the *execution*. The appropriated funds for various schemes to attain this SDG are generally diverted to other causes and the basic amenities are again bereft of funds. Execution of the schemes requires the funds to be utilized for the initiatives to provide food, water and sanitation, sustainable employment and shelter.

The fourth challenge faced in this task is *monitoring and evaluation* of the schemes to make sure that the funds allocated for the purpose are making the scheme a success. The public officials become complacent and give in to *corruption* which is the fifth challenge. When monitoring becomes lax, corruption begins to grow. India ranks quite low in the corruption index and has to deal with the issues related to it. A major clean-up of the system to weed out the corrupt officials and organizations is in progress in India

An endeavour has been made to examine the existing literature on poverty. India's first Prime Minister, Jawahar Lal Nehru endorsed Mahatma Gandhi's goal of elimination of poverty (The Guardian, 2017). India has made poverty reduction its policy goal and a national priority. Poverty related planning process in India has been explicitly discussed in the book on Indian Economy (Gaurav & Ashwani, 2018). The world faces elimination of poverty as one of the gravest and the biggest challenges of all times. This study examines the goals of reduction of poverty within the framework of post-2015 Development Agenda and the Sustainable Development Goals (Qian-Qian Liu et al., 2015). On the basis of the above review of literature, the present study aimed to study

the economic initiatives taken by a hilly state of India, Himachal Pradesh, in leaving no one behind in keeping the SDGs as its policy guidelines.

Poverty Targets in SDGs 2030

The tagline of the SDGs is to 'leave no one behind'. The basic thrust today is, if not eradicate, then at least take steps to alleviate poverty. The common goals were identified by the United Nations to which 193-member nations, including India, pledged to work to achieve the goals of SDGs. The number of people living in poverty all around the world is humungous and all efforts being made to alleviate the problem appear to be miniscule although Himachal Pradesh has managed to break the vicious circle.

This is not to undermine the fact that the other indicators like health, education, clean water, environment and other SDGs can be ignored but the poor cannot think of a life beyond getting food to live. Attainment of SDGs can help the marginalised sections of the societies to come out of their misery. Absolute and rapid transformation of the societies around the globe can be possible by following SDGs, especially, SDG 01 – No Poverty.

Alignment of National Objectives with SDGs especially Poverty

India had a backward economy, when it got its freedom from the imperial powers in 1947, exhibiting several features namely, traditional and stagnant agriculture, poor technology and scientific technology, limited and lop-sided industrialisation, underdeveloped transport and communications, inadequate health and educational facilities and non-existent social security arrangements. India had to face poverty and unemployment which manifested itself in a low standard of living (Vaidehi, 2015). Consequently, India's gradual and watchful approach enhanced the domestic and global activities. This is also in

alignment with eradication of poverty with SDGs by bringing inclusive sustainable development.

Methodology

The study is based on the secondary data. It was collected from the published data of various governmental agencies and informal interviews with the different sections of the society. The central theme of the article is categorised into two-fold:

1. Alignment of national objectives, especially, poverty with Sustainable Development Goal (SDG) No. 1: No Poverty and
2. Alignment of objectives of the State of Himachal Pradesh with National Objectives.

Analysis and Discussion

The first part of the analysis presents the socio-economic profile including poverty status of Himachal Pradesh and the latter parts of the analysis discuss the poverty alleviation efforts of the state.

Socio-Economic Profile of Himachal Pradesh

Himachal Pradesh was carved out of Punjab on April 15, 1948, which was a centrally administered territory via an integration of thirty princely states. It was made a part 'C' State under a Governor in 1951. On January 25, 1971, Himachal Pradesh attained Statehood.

The Government of India has initiated many programmes as well as directed the States to formulate their budgets in alignment with the SDGs. Table No 01 shows the gender-wise population of India and its analysis is given thereafter:

Table 01: Population of India (Gender-Wise) (millions)

Population	1991	2001	2011
Total Population	84.6	102.9	121.9
Female	40.7	49.6	58.7
Male	43.9	53.2	62.3
Rural	62.9	74.2	83.3
Urban	21.8	28.6	37.7

Source: Government of India (2018)

It is evident in Table No. 01 that the population growth of India is steadily increasing at a faster speed, thus, reducing the gap in sex-ratio while the rural population is also improving. On the basis of the population of India by gender, the National Policy Estimates (% below poverty line) has been furnished in Table No. 02 and Table No. 03.

Table 02: National Policy Estimates (% below Poverty Line)

Year	Rural (%)	Urban (%)	Total (%)
1993-94	50.1	31.8	45.3
2005-05	41.8	25.7	37.2
2009-10	33.8	20.9	29.8
2011-12	25.7	13.7	21.9

Source: Government of India (2018)

Table 03: Poverty Gap Ratio in India

Year	Rural	Urban
2004-05	9.64	6.08
2011-12	5.05	2.70

Source: Government of India (2018)

Table No. 02 shows that the National Poverty Estimates in percentage has been declining since 1993-94, showing a downward trend. Rural as well as urban poverty ratio has also been declined. It can be derived from this data that the implementation of economic strategies and the political will is showing its results, which are in alignment with the goal of poverty-eradication by 2030. India has finally shed the differentiation of being a home to the largest number of poor populations in the world.

Physical Features

Himachal Pradesh is mostly a mountainous region with altitudes from 350 meters to 6995 meters above the sea-level. It is located between latitude 30° 22' 40" N to 33° 12' 40" N and longitude 75° 45' 55" E to 79° 04' 22" E. Its topographical structure is complex with a rich temperate flora in the sub-tropical latitudes. The physiographical structure of the States can be divided into five zones, namely;

- Wet sub-temperate zone
- Humid sub-temperate zone
- Humid sub-tropical zone
- Dry temperate-alpine highlands and
- Sub-humid sub-tropical zone.

The physical features of the state reflect how difficult it is to provide resources and benefits to the poor people at their doorstep and remains a big challenge in poverty-reduction.

Area and Population

The area of Himachal Pradesh ranges over an area of 55,673 square kilometres. The Census, 2011, states that the total population of the State is

68, 64,602 people with a density of 123 people per square kilometre. About 89.97 % of the population lives in the rural areas. The district-wise total population data and rural population in Himachal Pradesh are given in Table No. 04.

Table 04: District-Wise Total and Rural Population in Himachal Pradesh

District	Total Population	Rural Population	Percentage
Bilaspur	381956	356827	93.42
Chamba	519080	482972	93.04
Hamirpur	454769	423338	93.08
Kangra	1510075	1423794	94.28
Kinnaur	84121	84121	100.00
Kullu	437903	396512	90.54
Lahaul & Spiti	31564	31564	93.73
Mandi	999777	937140	75.26
Shimla	814010	612659	75.26
Sirmaur	529855	472690	89.21
Solan	580320	478173	82.39
Una	521173	476260	91.38

Source: Government of Himachal Pradesh (2015)

Economic Status in Himachal Pradesh

Sustainable work of the people and proactive policies of the government of Himachal Pradesh and the Union have achieved the status of a vibrant economy of India. (Government of Himachal Pradesh, 2018). This has given impetus and drive to the state to become the fastest growing economy in the country. The average growth rate of the economy is more than 6% during the

last few years. Hence, its per capita income is the second highest in the country.

Poverty Status of Himachal State

Poverty was one of the major problems of the Himachal Pradesh Government at the time of its formation. The State has made consistent and sustainable efforts to reduce poverty to less than a tenth of its population, Himachal Pradesh is one of India's prosperous States. Himachal saw a consistent decrease in the percentage of poverty reduction, especially, in the rural areas since 1994. The gap between rural and urban areas has narrowed considerably (World Bank, 2017). The decline of poverty (% of people below poverty line) in Himachal Pradesh is 8.06% (List of Indian States by poverty rate, 2013). Now, Himachal Pradesh ranks third with a very low poverty rate of 8.06%, while the national average stands at 21.92%. Goa and Kerela stand and first and second rank respectively above Himachal Pradesh. The current scenario of families living below poverty line has been depicted in Table No. 5.

Table 05: Number of Families Holding Ration Card

District	BPL Families	Antodaya	Total (Number)
Bilaspur	17567	12272	29839
Chamba	28887	29246	58133
Hamirpur	19415	12198	31613
Kangra	66636	42705	109341
Kinnaur	4302	1780	6082
Kullu	17498	7773	25271
Lahaul & Spiti	946	1245	2191

Mandi	44700	28091	72791
Shimla	29538	20979	50517
Sirmaur	17935	9985	27920
Solan	19126	12010	31136
Una	20548	11683	32231
Himachal Pradesh	287098	189967	32231

Source: Compiled from the office Records, Directorate of Food Supply and Consumer Affairs, Shimla.

Table No. 05 shows that the number of people holding a Ration Card (Card for getting subsidised grains) has been identified into two categories, that is, Below Poverty Line and Antodaya (Weaker sections of the society). These groups are entitled to get food grains from the Public Distribution System. The marginalized sections receive this benefit with a monitoring system and they are now free from starvation and malnutrition.

Economic Strategies for Poverty Reduction in Himachal Pradesh

It is imperative that the development programmes in Himachal Pradesh that led to an unsurmountable achievement of reduction in poverty is studied. They are given below:

1. Community Development Programme

The present schemes under Community Development Programme are based on the old concept of community development, given by Mahatma Gandhi. The aim of this programme is, as the name suggests, the upliftment of the community with the help of their collective participation. As per Madan (1983) the objectives of the Community Development Programme are:

- To modify the attitudes and goals of the community residing in the village;
- To cultivate reliable and receptive leadership, organizations and institutions in the villages;
- To foster self-reliance, responsiveness and participation people in the village;
- To assist the people in the village to augment their earnings via upgraded agricultural practices, existing village craft industries and arranging new ones; and
- To give, coordinate and help to women and their families to increase their income for better lives.

The government of Himachal Pradesh provides Grants-in-Aid to the local government under the programme for ‘Social Education’ and ‘General Education’ activities. Besides that, financial resources are also made available for infrastructural activities, strengthening and promoting Mahila Mandals (Women Groups) and organizing awareness camps for the non-officials. The Government of Himachal Pradesh provided a fund of the amount of Rs. 10241.53 lakhs during the year 2016-17.

2. National Rural Livelihood Mission (NRLM)

NRLM Scheme aims at strengthening and providing funds to the poor to achieve reduction in poverty by social mobility, institutions, capacity building, financial inclusion, saturation approach, skill generation and a portfolio of sustainable livelihoods. The Government of India has remodelled the Swaranjayanti Gram Swarozgar Yojna (SGSY) into National Rural Livelihood Mission with effect from April 1, 2013 (Government of Himachal Pradesh, 2018).

NRLM aims at mobilizing all the poor families into Self Help Groups (SHGs). It links the SHGs to sustainable livelihood opportunities and continues to do so till they are above the poverty line. The NRLM focuses on women empowerment to give coverage to their households. The female members are organised into SHGs at the village/block/district federations according to the guidelines provided by the Government of India.

Accordingly, the State Rural Livelihood Mission (SRLM) carries out its activities via participation of the rural poor. Identification of the poor by organising them into SHGs and linking them to banks and for sustainable microfinancing has been gainful for the state. The whole process of selection of the beneficiaries are approved by the Gram Sabha (Village General body). It is expected that NRLM would reach out to the entire State by the end of 2024-25. This is depicted in Table 6 given below:

Table 06: District-Wise Physical and Financial Targets of SHGs and Achievement for 2016-17

District	Target	Achievement	No. of SHGs Disbursed Credit	of Credit Target	Achievement
Bilaspur	160	164	88	185	190.93
Chamba	370	432	268	430	411.210
Hamirpur	245	243	93	300	230.86
Kangra	650	645	315	800	762.66
Kinnaur	60	73	20	80	60.00
Kullu	120	127	132	150	151.50
L& Spiti	45	17	9	60	8.00

Mandi	550	563	599	650	732.30
Shimla	480	449	296	580	586.06
Sirmaur	190	230	92	245	155.10
Solan	200	214	103	250	260.17
Una	210	315	121	270	225.58
Total	3280	3472	2136	4000	3774.37

Source: Government of Himachal Pradesh (2017)

Table No. 06 shows that the formation of SHG was achieved during 2016-17. Similarly, the credit target was also achieved during the period under review.

3. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

The Mahatma Gandhi National Rural Employment Guarantee Act came into existence through a notification by the Government of India in September, 2005. It became effective from February 2, 2006. This Act was implemented in three stages in Himachal Pradesh. Finally, the whole State was covered under the Scheme with effect from 01-04-2008. MGNREGS aims at the provision for the augmentation of employment in rural areas of the State, by giving 100 days of guaranteed wage employment, in a financial year to every household, whose adult members volunteer to do unskilled manual work (Government of Himachal Pradesh, 2018). The approved works under MGNREGS are public works in natural resource management, individual assets for vulnerable section, common infrastructure for NRLM compliant SHGs, rural infrastructure; and Individual assets. A total of Rs. 56272.23 lakhs were spent in 2016-17 under this scheme.

4. Pradhan Mantri Awas Yojna (Gramin)

The Pradhan Mantri Awas Yojna (Gramin) is a centrally sponsored scheme. The beneficiaries were given financial help of Rs. 1.30 lakhs provided for the construction of a house. Rs. 1405.30 lakhs were spent on this scheme during 2016-17 (Government of Himachal Pradesh, 2017).

5. Rajiv Awas Yojna (RAY)

The Himachal Pradesh government initiated a State sponsored scheme called RAY based on the model of the Government of India Scheme Pradhan Mantri Awas Yojana (Gramin). The beneficiaries under this scheme are identified under BPL Survey 2002. The per household cost under this scheme is Rs. 130 lakhs from 2016-17.

6. Mukhiya Mantri Awas Yojna (MMAY)

MMAY (a State Sponsored Scheme) is being executed following the model of the Government of India sponsored scheme of The Pradhan Mantri Awas Yojna (Gramin). The beneficiaries are chosen on the basis of BPL Survey 2002. Rs. 1.30 lakh per unit financial assistance to the selected beneficiaries.

Apart from this, Rajiv Awas Repair Yojna (RARY), a State sponsored scheme has been executed for the welfare of the general category of BPL families. An amount of Rs. 0.25 lakh is given for the repair of the house of the beneficiaries (Government of Himachal Pradesh, 2017).

7. Matri Shakti Bima Yojna (MSBY)

MSBY scheme was initiated to provide insurance to all women living below the poverty line within the age group of 10-75 years. Under this scheme, the family members/insured women in case of death or disability arising due to any kind of accident, surgical operations are provided financial relief ranging from Rs. 0.5 lakh to Rs. 1.00 lakh.

8. Watershed Development Programme

The Government of India issued new guidelines namely, “Common Guidelines for Watershed Development programme”, in 2008. The Government of India approved 163 new watershed projects worth Rs. 1259.958 crores for the development of 839972 hectares of rainfed areas in the State. The funding for these projects is done on a 90:10 ratio between the Centre and the State Government, respectively.

9. Swachh Bharat Mission (Gramin)

The programme ‘Swachh Bharat’ was started on October 2, 2014 to be completed by 2019 in the rural areas. The main goals of this programme are;

- Promotion of cleanliness, hygiene and eradication of open defecation to have a better quality of life
- Speeding up of the process of proper sanitation
- Adoption of sustainable sanitation practices
- Usage of economic techniques for ecologically safe and sustainable sanitation and
- Establishment of solid and liquid waste management system.

Clean environment will lead to an improvement in health and reduce the expenditure incurred on health expenses.

10. Public Distribution System

The Public Distribution System (PDS) has been incorporated as a part of a Minimum Needs Programme since 1987-88. It was initially, conceived of anti-inflationary and as an anti-poverty measure. Initially, this was introduced in urban areas but during the Seventh Five Year Plan, the PDS was extended in rural areas with a thrust to the Poverty Alleviation Programme. The purpose of this scheme is to provide essential goods at a controlled price. However,

this scheme is available in all the sections of the society in Himachal Pradesh. The quantity of food grains and prices are fixed for various sections of the society by the State Government from time to time.

Conclusion and Recommendations

The Government of Himachal Pradesh has taken serious initiatives to alleviate and ultimately eradicate poverty keeping the related policies in alignment. However, it was during the Fourth and Fifth Five Year Plans that initiatives had started with respect to poverty reduction. Economic reforms of 1991 in India changed the status of consistent growth in the State of Himachal Pradesh. The State has come a long way to attain the third rank in India since its organisation, when it matched the poor states like Bihar and Uttar Pradesh (QRIUS March, 2017). This study of the journey of Himachal Pradesh is a beacon for other States to emulate as the best practices in achieving the number one (no:01) of the SDGs.

The success story of Himachal Pradesh has been given its due credit at the national level and it is time that it is taken to an international level as a guide for other states to follow. The results of this study show that poverty can be reduced. All the indices show that the state has endeavoured hard to implement the schemes by overcoming challenges with the participation of citizens. The work of the executing staff of the schemes was monitored periodically by superiors to ensure that the benefits were received by the deserved and the vulnerable sections of the society.

Limitations and Future Research

The study highlights the status of poverty in Himachal Pradesh. However, the non-availability of data has hampered the exact interpretation of the causes

leading to a decline in poverty ratio. The practices which helped in reducing poverty in Himachal Pradesh could not be assessed scheme-wise. An attempt, has been made to study the Government's initiatives to reduce the poverty level in India, which is a big achievement for the state. Social and economic inequalities between states of India is at the forefront of the policy debate because of the perception that some people have been left behind (A Map of Inequalities in Countries, 2019). This throws the bigger question for other states of the country to understand the lapses in the implementation and monitoring of these schemes to reduce poverty by executing improved and new strategies. Therefore, mitigating inequalities between states needs to be studied in the future.

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