
Poverty an Universal Problem: Efforts for Poverty Mitigation in India

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Poverty is a common and serious scene seen in most of the developing countries. India is not exception for this. It is not the meaning that, the developed countries are not having poverty and free from such problem. The developed countries also have poor people and poor people living areas. The extent of poverty is more in underdeveloped or developing countries and less in developed countries. Due to low income, low savings, low investment, low employment or high unemployment, low efficiency, low productivity, low profit, low production, etc. the problem of poverty is created and continued in developing countries. These problems are interdependent therefore coming out of these problems is very difficult. Unless these problems are solved coming out of the problem of poverty is not possible. But unless poverty is eradicated these problems cannot be solved. An attempt is made to compare the level of poverty line of different countries. The paper highlights The Definition and Estimation of Poverty, parameters considered for concluding Poverty Line in urban areas, Comparison Poverty Lines in Different Countries, Extent of Poverty, Important Facts concerned with Poverty in India, poverty alleviation and rural development schemes and programmes, etc.

Key Words: Poverty, problem, unemployment, productivity, interdependent

“In human society too much wealth or too much poverty is a great impediment to the higher development of the soul. It is from the middle classes that the great ones of the world come. Here the forces are very equally adjusted and balanced”. –Vivekananda

“(....) there was lack of food, of clothing, of housing and every other essential requirement of human existence.... the development policy objective should be to get rid of the appalling poverty of people. – Nehru, the Discovery of India, (1946)”

Poverty is a common and serious scene seen in most of the developing countries. India is not exception for this. It is not the meaning that, the developed countries are not having poverty and free from such problem. The developed countries also have poor people and poor people living areas. The extent of poverty is more in underdeveloped or developing countries and less in developed countries. Due to low income, low savings, low investment, low employment or high unemployment, low efficiency, low productivity, low profit, low production, etc. the problem of poverty is created and continued in developing countries. These problems are interdependent therefore coming out of these problems is very difficult. Unless these problems are solved coming out of the problem of poverty is not possible. But unless poverty is eradicated these problems cannot be solved. In other words breaking the vicious circle of poverty has become very difficult. Prof. Gunnar Myrdal rightly says that, “the country is poor because the country is poor”. The extent of poverty is more in the developing countries compared to developed countries. India a sub-continent has sheltered people of different religion, caste; creed, culture, etc. With many problems with poverty, India has been experiencing problem of inequality. Hence we can see rich class, middle class and poor class people in the nation. In India

the extent of poverty varies between different regions, different religions and in different castes. Having the country without poverty is the dream of India. As a part of socio-economic development, India is making efforts for poverty alleviation. The extent of poverty is more among the Scheduled Caste and Scheduled Tribe people.

The Definition and Estimation of Poverty

Defining poverty is a difficult task. There are number of definitions of poverty. Several scholars have tried to give the definition of poverty but they don't agree with a definition which is appropriate for India. In India we can see variety of poverty such as Income Poverty, Nutrition (food) Poverty, Financial Poverty, Child Poverty, Cultural Poverty, Educational Poverty, etc. In India definitions of income-based poverty and consumption-based poverty are frequently used but, World Bank and United Nations follow the broader definition. For comparing poverty among different countries World Bank and United Nations use the definition based on purchasing power parity (PPP) and nominal relative bases. The different states in India have their own poverty threshold to determine the number of people live below the poverty line and replicate their regional economic conditions. Therefore such differences in definitions of poverty give complex and contradictory picture regarding poverty in India. This becomes very difficult to make comparison between states within and other developing countries of the world.

Various economists, organizations and government have been estimating the poverty level in India. According to the report of Task Force Committee, Expert Group of Planning Commission defined poverty line on Nutritional norm of daily intake of 2400 calories in rural areas and 2100 calories in urban areas.

Historically, based on the food nutrition standard poverty was estimated in India. In recent days the methodology of poverty estimation has been revised. The India's present poverty rates are based on the Planning Commission's data derived from Tendulkar methodology. Under this methodology different poverty lines for rural and urban areas will be sets. Tendulkar method defines poverty in terms of consumption expenditure i.e spending of an individual for essential goods over certain period.

In India, official threshold at Rs. 26 per day (\$ 0.43) in rural areas and Rs. 32 per day (\$ 0.53) in urban areas is fixed since 2007. These figures (fixation) are so lower than that of the World Bank's fixation i.e \$ 1.25 per day (income-based definition). The Chinan's description of poverty line is similar and was US \$ 0.65 per day, in 2008.

The international poverty line definition of the World Bank is based on purchasing power parity (PPP) was fixed at \$ 1.25 per day. Fixing of poverty line based on purchasing power parity (PPP) is more relevant as it is based on the cost of living. The cost of living and price level have direct relationship. Hence, a practical definition and comparison of poverty must consider such differences in cost of living and must be based on purchasing power parity (PPP). Hence, the poverty line estimated based on the purchasing power parity (PPP) definition by the World Bank in 2014, was significantly lower than earlier.

The non-economic, mixed and semi-economic measures of poverty were considered as more appropriate. In 1971, Dandekar and Rath suggested a measurement of poverty rate based on number of calories consumed. Alkire and others suggested Multi-dimensional Poverty Index (MPI) in 2011. According to this measure, 6.26 percent of weight to assets owned by a person, 33 percent of weight on education and number of years spent in school should be given while estimating poverty.

India, for the measurement of its present poverty, calculates two benchmarks such as, a basket of goods including food items but does not include the implied the value of house, value of some means of conveyance or the economic value of other essentials created, grown or used without a financial operation, by the members of a household and another benchmark adds rent value of residence and cost of conveyance. In India it has been proposed that, Rs. 972 (US\$14) per month in rural and Rs. 1407 (USD\$21) per month in urban areas in the year 2014 but yet not adopted. The present poverty line is \$14 per month (US\$ 0.46 per day) in rural and \$ 17 per month (\$ 0.56 per day) in urban areas.

The poverty line in different states in India is estimated at different level. In 2011-12 the poverty line in Pondicherry was Rs.1301 (US\$19) per month in rural areas and Rs.1309 (US\$ 19) in urban areas, which was

considered as highest in the country while in Odisha Rs.695 (US\$10) per month in rural and Rs. 861 (US\$13) per month in urban areas.

Following are the parameters considered for concluding Poverty Line in urban areas.

1. No land or less than 5 cents of land,
2. No house or infirm house,
3. No sanitation facility,
4. Family with illiterate member,
5. No regular employed person in the family,
6. No excess of safe drinking water,
7. Women-headed household or existence of widow or divorcee,
8. Scheduled castes and scheduled tribes (SC/ST) and
9. Mentally retarded or disabled member in the family

Comparison Poverty Lines in Different Countries

COUNTRY	POVERTY LINE	YEAR
India	Rs. 972 (US\$ 14) per month (Rural)	2014 (yet not adopted)
	Rs.1407 (US\$ 21) per month (Rural)	2014 (yet not adopted)
Argentina	6 Peos (\$ 0.74)	2012
China	6.3 yuan (\$ 1)	2011
Nigeria	65 naira (\$ 0.4)	2011
United States	\$ 11,670 per year	2014

EXTENT OF POVERTY

Below Poverty Line (BPL) is an economic standard used by the government of India to point out economic weakness and to identify individuals and households in need of government support and help. The governments do this by using various parameters. The present criteria are based on the survey conducted in 2002. The criteria vary from states to state. Internationally an income of less than \$ 1.90 per individual per day of purchasing power parity is considered as extreme poverty. According to this estimate about 21.2 percent of Indian individuals are extremely poor.

The income based poverty lines show the lower income with which the individual cannot purchase other than food requirements, means unable to get health care and education. Nearly 74.68 per cent of the total population live in 6,27,000 villages, more than 60 per cent of people depend on primary sector for their lively hood, in India. Improper, wrong and inefficient utilization of the natural resources have raised the poverty and unemployment rate in India. Both the unemployment and poverty problems are closely linked that one cannot be separated from the other. It is felt that, by solving one problem the other would also be solved. According to Seventh Finance Commission Report (1977) emphasizes that, about 277 million of the population live below poverty line, of which 155 million belong to the rural areas and 122 million to the urban areas. According to NSS 61st Round Survey (2004-05) nearly about 28.3 per cent of the rural and 25.7 per cent in urban areas people were not obtaining required intake of calories of nutrition. In 2004-05, 27.5 per cent of people were not obtaining required intake of calories of nutrition in the country. It decreased to 220.1 during 2007.

According to the survey done in 1991 out of 84,33,000 rural families 34,46,000 families were identified as BPL families. As per the 1999 survey out of 93,88,000 rural families 27,37,000 families were identified as BPL families (statement of the Director of Rural Development and Panchayat Raj).

Tribal People, Dalits and Labour class including personnel in villages and casual workers in urban areas, etc., come under BPL in India,.

In India, 60 percent of the poor people live in the states of Bihar, Jharkhand, Odisha, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Uttarakhand. The main reason for this is 85 percent of tribal people live in these states, second reason is most of the regions suffer from calamities or flood-prone due to which the agriculture affects adversely on the people depend for their livelihood.

India is trying to become a super power by 2020 for which it is doing hard, India ranks 97th in Global Hunger Index as per the Global Hunger Index Report, 2012 of the International Food Research Institute. The highest percentage of children below five years is underweight even though there is no food shortage in India. At present India has one-third of world's poor, which was one-fifth before 30 years. \$1.25 is the International Poverty Line (IPL). India witnessed 32.7 percent population live below poverty line in 2010 and it was expected to drop by 22 percent in 2015.

The World Bank has at the opinion that, India is one of the poorest countries in the world. The important reasons for poverty according to World Bank are poor health services, malnutrition among children, and insufficient education and training, etc. More than 50 percent of children below 13 years drop out of school.

Some Important Facts concerned with Poverty in India

1. On third of world's poor people are in India.
2. As per the World Bank data of 2010, 55.6 percent of (aged above 15 years), however, the percent of Wage and salaried workers of those employed only equal to 18.1 percent only.
3. According to Planning Commission of India, 37 percent of India's 1.21 billion people live below international poverty line which is \$1.25 per day in 2012.
4. Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal are the Indian states with more poverty.
5. In India, 98,000 people die every year because of diarrhea which is due to lack of enough sanitation, nutrition and safe drinking water.

The rural and urban poverty is not even in all the states in India. In rural areas of Jharkhand nearly 46.3 percent and 20.2 percent of the people live below poverty line in rural and urban areas respectively, this ratio is 36.9 percent and 42.1 percent in Madhya Pradesh and 46.4 percent and 41.4 percent in Chhattisgarh. In Karnataka about 22.1 percent of rural people and 19.6 percent of urban people live below poverty line. As per RBI report 2012, India's average 21.92 percent people live below poverty line, Goa is having lowest percent (5.09) and Chhattisgarh is having highest percent of people who live below poverty line. In Karnataka 24.53 percent of people in rural areas and 15.25 percent people in urban areas live below poverty line. Average combined percentage of BPL of Karnataka is 20.91 which is below the all India average BPL i.e 21.92. The following table gives clear picture of all India and state wise BPL level.

Global Monitoring Report of World Bank for 2014-15 on the Millennium Development Goals says, India has been the biggest contributor to poverty reduction between 2008 and 2011. India lifted 140 million out of absolute poverty. After independence Indian government initiated a number of varieties of schemes for helping poor people for attaining self-sufficiency in food production. Such have included supply of essential commodities specially food at controlled prices through Public Distribution System (PDS) throughout the country. Such efforts have prevented the severities of famines and eliminated poverty to some extent in rural and urban areas.

It is obvious to note that, poverty is widespread. The cruelty of poverty is more in rural areas than in urban areas. The extent of poverty varies from state to state. In Karnataka about 22.1 percentage of rural and 19.6 percent of urban people live below poverty line. The problems of poverty and unemployment go hand in hand. Unless the problem of unemployment is solved by increasing employment opportunities, the problem of poverty cannot be beaten and unless the problem of poverty is beaten, socio-economic equality cannot be achieved. When the equality is confirmed then only the constitutional provision of fundamental right gets value.

Extent of Poverty in Different States of India

State/ Union Territory	No. of Poor Persons Live in Rural Areas In Thousands	% of Poor People live in Rural Areas	No. of Poor Persons Live in Urban Areas In Thousands	% of Poor People live in Urban Areas	% of Poor People live in Rural and Urban Areas
Andhra Pradesh	6180	10.96	1698	5.81	9.20
Arunachal Pradesh	425	38.93	66	20.33	34.67
Assam	9206	33.89	921	20.49	31.98
Bihar	32040	34.06	3775	31.23	33.74
Chhattisgarh	8890	44.61	1522	24.75	39.93
Goa	37	6.81	38	4.09	5.09
Gujarat	7535	21.50	2688	10.14	16.63
Haryana	1942	11.64	941	10.28	11.16
Himachal Pradesh	529	8.48	30	4.33	8.06
Jammu & Kashmir	1073	11.54	253	7.20	10.35
Jharkhand	10409	40.84	2024	24.83	36.96
Karnataka	9280	24.53	3696	15.25	20.91
Kerala	1548	9.14	846	4.97	7.05
Madhya Pradesh	19095	35.74	4310	21.00	31.65
Maharashtra	15056	24.22	4736	9.12	17.35
Manipur	745	38.80	278	32.59	36.89
Meghalaya	304	12.53	57	9.26	11.87
Mizoram	191	35.43	37	6.36	20.40
Nagaland	276	19.93	100	16.48	18.88
Odisha	12614	35.69	1239	17.29	32.59
Punjab	1335	7.66	982	9.24	8.26
Rajasthan	8419	16.05	1873	10.69	14.72
Sikkim	45	9.85	6	3.66	8.19
Tamil Nadu	5923	15.83	2340	6.54	11.28
Tripura	449	16.53	75	7.42	14.05
Uttar Pradesh	47935	30.40	11884	26.06	29.43
Uttarakhand	825	11.62	335	10.48	11.26
West Bengal	12114	22.52	4383	14.66	19.98
Andaman & Nicobar Islands	4	1.57	00	0.00	1.00
Chandigarh	0	1.64	234	22.31	21.81
Dadra & Nagar Haveli	115	62.59	28	15.38	39.31
Daman & Diu	0	0.00	26	12.62	9.86
Delhi	50	12.92	1646	9.84	9.91
Lakshadweep	0	0.00	2	3.44	2.77
Pondicherry	69	17.06	55	6.30	9.69
All India	216658	25.70	53125	13.70	21.92

Source: RBI report of 2012

The government of India and the state governments are trying to eradicate poverty and removing the people from BPL trap by implementing various poverty alleviation programmes in rural as well as urban areas, since independence. Such poverty alleviation and rural development schemes and programmes are – Swarnajayanti Gram Swarozgar Yojana (SGSY) Sampoorna Grameen Rojgar Yojana (SGRY), Rural Housing Schemes,

Prime Minister Rojgar Yojana (PMRY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Drought Prone Area Programme (DPAP), Antyoday Anna Yojana (AAY), Swarnajayanthi Shahari Rozgar Yojana (SSRY), Valmiki Ambedkar Awas Yojana (VAMBAY), National Rural Employment Guarantee Scheme (NREGS), Indira Awas Yojana (IAY), Samagra Awaz Yojana (SAY), Tribal Area Development Programme (TADP), Pradhan Mantri Gramodaya Yojana (PMGY), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Legal elimination of bonded labours, Preventing the centralisation of wealth by modifying the law, Small Farmers Development Programme (SFDA), Twenty Points Programme, Food for Work Programme, Minimum Needs Programme (MNP), Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Labour Employment Guarantee Programme (RLEGP), TRYSEM scheme, Jawahar Rozgar Yojana (JRY), National Social Assistance Programme (NSAP), Rural Housing Programme, Pradhan Mantri Rozgar Yojana, Nehru Rozgar Yojana (NRY), Self- Employment Programme for the Urban Poor (SEUP), Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP).

Most of the poverty alleviation programmes of the government in rural India are implemented through Gram Panchayats. Panchayat Raj Institutions are instruments of integrated rural development and have added a new dimension to rural development and have brought socio-economic democracy to the door steps of the common man in villages.

The Eleventh (XI) Plan Allocation Under Various Schemes/Programmes

Sl.No.	Scheme/Programme	XI Five Year Plan (2007-2012) Outlay in Rs. Lakh
1	SJSY	29656.12
2	SGRY	18016.64
3	DPIP9SS (EAP) / EAPII Phase	23158.72
4	Rural roads	50000.00
5	Indira Avas Yojana	27766.71
6	WDP	10598.56
7	DRDA	6012.36
8	DPAP	21294.84
9	Gramin Ajivika Pariyaojna	22480.00
10	National Rural Rojgar Gurantee Scheme	199881.85
11	MP Rojgar Gurantee Council	3800.00
12	Mid day meal	69.462.00
13	BRGF	225695.00
14	Community Development	29265.20
15	Walmi	1250.00
16	Raod maintenance	2030.00
17	State rural road Connectivity	8647.60
18	CM Awas Yojana (Apna Ghar)	6200.00
19	State SGSY	1800.00
20	Training	50.00
21	Master Plan	1363.00
22	Sutradhar scheme	50.00
23	Gokul Gram adhosanrachan	5000.00
24	Go dan Yojana	1000.00
	Grand Total	7,64,478.50

Source: Ministry of Rural Development [40]

Scheme-wise Physical Targets Proposed of XI Five Year Plan

Sl. No	Scheme/ Programme	Unit	Proposed target XI Five Year (2007-2012)
1	SJGSY	No. of beneficiaries in lakhs	4.52
2	SGRY	Lakhs employment	900
3	DPIP (SS with WB support)	No. of groups in lakhs	2.05
4	Rural roads(PMGSY)	Kms	20000
5	Indira Avas Yojana	No. of houses in lakhs	4.44
6	Gramin Ajjivika Pariyaojna	No. of household in lakhs	3.20
7	National Rural Rojgar Gurantee Scheme	Lakhs mandays	17300
8	Mid day meal	Students in lakhs	466.35
9	BRGF	No. of workers	20000
10	Raod maintenance	Kms.	20000
11	M.P. Rural Livelihood Project	No. of families	320000

Source: Ministry of Rural Development [40]

Conclusion

Poverty is a common and serious scene seen in most of the developing countries. Due to low income, low savings, low investment, low employment or high unemployment, low efficiency, low productivity, low profit, low production, etc. the problem of poverty is created and continued in developing countries. These problems are interdependent therefore coming out of these problems is very difficult. Unless these problems are solved coming out of the problem of poverty is not possible. But unless poverty is eradicated these problems cannot be solved. The government of India has been trying to reduce the poverty through various schemes. Still more programmes and allocations are necessary for overcoming the problem.

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