

Essay on Poverty in India – An Analysis

“Poverty is the total of a multiplicity of factors that include not just income and calorie intake but also access to land and credit, nutrition, health and longevity, literacy and safe drinking water, sanitation, and other infrastructural facilities.”

In India, it is estimated that about 350-400 million are below the poverty line, 75 percent of them in the rural areas. More than 40 percent of the population is illiterate with women, tribal and scheduled castes particularly affected. It would be incorrect to say that all poverty reduction programs have failed.

The growth of the middle class (which was virtually non-existent when India became free in August 1947) indicates that economic prosperity has indeed been very impressive in India but the distribution of wealth has been very uneven.

The main causes of poverty are illiteracy, a population growth rate by far exceeding the economic growth rate for the better part of the past 50 years, protectionist policies pursued from 1947 to 1991 which prevented large amounts of foreign investment in the country. Poverty alleviation is expected to make better progress in the next 50 years than in the past, as a trickle-down effect of the growing middle class. Increasing stress on education, reservation of seats in government jobs, and the increasing empowerment of women and the economically weaker sections of society are also expected to contribute to the alleviation of poverty.

Poverty in India has been reduced by 10 percent over the last few years. There is firm evidence that the war against poverty is being won.

`Where there is no happiness for all, there cannot be happy for any'.

This is a fundamental truth successful nations around the world have discovered. They have structured their societies in such a way that though there may be inequalities in incomes and levels of enjoyment of the good things of life, the basics of modern life are not denied to anyone.

What are these basics? Answers vary for each country. For India, these are education, health care, housing, water, electricity, cooking fuel, old-age support, sanitation, and employment. Providing these for all citizens is to both attack poverty and pave way for growth.

For long, these have been the stuff of publicly correct posturing. But, until about 5 years ago when Amartya Sen emerged as a voice to be listened to, establishment economists did not see the linkage between a nation's investments in social sectors and its prosperity.

In India's government, there is now a greater consciousness, of how caring for human resources, will lead to sustainable growth. India appears to have agreed with this conclusion: the cold war was not between capitalism and communism; it was between a man and the state and the winner was the former. In the last few years, when India's economy has begun to take off, though not fly, some good numbers on poverty are beginning to come in. Enough to make one think, how swiftly things can change overall if one were to focus on more investments in the social sector and infrastructure development.

In the Economic Survey 2000-2001, published by the Ministry of Finance, 26.1% of Indians are reported to be impoverished.

For the country as a whole, the poverty numbers since 1973-74 have

been diminishing. See the following data :

Year	All India %	Rural %	Urban %
1973	54.9	56.4	49.0
1978	51.3	53.1	45.2
1983	44.5	45.7	40.8
1988	38.9	39.1	38.2
1994	36.0	37.3	32.4
1999	26.1	27.1	23.6

Look at the following table, how the rate of decline has accelerated since economic reforms began in 1990.

Between	All India %	Rural %	Urban %
1973 & 78	3.6	3.1	4.2
1978 & 83	6.8	7.4	4.4
1983 & 88	5.6	6.6	2.6
1988 & 93	2.9 2.9	1.8	5.8
1993 & 99	9.9	9.4	

It must be admitted though that the econometrics of poverty is a

thicket of controversies. The debate is joined by politicians, economists, statisticians, bureaucrats, and social activists. They question integrities, numbers, and their interpretations.

“No matter what the data source, survey or national accounts, growth is shown to lead to poverty decline, almost one for one. No growth, no poverty reduction is the only conclusion.”

It is wrong to conclude that there was economic growth in India in the nineties and that there was an increase in absolute poverty. There is no evidence for this joint conclusion reforms initiated in 1991 have led to a radical transformation in the well-being of the bottom half of the population. From an approximate level of 38 percent in 1987, the poverty level in India in 1998 was close to 12 percent.” What is the distribution of poverty? We can see from the following table, it is not uniform across the country. A few States are terrible, but then several others are of comparable size.

Poverty level below	States
10%	Goa, Haryana, Himachal, J&K, Punjab, Daman/Diu, Delhi
20%	Andhra, Gujrat, Karnataka, Kerala, Mizoram, Rajasthan,
30%	Lakshadweep, Dadra/Nagar Haveli, Andamans Maharashtra,
40%	Manipur, Tamil Nadu, Bengal, Pondicherry Arunachal,
50%	Assam, MP, Meghalaya, Nagaland, Sikkim, Tripura, UP, Bihar, Orissa

Source: Planning Commission for 1999-2000

The main causes of poverty are illiteracy, population growth rate by far exceeding the economic growth rate for the better part of the past 50 years, protectionist policies pursued from 1947 to 1991 which prevented large amounts of foreign investment in the country. Now the things have changed and with the globalization and liberalization of our economy, we can expect a lot of betterment in the direction of reducing the level of poverty further.

Poverty alleviation is expected to make better progress in the next 50 years than in the past, as a trickle-down effect of the growing middle class. Increasing stress on education, reservation of seats in government jobs, and the increasing empowerment of women and the economically weaker sections of society are also expected to contribute to the alleviation of poverty.

Eradication of poverty is a very long-term goal in India. With the new government coming into power, having assured to boost the rural sector particularly, we hope that the poor of this great nation should see the bright path ahead.