
ERADICATION OF POVERTY: REFORMS OF INDIAN GOVERNMENT

M.Kutumba Rao,

Lecturer in Economics, The Hindu College, Machilipatnam, Andhra Pradesh, India

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Abstract: Although traditionally poverty was considered in term of nutritional deprivation, it is now considered more in terms of multi-dimensional deprivation comprising lack of access to safe drinking water, health, education, and housing. Poverty has been viewed in a comprehensive sense, involving not only income or nutrition thresholds but also issues of access to services like education, health, water, and security. With increasing globalization of the Indian economy, and greater reliance on market forces, fiscal intervention becomes critical for combating trends towards increasing spatial concentration of poverty. India is already running a large subsidy regime supported by budgetary resources. Recent estimates have put the subsidy bill at about more than 10 percent of GDP at current market prices, considering the centre and states together.

Key words: Poverty, Measurement of poverty, Absolute poverty, Relative poverty, Below the Poverty Line (BPL), Poverty Alleviation Schemes, Government policies.

Introduction : Poverty has been viewed in a comprehensive sense, involving not only income or nutrition thresholds but also issues of access to services like education, health, water, and security. With increasing globalization of the Indian economy, and greater reliance on market forces, fiscal intervention becomes critical for combating trends towards increasing spatial concentration of poverty. During the last 30 years, the incidence of poverty has measured by the head count ratio, has fallen by about 30 percentage in India. India launched an extensive programs of fiscal and economic reforms in the early nineties aimed at imparting a market oriented and outward looking thrust to the Indian economy away from the inward looking, plan-centric and regulated orientation that it had cultivated for forty years since independence.

Objectives of the study

1. To assess the measurement of poverty in India.
2. To explain the various schemes for reduction of poverty in India.
3. To know the government reforms that can effectively improve the poverty reducing in the country.

Methodology of the Study : The present study relies on the secondary data mainly from the sources like National & International Journals, Government reports, publications from various websites.

Trends of Poverty in India: According to the Suresh Tendulkar Committee report, the population below the poverty line in India was 29.6 percent of the population in 2009-2010 and was 269 million 21.9 percentage of the population in 2011-2012.

In 2014, the Rangarajan Committee said that the population below the poverty line was 454 million 38.2 percentage in 2009-2010 and was 363 million 29.5 percentage of the population) in 2011-2012. According to the Asian Development Bank estimates in India's population stood at 1.28 billion with an average growth rate of 1.3 percentage from 2010-2015. In 2014, 49.9 percentage of the population aged 15 years and above were employed. However, 21.9 percentage of the population still lives below the poverty line.

Conceptual framework on poverty

1. **Poverty as Nutritional Deprivation:** Poverty is often viewed as nutritional deprivation. A poverty threshold is defined in terms of nutritional adequacy, and all people below the threshold are counted as poor. Generally, the poverty benchmark has been defined only in terms of nutritional thresholds converted into incomes consistent with purchasing power over a basket that meets the nutritional threshold.
2. **Poverty as Capability Handicap:** Visible manifestation of deprivation in critical respects however reflects lack of inner capability. The opportunity of converting personal incomes into capabilities to function depends on a variety of personal circumstances (including age, gender, proneness to illness, disabilities).
3. **Poverty as Social Exclusion:** Yet another way of conceptualizing poverty is to see poverty not just as an internal individual handicap but something that derives from the external environment or interaction between the individual and the external environment, due to social organization and events outside the control of an individual.
4. **Extreme Poverty and Social Exclusion:** Economists identify three characteristics that help distinguish between poverty and extreme poverty. In their view, extreme poverty results from i. lack of “basic securities” relating to health, education, employment, etc. ii. persistence of insecurity over long periods of time. iii. Inability to exercise rights or assume responsibilities.

Approaches to Poverty Alleviation

1. **Treating Poor as Patients:** Often poverty alleviation is approached as a corollary of its view as an income deficit. If the gap from the poverty threshold is filled up by an income transfer equivalent to amount of the deficit, the poverty problem stands resolved. This however is a very narrow view as it amounts to treating the poor as patients and asking for administering the medicine of income transfer.
2. **Helping Poor to Help Themselves:** In this approach, the poor are viewed as economic agents whose responses must be taken into account in any strategy of poverty alleviation. As a corollary to the capability handicap view of poverty, the emphasis in this approach is to strengthen the capabilities of the poor so that they themselves are able to generate such incomes as would keep them above the poverty thresholds.
3. **Poor as Potential Contributors to the Economy:** “Poverty is not simply a deficit ... ‘poverty’ can also be a resource”. In this approach, the poor are not viewed as a problem, but rather as an unexploited source of economic strength. They constitute potential for augmenting the growth of the economy and diversifying its product base.
4. **Preventive Versus Promotional Approaches:** Two kinds of approaches to poverty alleviation may be distinguished. In one case, an attempt is made to promote the productivity and income earning capacity of the individual by enabling him to obtain ownership of assets and augment his capacities through better education and health.
5. **Poverty as Source of Negative Externalities:** Poverty is associated with many negative externalities including crime, disease, and negative impact on environment. Some of these externalities extend beyond national boundaries.

Approaches to Measuring Poverty: Measurement of poverty requires defining a poverty line that may be absolute or relative measures of distances of the relevant indicators from the poverty thresholds and aggregating these using relevant weights.

Although poverty is conceptualised in alternative ways, measurement of poverty has generally focused on measuring it in the income space. Measurement of poverty consists of two parts, i) defining and estimating a poverty line, and (ii) calculating a summary measure of aggregate poverty as a weighted sum of income shortfalls from the poverty line. It is divided into seven parts dealing respectively with (1) defining a poverty line, (2) aggregate poverty measures, (3) the axiomatic framework characterising poverty measures, (4) graphical representations of poverty, particularly, poverty curves, (5) measurement of poverty in multiple dimensions, (6) poverty and intra-family perspective, and (7) data and measurement problems in poverty estimation.

Poverty reduction key schemes are summarized below:

1. **Jawahar Gram Samridhi Yojana (JGSY):** JGSY was introduced in April 1999 by restructuring the Jawahar Rozgar Yojana and is being implemented as a Centrally Sponsored Scheme on a cost sharing ratio of 75:25 between the Centre and States. The programme is implemented by Gram Panchayats and works which result in creation of durable productive community assets are taken up. The secondary objective, however, is generation of wage employment for the rural unemployed poor.
2. **Swarnajayanti Gram Swarozgar Yojana (SGSY):**SGSY was launched with effect from April 1, 1999 as a result of amalgamating certain erstwhile programmes, viz., Integrated Rural Development Programme, Development of Women and Children in Rural Areas, Training of Rural Youth for Self-Employment, Million Wells Scheme, etc., into a single self-employment programme. It aims at promoting micro-enterprises and helping the rural poor into Self-Help Groups (SHG). The scheme is being implemented as a Centrally Sponsored Scheme on a cost sharing ratio of 75:25 between the Centre and the States.
3. **Employment Assurance Scheme (EAS):** EAS was started on October 2, 1993 for implementation in 1778 identified backward Panchayat Samitis of 257 districts situated in drought prone areas, desert areas, tribal areas and hill areas in which the revamped public distribution system was in operation. It was restructured in 1999-2000 to make it a single wage employment programme and implemented as a Centrally Sponsored Scheme on a cost sharing ratio of 75:25.
4. **Sampoorna Grameen Rozgar Yojana (SGRY):** Launched w.e.f. September 2001, the scheme aims at providing wage employment in rural areas as also food security, along with the creation of durable community, social and economic assets. The scheme is being implemented on a cost sharing ratio of 75:25 between the Centre and the States.
5. **Pradhan Mantri Gramodaya Yojana (PMGY):** PMGY was introduced in 2000-01 with the objective of focussing on village level development in five critical areas, i.e., health, primary education, drinking water, housing and rural roads, with the overall objective of improving the quality of life of people in the rural areas.
6. **Pradhan Mantri Gram Sadak Yojana (PMGSY):** PMGSY was launched on 25th December, 2000 with the objective of providing road connectivity through good all-weather roads to all rural habitations with a population of more than 1000 persons by the year 2003 and those with a population of more than 500 persons by the year 2007. An allocation of Rs. 2500 crore has been provided for the scheme in 2001-02.
7. **Pradhan Mantri Gramodaya Yojana (Grameen Awaas):** This scheme is to be implemented on the pattern of Indira Awaas Yojana with the objective of sustainable habitat development at the village level and to meet the growing housing needs of the rural poor.
8. **Pradhan Mantri Gramodaya Yojana-Rural Drinking Water Project:** Under this programme, a minimum 25 percent of the total allocation is to be utilized by the respective States/UTs on projects/schemes for water conservation, water harvesting, water recharge and sustainability of the drinking water sources in respect of areas under Desert Development Programme/Drought Prone Areas Programme.
9. **Swarnajayanti Shahri Rozgar Yojana (SSRY):** The Urban Self-Employment Programme and the Urban Wage Employment Programme are two special schemes of the SSRY, initiated in December 1997, which replaced various programmes operated earlier for urban poverty alleviation. This is funded on a 75:25 basis between the Centre and the States.
10. **Indira Awaas Yojana (IAY):** This is a major scheme for construction of houses to be given to the poor, free of cost. An additional component for conversion of unserviceable kutcha houses to semi-pucca houses has also been added. From 1999-2000, the criteria for allocation of funds to States/UTs has been changed from poverty ratio to equally reflect the poverty ratio and the housing shortage in the State.
11. **Samagra Awaas Yojana (SAY):** This has been launched as a comprehensive housing scheme in 1999-2000 on pilot project basis in one block in each of 25 districts of 24 States and in one Union Territory with a view to ensuring integrated provision of shelter, sanitation and drinking water. The underlying philosophy is to provide for convergence of the existing housing, sanitation and water supply schemes with a special emphasis on technology transfer, human resource development and habitat improvement with people's participation.

12. **Food for Work Programme:** The programme aims at augmenting food security through wage employment in the drought affected rural areas in eight States, i.e., Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal. The Centre makes available appropriate quantity of food grains free of cost to each of the drought affected States as an additionality under the programme. Wages by the State government can be paid partly in kind (upto 5 Kgs. of foodgrains per manday) and partly in cash.
13. **Annapurna:** This scheme came into effect from April 1, 2000 as a 100 percent Centrally Sponsored Scheme. It aims at providing food security to meet the requirement of those senior citizens who though eligible for pensions under the National Old Age Pension Scheme, are not getting the same. Foodgrains are provided to the beneficiaries at subsidised rates of Rs. 2 per Kg. of rice.

Conclusion: Although traditionally poverty was considered in term of nutritional deprivation, it is now considered more in terms of multi-dimensional deprivation comprising lack of access to safe drinking water, health, education, and housing. Further, poverty is seen also as a subjective phenomenon in terms of capability handicap. Education and health are primary means to overcome the capability handicap. Since, budgetary interventions often attempt to provide many of the services including health and education at subsidised prices, the benefit incidence of such provision is important in determining the impact of fiscal policies on poverty reduction.

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