

- **Poverty** refers to a state in which an individual is unable to fulfill even the basic necessities of life. Poverty in India has been studied from two points: urban and rural.
- **Poor in Urban Areas** include push cart vendors, street cobblers, rag pickers, beggars, etc. They possess few or no assets. They are largely the overflow of rural poor migrated to urban areas.
- **Poor in Rural Areas** include landless agricultural labourers, cultivators with very small landholdings, landless labourers or tenant cultivators with small land holdings. Many of the rural people are landless.
- **Common Characteristics of Poor People**
  - (i) *Hunger, starvation and malnutrition*
  - (ii) *Poor Health*
  - (iii) *Limited Economic Opportunities*
  - (iv) *Debt Trap*
  - (v) *Lack of facilities of electricity and water*
  - (vi) *Gender Inequality*
  - (vii) *Bigger Families*
- **Measures of Poverty:** There are two measures to determine the extent of poverty: (i) Relative Poverty; (ii) Absolute Poverty.
- **Relative Poverty** refers to poverty of people, in comparison to other people, regions or nations.
- **Absolute Poverty** refers to the total number of people living below poverty line.
- **Measurement of Poverty**
  - *In the Pre-independent India, concept of 'Jail Cost of Living' was used to calculate the poverty line.*
  - *In Post-independent India, several attempts were made to identify the number of poor in the country. Currently, the concept of poverty line is used to measure the extent of poverty in a country.*
- **Poverty Line** is a cut-off point on the line of distribution, which usually divides the population of the country as poor and non-poor. People having income below the poverty line are called Poor and people with income above it are called Non-Poor.
- **Determination of Poverty Line:** In India, Monthly Per Capita Expenditure or MPCE method is used to determine the poverty line. According to this method, monetary value (per capita expenditure) of the minimum calorie intake is calculated.
- **Categorising Poverty:** Poverty can be categorised as: (i) Chronic Poor; (ii) Transient Poor; (iii) Non-Poor.
- **British Rule:** British rule had a substantial negative impact on the Indian Economy:
  - *British Government systematically destroyed Indian industries.*
  - *More than 70% of Indians were engaged in agriculture throughout the British Raj period.*
  - *India began to export food grains, which was responsible for frequent famines.*
- **Agriculture: Still the Principal Means of Livelihood.**
  - *Low success rate of Land Ceiling.*
  - *Large Section of rural poor in India are small and marginal farmers.*

- **Fragmentation of land holdings:** Due to rapid growth of population, per-head availability of land for cultivation has steadily declined.
- **Distress Among Farmers:** Due to high production costs, low and unstable yields, decline in world prices and various other reasons have increased the exposure of farmers and led to agrarian distress and suicides.
- **Causes of Poverty:** The important causes of poverty are:
  - (i) *Population Explosion*
  - (ii) *Low level of Economic Development*
  - (iii) *Poor state of Agriculture*
  - (iv) *High Illiteracy Rate*
  - (v) *High level of Unemployment*
  - (vi) *High level of Indebtedness*
  - (vii) *Inequalities of Income*
  - (viii) *Inflation*
- **Government's Approach to Poverty Reduction** has three dimensions:
  - (i) *Growth-Oriented Approach:* It is based on an expectation that effects of economic growth would spread to all sections of the society and will trickle down to the poor sections also.
  - (ii) *Poverty Alleviation Programmes:* Government has introduced a variety of programmes for reduction of poverty.
  - (iii) *Minimum Needs Programme:* It aims to provide minimum basic amenities to the people.
- **Poverty Alleviation Programmes in India:** Government has designed various Self-Employment and Wage Employment Programmes.
- **Self-Employment Programmes:** Some of the self-employment programmes initiated by the Government are:
  - (i) *Rural Employment Generation Programme (REGP):* It was started to create self-employment opportunities in the rural areas and small towns.
  - (ii) *Prime Minister's Rozgar Yojana (PMRY):* Under this, financial help was provided to educated unemployed to set up any kind of enterprise that generates employment.
  - (iii) *Swarna Jayanti Shahri Rozgar Yojana (SJSRY):* Its main aim was to create employment opportunities for both self-employment and wage employment in urban areas.
  - (iv) *Swarnjayanti Gram Swarozgar Yojana (SGSY):* SGSY aims at promoting micro enterprises and to bring assisted poor families above the poverty line, by organizing them into Self-Help Groups.
- **Wage Employment Programmes:** Some of the wage employment programmes initiated by the Government are:
  - (i) *Sampoorna Grameen Rozgar Yojana (SGRY):* The scheme aims to provide additional and supplementary wage employment by undertaking labour intensive work.
  - (ii) *National Food for Work Programme (NFFWP):* This programme was launched to intensify the generation of supplementary wage employment. It was incorporated in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005.
- **Critical Evaluation of Poverty Alleviation Programmes:** The Poverty Alleviation Programmes have been found unsatisfactory because of following reasons:

- (i) Lack of Resources**
- (ii) Unequal Distribution of assets**
- (iii) Improper Implementation**
- (iv) Lack of Infrastructure**
- (v) *Lack of active participation of poor people***