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## **Poverty and its Social Impact in India**

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### **ABSTRACT :**

*Poverty is one of the basic problems in India. Poverty affects not only the individual but also the society as well as to the country. Poverty adversely affects the country's economic position and also in the balance of payment. It also decrease the country's economic position in front of the whole world. This research paper is basically focused on poverty in India. What are the basic reasons of poverty in India, what action government has taken to remove the poverty, and what extent government has got success to remove poverty in India. In this study secondary data has been used for analysis.*

### **INTRODUCTION:**

Poverty is one of the major problems in India. It is the root cause of many socio-economic problems including population explosion, unemployment, and child labour and rising graph of crimes. Poverty alleviation should be the main target of the nation so as to make it a prosperous and developed country. Thus, poverty elimination is a matter of fundamental importance.

Poverty implies a condition in which a person finds him unable to maintain a living standard adequate for his physical and mental efficiency. He even fails to meet his basic requirements. Poverty is in fact a relative concept. It is very difficult to draw a demarcation line between affluence and poverty. According to Adam Smith, "Man is rich or poor according to the degree in which he can afford to enjoy the necessaries, the conveniences and the amusements of human life."

The pathos of Indian story is that 220-230 million of Indian population, which constitutes 22 per cent of the total population, is poor, as per the findings of the National Sample Survey Organisation. This makes India home to the world's largest proportion of the poor, even if the percentage of the people living below poverty line reduced from 36 per cent in 1993-194 to 22 per cent in 2004-05. The problem of poverty is acute in villages. More than 75 per cent people live in villages. Even prevalence of poverty is not uniform all across India. The

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poverty level is below 10 per cent in states like Delhi, Goa, Punjab, etc. while it is nearly 50 per cent in socio-economically backward states like Bihar and Orissa. The percentage of poverty fluctuates between 30 to 40 in north-eastern states of Assam, Meghalaya, and in Tamil Nadu and Uttar Pradesh.

There are other dismal facts about poverty in this 4th largest economy of the world on GDP at Purchasing Power Parity: it ranks 126th out of 177 countries listed in the World Human Development Index and the rate of child malnutrition double than that of sub-Saharan Africa. The most recent World Bank estimates for India are based on household surveys carried out in 1999-2000. It was found that almost 80 per cent of India's population was surviving on less than \$2.15 a day (in PPP terms), i.e. is about 800 million \$1.40 a day or less and nearly 35 per cent were found to be living on \$1.20 a day or less. With such factual and visible evidence enforcing existing bias, the defining element of our economy would remain identified with poor millions.

#### **CAUSES OF POVERTY:**

##### **People depend upon agriculture:**

Rather than getting drowned into swirling oceans of data we need to look into the factors which lead to poverty. Since India is predominantly an agricultural country, it is the largest source of employment. More than three-fourths of their populations depend on agriculture for their livelihood. Agriculture here is dependent on monsoon. Sometimes due to uncertainty and irregularity of monsoon, agriculture collapses. Food grains production declines. Often there is drought. All these adversely affect the income generation prospect. These combine to result in poverty. People do not have other means of livelihood; they are left with no other option except to starve.

##### **Illiteracy:**

Illiteracy constitutes a major cause of poverty. It is really very distressing that after more than 60 years of independence, about one-fourth of our population do not know how to read and write. Illiteracy is one of the constraints which deprive one from opportunities to seek other forms of livelihood. It in fact forces people to stick to ancestral jobs and prevents them from having job flexibility.

##### **Caste System:**

Caste system also puts constraints in the access to lucrative jobs to a vast majority of the people. Though constitutionally such institutions have been dismantled, their presence can still be seen in rural areas.

**Unemployment due to over population:**

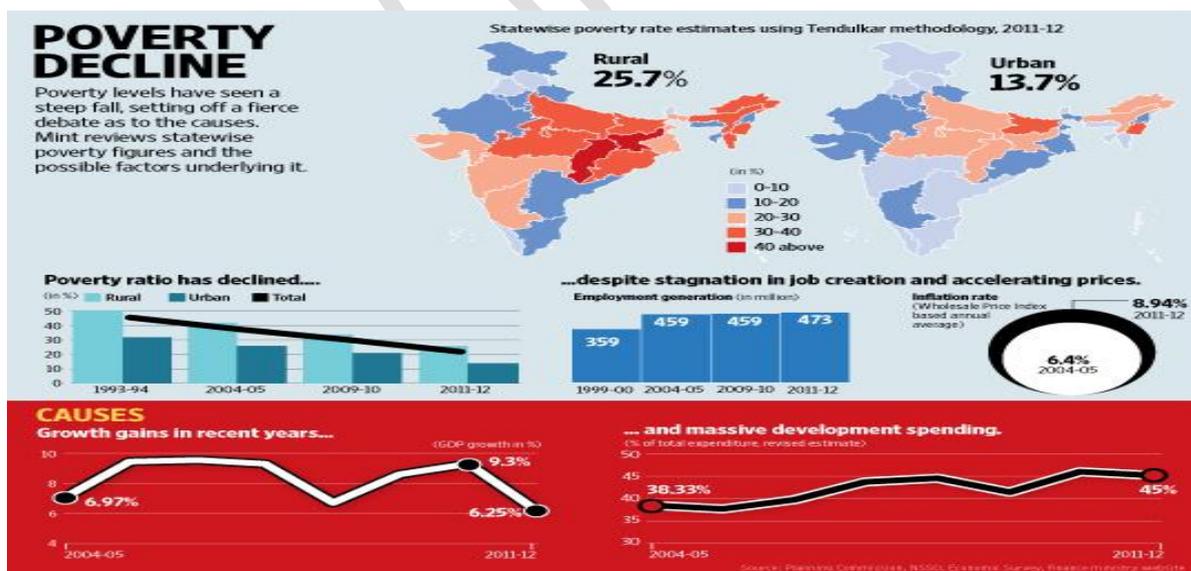
There has been increase in unemployment adding to the woes of poverty. Growing population is a great contributor to poverty. The average size of Indian family is relatively bigger, consisting of 4.2 members. All these factors make a vicious cycle of poverty and aggravate the problems related to poverty.

**Impoverishment of rural peasantry that forces them to migrate to cities:**

The main causes of urban poverty are predominantly due to impoverishment of rural peasantry that forces them to migrate to big cities to find livelihood. In this process they lose even the open space or habitat they had in villages, albeit without food and other basic amenities. In the cities, though they get food but other sanitary facilities including clean water supply still elude them. They are compelled to live in sub-human conditions. There is really a very paradoxical situation, when wealth and prosperity is concentrated in a few homes while millions have to go to bed without food.

**India’s poverty level falls to record 22% :**

According to the planning commission poverty in India declined to a record 22% in 2011-12.



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While the trend is not surprising, the extent of the decline has opened up a debate on the factors that have led to it. The numbers themselves may be debatable but they are reflective of a broader trend.

One theory is that this is the outcome of the trickle-down impact of the record growth witnessed in the first decade of the new millennium.

This growth, though, has not been accompanied by a commensurate rise in employment, implying that its benefits have not really trickled down. Still, the growth did result in higher tax revenue, enabling the government to fund a large social sector spending programme.

This programme, which included schemes such as the rural job guarantee one, played a significant part in reducing India's poverty levels, an alternative theory says.

The seven-year period between 2004-05 and 2011-12 saw the development expenditure of the government trending upwards, with its share increasing from 38% in 2004-05 to 45% of total expenditure in 2011-12.

According to the release from the Planning Commission, 25.7% of people in rural areas were below the so-called poverty line and 13.7% in urban areas. This is comparable with 33.8% and 20.9%, respectively, in 2009-10, and 42% and 25.5%, respectively, in 2004-05.

The poverty numbers are estimated on the basis of consumption expenditure captured in the five-year surveys undertaken by the National Sample Survey Office (NSSO). The decline in poverty numbers was first reported by The Hindu on 16 July.

The press release sought to show that the number of poor has declined faster in the period during which the Congress-led United Progressive Alliance was in power and that, in the same period, the monthly expenditure per person had increased more equitably, especially in rural areas. Nearly 20 million people were pulled out of poverty every year, the data showed.

While experts welcomed the decline in poverty, they flagged concerns such as the comparability of the numbers.

#### **SOLUTIONS OF POVERTY IN INDIA:**

##### **1. Integrated Rural Development Programme (IRDP):**

Integrated Rural Development Programme was initiated in 1976-77 in 20 selected districts and further in 1980 it was started in all blocks of the country.

The objective of the programme is to enable the selected families to cross the poverty line through a strategy of productive assets endowment. During the Seventh Five Year Plan

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period an outlay of Rs. 2.462 crore was provided for the programme and the target was to cover 20 million beneficiaries.

**2. National Rural Employment Programme (NREP):**

National Rural Employment Programme was launched in October 1980. The basic objective of the programme was to generate additional gainful employment in the rural areas to bring about a general improvement in the overall quality of life in rural areas.

**3. Rural Landless Employment Guarantee Programme (RLEGP):**

The RLEGP was launched on 15 August 1983 to generate additional employment in rural areas. The basic objective of the programme was to improve and expand employment opportunities to create productive and durable assets for strengthening rural infrastructure and to improve the overall quality of life in rural areas.

**4. Jawahar Rozgar Yojna:**

Jawahar Rozgar Yojna has been introduced in 1989-90 with a purpose of generating more employment in the country. To create 837 million mandays of employment a sum of Rs. 2623 crores has been provided.

**5. Training of Rural Youth for Self-Employment:**

TRYSEM was launched on August 15, 1979 with the sole aim of generating employment opportunities for the unemployed educated rural youth.

The main thrust of this scheme is on equipping rural young in the age group of 18-35 years with necessary skills and technology to take up vocations of self employment in the broad fields of agriculture and allied industrial activities.

**6. Development of Women and Children.**

This programme was launched during the Sixth Plan on a pilot basis in 50 districts and was continued in the Seventh Plan. The object of the programme is to improve the lot of rural women through the creation of income generation activities in a district.

**7. Drought Prone Area Programme:**

DPAP was started in 1970-71 in the areas which are chronically affected by the drought. The main object of this programme is to organize permanent works to obviate scarcity relief and to generate adequate employment through labour intensive schemes.

**8. Desert Development Programme:**

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DDP was started in 1977 on the recommendations of the National Commission on Agriculture. The main objective of DDP was on controlling further diversification of desert areas and raising the productivity of local inhabitant.

**9. Minimum Needs Programme:**

Keeping in view the basic notion of 'Garibi Hatao' and growth with justice "minimum needs programme" was introduced in Fifth Five Year Plan. The programme aims at 100% employment in the age group of 16-24 by 1990.

**10. Employment Exchanges:**

Government has set up about 890 employ exchanges offering information on the possible vocational avenues. These exchanges not provide employment directly but are of great assistance in directing the job-se to the possible areas of employment.

**11. Employment Guarantee Scheme:**

This Scheme has been launched in states, such as, Maharashtra, West Bengal, Kerala, Rajasthan etc. Under the schemes unemployed persons are given economic assistance.

**12. Development of Animal Husbandry and Agriculture:**

In 1992-93, under Milk Development Plans of Operation Flood about 54 lakh persons were employment. Under agriculture extension training programme, by 1994-9" employ opportunities to 16,000 persons were provided.

**13. Employment Assurance Scheme:**

The Employment Assurance Scheme (was launched in 1994 in 1752 backward blocks in the country. The main objective to provide 100 days of unskilled manual work to the rural poor who are s employment.

**14. Prime Minister's Rozgar Yojana (PMRY):**

This Yojana was implementing 1993 to give employment to more than 10 lakh people by setting up seven lakh m enterprises during Eighth Plan in industry, service and business. In 1995-96 it generated employment for 3.75 lakh people. It provided employment to 2.1 lakh proper day in 1999-2000.

**15. Prime Minister's Integrated Urban Poverty Eradication Program (PMIUPEP):**

This programme has been implemented in 1995- 96. This programme at td provides employment to the urban poor. It will cover 50 lakh urban poor living 345 towns. The central

government will incur an expenditure of Rs. 800 crores on this programme during a period of Five years. It provided employment to 2.85 lakh 1999-2000.

**16. Self-Employment Programmes:**

Swarnajayanti Gram Swarozgar Yojna (SGSY). Integrated Rural Development Programme (IRDP) and allied programmes as Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA) and Million Wells Scheme (MWS) have been restructured into a single self-employment programme called the Swarnajayanti Gramya Swarozgar Yojana (SGSY) from April 1999.

**17. The Swaran Jayanti Rozgar Yojana:**

This plan began on December 1, 1997 whereas launching of this Yojana, previous programmes meant for providing employment to urban employed like Nehru Rozgar Yojana and Prime Minister Integra- Urban Poverty Eradication Programme were merged into it. It aims at providing self-employment or wage employment to urban unemployed and underemployed persons.

It comprises of two plans: (i) Urban Self-Employment Programme-(USEP) and (ii) Ur Wage Employment Programme-(UWEP). Of the total expenditure on the Yojana, percent will be borne by the centre and 25 percent by the state governments. In year 1997-98, a sum of Rs. 125 crore was spent on this yojana.

**18. Jawahar Gram Samridhi Yojana:**

Jawahar Rozgar Yojana has been restructured as Jawahar Gram Samridhi Yojana with effect from April 1999. This Yojana has been formulated to improve the quality of life of the rural poor by providing the additional gainful employment.

**19. Other Programmes:**

Govt, of India launched other employment and poverty alleviation programmes as under:

- (i) Pradhan Mantri Gramodaya Yojana (PMGY).
- (ii) Pradhan Mantri Gramodaya Yojana (Gramin Awas).
- (iii) Pradhan Mantri Gramodaya Yojana-Rural Drinking Water Project.
- (iv) Pradhan Mantri Gram Sadak Yojana (PMGSY).
- (v) Autyodya Anna Yojana.
- (vi) Jai Parkesh Rozgar Guarantee Yojana (JPRGY).

(vii) Valmiki Ambedkar Awas Yojana (VAMBAY).

**CONCLUSION:**

The Government of India launched the Integrated Rural Development Programme, the largest credit-based government poverty reduction programme in 1979 to provide rural households below the poverty line with credit to purchase income-generating assets. The beneficiaries include small and marginalised farmers, agricultural labourers, rural artisans, the physically handicapped, scheduled castes and scheduled tribes. Within the targeted population, 40 per cent of the beneficiaries are supposed to be women. Significantly, the programme has been successful enough to increase the income of 57 per cent of assisted families.

Unemployment and low-productivity have been significant causes of rural poverty. It is to address the problem that a national public work scheme, the Jawahar Rozgar Yojana was launched in 1989 to provide unemployment at the statutory minimum wage for unskilled manual labour, besides low-cost housing and to supply free irrigation well to poor and marginalised farmers. The programme has had a significant impact on poverty reduction. Besides, a number of other programmes for poverty alleviation are being carried on by government-Central and State.

As a consequence of attempts made by government, poverty showed a sharp decline in 1980s. This decline in poverty, to some extent, is also attributed to agriculture development of 1970s and 1980s resulting from the Green Revolutions. However, much more needs to be done, for India is the home to the largest poor population in the world. Basic necessities of life such as drinking water, health care facilities, etc. are still inaccessible to majority of population.

In this regard community participation and awareness campaign can make a difference. The media and the NGOs, besides other institutions have crucial role to play. The machinery involved in poverty alleviation need to be accountable, sensitized and sincere. New laws have to be evolved to ensure more accountability. The lack of transparency and accountability has hampered our economic development at all levels. A system of incentives and disincentives can also be of great importance. Thus, the situation is bound to change and society will be free from deprivation.

According to the analysis we can also reduce poverty by

1. Helping poor people develop income-generating businesses of their own;
2. Providing jobs that allow them to increase their incomes through wages or salaries; or
3. Selling them products that enable them to earn or save money.

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