



ISSN: 0976-3031

Available Online at <http://www.recentscientific.com>

CODEN: IJRSFP (USA)

International Journal of Recent Scientific Research
Vol. 10, Issue, 05(C), pp. 32318-32321, May, 2019

**International Journal of
Recent Scientific
Research**

DOI: 10.24327/IJRSR

Research Article

POVERTY ASSESSMENT AND ALLEVIATION PROGRAMMES IN INDIA

Dr. G. Kavitha

Economics S.T. Hindu College, Nagercoil – 629 002

DOI: <http://dx.doi.org/10.24327/ijrsr.2019.1005.3444>

ARTICLE INFO

Article History:

Received 4th February, 2019

Received in revised form 25th
March, 2019

Accepted 23rd April, 2019

Published online 28th May, 2019

Key Words:

Alleviation, Assessment, Development,
Disparity, Initiative, Literacy,
Multidimensional, Poverty, Rural, Urban.

ABSTRACT

In the last decade, India has experienced strong and sustain economic growth. A new data suggest that about 900 million people lived in extreme poverty. For every 1000 babies born in India, in 2016, 43 died before their fifth birthday. By adapting sustainable development goal, the world bank group target to bringing down the number of people living in extreme poverty to less than three percent of the world population by 2030. Many causes of poverty is discussed in this article. India has a long history of assessment of poverty and various assessment methods are used by planning commission is being explained clearly. To eliminate poverty, the government of India take many efforts and introduced various schemes for poverty alleviation also discussed. Poverty is a historical reality in India. Poverty is not a divine curse, but a human

Copyright © Dr. G. Kavitha, 2019, this is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

Poverty is the condition of people whose basic needs for food, clothing and shelter are not being met^[1].

In the last decade, India had experienced strong and sustained economic growth. The Gross Domestic Product (GDP) growth expanded at an annual average rate of 7.3 percent between 2011 and 2018 making it one of the fastest growing countries^[2].

A new data suggests that about 900 million people (12.8 percent of the global population) lived in extreme poverty. Despite home to the largest number of poor in 2012, India's poverty rate is one of the lowest among those countries with the largest number of poor. - *The latest world bank report*.

A Brooking study published in June – 2018 gives a highly optimistic status of Indian poverty. It says that now "*Nigeria is home to the largest number of global poor not India*".

In the end of May – 2018, 87 million people lived in extreme poverty in Neigeria compared with 73 million in India. It also estimated that around 44 Indians come out of extreme poverty every minute, while Nigeria pushes 6 people in to extreme poverty each minute. The measure of extreme poverty is world Bank's 1.9 dollar per day yardstick^[3]. In 1947, when English left India, they left 70 percent Indians in deep poverty and a tiny elite class that controlled everything. Despite the multifold

increase in population, over six decades later in 2011-2012 poverty is down to 21 percent. However this 21 percent poverty dimension means a huge headcount in a country of 130 crore population^[4]. Casual agriculture labour is the largest group that is stuck in poverty in India – *Data from the socio economic caste censuses*.

The world had 872.3 million people below the poverty line. For every 1000 babies born in India in 2016, 43 died before their 5th birthday – *A world bank report*.

Despite achieved satisfied economic growth in India, 25 percent of the nation's population earns less than the government specified poverty threshold of Rs.32/day^[5]. In India, one in four multidimensional poor people are under 10 years of age. In 104 primarily low and middle income countries, 662 million children are considered multidimensional poor. In 35 countries 50 percent of the children are poor^[6]. By adopting Sustainable Development Goals, the world bank group has set it self, seeking to end all forms of poverty world over and target to bringing down the number of people living in extreme poverty to less than 3 percent of the world population by 2030^[7]. Poverty is a historical reality in India. Our father of the nation 'Mahatma Gandhi' said '*Poverty is not a divine curse, but a human creation*'. Therefore the poverty of our country is to be removed by our strong initiative.

*Corresponding author: **Dr. G. Kavitha**

Economics S.T. Hindu College, Nagercoil – 629 002

Causes of Poverty in India

High Population Growth - According to Malthus theory, currently India going through second phase means, high birth rate low death rate. The fertility rate of the lower income group is high and the death rate has reduced due to health advancement. This leads to uncontrolled increase in birth rate of low income group and forcing them to remain poverty.

Un Employment – Development of agro industries after green revolution did not provide jobs to all unemployed. This jobless situation make very low income which leads to poverty.

Corruption –The ministers and government. officials who are corruptive, keeping the developing funds for public to themselves. While checking many minister’s and officer’s income growth jumps multifold.

Disparity of wealth Distribution – The gap between the rich and the poor is widening. The rich are getting richer while the poor becomes poorer. This leads to concentration of wealth and resources in the hands of few. This make the holes in Indian economy^[8].

Social obligation – The people spend a lot of money on the social occasions like marriage dowry and gift to relative/friends and family functions which are no use and to meet this expense they avail loan which they have to pay interest that leads to poverty.

Unskilled workers paid very less wage – So they are unable to meet their family needs and children’s education, health and which leads to poverty.

Price rise – No proportionality between income increase and price increase of basic goods which put pressure on these poor people. Thus pushes them in to poverty.

Poor management of resource - India has lot of natural and human resources but those are not maintained and utilized properly.

Large family dependent on a single person – Only men are contributing to the GDP, so per capita income will decreases and economic growth also less.

Caste system – are major cause for poverty in India since the lower caste people are the ones who mostly live under poverty.

Illiteracy – Those people living under absolute poverty are illiterate, thus it reduces their possibility of coming out of poverty.

Populist schemes - Economic policies that revolve around populist welfare schemes constructed upon wasteful subsidies and other measure of price controls cause irreversible damage to the economy.

Climatic factors – Frequent flood, famine, earthquake and cyclone cause heavy damage to agriculture. More over absence of timely rain excessive or deficient rain affect severely country’s agriculture production^[9].

Agriculture sector - Even though India is the seventh largest exporter of agriculture products, most of the farmers could somehow just manage to stay above poverty line. Agriculture sector is the primary source of income for rural India. With

agriculture sector in dire state, the major source of incomes also disappeared, exposing people to poverty and exploitation.

Various Assessment of Poverty Line in India

India has a long history on the assessment of poverty. The poverty estimation method used by the planning commission was made by various experts such as Alagh committee in 1979, Lakdawala committee in 1993, and Tendulkar committee in 2005.

In 2012, the government of India appointed an expert committee charied by Dr.C. Rangarajan, to review the method of poverty estimation.

Unlike the previous committees the Rangarajan committee make separate poverty line basket for rural and urban areas. Based on their report, monthly per capita consumption expenditure of Rs. 972/- per month for rural and Rs. 1407/- per month for urban areas is fixed as the poverty threshold at the all India level. Assuming a five member family, the expenditure of Rs- 4860/- per month in rural and Rs. 7035/- per month in urban households fixed as poverty threshold. household fixed as poverty threshold. The expert group estimated that 363 million people were lived Below Poverty Line (BPL), means 30.9 percent of rural population and 26.4 percent of urban population were below the poverty line in 2011-12. The all India ratio was 29.5 percent in 2015.

In India a common method used to estimate poverty is the income or consumption level. If the income or consumption falls below a given minimum level, then the family is said to be below the poverty line. The present formula for estimating poverty in India is based on a desired calorie requirement of 2400 calories per person in rural, 2100 calorie per person in urban areas and 2250 calorie for overall India.

Table showing the National poverty estimates (percentage below poverty line)

| Year | Rural | Urban | Total |
|---------|-------|-------|-------|
| 1993-94 | 50.1 | 31.8 | 45.3 |
| 2004-05 | 41.8 | 25.5 | 37 |
| 2009-10 | 33.8 | 20.9 | 29.8 |
| 2011-12 | 25.7 | 13.7 | 21.9 |

Source: Press Note on poverty estimates 2011-12, Planning commission of India

Internationally an income of less than 1.90 dollar per day per head of purchasing power parity (PPP) is defined as extreme poverty. By this estimate about 21.2 percent of Indians are extremely poor.

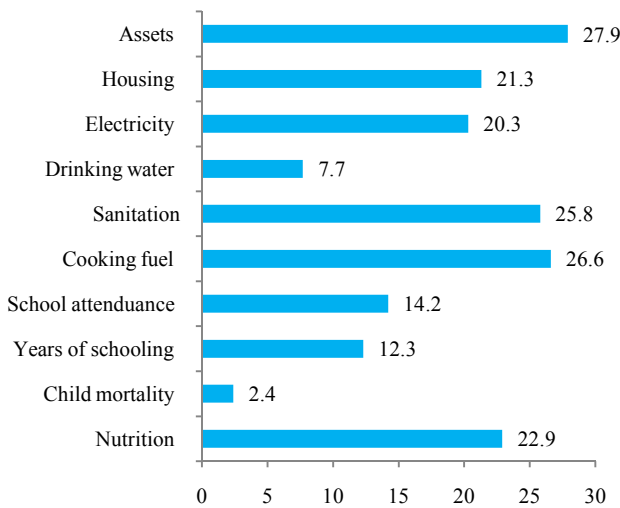
The above said estimations are income based. So it led to some valid criticism globally which was that poverty is not just lack of cash. A family can suffer from deprivations like, lack of children education, lack of basic health care, lack of safe drinking water or sanitation, etc. Income method not measured such deprivations. Hence a new definition of poverty, called ‘**Multidimensional Poverty**’ method of estimation were developed, led by the **Oxford Poverty and Human Development Initiative (OPHDI)**.

The unit of poverty in this method is ‘**Multidimensional Poverty Index**’ (MPI). It defined through a mathematical exercise to represent the new concept of poverty. The first assessment was published in 2010.

It consider three dimensions of deprivation – **health, education** and **living standard**. Each dimension is given a weight of 1/3. So the MPI always indicate below ‘one’. The latest numbers released on 22 September- 2018.

One single survey carried out in the country for the estimation of MPI. Such a survey in India was the ‘**National family and Health Survey**’ done in 2005-06 and 2015-16. Following figure showing the absolute annual decrease in poverty between 2005-06 and 2015-16. The chart represents the annual percentage point decrease in the number of people who are deprived.

Parameter



Source: United Nation Development Program(UNDP).

The chart represent the annual percentage point decrease in the number of people who are deprived.

Poverty Alleviation Schemes and Achievements

Pradhan Mantri Gram Sadak Yojana (PMGSY)

It is a rural connectivity scheme. With the support of **Asian Development Bank**, the central government planned to construct 6254 km rural roads. Moreover **ADB** approved 500 million dollar loan in December –2017, aimed to improve rural connectivity facilitate safer and more efficient access to livelihood and socio-economic opportunities for rural communities through improvements to about 1200 km rural roads as second phase.

Sarva Shiksha Abhiyan (SSA)

A primary schooling initiative. As per **UNESCO** report, India is yet to achieve significant progress in adult literacy. Moreover the report said, 32 percent of the countries including India are still very far from achieving it^[10].

National Rural Health Mission (NRHM)

A rural health initiative launched by Prime minister in 12 April 2005. It helps to provide accessible, affordable and quality health care to the rural, especially the vulnerable groups of population.

Rajiv Gandhi Grameen Vidyatikaran Yojana (RGGVY)

A rural electrification scheme aimed to provide continues power supply to rural India, and providing electricity connection to BPL households free of charge but chargeable on consumption of power.

National Rural Employment Guarentee Scheme (NREGS)

Renamed as **Mahathma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**. It aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every households to do unskilled manual work^[11].

In its **World Development Report – 2014**, the world bank termed it a ‘**stellar example of rural development**’^[12]. It has reduced poverty overall by up to 32 percent and has prevented 14 million people from falling in to poverty. - *A study by ‘National Council of Applied Economic Research’(NCAER)*.

Food Subsidy Act (FSA)

It aims to provide subsidized food grains to approximately two third of India’s 130 crore people. It was signed into law on 12 September 2013. Up to 75 percent of rural and 50 percent of urban population covered under ‘**Targeted Public Distribution System**’ (TPDS).

Direct Benefit Transfer (DBT)

A new digital infrastructure for transferring subsidy benefits directly to the poor’s bank accounts. It was launched on 01 January 2013, by former prime minister Manmohan Singh, hoped that reduce leakages, delays etc^[13]. The prime aim of this program is to bring transparency and terminate stealing from distribution of funds sponsored by the central government.

Urban Poverty Alleviation Schemes

Pradhan Mantri Awas Yojana (PMAY)

Housing for all scheme

Deendayal Antoyodaya Yojana (DAY)

National urban livelihood mission

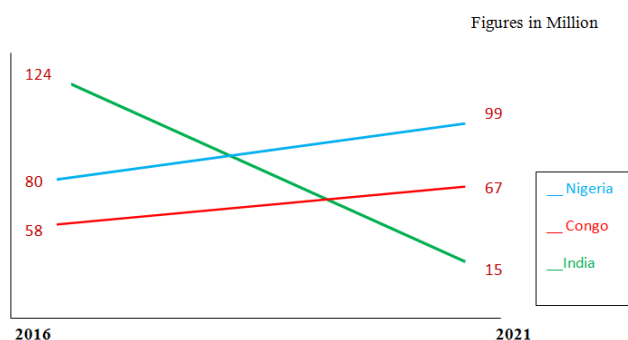
A report by ‘**The Global Multi-dimensional Poverty Index – 2018**’ has revealed that the rate of poverty alleviation in the country has increased in recent years due to the implementation of ‘**Deendayal Antyodaya Yojana**’(DAY) – **National Rural Livelihood Mission (NRLM)**^[14].

National Old Age Pension Scheme (NOAPS)

Launched in 1995 to provide pension for persons who could not earn for themselves and had no means of subsistence.

The **Global Monitoring Report to World Bank for 2014-15 in the Millennium Development Goals (MDG)** says, between 2008-11, India has been the biggest contributor to poverty reduction by lifted out of absolute poverty about 140 million population^[15].

In a post, ‘**World Poverty Clock**’ researchers says by 2021, less than 3 percent of India’s population only will live in extreme poverty. The following figure showing the trend of poverty in India compare with large poverty countries.



Source: World Poverty Clock, The Washington Post.

SUGGESTIONS AND CONCLUSION

- ✓ The government should have in priority overhauled the agricultural sector. By improving agriculture productivity it would have directly eliminated poverty of the hundreds of million.
- ✓ Beyond economic growth, at all levels government should have invested in protecting the people, that is to invest in public services for instances in health care.
- ✓ Adopt new and better technology to increase produce. Despite 48 percent of the Indian work force is employed in agriculture and allied activities, contributes only 17 percent to the GDP.
- ✓ The incidents of suicide is the daily news we are hearing, their root cause some where is poverty. If our food provider is suffering from poverty and committing suicide, then it is impossible to imagine the country's golden future.
- ✓ To address the poverty effectively the people who formulate alleviation programmes need to understand and address chronic poverty and the dynamics of poverty.
- ✓ Instead of only estimating the number of poor, it should be understand the reason for the people who stuck in poverty, the factors of the persistence of poverty, the number of people moved out of poverty, the factor which enabled them to moved out, the number of people who were rich earlier have become poor, and the possibilities of prevention from pushing people in to poverty.
- ✓ Despite a democratic country and a predominantly poor electorate, no effective public policies that benefit the real poor have been a priority for India's ruling political elite. According to multiple surveys, as many as half of Indian poor households do not even possess a BPL card. Village studies show that the allocation of BPL cards by Panchayats is highly discretionary, as a tool for corruption and political influence as poverty alleviation.
- ✓ Poverty line in India is determined by politicians depends upon who is in power and how far to the next parliamentary election.
- ✓ Reward to hard works and ambitious which made the country great. But now reward make laziness. If a person is homeless in Tamil Nadu and no job, he can sign-up for a government assisted housing, food stamps, free government cell phone, but if he get a job, he loose all subsidies and have to pay rent, loose the food stamps

and cell phone. So, many people just do not work or work under the table. So government receives no taxes.

- ✓ Like everything, poverty is subjective and relative. Someone can still feel poor on a seven digit income, but some other with no income at all, but feel wealthy. By being grateful for what you have and there by the perception of poverty diminish.
- ✓ For every human to accept their level of wealth as abundant instead of lacking is the only way to end poverty.
- ✓ As the government has all the personal information of each individual in India through Aadhar card, they can identify and classify them to be subsidized. Subsidies to all basic goods and services can be provided according to each individual, degree of their poverty and income.
- ✓ In India, there is a shortage of highly skilled labour but surplus in unskilled workers. The government can try to fill up this gap by providing free training to the unemployed, there by all the people can apply for highly skilled jobs.
- ✓ Traditionally India has not handled poverty alleviation programs well. The schemes that have been implemented are generally disruptive and damaging to the economy. The best way to get rid of poverty is to achieve long term sustainable growth.
- ✓ Getting the right kind of useful education and skills early or late in life is the only hope of making it out of financial poverty at any age.

References

1. N.J. Samelser, and P.B. Baltes, "International Encyclopedia of the social and Behavioural Sciences", Elsevier: Oxford Science Ltd, 2001.
2. India poverty Assessment, World Bank - 2018
3. Goodpal "8 reasons why India Is so poor" Soapbxie.com, 18 December - 2018
4. World Poverty Clock, 5 February - 2019
5. Jayanthi Ghosh, "India's official poverty line" The Guardian, London, 16 August - 2017
6. Vidya Venkat, "World Bank estimates show fall in India's poverty rate" THE HINDU, 24 March - 2016
7. www.in.undp.org, 20 September - 2018
8. "Why Poverty Persists in 21st century". www.bbc.co.uk. 26 November - 2012
9. Puja Mandol, www.yourarticle library.com
10. Press Trust of India, "India has achieved Universal Primary Education UNESCO" NDTV, 09 April - 2015
11. Ruchika Chitravanshi, "Nation wide review of rural Job schemes NREGS ordered by government" ET Bureau, 08 October - 2015
12. <http://articles.economictimes.indiatimes.com/2013-10-10/news/42902947/-/worldbank-world-development-report-safety-net>.
13. R.K. Lasker "Direct cash transfer, A game changer movie", The financial world, 02 April - 2013.
14. The Global Multidimensional Poverty Index Report - 2018
15. Manas Chakravarthy, The World Bank Report on India's Poverty, 16 August- 2017