



# Poverty Scenario in India and Status of schemes Implemented by Government

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**ABSTRACT:** The poverty line is a line that runs from above the poor and from below the rich. This definition may not be theoretical in any sense, but the practical and ground definition cannot be different from it. In fact, through the poverty line, the state fulfills the formality of selection of such people who are living in more deprivation than that they do not get food daily, the issue of employment is like betting, whether there is only a thatch or not. In the name of clothes, they keep some rags wrapped. These are the people who have come to be regarded as the declared biggest obstacle in the process of development. Although it is also an important parameter of development that people should be brought out of poverty, in this dilemma, resources are constantly thrown away. In two decades, 45 thousand crore rupees have been spent on the villagers for this work. But studies show that only 20 percent of the set targets have been achieved. Under every five-year plan, a survey of the people living below the poverty line (BPL survey) has been conducted with the aim of progressing the poor people living in the state. There are basically two practical objectives of this survey. How much poverty has been reduced in the state in the last five years? Who is no longer poor and who are whose names are to be added afresh in this list. This list is very important because on the basis of this poor and economically weak people, destitute, old and widowed women get the benefits of public welfare schemes. At present there are 12 such schemes which are being operated keeping in mind the BPL family while 9 public welfare programs are being run to protect their interests.

**KEYWORDS:** Welfare programs, Deprivation, Consumption Expenditure

## I. INTRODUCTION

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### **Poverty:**

Poverty is a serious problem in any society. Poverty is closely related to inequality. In third world countries where the level of per capita income is very low, inequalities in the distribution of income and wealth have given rise to many problems, the most serious of which is poverty. There is no doubt that there has been economic progress in India after independence. But it has not had any expected effect on the poverty of the masses. Pervasive poverty still remains a serious problem for the country. Even after nearly six decades of planning in the country today, about 30 percent of the population is suffering from poverty and living in dire deprivation.



### **Poverty line:**

The poverty line is defined in the general sense as follows. Poverty is the defining point of the distribution line which divides the population into two parts, those who are poor and those who are not poor. But in India it is defined keeping in mind the minimum consumption needs of the people. According to this, people are often considered poor who fail to achieve a certain minimum level of consumption. In other words, poverty line is the line which shows the average monthly expenditure per capita by which people can satisfy their minimum needs. At 1999-2000 prices, Rs. 328 in rural area and Rs. 459 in urban area is considered as poverty line per month. People whose consumption expenditure per month is less than this are considered poor. The Planning Commission has defined the poverty line keeping in mind the dietary needs. According to the planning commission, a person's daily diet in rural areas should contain 2400 calories and in urban areas, a person should have 2100 calories in daily food.

The percentage of poor in developing countries is decided by the World Bank without any survey. He does not do any study in the country concerned. According to him, a family earning less than one dollar per day falls in the category of poverty, the person earning more than this will be rich. Despite many experiences showing that even the basic necessities of life cannot be met with 2 to 5 dollars a day, the criteria of the World Bank have not changed. The United Nations Development Program, which introduced the concept of Human Development Report, recognizes that basic education along with income, lack of access to public resources and income criteria are necessary to measure poverty. In order to make liberalization and open market competition worthwhile, the government has always been under pressure from developed countries, the World Bank and multinational companies to either reduce or show the poverty of their country. Under this pressure, the number of people living below the poverty line in India has been reduced by 9.06 percent in five years, while it has been reduced by 21.69 percent in Jammu and Kashmir, 12.36 percent in Bihar, 12.13 percent in Rajasthan, 5.09 percent in Madhya Pradesh.

### **Human Development Report-2002 and Poverty:**

The Planning Commission has been assessing the status of poverty on the basis of an integrated process based on the report of the Expert Group constituted to estimate the number and proportion of the poor at the national and state levels. It has been applying this process to the consumption expenditure data and this data is based on the comprehensive survey on consumer expenditure conducted by the National Sample Survey Institute. Thus government poverty estimates are available for the years 1973-74, 1977-78, 1983, 1987-88, 1993-94 and 1999-2000. These estimates can be considered as acceptable parameters for preparing state level poverty maps. In many states, if we look at the variation in poverty in small intervals, then there are many fluctuations. These do not present the correct picture and sometimes these fluctuations are due to changes in the methodology adopted. However, in the long run these things get sorted out and the whole situation comes to the fore. A longer period of three decades is available for cross-state comparisons, if we consider this period by taking the estimates for the year 1973-74 together with the final estimates for 1999-2000.

### **Poverty trends in India:**

There is a huge disparity in the distribution of income and wealth in the country. The inequalities of wealth distribution are relatively high. The main reason for this is income inequality. After independence, the national government clearly recognized that it is necessary to reduce inequalities along with rapid increase in national income. In the economic planning adopted for the development of the country, special emphasis has been laid on the fact that it will not only be enough to increase the national income, but at the same time, efforts have to be made towards the distribution of national income in an equitable manner. For the establishment of a socialist society, which is our basic objective, this is indispensable



**TABLE 01 : RANKING OF INDIAN STATES AS PER POVERTY RATE**

Rank	Name of state	Percentage of people of BPL
1.	Goa	5.09
2.	Kerala	7.05
3.	Himachal Pradesh	8.06
4.	Sikkim	8.19
5.	Punjab	8.26
6.	Andhra Pradesh (includes Telangana)	9.20
7.	Jammu and Kashmir	10.35
8.	Haryana	11.16
9.	Uttarakhand	11.26
10.	Tamil Nadu	11.28
11.	Meghalaya	11.87
12.	Tripura	14.05
14.	Rajasthan	14.70
15.	Gujarat	16.63
16.	Maharashtra	17.35
17.	Nagaland	18.88
18.	West Bengal	19.98
19.	Mizoram	20.87
20.	Karnataka	20.91
21.	Uttar Pradesh	29.43
22.	Madhya Pradesh	31.65
23.	Assam	31.98
24.	Odisha	32.59
25.	Bihar	33.74
26.	Arunachal Pradesh	34.67
27.	Manipur	36.89
28.	Jharkhand	36.96

Source: Table 162, Number and Percentage of Population Below Poverty Line". Reserve Bank of India, Government of India. 2013.



### **Reasons of poverty:**

The reasons responsible for poverty in India can be discussed by dividing it into two parts:- First underdevelopment economy and secondly unequal distribution of income

### **Underdevelopment of the Indian economy:**

The main reason of poverty is the underdevelopment of India's economy. In this context the following reasons may be mentioned

- **Low Level of National Product** : The total national output of India is much less than that of the population. Due to this the per capita income has also been low. The net national production of India in 2004-2005 based on the same year prices was Rs.25, 35, 627 crores and the per capita income was only Rs. O. (According to the norm of 1 dollar per day you have a lot of poor countries.
- **Low Rate of Growth** : The rate of growth in India's five year plans has been extremely low. The growth rate of GDP has been about 4 percent during the period, but due to the growth rate of population being about 2 percent, the increase in per capita income has become only 2-4 percent. Therefore, the rate of development is growing at a much lower rate than the rate of population growth, which contributes to the continuation of poverty.
- **Huge increase in population** : The population in India is growing very fast, which has an important contribution in giving serious form to the poor. The huge increase in population will further adversely affect the consumption level of the poor. Most of their income is spent on the upbringing of the older children in the family.
- **Inflationary pressure** : Due to low rate of production and high rate of population growth, underdeveloped economies like India get caught in the trap of inflationary pressure. Inflation remains a permanent feature of the Indian economy. It implies a situation of continuous increase in prices. The low income people are badly affected by the rise in prices. Therefore, the tendency of the poor to become poorer goes on increasing.
- **Persistent unemployment** : Unemployment and semi-unemployment has been a situation in India for a long time. While on the one hand the number of workers kept increasing rapidly, on the other hand the opportunities for work or employment for them did not increase as fast. There is not only the problem of educated unemployment, but more than that there is the problem of invisible unemployment in agriculture. The problem of unemployment is one of the main causes of poverty.
- **Inadequate Capital Formation** : Capital formation is a supporting element of economic development. Capital accumulation can be used as an indicator of production capacity. As a result of insufficient capital formation, the effects of productive employment may increase.
- **Lack of qualified and skillful entrepreneurs** : In the initial stage of industrial development in any country, there is a need for courageous and imaginative, risk-taking and skilled, smart and clever entrepreneurs in their work, but unfortunately in India there are no such people. There has been a shortage. The result was that the production process in the country was at a very low level. Low level of production process means low level of employment and high level of poverty.
- **Old Social Institutions** : The basic social basis of India's economy is the old institutions and customs such as the caste system, joint family system and the rules of succession etc. All these pose a hindrance to the dynamic changes of our economy. This hinders the growth rate which results in poverty. Lack of infrastructure The major components of economic infrastructure in India are energy, transport and communication and major components of social infrastructure, education, health and housing services are in a very bad state. All these act as a cornerstone in the program of growth and development.



### **Poverty in the context of unequal distribution of income:**

There are more inequalities in the distribution of income and wealth in underdeveloped countries than in developed countries. Progressive system of taxation in developed countries. Equal opportunities in terms of social security, education and training and employment have reduced economic inequalities, while widespread social inequalities and unemployment are widespread in underdeveloped countries. In India too, unequal distribution of income is a serious problem. Keeping in mind the question of the problem of unequal distribution of income and wealth, the Government of India in 1960 appointed Prof. A committee was appointed under the chairmanship of PC Mahalanobis, whose main task was to find out the changes in the standard of living during the planning period and to study the current trends in the distribution of income and wealth. But it did not yield any expected result. Efforts have been made to remove your unequal distribution through the progressive tax system of schemes and other measures, but despite these measures, inequality related to the distribution of income and wealth is increasing. According to a report of the Council of Economic Research, 20 percent of the people of the country are the owners of 41 percent of the national income. According to the Monopoly Inquiry Commission, 1536 companies in the country are under the control of 75 families. Unequal distribution of income not only reveals poverty but also provides the basis for the prevalence and extent of poverty.

### **Programs implemented by the government to eradicate poverty: Swarna Jayanti Gram Swarozgar Yojana :**

'Swarna Jayanti Gram Swarozgar Yojana' was launched on 1st April, 1999 for the poor people living in villages. The Integrated Rural Development Program (RDP) implemented in 1980 has been included in this plan. This is the only program for self employment generation for the rural poor. Under this scheme small enterprises have been established in the villages. These enterprises are organized on the basis of self-sufficient groups as individuals and collectively. To establish these enterprises, loans and financial assistance are provided by the banks to the poor people. This is a centrally sponsored scheme, in which the state also has cooperation. The ratio of funds to be spent on the scheme is 75:25 (Central and State respectively). Other major programs associated with the Integrated Rural Development Program (FOP) were

- (TRYSEM): Training Program for Self Employed Rural Youth
- (DWCRA): Development of Women and Children in Rural Areas
- (GKY): Ganga Kalyan Yojana
- (MWS) Million Koop Scheme
- (SITRA): Better Equipment Supply for Rural Artisans

### **Pradhan Mantri Gramodaya Yojana:**

The scheme was launched in 2001 with the objective of developing important health, primary education and roads to improve the standard of living of the people in the area. Three schemes were implemented under this plan.

- Prime Minister's Village Road Scheme
- Prime Minister's Rural Housing Scheme
- Prime Minister's Rural Drinking Water Scheme

### **Minimum Needs Program:**

In the Fifth Plan, the Minimum Needs Program has been implemented to raise the standard of living of the poor. Through this, attention is paid to elementary education, adult education, rural health, rural water supply, rural roads, rural electrification, rural housing, improvement of the environment of urban settlements and nutrition. This program is very useful for the poor and weaker sections of the people.

### **National Social Assistance Scheme:**

This scheme was also started on August 15, 1995 for the people living below the poverty line. This plan has three components

- To give old age pension of Rs.400 per month to all persons above 65 years of age.



- One time assistance of Rs.10,000 in case of death of the main earner of the family and
- Financial assistance of Rs.500 for prenatal and post-natal nutrition for women above 19 years of age on the first two deliveries.

#### **Group life insurance plan:**

This scheme was started during 1995-96 for rural areas. Under this scheme, a life cover of Rs 5,000 is provided at the time of registration on payment of an annual premium of Rs 60 for individuals below 40 years of age and Rs 70 for individuals between the ages of 40 and 50 years. Half of the premium has to be paid by the insured and half of the amount is borne by the central and state governments.

#### **Twenty point economic program:**

To free the general public from the bondage of poverty, this program was started in 1975 and was first revised in 1982 and second time in 1986 and third time in 2006. The New Economic Twenty Point Program has been implemented with effect from 1st April, 2007. There are 20 sutras of this program which are as follows.

- (i) Attack on rural poverty
- (ii) Strategy for rain dependent agriculture
- (iii) Good use of irrigation water
- (iv) Good Crops
- (v) Impact of land reforms
- (vi) Specific programs for rural labor
- (vii) Clean drinking water
- (viii) Health for all
- (ix) Standard of two children
- (x) Extension of education
- (xi) Justice for SC and ST
- (xii) Equality for women
- (xiii) New opportunities for youth
- (xiv) Housing for individuals
- (xv) Improvement of urban slums
- (xvi) New strategy for forestry
- (xvii) Protection of environment
- (xviii) Consumer concern
- (xix) Energy for villages
- (xx) Responsible administration

#### **CONCLUSION**

The government has spent a lot of money on poverty alleviation programmes. But it cannot be denied that those programs did not show good results. The main reason for frivolous results is the faulty government machinery. It is in this context that the late Prime Minister Rajiv Gandhi had said that only 15 percent of the assistance released by the government to the poor actually reaches them. The implication is that along with radical changes in the structure, poverty alleviation programs need to be made more effective.

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