

POVERTY

What is poverty?

- It refers to a state in which an Individual is unable to fulfill basic necessities of life like food, clothing, education etc.

Two Measures to Define Poverty

- Absolute Poverty

- It refers to the total number of people living below poverty line. It is measured on the basis of two criteria:

- Relative Poverty

- It refers to poverty of people in comparison to other people in different regions or nation.

POVERTY LINE

- Poverty line is a cutoff point on the line of distribution, which usually divides the population of the country as poor & non poor.
- People having income below the poverty line are called poor & people with income above poverty line are called non poor.

- The planning commission has defined poverty line on the basis of recommended nutritional requirement of 2400 calories per person in rural areas and 2100 for a person in urban area.
- While fixing the poverty line, consumption of food is considered as the most important criteria.
- The consumption worth of criteria 816 per person a month in rural area and for urban area it was Rs. 1000 also considered for poverty line.

Causes of Poverty

- **Population Explosion:** Rapid growth of population, particularly among the poor, is responsible for the problem of poverty in the country.
- **High level of un-employment:** poverty is caused by unemployment or underemployment coupled with a low rates of wages.
- **Inequalities of income:** an important cause of poverty in India is the existence of large inequalities in distribution of national income & concentration of economic power, both in rural & urban sectors of the :economics.

- **High illiteracy rate:** lower education result in lower income as there is a positive correlation between the two.
- **Political factors:** Before Independence, India was exploited under the British rule. After Independence other political factors have adversely affected economic progress. Economic policies are formulated to promote the interest of the richer section of the society & poor people are suffers in the process.

Methods to Remove Poverty

- **Acceleration of economic growth:** The first & foremost measure needed to remove poverty is accelerating the rate of economic growth.
- **Reducing inequalities of income:** If the high growth rate is accompanied with increased inequalities of income, then fruits of economic development will accrue only to rich section, whereas the poor will grow in numbers. Thus inequalities must be reduced if development is to benefit the poor.

- **Population control:** High growth rate of population especially among the poor is one of the causes. Poverty can be removed to a greater extent, if we intensify family planning campaign & reduce the increasing population among the poor.
- **More employment opportunities:** Poverty can be eliminated by providing more employment opportunities. So that people are able to meet their basic needs.
- **Land reforms:** by the imposition of ceilings on land holdings & their effective implementation a good amount of land can be acquired to be distributed among the landless laborer. On obtaining land, the landless laborers will be able to employ themselves & will produce subsistence for them.

Measures Adopted by the Government to alleviate Poverty

- Prime minister's Rozgar Yojana (PMRY): This program aims at creating selfemployment opportunities in rural areas & small towns. Under this program, educated unemployed from low-income families in rural & urban areas can get financial assistance in the form of bank loans, to set up any kind of enterprise that generates employment.
- Swarna Jayanthi Shahri Rozgar Yojana (SJSRY): Urban self-employment program & the urban wage employment programs are two special schemes of SJSRY, initiated in December 1997 which replaced various programmes operated earlier, for urban poverty alleviation. SJRY mainly aims at creating employment opportunities for both selfemployment & wage-employment in urban areas.

- [Sampoorna Grameen Rozgar Yojana \(SGRY\)](#): The scheme was launched with effect from September 2001. The schemes of Jawahar Gram Samridhi Yojana (JGSY) & employment assurance scheme (EAS) has been fully integrated with SGRY. The scheme aims at providing wage employment in rural areas & food security, along with the creation of durable community social & economic assets.
- [National Rural Employment Guarantee Act 2005](#): The act was passed in 2005 & the scheme, i.e. National rural employment guarantees schemes or NREGS was launched in February 2006. The aim of the act is to provide guaranteed wages employment to every households. Under this programme, volunteer adults will be provided unskilled manual work for a minimum of 100 days in a year.
- [Swarna Jayanthi Gram Swarozgar Yojana \(SGSY\)](#): SGSY is a self-employment program, launched with effect from April 1 199 as a result of restructuring & combining the earlier poverty eradication programmes like Integrated rural development programme (IRDP), development of women & children in rural areas (DWCRA), etc. It aims at promoting micro enterprises & to bring the assisted poor families (Swarozagaris) above the poverty line, by organizing them into Self-Help Groups (SHGs).

POVERTY ALLEVIATION PROGRAMMES — A CRITICAL ASSESSMENT

- Despite various strategies to alleviate poverty, hunger, malnourishment, illiteracy and lack of basic amenities continue to be a common feature in many parts of India. Though the policy towards poverty alleviation has evolved in a progressive manner, over the last five and a half decades, it has not undergone any radical transformation.
- Poverty alleviation has always been accepted as one of India's main challenges by the policy makers, regardless of which government was in power

POVERTY ALLEVIATION PROGRAMMES — A CRITICAL ASSESSMENT

while assessing these 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 amount of resources allocated for these programmes is not sufficient.

POVERTY ALLEVIATION PROGRAMMES — A CRITICAL ASSESSMENT

- Moreover, these 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.
- Moreover, the fruits of development have not reached all sections of the population.