

POVERTY ERADICATION IN INDIA

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Abstract:

Poverty is a state where individuals or communities lack the financial resources and essentials for a minimum standard of living. It's not just about a lack of income; it includes hunger, limited access to education and healthcare, social discrimination, and a lack of basic human freedoms. After the implementation of the 1991 economic reforms, India emerged as a success story of globalisation. While on the one hand, India can sustain its rapid economic growth, on the other, India is struggling to provide basic services and infrastructures to its population. Recent estimates show that there is a rapid decline in poverty in India. During the last two decades, India has implemented several social protection programmes with the aim to improve living standards, and these have helped the Indian government in poverty reduction. Existing evidence suggests that there is a strong correlation between urban economic growth and poverty reduction. India has made significant strides in poverty reduction, with extreme poverty declining to 5.3% in 2022-23, according to the World Bank, down from 27.1% in 2011-12. This translates to roughly 269 million people escaping extreme poverty over just 11 years, with Uttar Pradesh, Maharashtra, Bihar, West Bengal, and Madhya Pradesh leading the reduction. Several government initiatives and economic growth have contributed to this progress, but challenges remain in ensuring inclusive growth and addressing multidimensional poverty. After the implementation of the 1991 economic reforms, India emerged as a success story of globalisation. While on the one hand, India can sustain its rapid economic growth, on the other, India is struggling to provide basic services and infrastructures to its population. Recent estimates show that there is a rapid decline in poverty in India

Keywords: Economic Growth's, Government Initiatives, Globalisation, Basic services.

1. Introduction

Poverty is a state where individuals or communities lack the financial resources and essentials for a minimum standard of living. It's not just about a lack of income; it includes hunger, limited access to education and healthcare, social discrimination, and a lack of basic human freedoms. After the implementation of the 1991 economic reforms, India emerged as a success story of globalisation. While on the one hand, India can sustain its rapid economic growth, on the other, India is struggling to provide basic services and infrastructures to its population. Recent estimates show that there is a rapid decline in poverty in India. The Indian government's Planning Commission (currently NITI Aayog) estimated that the annual average decline in poverty was 2.2% between 2004-05 and 2011-12 – from a poverty headcount ratio of 37.2% to 21.9% (Planning Commission 2013).

2. Main causes of poverty

1. Lack of access to clean water and nutritious food.
2. Lack of access to basic healthcare.
3. Inequality or social injustice.

4. Conflict and instability.
5. Lack of education.
6. Lack of access to jobs and livelihood.
7. Poor basic infrastructure.
8. Climate change.

3. Role played by social protection schemes in poverty reduction

During the last two decades, India has implemented several social protection programmes with the aim to improve living standards, and these have helped the Indian government in poverty reduction. Existing evidence suggests that there is a strong correlation between urban economic growth and poverty reduction ([Datt et al. 2016](#)); implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) since 2006 has significantly increased household consumption and accumulated more nonfinancial assets ([Deininger and Liu 2019](#)). Furthermore, the Public Distribution Systems (PDS) and other Centrally Sponsored Schemes (CSS) of the Indian government ([Sen and Himanshu 2013](#)), and increased labour earnings ([Balcázar et. al 2016](#)) have played significant roles in poverty reduction. In addition, the Prime Minister Jan Dhan Yojana and biometric identity cards under Aadhar have also transformed the anti-poverty programmes by replacing the current cumbersome and leaky distribution of benefits under various schemes using the Direct Benefit Transfers (DBT) programme ([NITI Aayog 2016](#)). This evidence suggests that poverty reduction is shaped mainly by structural transformation and increased spending on social protection programmes.

India has made significant strides in poverty reduction, with extreme poverty declining to 5.3% in 2022-23, according to the World Bank, down from 27.1% in 2011-12. This translates to roughly 269 million people escaping extreme poverty over just 11 years, with Uttar Pradesh, Maharashtra, Bihar, West Bengal, and Madhya Pradesh leading the reduction. Several government initiatives and economic growth have contributed to this progress, but challenges remain in ensuring inclusive growth and addressing multidimensional poverty.

3. Different Schemes of Poverty Reduction:

The Government of India has introduced so many schemes for Poverty reduction.

Food for Work Programme: The FWP aims to enhance food security through wage employment, supplying food grains to states free of cost.

Indian Footwear and Leather Development Program (IFLDP): It provides support to the footwear and leather industry, which employs many people from economically weaker sections.

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

These programs focus on ecological and economic restoration in fragile areas.

Public Distribution System (PDS): It provides subsidized food grains to the poor, ensuring food security.

National Social Assistance Program (NSAP):

It provides financial support for elderly, widows, and people with disabilities, focusing on social protection.

PMAY-G (Pradhan Mantri Awas Yojana - Gramin):

The PMAY-G provides affordable housing to rural citizens, aiming to reduce the gap in access to shelter.

Swarna Jayanti Shahari Rozgar Yojana (SJSRY):

The SJSRY provides self-employment and wage employment opportunities to the urban poor.

Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana:

It designed to create economic infrastructure and community assets in rural areas.

Pradhan Mantri Gram Sadak Yojana (PMGSY):

The PMGSY connects rural areas with all-weather roads, improving accessibility and connectivity.

MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Act):

It Guarantees 100 days of wage employment per year to rural households, addressing unemployment and creating rural infrastructure.

Swachh Bharat Abhiyan:

It drives efforts towards cleanliness and sanitation by encouraging toilet construction and usage.

Ayushman Bharat Yojana:

It provides universal health coverage through health insurance, reducing out-of-pocket expenditure on healthcare.

4. Conclusion:

India has implemented numerous poverty alleviation programs, including the various employment generation schemes. These programs aim to empower the poor, enhance their livelihoods, and provide access to essential services. India's poverty alleviation programs have shown significant success in reducing poverty rates, particularly in recent years, with millions lifted out of poverty through various initiatives. However, challenges remain in ensuring effective implementation, reaching all intended beneficiaries, and addressing the diverse needs of the poor. Continued efforts focused on inclusive growth, targeted interventions, and strengthening social protection systems are crucial for sustained poverty reduction.

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