

AN ANALYSIS OF POVERTY IN INDIA

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ABSTRACT:

In almost all underdeveloped countries where per capita income is very low, income inequality has resulted in a number of evils, of which poverty is certainly the most serious one. Poverty infact is a socio-economic phenomenon that is intimately associated with inequality. It adversely affects human health, efficiency and productivity which in turn affect their income. It deprives a segment of society of bare necessities of life- food, clothing, housing, education and health. Poverty is more of social marginalization of an individual, household or group in the community/society rather than inadequacy of income to fulfill the basic needs. Indeed, inadequate income is therefore one of the factors of marginalization but not the sole factor. The goal of poverty alleviation programme should aim merely increasing the income level of individual, household or group but mainstreaming marginalized in the development process of the country. So this paper is an attempt to study national policies, plans and programs for poverty eradication.

Keywords: Poverty, Programmes, Poverty Eradication.

INTRODUCTION

Poverty refers to a situation when people are deprived of basic necessities of life. It is often characterized by inadequacy of food, shelter and clothes. In other words, poverty refers to a state of privation where there is a lack of essential needs for subsistence. It is generally agreed in this country that only they who fail to reach a certain minimum consumption standard should be regards as poor. “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (Adam Smith, 1776). Poverty is about denial of opportunities and fulfilment of human potential. Poverty essentially consists of two elements, narrowly-defined “income” poverty and a broader concept of “human” poverty. Income poverty is defined as the lack of necessities for minimum material wellbeing determined by the national poverty line. Human poverty means the denial of choices and opportunities for a tolerable life in all economic and social aspects recognising the problem, the

Millennium Development Goals of the United Nations also contain a commitment to halve the proportion of the world's population living in extreme poverty by 2015. Poverty is widespread in India, with the nation estimated to have a third of the world's poor.

LITERATURE REVIEW:

The literature on poverty in India is vast and many of the contributions or references to the contributions can be found in Srinivasan and Bardhan (1974, 1988), Fields (1980), Tendulkar (1998), Deaton and Dreze (2002), Bhalla (2002) and Deaton 3 and Kozel (2005). Panagariya (2008) provides a comprehensive treatment of the subject until the mid-2000s including the debates on whether or not poverty had declined in the post-reform era and whether or not reforms had been behind the acceleration in growth rates and the decline in poverty. Finally, several of the contributions in Bhagwati and Panagariya (2012a, 2012b) analyze various aspects of poverty in India using the expenditures surveys up to 2004-05. In particular, Cain, Hasan and Rana (2012) study the impact of openness on poverty, Mukim and Panagariya (2012) document the decline in poverty across social groups, Dehejia and Panagariya (2012) provide evidence on the growth in entrepreneurship in services sectors among the socially disadvantaged groups and Hnatkowska and Lahiri (2012) provide evidence on and reasons for narrowing wage inequality between the socially disadvantaged groups and the upper castes.

POVERTY ESTIMATION IN INDIA:

Head Count Ratio or on the basis of minimum consumption expenditure method is used in India for poverty measurement. For estimation of poverty various committees were formed in India. Some important findings of different committees are following:

Ojha:

P. D. Ojha estimates that, in 1960- 61, 190 million people (constituting about 44% of the then total population) lived below the poverty line. A vast majority—184 million—of the poor lived in rural India (51.8% of total rural population as compared to only 6 million in urban areas (7.6% of the total urban population).

Dandekar and Rath:

An alternative estimated made by V. M. Dandekar and Nilkantha Rath is based on the entire diet. Using a minimum for both rural and urban areas, Dandekar and Rath estimated that 40% of the rural population lived

below the poverty line in 1960-61. Dandekar and Rath estimate that the percentage (not the absolute number) of poor in India remained more or less constant at 41 between 1960-61 and 1968-69.

Minhas:

Using the National Sample Survey data and GNP deflator, Minhas estimated that 50.6% of the Indian population was below poverty line in 1976-77. Minhas reports a declining trend in poverty from 65% in 1956-57 to 63.2% in 1957-58, 59.4% in 1960-69, 56.4% in 1961-62, 57.8% in 1963-64, 51.6% in 1964-65 and 60.5% in 1967-68.

Bardhan:

P. K. Bardhan contends that GNP deflator is a biased measure because it includes both agricultural and manufactured commodities. The agricultural labour price index was considered by him as more appropriate in view of the fact that the share of manufactured commodities in the typical budget of the rural poor was really insignificant and much below the national average.

THE SIXTH PLAN (1980-85):

The Sixth Five Year Plan also defines minimum needs in terms of 'physical survival'. Using a minimum of calorie intake of 2,400 per person in the rural areas and 2,100 for urban areas, respectively, the Plan reports that 51.49% of the population lived below the poverty line in 1972-73.

The official poverty estimates in India, provided by the Planning Commission, were based on the **Lakdawala** poverty lines. Who headed a 1993 expert group that recommended these lines. Recommendations of a 2009 expert committee headed by Professor **Suresh Tendulkar** led to an upward adjustment in the rural poverty line relative to its Lakdawala counterpart. Therefore, while the official estimates for earlier years were based on the lines and methodology recommended by the expert group headed by Lakdawala, those for more recent years were based on the line and methodology recommended by the Tendulkar Committee. Official estimates based on both methodologies exist for only two years, 1993–1994 and 2004–2005.

According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. To alleviate poverty government of India started different programs. The targeted programmes fall into four broad categories: (i) self-employment programmes (ii) wage employment programmes (iii) direct cash transfers to the targeted groups and (iv) Public distribution system (PDS). Some

popular programs of government are PRIME MINISTER'S ROZGAR YOJANA ,RURAL EMPLOYMENT GENERATION PROGRAMME (REGP),NATIONAL SOCIAL ASSISTANCE PROGRAMME(NSAP) ,SWARNA JAYANTI SHAHRI ROZGAR YOJANA (SJSRY),SWARAN JAYANTI GRAM SWAROZGAR YOJANA (SGSY),INDIRA AWAAS YOJANA (IAY),ANTYODAYA ANNA YOJANA (AAY),NATIONAL FOOD FOR WORK PROGRAMME,NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (NREGS),PUBLIC DISTRIBUTION SYSTEM etc.

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