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RESEARCH ARTICLE

POVERTY IN INDIA – A VICIOUS CYCLE.

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Key words:-

Chronic poor, vicious cycle, poverty line, income level etc.

Abstract

Poverty in India is one of the biggest issue we are facing today. Almost every third poor in the world is Indian. This paper gives insight about the poverty, its types, regional disparity, measures for its removal, and the initiatives taken by the government in this regard. Data collected for this paper is from secondary source. This paper elaborates the reason for the poverty in detail and its corrective measures can be taken. Poverty is a vicious cycle, a famous quote which describes this perfectly is “you are poor because you are poor”. Chronic poverty is the issue we are dealing with from a long period of time.

This paper also explains the parameters on which poverty is defined, what should be included and what not, poverty line, state of people below poverty line and measures to bring them above the poverty line, difference between poverty in urban areas and rural areas.

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Introduction:-

India's current rate of poverty data is derived from Rangarajan Committee's methodology by Planning commission of India. It is based on spending or consumption of individuals on essential commodities over a period of time rather than their income level for both rural and urban areas. Many people come out of the vicious cycle of poverty in India, but there is still a long way to go. According to Amartya Sen, lacking in capabilities like adequate income, education, proper health, security, self- confidence, freedom of speech, results in poverty. He said “it is not sufficient to know how many poor people are there, but to know how exactly poor they are”. Poverty is measured in two sense – (1) absolute poverty (2) relative poverty. There are some indicators of poverty like – per-capita income, monthly consumption expenditure, calorie intake, level of literacy, size of family, unemployment, pattern of income distribution etc.

There is also regional disparity found among various states, like poverty is highest found in Orissa, Jharkhand, Bihar, and lowest found in Chandigarh, Jammu & Kashmir, Punjab and Gujrat.

The incidence of poverty is more in rural areas and less in urban areas, because most of the people in rural area are deprived of basic necessities and belongs to weaker section of society, various schemes of poverty alleviation also fails to reach rural areas.

Objectives:-

1. To define poverty in absolute and relative sense.
2. Explain its types.
3. Regional disparities among states (in relation to poverty)

4. Causes of poverty.
5. Various recommendations on poverty.
6. Measures to alleviate poverty.
7. Steps taken by the government.
8. Comparison from other developing nations.

Research Methodology:-

Secondary data is used for this paper.

Meaning Of Poverty: -

In general terms, poverty means unable to attain basic necessities of life like food, clothing, shelter, health and education. Deprived from fulfillment of basic needs gives birth to poverty.

There are basically two types of poverty – 1. Absolute Poverty 2. Relative Poverty

Absolute poverty – It is a kind of poverty in which an individual is not able to get basic necessities of like food, clothing, shelter, health and education. Abstain from getting the basic necessities of life is termed as absolute poverty.

Relative poverty – It is in relative terms, when an individual is deprived from getting the facilities which an average individual of the economy gets. If an individual gets less than what an average individual of an economy gets, that individual is considered as relatively poor than others.

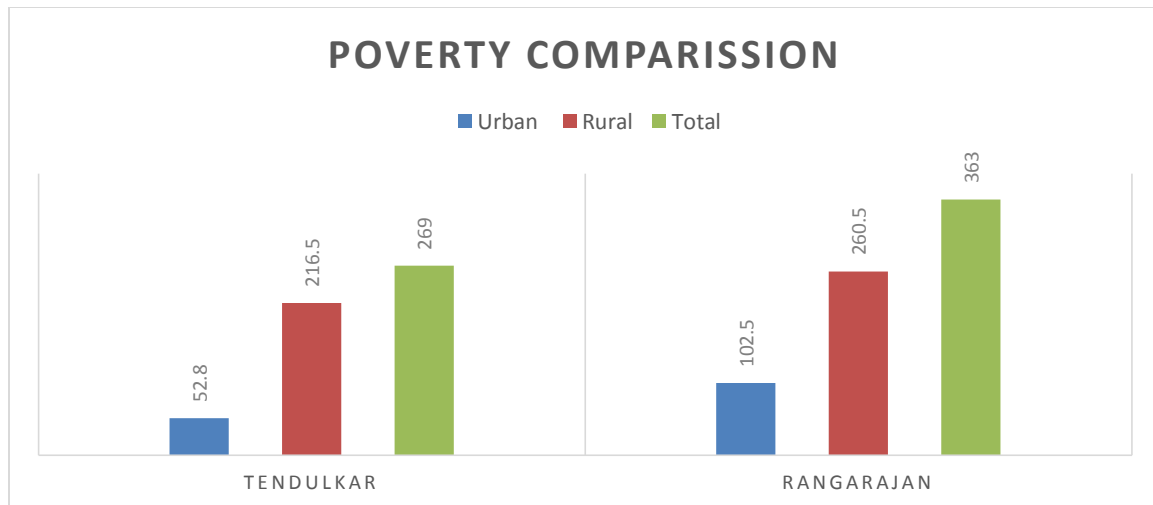
It can be calculated according to the calories consumed or income of an individual in urban and rural areas separately. A concept of poverty line has been introduced, according to which when an individual is below that poverty line then he is considered to be poor.

Planning commission set up expert committee under C. Rangarajan, who has redefined the poverty. According Rangarajan Committee, new poverty line for rural areas should be Rs. 32, & Rs. 47 in urban areas. Earlier according to Tendulkar Committee, it was Rs. 27 for rural areas & Rs. 33 for urban areas. After Rangrajan Committee's recommendation, 93.7 million people were added to the existing pool of poor's in our country.

According to Tendulkar Committees recommendation, poverty can have estimated according to calories intake, it has been set at 2100 calories per day in urban areas and 2400 calories per day in rural areas, and below this is considered to be poor.

Comparison between Rangarajan and Tendulkar Committees can be seen from table below: -

	Rangarajan Committee	Tendulkar Committee	Difference b/w them
No. of poor in rural areas	260.5 million	216.5 million	44 million
No. of poor in urban areas	102.5 million	52.8 million	49.7 million
Percentage of poor people	29.5%	21.9%	



93.7 million people were added to poverty by Rangarajan Committee's recommendation. Based on new methodology used by Rangarajan, number of poor people were 19% more in rural areas and 41% more in urban areas than the number of poor people estimated by Tendulkar Committee. Rangarajan Committee has used different method for measuring poverty, in which, if household is unable to save, it is considered as poor. Poverty gap is the gap between the poverty line and average consumption expenditure of the poor.

Causes Of Poverty In India :-

1. Unemployment
2. Inflation
3. High population growth
4. Less agricultural growth
5. Economic inequalities
6. Regional imbalance
7. Low economic growth
8. Less initiatives taken by the government
9. Benefits of poverty alleviation accrue more in urban areas.
10. Low level of literacy

Human Poverty Index: -

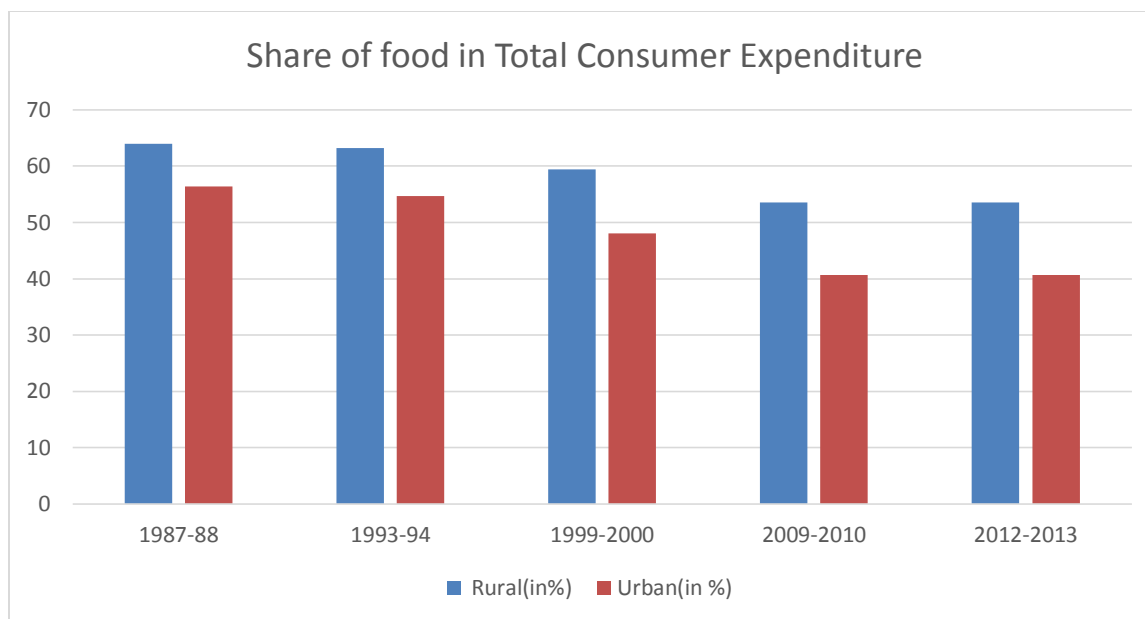
HPI (Human Poverty Index) is constructed by the Human Development Report, 1997. It focuses on three main areas:

1. Longevity – life expectancy at the time of birth
2. Knowledge – it is related to literacy
3. Standard of living – accessibility to basic necessities of life, food water, safety, adequate health care, proper nourishment etc.

In India there were two methods used for calculating poverty: (1) Uniform Recall Period(URP) (2) Mixed Recall Period(MRP). In Uniform recall period, data for consumption expenditure is collected in reference of 30 days' recall period, while in mixed recall period, data for consumption expenditure is collected for five non-food items namely, clothing, footwear, durable goods, education and institutional medical expenses are collected in reference of 365 days' recall period and for remaining items 30 days' reference period is taken.

According to NSSO's 69th round of survey on consumer expenditure, an average rural Indian household spends 61.3% of its total consumption expenditure on food and an average urban Indian household spends 39.7% of its total consumption expenditure on food.

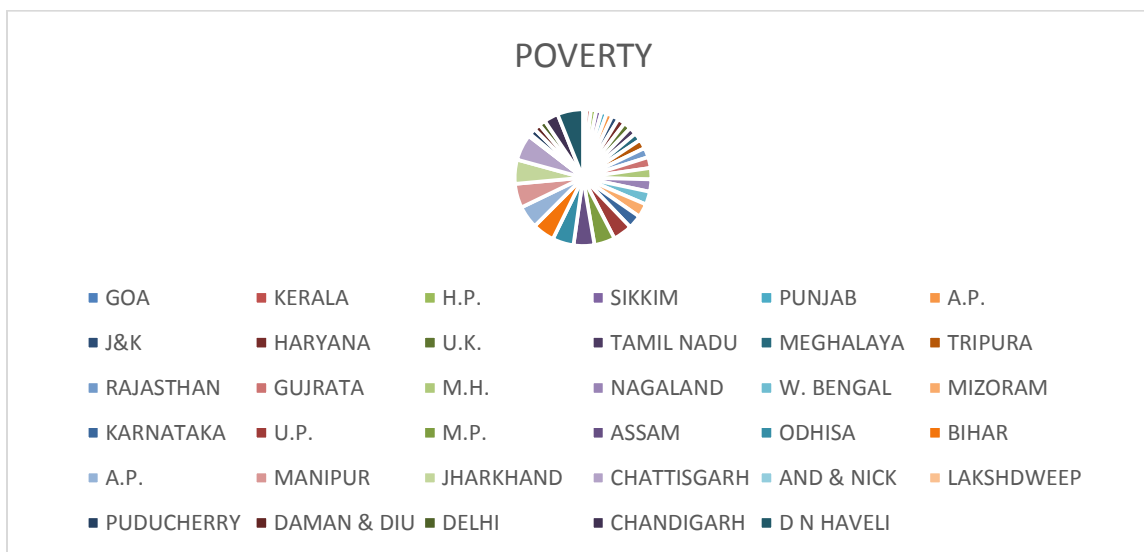
NSSO's 66th round survey on share of food in total consumer expenditure



The states among top spending are Kerala, Haryana, and Maharashtra while states among least spending are Bihar, Chhattisgarh, Odisha and Jharkhand.

Poverty In Comparision To Other Countries: - National Poverty Lines Comparison

Country	India	China	Argentina	Nigeria	United States
Poverty line per day	32 rupees (\$0.5)	6.3 yuan (\$1)	481 pesos (\$11.81)	65 naira (\$0.4)	\$14
Year	2017	2011	2017	2011	2005



Measures to solve the problem of poverty are: -

1. Accelerating the rate of growth of economy.
2. Reducing economic and regional disparities.
3. Adopting and emphasis on labor intensive schemes.
4. Employment creation helps the people to come out of poverty.
5. Putting control on price inflation, particularly food inflation.

6. Control on population growth by reducing illiteracy, various awareness programs etc.

Various poverty alleviation programs run by the government are: -

1. Integrated Rural Development Programme (IRDP).
2. Jawahar Rozgar Yojana/ Jawahar Gram Samriddhi Yojana.
3. Rural housing- Indira Awaas Yojana.
4. Food for work programme.
5. Sampoorna Grameen Rozgar Yojana (SGRY).
6. Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), 2005
7. National Food for Work Programme.
8. National Rural Livelihood Mission, Ajeevika (2011)
9. Pradhan Mantri Kaushal Vikas Yojana.
10. National Heritage Development and Augmentation Yojana (HRIDAY)

Conclusion:-

Poverty has been reduced significantly in urban areas but still there is a long way to go in rural areas as there is a lot of work that needs to be done for basic necessities of life and employment opportunities. Government has to take major step and make strict labor laws for protecting the rights of labors. In order to fight against poverty, we have to reduce income inequalities, regional disparities etc., building up of infrastructure in rural areas also plays an important role in reducing poverty up to a certain extent. Proper implementation of various programs initiated by the government is to be ensured. Poverty is a vicious cycle from which India is trying to come out and up to a certain extent, it is successful in doing so but still there is a long way to go.

Reference:-

Data for this paper has been collected from secondary source- Wikipedia, economic times, data published by NSSO, World bank, work of Rangarajan & Tendulkar Committee etc.