

Poverty in India

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Abstract:

On the current scenario Poverty is a major problem. Most of the people suffer to full fill their daily needs. These needs include food, clothing, shelter, education, and health. In common parlance terms, Poverty is when the income available to an individual or household does not meet their needs. This is then restricts their ability to participate in society. Poverty is usually defined as, having less than 60% of the median household income. There are about 9.7 crore poor children in India. 21.2% people in rural areas are poor compared to 5.5% in urban area. About 90% of the total poor in the country live in rural areas. It has been observed that poverty is more in female headed households. 19.7% of people in female headed households live in poverty and 15.9% of people in male headed households live in poverty. India is at 132 ranks in the Global HDI rank, the previous rank was 130. According to which the development index is decreasing, and it is a big problem for India.

Keywords: Poverty, Economics, Development, Poor, Country, problem

Poverty: -Indigence, adverse circumstances, neediness, penuriousness.

Introduction- Poverty is the condition where a person lacks a significantly acceptable amount of money or material possessions. Poverty is said to exist when a person cannot satisfy their basic needs. In this context, the evaluation of poor people first requires a study of what constitutes basic needs. Poverty refers to a situation when people are deprived of basic necessities of life. Poverty is often characterized by inadequacy of food, shelter and clothes. India is a developing country and faces challenges of poverty and even rated as one of the poorest country. Many Indian peoples do not get even two meals a day. They do not have good houses to live. Their children do not get proper schooling. The rank of poverty is calculated according to the percentage of people living below the poverty line within the country. The World Bank Organization describes poverty in this way: poverty is a hunger, lack of shelter, sick and not being able to see a doctor.



Definition of poverty: - The poverty line was defined as the per capita, consumption expenditure level to meet average per capita daily calorie requirements of 2400 Kcal per capita per day in rural areas and 2100 Kcal per capita per day in urban areas.

The poverty line in India:-It is the measure of income or consumption spending that distinguishes the poor from the rest of the population. The Tendulkar committee proposed a poverty level of RS.29 per person per day in urban areas and Rs.22 per person per day in rural areas.

In addition to a lack of money, poverty is about not being able to participate in recreational activities, not being able to send children on a day trip with their schoolmates or to a birthday party, not being able to pay for medications for an individual.

Despite the many definitions, one thing is sure; poverty is a complex societal issue. No matter how poverty is defined, it is agreed that it is an issue that requires everyone's attention. It is essential that all members of our society work together to provide opportunities for all our members to reach their full potential. It helps all of us to support one another.

Literature Review

Examine the impact of financial inclusion on poverty and human an empirical evidence from the post liberalized Indian states.

He has told in his research that most unbanked people live in India. to examine the demand supply side deterrents of financial inclusion separately among the Indian state. By Barik Rajesh

He studied on his research work India is the poorest country on the global hunger index, below poverty line index and multidimensional poverty index calculated by various global institution. By J. Unofy Anto Rozarina. N.

On his research that poverty can be overcome by collective efforts of this method also encourage small savings. By Chouhan Mal Singh

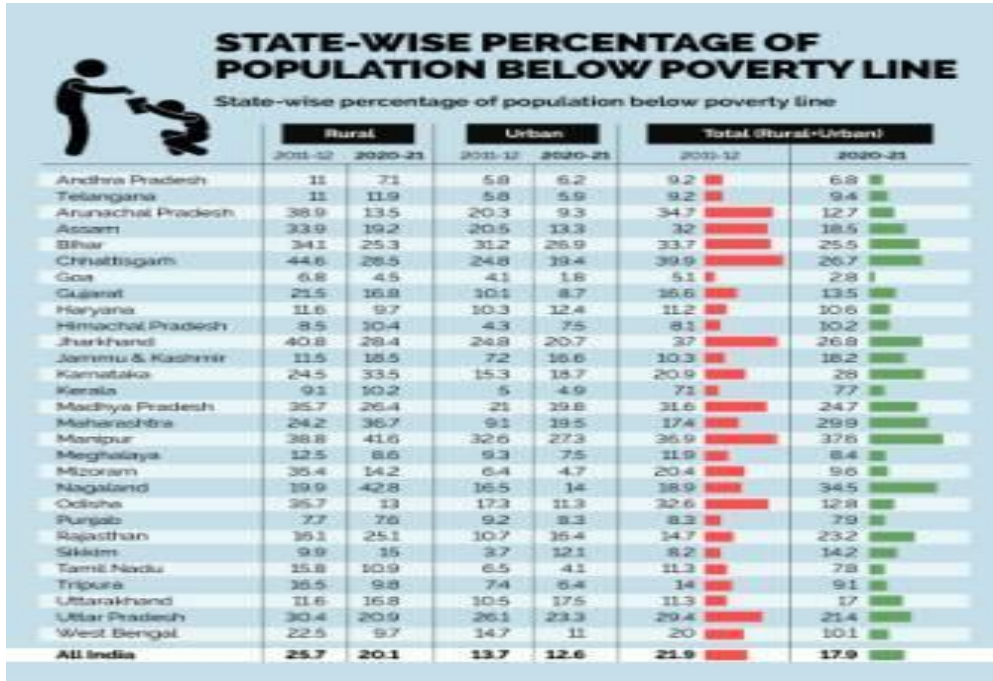
He told the child poverty depends upon the socio economic and demographic background also depends on his family status. By Qi di.

They find out the mountainous region with steeper slopes suffer from a higher poverty ratio. By Zhixi xii

On his research that the poverty effect people by multidimensional. By Alkire Roche Santos.

India Poverty Rate in last few years'

- India poverty rate for 2019 was **83.80%**, a **1.2% increase** from 2018.
- India poverty rate for 2018 was **82.60%**, a **2.7% decline** from 2017.
- India poverty rate for 2017 was **85.30%**, a **3.4% decline** from 2016.
- India poverty rate for 2016 was **88.70%**, a **0.2% decline** from 2015.



Types of Poverty - There are two types of poverty. First is Absolute Poverty and Second is Relative Poverty.

Absolute poverty when household income is below a certain level. Absolute poverty is when it is impossible for a individual or family to meet basic needs of life, including food, safe drinking water, Education health, career, etc.

In this state of poverty, even if the country is growing economically, it does not affect people living below the poverty line. Absolute poverty compares a household based on a set income level. And this level varies from country to country depending on its overall economic conditions.

Relative Poverty- relative poverty is when household receives 50% less than the average household income. So they do have some money but still not enough money to afford anything above the basics.

This type of poverty is, on the other hand changeable depending on the economic growth of the country. Relative poverty is sometimes described as relative deprivation because the people falling under this category, are not living in extreme poverty. They are not however, enjoying the same standard of life as everyone else in the country. They can be on TV, the Internet, clean clothes, a safe income healthy environment free from abuse, or neglect, or even education

Causes of poverty:- poverty has many faces changing from place to place and across time and had been described in many ways. Most often, poverty is a situation people want to escape. So poverty is a call to

action for the poor and the wealthy alike a call to change the world so that many more may have enough to eat, adequate shelter access to education and health, protection from violence and a voice in what happens in their communities.

- . Increasing rate of rising population.
- . Less utilization of resources.
- . Less productivity in agriculture.
- . A short rate of economic development.
- . Increasing price rate.
- . Unemployment
- . Shortage of capital and able entrepreneurship
- . Social factors
- . Low saving
- . Low income
- . Corruption
- . Lack of education and literacy

Poverty reduction -

Poverty reduction, or poverty alleviation is a method which makes individual both economic and social, intended to lift people from poverty permanently.

Measures like those promoted by Henry George in his economics classic Progress and poverty, are those that present, or are intended to expand, ways for enabling the poor to create wealth for themselves as a conduit of ending poverty forever. In modern times, various economists within the Georgic movement propose measures like the land value tax to enhance access to the natural world for all. Poverty occurs in both developing countries and developed countries. While poverty is much more widespread in developing countries, both countries undertake poverty reduction measures.

Poverty has been historically accepted in some parts of the world as inevitable as non-industrialized economies produced very less, while populations grew almost as fast, making wealth scarce. About poverty, Geoffrey Parker wrote:-

In Antwerp and Lyon, were the two largest cities in Western Europe, three-quarters of the total population were too poor to pay taxes by 1600 A.C, therefore likely to need relief in times of crisis.

Poverty reduction occurs primarily as a result of overall economic growth.

Food shortages were common before modern agricultural technology, and in places that lack them today, such as nitrogen fertilizers, pesticides and irrigation methods.

The dawn of the Industrial Revolution led to high economic growth, eliminating mass poverty in what is now considered the developed world. World GDP per person quintupled during the 20th century.[8] By early 19th century, 75% of humanity lived on less than a dollar per day, while in 2001, it was only about 20% of humanity.

Today, continued economic development is constrained by the lack of economic freedoms. Economic liberalization requires extending property rights to the poor, especially to land. Financial services, notably savings, can be made accessible to the poor through technology, such as mobile banking. Inefficient institutions, corruption, and political instability can also discourage investment. Aid and government support in health, education, and infrastructure help growth by increasing human and physical capital.

Poverty alleviation also involves improving the living conditions of people who are already poor. Aid, particularly in the medical and scientific areas, is essential in providing better lives, such as the Green Revolution and the eradication of smallpox. Problems with today's development aid include the high proportion of tied aid, which mandates receiving nations to buy products, often more expensive, originating only from donor countries. Nevertheless, some believe (Peter Singer in his book *The Life You can save*) that small changes how people in affluent nations live their lives could solve world poverty.

Poverty reduces in many ways –

1. Speeding up Economic Growth.
2. Rural Growth and Poverty Alleviation.
3. Speeding up Human Resources Development.
4. Development of non-Farm Employment.
5. Economic liberalization.
6. Growth in Capital, infrastructure and technology.
7. Employment and Productivity.
8. Education and skill-building.
9. Microloans.

1. Spreading up economic growth - Economic growth is driven often by consumer spending and business investment. Tax cuts and rebates are used to return money to consumers and boost spending. Deregulation relaxes the rules imposed on businesses and has been credited with creating growth but it can lead to excessive risk-taking, and it also helps poor people to get an opportunity.

2. Rural growth and poverty alleviation - Many strategies have been forced by the Ministry of Rural Development (MoRD) to address rural poverty, and improvement in the economic conditions of the people in rural areas with focusing on, increasing livelihood opportunities, empowering rural women, skilling of rural youth, infrastructure development, increasing land productivity etc. and also through program's of Department of Rural Development, like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), Deen dayal Upadhyay – Gramin Kaushalya Yojana (DDU-GKY), Pradhan Mantri Awas Yojana – Garmin (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY), Shyama Prasad Mukharjee National Urban Mission (SPMRM) and National Social Assistance Program (NSAP), and programs of Department of Land Resources, viz., Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY).

MoRD accords emphasis on the proper implementation of all its rural development schemes. To ensure that the program benefits reach the rural poor, the Ministry has evolved a comprehensive multi-level and multi-format system of monitoring and evaluation of the implementation of rural development programs, including Performance Review Committee Meetings, District Development Co-ordination and Monitoring Committee (“DISHA”) meetings, National Level Monitors (NLMs), Area Officers Schemes, Common Review Mission, Concurrent Evaluation and Impact Assessment Studies. Social Audits are also conducted by schemes like Mahatma Gandhi NREGS and PMAY-G. Third-Party evaluation of the strategies is also carried out regularly and actions, as appropriate, are taken on the findings. In addition

to the above, steps have also been taken to strengthen transparency and accountability using transaction-based IT systems for MIS, which include geo-tagging of assets, Direct Benefit Transfer (DBT), National electronic Fund Management System (Ne-FMS), Aadhar Based Payment System (ABPS), Software for Estimate Calculation using Rural rates for Employment (SECURE) and establishment of independent social audit units and appointment of Ombudsman. State-specific reviews of States/UTs are also undertaken from time to time. Further, the Ministry monitors the disposal of public grievances and reports in the media on the status of the implementation of schemes.

3. Speeding up Human Resources Development - Human resource development is an interdisciplinary field, which focuses on systematic training and development, career development, and organizational development to improve the processes and enhance the learning and performance of individuals and organizations. A central goal is to broaden understanding of the complex activities involved in assisting individuals or organizations in improving their ability to develop themselves”.

Human resource development can be defined as planned activities designed by an organization to provide its members with the opportunities to learn necessary skills and knowledge to meet current, and future job demands. HRD seeks to develop people’s knowledge, expertise, productivity and satisfaction, whether personal or group/team gain or for the benefit of an organization. HRD activities should begin when an employee joins an organization and should continue throughout their career, regardless of whether that employee is an executive or a worker on the assembly line.

4. Development of non-farm employment - Agricultural sector in India is already overcrowded and suffering from the problem of disguised unemployment. A significant proportion of the increasing labor force must find alternate employment opportunities in other non-farm sectors. Animal husbandry, fisheries, horticulture, and information technology, are the critical areas of non-farm activities that have helped in promoting rural diversification. The rural workforce is actively engaged in various non-farm activities to augment their earnings.

5. Economic liberalization - Economic liberalization encompasses the processes, including government policies that promote free trade, deregulation, elimination of subsidies, price controls and rationing systems, and, often, the downsizing or privatization of public services (Woodward, 1992). Economic liberalization has been central to adjustment policies introduced in developing countries since the late 1970s, mainly in the context of the conditions for lending set by international financial institutions. Thus, government policies were redirected to allocate a noninterventionist, or laissez-faire, approach to economic activity, relying on market forces for the allocation of resources. It was argued that market-oriented policy reforms would spur growth and accelerate poverty reduction.

From this perspective, government intervention in markets is seen as both inefficient and distorted. It is argued that even if an intervention-driven State acts with good intentions, it does not have the competence to manage the economy well. By moving scarce resources into less productive economic activities, the State is thought to reduce overall economic growth, with adverse consequences for poverty reduction.

Additionally, for public choice theory, rational, self-interested individuals Economic liberalization encompasses the processes, including government policies, that promote free trade, deregulation, elimination of subsidies, price controls, and rationing systems, and, often, the downsizing or

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6. Growth in Capital, infrastructure and technology-The infrastructure sector is a crucial driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

If we want to reduce poverty, we can do significant work in infrastructure development and increase the development process in the whole country.

7. Employment and Productivity- The relationship between poverty and employment lies in how income generated from work permits workers and their dependants to obtain goods and services necessary to meet minimum needs. Poverty reduction thus calls for the creation of regular and good-quality jobs in the labor market. The interlocking problems of poverty and employment differ between different groups and particularly between women and men. Even in the same socio-economic setting, women and men become impoverished through various processes and face various opportunities and in accessing the labor market. Therefore, a successful poverty reduction strategy must address broad socio-economic and gender-specific policy issues.

8. Education and skill-building - Poverty is a significant threat to the existence of humanity in modern times, especially in the developing world. The millennium development agenda set to reduce poverty by half by the year 2015 expresses the global commitment to ensuring the living standards of humanity. Education, in every sense, is one in the fundamental factors of achieving sustainable economic development through investment in human capital. Education fosters self-understanding, improves the quality of life, and raises people's productivity, and creativity, thus promoting entrepreneurship and technological advances. In addition, it plays a very crucial role in securing economic and social progress, thus improving income distribution which may consequently salvage the people from poverty. This paper is aimed at contextualizing the part of education in advancing economic development and thereby alleviating poverty. The implication for counseling was also highlighted to overhaul the input, process and output processes of the national education system to reflect the provision of quality education that may assist in building the human capital and thereby eradicate the poverty of deserving citizens.

9. Micro Loans – Micro-financing has been targeted as a tool to address Poverty through the provision of credit to the poor and marginalized economic functions. However, the main objective upon which these institutions are founded is yet to manifest primarily in developing economies. This study examined the role of micro-financing in poverty alleviation by employing a Vector Error Correction Model on quarterly time-series data. The results reveal a significant long-run relationship among the variables poverty, micro-financing, SMEs, and agricultural growth. Country to expectations, Micro financing was found to increase poverty in the long run. SMEs and agrarian development were found to reduce poverty in the long run. In the short run, regression results reveal that SMEs growth alleviates poverty, and deprivation increases the growth of microfinance loans in the country. The increase in SMEs is a tool for alleviating poverty and the change in microfinance institutions is also driven by poverty. This Suggests that continued improper micro-financing can escalate poverty levels to undesired heights. The findings imply that the growth of microfinance loans is not used efficiently. These findings bring to the fore that it is not only the provision of funds that matters.

Conclusion - Poverty can effectively be eradicated only when the poor start contributing to growth through active involvement in the growth process. This is possible through a process of social mobilization, encouraging poor people to participate and get them empowered. This will also help create employment opportunities which may lead to an increase in levels of income, skill development, health and literacy. Moreover, it is necessary to identify poverty-stricken areas and provide infrastructure such as schools, roads, power, telecom, IT services, training institutions etc. All these initiatives would certainly eliminate poverty to a substantial level without doubt.

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