



## POVERTY IN INDIA- A STUDY

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### ABSTRACT :

*Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living. Poverty means that the income level from employment is so low that basic human needs can't be met.*

**According to World Bank**, Poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, and insufficient capacity

*and opportunity to better one's life. In India, 21.9% of the population lives below the national poverty line in 2011<sup>1</sup>. In 2018, almost 8% of the world's workers and their families lived on less than US\$1.90 per person per day (international poverty line). A total of 415 million people moved out of poverty in India within just 15 years from 2005/2006 to 2019/2021, the United Nations (UN) said on 11th July 2023. Highlighting the remarkable achievement by the world's most populous nation. The latest update of the global Multidimensional Poverty Index (MPI) was released by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford. The report demonstrates that poverty reduction is achievable.*



**KEYWORDS :** Poverty, global Multidimensional Poverty Index, World Bank, UNDP.

### INTRODUCTION :

“No such society can ever be happy and prosperous if most of its members are poor and miserable”- Adam Smith

Poverty, development of rural India and construction of basic infrastructure are major challenges of India today. We are a nation endowed with the power of 142 crores people. And human capital is one of our great assets: In this there is a need to invest in education and health. We need to understand the nature of employment and There is a need to create more employment opportunities in the country. Fulfillment of the minimum basic needs of the people and poverty alleviation has been a major goal of independent India. The pattern of development adopted by all our Five Year Plans has been aimed at the upliftment of the poorest and most backward members of the society.

The United Nations Development Programme has released its 2019 Multidimensional Poverty Index which highlights the number of people around the world experiencing poverty at regional, national and sub-national levels. The term "multidimensional poverty" goes a step further than simply focusing on a lack of finances. It encompasses other factors such as poor health or malnutrition, lack of clean water or electricity, poor quality of work and limited education access in order to provide a

broader picture of poverty's true reality. The index found that across 101 countries, 1.3 billion - 23% - are multidimensionally poor with half that number aged fewer than 18.

Despite those grim figures, some countries are successfully tackling multidimensional poverty and India is the most notable example. The report found that over 640 million people across India were in multidimensional poverty in 2005/2006 and that fell steeply to slightly more than 365.55 million by 2016/2017 - an impressive reduction of 271 million. In recent years, India has embarked on several ambitious programs aimed at improving living standard such as improving electricity access and extending sanitation coverage. According to the World Bank 70% of the population had electricity access in 2007 and that increased to 93% by 2017. Before Prime Minister Narendra Modi came to power, just under 40% of the Indian population had access to a household toilet. He vowed to change that and billions of dollars were invested in improving sanitation under the Swachh Bharat Abhiyan ("Clean India") campaign which started in October 2014. Today, India's Ministry of Drinking Water and Sanitation states that basic sanitation coverage across the country has increased to 99.45% as of July 2019.

A total of 415 million people moved out of poverty in India within just 15 years from 2005/2006 to 2019/2021, the United Nations (UN) said on July 11, 2023, highlighting the remarkable achievement by the world's most populous nation. The latest update of the global Multidimensional Poverty Index (MPI) was released by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford. It said that 25 countries, including India, successfully halved their global MPI values within 15 years, showing that rapid progress is attainable. These countries include Cambodia, China, Congo, Honduras, India, Indonesia, Morocco, Serbia, and Vietnam.

#### Number and Percentage of Population below poverty line by states - 2011-12 (Tendulkar Methodology)

S.No.	States	Rural		Urban		Total	
		Percentage of Persons	No. of Persons (lakhs)	Percentage of Persons	No. of Persons (lakhs)	Percentage of Persons	No. of Persons (lakhs)
1	Andhra Pradesh	10.96	61.80	5.81	16.98	9.20	78.78
2	Arunachal Pradesh	38.93	4.25	20.33	0.66	34.67	4.91
3	Assam	33.89	92.06	20.49	9.21	31.98	101.27
4	Bihar	34.06	320.40	31.23	37.75	33.74	358.15
5	Chhattisgarh	44.61	88.90	24.75	15.22	39.93	104.11
6	Delhi	12.92	0.50	9.84	16.46	9.91	16.96
7	Goa	6.81	0.37	4.09	0.38	5.09	0.75
8	Gujarat	21.54	75.35	10.14	26.88	16.63	102.23
9	Haryana	11.64	19.42	10.28	9.41	11.16	28.83
10	Himachal Pradesh	8.48	5.29	4.33	0.30	8.06	5.59
11	Jammu & Kashmir	11.54	10.73	7.20	2.53	10.35	13.27
12	Jharkhand	40.84	104.09	24.83	20.24	36.96	124.33
13	Karnataka	24.53	92.80	15.25	36.96	20.91	129.76
14	Kerala	9.14	15.48	4.97	8.46	7.05	23.95
15	Madhya Pradesh	35.74	190.95	21.00	43.10	31.65	234.06

16	Maharashtra	24.22	150.56	9.12	47.36	17.35	197.92
17	Manipur	38.80	7.45	32.59	2.78	36.89	10.22
18	Meghalaya	12.53	3.04	9.26	0.57	11.87	3.61
19	Mizoram	35.43	1.91	6.36	0.37	20.40	2.27
20	Nagaland	19.93	2.76	16.48	1.00	18.88	3.76
21	Odisha	35.69	126.14	17.29	12.39	32.59	138.53
22	Punjab	7.66	13.35	9.24	9.82	8.26	23.18
23	Rajasthan	16.05	84.19	10.69	18.73	14.71	102.92
24	Sikkim	9.85	0.45	3.66	0.06	8.19	0.51
25	Tamil Nadu	15.83	59.23	6.54	23.40	11.28	82.63
26	Tripura	16.53	4.49	7.42	0.75	14.05	5.24
27	Uttarakhand	11.62	8.25	10.48	3.35	11.26	11.60
28	Uttar Pradesh	30.40	479.35	26.06	118.84	29.43	598.19
29	West Bengal	22.52	141.14	14.66	43.83	19.98	184.98
30	Puducherry	17.06	0.69	6.30	0.55	9.69	1.24
31	Andaman & Nicobar Islands	1.57	0.04	0.00	0.00	1.00	0.04
32	Chandigarh	1.64	0.004	22.31	2.34	21.81	2.35
33	Dadra & Nagar Haveli	62.59	1.15	15.38	0.28	39.31	1.43
34	Daman & Diu	0.00	0.00	12.62	0.26	9.86	0.26
35	Lakshadweep	0.00	0.00	3.44	0.02	2.77	0.02
	All India	25.70	2166.58	13.70	531.25	21.92	2697.83

**Source-** Government of India Report of the Expert Group to Review the Methodology For Measurement of Poverty, Planning Commission, New Delhi.

**Notes:**

1. Population as on 1st March 2012 has been used for estimating number of persons below poverty line. (2011 Census population extrapolated)
2. Poverty line of Tamil Nadu has been used for Andaman and Nicobar Island.
3. Urban Poverty Line of Punjab has been used for both rural and urban areas of Chandigarh.
4. Poverty Line of Maharashtra has been used for Dadra & Nagar Haveli.
5. Poverty line of Goa has been used for Daman & Diu.
6. Poverty Line of Kerala has been used for Lakshadweep.

**State-wise estimates of Average Monthly Per Capita Expenditure (MPCE) as per Mixed Reference Period (MRP) for 2011-12**

S.No.	States/UTs	Rural	Urban
1	Andhra Pradesh	1563.21	2559.30
2	Arunachal Pradesh	1455.87	2241.63
3	Assam	1056.98	2090.18
4	Bihar	970.41	1396.65
5	Chhattisgarh	904.04	1776.21
6	Delhi	2690.24	3160.76
7	Goa	2460.77	2934.87
8	Gujarat	1430.12	2472.49
9	Haryana	1925.96	3346.32

10	Himachal Pradesh	1800.62	3173.30
11	Jammu & Kashmir	1601.51	2320.28
12	Jharkhand	919.59	1894.41
13	Karnataka	1395.10	2898.94
14	Kerala	2355.53	3044.22
15	Madhya Pradesh	1024.14	1842.35
16	Maharashtra	1445.89	2937.06
17	Manipur	1334.55	1448.91
18	Meghalaya	1315.11	2293.82
19	Mizoram	1384.44	2426.53
20	Nagaland	1756.70	2279.42
21	Odisha	904.78	1830.33
22	Punjab	2136.39	2743.07
23	Rajasthan	1445.74	2206.93
24	Sikkim	1445.06	2528.11
25	Tamil Nadu	1570.61	2534.32
26	Tripura	1194.14	1996.66
27	Uttarakhand	1551.42	2452.02
28	Uttar Pradesh	1072.93	1942.25
29	West Bengal	1170.11	2489.89
30	A & N Island	2508.19	4439.03
31	Chandigarh	2543.57	3000.27
32	Dadra and Nagar	1094.20	2346.15
33	Daman and Diu	2239.45	2163.94
34	Lakshwadeep	2533.07	2666.49
35	Puducherry	2309.92	2959.82
	<b>ALL INDIA</b>	<b>1287.17</b>	<b>2477.02</b>

**Source:** NSSO Report No. KI.(68/1.0) on Key Indicators of Household Consumer Expenditure in India 2011-12, NSS 68<sup>th</sup> round, National Sample Survey Office

### Causes of Poverty in India-

- **Population Explosion:** India's population has steadily increased through the years. During the past 45 years, it has risen at a rate of 2.2% per year, which means, on average; about 17 million people are added to the country's population each year. This also increases the demand for consumption goods tremendously.
- **Low Agricultural Productivity:** A major reason for poverty in the low productivity in the agriculture sector. The reason for low productivity is manifold. Chiefly, it is because of fragmented and subdivided land holdings, lack of capital, illiteracy about new technologies in farming, the use of traditional methods of cultivation, wastage during storage, etc.
- **Inefficient Resource utilization:** There is underemployment and disguised unemployment in the country, particularly in the farming sector. This has resulted in low agricultural output and also led to a dip in the standard of living.
- **Low Rate of Economic Development:** Economic development has been low in India especially in the first 40 years of independence before the LPG reforms in 1991.

- **Price Rise:** Price rise has been steady in the country and this has added to the burden the poor carry. Although a few people have benefited from this, the lower income groups have suffered because of it, and are not even able to satisfy their basic minimum wants.
- **Unemployment:** Unemployment is another factor causing poverty in India. The ever-increasing population has led to a higher number of job-seekers. However, there is not enough expansion in opportunities to match this demand for jobs.
- **Lack of Capital and Entrepreneurship:** The shortage of capital and entrepreneurship results in low level of investment and job creation in the economy.
- **Social Factors:** Apart from economic factors, there are also social factors hindering the eradication of poverty in India. Some of the hindrances in this regard are the laws of inheritance, caste system, certain traditions, etc.
- **Colonial Exploitation:** The British colonisation and rule over India for about two centuries de-industrialized India by ruining its traditional handicrafts and textile industries. Colonial Policies transformed india to a mere raw-material producer for european industries.
- **Climatic Factors:** Most of India's poor belong to the states of Bihar, UP, MP, Chhattisgarh, odisha, Jharkhand, etc. Natural calamities such as frequent floods, disasters, earthquake and cyclone cause heavy damage to agriculture in these states.

### Poverty Estimation in India-

The first estimate of poverty was published by Dada Bhai Naoroji in his book "Poverty and Un-British Rule in India" in 1901.

- Poverty estimation in India is carried out by NITI Aayog's task force through the calculation of poverty line based on the data captured by the National Sample Survey Office under the Ministry of Statistics and Programme Implementation (MOSPI).
- Poverty line estimation in India is **based on the consumption expenditure** and not on the income levels.
- Poverty is measured based on consumer expenditure surveys of the National Sample Survey Organization. A poor household is defined as one with an expenditure level below a specific poverty line.

### Poverty Alleviation Programs in India-

- **Integrated Rural Development Programme (IRDP):** It was introduced in 1978-79 and universalized from 2<sup>nd</sup> October, 1980, aimed at providing assistance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods.
- **Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana:** The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets.
- **Rural Housing - Indira Awaas Yojana:** The Indira Awaas Yojana (LAY) programme aims at providing free housing to Below Poverty Line (BPL) families in rural areas and main targets would be the households of SC/STs.
- **Food for Work Programme:** It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.
- **National Old Age Pension Scheme (NOAPS):** This pension is given by the central government. The job of implementation of this scheme in states and union territories is given to panchayats and municipalities. The states contribution may vary depending on the state. The amount of old age pension is ₹ 200 per month for applicants aged 60-79. For applicants aged above 80 years, the amount has been revised to ₹ 500 a month according to the 2011-2012 Budget. It is a successful venture.
- **Annapurna Scheme:** This scheme was started by the government in 1999-2000 to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension

Scheme (NOAPS), and who have no one to take care of them in their village. This scheme would provide 10 kg of free food grains a month for the eligible senior citizens. They mostly target groups of 'poorest of the poor' and 'indigent senior citizens'.

- **Sampoorna Gramin Rozgar Yojana (SGRY):** The main objective of the scheme continues to be the generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security for the poor.
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005:** The Act provides 100 days assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also establish National Employment Guarantee Funds. Similarly, state governments will establish State Employment Guarantee Funds for implementation of the scheme. Under the programme, if an applicant is not provided employment within 15 days s/he will be entitled to a daily unemployment allowance.
- **National Rural Livelihood Mission: Aajeevika (2011):** It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on a monthly basis. Self Help groups are formed at the village level to help the needy.
- **National Urban Livelihood Mission:** The NULM focuses on organizing urban poor in Self Help Groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment ventures by ensuring easy access to credit.
- **Pradhan Mantri Kaushal Vikas Yojana:** It will focus on fresh entrant to the labour market, especially labour market and class X and XII dropouts.
- **Pradhan Mantri Jan Dhan Yojana:** It aimed at direct benefit transfer of subsidy, pension, insurance etc. and attained the target of opening 1.5 crore bank accounts. The scheme particularly targets the unbanked poor.

In 2017, NITI Aayog proposed a vision document to eradicate poverty. In this, a plan to remove poverty by 2032 was decided. It was said in this document that to remove poverty, work has to be done in three phases-

- 1-Counting of the poor – find out the exact number of poor in the country.
- 2-Poverty alleviation schemes should be brought.
- 3-Plans to be implemented should be inspected.

### SUGGESTIONS-

- An essential element of any poverty alleviation strategy is preventing large declines in household income.
- Many countries have proposed conditional cash transfers (CCTs) as a potential means of reducing poverty.has been done.
- State sponsored poverty and social security schemes should be implemented with right thinking.
- Social infrastructure capable of providing quality education, health and nutrition to reap the full benefits There is a need for the construction.
- There is a need to pay attention to the development of electrification, housing, transportation facilities.
- There is a need to invest more in public health, education so that human productivity can increase. Emphasis on qualitative education, skill development as well as employment opportunities, women's participation, There is a need to focus on infrastructure and public investment.
- We need to increase the economic growth rate. The higher the rate of economic growth, the higher the level of poverty, Will go down.

### CONCLUSION-

Poverty is a big problem for the country. Efforts should be made at every level to eliminate it. our government country is taking steps for the development of Poverty alleviation was economical and a sustainable and inclusive growth of the society was ensured. Will do All of us should be ready for all possible help in the efforts being made to remove poverty from the country.

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