

## Study of impacts of poverty in India

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**ABSTRACT:** *The incidence of poverty in India is of key interest to policy analysts and academic researchers, both because of its scale and intensity. With about 1.2 billion people, India is the second most populous country in the world. Our country has seen growth of up to 10% in a few years and is one of the largest economies in the world. However, only a tiny fraction of India's population has yet benefited from the stunning economic boom. Most people in India still live in abject poverty. Therefore, it is essential to understand the concept of poverty as a challenge in India. The world has been undergoing increased urbanization for many years. Urbanization has offered increased growth, reliable food supplies, economies of scale, stable public services, and various other benefits, including huge markets that contribute to education, enterprise, and innovation. While beneficial in the long run, this development has also produced several adverse outcomes. As the population grows at an unusual rate, most communities are made up of sprawling cities that lack proper infrastructure and urban organizations to handle the growing challenges. It is a problematic issue in India, where there are urban slums and other areas of intensive population growth.*

**Keywords :-** *Poverty in India , Study Of Impact's Poverty in India , High infant mortality , Malnutrition Child labour , Lack of education , Child marriage , HIV / AIDS , Poverty-stricken individuals , safe drinking water, nutritious food, Exploitation of people in poverty , Extreme Poverty's Consequences , Initiatives by the Indian government to eradicate poverty & Conclusion.*

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### I. INTRODUCTION :-

The incidence of poverty in India is of key interest to policy analysts and academic researchers, both because of its scale and intensity. The National Poverty Estimates reported a poverty incidence of 27.5% in 2004–2005, which means that more than one-fourth of the population in India lives below the poverty line. Also in absolute terms, India still has 301.7 million poor persons, a significant percentage of whom are substantially or severely poor in terms of standards identified as essential for survival. If we consider the international poverty line of \$1 a day (measured at 1993 purchasing power parity exchange rates), then the percentage of poor people in India is even higher, around 34%. This percentage rises to an alarming 80% if \$2 a day is used as the poverty line. India's importance in the context of world poverty is evident given the fact that approximately half of the world's poor live in South Asia, and of the 534 million people in South Asia who lived on less than \$1 a day in 2003, over 300 million lived in India. The Suresh Tendulkar Committee estimated more than 430 million (37.2%) below the poverty line based on the deprivation package. The recently introduced Multidimensional Deprivation Index (MPI) also lists about 645 million (55.4%) Indians below the poverty line. When it comes to non-income dimensions of poverty as well, such as infant and maternal mortality, literacy levels and gender inequality, India continues to show "intensive poverty".

#### Definition of poverty

Poverty is a state where a person does not have enough material possessions or income for basic human needs. Poverty can include social, economic and political elements. Absolute poverty is the complete lack of resources necessary to meet basic personal needs such as food, clothing and shelter.

#### Poverty in India :-

India is a developing country. Although its economy is growing, poverty is still a major problem. However, poverty is on the decline in India. Extreme poverty, defined by the World Bank as living on US\$1.9 or less in purchasing power parity (PPP), was only 0.8% in India in 2019, according to an International Monetary Fund document, and the country has managed to maintain it. this level in 2020 despite the unprecedented COVID-19 epidemic. According to the World Bank, extreme poverty decreased by 12.3% between 2011 and 2019, from 22.5% in 2011 to 10.2% in 2019. The bank's working paper notes that rural poverty decreased from 26.3% in 2011 to 11.6% in 2019. in urban areas it was from 14.2% to 6.3% in the same period. Rural and urban poverty rates fell by 14.7 and 7.9 percentage points, respectively.[3] According to

UNDP Administrator Achim Steiner, India lifted 271 million people out of extreme poverty in the 10 years from 2005-2006 to 2015-2016. A 2020 study by the World Economic Forum found that "around 220 million Indians survived on less than Rs 32/day – the poverty line for rural India – according to the latest count of India's poor in 2013."

The World Bank revised its definition and benchmarks for measuring poverty from 1990 to 1991, using an income of US\$0.2 per day based on purchasing power parity from 2005 to 2013. Some semi-economic and non-economic indices have also been proposed to measure poverty in India. For example, to determine whether a person is poor, the Multidimensional Poverty Index assigns a 13% weight to the number of years the person has spent in school or education and a 6.25% weight to the person's financial situation.

The different definitions and underlying small sample surveys used to determine poverty in India have resulted in widely varying estimates of poverty from the 1950s to 2010s. In 2019, the Indian government stated that 6.7% of its population is below its official poverty limit. Based on 2019's PPPs International Comparison Program, According to the United Nations Millennium Development Goals (MDG) programme, 80 million people out of 1.2 billion Indians, roughly equal to 6.7% of India's population, lived below the poverty line of \$1.25 and 84% of Indians lived on less than \$6.85 per day in 2019.

From the late 19th century through the early 20th century, under the British Raj, poverty in India intensified, peaking in the 1920s. Famines and diseases killed millions in multiple vicious cycles throughout the 19th and early 20th centuries. After India gained its independence in 1947, mass deaths from famines were prevented. Since 1991, rapid economic growth has led to a sharp reduction in extreme poverty in India.[18][19] However, those above the poverty line live a fragile economic life. As per the methodology of the Suresh Tendulkar Committee report, the population below the poverty line in India was 354 million (29.6% of the population) in 2009–2010 and was 69 million (21.9% of the population) in 2011–2012.[21] In 2014, the Rangarajan Committee said that the population below the poverty line was 454 million (38.2% of the population) in 2009–2010 and was 363 million (29.5% of the population) in 2011–2012. Deutsche Bank Research estimated that there are nearly 300 million people who are in the middle class.[23] If these previous trends continue, India's share of world GDP will significantly increase from 7.3% in 2016 to 8.5% by 2020.[24] In 2012, around 170 million people, or 12.4% of India's population, lived in poverty (defined as \$1.90 (Rs 123.5)), an improvement from 29.8% of India's population in 2009. In their paper, economists Sandhya Krishnan and Neeraj Hatekar conclude that 600 million people, or more than half of India's population, belong to the middle class.

The Asian Development Bank estimates India's population to be at 1.28 billion with an average growth rate of 1.3% from 2010 to 2015. In 2014, 9.9% of the population aged 15 years and above were employed. 6.9% of the population still lives below the national poverty line and 63% in extreme poverty (December 2018)[28] 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. According to Oxfam, India's top 1% of the population now holds 73% of the wealth, while 670 million citizens, comprising the country's poorest half, saw their wealth rise by just 1%

### **Study Of Impact's Poverty in India**

While economic growth is a powerful tool for poverty reduction, the impact of higher growth on poverty reduction depends significantly on the pattern of growth and levels of inequality. Owing to rapid growth in recent years, the Indian economy has also undergone significant structural changes. Inclusive growth has therefore become a major policy priority and is defined as a process whereby the benefits of growth are shared by a vast proportion of the population. Poverty is defined as a situation in which one's earnings from work are insufficient to meet fundamental human requirements. India also faces an elevated risk of disease and health care systems struggle to support and can't respond efficiently. Almost 800 million people in India are marked as poor, and most of them live in the countryside while keeping afloat with odd jobs. The lack of employment, which offers a liveable wage in most rural areas, is driving a lot of Indians into swiftly developing metropolitan areas like Delhi, Mumbai, Bangalore, and Calcutta. Even there, most of them lead a life of poverty and despair in massive slums made up of several corrugated ironworks, without enough drinking water supply, without garbage disposal, electricity, and various other necessities. Furthermore, such consequences of poverty in India cause diseases like cholera, dysentery, and typhus, in which particularly kids suffer and die. So, poverty in India mostly affects kids, families and individuals in a wide range of different ways like:

- ★ High infant mortality
- ★ Malnutrition Child labour
- ★ Lack of education
- ★ Child marriage
- ★ HIV / AIDS

- ★ Poverty-stricken individuals and families may be deprived of adequate housing, safe drinking water, nutritious food, and medical care.
- ★ Each country may have its own set of criteria for assessing how many of its citizens are poor.

### **A high rate of infant death**

India has one of the highest child death rates in the world, with over 1.4 million children dying before their fifth birthday each year. Pneumonia, malaria, diarrheal illnesses, and chronic malnutrition are the leading causes of death.

### **Malnutrition - Not even a bowl of rice a day is sufficient.**

When it comes to malnutrition, India is at the top; more than 200 million people, including 61 million children, are malnourished.

### **Child Labor - There isn't enough time for children to play and study.**

In India, child labour under the age of 14 is illegal, although government data show that 12.5 million children between the ages of 5 and 14 are employed. Furthermore, 65 million youngsters aged 6 to 14 do not attend school and instead work in farms, industries, quarries, private residences, and even prostitution.

### **lack of education**

According to UNICEF, over 25% of children in India do not receive an education. Girls are more likely than boys to be excluded from school. Despite the fact that Indian law requires men and women to be treated equally, women, particularly those from lower social castes, are regarded as inferior. Their chances of getting a decent salary in India are bleak due to their lack of education.

### **Marriage of a child**

Even though it is illegal for children to marry, it is still done in several Indian communities. Young ladies become mothers when they are still children. Many people die before they reach adulthood. Because of their poverty, many parents encourage their children to marry young in the hopes of a better life.

### **On Decision Making**

Participation in decision-making, as well as civil, social, and cultural life, is lacking due to poverty. When a group of people is poor, they do not have a voice in the community and must rely on other more powerful groups or individuals to express their rights and choices. This endangers human rights in society and frequently leads to a dysfunctional political system that stifles social growth and peace.

### **Poor Purchasing Power**

A country in which a poor country's or household's per capita income and purchasing power fall below a certain minimum standard, there is a lack of medical care and health facilities, productivity is low, and there is illiteracy. This resulted in epidemics and disease in society.

Addiction and Criminal activities to meet basic needs

Poor people will engage in socially unacceptable behaviours such as drug addiction, crime, prostitution, violence, and terrorism in order to satisfy their stomach.

These factors undermine human self-esteem, moral and social values in society as a whole, and as a result, an increasing number of people in the community become intolerant and rude to one another in their daily lives.

### **Exploitation of people in poverty**

- Poor people live in deplorable conditions, with some members of their families dying of hunger or famine disease.
- It causes parents to sell their children into slavery or prostitution due to a lack of resources to feed or care for that child, and it occurs when government institutions fail to protect the rights of the poor.
- This poses a threat to the social fabric.

### **Extreme Poverty's Consequences**

- Poverty is not only a terrible condition, but it is also one of the world's most serious issues. Poverty has devastating consequences. The following are some of the consequences:
- Obstruction to the country's economic growth and development
- Inadequate medical facilities contribute to a high infant mortality rate.
- Parents are unable to pay for their children's education, hence fewer children are enrolled in school.
- Low birth weight infants have mental and physical impairments.

- Domestic violence is a result of unemployment and poor poverty.
- Family members are under stress.
- Malnutrition
- Hygiene and diet-related disorders are on the rise.
- An increase in the number of people who are homeless
- Terrorism
- Genocide

### **Initiatives by the Indian government to eradicate poverty**

#### **Deen Dayal Upadhyay Gram Kaushal Yojana (DDUGKY)**

The Deen Dayal Upadhyay Gram Kaushal Yojana (DDUGKY) was created to alleviate the effects of poverty. This program provides adolescents in rural areas with skills and the ability to earn money on a monthly basis. It is a good scheme for the impoverished in India that provides proper training.

#### **Pradhan Mantri Kaushal Vikas Yojana (PMKVY) or Skill India**

On July 16, 2015, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), often known as Skill India, was launched to combat poverty. The ultimate goal is to upskill roughly 40 million Indian youth. This government program for low-income students encourages people to look for innovative ways to strengthen their skills.

#### **Pradhan Mantri Garib Kalyan Yojana (PMGKY)**

Pradhan Mantri Garib Kalyan Yojana is a scheme launched by the Prime Minister of India, this poor welfare plan has been implemented in order to remove poverty from the lives of the poor. Members of Parliament are primarily driven by the government to bring the underprivileged into the spotlight. Such members can use it to organize a skill-based workshop. People who are in need can come for a small fee.

#### **Ayushman Bharat scheme**

The Central government started the Ayushman Bharat Yojana, or National Health Protection Scheme, on April 14, 2018, to focus on the wellness of low-income households and provide medical benefits to them. Around ten crore low-income families will be given an annual insurance cover of Rs. 5 lakh and will be able to receive cashless treatment at all government and private empanelled hospitals across the country for secondary and tertiary care operations under this scheme.

## **II. CONCLUSION**

One of the biggest causes of poverty in India is the country's high population growth rate. This leads to a high rate of illiteracy, inadequate healthcare facilities, and a lack of financial resources. Furthermore, rapid population increase has an impact on per capita income, lowering it even further. India has achieved annual growth exceeding 7 percent over the last 15 years and continues to pull millions of people out of poverty, according to the World Bank. The country has halved its poverty rate over the past three decades and has seen strong improvements in most human development outcomes, a report by the international financial institution has found. Growth is expected to continue and the elimination of extreme poverty in the next decade is within reach, said the bank, which warned that the country's development trajectory faces considerable challenges.

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