



Critical Analysis of Social Re-engineering for Socio-economic benefits for the BPL people for progressive India

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Abstract: The study analyses the impact of Social Re-engineering on the upliftment of the poorer section of the society in both rural and urban areas in India. For this purpose, 10 urban households from Mumbai suburban and 10 rural households from adjacent villages are selected. The households have been chosen based on the receipt of any social benefit for the income augmentation. The monthly per capita expenditure of selected households in both urban and rural area before and after receiving any social benefits are tabulated. As per the latest poverty line expenditure of Rs 32 for rural households and Rs 47 for urban households, it is analysed how social benefit programs of the Govt. has affected the poorer section of the society. The research uses statistical techniques such as paired t-test to examine the change in the expenditure pattern for both rural and urban areas. The study has found that the average per capita expenditure of rural families before any social benefit stands at 21.6. This figure stands at 28.7 after receiving social benefits by the govt. This indicates the improvement of the living standards of rural households in general in terms of spending capacity. However, the sample average per capita spending after receiving benefit does not cross the Rs 32 threshold level of rural poverty line. However, it is interesting to observe that the variability has increased in the spending pattern post benefit characterized by the S.D value of 9.4, as compared to 5.4 before receiving any benefit. This points out that the spending pattern among rural households varies much after receiving benefits. It can be explained by the tendency of spending for some and saving or capital accumulation by others. This spending improvement is also supported by the t-value, which corresponds to a p-value <0.01 , thus leading to the conclusion that the value is significant at 1% level. So, the null is rejected and the alternative hypothesis that there is significant difference between the expenditures of rural households before and after Social Benefit program is accepted. The average per capita expenditure of urban household stands at Rs. 42 before receiving any social benefit, which was below the urban poverty line. The figure stands at Rs. 53 for urban households after the social benefit coverage. It shows a quantum leap across the poverty line for the urban poor and successful transformation of the economic profile of the selected households. Although the families had a higher variability in spending before any social benefits, marked by the S.D value of 9.9, the urban households show a more consistent spending pattern post receiving social benefits. The S.D value in this case lies at 6.7. The t-value corresponds to a p-score less than 0.01, which indicates significance at 1% level. This leads to the rejection of Null and acceptance of Alternative Hypothesis that there is significant difference between the expenditures of urban households before and after Social Benefit program.

Key Words: Social Inclusion, Marginalized section, BPL, Inequality, Spending Pattern, Earning Capacity.

1. INTRODUCTION:

India is classified as a developing country with stark disparity in income distribution. As per the latest report, around 22% Indian population lies below the poverty line. However, in lines with the international criteria of per capita daily income of lesser than Rs 150 in Purchasing Power Parity terms, India has around 12.4% cases of extreme poverty. Regardless of the figure, the poverty characterized by the earning and spending capacity below the sustenance level hinders the basic necessity of food, shelter, clothes in an abundant manner. These people are also deprived of proper education and health care facilities. The Sustainable Development Goal pledges to eradicate poverty and ensure food security for all with the deadline of 2030. All the nations worldwide are working towards realizing the target with various interventions for the betterment of the marginalized communities of the society. India is not an



exception. India also pledges to fulfil the SDG and working progressively in this direction through Social Re-engineering and equitable distribution.

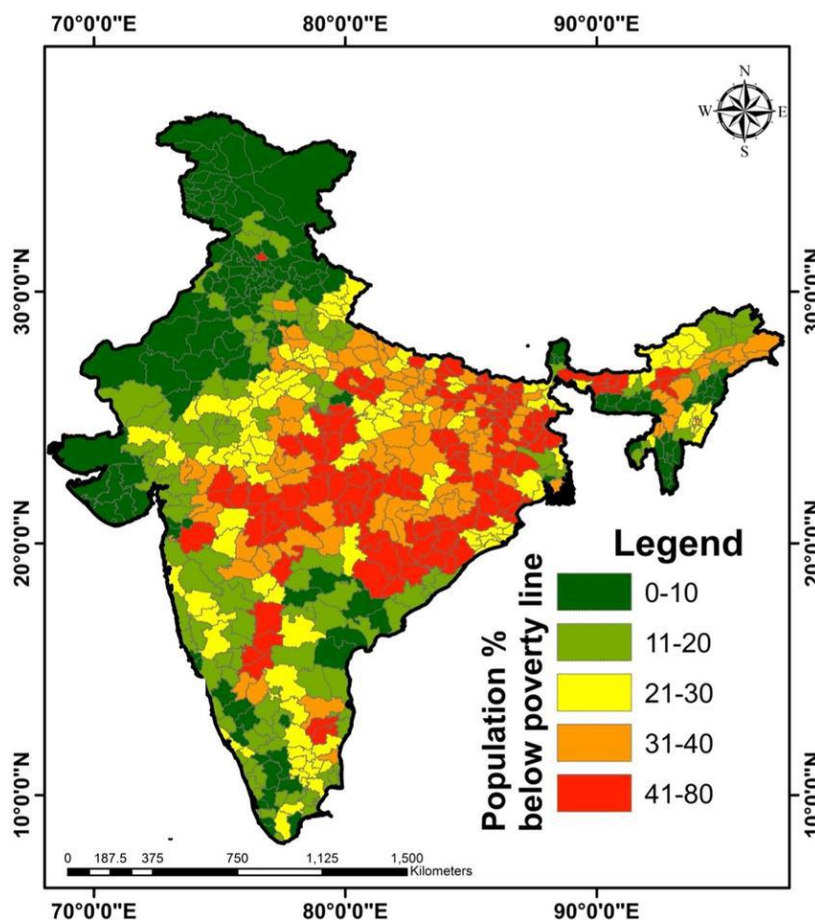


Figure 1: Percentage of Population below Poverty Line in India

Social Re-engineering is the process of providing various facilities and income augmentation support to the marginalised section to enable them to enhance their earning capacity and capitalize the benefit for livelihood generation. State, NGOs and Private firms through CSR activities play a crucial role in social re-engineering. It not only relates to the economic benefit but also change in social outlook and behavioural changes with respect to the marginalized communities to help bring into the mainstream affluence of the society.

2. REVIEW OF LITERATURE:

Ghosh (2010) brought out in his research that mere poverty reduction does not lead to the social inclusion of poor. Poverty, in his view, lies more in the mindset of the poor rather than being an economic condition. His research on the poor of India and China has highlighted that both the countries have been gradually reducing the poverty in their society but the social deadlock in their inclusion is yet to be materialized in a satisfactory manner.

Stuart and Lavers 2014 stressed on the factor that the poverty reduction should be accompanied with the ability of the poor to be incorporated into the society irrespective of religion, class, caste and gender. They focused on holistic upliftment of poor to grow their potential not only in economic terms but also in social terms.

Coraggio, Jose Luis. 2015 highlighted the importance of the improvement of health and education among poor to enable them get rid of the clutches of the poverty. Along with the reduction of poverty, they stressed on the initiatives to reduce inequality in the society and strengthening the economy can plunge the gap in the demographic and social scenario.

Subbarao et al. 2012 studied on Ethiopian Food Security Program and found that the State-run labour-intensive social employment scheme and direct benefits to disabled, orphans and aged persons have enabled poverty reduction to a greater extent. However, the outreach of the program in realizing the social inclusion was still questionable.

McCarthy, John. 2010 propounded that social inclusion in general may not benefit the poor. The term to which the social inclusion to be attained should be reached first. The poor not always desire the social inclusion, rather focusing



on merely the sustenance. There should be proper social framework along with economic justification of the social acceptance with the endeavour to sprout the idea of social inclusion on the grassroot level.

3. OBJECTIVES OF THE STUDY:

- To examine the spending pattern of rural and urban BPL population in India.
- To weigh the impact the social benefits program might have on the economic profile as well as the living standards of the marginalized section in both rural and urban areas.
- To judge the success of the Social Re-engineering in bringing the poorer section of the society above the poverty line.

4. RESEARCH METHODOLOGY:

4.1. Data Collection: For the purpose of the study, 10 urban households from Mumbai suburban and 10 rural households from adjacent villages are selected. The average per capita monthly expenditure data of each household has been recorded. The households have been chosen based on the receipt of any social benefit for the income augmentation. For the rural are such benefits accrued to the households based on direct benefit support to farmers through PM-KISAN or equivalent scheme, fertilizer subsidy, Cooking Gas subsidy through UJJWALA Scheme, support for Micro units, old age pension etc. For the urban area, social benefits in the form of Street Vendor assistance through PM-SVANIDHI scheme, subsidized foodgrain, medical assistance through AYUSHMAN Bharat, livelihood assistance through DAY-NULM and MUDRA Loan are recognized.

4.2. Research Approach: The monthly per capita expenditure of selected households in both urban and rural area before and after receiving any social benefits are tabulated. As per the latest poverty line expenditure of Rs 32 for rural households and Rs 47 for urban households, it is analysed how social benefit programs of the Govt. has affected the poorer section of the society. The research uses statistical techniques such as paired t-test to examine the change in the expenditure pattern for both rural and urban areas. In this regard, 2 pairs of hypotheses have been constructed.

Ha0: There is no difference between the expenditures of rural households before and after Social Benefit program.

Ha1: There is significant difference between the expenditures of rural households before and after Social Benefit program.

Hb0: There is no difference between the expenditures of urban households before and after Social Benefit program.

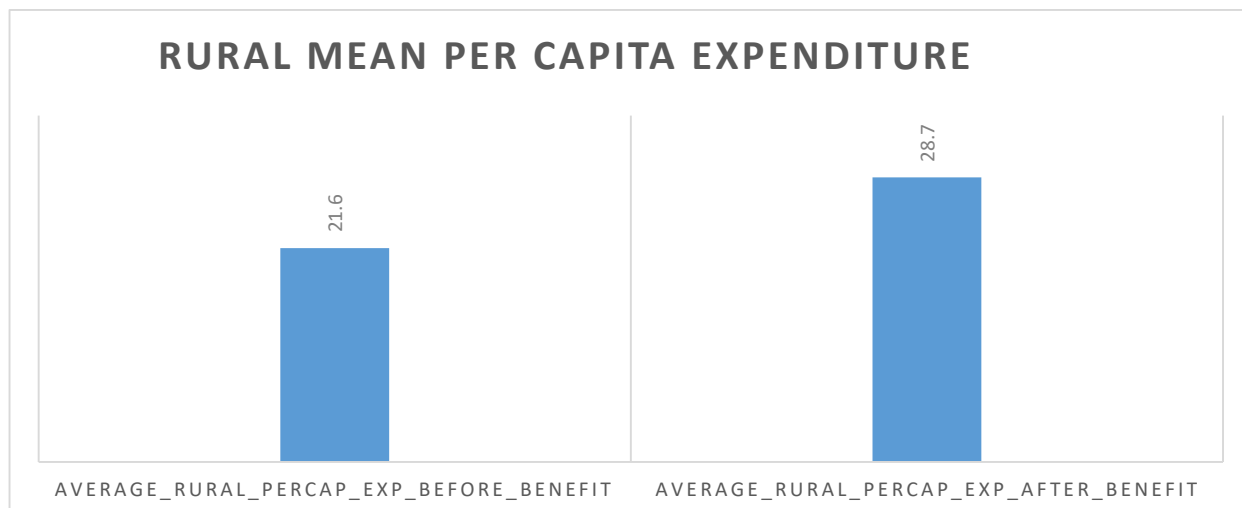
Hb1: There is significant difference between the expenditures of urban households before and after Social Benefit program.

Where, H0a and H0b are the Null Hypotheses and H1a and H1b are Alternative hypotheses.

The level of significance for the paired t-test is considered to be 5%.

5. DATA ANALYSIS:

5.1 Rural Households:



Graph 1: Rural Mean Per Capita Expenditure



Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Rural_PerCap_Exp_Before_benefit	21.6000	15	5.40899	1.39659
	Rural_PerCap_Exp_After_benefit	28.7333	15	9.34625	2.41319

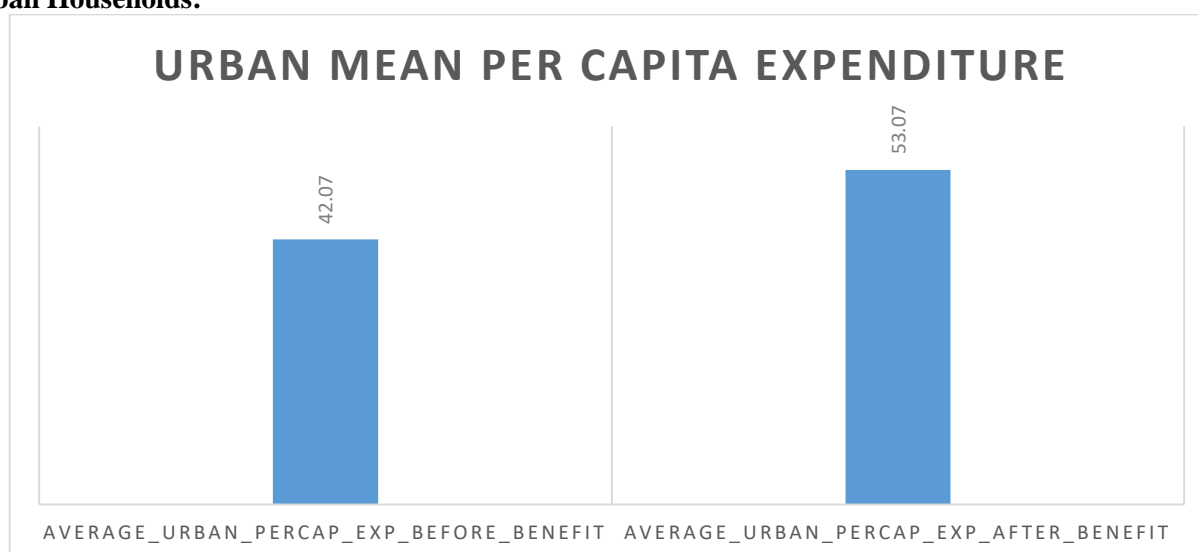
The study has found that the average per capita expenditure of rural families before any social benefit stands at 21.6. This figure stands at 28.7 after receiving social benefits by the govt. This indicates the improvement of the living standards of rural households in general in terms of spending capacity. However, the sample average per capita spending after receiving benefit does not cross the Rs 32 threshold level of rural poverty line. However, it is interesting to observe that the variability has increased in the spending pattern post benefit characterized by the S.D value of 9.4, as compared to 5.4 before receiving any benefit. This points out that the spending pattern among rural households varies much after receiving benefits. It can be explained by the tendency of spending for some and saving or capital accumulation by others.

Paired Samples Test

		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	Rural_PerCap_Exp_Before_benefit - Rural_PerCap_Exp_After_benefit	-7.13333	4.85308	1.25306	-9.82088	-4.44579	-5.693	14	.000

This spending improvement is also supported by the t-value, which corresponds to a p-value <0.01, thus leading to the conclusion that the value is significant at 1% level. So, the null is rejected and the alternative hypothesis that there is significant difference between the expenditures of rural households before and after Social Benefit program is accepted.

5.2 Urban Households:



Graph 2: Urban Mean Per Capita Expenditure



Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Urban_PerCap_Exp_Before_benefit	42.0667	15	9.90286	2.55691
	Urban_PerCap_Exp_After_benefit	53.0667	15	6.73442	1.73882

The average per capita expenditure of urban household stands at Rs. 42 before receiving any social benefit, which was below the urban poverty line. The figure stands at Rs. 53 for urban households after the social benefit coverage. It shows a quantum leap across the poverty line for the urban poor and successful transformation of the economic profile of the selected households. Although the families had a higher variability in spending before any social benefits, marked by the S.D value of 9.9, the urban households show a more consistent spending pattern post receiving social benefits. The S.D value in this case lies at 6.7.

Paired Samples Test

		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	Urban_PerCap_Exp_Before_benefit - Urban_PerCap_Exp_After_benefit	-11.00000	8.04452	2.07709	-15.45491	-6.54509	-5.296	14	.000

The t-value corresponds to a p-score less than 0.01, which indicates significance at 1% level. This leads to the rejection of Null and acceptance of Alternative Hypothesis that there is significant difference between the expenditures of urban households before and after Social Benefit program.

6. CONCLUSION & SUGGESTIONS:

The study has brought us to the following conclusions:

- The average per capita spending has increased after receiving any social benefit from the Govt. Such a benefit helps in their income augmentation and thereby raising their spending capacity. However, such benefits did not have that much effect to help rural poor cross the poverty line in general.
- The living standards of urban poor are comparatively highly impacted by the income augmentation driven by the social benefit coverage. It has successfully helped them to cross the urban poverty line with respect to the sample concerned.
- The rural households show higher variability in spending pattern following the social benefit support. This underpins the mismanagement of financial resources and lack of proper awareness and education on the behalf of rural marginalized sections.
- The urban poor show higher consistency in spending following their coverage under the ambit of social benefit programs. They tend to have greater awareness on management of financial resources as compared to their rural counterparts.

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