

# POVERTY ALLEVIATION IN INDIA: SOCIO-LEGAL ASPECTS

*Written by Dr. J.P. Arya*

*Associate Professor, CPJ College of Higher Studies & School of Law, Narela, Delhi*

---

## ABSTRACT

The poverty is a relative term. Poverty line differs from a country to other country, depending upon the welfare standard of a country and condition of its economy. In developed countries minimum living standard for the people include higher consumption requirements and accessibility to much more goods and services. Their living standards are high. The sociologists describe the phenomenon mainly because of culture of poverty. The poor are not poor because of the paucity of financial resources or scarcity of physical comforts, but mainly they are poor because they are born in a family having the low socio-economic status. The poor people do not have adequate wealth to meet the minimum requirements and they persistently look forward hoping to food, clothing, shelter, education and health facilities for their families. Though poverty is a multidimensional serious problem with origin at both the national and international domain, yet particularly in India it is strongly associated with region, religion, caste, culture and is observed highest among scheduled castes and scheduled tribes living in rural areas. Besides this the acute problem of poverty is found at large scale in North-east, Centre-east and Northern arid regions in India. The Government of India has been doing consistent endeavors for poverty alleviation and the country has achieved certain positive results. But still we have a long way to alleviate poverty from India. The main purpose of this research paper is to highlight the existing legal provisions in India relating to rural employment, and to discuss government efforts in the direction of achieving United Nations Sustainable Development Goal to eradicate poverty by 2030. This study seeks to understand meaning of poverty and delineates its main factors and effect. The author has also mentioned some suggestions to combating poverty.

**Keywords:** Poverty, economy, minimum, requirements, multidimensional, problem, alleviation.

## INTRODUCTION

The German scholar Max Muller, praising India once said, "If I were asked under what sky the human mind has most fully developed some of its choicest gifts, has most deeply pondered on the greatest problems of life, and has found solutions, I should point to India." In this context further the American author Mark Twain said, "India is the cradle of the human race, the birthplace of human speech, the mother of history, the grandmother of legend, and the great-grandmother of tradition. Our most valuable and most instructive materials in the history of man are treasured up in India only."

On the economic front especially regarding market affairs there is a saying "When America sneezes – the rest of the world catches a cold". It may be true with rest of the world but India had some higher immunity to resist the global meltdown which started in USA in 2007. During the times of recession India had not only shown greater resistance during financial crises but it was one of the countries showing the fastest recovery too. The financial crisis displayed the robustness of Indian economy and insight of the Indian economists and best minds. It also helped in further fine tuning our economic policies and changing the vision of various corporate.

Basically, financial policies implemented in India after liberalization in 1991 played an important role. In India government had strictly regulated market by active participation of financial regulators like: Reserve Bank of India, Securities and Exchange Board of India, Ministry of Finance and Ministry of Corporate Affairs. These regulators ensure that although Indian Markets have exposure to foreign players but at the same time have lesser vulnerability to global risks. Participatory Notes (P Notes) was one of the measures taken by Government of India to control the Foreign Institutional Investment (FII).

Another aspect of why India survived recession is the poverty prevailing in India. As per a Report of World Bank, 80% of Indians live on less than \$2 a day.<sup>1</sup> These people mostly earn their livelihood on daily wages. They are least impacted by any crises, as poor people will eat pulses and chapatti but if finds pulses are expensive he will switch to other cheaper alternatives like potato or sometime will have chapatti with just salt. In this way a large portion of Indian population is completely immune to any financial turmoil.

As regards the statistics on poverty in India is concerned, the Asian Development Bank estimates India's population to be at 1.28 billion with an average growth rate, from 2010-2015, at 1.3%. In 2014, 49.9% of the population aged 15 years and above were employed. However, there is still 21.9% of the population who lives below the national poverty line.<sup>2</sup>

The World Bank<sup>3</sup> estimates that India is one of the highest ranking countries in the world for the number of children suffering from malnutrition. The prevalence of underweight children in India is among the highest in the world, and is nearly double that of Sub Saharan Africa with dire consequences for mobility, mortality, productivity and economic growth. As per the Global Hunger Index Report 2015, India ranked 20th (GHI 29.0) amongst the leading countries with serious hunger situations. There is a clear connection between armed conflict and severe hunger. Most of the countries scoring worst in the 2015 GHI are experiencing armed conflict or have in recent years. Still, severe hunger exists also without conflict present as the cases of several countries in South Asia and Africa show. As per the 2018 Global Hunger Index (GHI), published on October 10, 2018, the level of hunger and under nutrition worldwide fell into serious category (with a worldwide GHI score 20.9). However, there is a decline of 28% from the score of 29.2 in 2000. According to the 2018 index, India was ranked 103rd out of 119 qualifying countries which dropped 3 places as compared to 100 out of 119 in 2017, but the ranking for this year is not comparable. India's hunger level is categorized as "serious". Its

---

<sup>1</sup> Live Mint: Updated 16 Oct 2017, available at: <https://www.livemint.com/Politics/aK0s8OFMjK2AAyn2n8BL/80-of-Indians-live-on-less-than-2-a-day-WB.html>; (last visited on 19-4-2019).

<sup>2</sup> Poverty in India: Asian Development Bank, available at <https://www.adb.org/countries/india/poverty> (last visited on 19-4-2019).

<sup>3</sup> Malnutrition in India: Wikipedia, the free encyclopedia; [https://en.wikipedia.org/wiki/Malnutrition\\_in\\_India](https://en.wikipedia.org/wiki/Malnutrition_in_India)

score is 31.1, which is 7.7 points lesser than that of 2000, but higher than the global average of 20.9 (higher the score, worse the situation).<sup>4</sup>

## **WORLD SUMMIT 1995**

In the world summit for Social Development held in 1995 in Copenhagen, Denmark, 117 heads of the states or the government pledged to make the conquest of poverty, the goal of full employment and the fostering of stable, safe and just societies their overriding objectives. It was agreed to eradicate absolute poverty by a target date to be set by each country and a new consensus was arrived on the need for putting the people at the centre of the development.<sup>5</sup>

## **U.N. MILLENNIUM DECLARATION 2000**

In September 2000, building upon a decade of major United Nations conferences and summits, leaders of 189 nations came together at United Nations Headquarters in New York to adopt the United Nations Millennium Development Goals (MDGs) through Millennium Declaration, committing their nations to free people from extreme poverty and hunger. It was declared in the United Nations General Assembly that “We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want”. They agreed to set out a series of time-bound targets - with a deadline of 2015 and that have become known as the Millennium Development Goals.<sup>6</sup>

Speaking about the time bound targets of Millennium Development Goals Mr. BAN Ki-moon, United Nations, former Secretary General said, “Eradicating extreme poverty continues to be one of the main challenges of our time, and is a major concern of the international community.

---

<sup>4</sup> Global Hunger Index 2018: drishti New Analysis, Please see: <https://www.drishtias.com/daily-news-analysis/global-hunger-index-2018>, 23 July, 2018 (last visited on 19-4-2019).

<sup>5</sup> United Nations, 1995, Beijing Declaration and Platform for Action.

<sup>6</sup> The Millennium Development Goals (MDGs) are : Goal 1: Eradicate extreme poverty and hunger, Goal 2: Achieve universal primary education, Goal 3: Promote gender equality and empower women, Goal 4: Reduce child mortality, Goal 5: Improve maternal health, Goal 6: Combat HIV/AIDS, malaria and other diseases, Goal 7: Ensure environmental sustainability, Goal 8: Develop a global partnership for development.

Ending this scourge will require the combined efforts of all, governments, civil society organizations and the private sector, in the context of a stronger and more effective global partnership for development. The Millennium Development Goals set time-bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion — while promoting gender equality, health, education and environmental sustainability — can be measured. They also embody basic human rights — the rights of each person on the planet to health, education, shelter and security. The Goals are ambitious but feasible and, together with the comprehensive United Nations development agenda, set the course for the world's efforts to alleviate extreme poverty ...”

## **U.N. SUSTAINABLE DEVELOPMENT SUMMIT 2015**

An important final document containing 17 Sustainable Development Goals<sup>7</sup> (SDGs) and 169 targets was adopted at the UN Sustainable Development Summit held in New York, on 25 September 2015. On that occasion 193 Member States at the UN General Assembly adopted the 2030 Development Agenda titled "Transforming our world: the 2030 Agenda for Sustainable Development," which came into effect on 1 January 2016. These goals are the result of an unprecedented consultative process that brought national governments and millions of citizens from across the globe together to negotiate and adopt the global path to sustainable development for the next 15 years.

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges the world countries face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and in order to leave no one behind, it is important to achieve each Goal and target by 2030.

---

### **<sup>7</sup> The 17 sustainable development goals (SDGs) to transform our world are:**

GOAL 1: No Poverty, GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, GOAL 4: Quality Education, GOAL 5: Gender Equality, GOAL 6: Clean Water and Sanitation, GOAL 7: Affordable and Clean Energy, GOAL 8: Decent Work and Economic Growth, GOAL 9: Industry, Innovation and Infrastructure, GOAL 10: Reduced Inequality, GOAL 11: Sustainable Cities and Communities, GOAL 12: Responsible Consumption and Production, GOAL 13: Climate Action, GOAL 14: Life Below Water, GOAL 15: Life on Land, GOAL 16: Peace and Justice Strong Institutions, and GOAL 17: Partnerships to achieve the Goal.

## **SDG -1: End poverty in all its forms everywhere**

There is an imperative today to foster sustainable development. A vision for what this encapsulates is laid out in the new sustainable development agenda that aims to end poverty for all people everywhere, promote prosperity and people's well-being while protecting the environment by 2030. About one in five persons in developing regions lives on less than US\$1.25 per day.<sup>8</sup>

The targets of SDG-1 are as under:

1. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
2. Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
3. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
4. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
5. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

---

<sup>8</sup> United Nations Development Programme (UNDP) Goal 1 Targets:  
<http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-1-no-poverty/targets.html> (last visited 19-4-2019)

6. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

## MEANING AND DEFINITION OF POVERTY

Poverty is not new word to Indian ears. Indian literature of all genres is full of plots woven around the dehumanizing existence and misery of the poor. The problem of poverty and unemployment is considered as the biggest challenge of development at the global level.<sup>9</sup> Poverty is a state of an individual, a family or a society where people are unable to fulfill even their basic necessities of life. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level, that society is said to be plagued with mass poverty.<sup>10</sup> Poverty is a stark reality in India, and therefore poverty reduction was always given a top priority by the Government right from the beginning of the plan period.<sup>11</sup> Some social workers and economists define poverty with reference to certain basic amenities such as food, floor space per person and medical care, etc. When a family lacks a certain proportion of basic amenities it is considered poor, regardless of income. The definition is broad enough to cover a miser who denies himself basic amenities even though he has the ability to purchase these and a family who has zero income but manages to fulfill the basic needs by borrowing, reducing saving, or living on the charity of friends and relatives.<sup>12</sup> Poverty can be defined as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. In India the generally accepted definition of poverty emphasizes minimum level of living rather than a reasonable level of living.<sup>13</sup> Poverty may be defined as a lack of income to acquire minimum necessities of life; per capita income, per capita consumption expenditure, per capita calorie intake and availability of the size of land holding are the main indicators of poverty in different definitions.<sup>14</sup>

---

<sup>9</sup> K. Nageswara Rao, *Poverty in India Global and Regional Dimensions* Deep & Deep Publication 2005, page 123.

<sup>10</sup> *Ibid* page 194.

<sup>11</sup> *Ibid* page 212.

<sup>12</sup> *Ibid* page-212

<sup>13</sup> Ruddar Datta, K.P.M. Sundharam, *Indian Economy*, Chand and company Ltd. New Delhi 2008, page no.361

<sup>14</sup> Ajit Kumar Sinha, Raj Kumar Sen, *Economics of Amartya Sen*, Deep & Deep Publications, Pvt. Ltd. New Delhi, 2001, page no.232

The problem of poverty is very closely linked up with unemployment. Poverty and unemployment, these main two social problems are generally found in India and the world countries. The renowned writer G.R. Madan in his book 'Indian Social Problems' points out, "They (poverty and unemployment) have been in existence since the dawn of civilization and one method or the other was devised to help the poverty-stricken, the dependent and the unemployed"<sup>15</sup> The two problems are not peculiar as they are also found in good number of Asiatic and African countries.

Gillin and Gillin define poverty as "That condition in which a person either because of inadequate income or unwise expenditure does not maintain a scale of living high enough to provide for his physical and mental efficiency and to enable him and his natural dependents to function usefully according to the standards of the society of which he is a member".<sup>16</sup>

Poverty is a multi-dimensional term. Persons are considered to be poor if their income and resources (economic, social and cultural) are so inadequate as to preclude them from having a living standard considered acceptable in the society in which they live.<sup>17</sup>

According to World Bank, "Poverty is pronounced as 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".<sup>18</sup>

Amartya Sen, Nobel Prize winner defines, "Poverty as consisting of a deprivation of capabilities", so that the poor have inadequate resources (financial, information, and so on) to participate fully in society in short, they are socially excluded."<sup>19</sup> Attempts have been made in all societies to define poverty, but all of them are conditioned by the vision of minimum or

---

<sup>15</sup> G.R. Madan in "Indian Social Problems"( Vol-1) Social Disorganization and Reconstruction, Allied Publishers, Pvt. Ltd., New Delhi, page -251.

<sup>16</sup> Gillin, J.L. and Gillin J.P., Cultural Sociology (New York:The Macmillan and Co., (Bombay: Asia Publishing House, 1965).

<sup>17</sup> Council of European Union: Note dated 5 March 2004 From : Council (Employment, Social Policy, Health and Consumer Affairs) to European Council , and attached the Joint Report by the Commission and the Council on social inclusion as adopted by the Council (EPSCO) on 4 March 2004,p.8, available at [http://ec.europa.eu/employment\\_social/soc-prot/soc-incl/final\\_joint\\_inclusion\\_report\\_2003\\_en.pdf](http://ec.europa.eu/employment_social/soc-prot/soc-incl/final_joint_inclusion_report_2003_en.pdf) (last visited on 19-4-2019)

<sup>18</sup> <http://en.wikipedia.org/wiki/poverty> (last visited on 19-4-2019)

<sup>19</sup> Jonathan Houghton, Shandur R. Khandker Handbook on Poverty+Inequality, Rawat Publications Jaipur 2010, page no.171

good life obtaining in society. There is an effort in all definitions of poverty to approach the average level of living in a society and as such these definitions reflect the existence of inequalities in a society and the extent to which different societies are prepared to tolerate them.<sup>20</sup>

According to United Nations, “Fundamentally, poverty is denial 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 to 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, and 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.”<sup>21</sup>

In the modern trends of poverty evaluation the concept of poverty has been determined to be a multidimensional issue. The United Nations and its agencies approach poverty from a more integrative perspective based on human dignity. “Extreme poverty and exclusion from society constitute a violation of human dignity... surmounting extreme poverty constitute an essential means to the full enjoyment of political, civil, economic, social and cultural rights and reaffirms the interrelationship between these goals.”<sup>22</sup> Violation of human dignity expressed in terms of social economic, cultural and political parameters. Poverty is a human condition characterized by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.<sup>23</sup> In a leading case *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*<sup>24</sup> that the right to life includes the right to live with human dignity and all those goes along with it, namely the bare necessities of life such as adequate nutrition, clothing, shelter and facilities for reading, writing, and expressing oneself in diverse forms, freely moving about and mixing and co-mingling with fellow human beings.

---

<sup>20</sup> Ruddar Datt. *Growth, Poverty and Equity*, Deep & Deep Publications, New Delhi 2008, page no.361

<sup>21</sup> Please refer: <http://en.wikipedia.org/wiki/poverty>(last visited 19-4-2019)

<sup>22</sup> Human Rights and Extreme Poverty: GA Resolution 53/146(March 8, 1999), available at <http://www.worldlii.org/int/other/UNGA/1998/236.pdf> (last visited 19-4-2019)

<sup>23</sup>Poverty and the International Covenant on Economic, Social and Cultural Rights, 10 May 2001 Committee on Economic, Social and Cultural Rights, Twenty-fifth session, Geneva, 23 April - 11 May 2001, UN Document: E/C.12/2001/10: available at <https://www.escr-net.org/resources/poverty-and-international-covenant-economic-social-and-cultural-rights-10-may-2001>(last visited 19-4-2019)

<sup>24</sup> *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*, AIR 1981 SC 746

Of course, the magnitude and content of the components of this right would depend upon the extent of the economic development of the country, but it must, in any view of the matter, include the right to the basic necessities of life and also the right to carry on such functions and activities as constitute the bare minimum expression of the human self.”

Dr. Justice A.R. Lakshmanan, former Judge Supreme Court of India and Chairman Law Commission of India, considers poverty as a multifaceted human rights violation. In the famous book “Voice of Justice” he defines, “Poverty is a human rights violation. The right to be free from poverty includes: The human right to an adequate standard of living; The human right to work, and receive wages that contribute to an adequate standard of living; The human right to a healthy and safe environment; The human right to live in adequate housing; The human right to be free from hunger; The human right to safe drinking water; The human right to primary health care and medical attention in case of illness; The human right to access to basic social services; The human right to education; The human right to be free from gender of social discrimination; The human right to participate in shaping decisions which affect oneself and one’s community.”<sup>25</sup>

## **ABSOLUTE POVERTY AND RELATIVE POVERTY**

These two expressions are quite common in any in-depth study of poverty. The meaning of these terms is as follows:

### **Absolute Poverty**

Absolute poverty is often known as “subsistence poverty” for it is based on assessments of minimum subsistence requirements or basic “physical needs” such as food, clothing, shelter, health requirements etc. The concept of absolute poverty may include the idea of basic cultural needs. This broadens the sphere of “basic human needs” beyond the level of physical survival. These basic cultural needs may be education, security, leisure and recreation etc.

Since the concept of absolute poverty is based on the assumption that there are minimum basic needs for all people in all societies. This is a difficult debate to defend the idea even in regard

---

25 A.R. Lakshmanan: Voice of Justice, Universal Law Publishing Co Pvt. Ltd, Delhi, 2006, pp. 121-122.

to subsistence poverty measured in terms of food, clothing and shelter. Such needs vary from society to society and even within same society. Further, it becomes more difficult to defend the concept of absolute poverty when it is extended to include the idea of “basic cultural needs”. Such cultural needs vary from time to time and place to place and hence any attempt to establish absolute fixed standards may not be found cent percent correct.

### **Relative Poverty**

The difficulties involved in the application of the concept of absolute poverty made some experts to develop the idea of relative standards in place of absolute standards. The relative standard means those standards which are relative to particular time and place. In this way, the idea of absolute poverty stands replaced by the idea of relative poverty. The famous sociologist M.H. Haralambos points out “Relative poverty is measured in terms of judgements by members of a particular society of what is considered as reasonable and acceptable standard of living and styles of life according to the conventions of the day. Just as conventions change from time to time, and place to place, so will definitions of poverty.”<sup>26</sup> In a rapidly changing world, definitions of poverty based on relative will be constantly changing. Hence, it is imperative that any definition of poverty should be related to the needs and demands of the changing times and living standard of people in the society.

Even the concept of relative poverty poses problems for the comparison of poor in the same society over time, and between societies. For instance, it seems to be difficult to make the comparison of the poor in present-day India and the India of 19<sup>th</sup> century; likewise comparison of India and European countries or those of African countries becomes difficult in this regard.

### **POVERTY LINE**

Measures of poverty have traditionally been based on income or consumption, and many official measures of poverty, particularly in developing countries, are still centered on these figures. To calculate food consumption, a standard measure is specified, typically in terms of a “basket” of basic nutritional necessities. The estimated monetary income required to

---

<sup>26</sup> Michael Haralambos with R.M. Heald in “Sociology Themes and Perspectives”, Oxford University Press, New Delhi, 1980, Page-142.

purchase the basket then sets the food poverty line. To calculate the overall poverty line, non-food goods and services such as shelter, health care and clothing are added to the food calculations. Additionally, surveys of living standards gauge consumption based on ownership of items such as a bicycle or refrigerator, and include questions about the materials used to construct the home.<sup>27</sup>

In India, defining a poverty line has been an issue of discussion, especially since mid-1970s when the first such poverty line was created by the erstwhile Planning Commission. It was based on minimum daily requirement of 2,400 and 2,100 calories for an adult in rural and urban areas, respectively. Economists such as Y.K. Alagh (1979)<sup>28</sup> and later D.T. Lakdawala<sup>29</sup>(1993) and among others, were involved in working out the poverty line from time to time.

In the first decade of 21<sup>st</sup> century some modifications were made considering other basic requirements of the poor, such as housing, clothing, education, health, sanitation, conveyance, fuel, entertainment, etc, thus making the poverty line more realistic. This was done by expert panel Suresh Tendulkar (2009)<sup>30</sup> and C Rangarajan (2014) during the UPA regime.

The Tendulkar committee stipulated a benchmark daily per capita expenditure of Rs 27/- and Rs 33/- in rural and urban areas, respectively, and arrived at a cut-off of about 22% of the population below poverty line in India. It attracted vast scale criticism, as these numbers were considered unrealistic and too low. Later, the Rangarajan committee raised these limits (daily per capita) to Rs 32/-, and Rs. 47/- for rural and urban areas respectively. It calculated to poverty line at close to 30% of the Indian population.

It was stated by the expert group (Dr. C. Ranagarajan) , that there is a need for every household to save. The poor in particular, need to save to be able to finance a sudden unanticipated large expenditure. The poor also need to save to come out of poverty. A saving that is equivalent to one month's income may be considered to be reasonable. It may not be adequate to mitigate the shortfall in income because we do not know what is adequate. But, it is reasonable to

---

<sup>27</sup> Montgomery, Mark R. "Urban Poverty and Health in Developing Countries." *Population Bulletin*, VOL 64, NO. 2, (June 2009): Available at <https://pdfs.semanticscholar.org/e0ab/bef578512d0ec0c19633c8afc810f615a203.pdf> (last visited 19-4-2019).

<sup>28</sup> Task Force (Alagh), please see REPORT OF THE EXPERT GROUP (Dr. C. Rangarajan, Chairman & Others) TO REVIEW THE METHODOLOGY FOR MEASUREMENT OF POVERTY, Government of India Planning Commission June, 2014, page-1.

<sup>29</sup> Expert Group(Lakdawala), *ibid*.

<sup>30</sup> Expert Group (Suresh Tendulkar)*ibid*.

assume that a typical household should save of the order of one month's income, which is about 8.3 per cent of the annual income.

Further, it was revealed by the expert group (Dr. C. Rangarajan) that a number of thrifty poor at the lower end of the spectrum and extravagant rich at the upper end of the spectrum ensured that there was no unique point of intersection of the two series. And so, a number of centered simple moving average (SMA) series were created to find the appropriate smoothing to remove the noise of exceptional households.

Simple moving averages (SMAs) of 0.25 per cent, 0.50 per cent, 0.75 per cent, 1 per cent, 1.25 per cent and 1.50 per cent of the sample size were generated to find a unique point of intersection of the series.

As the SMA period increases, the smallest thrifty poor rises to a higher point in the series and the most extravagant rich falls to a lower point in the series. And, at some SMA level the smallest thrifty poor and the most extravagant rich converge. This point of convergence yields the poverty level as reflected in the following table:<sup>31</sup>

Simple moving average	Rural		Urban		India	
	Thrifty poor	Extravagant rich	Thrifty poor	Extravagant rich	Thrifty poor	Extravagant rich
Actual	200	27722	420	12118	200	32118
0.25% HHs	798	1251	1119	2500	859	1501
0.50% HHs	846	1092	1232	2003	894	1131
0.50% HHs	884	1091	1234	1365	891	1098
1.00% HHs	888	1010	1230	1319	957	1095
1.25% HHs	888	1011	1226	1297	960	1093
1.50% HHs	885	1010	1282	1282	963	1019

<sup>31</sup> Please see REPORT OF THE EXPERT GROUP (Dr. C. Rangarajan, Chairman & Others), 2014, pp. 75-76.

The Committee opines that “convergence is perfect in the case of urban India. But, in the case of rural India, the convergence is not complete even at a moving average of 1.5 per cent of the households. Given that the values have stabilized without convergence, we make a choice of the upper bound of Rs.1010 of monthly per capita income (which is the same as the monthly per capita expenses because this is the point of intersection of the two series) as the poverty line in rural India. The choice for urban India is unambiguous in this respect at Rs.1282 of monthly per capita income.”<sup>32</sup>

## CAUSES OF POVERTY

The causes of poverty are many sided. The main causes of poverty may be discussed under the following headings:

- 1. Economic Causes of Poverty:** The inadequate economic development in our country has been disappointing in certain respects. In comparison to developed countries, the rate of growth of our economy is quite less. The Indian economy has not provided enough employment opportunities for the people. Hence unemployment is mounting and has become a major problem in India. There is unmanageable inflationary pressure. Due to inflation people discouraged to invest in financial assets. This has been coupled by the decline in foreign investment in country because decline in investor confidence. Discouraged overseas investors try to pull out a massive sum from the Indian capital market from time to time. Inflation erodes the wealth of each and every individual, but it affects the poor people more adversely than the rich. The people that are already living at subsistence level are most affected by it. In terms of capability deprivation, inflation has not only led to an increase in inequality but also to increase in poverty. Weakening of India rupee is both the cause and effect of inflation. Due to the increased domestic inflation, imports have become cheaper leading to the increased demand of dollars, thus depreciation the currency. A depreciated currency on the other hand, increases the cost of imported goods too further fuelling inflation. A weak Indian rupee has also increased the cost of oil and petroleum. As the oil and petroleum is a major input in many industries, the increase in their cost seriously affected the profitability of

---

<sup>32</sup> Ibid.

many industries. Decrease in profit of industries resulted into cut of wages of the poor labourers and forced to live them in poverty. Further, too much dependence on agriculture in rural areas is a cause of poverty. Indian economy is primarily is an agrarian economy. More than 65% of the people are dependent on agriculture. Agriculture has its own limitations. Particularly, in India many people are still following the traditional method of cultivation and hence agriculture production is less than the expected from such a big size of arable land.

- 2. Social Causes:** India is a land of diversities in religions, traditions, castes, languages and cultures. We proudly say that our Constitution and other laws of our country enshrined 'justice, equality of opportunity and fair-play for all citizens of India. The several eminent seers, social, reformers, historians, economists and socio-political thinkers, not only of India but world-wide, proudly praised the rich Indian culture and its Unity in diversity. But due to the narrow minded thinking of certain people and to serve their self-interests these good points have become the problems of blind-traditionalism, fundamentalism, communalism, casteism, parochialism and linguistic prejudices and so on. These factors have a negative effect on country's progress by making people dogmatic in their approach and narrow minded and selfish in outlook. There is also illiteracy and ignorance which are supporting factors of poverty. By 2011 there were about 314.12 million illiterate in the country. Further our defective educational system is incapable of helping to generate employment and there is no guarantee of job for the educated youths. Besides this, our caste system still has its hold on the caste members. The caste system compels its members to stick on to the traditional and hereditary occupations of the caste. It does not give encouragement to the caste members to take up to jobs of their choices. In the very same manner, the joint families which are still dominant in the rural India do not allow young members to take initiative in making new adventures in the employment and economic spheres.
- 3. Demographic factors:** Population in India is growing at an alarming rate. Hence, the little progress that is achieved in the economic sphere is being eaten away by the growing population. Further, higher dependency ratio found in India is also adding to the gravity of the problem of poverty. As per one estimate (1998-99) 35.7% of the people are below 14 years of age and hence are incapable of earning. The 2011 census, however, presents slightly a different picture. As per this census report the proportion

of population below 15 years is showing decline (from 34% in 2001 to 29% in 2011) whereas the proportion of elderly people in the country is increasing (from 7% in 2001 to 8% in 2011). This means though the burden of feeding and maintaining young people is decreasing, the increase in the elderly population will impose a greater burden on the already outstretched health services in the country. A hopeful trend in this direction is that in the years to come, the dependency ratio is likely to come down further. The size of the Indian family is relatively bigger. The average size of the Indian family is 4.2. The growing size of the population has its adverse effects on people's health. A sizeable number of people are suffering from various diseases for which proper medical treatment is not available. Area population density also determines the poverty graph of the place. Densely populated places see a red when it comes to poverty. **Selective fertility of land is also a cause of poverty.** The fertility of soil is not the same in every region of our country and varies from place to place. While the fertile areas have blessed agricultural produce, the unfertile lands are pushed towards poverty naturally. Further, geographically, fertile lands are distributed in an uneven fashion and this is also a primary cause of poverty in naturally unfertile lands. Fertile lands provide agricultural employment to the local people and they do not have to strive for job opportunities to earn a living. Unfertile lands completely deprive the natives from the agricultural sector and take away this employment scope, which is one of the most sought after choice of employed among the uneducated villagers. **The farm output varies from season to season and year by year.** A good year will lead to substantial produce while droughts or floods and other natural calamities can limit the output at times. This variability of farm output also causes poverty in trying times.

- 4. Individual Incapacity and Other Deficiencies:** From the viewpoint of the ideology of individualism, the individual failure itself is responsible for poverty. Success or failure in life, according to this ideology, is entirely a personal matter. Hence, it is correct to conclude that if an individual fails to achieve success in life and suffers from poverty, he himself is to be blamed for his laziness, inactivity, lack of initiative, dullness and incapacities. 'The protestant Ethic' as described by Max Weber in his famous work "The Protestant Ethic and the Spirit of Capitalism" also emphasizes this aspect. The individual capacity is affected by certain factors. There are various causes for an individual's failure. It may be due to some inborn deficiencies such as physical or

mental handicap, dumbness, deafness, blindness, feeble-mindedness, deficient legs and hands, and so on. Some of the deficiencies might have been developed later in life. Since an individual does not have any control over many of these deficiencies, he is bound to yield to them and suffer from them. They make such an individual a fully dependent person on society. Some of the deficiencies which can be managed or overcome are often neglected by some individuals and hence they fall a prey to the problem of poverty. We may include under this category, deficiencies such as illiteracy, laziness, extravagance, immorality, bad habits such as gambling, alcoholism, drug addiction etc.

5. **Other Causes of Poverty:** (a) **Uneven concentration of wealth and resources:** A nation that has uneven concentration of wealth and resources is more prone to poverty than the one that has a uniform distribution. Uneven concentration leads to an extreme situation wherein people are either neo-rich or below the poverty line. This unbalance is harmful for a nation's overall economy and development. (b) **Inadequate production of essential items:** Any inadequacy in the production of basic necessities causes poverty nationwide. Food as well as non-food essentials production always needs to be adequate to avoid poverty. (c) **Under developed Infrastructure:** Infrastructural development also drives the economic growth and hence determines the poverty situation of any place. (d) **Unethical abuse of Power:** When power is abused, it has a biased outlook and never helps the downtrodden and poor. Corrupt government would always want to keep the poor section of the society a status quo to exercise more control on the masses. This is another major cause of poverty in corrupt countries. (e) **High Divorce rates and Feminization of Poverty:** Feminine gender of the society should be given equally employment opportunities to eradicate feminization of poverty. Also, high divorce rates causes poverty among the feminine section that cannot support themselves due to gender inequality. (f) **Increasing Competition:** A society that has a raised qualification standard faces increased competition in the job acquisition front. This also leads to increased competition and resultant poverty even among the educated population. This can also be said as a side-effect of increased education standards, especially in cities. (g) **Defective Political System and Lack of Political Will:** Indian political system is very often condemned as unfair, inefficient and defective. Unhealthy competition among the political parties for power has many a times damaged our national interests. Some of

our political leaders lack standard morality, patriotic fervor and the much needed will power to face the challenges that are confronting the nation. However, in the present (2019) Lok Sabha elections the major national political parties, especially BJP and Indian National Congress have declared in their manifesto, the measures for eradicating the poverty and new policies for helping the farmers; ensuring growth and development of the nation. They have created some new hopes for progress.

## **REMEDIAL MEASURES FOR POVERTY**

Removal of poverty has been the biggest challenge in India. The Indian government is dealing the same with two methods – by promoting economic growth and by anti-poverty programmes. The major anti-poverty programmes implemented by the government of India are as under:-

### **1. Integrated Rural Development Programme (IRDP):**

The Integrated Rural Development Programme (IRDP), which was introduced in 1978-79 and universalized from 2nd 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. On 1st April, 1999, the IRDP and allied programmes were merged into a single programme known as Swarnajayanti Gram Swarozgar Yojana (SGSY). The SGSY emphasizes on organizing the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

### **2. Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana:**

Under the Wage Employment Programmes, the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were started in Sixth and Seventh Plans. The NREP and RLEGP were merged in April 1989 under Jawahar Rozgar Yojana (JRY). 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. The JRY was revamped from 1st April, 1999, as Jawahar Gram Samridhi Yojana (JGSY). It now became a programme for the creation of rural economic infrastructure with employment generation as the secondary objective.

### **3. 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. It was first merged with the Jawahar Rozgar Yojana (JRY) in 1989 and in 1996 it broke away from JRY into a separate housing scheme for the rural poor.

### **4. Food for Work Programme:**

The Food for Work Programme was started in 2000-01 as a component of EAS full form??. It was first launched in eight drought-affected states of Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttaranchal. 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.

### **5. Sampoorna Gramin Rozgar Yojana (SGRY):**

The JGSY, EAS and Food for Work Programme were revamped and merged under the new Sampoorna Gramin Rozgar Yojana (SGRY) Scheme from 1st September, 2001. 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.

### **6. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005:**

It was launched on February 2, 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 authorized to establish National Employment Guarantee Funds. Similarly, state governments made responsible to establish State Employment Guarantee Funds for implementation of the scheme. Under the programme, if an applicant is not provided employment within 15 days she/he will be entitled to a daily unemployment allowance.

#### **Salient features of MGNREGA are:**

I. Right based framework

- II. Time bound guarantee of employment
- III. Labour intensive work
- IV. Women empowerment
- V. Transparency and accountability
- VI. Adequate funding by central government

#### **7. National Food for Work Programme:**

It was launched on November 14, 2004 in 150 most backward districts of the country. The objective of the programme was to provide additional resources available under Sampoorna Grameen Rojgar Yojna. This was 100% centrally funded programme. This programme has been subsumed in the MGNREGA from February 2, 2006.

#### **8. National Rural Livelihood Mission: Ajeevika (2011)**

It is the skill and placement initiative of Ministry of Rural development. It is a part of National Rural Livelihood Mission (NRLM)–the mission for poverty reduction is called Ajeevika (2011). It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on monthly basis. Self Help groups are formed at the village level to help the needy.

#### **9. Pradhan Mantri Kaushal Vikas Yojna:**

The cabinet on March 21, 2015 cleared the scheme to provide skill training to 1.4 million youth with an overall outlay of Rs. 1120 crore. This plan is implemented with the help of Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation. It will focus on fresh entrant to the labour market, especially labour market and class X and XII dropouts.

#### **10. National Heritage Development and Augmentation Yojna (HRIDAY):**

HRIDAY scheme was launched (21 Jan. 2015) to preserve and rejuvenate the rich cultural heritage of the country. This Rs. 500 crore programme was launched by Urban Development Ministry in New Delhi. Initially it is launched in 12 cities: Amritsar, Varanasi, Gaya, Puri, Ajmer, Mathura, Dwarka, Badami, Velankanni, Kanchipuram, Warangal and Amarvati.

These programmes played/are playing a very crucial role in the development of the all sections of the society so that the concept of holistic development can be ensured in the real sense.

### **GARIBI HATAO (REMOVE POVERTY) –A POPULAR SLOGAN**

Smt. Indira Gandhi acquired international reputation as a statesman, and there is no doubt that she was extraordinarily skilled in politics. Her slogans, especially — Garibi Hatao, “Remove Poverty” — became one, the most popular slogan of rallying-slogans for election campaigns. She was convinced that only if the nation’s industry, agriculture and services were closely guided by the state; then citizens certainly got assurance of the equity and justice. She was wary of imperialist pressures on India- political, educational and economic she never relinquished her belief that foreign hands would always seek to undermine not only stability and independence but also political power as well. Indiraji also led a movement that came to be known as the ‘Green Revolution’. In an effort to address the critical issue of food shortages that mainly affected the extremely poor Sikh farmers of the Punjab region, Indira Gandhi decided to increase crop diversification and food exports as a way out of the problem, creating new jobs for countrymen, and the food for the needy. She brought about great change in agricultural programs that improved the lot of her country’s poor. The revolution in agriculture ushered in by Indiraji provided India the necessary platform to create surplus food for the nation from the acute shortage situation. This is a great sterling role played by her in the economy of the country. The Blue Revolution ushered in by Indiraji was yet another hall mark in the sector of animal husbandry. The 20 point programme, aimed at ending poverty of the Indian masses, Indiraji introduced the programme for her deep concern for poor while her commitment to eradicate poverty was universal. 1967, when Indiraji was the Prime Minister, she endorsed India’s strategic atomic energy programme. India has always stood for the use of nuclear energy for peaceful purposes, but on several occasions the country has made it abundantly clear that it will not be cowed down by a nuclear threat. In 1974, Smt. Gandhi okayed nuclear tests which were carried out in Pokhran near the Thar desert thus putting India on the international scientific map. Smt. Gandhi wrote to her Pakistani counterpart to assure him that India would use nuclear power only for peaceful purposes. This signaled India’s nuclear potential and its unwillingness to abide by the nuclear rules of the superpowers.

Smt. Indira Gandhi is symbolized as the Champion of resurrection of the Third World. She was the dynamic personality to serve interest of the general masses of India and laid her life for the welfare of the Indian people and for the unity and integrity of India.

## CONCLUSION AND SUGGESTIONS

The banishment of poverty, not by expropriation of those who have, but by the multiplication of the national wealth and resources and an equitable distribution thereof amongst all who contribute towards its production, is the aim of the State envisaged by the Directive Principles enshrined in the Constitution of India. Economic Democracy will be initiated in our sub-continent to the extent that this goal is reached. In short, economic justice aims at establishing economic democracy and a 'Welfare State'. The ideal of economic justice is to make equality of status meaningful and life worth living at its best removing inequality of opportunity and of status – social, economic and political.<sup>33</sup> The four principal pillars of Nehru's legacy to India are- democratic institution-building, recognition to pan-Indian secularism, socialist economics in the country, and a foreign policy of non-alignment, these all have been integral to a vision of Indianness. Our India's whole public and leaders should make best endeavors. They should come forward to safeguard the interest of the country's esteem and its beautiful cultures 'unity in diversity' and to combat the attack on these strong pillars. Thus, our nation can get desired success in socio-economic, cultural and political progress and shall become capable to eradicate poverty and remove scarcity of essential commodities from the lives of the weaker sections of the society.

The NDA Government aimed to remove poverty by 2032. Transforming India, an ambitious action plan finalised in April, 2016 after two months of brainstorming shepherded by Prime Minister Narendra Modi, recommended a slew of reforms to be implemented by ministries and departments if India has to grow by 10 per cent per annum until 2032. According to the action plan, we will totally eradicate poverty from India in the next 16 years and it aimed to create 175 million new jobs. The 23-page action plan also envisages reforms in the following eight themes identified by the Prime Minister Narendra Modi - accelerated growth with inclusion

---

<sup>33</sup> Dalmia Cement (Bharat) Ltd. V Union of India (1996) 10 SCC 104

and equity; employment generation strategies; universal access to quality health and education; good governance; farmer-centric Issues in agriculture and allied sectors; Swachh Bharat and Ganga Rejuvenation; energy conservation and efficiency and innovative budgeting and effective implementation. P.M. Modi generally said in the public rallies, “The credit for the transformation goes to the people of the country, who voted the BJP to power. It is your vote and not Modi who brought positive changes in the country, lit up lives of poor, filled their lives with hopes”.

In the interim Budget 2019-20, the central government had announced the PM-KISAN scheme under which Rs 6,000 per year will be given in three installments to 120 million small and marginal farmers holding cultivable land up to two hectares. Prime Minister Narendra Modi on Sunday (24 Feb. 2019) launched the Rs 75,000-crore Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme in Gorakhpur, Uttar Pradesh, by transferring the first instalment of Rs 2,000 each to over 10 million farmers. This will prove to be a mega scheme to help the poor and marginalized farmers.

On the other hand the Indian National Congress, in the election (2019) manifesto, committed **“TO ELIMINATE ABJECT POVERTY BY 2030, CONGRESS WILL INTRODUCE NYUNTAM AAY YOJANA TO PROVIDE Rs. 72000 A YEAR TO THE POOREST 20 PER CENT OF ALL FAMILIES IN INDIA.”** - The abolition of poverty remains the foremost goal of the Congress. We recall with pride that the Congress-led UPA government lifted 14 crore people out of poverty between 2004 and 2014. It is true that rapid and broad-based growth will reduce poverty and, in the medium to long term, eliminate poverty. On the other hand, decisive and focused intervention has the capacity to eliminate poverty within a decade. Congress, therefore, sets the goal of elimination of abject poverty by the year 2030. The ambitious scheme’s name is “Minimum Income Support Programme or Nyuntam Aay Yojana (NYAY)”. The congress goal is that “No Indian family shall be left behind”. This is a good sign in the direction of making the endeavors for removal of poverty by the major political parties.

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 enacted by the Government of India, is perhaps the most ambitious anti-poverty programmes launched anywhere in the world. The negative findings of the implementation of NREGA have been

broadly reported in recent times in the mainstream media. Lack of transparency, leakage of funds, use of obsolete technologies, lack of coordination among agencies, non-participation of the target groups in planning and execution, delay in making payment of wages, lack of qualified personnel in adequate numbers and top-down approaches have been identified as some of the major drawback in the proper implementation of such schemes.

## SUGGESTIONS

1. Improvement and progress in the quality of life greatly depends on good governance, which requires multipronged approach. The development planning for of people should largely remain in priority.
2. There should be decentralized development planning involving Panchayat Raj institutions and the Gram Sabha can improve the way for participatory governance while addressing the sustainability and poverty alleviation issues. If the institutions like Panchayats, Gram Sabhas and other local bodies constituted in rural areas play active and commendable role then only the benefits of ambitious rural poverty alleviation programmes will be proved beneficial.
3. Population in India has been increasing rapidly. For removal of poverty the growth rate of population should be lowered.
4. Special measures should be taken to solve the problems of unemployment and disguised unemployment. Agriculture should be developed. Small scale and cottage industries should be developed in rural areas to generate employment.
5. Though increase in production and control on population growth is necessary to remove poverty in India, yet it is necessary that inequality in the distribution of income should be reduced.
6. In States of Orissa, Nagaland, U.P and Bihar etc. the percentage of the poor to the total population is higher than other States. Government should grant special concession for investment in these regions. More PSU's should be encouraged to establish their Units in these states.

7. The public distribution system (PDS) should be properly managed and strengthened to remove poverty. Poor people of society should get food grains at subsidized rates and in ample quantity.
8. Stability in prices helps to remove poverty. If prices continue to rise, the poor will become poorer. Therefore, Govt. should do best endeavors to keep the prices under control.
9. Govt. should take suitable steps to meet minimum needs of the poor e.g., supply of drinking water and provision of primary health centers and primary education.
10. Our country should adopt labour intensive techniques of production. We should have technical development in our economy in such a way that labour resources could be fully employed.

There are various policies, programmes and legal provisions to help poor people in our country. Clearly, the government wants to implement them scrupulously as it is committed to the principles of socialism and equality. They want to curb the exploitive system and condemn the inequality generated by any means. In their favour it can be argued that policy makers' views may stem less from self-interest than other perspectives on poverty which seek only to modify rather than significantly change the profile of poverty in the country.

Obviously, the nature of politics in India means that poverty alleviation is not just an economic imperative but a political necessity for elected politicians. To achieve this, the state needs to mediate between various institutions, ensure fair play through the efficient regulation of markets, and implement transfer and taxation policies to redistribute resources from rich to poor.

Poverty is primarily a denial of human rights. It violates all the parameters of a dignified human existence. Estimating the incidence of poverty and alleviating the misery of the poor are very important. A participatory approach involving local bodies, villagers, NGO's and women in poverty alleviation programmes of the government will help to decentralize these schemes to the grass-root level where the poor would themselves decide what suits them the most. Therefore, it may be concluded that the poverty alleviation and employment generation programmes will be more effective by better targeting, reducing waste and corruption, making

the programmes more meaningful in term of relevance to local needs and priorities and creating institutional conditions for greater accountability and transparency to make them successful.

