

Development and Extreme Poverty Reduction in India: An Analysis

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Abstract- This paper tries to examine the fashionable concepts of the present day development discourse, especially in relation to extreme poverty reduction in India. The poverty estimates are broadly consistent with independent evidence on per capita expenditure, state domestic product and real agricultural wages. As per the estimation by the Tendulkar Committee the number of Below Poverty Line (BPL) declined to 21.9% of the population in 2011-12 from 29.8% in 2009-2010 and 37.2% in 2004-2005. Globally, almost 385 million children were living in extreme poverty. At present, India is home to over 30 % of almost 385 million children living in extreme poverty, the highest in South Asia, according to a new report-2019 by the World Bank and UNICEF.

The analytical research methodology will be used in this research study. Basically present paper will be based on secondary sources. Since poverty is defined as “the inability to attain a minimum standard of living” (World Bank), therefore it has been traditionally measured in terms of income or consumption. As 2016, the incidence of multidimensional poverty has almost halved between 2005-2006 and 2015-2016 declining from 54.7% to 33.8%. Since programmes for poverty alleviation have been integral elements of India’s development strategy, therefore definition of poverty line is significant for measuring the magnitude of poverty in India. This paper also tries to examine the various anti-poverty programmes which were implemented in India on an adhoc and isolate manner.

Key words: Development, Poverty, Employment, Poverty alleviation.

Introduction- In common word development is the process in which someone or something grows or changes and becomes more advanced. Development means ‘improvement in country’s economic and social conditions.’ More specially, it refers to improvements in way of managing an area’s natural and human resources in order to create wealth and

improve people’s lives. Economic development is the process by which a nation improves the economic, political and social well-being of its people. The limited access of the majority of social benefits and the limited character of participation of the masses can often not be satisfactorily offset by the unsuccessful and weak redistributive policies of the government. Powerful economic interest groups set the national agenda of development, often unrepresentative of the heterogeneous and diverse nature of our civil society making for a consolidation and concentration of power and resources in the hands of a few.

The slogans ‘human centered development’, ‘the development of people’, ‘integrated development’ all call for a more inclusive and sensitive approach to fundamental social, economic and political changes involved in development such that all aspects of life of a people, their collectivity, their own history and consciousness, and their relations with others make for a balanced advancement. The challenge of human scale development is to nurture diversity instead of being threatened by it, to develop processes of political and economic decentralization, to strengthen democratic, indigenous traditions and institutions and to encourage rather than repress emerging social movements which reflect the people’s need for autonomy and space.

The fruits of economic development may be distributed more equitably if local spaces are protected, micro-organizations are facilitated and the diverse collective identities that make up the social body are recognized and represented. Greater control of popular masses over environment is a must. In fact this concept of development seeks for the civil society rather than the state to own up and nurture development, so that the role of social actors is enhanced. Social and human development, therefore necessarily requires a unified approach, integrating the economic and social components in plans, policies and programmes for people’s betterment. The challenge is to simultaneously integrate cross sectoral and regional development needs as well as to make for a participative development. The issues of environment, pollution, women, habitat, hunger and employment have come to the fore one by one and continue to require public and institutional attention along with resource allocations. Two major contemporary concerns that require focus in any development initiative are that of human security and sustainability.

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Poverty may be defined as the inability to secure minimum consumption requirements for life such as food, clothing, education and health. There are several definitions of poverty. Inside, India both income-based poverty definition and consumption based poverty statistics are in use. Planning commission has defined poverty line on the basis of consumption of calories and per capita consumption expenditure. It defined as a minimum in take of 2,400 calories per person per day in rural areas and 2,100 calories in urban areas. In terms of per capita monthly consumption expenditure at 1977-78, it was Rs. 65 in rural areas and Rs. 75 in urban areas. At 1979-80 prices, these figures were Rs. 76 and Rs. 88 respectively. The Eighth Plan has estimated the number of persons below poverty line at 230 million for 1991. This constitutes 27 percent of the total population.¹

Extreme Poverty-Extreme poverty is also known as absolute poverty or abject poverty. It is stated as ‘a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.’ It depends not only on income but also an access to services. The word ‘extreme poverty’ was defined in 1996 by Joseph Wresinski, the founder of ATD Fourth World as the absence of one or more factors enabling individuals and families to assume basic responsibilities and to enjoy fundamental rights. The situation may become widespread and result in more serious and permanent consequences. The lack of basic security leads to chronic poverty when it simultaneously affects several aspects of people’s lives, when it is prolonged and when it severely compromises people’s chances of regaining their rights and of reassuming their responsibilities in the foreseeable future. This definition was adopted by the United Nations Sub-Commission on the Promotion and Protection of Human Rights in the Despouy Report on Human Rights and Extreme Poverty.

Extreme Poverty in the World-The World Bank defined the new international poverty line as \$1.25 a day for 2005. The eradication of extreme poverty and hunger was the first Millennium Development Goal, as set by 189 United Nations Member States in 2000. Extreme poverty is not common in Sub-Saharan Africa, though it also exists in parts of Asia and Latin America. The World Bank Group’s mission is carved in stone at our Washington headquarters: “Our Dream is a World Free of Poverty”. This mission underpins all of our analytical, operational and convening work in more than 145 client countries, and is bolstered by

our goals of ending extreme poverty within a generation and promoting shared prosperity in sustainable manner across the globe. There has been marked progress on reducing poverty over the past decades.

The world attained the first Millennium Development Goal target to cut the 1990 poverty rate in half by 2015 – five years ahead of schedule, in 2010. Despite the progress made in reducing poverty, the number of people living in extreme poverty globally remains unacceptably high. And given global growth forecasts, poverty reduction may not be fast enough to reach the target of ending extreme poverty by 2030. According to the most recent estimates in 2015, 10 percent of the world’s population lived on less than US\$ 1.90 a day, compared to 11 percent in 2013. That’s down from nearly 36 percent in 1990. Nearly, 1.1 billion fewer people are living in extreme poverty than in 1990. In 2015, 736 million people lived on less than \$ 1.90 a day, down from 1.85 billion in 1990.

While poverty rates have declined in all regions, progress has been uneven. 47 million extreme poor people lives in East Asia and Pacific, 7 million extreme poor people lives in Europe and Central Asia. Two regions have reduced extreme poverty to below 3 percent, achieving the 2030 target. More than half of the extreme poor live in Sub-Saharan Africa. The majority of the global poor live in rural areas are poorly educated, employed in the agricultural sector, and under 18 years of age. The work to end extreme poverty is far from over and many challenges remain. In much of the world, growth rates are too slow and investment is too subdued to increase median incomes. For many nations, poverty reduction has slowed or even reversed. The latest projections show that if we continue down a business-as-usual path, the world will not be able to eradicate extreme poverty by 2030. That’s because it is becoming even more difficult to reach those remaining in extreme poverty, who often live in fragile counties and remote areas.

Extreme Poverty in India-As India is one of the fastest-growing economies in the world, poverty is one the decline in the country, with close to 44 Indians escaping extreme poverty every minute as per the World Poverty Clock. The World Poverty Clock shows real time poverty trends in India, which are based on the latest data, of the World Bank among others. As per recent estimates, the country is well on its way of ending extreme poverty by meeting its sustainable development goals by 2030. India has been able to lift a significant percentage of its population

out of poverty, but many still live in it. India had 73 million people living in extreme poverty, which makes up 5.5 percent of its total population, according to the Brookings report. In May, 2012, the World Bank reviewed and proposed revisions to their poverty calculation methodology and purchasing power parity basis for measuring poverty worldwide. It was a minimal 3.6% in terms of percentage. As of 2016, the incidence of multidimensional poverty has almost halved between 2005-06 and 2015-16, declining from 54.7 percent to 27.5 percent.

Poverty Reduction in India-Since the 1950s, the Indian Government and non-governmental organization have initiated several programmes to alleviate poverty, including subsidizing food and other necessities, increased access to loans, improving agricultural techniques and price supports, promoting education and family planning. These measures have helped to cut absolute poverty levels by more than half and reduced malnutrition. Although, the Indian economy has grown steadily over the last two decades, its growth has been uneven when comparing social groups, economic groups, geographic regions, and rural and urban areas. For the year 2015-16, the GSDP growth rates of Andhra Pradesh, Bihar and Madhya Pradesh was higher than Maharashtra, Odisha or Punjab. While India may well be on the path to eradicating extreme poverty, it still lags well behind in other important development indicators, even in comparison to some of its neighboring countries, especially in regard to health and education.

As per the methodology of the Suresh Tendulkar Committee report, the population below the poverty line in India was 354 million (29.6 percent of the population) in 2009-2010 and was 269 million (21.9 percent of the population) in 2011-12. In 2014, the Rangarajan Committee said that the population below the poverty line was 454 million (38.2 percent of the population) in 2009-2010 and was 363 million (29.5 percent of the population) in 2011-2012. The World Bank's Global Monitoring Report for 2014-15 on the Millennium Development Goals says India has been the biggest contributor to poverty reduction between 2018-2011, with around 140 million or so lifted out of absolute poverty. According to United Nations Development Programme Administrator Achim Steiner, India lifted 271 million people out of poverty in just a 10 year time period from 2005-06 to 2015-16.

Conclusion-It can be concluded that India's rapid economic growth rate since implementation of new economic policy is one of the main

reasons for a record decline in poverty. But, extreme poverty in our country sustain till now. Social welfare programmes such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Mid-day Meal Scheme helps to reduce rural poverty gap and seasonal poverty, but not overall poverty. The World Bank's Global Monitoring Report for 2014-15 on the Millennium Development Goals says India has been the biggest contributor to poverty reduction between 2018-2011, with around 140 million or so lifted out of absolute poverty. The work to end extreme poverty is far from over and many challenges remain.

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