



POVERTY: ECONOMIC PERSPECTIVE

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ABSTRACT :

Poverty one of the major Problems in the Indian Economic System. This paper offers a comprehensive analysis of poverty in India. It shows that no matter which of the two official poverty lines we use, poverty has declined steadily in all states and for all social and religious groups. the decline in poverty rates during these years has been sharper for the socially disadvantaged groups relative to upper caste groups so that we now observe a narrowing of the gap in the poverty rates between the two sets of social groups. The paper also provides a discussion of the recent controversies in India regarding the choice of poverty lines. India we have had a long history of studies on measurement of poverty. There are in fact many approaches to it. Some analysts focus on deprivations. There are however many problems associated with this approach including difficulties in aggregating deprivations on several scores derived from different data sources. Perhaps the best approach is look at it in terms of certain minimum consumption expenditure per person or preferably per household. Any household failing to meet this level of consumption expenditure can be treated as a poor household. This minimum level of consumption expenditure can be derived, in turn, in terms of minimum expenditure on food and non-food items. Minimum food consumption is related to fulfilling certain nutritional standards. However the minimum non-food consumption is more problematical. The Report explains how we went about it.

KEYWORDS : Poverty, Economic Background, Illiteracy, Low Education, etc....

INTRODUCTION

"Poverty is humiliation, the sense of being dependent on them, and of being forced to accept rudeness, insults, and indifference when we seek help." —Latvia 1998 In the simplest term, poverty may be defined as a social condition where individuals do not have financial means to meet the most basic standards of life that is acceptable by the society. Individuals experiencing poverty do not have the means to pay for basic needs of daily life like food, clothes and shelter. Poverty also staves people off from accessing much needed social tools of well-being like education and health requirements. The direct consequences stemming from this problem are hunger, malnutrition and susceptibility to diseases which have been identified as major problems across the world.

It impacts individuals in a socio-psychological way with them not being able to afford simple recreational activities and getting progressively marginalized in the society. This paper provides comprehensive up-to-date estimates of poverty by social and religious groups in the rural and urban areas of the largest seventeen states in India. The specific measure of poverty reported in the paper is the poverty rate or head-count-ratio (HCR), which is the proportion of the population with expenditure or income below a pre-specified level referred to as the poverty line. In the context of most developing countries, the poverty line usually relates to a pre-specified basket of goods presumed to be necessary for above-subsistence existence. In so far as prices vary across states and between rural and urban regions within the same state,

the poverty line varies in nominal rupees across states and between urban and rural regions within the same state.¹ Similarly, since prices rise over time due to inflation, the poverty line in nominal rupees in a given location is also adjusted upwards over time.

The original official poverty estimates in India, provided by the Planning Commission, were based on the Lakdawala poverty lines so named after Professor D. T. Lakdawala who headed a 1993 expert group that recommended these lines. Recommendations of a 2009 expert committee headed by Professor Suresh Tendulkar led to an upward adjustment in the rural poverty line relative to its Lakdawala counterpart. Therefore, whereas the official estimates for earlier years are based on the lines and methodology recommended by the expert group headed by Lakdawala, those for more recent years have been based on the line and methodology recommended by the 1 Prices could vary not just between urban and rural regions within a state but also across sub-regions within rural and sub-regions within urban regions of a state. Therefore, in principle, we could envision many different poverty lines within rural and within urban regions in each state. To keep the analysis manageable, we do not make such finer distinctions in the paper.

CONCEPT OF POVERTY:

According in to the United Nations, Fundamentally, poverty is the inability of getting choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation.

World Bank Defined, 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, lack of voice, and insufficient capacity and opportunity to better one's life.

Prof. Amartyasen opens that "poverty is a deprivation of basic capabilities rather than merely low income... enhancement of substantive freedoms, which provide people with capabilities to choose a life they have reason to value should be the main objective and primary means of development."

OBJECTIVES

1. To document the poverty alleviation programmes implemented in India and to understand different methodological approaches for measuring poverty in the country;
2. To estimate deprivation and inequality in human well being;
3. To identify the determinants of poverty at macro and micro levels,
4. To identify the vulnerable groups, assess their vulnerability levels and elucidate the strategies adopted by these households to cope with poverty.

HYPOTHESES

1. Poverty has reduced over time due to several poverty alleviation programmes implemented by Government in India.
2. Per capita expenditure on food articles mainly depend on income and education of people in India.
3. The macro level determinants of poverty are development of irrigation facility, expansion of road, government expenditure on education and agricultural wage rate, among others.
4. Poverty, at micro level, depends on income and asset position of farmers, education, family size, land holding, etc.

SCOPE OF THE STUDY

The present study enables us to know the different types of poverty alleviation programmes in India and to understand different methodological approaches for measuring poverty in India. Poverty is a multidimensional problem and its innumerable determinants are consumption, income, health, education, opportunities, etc. But, non-income dimensions of poverty are yet to be highlighted. This can be done through assembling social indicators such as education, health, family size, sanitation measure, and access to services, etc. Research work is needed to find out appropriate poverty level at micro and macro levels. The study also documents the food and nutritional security of the farmers and vulnerability amongst the social groups. The results of this analysis would provide micro evidences to the policy makers to form specific poverty alleviation programmes at micro and macro levels.

REVIEW OF LITERATURE

Mahajan and Kumar (2007) states that evaluated the performance of Swarnajayanti Gram Swarozgar Yojana (SGSY) programme in Himachal Pradesh. They concluded that the programme was not performing well. In four years of implementation, only 12.26 per cent of Below Poverty Line (BPL) families were covered under the programme as against the overall objective of 30 per cent of BPL families in five years in the state. The available funds were not fully utilized in any year in the state. The main emphasis of the programme was on coverage of BPL families by organizing them into selfhelp groups (SHGs). It is noticed that only 50 per cent of the SHGs were functioning as per the guidelines. The Swarozgaries were facing difficulties in getting financial assistance under SGSY programme in the state. They suggested that the government should make some efforts so that the benefits of anti-poverty programmes reach the poor at grass root level.

Kumari (2013) states that analyzed the national policies, plans and programs for poverty eradication in India. The author reported that poverty is defined in terms of income, expenditure and nutritional value (calorie intake). The study reveals that government should make aware the rural population about the importance of small family and mortality rate. There were certain diseases of poverty such as malaria, tuberculosis, diarrhea and malnutrition. Having fallen ill due to poverty, the poor do not have the resources to seek quality health care, for which he/she has to borrow money for treatment. Indebtedness due to hospitalization leading to poverty has been well documented. Poverty, therefore, is a complex phenomenon of many dimensions not merely the economic dimension. So government should provide better medical facilities, drinking water facilities and education so that people living below poverty line can improve their lives. The author concluded that poverty alleviation programmes should aim not merely at increasing the income level of individual, household or group but mainstreaming marginalized in the development process of the country and also address the issue of poverty from broader social and economic perspectives.

CAUSES OF POVERTY

The growing population inflates the problem of poor techniques used in Agriculture. Further, there is unequal distribution of wealth. As a result, the poor people are often exploited by the wealthy community. The most important causes of Poverty in India are poor agriculture, growing Population, gap between rich and poor, corruption and black money.

Poor agriculture: India is mainly an agricultural country. About 80% people of our country depend on agriculture. But our agriculture is in a bad way. Farmers are poor and uneducated. They do not know the modern methods of farming. They have no good facilities of irrigation. They do not get seeds and fertilizers in time. Thus, the yield is poor. Agriculture is not profitable today. We face the shortage of food. We have to import it. So, poor agriculture is one of the causes of India's poverty.

Growing population: Our population is growing rapidly. But our resources are limited. The growth in population creates problems for us. Today, our population is 1.20 billion; tomorrow we will be 1.21 billion and so on. We need more food, more houses, and more hospitals for them. So we have no money to spend

on development projects. The ever-growing rate of population must be checked. If not, we may not be able to remove India's poverty.

Gap between the rich and the poor: The widening gap between the rich and the poor is also responsible for India's poverty. The rich are growing richer. The poor are growing poorer. This economic gap between the two must be reduced. Our social system should be changed. The poor people must get all help to reap the fruits of Independence.

Corruption and black-money: There are corruptions in every walk of life. There is inefficiency in offices. People have become selfish. They neglect the national interests. Black money causes the problem of rising prices. Some people have all the privileges. But many others are suffering. Black money affects our economy. It causes poverty.

Effects of poverty

Illiteracy: Poor people constitutes greater share of illiterate population. Education becomes extremely difficult when people are deprived of basic necessities of life.

Child Labor: In India, a large number of young boys and girls are engaged in child labour. Also read, article on Poverty and Child labour in India.

Nutrition and diet: Poverty is the leading cause of insufficient diet and inadequate nutrition. The resources of poor people are very limited, and its effect can be seen in their diet.

Poor living condition and Housing problems: They don't get proper living conditions. They have to fight the hardship of poverty to secure food, clothes and shelter. A large number of poor families live in houses with one room only.

Unemployment: Poor people move from villages to towns and from one town to another in search of employment/work. Since, they are mostly illiterate and un-skilled, there are very few employment opportunities open for them. Due to unemployment, many poor people are forced to live an unfulfilled life.

Hygiene and sanitation: These people have little knowledge about hygiene and proper sanitation system. They are not aware of the harmful consequences of not maintaining proper hygiene. The government is taking initiatives to make available clean and safe water, and proper sanitation system to them.

Feminization of poverty: Women are the worst victims of poverty. Poverty affects greater number of women than men. The total of poor women outnumbers the total population of poor men. The causes include low income, gender-inequality, etc. They are deprived of proper-diet, medicines and health treatment.

Social tensions: Poverty is often characterized with income disparity and unequal distribution of national wealth between the rich and the poor. Concentration of wealth in the hands of few rich people lead to social disturbances and revolts. Fair or even distribution of wealth leads an overall improvement in general standard of living of people.

SOLUTIONS

We have to solve this problem of India's poverty.

- Farmers must get all facilities for irrigation.
- They should be trained and educated.
- Agriculture must be made profitable.
- The ever-rising population should be checked.
- Family planning schemes should be introduced.
- More and more industries should be set up to meet the needs of our country.
- Corruption must end. Our offices should work efficiently.

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