

# On the Measurement of Poverty Eradication

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## Abstract

Before 18<sup>th</sup> century it was supposed that poverty is a malediction given by the omnipotent but later it was put in place that poverty is fabricated due to mortal conditions and can be compounded or refined with the passage of time depending upon the lifestyle and working of the person. It is said that if you are born poor is not your fault but if you die poor is completely your fault.

To exemplify poor, the people who have few or no assets or people who do not have two meals a day and suffer from undernourishment, ailments, disability, high mortality. People who lack literacy and skills and those who have no access to clean drinking water are some of the traits of poor which is directly or indirectly caused by illiteracy, population explosion, unstable employment, insufficient health facilities etc.

To facilitate the poor of the economy and to provide assistance to the rural poor and urban poor, The government of India has always been taken better initiatives to protect the interest of the countries under privileged and deprived population through providing tax concession or food security programs and skill – development and wage employment programs.

Despite of the fact that the involvement of the government of India has always worked to reduce the head count ratio either by launching various programs like Minimum Needs Programs or providing proper nutritious meal of Rs. 8 through Indira Rasoi but considering the data released by Global Multidisciplinary Poverty Index 2022 reported by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI), India is a country that has the largest number of poor worldwide at 22.8 crore followed by Nigeria that has 9.6 crore of poor people.

Nevertheless, poverty alleviation programs have benefitted the people of the country by providing them food, work or scholarship to the students and around 415 million people jumped out of poverty from 2005-06 to 2019-20 but still as per the data of world bank 80% or Indian people live under 2\$ spending in a day.

**Keywords:** poverty, food security, skill development, head count ratio

## Introduction

When Britishers came into India in 1600, they entered into Gujarat after seeing India's prosperity that India is doing great with the production of raw material and they always wanted to become trading partners with India. Gradually, they started capturing India. Poverty has started ruling India in the mid of 19<sup>th</sup> and early 20<sup>th</sup> century when Britishers started converting the nation into provincial states where they started converting the unskilled labors, artisans and unemployed labors into farming for the purpose of generating raw material and revenue from the produce. Thus, it made the nation face scarcity of labor, capital and knowledge.

Later, when Britishers left India and the country got independent, the first step took by the Indian Government is to work with the mismanaged system left by the Britishers and the concept of five-year planning was initiated by the planning commission in 1951.

To overcome with poverty, Indian Government started working with agriculture in the first five-year plan followed by development of industrial sector suggested by P.C. Mahala Nobis and further with the concept of self-reliance concept with the people.

Government did not stop there but it continued working with the poverty alleviation and employment generation programs so as to alleviate people struggling with the poverty.

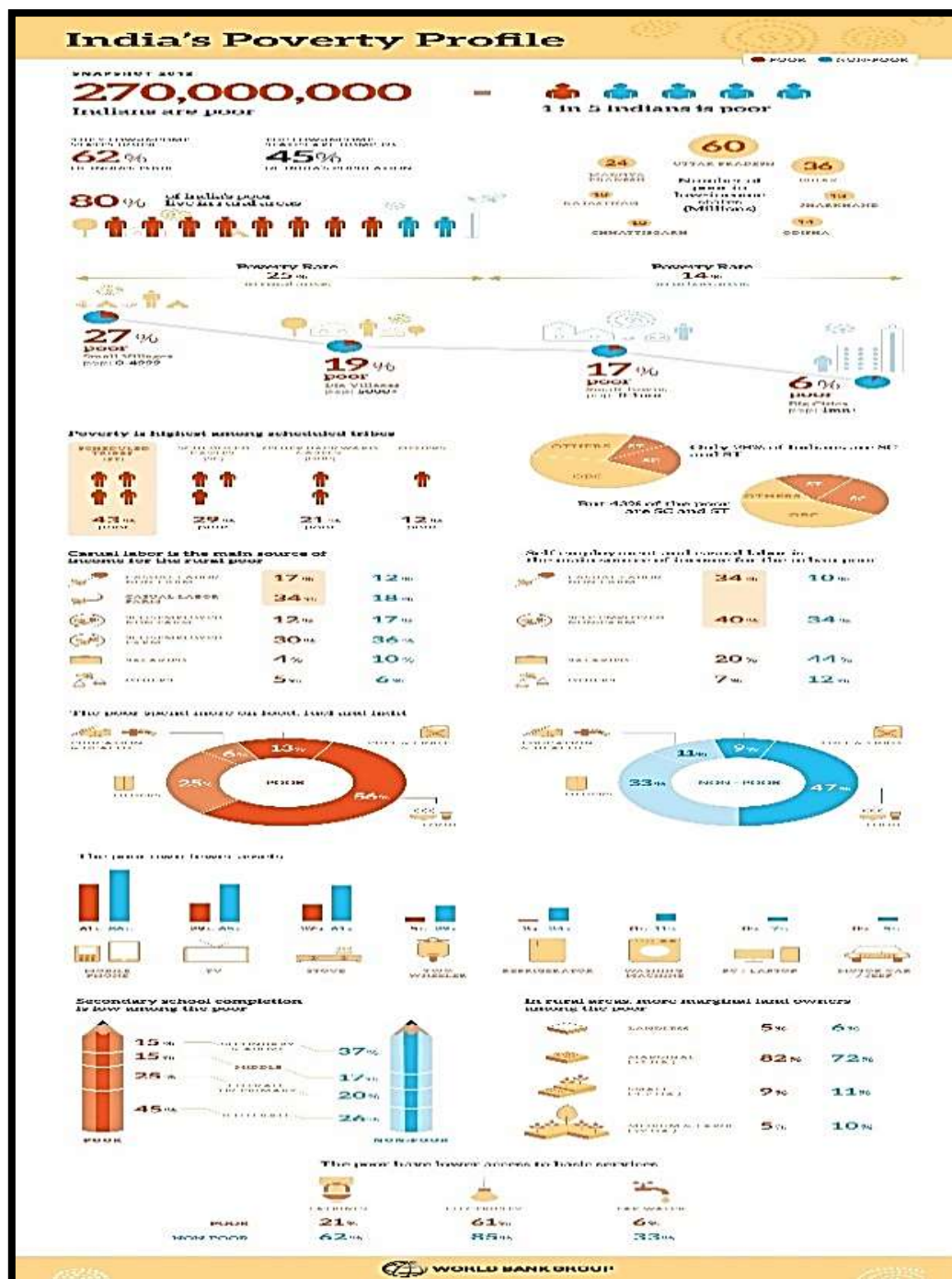
As per the global multidimensional poverty index 2020, India ranks at 62<sup>nd</sup> position out of 107 nations with an MPI score of 0.123 a study has also been released that out of 6 multidimensional poor, 5 are lower tribes or castes and according to global hunger index 2021, India stands 101<sup>st</sup> rank out of 116 countries and accordingly the level of hunger is serious. <sup>[1]</sup>

The reasons we found out that in India, less financial support, income disparities, corruption, unawareness, casteism, less job opportunities, lack of education, sanitation and discrimination in the society has worsen the conditions of poor people all over the country.

### **Problem Statement**

If we see, the role of poverty alleviation program is to reduce the poverty rate in the country by providing them a proper nutrition, economic aid, food for work and basic necessities to the people and families below poverty line.

There are many ways of defining and approximating poverty in a country, such as India. For example, the Tendulkar Committee in India based its continuity of maintenance level on the prerequisite of grains, dal, milk, edible oil, non-vegetarian items, veggies, fruits, dry fruits, salt & spices, other food, fuel, clothing, footwear, education, medical (non-institutional and institutional), entertainment, distinctive & toilet goods, other goods, other services and permanent. Hence, as per Tendulkar Committee line of action, the national poverty line (in Rs per capita per month) for the year 2011-12 was calculated at Rs 816 for rural areas and Rs 1000 for urban areas. <sup>[2]</sup> Using this methodology, the National Sample Survey Organisation estimated poverty at 21.9% of the population (269 million) in 2011-12. <sup>[3]</sup> That means in the class of impoverished fell the people whose daily income was less than Rs 27 a day in villages and Rs 33 a day in cities. On the other hand, the following Rangarajan Committee spiked the plain existence line at Rs 32 in rural areas and Rs 47 in urban areas. On this basis, the number of poor having life below the poverty line in India in 2011-2012 was amended to 29.5% of the population (363 million). <sup>[4]</sup>



With 228 million, India continues to have the biggest proportion of the world's poor. According to the recently published Global Multidimensional Poverty Index in 2023, 415 million individuals in India were able to escape multidimensional poverty in the last 15 years between 2005–2006 and 2019–21, with the incidence of poverty exhibiting a sharp drop from 55.1% to 16.4%.

In India, 16.4% of people are considered to be poor, and 4.2% of people are considered to be extremely poor. 18.7% of people are considered to be at risk of poverty. 374 million poor people are equally deficient in nutrition, sanitation, housing, and cooking fuel; 445 million are deficient in both power and clean drinking water. Goa experienced the fastest relative poverty reduction among the Indian states and Union Territories, followed by Jammu and Kashmir, Andhra Pradesh, Chhattisgarh, and Rajasthan.

## Objectives

1. To study the reasons accounting for poverty in India.
2. To study a strategy reducing poverty in India.

## Literature Review

With time, as the government is increasing the food security programs, India is facing more food insecurity issues. Literature <sup>[11]</sup> reports that starvation in India is not only accounted to income inequality but to multiple reasons such as poverty, increasing population, drought, and migrating population from rural areas to urban areas. Additionally, the adverse climatic conditions, the changes in weather pattern and increasing drought scenarios leads to the unbalanced broadening of food pantry. The disturbing fragment is that most recent global hunger index ranked India at high border of the serious category.

Government is proactively taking initiatives in launching new schemes to control the hunger index. One such program is the public distribution system which was introduced but was not implemented effectively as the large amount of food did not reach the intend recipients, and significant wastage resulted in high costs for limited benefits.

For example, if we talk about Tamil Nadu, the government has distributed 5.43 kgs of rice but in real only 1 kg has reached to the people who were in need in the entire state by the PDS. Facts also speaks that the ratio was even lesser in case of sugar where the PDS was distributing 8.21 kgs but the people didn't receive more than 1 kg for the same.<sup>[5]</sup>

So far, a state like Bihar has somewhere shown a better trend where the percentage of people in need didn't receive the food grains was dropped down to 12.5% which was more than 7 times in the year 1993. The percentage was 90%. The findings were found somewhat similar in Kerala. In both these states, the quality was pellucid and infrastructure.

To overcome these limitations, PDS was relaunched as Targeted Public Distribution System (TPDS) where the problems of attacking, recreating, and deception was taken into serious consideration.

Also, the dependency on humans for evaluation was reduced and digitalisation was given the priority for better results. With the circulation of digitalisation into the government sector, improvement in the functioning of PDS was observed, lessen some leakages. It can assist in the recognition of inheritor and lessen incorporation and debarment inaccuracy linked with targeting while expanding lucidity and liability. This procedure ensured that merchandise are examined in and out at all tips of the supply chain consequence in not much falsification, leakages and duplicity.

## Methodology

The topic of this Research is "Food Sustainability in India – A challenge". The Nature of the topic is completely theoretical and elucidatory and based on empirical research. The research is based on Secondary data collected from known and relevant sites of the Govt. of India, Ministry of Health and Family Welfare, recognized newspapers and journal articles and noted international institutions like WHO and UNESCO. The objective behind is to examine all the issues involved and conduct situational analysis. The data has also been taken from Centre for Monitoring Indian Economy (CMIE) Government of India, Yojna, Economic Survey Year 2020-21.

Nevertheless, there are certain limitations to the study, which are listed below:

Some of the articles in well-known newspapers, magazines and journals may be skewed by the writer's personal viewpoint.

The concept of scope and challenges was developed based on the thoughts and suggestions of a number of well-known figures who are already part of the larger health community and may have expressed their views based on their personal preferences and convenience. There's a good likelihood that many more areas of interest and even challenges will be overlooked in the study. In spite these constraints, earnest efforts have been undertaken to examine the topic's actual severity and motivation in detail.

### **Poverty Measurement according to NITI AAYOG**

According to Niti Aayog, 25% of the population of India are Poor. Every fourth person of the total population of India is in poverty. <sup>[6]</sup>

In the Global MPI 2021 ranking, India is at 66 out of 109 other countries.

### **Niti Aayog's First Multidimensional Poverty Index (MPI) Report**

According to Niti Aayog's first Multidimensional Poverty Index (MPI) report released in November 2021, the National MPI score of India is 0.118. In Urban areas, the MPI score is 0.08 and rural it is 0.155. Kerala has turn out to be the state with the lowest rate of poverty in India. As per the index, only 0.71 per cent population of Kerala is poor. Kottayam of Kerala is the only district in India without poverty. This district has registered a zero in the recently released poverty index.

States like Bihar, Jharkhand and Uttar Pradesh have registered the highest poverty rate across India. These states have emerged as the 'poorest states' in India. 51.91% of the population in Bihar classified as poor, followed by Jharkhand (42.16%) and Uttar Pradesh (37.79%).

India's first-ever national MPI measure is based on utilizing 12 key indicators like nutrition, child and adolescent mortality,

natal care, years of schooling, school attendance etc. which cover areas such as health and nutrition, education and standard of living.

### **Meaning of Extreme Poverty**

Extreme Poverty means individuals who are without income, home, health, or food twice a day. Also, people who are bedridden, no facility to make and eat food, having debts due to health ailments comes under the list of extreme poor category.

### **INDIA**

<b>Total Population</b>	<b>1,406,156,288</b>
<b>People living in extreme poverty</b>	<b>83,068,597</b>
<b>Males</b>	<b>37,767,473</b>
<b>Females</b>	<b>45,301,124</b>

Source: <https://www.theglobalstatistics.com/poverty-in-india-statistics-2021/>



### Current Poverty Statistics 2023

With 228 million, India continues to have the biggest proportion of the world's poor. According to the recently published **Global Multidimensional Poverty Index in 2023**, **415 million individuals in India** were able to escape **multidimensional poverty in the last 15 years** between 2005–2006 and 2019–21, with the incidence of poverty exhibiting a sharp drop from 55.1% to 16.4%.

In India, **16.4% of people** are considered to be **poor**, and **4.2% of people** are considered to be **extremely poor**. **18.7% of people** are considered to be at **risk of poverty**. 374 million poor people are equally deficient in nutrition, sanitation, housing, and cooking fuel; 445 million are deficient in both power and clean drinking water. Goa experienced the fastest relative poverty reduction among the Indian states and Union Territories, followed by Jammu and Kashmir, Andhra Pradesh, Chhattisgarh, and Rajasthan.

- **Heavy pressure of population**

- India's population was 84.63 crores in 1991 and became 102.87 crores in 2001 <sup>[8]</sup>
- Rapid population growth causes excessive sub-division and fragmentation of holdings. As a result, per capita availability of land has greatly declined and households do not have access to sufficient land to produce enough output and income for them.
- Rapid growth in population in India since 1951 has caused lower growth in per capita income causing lower living standards of the people

- **Unemployment and under employment**

- Due to continuous rise in population, there is chronic unemployment and under employment in India.
- There is educated unemployment and disguised unemployment, and Poverty is just a reflection of this aspect

- **Lack of Inclusive Economic Growth**

- The first important reason for mass poverty prevailing in India is lack of adequate economic growth in India
- Despite increase in National Income and Savings rate since independence, poverty in India did not reduce sufficiently as:
  - industrial growth did not generate much employment opportunities
  - Growth strategy mainly benefitted the rich, then aiding the poor
  - **Capital intensive and labour-displacing technology** was adopted in the growing industries. As a result, unemployment and underemployment increased
  - Besides, due to the increase in income inequalities during this period, rise in average per capita income could not bring about significant rise in per capita income of the weaker sections of the society
  - Further, trickledown effect of overall economic growth was operating only to a small extent

- **Sluggish Agricultural Performance and Poverty**

- The experience of Punjab and Haryana shows that, the agricultural growth through use of new high yielding technology (during green revolution), poverty ratio can be significantly reduced
- However, in various states of the country such as Orissa, Bihar, Madhya Pradesh, Assam, East Uttar Pradesh, where poverty ratio is still very high; new high-yielding technology has not been adopted on a significant scale and as a result agricultural performance has not been good. As a result, poverty prevails to a larger extent in them.

- Further, Indian policy makers have neglected public sector investment in agriculture, particularly irrigation
  - As a result, irrigation facilities whose availability ensures adoption of new high-yielding technology and leads to higher productivity, income and employment, are available in not more than 33 per cent of cultivable land
  - As a result, many parts of the country remain semi-arid and rain-fed areas, where agricultural productivity, income and employment are not sufficient to ensure significant reduction in poverty
  - **Non-implementation of Land Reforms**
    - Equitable access to land is an important measure of poverty reduction
    - Access to adequate land, a productive asset, is necessary for fuller employment of members of an agricultural household
    - Most of the rural poor are agricultural labourers (who are generally landless) and self-employed small farmers owning less than 2 acres of land
    - They also are unable to find employment throughout the year. As a result, they remain unemployed and under-employed for a large number of days in a year
  - **Inflation and Food Prices**
    - Inflation, especially rise in food prices, raises the cost of minimum consumption expenditure required to meet the basic needs. Thus, inflation pushes down many households below the poverty line
  - As assessment of Poverty Alleviation programmes, state three major areas of concern which prevent their successful implementation
    - Due to unequal distribution of land and other assets, the benefits from direct poverty alleviation programmes have been appropriated by the non-poor
    - Compared to the magnitude of poverty, the number of resources allocated for these programmes is not sufficient
    - The programmes depend mainly on government and bank officials for their implementation. Since such officials are ill motivated, inadequately trained, corruption prone and vulnerable to pressure from a variety of local elites, the resources are inefficiently used and wasted
    - There is also non-participation of local level institutions in programme implementation
    - **Overlapping of similar government schemes** is a major cause of ineffectiveness as it leads to confusion among poor people and authorities and the benefits of the scheme do not reach the poor
    - **Ex:** Consider the case of Karnataka, where the Suvarna Arogya Suraksha Scheme (SASS) and the Rashtriya Swasthya Bima Yojana (RSBY) is being implemented
    - The Suvarna Arogya Suraksha Scheme potentially overlaps with the health insurance schemes for handloom weavers and handicraft artisans supported by the Central Government.
    - It is also likely that some of the members of cooperative societies may also belong to BPL families covered under SASS and the RSBY
- The poverty alleviation program may not properly acknowledge and fix on the exact number of poor households in rural areas. As a result, some of the families who are not officially listed under these programs are benefited by the facilities rather than the eligible ones

- **Shortage of Capital and Able Entrepreneurship**

- Capital and able entrepreneurship have important role in accelerating the growth. But these are in short supply making it difficult to increase production significantly, when compared to other developing countries

- **Social Factors**

- The social set up is still backward and is not conducive to faster development.
- Laws of inheritance, caste system, traditions and customs are putting hindrances in the way of faster development and have aggravated the problem of poverty

### **Suggested Solution to End Poverty**

#### **Eliminating Poverty Through Equity**

One of the main causes of poverty is inequality. The systemic barriers that lead to groups of people going without representation in their communities leaves them further behind in terms of resources and opportunity. In order for a community, or even a country, to alleviate poverty, all groups and identities must be involved in creating solutions.

#### **Commit To Climate Change Solutions And Climate Justice**

Resilience against climate change is especially important and deserves its own mention. According to the World Bank, climate change could force an additional 100 million people into extreme poverty over the next decade without any urgent action taken.

#### **Cash Solves Poverty**

It may seem like the simplest of answers, but cash and microfinance are two of the best solutions to poverty.

One of the ways Cambodia's transitions from wartime to peace (including the repatriation of over 300,000 Cambodian refugees) was so smooth was thanks to the idea of buying on credit. Such an influx of returnees could place a strain on resources and create financial dire straits, microfinancing models introduced into the country helped to establish village savings and loans, insurance, and cash transfer services in communities that need them the most, allowing people to purchase the tools and services they need in order to become self-sufficient.

#### **Halting Poverty by Ending Hunger (And Thirst)**

Simply eating three meals a day and getting a healthy amount of calories and nutrients can go a long way to breaking the cycle of poverty. When a person doesn't have enough to eat, they lack the strength and energy needed to work. Contaminated water can lead to debilitating illnesses.

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