



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

## **FAO Regional Programme on Pro-Poor Policy Formulation Dialogue and Implementation at the Country Level**

### **Inception Workshop – India**

**14-15 December, 2007; New Delhi**

### **Report of the Workshop**

#### **1. Background**

Food and Agriculture Organisation (FAO) of United Nations in collaboration with International Fund for Agricultural Development (IFAD) has taken initiative to assist eight countries of Asia and the Pacific region for reducing poverty through enhanced institutional capacity to analyse, formulate and implement pro-poor agricultural and rural development policies. The objectives of the programme are:

- (a) build capacity of key government agencies in the analysis, formulation and implementation of pro-poor policies in agricultural and rural development;
- (b) promote sharing of experiences and lessons learnt on successful pro-poor policies among the Participating Countries through a knowledge network; and
- (c) promote greater participation by the civil society and private sector in pro-poor policy dialogue and advocacy.

1.2. As a part of this programme, an Inception Workshop was organized by the Department of Agriculture and Cooperation in collaboration with FAO and institutional support of National Centre for Agricultural Economics and Policy Research (NCAP) and Agricultural Economics Research Association (AERA) at New Delhi on 14 and 15 December, 2007 with a view to interact with the institutions of government, non-government and private sectors to synthesize the pro-poor policies in

the country and identify the theme areas for further work as part of the overall programme.

#### **2. Objectives of Workshop**

2.1. The objectives envisaged in the FAO's regional programme for the Inception Workshop were the following:

- Identify, discuss and prioritize 3-5 top policy or thematic areas related to agricultural and rural development where more detailed investigations and analyses are needed to formulate appropriate pro-poor policies for implementation.
- Form working groups and identify a Coordinator (agency or individual), and assess the need for financial and technical support from the project to conduct detailed investigations and analyses on each of the thematic areas.
- Draw a detailed plan of action and activity schedule for implementing the project activities at the country-level.
- Plan activities towards establishing a country policy network which will provide physical and electronic (email/internet) forums for national partners and other stakeholders to share their views on various policy issues.

#### **3. Programme Schedule and Brief Proceedings**

3.1. Keeping in view the objectives and the significance of extended dimension of various policy

measures, having direct as well as indirect pro-poor orientation, the Inception Workshop was structured in five technical sessions covering (a) Concepts and Measurement of Poverty, (b) Policy and Programmes for Poverty Alleviation, (c) Poverty and Development – Analytical Interferences, (d) Field Experience – Public and Private, and (e) Identification of Theme Areas.

3.2. The Workshop was inaugurated by Dr Subhash Pani, Secretary, Department of Rural Development, Govt. of India and the Key-note Address at the inaugural session was delivered by Dr Mangla Rai, Secretary, Department of Agricultural Research and Education (DARE). The orientation of the FAO programme was provided by Dr Hari K. Upadhyaya, FAO Policy Facilitator, and the perspective of the workshop was provide by Dr S.M. Jharwal, Principal Adviser, Department of Agriculture and Cooperation (DAC), which is the National Focal Point for the programme. The panel discussion in the valedictory session was chaired by Dr Proban Sen, Chief Statistician of India and Secretary, Ministry of Statistics and Programme Implementation. The salient issues deliberated during the technical sessions are as follows:

### **3.3. Issues Concerning Concepts and Measurement of Poverty**

3.3.1. The session chaired by Dr Arvind Virmani, Chief Economic Adviser, Ministry of Finance, had two papers by Mr K.L. Dutta (Planning Commission) and Dr Amresh Dube (National Centre for Applied Economic Research), discussing the concept and measurement of poverty. The official poverty line is derived on the basis of monthly per capita consumption following the guidelines set by the Task Force on Projections of Minimum Needs and Effective Consumption Demand (1979). Over the years, there has been gradual decline in the poverty. However, there are several issues concerning the measurement of poverty which are cited for the perpetuating incidence of poverty, despite accelerated growth of overall economy. There are opposite trends in the measurement based on head count ration (HCR) and calorie deficiency. The relationship between the unit value of consumption

in the poverty line and the commodity price indices were also found to be controversial.

3.3.2. The basis for measurement of poverty is nearly three decades old. During this period, the expenditure profile as well as the consumption basket has undergone a change. The indicators of food insufficiency are also not consistent with the poverty indicators. Further, the existing measurement practice does not address the issues of inequality and rural-urban divide. There is ambiguity in the definition of rural and urban. Moreover, it is also important to take into account the context in which poverty has to be seen, whether on the basis of consumption or income or wealth. The assessment of wealth is also a problem-area since the valuation of different assets (such as land) is disproportionate over a period of time. Considering these issue, the Planning Commission of India has already set up a working group to look into the measurement of poverty.

### **3.4. Issues on Policy and Programmes for Poverty Alleviation**

3.4.1. The session chaired by Dr D.K. Marothia had four presentations covering wide ranging issues on Anti-Poverty Programme (Dr N.K. Sahu, Department of Rural Development), Policy Framework for Poverty Reduction (Dr P.K. Joshi, Director, NCAP), Marketing Intervention as Farmers Safeguard (Dr Alok Ranjan, Managing Director, National Agricultural Cooperative and Marketing Federation) and Insurance and Risk Management (Shri Satish Chandra, Joint-Secretary, DAC).

3.4.2 The poverty alleviation has remained one of the core agenda of the policy exercise since independence and various programmes have been initiated in the past for this objective. Beside these programmes, which may be categorized as the direct programmes for poverty alleviation and food security, there are various other programmes having indirect pro-poor orientation. The direct programes for poverty alleviation are generally the rural development programmes aiming at employment generation and local area development. The transfer of cash and foodgrains to poor in exchange of gain-full employment is the main characteristic of these programmes.

3.4.3. Beside these, there are numerous development initiatives aiming at augmentation of farm income, labour productivity, reducing cost through subsidy, safeguarding price and market risk, market reforms, management of risk, human capital formation through public health scheme and universalization of elementary education, etc. are being implemented. The 73<sup>rd</sup> amendment of Constitution has empowered the Panchayat Raj Institutions at the grass-root level.

### **3.5. Issues on Poverty and Development – Analytical Inferences and Field Experiences**

3.5.1. The session on Poverty and Development – Analytical Inferences was chaired by Mr S.K. Sinha, Director General, National Sample Survey Organisation). The analytical inferences in the session covered the Impact of Anti-Poverty Programme (Prof. Shaik Galab, Centre for Economic and Social Study), Agriculture and Poverty Reduction (Dr R.S. Deshpande, Institute for Economic Change), Rural Economy Diversification for Poverty Reduction (Dr Rajiv Mehta, DAC) and Role of Public Distribution System (Mr Sanjay Kaul, National Commodity and Derivative Exchange). The penultimate session on field experiences was chaired by Mr P.K. Basu, Additional Secretary, DAC. Presentations on Knowledge Management in Food, Agriculture and Nutrition (Dr Gopi N. Ghosh, FAO IN), Public Private Partnership for Reduction in Rural Poverty (Dr Tushar Pandey, Yes Bank), Bridging the Knowledge Gap for Reducing Poverty (Mr M.J. Chandregowda, DAC) and Field Experiences of Implementation of Anti Poverty Programmes (Mr G.C. Pati, DAC).

3.5.2. The poverty is the outcome of multiple deprivations of income, assets, amenity, safety-net and capacity to interact with state institutions and the society. However, even after five decades of planned development, the institutional delivery mechanism needs further meaningful improvements for denting the rural poverty at a faster pace. Development of agriculture continues to be important for containing the poverty. The experiences of e-Choupal, Gujarat Milk Cooperatives and other PPP highlight the importance of business development in agriculture for poverty reduction.

3.5.3 But, agriculture will not be able to resolve the problem of poverty in entirety. Due to the high dependence of large population on agriculture and shrinking share of agriculture in the overall GDP, rural economic diversification is the need of the hour to tackle the menace of rural poverty. It is important to have analytical inferences of Rural non-Farm Employment (RNFE) in poverty reduction and to have RNFE a prominent pro-poor policy agenda. In this endeavour, the role of institutions of marketing, credit, and inputs and of supporting institutions like government departments, banks, panchayats and NGOs remains important to address the needs of the poor. It also needs bridging the skill and knowledge gap as well as proper synergy/convergence of support services and programmes.

3.5.4. In this context, the recent initiative by the government in the form of National Policy for Farmers, 2007, aiming to improve economic viability of farming by enhancing net income of farmers, thereby improving economic condition of farmers was acknowledged.

### **3.6. Proposed Theme Areas for Further Work**

3.6.1. The session on identification of theme areas was chaired by Dr Pronab Sen, Secretary, Statistics, and the panelists were : Dr S.M. Jharwal, Dr Hari K. Upadhaya, Dr D.K. Marothia, Dr P.K. Joshi and Dr M.C. Purohit. The synthesis of the workshop was presented by Dr Rajiv Mehta.

3.6.2. The panel discussion covered the wide ranging issues on constraints of agrarian economy in addressing poverty, its inter-linkages with rural non-farm employment, concentration of poverty in the regions, importance of biodiversity and diversified agriculture, infrastructural constraints, digital divide, knowledge/education/skill gaps, system inertia, natural resource management, role of institutions, food management and public distribution system and weaknesses in implementation of policy. While addressing the pro-poor issues, it is necessary to consider the problem of chronic poverty, that has been stubbornly persisting in certain regions.

3.6.3. The workshop evolved following Four Theme Areas for furthering the programme:

1. The Rural Economic Diversification and Rural Non-Farm Employment was identified as the

most important area for addressing the problem of rural poverty, particularly amongst the farm households. Currently, there is no specific policy framework for RNFE and only a limited analytical work has been done in this field. A synthesis of RNFE and its inter-linkages along with its effects on rural poverty should be formulated and a clear policy framework needs to be suggested. Contextual to the aforesaid, the status of skill development and institutional delivery also needs a policy analysis.

2. Infrastructure is considered to be a growth driver. However, the infrastructure divide between the growth centre and the vast geographic space is evident. There is need to have a comprehensive policy review of infrastructure with pro-poor orientation, including ICT coverage and its use in a more comprehensive manner.
3. The Grain Management and the Public Distribution System, which have played a pivotal role in enhancing the food security and meeting the calorie needs in the past, have come under sharp criticism. This needs to be revisited for providing a policy direction.
4. Policy Analysis of Inter-linkages of Institutions, Programmes and Governance for addressing the prevalence of chronic poverty is considered necessary. The analysis would focus on the areas and socio-economic groups suffering from chronic poverty.