

Poverty: Estimates about the magnitude and various Poverty Alleviation Programmes in India over the time

Dr. AshutoshChandra Dwivedi

Assistant Professor, Shri Jai Narain Mishra P.G. College , Lucknow

ABSTRACT

In India, poverty has been defined as that situation in which an individual fails to earn income sufficient to buy him a bare means of subsistence. If a person fails to earn sufficient amount of income to enable him to purchase the minimum physical quantities of these, he is regarded as poor. India is having a well-designed poverty measurement mechanism under the erstwhile Planning Commission. The Planning Commission was the nodal agency for estimation of poverty. For setting poverty line and methodology of constructing it, the Planning Commission appointed Expert Groups from time to time. Moreover Government of India had taken different measures for eradication of poverty since independence. Various set of measures, both economic and humanitarian, are initiated to intend to permanently lift people out of poverty. Uplifting the living standard of masses had been basic and primary objectives of nearly all five-year plans whether directly or indirectly.

KEYWORDS: Poverty, Magnitude of Poverty, Planning Commission, Poverty Alleviation Programmes in India

INTRODUCTION

Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living. In other words it is a social phenomenon in which a section of the society is not able to fulfil the minimum consumption requirements for life and health and continues at a bare subsistence level, the society is said to be plagued with mass poverty.

United Nations Development Programme (UNDP) has coined two terms: one is income poverty and another is human poverty. Income poverty refers to lack of the necessities of material well-being. On the other hand, human poverty refers to denial of opportunities for living a tolerable life, to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-respect and respect for others. Here we shall take poverty in the sense of income poverty.

Various estimates about the magnitude of poverty in India

Over the years various working groups were formed to estimate the magnitude of the poverty level in India. Here these working groups had been discussed decade wise.

In the decade of 1960s

Estimates of poverty in India during the 1960s varied widely. A Working Group was formed in 1962 to attempt to set a poverty line for India. This Working Group used calories required for survival, and income needed to buy those calories in different parts of rural India, to derive an average poverty line of Rs. 20 per month at 1960-61 prices.

Dandekar and Rath, on the behalf of the then Indian government, estimated that the poverty rate in 1960s remained generally constant at 41%. **Ojha's** in contrast, estimated that there were 190 million people (44%) in India below official poverty limit in 1961, and that this below-poverty line number increased to 289 million people (70%) in 1967. **P.K.Bardhan** also concluded that Indian poverty rates increased through the 1960s, reaching a high of 54%. Those above the 1960s poverty level of Rs 240 per year, were in fragile economic groups as well and not doing well either. **Minhas** estimated that 95% of India's people lived on Rs 458 per year in 1963-64, while the richest 5% lived on an average of Rs 645 per year (all numbers inflation adjusted to 1960-61 Rupee).

In the decades of 1970s

Dandekar and Rath in 1971 used a daily intake of 2,250 calories per person to define the poverty line for India. Using NSSO data regarding household expenditures for 1960–61, they determined that in order to achieve this food intake and other daily necessities, a rural dweller required an annual income of ₹ 170.80 per year. An urban dweller required ₹ 271.70 per year. They concluded that 40 percent of rural residents and 50 percent of urban residents were below the poverty line in 1960–61.

In the decades of 1980s

Poverty remained stubbornly high in India throughout the 1980s. It created slogans such as **Garibi Hatao** (meaning eliminate poverty) for political campaigns, during elections in early 1970s through the 1980s. Rural poverty rate exceeded 50%, using India's official poverty line for 1970s

In the decades of 1990s

An Expert Group was instituted in 1993, chaired by **Lakdawala**, to examine poverty line for India. It reported that a steady decline in proportion living below poverty line. Even then actual number of people of the country continues to be living below the poverty line.

It recommended that regional economic differences are large enough that poverty lines should be calculated for each state. From then on, a standard list of commodities were drawn up and priced in each state of the nation, using 1973–74 as a base year. This basket of goods could then be re-priced each year and comparisons made between regions. The Government of India began using a modified version of this method of calculating the poverty line in India.

In the decades of 2000s to till date

The **Saxena Committee report**, using data from 1972 to 2000, separated calorific intake apart from nominal income in its economic analysis of poverty in India, and then stated that 50% of Indians lived below the poverty line. The Planning Commission of India, in contrast, determined that the poverty rate was 39%.

The **Suresh Tendulkar Committee** set up to look into the people living under the poverty line in India. It provided a new method of calculating the poverty line based on per capita consumption

expenditure per month or day. For rural areas, it was Rs 816 per month or Rs 27 per day. For urban areas, it was Rs 1000 per month or Rs 33 per day. Using this methodology, the population below the poverty line in 2009-2010 was 354 million (29.6% of the population) and that in 2011-2012 was 269 million (21.9% of the population).

In 2014, **the Rangarajan Committee** said that the population below poverty line was 454 million i.e 38.2% of the population in 2009-2010 and was 363 million i.e 29.5% of the population in 2011-2012

The Asian Development Bank estimates India's population to be at 1.28 billion with an average growth rate of 1.3% from 2010-2015.

Poverty Alleviation Programmes in India

Government of India had taken different measures for eradication of poverty since independence. Various set of measures, both economic and humanitarian, are initiated to intend to permanently lift people out of poverty. Uplifting the living standard of masses had been basic and primary objectives of nearly all five-year plans whether directly or indirectly.

Poverty Alleviation Programmes-Direct attack on poverty: It was realised in the early seventies that it would take a very long time for economic growth to generate enough employment opportunities to provide productive employment to all the unemployed and poor in the country. Therefore, **Dandekar and Rath** proposed in "Poverty in India", a strategy of providing employment to the poor in the short run, special schemes of employing poor on rural public works in their now famous work "Poverty in India".

The special employment scheme of rural public works which was launched by the Government in 5th Five Year Plan constitutes a direct attack on poverty as it does not depend on the trickle-down effect of economic growth on the poor.

Most of the programmes are designed to target the rural poverty as prevalence of poverty is high in rural areas. The programmes can be mainly grouped into:

1. Wage Employment Programmes

There are several special schemes of providing wage employment to the poor. These include:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): Mahatma Gandhi National Rural Employment Guarantee Act, (MGNREGA), is an Indian labour law and social security measure that aims to guarantee the 'right to work'. This act was passed in September 2005. It aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

Pradhan Mantri Gram Sarak Yojna (PMGSY): It is centrally sponsored special employment scheme launched on December 25, 2000. It is implemented by Gram Panchayats to generate wage employment for the rural poor. The approach of this scheme is to employ the poor on building durable and productive community assets such as roads, small irrigation facilities, school buildings, rural electrification. These durable productive assets after completion would create employment opportunities on sustained basis.

Jawahar Rozgar Yojana/Jawahar Gram Samridhhi Yojana: Under the Wage Employment Programmes, the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were started in Sixth and Seventh Plans. The NREP and RLEGP were merged in April 1989 under Jawahar Rozgar Yojana (JRY). The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets. The JRY was revamped from 1st April, 1999, as Jawahar Gram Samridhhi Yojana (JGSY). It now became a programme for the creation of rural economic infrastructure with employment generation as the secondary objective

Food for Work Programme (FWP): The Food for Work Programme was started in 2000-01. It was first launched in eight drought-affected states of Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttaranchal. It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.

Sampoorna Gramin Rozgar Yojana (SGRY): The JGSY, EAS and Food for Work Programme were revamped and merged under the new Sampoorna Gramin Rozgar Yojana (SGRY) Scheme from 1st September, 2001. The main objective of the scheme continues to be the generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security for the poor.

2. Self-Employment Programmes

Several schemes were launched with the aim of self-employment among youth. Under this employment programme major schemes are:

Integrated Rural Development Scheme (IRDP): Under this self-employment scheme rural people is promoted by building their capacity in such activities as dairying, poultry, handicrafts, animal husbandry and forestry. Financial assistance to them is arranged through banks for this purpose.

Training of Rural Youth for Self-Employment (TRYSEM): Under this scheme rural youth are given training and equipped with skills so that they can start some self-employment activity. Bank credit is arranged to financially support them.

Swaran Jayanti Gram Swarozgar Yojana (SJGSY): In April 1999, IRDP and TRYSEM schemes along with the schemes of Development of Women and Children in Rural Areas (DWCRA) and Million Wells Scheme (MWS) were merged into a single scheme called **Swaran Jayanti Gram Swarozgar Yojana (SGSY)**. It aims at promoting micro-enterprises by helping the poor to form self-help groups with the assistance from the Centre and States.

3. Food security programmes

With a five-fold increase in food grain production from 50 million tonnes in 1950-51 to about 250 million tonnes in 2014-15, India has moved away from dependence on food aid to become a net food exporter. The government has also taken significant steps to combat under- and malnutrition over the past two decades, such as through the introduction of mid-day meals at schools, anganwadi systems to provide rations to pregnant and lactating mothers, and subsidised grain for those living below the poverty line through a public distribution system.

The introduction of e-marketplace, as well as a massive irrigation and soil and water harvesting programme are initiated by the government recently to increase the country's gross irrigated area from 90 million hectares to 103 million hectares by 2017.

In 2016, the government launched a number of programmes to double farmers' incomes by 2022. These seek to remove bottlenecks for greater agricultural productivity, especially in rain-fed areas. They include:

The National Food Security Mission: In view of the stagnating food grain production and an increasing consumption need of the growing population, Government of India has launched this Centrally Sponsored Scheme, 'National Food Security Mission' in October 2007. The Mission met with an overwhelming success and achieved the targeted additional production of rice, wheat and pulses. Based on good performance the programme is being continued up to 2019-20, which is co-terminus with Fourteenth Finance Commission (FFC) period.

Remunerative Approach for Agriculture and Allied sector Rejuvenation (RAFTAAR), previously known as "Rashtriya Krishi Vikas Yojana" a State Plan Scheme of Additional Central Assistance, was launched in 2007 as a part of the 11th Five Year Plan by the Government of India. Launched under the aegis of the National Development Council, it seeks to achieve 4% annual growth in agriculture through development of Agriculture and its allied sectors by drawing up plans for increased public investment in Agriculture by incorporating information on local requirements, geographical/climatic conditions, available natural resources/ technology and cropping patterns in their districts.

Pradhan Mantri Fasal Bima Yojana (PMFBY): This was launched on 18 February 2016. It is an insurance service for farmers for their yields. It was formulated in line with One Nation-One Scheme theme by replacing earlier National Agriculture Insurance Scheme (NAIS) and Modified National Agriculture Insurance Scheme (MNAIS) by incorporating their best features. It aims to reduce the premium burden on farmers and ensure early settlement of crop assurance claim for the full insured sum.

National Food Security Act (NFSA), 2013: It aims to ensure food and nutrition security for the most vulnerable through its associated schemes and programmes, making access to food a legal right.

4. Social Security Programmes

Pradhan Mantri Gramin Awaas Yojana (PMGAY), previously Indira Awaas Yojana (IAY), is a social welfare flagship programme, created by the Indian Government, to provide housing for the rural poor in India. Indira Awaas Yojana was launched in 1985 as one of the major flagship programs of the Ministry of Rural Development to construct houses for BPL population in the villages. Under the PMGAY scheme, financial assistance is provided for construction of houses. These houses are equipped with facilities such as toilet, LPG connection, electricity connection, and drinking water convergence with other schemes e.g. **Swachh Bharat Abhiyan toilets, Ujjwala Yojana LPG gas connection, Saubhagya Yojana** electricity connection, etc. The houses are allotted in the name of the woman or jointly between husband and wife.

Sukanya Samridhi Yojana this is a small scale savings scheme for a daughter's education and marriage. It's a part of government's '**Beti Bachao and Beti Padhao mission**'. The government

through this scheme wants to convey a message that if a parent could make a proper plan for their girl child, they can definitely improve and secure their daughter's future.

National Pension Scheme: It is a voluntary pension scheme introduced with an aim of fulfilling retirement needs regulated by the Pension Fund Regulatory & Development Authority (PFRDA).

Pradhan Mantri Jan Dhan Yojana: This scheme is for the economically weaker sections of the society who do not have a bank account or any access to basic financial services. It is suitable for individuals working in an unorganized sector. This scheme offers basic financial services like a Savings Account, Deposit Account, Insurance, Pension, Remittances etc.

Atal Pension Yojana: It is a government backed pension scheme launched in 2015 intended to provide pension benefits with a minimum contribution per month. This scheme is targeted to the unorganised sector and provides pension benefits with a minimum contribution per month.

It was introduced to help the low-income group of the society like maids, drivers or security guards. Upon the death of the contributor, the nominee can claim for the accumulated corpus or pension money.

Pradhan Mantri Jeevan Jyoti Bima Yojana: It is a life insurance scheme backed by the Government of India. It was introduced in the budget of 2015. This scheme aims to secure an individual who is the sole earning member of the family and have dependents under him/her and to increase the number of insurers in India which is currently very low

5. Urban Poverty Alleviation Programmes

The **Pradhan Mantri Awas Yojana (Urban) Programme:** It was launched by the Ministry of Housing and **Urban Poverty Alleviation (MoHUPA)**, in Mission mode envisions provision of Housing for All by 2022, when the Nation completes 75 years of its Independence. The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:

- ✓ Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
- ✓ Promotion of Affordable Housing for weaker section through credit linked subsidy
- ✓ Affordable Housing in Partnership with Public & Private sectors
- ✓ Subsidy for beneficiary-led individual house construction /enhancement.

The Ministry of Housing and Urban Poverty Alleviation had been implementing a Centrally Sponsored Scheme **Swarna Jayanti Shahari Rozgar Yojana (SJSRY)** since 1997 which has been restructured as **Deendayal Antyodaya Yojana - National Urban Livelihoods Mission** since September, 2013. The NULM has been under implementation w.e.f. September 24, 2013 in all district headquarters (irrespective of population) and all the cities with population of 1 lakh or more.

The Self Employment Programme of urban poor is a component of the **National Urban Livelihoods Mission (NULM)**. It provides financial assistance to individuals/groups of urban poor for setting up gainful self-employment ventures/ micro-enterprises, suited to their skills, training, aptitude and local conditions.

CONCLUSIONS

Today India is one of the fastest-growing economies with second highest population in the world. Problem of poverty is very crucial to such developing countries. Poverty eradication measures are not matter of concern for one or two decades. A continuous and sincere effort from government and administrative machinery is needed to work on uprooting the problem of poverty. We find the different government had taken various methods from time to time to reduce the poverty level and improve the living standards of masses.

Data and reports as per World Poverty Clock also confirm that poverty has been on a decline in this country, with close to 44 Indians escaping extreme poverty every minute. According to the World Bank, between 2004 and 2011 poverty declined in India from 38.9% of the population to 21.2%. In May 2012, the World Bank reviewed and proposed revisions to their poverty calculation methodology and purchasing power parity basis for measuring poverty worldwide. It was a minimal 3.6% in terms of percentage. As of 2016, the incidence of multidimensional poverty has almost halved between 2005–06 and 2015–16, declining from 54.7% to 33.8%. According to United Nations Development Programme Administrator Achim Steiner, India lifted 271 million people out of poverty in just a 10-year time period from 2005/06 to 2015/16

Therefore we find that India has been able to lift a significant percentage of its population out of poverty, but many still live in it. According to the Brookings report India had 73 million people living in extreme poverty which makes up 5.5% of its total population.

Poverty alleviation programmes must be implemented being more focussed rather than vague and unscientific. Efforts must be made to generate involvement and effective participation of masses in poverty alleviation programmes. There is also need of integrating these programmes with the overall development strategy so as to get maximum benefits of these programmes

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