

# Poverty Eradication Programmes in India

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**Abstract:** *Poverty is a wide spread evil in the world, particularly in Asia and African countries. It is greatest challenge to the mankind. A strange paradox exists in Indian society. On one hand, there are millions of people who are not able to get minimum basic needs of life and on the other hand a small fraction of the total population living in luxury. Poverty and plenty are opposite situations. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level that society is said to be plagued with mass poverty. The countries of the third world exhibit invariably the existence of mass poverty although pockets of poverty exist even in the developed countries of Europe and America.*

**Keywords:** Poverty

## I. INTRODUCTION

Poverty is a wide spread evil in the world, particularly in Asia and African countries. It is greatest challenge to the mankind. A strange paradox exists in Indian society. On one hand, there are millions of people who are not able to get minimum basic needs of life and on the other hand a small fraction of the total population living in luxury. Poverty and plenty are opposite situations. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level that society is said to be plagued with mass poverty. The countries of the third world exhibit invariably the existence of mass poverty although pockets of poverty exist even in the developed countries of Europe and America.

### 1.1 Objectives

- To understand the concept of poverty
- To the way in which poverty is estimated
- To appreciate and alleviation programmes
- To estimate reduction of poverty in India

### 1.2 The Concept of Poverty

“Poverty can be defined as a social phenomenon in which section of the society is unable to fulfil even its basic necessities of life.”

In other words “Poverty is a situation in which, section of the people in a country are unable to get the minimum basic needs.”

The minimum basic needs include food, clothing, housing, education and health facilities. More than one-fifth of world's poor live in India alone.”In India the general accepted definition of poverty emphasises minimum level of living rather than a reasonable level of living.”Here million of people are not able to meet their basic needs. Therefore it is said that India is suffering from mass poverty.

### 1.3 Estimate of poverty in India

Several economists and organisations have conducted studies on the extent of poverty in India. It would be worthwhile to study some of the important estimates. As Estimates of poverty in India based on below the poverty line refers to the cut-off point on the line of distribution. This divides the population as poor and non-poor.

Dadabhai Naoroji was the first person to discuss the concept of poverty line even before independence. **The Planning Commission of India** estimated the poverty line on the basis of minimum nutritional calories required for rural and urban people, the minimum calorie intake per day was estimated at 2400 calories for a rural person and 2100 for a person in urban area.

#### 1.4 National Sample Survey Organisation (NSSO)

National Sample Survey Organisation (NSSO) as per the new estimation of Tendulkar methodology, in 1993-94 about 45.3% of total population was below the poverty line. More than 407.2 (37.2%) million people were below the poverty line in 2004-05. In 2009-10 this number has come down to about 354.6 (29.8%) million.

#### 1.5 Poverty Eradication Programmes In India

##### 1. Employment Guarantee Scheme [EGS]

This scheme was introduced in 1972-73. Its aim is to provide gainful and productive employment in approved workers to all unskilled personnel in the rural areas. The Guarantee is restricted to unskilled workers but they have no choice in the type of work entrusted to them.

##### 2. Food for Work Programme [FFW]

The aim of this programme which was initiated in 1977 was to make payment of wages in kind that is in food grains either in full or in part to the person living below the poverty line. It aimed at generating additional gainful employment for both men and women in the rural areas and utilising surplus food grains for the development of the countries human resources.

##### 3. Integrated Rural Development Programme [IRDP]

This programme was started in 1978 with the aim of reducing unemployment and providing assets and inputs to the people in the rural areas. During the sixth plan it aimed covering 15 lakh families in all the blocks of the country.

##### 4. National Rural Employment Programme [NREP]

This programme was started during the sixth plan. It aims at achieving three objectives – (i) Generation of additional employment,

(ii) Creation of durable community assets,

(iii) Improvement in the standard of living in the rural peoples.

##### 5. National Scheme Of Training Rural Youth For Self Employment [TRYSEM]

This programme was started in 1979 with the objectives of tackling unemployment problem among the rural youth. It aimed at training 2 lakhs rural youths every year to enable them to become self employment in agriculture, industry and service sectors.

##### 6. Jawahar Rozgar Yojana [JRY]

This is the massive rural employment scheme launched by the central government from April 1989. It aimed at providing jobs to at least one person in the 4.4 crores families living below the poverty line.

##### 7. Sampoorna Grameen Rozgar Yojana [SGRY]

It was launched in 15<sup>th</sup> August 2001 the main objective of the programme is to provide additional wage employment in the rural areas as food security by creation of durable community social and economic assets and infrastructure development in rural areas.

##### 8. Employment Assurance Scheme [EAS]

It was launched in 1993, It aimed at providing assured employment of 100 days for the poor and unskilled labour. The scheme is open to all men and women of rural areas who are above 18 years and below 60 years.

##### 9. Pradhan Mantri Rozgar Yojana [PMRY]

It was launched during 1993 as a 100% sponsored scheme for social assistance benefits to poor households affected by old age, death of primary bread earner and maternity care.

##### 10. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

MGNREGS was started by the UPA Government as a national programme to provide 100 days of employment to begin with, through asset-creating public works every year at minimum ages to one-able bodied person in every rural poor class household. The National Rural Employment Guarantee Act came into force in 2006 in India's 200 most backward

districts. In 2007, It was extended to another 130 districts and with effect from April 1, 2008, the Act is to cover all districts.

Union Budget 2009-10 provided for 39100 crores for NREGS. In this year union budget 2010-11, this allocation has been enhanced to 40100 crores.

## II. REDUCTION OF POVERTY IN INDIA

Several economists' poverty estimate, above towards a solution of the problem of poverty and Government implement the policies and programmes towards poverty alleviation, its impact reduction of poverty in India.

### Percentage of Reduction of Poverty in India

|                  | Poverty Ratios ( in percent ) |         |         |
|------------------|-------------------------------|---------|---------|
|                  | 1983-84                       | 1993-94 | 2004-05 |
| <b>Rural</b>     |                               |         |         |
| Poor             | 45.8                          | 37.3    | 29.2    |
| Very Poor        | 25.5                          | 15.4    | 9.6     |
| <b>Urban</b>     |                               |         |         |
| Poor             | 42.3                          | 32.3    | 26.0    |
| Very Poor        | 22.5                          | 16.0    | 12.0    |
| <b>All-India</b> |                               |         |         |
| Poor             | 44.9                          | 36.0    | 28.3    |
| Very Poor        | 24.8                          | 15.5    | 10.3    |

Source: S. Mahendra Dev and C. Ravi, Poverty and Inequality All-India and States, Economic and Political Weekly, Feb 10, 2007.

## III. FINDINGS

A natural question arises: what has been the impact of remedial measures and economic reforms initiated since 1991 on poverty reduction .While there was a marked decline in both rural and urban poverty rates between 1973-74 and 1986-87.

- For the rural sector, for the period 1973-74 and 1990-91, headcount index of poverty declined at the annual rate of 2.7%, the rate of decline since then(i.e. in the post-reform period) is not significantly different from zero.
- For the urban sector, for the period 1973-74 and 1990-91, headcount index of poverty declined at the annual average rate of 2.2 per cent, the same trend is continued in the post-reform period (1990-91 to 1996-97) at the annual average rate of 2.2 per cent.
- While the urban sector seems to have continued its march of poverty reduction in the process of growth, rural poverty reduction was choked off by lack of rural growth.

## IV. CONCLUSION

Since independence the policies and programmes of the government aimed at promoting rapid and balanced economic development with equality and social justice. Irrespective of the government in power, poverty alleviation has always been accepted as a main challenge. In spite of spending vast resources, we are still far away from reaching goal. If the government is able to successfully discharge its general functions, it sets a process in motion which shall lead to elimination of poverty. Poverty reduction requires a pro-poor strategy of growth which implies creation of more and more productive employment opportunities in those sectors which help the poor to raise their level of income.

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