

PROJECT REPORT ON
POVERTY ALLEVIATION IN INDIA

2020-21

PREPARED BY
DEPARTMENT OF ECONOMICS



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REPORT

A project on "**POVERTY ALLEVIATION IN INDIA**", prepared by the students of Department of Economics during the month of March- 2021. Total 10 numbers of students participated in the project work. The study is based on exploratory research and based on secondary data of journals, articles, newspapers and magazines. Secondary data was extensively used for the study. The objective of the study was to To measure poverty line in India. To discuss about the poverty alleviation programmes in India. Poverty is defined in terms of income, expenditure and nutritional value (calorie intake).Poverty is more of social marginalization of an individual, house hold or group in the community or society rather than in adequacy of income to fulfill the basic needs. The goal of poverty alleviation programme should aim merely at the increasing of the income level of individual, house hold or group but generally marginalized to the periphery of the society. The departmental faculties guided the students to conduct this project and project is original.

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Poverty alleviation in India

• INTRODUCTION:

In spite of more than six decades of economic planning, the problem of poverty is still persisting in the country. It is the most crying economic problem of India. It is a curse not only for an individual but for the entire nation also. No hardship, no suffering is greater and the lack of means to satisfy one's basic necessities of life. Poverty adversely affects one's health and skill and hence capacity to earn decreases. Poverty is a relative term. Its definition changes with the economic conditions of the country concerned. International poverty line is defined as per capita consumption expenditure of less than 1.90 US dollar per day. Before we undertake the study of the problem of poverty, it will be pertinent to know that is meant by poverty, or who are the persons considered as poor. In 2011-12, poverty line was defined in the basis of consumption expenditure as per 68th survey of NSSO to 816 rupees per capita per month in rural area and 1000 rupees per capita per month in urban areas.

• OBJECTIVES:

The study has following two objectives

- To measure poverty line in India.
- To discuss about the poverty alleviation programmes in India.

• METHODOLOGY:

- Participatory poverty assessment.
- Well being analysis.
- Poverty mapping.
- Wealth ranking.
- Poverty profiling.

1. Participatory poverty assessment:

Use trained field teams to apply participatory approaches. The teams use groups, key informants and other tools which are triangulated to increase validity. Such methods used to understand poverty trends, dimension, and the impact of the policy.

2. Well being analysis:

It uses PRA techniques to help village participants categorise poverty levels based on their assets, hunger period, income and the amount they spent for an annual festival. This allowed the original target group to be desegregated into 4 sub groups for resource allocation purposes and reduced exclusion in rural micro credit project.

3. Poverty mapping:

It allows the location of identified determinants of poverty. It can be used from a global to a micro level. A range of methodologies can feed into poverty maps depending upon objectives, definitions of poverty, limits of the data, analytical capacity and costs.

4. Wealth ranking:

It is used as a part of a participatory or livelihoods analysis. This is a method taken from PRA repertoire to desegregate the given community according to wealth/poverty criteria, which are defined by participants. It is a very quick categorisation and does not lead to understanding broader aspect of poverty.

5. Poverty profiling:

It can be executed at the national, water body, community level. National level profiles have been undertaken in countries preparing PRSP and in line with world bank and IMF requirements.

❖ **Meaning of poverty:**

"Poverty is the inability to get the minimum consumption requirements for life, health and efficiency". Poverty is the inability to fulfill even the basic requirements of life. Minimum

requirements include food, clothing, housing, education and basic health requirement. Man suffers hardships in case these minimum human needs are not fulfilled and there is loss of health and efficiency. As a result, it becomes difficult to increase production and to get rid of poverty in future. In two ways; poverty and fall in productivity become interdependent. [The term poverty is defined in two ways (1) Absolute Poverty and (2) Relative Poverty.]

1) **Absolute poverty:** (Absolute poverty refers to the measure of economic conditions of a poverty keeping in view the country). Economists have given many definitions of poverty in this regard but in a large number of countries poverty has been defined in the context of per capita intake of calories and minimum level of per capita consumption expenditure. We shall study absolute poverty in India in both these contexts.

a)calorie criteria: The energy that an individual gets from the food that he eats everyday is measured in terms of calories in India, Planning Commission is of the opinion that an individual in rural area must get 2,400 calories and in urban area 2,100 calories per day. Those getting less than this minimum will be treated as living below starvation/poverty line.

b)Minimum Consumption Expenditure Criteria: An advisor Expert Committee headed by Prime Minister economic Mr. Suresh Tendulkar was appointed by the planning commission to determine poverty line adopted Minimum Consumption Expenditure Criteria. As per this committee, those people will be treated as living below the poverty line whose per capita consumption expenditure at 2011-12 prices is below 816 per capita per month in rural areas and 1,000 per capita per month in urban areas.

2) **Relative poverty:** Relative poverty refers to poverty on the basis of comparison per capita income of different countries. The country whose per capita is quite less in comparison to other countries is treated as relatively poor nation .In poor nations the part of population which is living at the bottom (Whose income is less) is unable to fulfill the basic requirements of life. In Table 1, India's per capita income is compared with the per capita income of some other countries.

Table 1. comparison of per capita income (year 2015)

COUNTRY	Per capita income(in US dollars) (on exchange rate basis)
USA	55,980
UK	43,390
JAPAN	38,840
CHINA	7,930
SRILANKA	3,800
INDIA	1,600
PAKISTAN	1,440
World Average	10,548

(source : world development report, 2017)

On the basics of above comparison, it can be concluded that India is a poor nation as compared to other nations. In per capita income, India ranks 79th in the world.

❖ Meaning of Poverty Line :

Poverty line is the line which indicates the level of purchasing power required to satisfy the minimum need of a person. In other words, it represents the capacity to satisfy the minimum level of human needs. The purchasing power can be expressed in the form of average per capita monthly expenditure. If we have an idea of the minimum level of purchasing power required to keep a person at a minimum level of living, a little below which he would be considered as poor, this "Purchasing Power could then be called poverty line. This line divide population in two groups, one those who have this purchasing power or more and the other group of those people who do not have this much of purchasing power. The former group is regarded as living "Above the Poverty Line (APL)". These people are not regarded as poor. The latter group in considered as living "Below the Poverty Line (BPL)". These people are called poor. Thus, the poverty line

divides the people into two groups (i) One of those who have the minimum required purchasing power or more. This group is not considered as poor, and (ii) the other group of those people, who do not have this much of purchasing power, are called poor.

➤ **Determination of poverty line in India :**

The determination of poverty line in the Indian context was attempted for the first time in 1962 by a working group eminent economists like Prof. D.R. Gadgil, Dr. B.N. Ganguli, Dr.P.S Lokanathan, etc. After taking into account the requirement of minimum standard of living and died based recommendation, the working group recommended minimum consumption expenditure level of 20 rupees per capita as per month for rural areas and 25 rupees per capita per month for urban areas at 1960-61 prices. It means that people in rural areas whose per month expenditure is less than 20 rupees and in urban areas less than 25 rupees will be treated as living below the poverty line.

➤ **Problems of poverty in India:**

Now, in India poverty line is defined on the basis of consumption expenditure determined by national sample survey organisation. Once in 5 years, NSSO conducts a large survey to estimate poverty. As per NSSO reports of the year 2004-05, poverty line is defined as monthly expenditure required for a daily intake of 2,400 caloric per person in rural areas and 2100 caloric per person in urban areas. This expenditure was 368 rupees per person per month in rural areas and 559 rupees per person per month urban areas in the year 2004 -05. In 2011-12 , poverty line was further raised by Tendulkar committee of the basis of 68th survey of consumption expenditure of NSSO to 816 rupees per capita per month in rural areas and 1,000 rupees per capita month in urban areas. As per this criterion, in 2011-12, 21.9 per cent of area's population was living below poverty line .As per international poverty line of 1.90 US dollar per day, 13 per cent of India's population was living below poverty line in year 2012.As per World Development report 2016, if poverty line of US \$3.10 per person per day is taken then 58 per cent of India's population living below poverty line.

➤ **Basic needs approach of defining poverty:**

The present official definition of poverty misrepresents the real facts .presently 47 per cent of Indian children below the age of five are underweight. One in every three malnourished

children in the world is in India (UNICEF report). In fact the official defined poverty line is a "starvation line", i.e. people below this line cannot even afford the requisite amount of food grains. Now a new approach to measure the poverty is developed. This approach is known as Basic Needs Approach. This approach defines poverty line on the basis of cost of fulfilling basic needs of person to live a human way of life.

❖ Trends of poverty in India:

In India, percentage of population living below the poverty line has come down but still about 19 per cent of our population based on Tendulkar Methodology, is living below the poverty line. If poverty is measured by international poverty line (Consumption expenditure below 1.09 dollar a day), 14 percentage of those living below the poverty line in India is 21.3 per cent. Trends of poverty are clear from the following points:

Table 2. Number and percentage of poor in total population

YEAR	No of poor(In crore)	% of poor in total population
1973-74*	25	54.9
2004-05*	24	21.8
2004-05**	40.72	37.2
2009-10**	35.47	29.8
2011-12**	26.93	21.9

(source: NSSO report)

*Based on poverty line of 368 per capita per month in rural areas and 559 per capita per month in urban areas. **Based on Tendulkar Methodology. As per Tendulkar methodology, in year 2004-05, number of poor persons was 40.72 cores, out of which 32.58 cores lived in rural areas and 8.14 cores lived in urban areas. In 2011-12, number of poor persons was reduced to 26.93 cores, out of which 21.65 cores lived in rural areas and 5.28 cores lived in urban areas. Based on Tendulkar committee poverty line, in 2011-12, 21.9 per cent of India 's population was living below poverty line.

- **Urban-Rural Comparison:** In Urban-rural comparison it was found that percentage of poor is more in rural areas as compared to urban areas .Trends in urban-rural poverty are clear from Table 3.

AREA	1973-74 ^a	2004-05 ^a	2004-05 ^{**}	2011-12 ^{**}
Rural	56.4	21.8	42.0	25.7
Urban	49.0	21.7	25.5	13.7
Combined	54.9	21.8	37.2	21.9

(source: NSSO report)

^abased an old poverty line of 368 rupees for rural areas and 559 rupees for urban areas.

^{**}based on Tendulkar methodology.

The above Table shows that in the year 2011-12, 25.7 per cent of total population in rural areas and 13.7 per cent in urban areas were living below the poverty line. For the country as a whole 21.9 per cent of population was living below the poverty line.

- **Inter-State Comparison:** In different states, there are wide variations in the percentage of population living below poverty line. In Chhattisgarh, Jharkhand, Manipur, Bihar, Assam, Odisha, Madhya Pradesh and U.P., percentage of poor population is much higher as compared to national average. Interstate comparison of poverty is clear from Table 4.

Table 4. Inter-State Comparison of Population below Poverty Line (Tendulkar Methodology)

STATES	% Of population below poverty line(2011-12)		
	Rural	Urban	Combined
Chhattisgarh	44.6	24.8	39.9
Jharkhand	40.8	24.8	37.0
Manipur	38.8	32.6	36.9
Bihar	34.1	31.2	33.7
Odisha	35.7	17.3	32.6

Assam	35.9	20.5	32.0
Madhya pradesh	35.7	21.0	31.7
Utter pradesh	30.4	26.1	29.4
Rajasthan	16.1	10.7	14.7
Haryana	11.6	10.3	11.2
Punjab	7.7	9.2	8.3
Himachal pradesh	8.5	4.3	8.1
All India	25.7	13.7	21.9

(source: NSSO Reports)

It shows that in some parts of the country ,problem of Poverty is more serious in comparison to other parts of the country . In year 2011-12, 53.2 per cent of poor were concentrated in five states namely Bihar, Odisha, Madhya Pradesh, Uttar Pradesh, and Rajasthan.

➤ **International Comparison:** In different countries there are wide variations in the percentage of population living below poverty line. In international comparison of poverty. Uniform poverty line of consumption expenditure of US \$ 1.90 per person per day has been used for all the nations. In 2012, on an average, 12.7 per cent population of the world was living below poverty line. Percentage of people living below poverty line in developed nations is quite less as compared to percentage of people living below poverty line in developing nations. International comparison of poverty is shown in Table 5.

Table 5. International Comparison of Population below Poverty Line (Year 2012)

COUNTRY	% of population below poverty line (US \$1.90 per day)
Bangladesh	43.7
India	21.3
China	11.2
Pakistan	8.3
UK	<2
USA	<1
Japan	<1

Germany	<1
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(Source: World Development Report 2016)

CAUSES OF POVERTY IN INDIA :

In India, problem of poverty and its causes has been the subject of discussion since long. In 1870, economist Dr Dadabhai Naoroji mentioned causes for poverty in India. At that time, colonial policies of the British government were largely responsible for poverty in India. Poverty is the major economic problem of India since independence. Its main causes are as follows.

(1) Heavy pressure of population: population in India has been increasing very rapidly. As per census 2011, our population size was 121 cores and growth rate of population was 1.3 per cent. This pressure of population is a major obstacle in economic development. In spite of increase in total production, per capita income, per capita land, per capita availability of different social services and food grains has been very less. Thus the main cause of poverty in India is large size population. Increases in prices: in India prices show increasing tendency. In 2016-17, the average rise in prices has been 3.90 per cent. Rise in prices has worst effect on poor population. Poor persons are unable to meet their basic needs. It expands poverty.

(2) Less National income and slow economic growth: As compared to population, growth of national income of India is very low. Hence per capita income is also low. Low national income and low per capita income are the cause of our poverty. Growth rate of Net Domestic Product (NDP) has also been very low during the period of five years plan in India. It has been 5.1 per cent during the period of planning. On the other hand, population has been growing at the rate of 2 per cent. Thus growth rate of national income has been slow. On account of slow economic growth rate, poverty could not be eradicated.

(3) Chronic unemployment and under employment:

Problem of unemployment is a big cause of poverty. In India, the problem of unemployment is very serious. In 2011-12, the number of unemployment in India was around 2.45 cores. In December 2014, about 4.83 cores educated unemployed persons were registered with 969 employment exchanges.

(4)Rural Economy: India economy is predominantly rural economy. The main occupation in rural area is agriculture. About 46 per cent of population of India is dependent on agriculture where as in other countries; a small proportion of population is engaged in agriculture .For example in U.K 1.2 per cent, in U.S.A. 1.6 per cent and in japan 3.7 per cent population is engaged in agriculture. In India, 46.2 per cent of the total population is engaged in agriculture but its contribution to the national income is only 15.1 per cent .It means that despite India being predominantly an agricultural country, it is very much backward in agriculture.

(5)Capital deficiency: Capital has a special role to play in the establishment of industry, transport, irrigation and other means of development .Hence an important factor accounting for the economic backwardness of a country is the deficiency of capital .India is no exception .Here the power of the people to save capital is very little .Less savings lead to less investment which in turn leads to less income in the country.

(6)Lack of able and Efficient entrepreneurs: In the early stages of industrial development of a country there is need for such entrepreneurs who are creative competent and proficient in their trade and who can take risk in a bold manner .Unfortunately, there is an acute shortage of such entrepreneurs in our country. Consequently only those industries have developed in which do not involve much risk. It has restricted industrial development of our nation. So income of the people has remained low.

(7)Lack of proper Industrialisation: India has backward industrial structure. No doubt, consumer's good industries like soap, cloth, sugar, leather, oil, etc. Have developed to a large extent but capital and producers 's goods industries have not yet developed properly, We still have to depend on foreign countries with regard to these industries .It has led to low national income and poverty.

(8)Out dated social Institutions: The social base of our country's economy lies in its social institutions and traditions. These institution and traditions are- caste system, joint family system, laws of inheritance and succession, etc. All these customs traditions create hindrance in the path of economic development .Often poor people waste a lot of money on observing social customs, rituals, social obligations, unproductive activities and function like marriage, death, festivals, etc.

For this they spend their hard earned money or they even borrow funds, it lands them in debt trap. The same money could be used in productive activities to increase the income .

(9)Under -utilisation of Natural Resources: India is a rich country from the point of view of natural resources. Valuable minerals like iron, coal, manganese, mica, etc. are available in large quantities. Rivers flowing throughout the year are rich source of hydro- electricity. There are different kinds of soils which are capable of growing large variety of crops. Manpower is also abundant. However, all these resources have not been properly exploited in India. Under-utilisation of natural resources means less economic activities, which leads to poverty.

(10)Unequal Distribution of Income: another main cause of poverty in India is unequal distribution of income. Attempts have been made in plans to reduce inequality in distribution of income through taxation and other measures. But despite these measures concentration of wealth and inequality of income persists. Person surviving at bottom level are living in absolute poverty.

(11)Natural calamities: Indian economy is mainly dependent on agriculture. Inadequate or excessive monsoon (rainfall) has deep impact on Indian agriculture. Floods or droughts are very common in India. These not only affect agriculture sector but also affect industries which are dependent on agriculture for their raw materials. Natural calamities like floods, droughts, earthquakes, tsunami, etc. affect the poor segments very badly.

(12)Corruption: Because of corruption, benefit of economic planning, social welfare programmes, poverty alleviation programmes, etc. does not reach the poor segment of population. Moreover, poor people suffer because of corruption in public requirements.

(13) Poor work culture: In India people have poor work culture. People in India are lethargic; they do not make much effort to earn money. In doing below status jobs, they feel ashamed in society. It results in low income.

(14)Lack of Technical Education: In India there is more spread of general education than vocational or technical education. After completing their general education the students do not get jobs or do not get much skill to start self-employment. It results in low income.

• Measures Undertaken by the Government for poverty Alleviation

The measure undertaken by the government for alleviation of poverty may be classified in the following three categories:

- (i) Employment Generation Programmes.
- (ii) Programmes related to Acquisition of Productive Assets.
- (iii) Other Programmes.

I. Employment Generation Programmes

The employment generation programmes aim at increasing the income of the poor by providing them productive employment. The government has adopted following employment generation scheme or eradicating poverty:

(1) Swarnajayanti Gram Swarozgar Yojana (SGSY):

promote self-employment and to remove poverty from rural areas, this programme was launched in villages in 1999. Under this programme a large number of small enterprises are established in rural areas. The small enterprises are organised as individual enterprises as well as on collective basis as Self Help Group (SHGS). The poor are granted loans and subsidies to establish these enterprises. In 2011-12, SGSY scheme was restructured into National Rural Livelihood Mission (NRLM). This scheme is also known as 'Aajeevika'. By the end of 2016-17, NRLM is expected to provide self-employment to 90 lakh persons.

(2) National Food for Work Programme: Government runs national food for work programme in 150 most backward districts of the country. In this programme, wages are distributed in the form of food grains. This scheme is aimed at all rural poor persons.

(3) Small and Cottage Industries: small-scale industries are based on labour intensive technology. So these have more employment potential. Special measures have been taken by the government to develop small and cottage industries with a view to removing poverty and unemployment. Various tax concessions and incentives are given to these industries. Some areas of production are exclusively reserved for small-scale industries.

(4) Swaranjayanti Shahri rozgar Yojana (SSRY):

This plan aims at providing self-employment or wage employment to urban unemployed and under-employed persons. It comprises of two programmes: (i) Urban Self Employment Programme (USEP) and (ii) Urban Wage Employment Programme (UWEP). In urban self employment programme, the person starts his own work/business and earns profit. While in urban wage employment programme, the person takes employment and gets wages/salary for his work. In September 2013, SSRY has been replaced with National Urban Livelihood Mission (NULM). It aims to promote self-employment through skill development of urban poor.

(5) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): Government enacted Mahatma Gandhi National Rural Employment Guarantee Act in 2005 and in year 2006-07 this programme was implemented in 200 districts of the nation. Now this employment guarantee Act is extended to the whole nation. It provides at least 100 days of guaranteed wage employment in every financial year to the poor persons living in rural areas. In this scheme, 5.08 crore households were provided job in the year 2016-17.

2. Programmes Related to Acquisition of Productive Assets :

These programmes are related with the schemes providing loans to the poor at a very low rate of interest, so that they can acquire productive assets. The poor may increase their income by utilization of productive resources. It will help in alleviation of poverty. Government has started following schemes related to acquisition of productive assets:

(1) Differential Rate of Interest Scheme: The differential rate of interest scheme was launched in 1972 to advance loans to the poor at the very low rate of interest of 4 per cent per annum. Under this scheme at least two-third amount of loans is advanced to the rural poor. The poor may set up self-employment enterprise by investing the capital obtained through these loans. Consequently, their income will increase and poverty may be alleviated.

(2) Pradhan Mantri Gramody Yojana: This programme was introduced in 2001. Under this scheme, concessional loans are given to villager for purchase of milk-producing cattle and other productive assets.

(3) Concessional Loans to Start Cottage and Small Industries:

Government provider concessional loans to start small, village and cottage industries.

3. Other Programmes for Alleviating Poverty:

(1) Minimum Needs Programme: To raise the standard of living of the poor, Minimum Needs Programme was launched. The programme covers areas such as primary education, rural health, rural water supply, rural roads, rural electrification, rural housing and ecological improvement of urban slums. It has proved very beneficial to poor and weaker sections.

(2) Twenty Point Programme: Twenty Point Programme was launched in year 1982, with a view to bringing prosperity to masses and relieving them from the bonds of poverty. Its main points were fixing minimum wages for agriculture workers, provision of houses in rural areas, expansion of public distribution system, rehabilitation of bonded labour, increase irrigation facilities, etc.

(3) National Social Assistance Programme: This Programme includes following schemes:

(a) Indira Gandhi National Old Age Pension Scheme: Under this scheme, pension of 400 per month is provided to the persons above the age of 60 years and living below poverty line. Central government has also started disbursement of pension of 3,300 per month to BPL widows in the age group of 40 to 59 years under Indira Gandhi National Widow Pension Scheme. Centre government has also started "Indira Gandhi National" Disability Pension Scheme' for BPL persons with severe and multiple disabilities in the age group of 18-59 years. In this scheme, monthly pension of 300 per month is given.

(b) Atal Pension Yojana: For ensuring old age income security of poor working persons, government has launched Atal Pension Yojana (APY) in the year 2015-16. Any person in the age between 18 to 40 years can join this scheme. There is guaranteed minimum monthly pension for the subscriber ranging between 1,000 rupees to 5,000 rupees per month depending upon the monthly voluntary contribution. The subscriber will receive pension on attaining the age of 60 years.

(c) National Family Benefit Scheme: Under this scheme, in case of accident death of prime bread earner, in the age group of 18 to 64 years, a lump sum of rs 20,000 is provided to the family living below poverty line. In the year 2007, AABY has been framed by government for

below poverty line and marginally above poverty line citizens in the age of 18 to 59 years for life insurance. In this yojana head of family or one earning member of the family is insured. The central government bears 50 per cent premium of 200 rs per person per year and the remaining 50 per cent premium is borne by the state government. In case of natural death 30,000 rupees and in case of accidental death or total disability 37,500 rupees are provided.

(d) **Antodya Anna Yojana:** In this scheme food grains at subsidized rates of rs2 per kg for wheat and Rs 3 per kg for rice are provided to the poorest of poor families. In this scheme subsidised food grains weighing 35 kg per family per month are distributed through public distribution system to the poorest of poor families from amongst the below poverty line families. The coverage of this yojana increased to 2.43 crore families in the year 2009-10.

(e) **Targeted public Distribution System (TPDS):** The BPL families which are not covered in Antodya Anna Yojana are covered in targeted public distribution system. In this system, 35 kg food grains per month per family are supplied to below poverty line families @ rs 4.15 per kg for wheat and Rs 5.65 per kg for rice.

(f) **Bharat Nirman:** In year 2005-06, a new scheme Bharat Nirman has been launched. In this scheme rural infrastructure is created to remove poverty from rural areas. In this scheme all villages will be connected with road; all villages to be provided with telephone connectivity, electricity, safe drinking water. This scheme also promotes rural houses and improvement in irrigation.

(g) **Rastriya Swasthya Bima Yojana:** This yojana was started w.e.f. 1st April, 2008. In this yojana a health cover of Rs 30,000 is provided to workers of BPL category, engaged in unorganised sector. Premium of 750 per family per year of this yojana is borne by central government and state government in the ratio of 75:25. Under this yojana smart cards are issued to beneficiaries to enable cashless transaction for healthcare.

(h) **National Means-cum-Merit Scholarship:** In this scholarship scheme, one lakh scholarships are awarded each year, under which each selected student is given rs 76,000 per annum for studying in class IX to XII. This scheme benefits intelligent poor students.

(i) **National Food Security Act:** To ensure food security in the nation, government has enacted National Food Security Act in year 2013. As per the provisions of the Act, 5 kg food grains per person per month belonging to priority households will be provided at concessional rates. The category of priority households includes extremely poor persons. Food grains will be provided to this category at Rs 3 per kg for rice, Rs 2 per kg for wheat and Rs 1 per kg for coarse grains. The poor households not covered under priority households will also be provided food grains at concessional price, not exceeding Rs 50 per cent of minimum support price announced by the government. This Act will benefit about 75 per cent of rural population and about 50 per cent of urban population.

(j) **Direct Benefit Transfer Scheme:** Government has started direct benefit transfer scheme on 1st January 2013 in selected districts. In this scheme, government benefits (subsidy, old age pension, MGNREGA wages, etc.) are given directly to the targeted BPL persons in their bank accounts linked with their 'Aadhaar' numbers. It will help in reducing transaction cost prevent leakage of funds and frauds in implementing poverty alleviation programmes.

(k) **Pradhan Mantri Jan Dhan Yojana:** This yojana was launched by government in August 2014. The purpose of this yojana is to provide banking facilities to such household which have no bank account. In this scheme, one bank account will be opened for every household. The account holders will receive RuPay Debit Card having inbuilt accident insurance of Rs 1 lakh. By 17th May 2017, 28.63 core bank accounts had been opened in this scheme.

(l) **Jan Suraksha Yojana:** Government has announced Pradhan Mantri Suraksha Bima Yojana to provide accident insurance worth 2 lakh at premium of just Rs 12 per annum. It covers all bank account holders whose age is between 18 to 70 years. It provides insurance cover against death and permanent disability due to accident. Government has also announced Pradhan Mantri Jeevan Jyoti Bima Yojana to provide life insurance worth 2 lakh at premium of just Rs 330 per annum. It covers all bank account holders whose age is between 18 to 50 years. The family of insurer will get benefit on the death of policy holder.

(m) **Other schemes :**

(i) Specific programmes have been launched for drought prone areas, desert areas and areas affected by natural calamities.

(ii) Mid-day meal scheme in schools has been launched for attracting kids of poor families to schools. Education to poor children will help them to increase their skill for future earnings.

(iii) Pradhan Mantri Gram Sadak Yojana provides all weather roads to rural areas. It helps in the development of rural areas.

(iv) The Unorganised Worker's social Security Act, 2008 has been enacted to provide social security to unorganized workers.

• Evaluation of Poverty Alleviation Programmes

(1) Ineffective Employment Generation Programmes: In India various employment generation programmes are launched by the government to alleviate poverty. Initially these programmes showed good results, But implementation of these programmes lacked consistent effort. Moreover, due to computerisation mechanisation use of capital intensive technology, automation, etc. unemployment has increased .It has further aggravated the problem of poverty. So these programmes could not achieve desired results

(2) Defective Implementation of Programmes Related to Acquisition of Productive Assets: The programmes related to acquisition of productive assets have benefited very few Persons. The masses have yet to realise the benefits of these programmes because these programmes are managed by the government agencies. These suffer from lack of concern and accountability. For the implementation of these programmes, local needs and conditions are to be taken into account. But participation of the local people in the implementation of these programmes is seldom encouraged. Further, productive assets like sewing machines, welding machines, etc. are distributed to supporters, nears and dears of politicians and government officials.

(3) Defective Planning: The selection of scheme under poverty alleviation programmes was not done in a rational manner. The funds under various poverty alleviation programmes were wrongly allocated. These allocations were made without considering the size of populations of the state, geographical area, local needs and conditions, actual requirements, etc. Funds allocation among different states for poverty alleviation was not based on rational criteria.

(4)**Ignorance of Neglected, Disabled and Sick Persons:** Special scheme were not framed to alleviate poverty among handicapped, neglected, disabled and sick persons, etc.

(5)**Lack of coordination among various poverty alleviation Programmes:** Various poverty alleviation programmes were not coordinated with each other. Some of the programmes were not coordinated with each other. Some of the programmes were overlapping each other, there by resulting in wastage of funds.

(6)**Leakage of funds:** Poverty Alleviation Programmes are implemented through local bodies, like municipal committees, Panchayat, Block Samities, etc. In many cases, financial assistance granted under poverty alleviation programmes does not reach in the hands of poor. This assistance is misappropriated because of corrupt practices. In many cases, officers-in charge of poverty alleviation programme wrongly allocate these funds to their nears and dears who are not actually poor. Thus funds do not reach in the hands of real poor.

(7)**Unwariness about Poverty Alleviation Schemes:** poor people are mostly illiterate. In many cases, they are unaware about different schemes launched by government. It hinders the implementation of poverty alleviation programmes. The per capita per month consumption expenditure compiled with other related indicators of poverty such as access to food, trends in real wages and also some non-income indicators, indicate that urban and rural poverty is declining. But rapid economic growth in recent years has not been companied by fast decline in poverty levels.

- **Suggestions for Removal of Poverty**

(1) **Increase in Economic Growth Rate:** Slow rate of economic growth is one of the main causes of poverty in India. Faster growth rate is essential for faster reduction in poverty. To remove poverty, it is essential to accelerate the rate of economic growth. Moreover, economic growth should be inclusive, i.e. it should benefit all sections of society.

(2) **Development of Agriculture:** To eradicate poverty, special efforts should be made to develop agriculture. Rapid growth of agricultural production will help to remove rural poverty. Agriculture must be mechanised and modernised. Use of better seeds, chemical fertilisers should be increased. More irrigation facilities should be provided. Small farmers

should be given proper financial assistance. More agricultural production will result in lower prices of good grains and thus it will help to reduce poverty.

(3) Increase in the production of Goods for Mass Consumption:

If rural and urban poor are too benefited by increased production then industries producing mass consumption goods like cloth, vegetable, soap, oil, sugar, etc. should be developed. This will result in more production, more supply and hence lower prices of mass consumption goods. So poor persons can afford to buy more of such goods.

(4) Stability in price-level: To alleviate poverty in India, price-level must be stabilised. If prices continue to rise rapidly, the standard of living of the poor will further deteriorate. To bring about price stability, industries in the country should make full use of their production capacity, there should be no strikes or lockout, supply of raw materials and electricity should be regulated according to the needs of the industries. Further, black marketing and other anti-social activities are checked effectively. Less tax should be imposed on mass consumption goods and provision should be made for their distribution through fair price shops and co-operative stores.

(5) Check on Increase in Population: In India population of poor people has been rising rapidly. Growth rate of population is 1.3 per cent per annum. To eradicate poverty, it is essential that rise in population be cured. Publicity with regard to family planning programme should be intensified.

(6) Increase in Employment: With a view to removing poverty, special efforts should be made to increase employment opportunities of generation employment in rural areas. By adopting multiple cropping, under-employment and disguised unemployment in agriculture sector can be brought down. Cottage industries and construction works should be launched vigorously in rural areas. Small industries, transport etc. should be expanded in urban areas. By introducing necessary changes in education policy, educated unemployed can be provided job opportunities. Government should also aim at providing more self-employment to poor persons.

(7) Change in the Technique of Production: Capital intensive technique of production as practised in Western countries is ill- suited for India. Government should favour labour intensive technique of production. Indian economy should develop a technique of production that absorbs more and more of labour. In fact, intermediate technology which is midway between labour intensive and capital intensive techniques should be adopted India. It will lead to more employment and help eradicate poverty.

(8) Reduction in Inequality of Income and Wealth: In India, poverty cannot be removing simply by increasing production or checking growth of population. For this inequality in the distribution of income and concentration of wealth should be checked. Government can reduce inequality of income and check concentration of wealth by purchasing appropriate fiscal and licensing policies. More taxes should be lived on rich persons and the revenue so generated should be used for welfare of poor class.

(9) More Concessions to Backward Areas: In India, proportion of poor in some states, like Odisha, Bihar, Jharkhand, Madhya Pradesh, etc. is greater than the other states. Government should provide special facilities and concessions to attract private capital investment to backward regions. Public sector enterprises should also be set up in backward areas.

(10) Effective Public Distribution System: In order to remove poverty, mass consumption goods and food grains, etc. should be distributed among the poor population at low prices. Exacting public distribution system is in great need of re-organisation and extension to rural areas.

(11) Provision for Meeting Minimum Needs of the Poor: Government should make efforts to provide for the minimum needs, like drinking water, primary medical-care, food, etc. to the poor. Government should make liberal expenditure in this regard."

(12) Increase in the Productivity of the Poor: To remove poverty, economic productivity of the poor should be increased. Greater attention should be paid to the skill formation of the poorer sections and attempts should make to augment their economic productivity.

(13) Change in Social Outlook: The social outlook of population should be changed. Spending huge money on social function like marriage, birth, death, customs, rituals,

festivals, and religious ceremonies should not be treated as symbol of pride, status and respect in the society. The concept of simple marriage and simplicity on all social functions should be promoted among all sections of society.

(14) Effective Implementation of Poverty Alleviation Programmes:

Various poverty alleviation programmes have been framed by Government from time to time. But due to corruption, full benefit of these programmes could not reach the real beneficiaries. Such schemes should be implemented more strictly. In their implementation, involvement of local bodies should be promoted. It will help to identify the poor and needy person.

• Poverty Alleviation in Twelfth Plan:

The target of twelfth plan was to reduce poverty by 10 percentage points by the end of plan. It plans reducing percentage of people living below poverty line by 10 per cent. Following steps were taken in this regard:

- (i) Efforts were made to create new work opportunities in the non-farm sector so as to provide gainful employment. Efforts were made for skill up gradation and skill certification so that more and more persons can get employment.
- (ii) Micro, small and medium enterprises were promoted as these enterprises help to ensure inclusive and equitable growth in the economy.
- (iii) National Food Security Act, 2013 has been enacted in this plan. It provides sufficient food grains at concessional rates to both urban and rural poor persons. It ensures food security for BPL families.
- (iv) For fast reduction in poverty and for the benefit of small farmers, landless labourers, persons working in unorganized sector, inclusive growth was promoted in the economy. Special programmes aimed at target groups such as weavers, artisans, craftsmen, etc. were launched to promote employment.

(v) National Rural Livelihood Mission and Mahatma Gandhi National Rural Employment Guarantee Act in rural areas and National Urban Livelihood Mission in urban areas were promoted to boost employment avenues for the BPL households.

(vi) For better delivery of social security benefits to BPL families and to prevent leakage of funds in implementing poverty alleviation schemes, Direct Benefit Transfer (DBT) scheme was promoted which government benefits are directly credited in the bank/ post-office accounts of targeted BPL persons. These bank accounts are linked with their Aadhaar Numbers.

• CONCLUSION:

Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Poverty is more of social marginaliation of an individual, house hold or group in the community or society rather than in adequacy of income to fulfill the basic needs. The goal of poverty alleviation programme should aim merely at the increasing of the income level of individual, house hold or group but generally marginalized to the periphery of the society. Poverty, therefore is a complex phenomenon of many 77 dimensions but not merely the economic dimension. So the government should provide better development programme facilities,so that people living below poverty line can improve their livelihoods. It also suggests that poverty alleviation programmes should also take up the issue of poverty from the social and economic perspectives. Impact assessment offers potential as the tools for lowering poverty,increasing energy and for renewing the field of development cooperation. More analytical assessment can be employed to support world wide local democracy in the face of the globalised corporate power. Such assessment can be used to measure and promote substantial ,sustainable gains of the poor in terms of money and power. Recent works on impact indicators are the micro and macro levels especially in the areas of local economic development, genderd development and institution capacity building can be consolidated and extended in the service of impact assessment. This can also be used to strengthen the design methods to place full control or at least shared control the hands of citizens at the best in the evaluation of development interventions and more especially in the poverty alleviation assessments.

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