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# A DIAGNOSTIC ANALYSIS OF CURRENT POVERTY SENARIO IN INDIAN SOCIETIES

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**Abstract:** Poverty refers to a situation when people are deprived of basic necessities of life. It is often characterized by inadequacy of food, shelter and clothes. In other words, poverty refers to a state of privation where there is a lack of essential needs for subsistence.

India is one of the poorest countries in the world. Many Indian people do not get two meals a day. They do not have good houses to live in. Their children do not get proper schooling. Poor people are the depressed and deprived class. They do not get proper nutrition and diet. Their conditions have not sufficiently improved even long after over 65 years of our Independence. Krishan Kumar Bedi, Minister of State for Welfare of Scheduled Castes and Backward Classes, said that the annual income ceiling for BPL families living in rural areas had been hiked to Rs 49,000 from Rs 40,500 and Rs 60,000 from Rs. 51,500 for those living in urban areas on 16<sup>th</sup> April, 2017. Below Poverty Line is an economic benchmark used by the government of India to indicate economic disadvantage and to identify individuals and households in need of government assistance and aid. It is determined using various parameters which vary from state to state and within states. The present criteria are based on a survey conducted in 2002. Going into a survey due for a decade, India's central government is undecided on criteria to identify families below poverty line.

Internationally, an income of less than \$1.90 per day per head of purchasing power parity is defined as extreme poverty. By this estimate, about 21.2% of Indians are extremely poor. Income-based poverty lines consider the bare minimum income to provide basic food requirements; it does not account for other essentials such as health care and education.

The following paper will highlight the India's latest poverty profile.

**Keywords:** India and poverty, Poor India, Poverty and India 2017.

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**Introduction:** Poverty as a concept is quite simple, Wikipedia defines it has - **Poverty** is the scarcity or the lack of a certain (variant) amount of material possessions or money. Poverty is a multifaceted concept, which may include social, economic, and political elements.

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.

The word poverty comes from old French *povreté* (Modern French: *pauvreté*), from Latin *paupertās* from *pauper*.

In, India poverty is associated with many social and cultural factors which include lack of a proper education system, low rate of female literacy, being a gender bias country, high rate of unemployment etc.

Poverty is of six types-

1. **Situational poverty** is generally caused by a sudden crisis or loss and is often temporary. Events causing situational poverty include environmental disasters, divorce, or severe health problems.
2. **Generational poverty** occurs in families where at least two generations have been born into poverty. Families living in this type of poverty are not equipped with the tools to move out of their situations.
3. **Absolute poverty**, which is common in India, involves a scarcity of such necessities as shelter, running water, and food. Families who live in absolute poverty tend to focus on day-to-day survival.
4. **Relative poverty** refers to the economic status of a family whose income is insufficient to meet its society's average standard of living.
5. **Urban poverty** occurs in metropolitan areas with populations of at least 5000 people. The urban poor deal with a complex aggregate of chronic and acute stressors (including crowding, violence, and noise) and are dependent on often-inadequate large-city services.
6. **Rural poverty** occurs in nonmetropolitan areas with populations below 5000, population density is 400 people per square K.m. In rural areas, there are more single-guardian households, and families often have

less access to services, support for disabilities, and quality education opportunities. Villages, country sides and small districts can come under the blanket of rural India.

**Paper Pattern:** The paper has been organized in the following manner-

- Introduction
- Research Methodology
- India's Poverty Profile
- Suggestions to Remove Poverty.
- Conclusion.

**Research Methodology:** This research paper tries to summaries the current state of knowledge about poverty, problems created by poverty and to study national policies, plans and programs for poverty eradication in India. The following study is majorly descriptive in nature; it mostly depends upon the information published manly in

- Books, Magazines, Internet, Journals, Newspapers etc...

The study is based on secondary data, which mainly revolves around the topic of Poverty in India, the following paper will highlight India's current poverty scenario and will showcase a bird eye's view on the causes of poverty and will also suggest some ways to eliminate poverty.

**Measurement of Poverty: Poverty Line:** Poverty line is a cutoff point on the income distribution, which divides the population as poor and non-poor. People below poverty line, are poor and above that line are average or rich. Poverty line is therefore a derivation from inequality of income distribution. However cut-off level of income or expenditure is determined differently in different countries and regions. According to Planning Commission of India, "Poverty line is drawn on the basis of barest minimum desirable nutritional standards of 2400 calories per person per day in rural areas and 2100 calories for urban areas".

**India's Current Poverty Profile:** India as a country has always been harassed by the problem of poverty and has also taken up as challenge to solve that problems, the country has runs many poverty alleviation programs-most of which are government sponsored. Now, under the corporate social responsibility band many private organizations are also working towards removal of poverty, they have started donating funds, establishing charitable organizations, working with government to remove the problem of poverty. India's current Poverty profile Includes –

- 270,000,000 Indians are poor.
- 80 per cent of poor live in rural India.
- One in five Indians is poor.
- 25 per cent of rural population is poor.
- 14 per cent of urban population is poor.
- 27 per cent of population living in small villages is poor.
- 19 per cent of population living in big villages is poor.
- 17 per cent of population living in small towns is poor.
- 6 per cent of population living in big towns is poor.
- Out of the 45 per cent population living in low income states 65 per cent of population is poor.
- 28 per cent of Indian are Schedule caste and schedule tribe and out of which 43 percent are poor.
- 51 per cent of casual labors are poor.

**Major Problems Caused By Poverty:**

- *Impact of Poverty On Women:*
  - Being female is reported to be a risk factor for common mental disorders. Studies from India have shown that poverty and deprivation are independently associated with the risk for common mental disorder in women and add to the sources of stress associated with womanhood.
  - Interviews with relatives of young women in rural China who had committed suicide and the survivors of suicide attempts revealed that hopelessness was a core experience, associated with poverty, limited educational and work prospects and the migration of husbands to urban areas for employment; these were in addition to other issues such as stigma for failing to produce a son, spouse and family abuse and forced marriages.

- Within a household, studies reported that some members of the household go without certain goods and services in order to increase the amount available for others; parents most commonly go without on behalf of children and women are most likely to go without than men.
- Depression during pregnancy is a common problem and is associated with indicators of socio-economic deprivation as well as other problems such as violence and loss of an intimate relationship.

#### **Impact of Poverty on Children's Mental Health:**

- Research suggests that household income influences child mental health. Children from low-income families appear to have higher levels of depression and anti-social behavior -such as bullying, being cruel, breaking things, cheating or telling lies than children from more advantaged households. Children in chronically poor families show lower cognitive performance. A change in household income also influences the child's mental health. Drops in income increase depression and anti-social behavior, while a move out of poverty and an improvement in household income results in improved child mental health.
- Poverty results in a less favorable family environment and poor quality parenting. It diminishes the ability of parents to provide supportive, consistent behavior and may render parents more vulnerable to debilitating effects of life events. Parental mental health and behavior in turn influences well-being of the child. The risk factors that additively influence a child's psychological adjustment include parents' employment and educational status, family size, maternal mental health, parental divorce, unsafe living environment, and parenting behaviors.
- It is evident that the child who experiences poverty may also experience other life adversities
- Adolescents who experience poverty are more likely to engage in drug and alcohol use at earlier ages, initiate sexual activity earlier, have increased mental health problems, and lower levels of academic achievement. The changes in the family due to economic strain are linked to externalized behaviors (marked by defiance, impulsivity, hyperactivity, aggression and antisocial features) in boys and internalized behaviors (evidenced by withdrawal, dysphonia and anxiety) in girls.

**Safety Nets for Poor—Poverty Alleviation Programmes of Government:** Since India became part of the global economy and underwent economic reform in 1991, its economy is growing at a faster rate of nearly 10 per cent per annum. In the process, India has become the fourth largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. They have become the part of global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life.

Apart from this burgeoning middle class in the country, the economic growth seemed to have touched the lives of the poor also. According to the National Sample Survey results, people living below poverty line have dramatically come down during the post economic reform era. Poverty alleviation programmes have assumed relevance as it is proved globally that the so-called 'trickle-down effect' does not work in all the societies and India. Some of the policies which are running in India to solve the problem of Poverty are :

**Prime Minister's Rozgar Yojana (PMRY):** PMRY started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity. So far, about 20 lakh units have been set up under the PMRY, creating 30.4 lakh additional employment opportunities. The targets for additional employment opportunities under the Tenth Plan and in 2004-05 are 16.50 lakh and 3.75 lakh, respectively. While the REGP is implemented in the rural areas and small towns (population up to 20,000) for setting up village industries without any cap on income, educational qualification or age of the beneficiary, PMRY is meant for educated unemployed youth with family income of up to Rs.40, 000 per annum, in both urban and rural areas, for engaging in any economically viable activity.

**Rural Employment Generation Programme (REGP):** REGP, launched in 1995 with the objective of creating self-employment opportunities in the rural areas and small towns, is being implemented by the Khadi and Village Industries Commission (KVIC). Under REGP, entrepreneurs can establish village industries by availing of margin money assistance from the KVIC and bank loans, for projects with a maximum cost of Rs.25 lakh. Since the inception of REGP, up to 31 March 2004, 1,86,252 projects have been financed and 22.75 lakh job opportunities created. A target of creating 25 lakh new jobs has been set for the REGP during the Tenth Plan. 8.32 lakh employment opportunities have already been created during 2003-04. For 2004-05, a target of creating 5.25 lakh job opportunities has been fixed

**National Social Assistance Programme (NSAP):** This programme was launched in during 1995-96. It provides three types of services to poor people. (a) National Family Benefit Scheme (b) National Old Age Pension Scheme (c) National Maternity Benefit Scheme. Whole of expenditure on this scheme is spent by central government but since April 2001, NSAP has been handed over to ministry of health and family welfare.

**Swarna Jayanti Shahri Rozgar Yojana (SJSRY):** This programme was launched in Dec. 1, 1997. its main object is to provide self employment to unemployed youth of urban areas. It includes youth educated upto 9th standard yet living below poverty line. It is also based upon 75% centre and 25% state's contribution in expenditure required for the scheme. The expenditure during 2003-04 was Rs.103 crore. For 2004-05, the allocation is Rs.103 crore, out of which Rs. 90.38 crore were utilized by December 31, 2004. In 2008-2009, 9.47 Lakh beneficiaries were covered under it. Rs. 541 crore was spent on this plan in 2008-09.

**Swaran Jayanti Gram Swarozgar Yojana (SGSY):** SGSY, launched in April 1999, aims at bringing the assisted poor families (Swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through a mix of Bank credit and Government subsidy. In this scheme IRDP and other programmes have been included. Under this scheme, poor are granted bank loans and subsidies to establish small enterprises. This scheme is centrally sponsored on 75: 25 basis, by centre and states. From this programme about 121 lakh self-employed persons were benefited upto 2009. Rs. 27183 crore was spent on this plan in 2008-09

#### **Policy Plan Required for Poverty Alleviation in India:**

1. To promote growth in agricultural productivity and non-farm rural activities.
2. Public investment in rural infrastructure and agricultural research. Agricultural research benefits the poor directly through an increase in farm production, greater employment opportunities and growth in the rural non-farm economy.
3. Credit policies to promote farm investment and rural micro enterprises Policies to promote human capital to expand the capabilities of the poor Development of rural financial markets.
4. Self-Help Group Approach to be strengthened as it is a proven method of empowerment of the poor.
5. Involvement of local communities and people's participation in NRLM and MGNREGS.
6. Decentralization of the programmes by strengthening the panchayati raj institutions.
7. Public Distribution System (PDS) needs to be reformed and better targeted.
8. Provision of safety nets like targeted food subsidies, nutrition programmes and health.
9. Targeted poverty alleviation programmes to continue, as the poor of the developing world may not have the patience to wait for the trickle-down effect

The main objective of Indian planning is to alleviate poverty. In this regard government has launched many poverty alleviation programmes. Even then no radical change has been undergone in the ownership of assets, process of production and basic amenities to the poor. In this way poverty alleviation programmes have proved failure due to insufficient resources and lack of proper implementation, active participation of poor, proper identification of poor and infrastructure.

**Conclusion:** Debate on poverty in India has remained mostly in the domain of economists. Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Social dimension of poverty is a neglected area of study. Poverty is more of social marginalisation of an individual, household or group in the community/society rather than inadequacy of income to fulfill the basic needs. Indeed, inadequate income is therefore one of the factors of marginalisation but not the sole factor. The goal of poverty alleviation programme should aim merely increasing the income level of individual, household or group but mainstreaming marginalised in the development process of the country. The country cannot claim economic growth when sections of the people are marginalised to the periphery of the society. The rapid economic growth process should accelerate the access to services like education and health services for all, especially the marginalised citizens. The government should also aware the rural population about the importance of small family and mortality rate. Poverty give birth too many other problems. The link between ignorance and poverty and ill health and poverty are well-established. There are diseases of poverty such as malaria, tuberculosis, diarrhoea 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. Indebtness due to hospitalisation 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.

Yesudian (2000) also suggested that Poverty alleviation programmes should also address the issue of poverty from broader social and economic perspectives.

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