

Current Situation of Poverty and Health of Indian Economy

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ABSTRACT

In This Research Paper summaries the Current Situation of Poverty in India and overview of Present Poverty line, Causes of poverty and Health of Indian Economy. Poverty can be defined as a phenomenon on which a section of the Society is unable to fulfil even its basic necessities of life. India is the second largest populous country and one of the largest economies in the world. But only a small percentage of the Indian population has benefited this impressive growth so far, as the majority of people in India are still living in abject poverty. Mostly people are staying unemployment. the lack of employment which provides a liveable wage in rural areas is driving many Indians into rapidly growing metro city's such as Mumbai, Delhi, Pune, Bangalore etc. this city's suffering problem such as Slum Area, drinking, water, electricity, garbage.

According to United Nations Development Programme Administrator Achim Steiner, In Just a Ten Years from 2005 to 2015 India Lifted 271 Million People out of Poverty. India with its population of 1.3 billion people now has 5% of its population living in extreme poverty, according to the World poverty Clock. Before we examine different efforts aimed at poverty alleviation, we should try to understand Current Situation of Poverty in India. This particular Research Paper presents on concept of Poverty, figures of Indian poverty, causes of poverty and Measures of poverty.

Keyword:

Poverty line, Absolute Poverty, Relative Poverty, Health, HDI, Uniform Recall Period, Mixed Recall Period, Rural Poverty, Urban Poverty.

Introduction:

Now we are 73 years of Independence in India, today we are the fastest growing Economy of the world. But this growth is not shared throughout the society, the development will be failed. Poverty continues to remain a serious problem in India, with its consequent toll on human welfare in the form of poor health, low levels of education and a poor quality of life.

The world has changed and continues to change rapidly. But we can't live happily as islands in a sea of Poverty... M.S. Swaminathan. Human beings need a certain minimum consumption of food and non-food items to survive. Out of the total population living in the rural parts of India, 25.7% is living below the poverty line whereas in the urban areas, the situation is a bit better with 13.7% of the population living below the poverty line.

Objectives of the study:

The following are the objectives of the study:

1. The First objective of the paper is to study the concepts of Poverty.
2. The Second objective of the paper is to highlight Current Situation of Poverty and Health of Indian Economy.

Research Methodology:

This paper is prepared through done with help of the information from secondary data sources that are from various websites, journals, Research articles, newspapers and magazines, Books related to banking.

Definition of Poverty:

World Bank has defined poverty as: "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom."

Poverty is that state of economic being when the income of the people is so low that they can't fulfil, even their basic minimum requirements. For survival, a person needs food that would provide 2100 to 2400 calories per day. People who can't afford to buy food, which would provide them even this minimum requirement, are said to be in Poverty. "The term 'poverty' refers to the state or condition of having little or no money, goods or means to support".

Poverty is a complex phenomenon, with multiple dimensions, which cannot be captured by a single definition applicable to all societies and regions at all times. Poverty is defined on the basis of individuals or societies. Poverty in India is not relative deprivation. It is absolute deprivation.

A. Absolute Poverty:

'a condition characterized by severe deprivation of basic human need, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.' Absolute poverty refers to those poor who are unable to maintain a minimum subsistence level of living. And that is why absolute poverty is often known as subsistence poverty.

B. Relative Poverty:

Relative poverty is based on some relative standards which are relative to the particular time and place. It is measured on the basis of a reasonable and acceptable standard of living and style of life according to time.

Relative poverty, another dimension of poverty, is reflected by the extreme differences in levels of living between the top and bottom strata of society.

Determinants of Poverty:

A Researcher identified some major determinants of poverty.

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|-------------------------------|---------------------------------|
| 1. Lack of income | 2. Landlessness |
| 3. Lack of livelihood sources | 4. Inadequacy of infrastructure |
| 5. Unemployment | 6. Lack of housing |
| 7. Ill-health | 8. Illiteracy |
| 9. Lack of food | 10. Lack of Advanced Technology |

Poverty Estimation:-

- 1. Planning Commission Expert Group (1962)**, working group constituted by the Planning Commission formulated the separate poverty lines for rural and urban areas (₹20 and ₹25 per capita per year respectively)
- 2. V.M.Dandekar and N.Rath (1971)**, V.M Dandekar and N. Rath were of the view that poverty line must be derived from the expenditure that was adequate to provide 2250 calories per day in both rural

and urban areas. 40% of the rural population and 50% of the urban population lived in below the poverty line in 1960-61.

3. **Suresh Tendulkar committee's estimate**, the Tendulkar committee gives us a different picture. The all India poverty ratio in 2004-05 is estimated at 37.2%. A figure higher than the planning commission estimate.
4. **Rangarajan Committee estimate 2012**, C. Rangarajan submitted its report in 2014. This committee suggested that persons spending below Rs. 47 a day in cities and Rs. 32 in rural areas be considered poor.
5. **International Poverty Line**, The World Bank defines a person as extremely poor if she is living on less than 1.90 international dollars a day, which are adjusted for inflation as well as price differences between countries.

Table 1: Summary of major poverty estimates

Sr. No.	Committee/ Authors	Poverty Rate (%)	Poverty Line (Rs.)
01	Dandekar and Rath (1971)	Poverty 1968-69 Rural 40% , Urban 50%	PCE Rs.15 at 1960-61 prices (R) Rs. 22.5 (U) necessary for minimum level of living.
02	World Bank 2005	52.4% (1970), 42.5% (1983), 39.4% (1988)	_____
03	Planning Commission (1993)	Rural Poverty – 56.4% (73-74) to 39.1% (87-88) Total Poverty: 54.9% to 39.3%	_____
04	Minhas B.S., Jain L.R, and Tendulkar (1991)	1987-88 Rural 44.8%, Urban 36.5%	Rs. 122.6 (R), Rs. 158.3 (U)
05	(GOI, PC 2014) Official Estimate PC 1983-84	Rural 45.7%, Urban 40.8%, Combined 44.5%	Rural Rs. 89.5, Urban Rs.115.65
06	(GOI, PC 2014) Official Estimate PC 1993-94	Rural 37.3%, Urban 32.4%, Combined 35.6%	Rural Rs. 205.84, Urban Rs.281.35
07	Report of the Expert Group (2014) Official Estimate PC 1999-2000	Rural 27.1%, Urban 23.6%, Combined 26.1%	Poverty Line Rural Rs. 327.56, Urban Rs.454.11
08	Deaton and Dreze (2002) Adjusted Estimates 1999-2000	Rural 30.2%, Urban 24.7%	_____
09	(Sen and Himanshu 2004)	Rural 28.8%, Urban 25.1%	_____

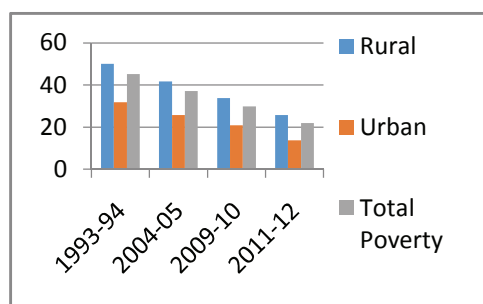
10	Patnaik (2008)	Rural 74.5%, Urban 44%	_____
11	(NSSO 2006) Official Estimate PC 2004-05	Rural 28.3%, Urban 25.7%, Combined 27.5%	Poverty Line Rural Rs. 356.0, Urban Rs.538.0
12	(GOI, PC 2009) Tendulkar Committee 2004-05	Rural 41.8%, Urban 25.7%, Combined 37.2%	PL R- Rs.446.68 U - Rs.578.80 The PLB comprises data pooled from different sources, different periods and different samples.
13	(GOI, PC 2014)	Rural 56.4%, Urban 49.0%, Combined 54.9%	Rs. 49.63. Urban Rs. 56.76

Ref. - Researchers compilation from various sources

Poverty in India:-

Table 2: Poverty in India

Sr. No	Year	Rural	Urban	Total Poverty
01	1993-94	50.1	31.8	45.3
02	2004-05	41.8	25.7	37.2
03	2009-10	33.8	20.9	29.8
04	2011-12	25.7	13.7	21.9



Ref. Planning commission Poverty estimate

2011-12

Table 3: Percentage of Poverty by Caste

Cast	Percentage of Poverty (2011-12)
FC	12.5
OBC	20.7
SC	29.4
ST	43.0

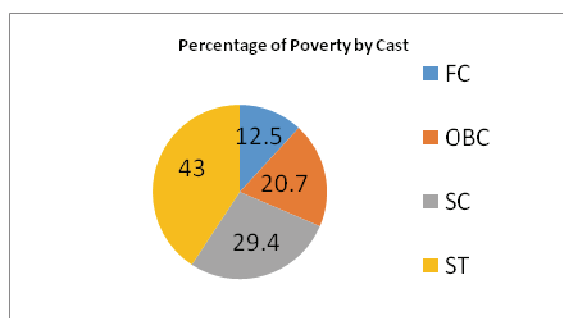


Table 4: Comparison of Poverty Line

Sr. No	Years	Country	Poverty Line (Per Day) in \$
01	2017	India	Rs. 32 (\$0.5)
02	2017	Argentina	Pesos 481 (\$11.81)
03	2011	China	Yuan 6.3 (\$1)
04	2011	Nigeria	Naira 65 (\$0.4)
05	2005	United States	Dollar 14 (\$14)

Ref. Researchers compilation from various sources

Causes of Poverty in India:-

1. High population growth rate:

High population growth rate is one of major reasons of poverty in India. Illiteracy, poor health care facilities and lack of access to financial resources and high population growth affects the per capita income and makes per capita income even lower.

2. Increasing prices :-

Ever increasing prices of even basic commodities is reason of poverty. Caste system and unequal distribution of income and resources is another reason of poverty in India.

3. Climatic factors:-

Natural calamities such as frequent floods, disasters, earthquake and cyclone cause heavy damage to agriculture. Agriculture is stated to be the major occupation of the rural people; downfall of agriculture and lack of production will certainly be the major cause of poverty for them.

4. Low Productivity:-

There is relationship between real income and poverty, increase in real income leads to the reduction in poverty. In the agricultural sector, even today the traditional cultivation techniques are being employed by the farmers, leading to low productivity and hence resulting in poverty.

5. Unequal Distribution:-

Unequal distribution of land and other assets, land and other forms of assets constitute the main source of income of the rural people. The size wise distribution of operational holdings is vested in the hands of few farmers; therefore the other farmers suffer from poverty to a major extent.

6. Poor Village Industries:-

Village industries are poor in their comparison in terms of quality and productivity, as a result village industries are closing down, in this way, and individuals employed are losing their jobs and suffering from the conditions of poverty.

7. Immobility of Labour:-

If they are offered a job with higher wages, they are not willing to leave their homes and travel to another place to earn their living and take their conditions as they are.

8. Lack of Employment Opportunities:-

Lack of employment opportunities, unemployment leads to major poverty, because of lack of employment opportunities, people are either unemployed or underemployed, small and marginal farmers and landless agricultural labourer's constitute unemployed and underemployed population.

9. Caste System:-

The caste system, caste system in India has always been responsible for rural poverty. The subordination of the low caste people by the high caste people has caused the poverty of the former. The caste system in some areas was so rigid that it did not allow the low caste people to render their participation in economic development.

10. Joint family system:-

In the joint family system some of the members of the family take undue advantage of living in a joint family by depending upon the income of others. They become idlers and their normal life routine just consists of eating, sleeping and begetting children; in this manner there are few earning members and the family becomes large, hence resulting in poverty.

The Indian Government to use this opportunity to use expansionary fiscal Policy and Redirect both Public and Private Investment towards the creation of Infrastructure and the Provision of Basic needs. It is only with such a determined effort that any future growth will actually deliver poverty Reduction.

• **Poverty Alleviation Programmes:-**

1. PradhanMantriGramodayaYojana (PMGY, 2000-01)
2. Swarnjayanti Gram SwarajgarYojana (SGSY)
3. SampooranaGrameenRozgarYojana (SGRY)
4. SwarnaJayantiShahariRozgarYojana
5. Indira AwasYojana (IAY)
6. Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP)
7. Prime Minister RozgarYojana (PMRY)
8. Self-help Groups (SHGs)

For poverty measures Improving small and medium scale industries in rural areas, as well as promoting other income-generating opportunities. However, more investment into satisfying the demand for more jobs, equal pay, more career and movement opportunities in the tertiary or agriculture sector, could ease the increasing pressure on urban infrastructure services.

Better urban planning & slum rehabilitation we ensure that these families have access to clean water, electricity, better jobs (via skills training), and the right to live in their homes. Land rights are indeed a hot topic for most slum residents, who are at constant risk of eviction (informal settlements are after all informal). This causes further extreme poverty and instability in the country.

Conclusion:

Economic Growth and Health status are positively correlated and have a two-way relationship, suggesting that better health enhances growth by improving productivity, and high growth allows better human capital formation. Health expenditure is an important determinant of both higher growth and better health a status, and is therefore a key tool available to policy-makers. Among other exogenous variables, literacy and industrialisation seem to reduce Poverty. According to the Global Hunger Index Report 2018 by the International Food Research Institute, India ranks 103 in the Global Hunger Index (GHI). Though there is no

shortage of food production in India, our nation still has 35.8% of children under five in the underweight category. India is working hard to become a superpower in 2020, but such statistics are worrisome, as our nation still lags behind in improving GHI. At the same time, India seems to have achieved commendable success towards poverty eradication, because it is no longer the country with the largest number of poor people.

There is a strong relationship between Poverty and Inequality, Unemployment, Hunger and Malnutrition. Ignoring negative aspects, Positive aspects can be taken into consideration in order to improve the Economy of our country.

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