

CONCEPT AND MEASUREMENT OF POVERTY

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ABSTRACT

Poverty is the inability to fulfil the minimum requirements of life. The minimum requirements include food, clothing housing, education and health facilities. It is a challenge in India as well as entire world. Approximately are fifth of the world's poor live in India alone and are unable to meet their basic needs. There are three types of poverty- absolute poverty, relative poverty and subjective poverty. The percentage of population below poverty line has reduced from 48% in 1979-80 to 21.9% in 2011-12. The present paper highlight the causes of poverty, trends of poverty in India from 1960-61 to 2011-12, measures for removal of poverty in India and poverty alleviation programme adopted government.

KEYWORDS: *Poverty, India, Poverty Alleviation Programme, GDP, Development.*

Introduction

Poverty is the main barrier of socio-economic development of any country. Poverty is a challenge not only for India, but for the entire world as more than one fifth of the world's poor (more than approximately 276 million people.) live in India alone and are unable to meet even their basic needs. First of all we should know who are the poor people in India or to which class they belong. We can see a number of poor people around us, if we go to Vanvasi areas, remote villages and Jhuggi- Jhopri colonies in the urban sector. The major chunk of the poor people in rural areas generally belong to the following principal categories. The landless labourers, the small and marginal farmers, the agricultural and casual labourers, the rural artisans, the tribals and disabled persons. Similarly in urban sector, most of the poor people are among the casual workers, daily wage workers working at construction sites, domestic servants, rickshaw pullers, vendors, street cobblers, child workers working in canteen and dhabas, beggars and the people living in jhuggis. These are families who do not get enough cloths to wear. We came across a number of people who do not have house and hence sleep under the open sky. We can see such poor people in a very large number in our country. In fact, every fourth person (approximately 26 crore) in India is poor. Despite a significant growth in GDP, poverty continues to be a major challenge in India. The present research paper analyses the concept of poverty, Trends of poverty and describes the possible remedial measures along with the poverty alleviation programmes launched by the government from time to time.

Review of Literature

Townsend (1985) lays immense importance to the relative concept of poverty viewing absolute poverty as defined in relation to the society that is it in context. At an operational platform; the author asserts the indistinctiveness of the two seemingly different measures of poverty. Doyal and Gough (1991) make a case in favour of the absolutist approach to poverty by arguing about the presence of common and objectively comprehensible needs of human beings over which they have a right to satisfaction. The authors also present a mechanism for measuring needs across cultures and uphold the internal weakness of the relativism in cross culture understanding.

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Ray (2002) gives an insight in to the multidimensional nature of the concept of economic development and covers a broad scope of developmental issues which include throwing light on the parameters such as literacy, life expectancy and access to health services which embody the likelihood of development. The book details as the measurement of inequality in income or wealth distribution using the traditionally accepted techniques and while discussing these, the author warns on the incompleteness of each in isolation.

Srinivasan (2007) has analyzed the definition of poverty line in India- changing with time and has approved and questioned the way it has been broadened in the recent past by the revision experts assigned the task by the Government of India. The author has also suggested the changes that need to be made to make poverty line a better monitoring tool as well as the benchmark for policy decisions involving poverty alleviation. Bhas studied poverty at grass root level in 107 villages in India to suggest that different strategies would be required to prevent non-poor from getting into poverty and poor climbing out of poverty. The author reveals that health related expenditure tops the list of reasons due to which people's mystery or poverty increased.

Kohli (2012) highlights the dichotomy of Indian economy exemplary growth and widespread poverty exists together in New India. Author observes that the poor impact of economic growth on the poor sections of the society. The limit to the income generating capacities of the primary activities is magnified by the urban bias of fund allocation which makes poverty in rural areas a difficult problem to solve.

Karnani (2011) is sceptical of the ability of the markets to solve the problem of poverty by providing to meet the needs of the poor and generating employment opportunities for them. He instead proposes the role of the state's poverty reduction interventions in achieving the desired results.

Objectives of the Study

- To study about the concept of poverty.
- To highlight the present position of poverty in India.
- To provide suggestions to measures for removal of poverty in India.

Research Methodology

Various studies have been reviewed and analyses. The present research paper is analytical and descriptive in nature. The data used in this study is purely from secondary sources according to the need of the study. The main sources of secondary data have collected from books, magazine, journal and internet sources.

Concept of Poverty

Poverty can be defined as the inability to achieve a minimum living standard. The concept of the poverty line seeks to measure that is poor in a society, i.e. who cannot meet this minimum living standard. The poverty line measures the minimum value of expenditures needed in a society to fulfil certain basic needs. The poverty line is generally estimated using minimum food requirements plus essential non-food consumption goods. Sometime, a minimum daily calorie intake per-capita is used (calorie poverty line.) The amount of money needed to acquire these calories, or the bundle of food and non-food items necessary to satisfy basic needs serves as the reference standard for the critical income per capita. If the actual income (mostly determined through statistical households surveys) falls below the minimum expenditure needed (the poverty line), the household or individual is categorized as poor. The non- poor are those who have income above the poverty line. The level of the poverty line is fixed differently by various institutions and governments.

Poverty includes the people who are chronically hungry, if not starving; they are most often malnourished and frequently diseased (ESCAP). The poor are usually illiterate or insufficiently educated. They are badly clothed and live in ramshackle housing under unsanitary conditions. The physical quality of life index is that poverty is associated with the physical life standard on the basis of life expectancy, infant mortality rate, and literacy rate. Amartya Sen defines poverty as the absence or inadequate realization of certain basic freedoms, such as the freedoms to avoid hunger, disease, illiteracy, and so on. The reason why the conception of poverty is concerned with basic freedoms is that these are recognized as being fundamentally valuable for minimal human dignity. It is also the concern for human dignity that motivates the human rights approach, which postulates that people have inalienable rights to these freedoms (Amartya Sen, 1999).

Classification of Poverty

- Absolute poverty- Absolute poverty occurs when people fail to receive sufficient resources to support a minimum level of physical health and efficiency that often expressed in terms of calories or nutritional levels. Poverty measures that define poverty as either income or consumption below some absolute level that represents an “objective” minimum constitute the earliest and broadest class of poverty measure.
- Relative poverty- the most common approach to a relative poverty standard is to choose some income or consumption cut-off that can be expressed as a proportion of the median for society as a whole.
- Subjective poverty-subjective definitions of poverty are a relatively new entry into the field of poverty research. These definitions are based on surveys that use household's own assessments of the minimum or “just sufficient” amounts of income or consumption needed by people like them.

Casuses of Poverty

Problems of poor families are the clusters of disadvantages. These are physical weakness, vulnerability, powerlessness and isolation. Poor people are really dispersed less responsive to each other, divided and isolated. The main causes of poverty are: living standard not matching with the income, insufficient education and low opportunities for employment, individual irresponsibility and dependency, indebtedness, loss of jobs or means of livelihood, illness, mental disturbance, accident, and litigation. In addition, bad habits, over expenditure, laziness are also responsible factors that cause the poverty.

Others are loss of purchasing power, population growth, loss of traditional rural occupation, insufficient growth of the non-farm sector, and faulty governmental policies. Sometimes war, crop failure, epidemic diseases, and natural calamities cause server poverty and results the condition more complicated. It is a condition from where one can come out. The poor there are many causes of poverty, these can be categorized into five and it is known as Five Theories of poverty in Contemporary Literature.

- Poverty caused by individual deficiencies
- Poverty caused by cultural belief systems that support sub-cultures of poverty
- Poverty caused by economic, political, and social distortions or discrimination
- Poverty caused by geographical disparities
- Poverty caused by cumulative and cyclical interdependencies

Trends of Poverty in India: Number and Percentage of the poor

Table 1: Trends of Poverty in India

| Year | Number of Poor | Percentage of Poor in Total Population |
|---------|----------------|--|
| 1960-61 | 17 crore | 34 |
| 1964-65 | 22 crore | 46 |
| 1970-71 | 25 crore | 45 |
| 1973-74 | 32 crore | 46 |
| 1979-80 | 33 crore | 48 |
| 1986-87 | 27 crore | 34 |
| 1987-88 | 31 crore | 39.3 |
| 1993-94 | 32 crore | 36 |
| 1996-97 | 27 crore | 29.18 |
| 1999-00 | 26 crore | 26 |
| 2004-05 | 40.7 crore | 37.2 |
| 2009-10 | 35.46 crore | 29.8 |
| 2011-12 | 26.93 crore | 21.9 |

Source: Economic Survey 2013-14 and planning Commission

In 1960-61, about 17 crore people (34 % of the total population) lived below poverty line. In 1993-94, as many as 32 crore people (36% of the total population) were living below poverty line. In 1999-2000, 26 crore people (26% of population) were living below the poverty line. The planning commission of India estimated those below poverty line to be around 29.8 percent of the population in 2009-10 based on the new poverty line. It declined to 21.9 percent in 2011-12.

In July 2013, the planning commission has redefined the poverty line and has given new estimates regarding the poverty. Now people who spend less than ₹27.20 a day (or ₹816 in a month) in rural areas and ₹ 33.33 a day (or ₹1000 in a month) in urban areas will be considered below poverty line. According to it, the number of poor people has gone down from 37.2% in 2004-05 to 21.9 % in 2011-12. It further tells that the number of poor people in absolute terms has fallen by 137 million during this period.

Measures for Removal of Poverty in India

Poverty eradication is the basic and essential need of the Indian economy. It is most important that to the society, every person should have the right to live with dignity and honour and that is why, the context of poverty has been one of the major obstacles. The important measures for poverty eradication adopted in India are follows:

- **Population Control:** The high growth rate of the population has depressed the per capita income. As a result of it, total output and consumption level of the people depressed and number of poor people has been increasing. Hence to eradicate the poverty population control is most essential.
- **Redistribution of Income:** Inequality of the income and wealth distribution makes the poverty perpetuate and permanent and also reduces the efficiency of people in general. It is, therefore, essential to redistribute income and wealth and increase the income and consumption level of the poor people.
- **High Rate of Economic Growth:** Economic growth is the most important measure for poverty eradication. Economic growth creates more resources and has the potential of creating more space for the involvement of the poor depends on the sources of growth and the nature of the growth. therefore, it is important to source a large part of economic growth in agriculture, in rural

Poverty Alleviation Programme Adopted by Government

In recent years opinion has grown in India that for speedy removal of poverty it is not enough to rely on gradual improvement in employment and levels of living the poor as a result of the overall growth of the economy. The initial thinking of the government relied on the automatic benefits of growth or 'trickle down theory', but it did not work on desired lines. Hence, direct intervention through poverty alleviation programmes became necessary. In this view government launched several special employment programmes for removal of poverty.

Some major poverty alleviation programmes which are in operation at present are follows:

- Mahatma Gandhi National Rural Employment Guarantee Act(MGNREGA)
- Swarnajayanti Gram Swarozgar Yojana(SGSY)
- Pradhan Mantri Gram Sadak Yojana (PMGSY)
- Indira Awas Yojana(IAY)
- Bharat Nirman Yojana
- The Swarnajayanti Shahari Rozgar Yojana (SJSRY)
- National Social Assistance Programme(NSAP)
- Antyodaya anna yojna
- Annapurna yojna

Thus, through these various programmes efforts are being made to improve the quality of life of poor persons.

It is widely accepted view that our poverty alleviation programmes could not achieve desirable results. There are four major reasons for failure of poverty alleviation programmes in India.

- **Pro-rich Bias:** People's bias operating within the delivery system where the system has revealed a bias in favour of articulate, educated and resourceful people etc. as against the poor people.
- **Neglect of Remote Areas:** Our road side bias makes for exclusion of poor household who are mostly located in interior part of villages or in remote villages which are not accessible, and hence not convenient for the delivery system to approach.

- **Manipulation:** The social power balance in villages is often such that the local power groups collude with the implementation authority to manipulate the delivery system in their favour often working against genuine beneficiaries from poor groups.
- **Mismatch of Priorities:** Experience also shows that on many occasions, there is mismatch of priorities of poor household by delivery system, which the household can abandon and not feel interested in or, alternatively, it may lack enough skills and resources to efficiently manage a project in the absence of complementary inputs from the delivery system in appropriate doses.

Suggestions

A number of measures have been made in India's development plans in the direction of poverty alleviation, but they could not produce the desired result. We have to think deeply in the direction of removing poverty in the shortest possible time. In this regard more concrete and practical measure should be adopted to increase the share of poor people in national income. We should implement our development strategy in such a way that the increase in production and social justice go hand in hand. We have to adopt those programmes and policies which can improve living standard of the poor. More and more facilities should be provided to the poor section of the society.

Conclusion

The root of poverty in India are deep and old enough and spread in so many direction that a one – shot approach or a single input intervention turns out to be quite simplistic in practice. Since poverty is a complex mix of problems, a multi – pronged approach is required to reduce it. It is true that the poverty alleviation measures taken so far have a limited success. The expected results are yet to be achieved. Hence, the imperative is to have an integrated programme of poverty alleviation and rural development encompassing the provision of employment, access to basic facilities like elementary education, health and medical care and safe drinking water. It is necessary to eradicate poverty the positive intervention should be taken in the delivery system, enrich socio-economic and ecological infrastructure and improve accessibility to and ownership of poor households in natural and socio-economic resources.

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