



CAUSES OF POVERTY IN INDIA: AN OVERVIEW

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Cite This Article: Dr. Vinod Kumar Cherukuri, "Causes of Poverty in India: An Overview", International Journal of Current Research and Modern Education, Volume 7, Issue 1, Page Number 1-5, 2022.

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Abstract:

Poverty, rural development, and infrastructural development are three of the most pressing concerns confronting India today. Moreover, we must also recognize the need of producing more jobs in our country. The notion of the poverty line is used to show the current state of poverty in India and throughout the globe. People are said to be in poverty when they lack the bare requirements of existence. Food, housing, and clothing inadequacies are common characteristics of poverty. Indians are among the world's poorest people. There are a lot of Indians that don't eat two meals every day. In this connection, this article explores the causes of poverty and remedies for poverty from the country.

Key Words: Poverty, Causes, Remedies

Introduction:

The notion of the poverty line is used to show the current state of poverty in India and throughout the globe. People are said to be in poverty when they lack the bare requirements of existence. Food, housing, and clothing inadequacies are common characteristics of poverty. Indians are among the world's poorest people. There are a lot of Indians that don't eat two meals every day. They are living in squalid conditions. Their children aren't getting the education they need. To this day, the wisdom of poet Tiruvalluvar still rings true when he states that "nothing is more excruciatingly terrible than poverty" and that "gripping poverty robs a man of the high dignity of his heritage". A person's mental energy is depleted if they must work hard every day to guarantee access to basic requirements like food and clean water. People who live in poverty may thus be more compelled than others to depend on automatic decision-making. As a result of poverty, the poor have a mental image of themselves and their chances shaped by their experiences. In particular, it might impede one's ability to see a brighter future. On the other hand, India defines poverty as with percentage of the country's GDP. To be considered below the poverty line, a person must have a monthly income below the average per capita spending required to meet the country's most necessities. A severe lack of material resources characterises poverty. Is deprivation just a lack of resources? The cries of the needy testify to its significance.

Small farmers make up a significant portion of India's rural poor. They have less productive terrain, heavily reliant on the monsoon season. Their well-being is primarily dependent on agriculture, with some cattle also playing a role. Arable land has become more scarce because of the rapid increase in the population and the lack of other work options. Family necessities and the repayment of the debts they have taken out for cultivation and other domestic purposes are not met by the revenue from these modest landholdings. Drought and other natural disasters drive people to take drastic measures like suicide. In India, a substantial portion of the urban poor result from the rural poor's migration to the cities to pursue work and a better life. Those living in metropolitan areas have few options other than to work as casual labourers or go without a job altogether. Casual workers are among the most vulnerable members of society due to the lack of employment stability, assets, skills, and prospects and a lack of surplus to support their lifestyles and families. As a result, poverty is also directly linked to the type of one's job. Poverty is exacerbated by unemployment and the inability to find a steady job in rural and urban settings. Poverty has several causes, one of which is being overextended financially. At a pace more significant than luxury products, a sharp increase in food grains and other essentials exacerbates lower-income families' plight. The continuance of poverty in India is partly a result of the uneven distribution of income and assets. All of this has resulted in two separate groups in society: those who have access to the means of production and can command high wages and others who are forced to exchange their labour for survival. There has been a widening divide between the affluent and poor in India during the last many decades. Poverty in India is a multifaceted problem that must be tackled on a war footing.

An increasing number of people are moving to India. Even while the economy is improving, widespread poverty remains a significant issue. India, on the other hand, is seeing a decline in poverty. In May 2021, there will be 84 million individuals living in extreme poverty in the United States, or about 6% of the total population. COVID-19 epidemic, on the other hand, has been tipped to increase the number of people who fall into extreme poverty.

2020 research from the World Economic Forum revealed, "Some 220 million Indians maintained on an expenditure level of less than Rs 32 / day—the poverty threshold for rural India by the latest headcount of the poor in India in 2013." Extreme poverty in India has decreased dramatically since 1991 due to the country's

tremendous economic progress. Even individuals who are over the poverty level have a tenuous financial situation. Suresh Tendulkar Committee data shows that in 2009-2010 the country had 354 million people (29.6 per cent of the total) living below the poverty line; by 2011-2012, the number has dropped to 69 million people (21 per cent of the total). According to the Rangarajan Committee in 2014, there were 454 million people (38% of the population) living below the poverty line in 2009–2010 and 363 million people (29% of the population) in 2011–2012, respectively. According to a study conducted by Deutsche Bank, the middle class comprises over 300 million individuals. By 2020, India's GDP share will rise from 7.3 per cent to 8.5 per cent if the current trends continue. Approximately 170 million Indians, or 12.4% of the country's total population, lived below the poverty line in 2012 (measured as \$1.90 (Rs 123.5) per day), a decrease from 29.8% of the population in 2009.

Definition of Poverty:

According to the current research, various types of poverty definitions and indicators are accessible in the literature. Poverty is defined and quantified in multiple ways because of its complex character. In addition, the most excellent approach to introduce the subject of poverty is via the unpredictable nature of the situation, the complex conception of the phenomena, and the different linked ideas. Social policies and poverty investigations, on the other hand, use a wide variety of poverty explanations, but they may all be classed under one of the categories.

"Having less than an objectively defined, absolute minimum" is what poverty is.

"Poverty" is defined as "having a lower standard of living than others in society."

"Poverty is feeling you do not have enough to get along".

Both the first and second definitions are absolute, whereas the third set is more ambiguous. The third category includes poor in both absolute and relative terms. The number of impoverished people in the population may be estimated in various ways, depending on how the degree of poverty is defined by the categories above.

Review of Literature:

With data from seven National Sample Surveys (NSS) collected between 1983 and 1994, Sumir Meghani (2003) investigated rural poverty in fifteen Indian states. Rather than concentrating on non-form growth, it distinguishes between variables driving farm expansion and those driving non-form growth; It is possible to reduce poverty through increasing agricultural output and human development in the form of literacy. Strengthening of the "pro-poor" influence: Even in India's most impoverished states, income inequality has not significantly declined over the last decade.

Since changes haven't affected the agricultural sector much, Srinivasan (2002) concludes that although liberalization has positively impacted the Indian economy, it hasn't had an equally positive effect on poverty.

Objectives of the Study:

- To study the causes of Poverty.
- To suggest suitable remedies for the eradication of poverty.

Methodology:

An exploratory research approach is adopted in this study. In addition to books, journals, and online resources, secondary sources were used to gather data for this study.

Indian Poverty: The Root Causes:

The Causes of Population Growth:

India's fast population growth is putting a lot of strain on the country's infrastructure. It is mainly attributable to a decline in the mortality rate and an increase in the birth rate. In 1991, India's population was 84.63 million; by 2001, it had risen to 102.87 million and it reached 130 million at present. This growing population hampers growth in the economy. Poverty in India has risen due to changes in the country's population. People's poverty is worsened by population expansion. The pace of population increase is outpacing the country's income growth rate. Poverty reduction and per capita income are negatively affected by population growth. As a result of a decrease in per capita income, the poorest portions of society and other marginalized groups are most affected. As the population grows, there is an increase in the number of people available to work, lowering wages. Finally, it creates poverty with the lowest amenities and lowest employment opportunities.

Unemployment and Underemployment:

In India, persistent unemployment and underemployment result from the country's rising population. Educated and non-educated unemployed exist side by side. Simply put, poverty results from unemployed people struggling to make ends meet.

Deficiency of Capital:

Industry, transportation, and other endeavours need capital. A lack of funding hampers development; finally, it creates poverty.

Underdeveloped Economy:

Due to a lack of expansion, the Indian economy remains underdeveloped. Poverty has this as its root cause.

Price Increase:

The increase in groceries has particularly hard hit the poor in costs. They've become more impoverished.

National Income (Net):

The net national income is low about the size of the population. Its low per-capita income is a clear indicator of its poverty.

Migration:

When the majority of the persons migrating are highly skilled employees, migration rates play a vital role in reducing poverty. In contrast, those who leave the country leave open positions in the workforce. As a result, skills are being lost owing to the departure. Furthermore, it slows down financial growth, which slows down the creation of new jobs.

Governance:

Poverty persists and is widespread in certain countries because of a lack of broad participation in governance and decision-making. Poor accountability resource allocation and ineffective programme execution and monitoring are all consequences. Finally, programmes to alleviate poverty connected with inadequate measures are inefficient and wasteful.

Agricultural Economy:

India's economy is based on agriculture. Agriculture in India lags behind the times. It is under a lot of population strain. Agriculture has a low income and has a higher rate of hidden unemployment.

Unqualified Workers:

Because of India's lack of industrial education and training, unskilled labour is plentiful, while skilled labour is scarce.

Entrepreneurs are lacking efficiency:

Entrepreneurs who are capable and efficient are essential for the growth of the industrial sector. There is a shortage of influential business people in India. There is a direct correlation between poverty and industrial decline.

Industrialization is not being carried out correctly:

India is a laggard in the industrial arena. The industry employs 3% of the entire working population. As a result, industrial ineptitude is a crucial contributor to poverty.

Old-Fashioned Social Structures:

There are many old practices and traditions in our country's social structure, such as the caste system and inheritance and succession rules. These things are a hindrance to economic progress. The caste system has always caused rural poverty in India. The low-caste people's poverty has been created by the high-caste people's subjection of them. In certain places, the caste system was so severe that the lower castes could not contribute to economic progress.

Misuse of Natural Resources:

In India, there are abundant natural resources, such as iron, coal, manganese, mica, and so on. Hydroelectric power may be generated by its rivers, which run year-round. There is no shortage of human resources. However, these resources aren't being put to good use at all.

A deficiency of Resources:

Transportation and communication have not been adequately honed in our country. Road and rail transportation are both woefully insufficient. Agricultural marketing suffers from a lack of growth in road and rail transportation. Finished items aren't promoted since factories aren't getting timely access to electricity and raw materials.

Climate-Related Variables:

These factors exacerbate poverty. The rural population's labour suffers due to the oppressive heat they are subjected to. Floods, earthquakes, cyclones, and other natural catastrophes are particularly damaging to agriculture because they occur so often. Rural people's primary source of income is agriculture, which is expected to decline due to a loss of farming and agricultural productivity.

Lack of Individual Capacity:

Several personal variables have contributed to India's rise in poverty. As a result, some rural people lack the incentive to work hard to attain their own goals and aspirations. Poverty is caused by the fact that they are unwilling to learn basic reading skills. Most individuals live in great poverty because of their indifference, monotony, and lack of enthusiasm to work.

Joint Family System:

When many joint families, including grandparents, aunts, uncles, and cousins, share a home, we say that we have a joint family system. Dependence on others' incomes is common among certain members of the family who abuse the benefits of living in a large family. In this way, the family grows in size and becomes impoverished since fewer people are making a living and more people need to be fed, clothed, and raised.

Cause of Indebtedness:

Most rural households have to depend on loans from landlords and money lenders to pay their basic living needs because of the growing level of debt. Moneylenders charge exorbitant interest rates and seize mortgaged properties to take advantage of the poor in the case of nonpayment. They can't get out of debt, so their families are stuck in poverty for years or even decades.

Ignorance of knowledge:

In society, education catalyzes change. The amount of education a person has is directly proportional to their degree of poverty. A person's earning potential is determined by the degree of education. Illiterate or undereducated individuals live in poverty, whereas those with higher levels of education may go out and find work for themselves.

Suggestions for Reducing India's Poverty:

- The pace of population increase should be slowed to alleviate poverty.
- Employment should provide to the citizens.
- There must be a reduction in the level of income disparity.
- The central government should reduce the regional disparities in the country.
- The public distribution system (PDS) must be bolstered to eliminate poverty. For the poor, subsidized prices and abundant supplies of food grains are essential.
- Access to clean water, primary healthcare, and elementary education are only a few of the fundamental needs that need to be addressed by the government.
- Poor people's output must be increased to eliminate poverty. More jobs for the unemployed are needed. To create jobs, more public and private sector investments are required.
- India should adopt a more labour-intensive approach to manufacturing.
- Poverty may be eliminated by ensuring that prices remain stable.
- Poverty may be reduced by improving agriculture. Urban and rural poverty can be eliminated if agricultural output multiplies.
- Poverty is a direct result of a lack of economic progress. It is thus necessary to increase the pace of growth.

Conclusion:

On a war footing, we must combat poverty as a national issue. There are a variety of measures being taken by the government to alleviate poverty. Economic and social progress would be more inclusive and long-term if poverty were eradicated. To relieve poverty in our nation, every one of us should do everything we can within the boundaries of our abilities. Our journey since independence has spanned around seven and a half decades. No matter whose administration was in power, policymakers have always acknowledged that poverty alleviation is one of India's most pressing issues. Some states have a lower proportion of poor individuals than the national average, and the overall percentage of poor people in the country has fallen as well. The average income and level of life have increased, and some progress has been made toward satisfying the most basic requirements. However, when compared to the development achieved by other nations, our performance has been less than stellar. Furthermore, the benefits of growth have not been equally distributed throughout the people. A few individuals, businesses, and areas may achieve social and economic development, but many others remain stuck in a cycle of poverty despite the country's numerous advantages. To eradicate poverty in a way centred on the needs of the poor, a people-centred approach should begin by making investments that have a dual effect on education and health. Improving security and increasing access to opportunities must be top priorities.

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