



Poverty Eradication in India: A Study of Government Policies and Programs

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DOI - 10.5281/zenodo.12718544

Introduction:

Poverty is the principal cause of hunger and undernourishment in which a section of society is unable to fulfil even its basic necessities of life. The minimum needs are food, clothing, housing, education and other basic minimum human needs. Humanity faces pains and miseries if it does not attain a subsistence level of such needs. It is generally agreed in this country that only they who fail to reach a certain minimum consumption standard should be regarded as poor. Poverty is about denial of opportunities and fulfilment of human potential. Poverty and inequality are closely related, and inequality appears to have been on the rise worldwide in recent decades at both national and international levels. India is home to 194.6 million undernourished people, the highest in the world or roughly 15 percent of the estimated world population according to the annual report by the Food and agriculture organization of the United Nation released in 2015. India ranked 100 th position among 119 countries in Global Hunger index 2017 report released by Washington- based International Food

Policy Research Institute. But this year slipped by three positions as compared to 97 th rank in 2016 at present 27.5 % of Indian people live in below poverty line. In the category of poor's falls the people whose daily income is less than 33 rupees a day in cities and 27 rupees in a day in rural but this is not enough to survive for a day in due to country where every food item price is increased. The overwhelming fact about poverty in the country is its rural nature. Major determinants of poverty are lack of income and purchasing power attributable to lack of productive employment and considerable underemployment, inadequacy of infrastructure, affecting the quality of life and employability, etc. It means to understand the definition of poverty; one should have knowledge of poverty line.

Objectives:

- 1) To study the overall situation of poverty in India.
- 2) To study the poverty eradication government policies and programs in India.

Methodology:

This research paper tries to summaries the current state of knowledge about poverty, problems created by poverty and to study government policies and programs for poverty eradication in India. The relevant secondary data is collected through various sources such as reference books, websites, Economic survey and journals.

Measuring Poverty- Poverty line:

The methodology for estimation of poverty followed by the Planning Commission has been based on the recommendations made by Working Group/Task Force/Expert Groups consisting of eminent experts in the field of poverty. The Planning Commission has constituted these Groups from time to time to revisit the methodological issues relating to the measurement of poverty so as to make the estimates more relevant to the contemporary economic situation. The last such Group was constituted in 2005 under the chairmanship of Prof. Suresh Tendulkar whose recommendations are being used by the Planning Commission to estimate poverty at present. The Planning Commission in July 1977 constituted the Task Force on —Projections of Minimum Needs and Effective Consumption Demand under the Chairmanship of Dr. Y. K. Alagh. The Task Force submitted its report in January 1979. The average calorie requirements were estimated, separately for the all-India rural and urban areas as a population-weighted average of the age-gender-activity specific calorie allowances recommended by the Nutrition

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Expert Group (1968) by reference to the 1971 population Census. The estimated calorie norm was 2400 kcal per capita per day in rural areas and 2100 kcal per capita per day in urban areas.

To work out the monetary equivalent of these norms, 28th Round (1973-74) NSS data relating to household consumption both in quantitative and value terms were used. Based on the observed consumer behaviour in 1973-74 it was estimated that, on an average, consumer expenditure (food and non-food) of Rs.49.09 per capita per month was associated with a calorie intake of 2400 per capita per day in rural areas and Rs.56.64 per capita per month with a calorie intake of 2100 per day in urban areas. This Monthly Per Capita Expenditure (MPCE) was termed as poverty line. The poverty lines for later years were estimated by updating the poverty lines of the year 1973-74 for price changes. Based on the methodology outlined in the Report, the poverty ratio at all India level for 2011-12 comes to 29.5%. Working backwards this methodology gives the estimate for 2009-2010 at 38.2%. This is in contrast to 21.9% as estimated by Tendulkar methodology for 2011-12 and 29.8% for 2009-10.the poverty line so defined was updated over time by taking care of change in the price levels.

Poverty Eradication Government Programs in India:

Alleviation of poverty remains a major challenge before the Government. Government of India has started various

poverty alleviation programmes. There are basically two, types, poverty alleviation programmes and policies 1) Encouraging self-employment 2) Providing supplementary wage employment. “**Garibi hatao**” slogan was adopted during Fifth five-year plan. Since five-year plan Indian Planning commission has been planning for reduce and eradicate the poverty result of that in 2017 India poverty has reduced till 27.5 percent and Rs- 28.65 per capita daily consumption in cities and Rs- 22.42 in rural areas has raised. Till the end of 12th five-year plan government of India aims bringing down people below poverty line to the extent of 10 % for that Indian planning commission and recent NITI AYOUG introducing new programs and policies to eradicate poverty and inequalities.

Followings are some government programmes and policies to Poverty alleviation:

1) Integrated Rural Development Programme (IRDP):

IRDP is to eliminate rural poverty by providing income-generated assets to the poorest of the poor. Started in 1978-79. Main aim is to create sustainable opportunities for self-employment in the rural sector. Assistance is given in the form of subsidy by the government.

2) Prime Minister's Rozgar Yojana:

PMRY Launched on 2nd October 1993 to assist educated unemployed youth to set up self-employment ventures. The scheme targeted for setting up of nearly 7 lakh enterprises and consequent employment generation to more than one

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million educated unemployed youth in the last four years of the 8th Five Year Plan. Initially, the scheme was implemented only in the urban areas of the country. Since 1994-95, it is in operation in both urban as well as rural areas. The scheme continued in the 9th Five Year Plan with the plan target of 11.00 lakh beneficiaries with annual target of 2.20 lakh beneficiaries. The PMRY is continuing in the 10th Five Year Plan also with the plan target of 11.00 lakh beneficiaries. Common Minimum Programme (CMP) of the UPA Government envisages creation of additional employment opportunities in the rural non-farm sector. Accordingly, the target for the year 2004-05 & 2005-06 under the Yojana has been enhanced from 2.20 lakh beneficiaries to 2.50 lakh beneficiaries per annum.

3) 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. Since the inception of the programme 22.52 lakh Self-Help Groups (SHGs) have been formed covering 66.97 lakh swarozgaris. These include 35.54 lakhs members of the SHGs and 31.43 lakh individual Swarozgaris who have been assisted with a total investment of Rs.14403.73 corer. Out of total Swarozgaris assisted, SCs/STs were 45.54 per cent and women 47.85 per cent.

During 2006-2007 the Central allocation for the scheme is Rs.1200 corer.

4) Swarna Jayanti Shahari Rozgar Yojana:

The Ministry of Housing & Urban Poverty Alleviation is implementing an employment oriented urban poverty alleviation centrally sponsored scheme named Swarna Jayanti Shahari Rozgar Yojana (SJSRY), on all India bases, with effect from 1.12.1997. The scheme has been comprehensively revamped with effect from 2009-2010. The scheme strives to provide gainful employment to the urban unemployed and under employed poor, through encouraging the setting up of self-employment ventures by the urban poor living below the poverty line, skills training and also through providing wage employment by utilizing their labour for construction of socially and economically useful public assets. It includes youth educated up to 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.

5) 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 *Ami Ratu*

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.

6) 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, NMBC has been handed over to ministry of health and family welfare.

7) National Old Age Pension Scheme:

* To provide pension to old people, above the age of 65.

* Came into effect on 15 august 1995.

* Initially, 200 rupees per month was given but later it was changed to 500 rupees as per as 2011-12 budget

8) National Family Benefit Scheme (NFBS):

* Started in August 1955.

* Sponsored by the state government.

* Later it was transferred to the state sector scheme from 2002-03.

* It is under the community and rural development.

* It provides a sum of 20000 rupees to a person of family who becomes the head of the family after the death of its primary breadwinner.

9) Jawahar Gram Samridhi Yojana (JGSY):

* It is a comprehensive version of previously launched “Jawahar Rozgar Yojana.

* Started on 1 April 1999.

* Main objective: - For the development of rural areas.

* Secondary objective: - To give out sustained wage employment.

* This was only for the below poverty line.

10) National Maternity Benefit Scheme:

* It is for the family below the poverty line.

* Implemented by states and union territories.

* It provides a sum of Rs-500 to a pregnant woman for the first two live births.

* It was later changed into Janani Suraksha Yojana with Rs-1440 for every institutional birth.

11) Annapurna yojana:

* Started in 1999-2000 by the central government.

* Rs-100cr was allocated during 2000-01.

* It mostly covers groups of “poorest of the poor” and “indigent senior citizens”.

12) Pradhan Mantri Gram Sadak Yojana (PMGSY):

PMGSY Started on 25 December 2000. Comes under the authority of the minister of rural development. The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a nationwide plan in India to provide good all-weather road connectivity to unconnected villages. Of 178,000 (1.7 lakh) habitations with a population of above 500 in the plains and above 250 in the hilly areas planned to be connected by all-weather roads, 82% were already connected by December 2017 and work-in-progress on the remaining 47,000 habitations was on-track for completion by March 2019 (c. December 2017).

13) Pradhan Mantrai Gramodaya Yojana:

PMGY launched in 2000-01 envisages allocation of Additional Central Assistance (ACA) to the States and UTs for selected basic services such as primary health, primary education, rural shelter, rural drinking water, nutrition and rural electrification. For 2003-04 as well as 2004-05, the annual allocation of ACA for PMGY was Rs.2, 800 crores.

14) Indira Awaas Yojana (IAY):

This is a major scheme for construction of houses of unserviceable kutchha houses to semi- pacca houses has also been added. From 1999-2000, the criteria for allocation of funds to states/UTs has been changed from poverty ratio to the housing shortage in the state. Similarly, the criteria for allocation of

funds to a district have been changed to equally reflect the SC/ST population and the housing shortage. During 2007-08 Rs. 4033 crores have been earmarked for constructing 21.27 lakh houses. As per information by the states 9.40 Lakh houses have been built up to 2008. The Ministry of Rural Development (MORD) provides equity support to the Housing and Urban Development Corporation (HUDCO) for this purpose.

15) Antyodaya Anna Yojana (AAY):

AAY launched in December 2000 provides food grains at a highly subsidized rate of Rs.2.00 per kg for wheat and Rs.3.00 per kg for rice to the poor families under the Targeted Public Distribution System (TPDS). The scale of issue, which was initially 25 kg per family per month, was increased to 35 kg per family per month from April 1, 2002. The scheme initially for one crore families was expanded in June 2003 by adding another 50 lakh BPL families. During 2003-04, under the AAY, against an allocation of 45.56 lakh tonnes of food grains, 41.65 tonnes were lifted by the State/UT Governments. Budget 2004-05 expanded the scheme further from August 1, 2004 by adding another 50 lakh BPL families. With this increase, 2 crore families have been covered under the AAY

16) Sampoorna Gramen Rozagar Yojana (SGRY)

* It came in existence by merging Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS).

* Launched in September 2001.

* To provide additional wage employment in the rural areas.

17) National Food For Work Programme:

In line with the NCMP, National Food for Work Programme was launched on November 14, 2004 in 150 most backward districts of the country with the objective to intensify the generation of supplementary wage employment. The programme is open to all rural poor who are in need of wage employment and desire to do manual unskilled work. It is implemented as a 100 per cent centrally sponsored scheme and the food grains are provided to States free of cost. However, the transportation cost, handling charges and taxes on foodgrains are the responsibility of the States. The collector is the nodal officer at the district level and has the overall responsibility of planning, implementation, coordination, monitoring and supervision. For 2004-05, Rs.2020crore has been allocated for the programme in addition to 20 lakh tons of food grains.

18) National Rural Employment Guarantee Scheme (NREGS):

This scheme was introduced on February 2, 2006. For this scheme national rural employment guarantee act was passed on 7th September, 2005. In this scheme two schemes have been included (a) Sampoornan Gramin RozgarYojana and (b) National Food for Work Programme. This NREGS scheme was started in 200 districts in the beginning. It will be launched in all the districts throughout the country within periods of 5 years. The main objective is to provide at least 100

days employment to every family in a year. Under this scheme 56 Lakh people got employment in 2006-07. This scheme will be expanded from 200 in 2006-07 to 596 districts in 2008-09. In the budget of 2009-10 Rs. 30,100 crores has been fixed. According to the need budget can be exceeded.

19) Public Distribution System:

Poor people are provided food grains on cheaper rates through 4 Lakh fair price shops so as to assure food security to them. In some states, this scheme is implemented in both rural and urban areas. Almost 3% of government budget is spent on this scheme. Public distribution system has helped the poor people to some extent. For the success of this plan PDS system has been computerized in 2007-08. Under this scheme, there was a provision of Rs. 32667 crores for food subsidy in 2008-09.

20) Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) And Integrated Wastelands Development Programme (IWDP):

DPAP, DDP and IWDP are being implemented for the development of wastelands/degraded lands. During 2004-05 allocation of Rs. 300 crores, Rs. 215 crore and Rs. 368 crores were provided for DPAP, DDP and IWDP, respectively. So far, during 2004-05, 2,550 projects covering 12.75 lakh hectares, 1,600 projects covering 8 lakh hectares and 165 projects covering 8.32 lakh hectares, have been sanctioned under DPAP, DDP and IWDP, respectively.

21) Small and Cottage Industries:

Government for alleviating poverty and unemployment has paid special attention for the development of small and cottage industry. This sector is already providing employment to 238 Lakh people. It encourages self-employment schemes by spending heavy expenditure on it. In 2006-07, business limit for small entrepreneurs has been raised from Rs. 3 crores to Rs. 4 crore. In the budget of 2007-08 excise duty exemption has been raised from Rs. 1 crore to 1.5 crore. It will help in raising employment opportunities in small scale industries

22) Integrated Child Development Scheme (ICDS):

Under this scheme mothers and children below 6 years have got some financial aid. Govt. has approved 5959 (ICDS) projects in 2007-08. For this purpose, Rs. 6300 crores have been allocated in 2008-09 and 6705 crores in 2009-10[10, 35].

23) Mid Day Meals Scheme (MDMS):

Under this scheme, school children are provided with free mid-day meals. The children in primary classes have been covered under this scheme. Under this scheme, 2.5 crore additional children got benefit it. Children in primary classes and upper primary classes have been covered in 2008-09. For this purpose, Amount of Rs. 8000 crore was spent in 2009-10

24) Poverty Alleviation Programmes In Tenth Plan:

Indian Govt. had kept Rs. 3, 47,391 cores in tenth plan for the development of social services, which was 22.8% of total public outlay. This amount was spent on education, medical and

public health, housing and urban development for uplifting the poor section. Its main object was to reduce poverty on percentage basis at 5% in urban sector and 15% in rural sector

25) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):

MGNREGA was started in 2006-07 and extended to cover the whole country during the 11th Plan. With a people centred, demand-driven architecture, completely different from the earlier rural employment programmes, MGNREGA has directly led to the creation of 987 crore person-days of work since its inception in 2006-07. In financial year 2010-11, MGNREGA provided employment to 5.45 crore households generating 253.68 crore person-days. It has also successfully raised the negotiating power of agricultural labour, resulting in higher agricultural wages, improved economic outcomes leading to reduction in distress migration. This is not to deny that with better project design, implementation leakages could be greatly reduced; and the assets so created could make a larger contribution towards increase in land productivity. Recently, Finance Minister Arun Jaitley announced Rs- 48000cr for the MGNREGA

26) Brush-off Poverty: New Approaches:

This paper has focused on making the existing central government poverty alleviation program more effective. In this section, we discuss some additional innovative programs that may be helpful in speeding up poverty reduction.

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27) Jan Dhan Yojana, Aadhar and Mobile (JAM): Towards Cash Transfers:

Two key instruments—Jan Dhan bank accounts under PMJDY and biometric identity cards under Aadhar—promise to revolutionize the anti-poverty programmes by replacing the current cumbersome and leaky distribution of benefits under various schemes by the Direct Benefit Transfers (DBT) in ways that was unthinkable until recently.

On 15th August 2014, the Prime Minister announced Pradhan Mantri Jan Dhan Yojana, the biggest financial inclusion initiative in the world. On 20 January 2015, the finance minister listed out the achievements under PMJDY. Against the estimated target of opening bank accounts for 7.5 crore uncovered households in the country, Banks had opened 11.5 Crore accounts. Out of the accounts opened, 60% were in rural areas and 40% are in urban areas. Share of female account holders was 51%, these numbers suggest that 90 per cent or more households now have a bank account.

Simultaneously, India is also moving towards completion of the Aadhar project that aims to give a biometric identity to all Indians

Under MGNREGA, direct transfers of wages have already begun taking place. The employer records employment of a worker in a central database using the Aadhar identity. This triggers a transfer of the wage payment from a central government account to the worker's bank account. The worker can then access that

account via mobile or banking correspondent as per need.

The government has issued RuPay cards to more than 10 Crore beneficiaries who will get a benefit of personal accidental insurance of ₹1.00 lakh per household. In addition, there is a life insurance cover of ₹30,000 for eligible beneficiaries

Jan Dhan Yojana, Aadhaar, Mobile (JAM) trinity could play a vital role in widening the reach of Government to the vulnerable sections. Jan Dhan bank accounts under Prime Minister's Jan Dhan Yojana (PMJDY), biometric identity cards under Aadhaar and accessibility to the accounts through mobile phones promise to eventually revolutionize the anti-poverty programmes by replacing the current cumbersome and leaky distribution of benefits under various schemes by the Direct Benefit Transfers (DBT).

With the Aadhaar linked accounts permitting aggregation of the information, the government would have an excellent database to assess the total volume of benefits accruing to each household. In turn, this information could eventually pave the way for replacing myriad schemes with consolidated cash transfers except in cases in which there are other compelling reasons to continue with in-kind transfers.

Conclusion:

Household expenditure and calories is considered to calculate the poverty count in India. In this Purchasing power of people for buying food and buying capacity for some non-food items

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is calculated. Though the condition in cities is more or less the same but the rural welfare programs have really helped the people in rural India. These efforts resulted in decrease in the poverty in rural India at faster pace than their urban counterparts. But in spite of all the attempts, overall number of poor in India is increasing and becoming a hurdle. Poverty is just like a disease to which many other problems such as crime, low-paced development, etc are associated. There are number of people in India who still live on the streets and beg for the whole day to eat a meal. Underprivileged children are unable to attend school and those have the opportunity drop out after a year or so. People below poverty line live in unhygienic condition and are so prone to many health problems. With the vicious cycle of poor health, lack of education and more and more poverty keeps on increasing but government gives more attention with basic roots of poverty to this problem it can overcome the problem of poverty and all country can eradicate poverty in future.

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