

# Poverty

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1/5 th of world's poor are in india

Poverty is a state in which individual is unable to fulfill basic necessity needs of life.

Urban poor.

Rural poor.

**Absolute poverty**; no. of ppl living below poverty line. **22%**  
does not include social aspects like freedom, discrimination.

**Relative poverty**: comparison of poverty among ppl, , regions. Its shows inequality within the society.

**Poverty line** : standard fixed in terms of minimum level of consumption or minimum calorie /food intake.

*Those falling below poverty line is absolutely poor.*

## 25.oct.25

A cut off dividing poor and non-poor. Determine by calorie intake and monthly per capita expenditure.[MPCE]

Rural area ; 2400 calories / day

Urban areas ; 2100 calories / day

2011-12 poverty line MPCE; Rs 816 rural Rs 1000 urban

↓  
Problems ; ignores depth of poverty, by treating all poor same.

- Hard to identify who needs help most
- Ignores education , health , wealth, safety , inequality

Chronic poor ; always poor

Transient poor; move in/out of poverty

Non poor; never poor

Head count ratio : % of ppl below poverty line.

1973 -2012 = poverty reduced steadily, but still significant.

1973 : 320m poor

2012 : 270m poor

Proportion of poor : dropped from about 55% in 1973 -74 to 22% in 2011-12.

1973- 74 : over 80% of poor lived in rural areas

2011- 12 : still 3/4 of total poor are rural.

1990s : rural poverty declined slightly, but urban poverty increase (becuz of urban migration )

27.01.2026

### State level trends in poverty

1. UP, bihar, mp , WB, odisha : 70% of poor.
2. During 1973 - 74, about half of the population most of these states was living below poverty line.
3. During 1973 - 2012, many indian states like WB, TN, reduced poverty to considerable extent.
4. But for odisha , MP, bihar and , UP were still above national poverty level.

### Government approach to remove poverty

#### **1. Growth oriented approach:**

Effects of economic growth would spread to all sections of the society and trickle down to poorest levels. + **since 1st FYP**

ineffective:

1. Population growth occurred more rapidly.
2. Green revolution increased the disparities.
3. Unwillingness and inability to redistribute land.

#### **2. Poverty alleviation program since third FYP**

##### **1. Self-employment program:**

**1.1 rural employment generation progam:** self emp opportunity in rural areas , small town.

- a. Implemented by khadi and village industries com<sup>an</sup>
- b. Financial assistance from bank: bank loans

**1.2 PM rozgar yojana:** rural +urban areas: low income families + educated unemployed for self emp

PMRY: generate emp by setting up 7L micro entrepreneur during 1992-97( **8th FYP**) by 2003-04; 3m ppl got empl

In 2008; PMEGP = REGP+ PMRY (1 .apl .2008)

1. General emp opportunity in rural and urban areas: setting up of new self-employment ventures
2. Bring together widely dispersed traditional artisans and UE youth and to give them self empl optty at their place

### 1.3 Swaran jayanti shahri rozgar yojana ( SJSRY)

1. Aim: emp Opp for both self emp and wage emp in urban areas.
2. It is a centrally sponsored scheme; which is funded 75:25 basis , b/w the center and the states.

### 1.4 swaran jayanti gram swarozgar yojna (SGSY)

Aim at promoting micro enterprises and to bring the assisted poor families, above the poverty line , by organizing them into SHGs

## **2. Wage employment program**

Generate wage emp for the poor unskilled ppl living in rural areas.

### a. Sampoorna Grameen Rozgar yojana ( SGRY)

Provie additional and supplementary wage emp by undertaking labor intensive work => providing food security and increasing nutritional levels.

1. Wages were paid as a combination of food grains and cash.
2. It was open to all rural poor who need wage emp and desire to do manual and unskilled work in and around their village or habitat.

### b. National food for work program (NFFWP)

2004; initially implemented in 150 most backward districts

Implemented as a 100% centrally sponsored scheme

Obj of intensifying the generation of supplementary wage emp

**28.jan.26**

This prog. was incorporated in MGNREGA , 2005.: guaranteeing 100 days of wage emp in a financial year; to a rural HH, whose adult members volunteered to do unskilled manual work.

In 2013-14, nearly 5 crore HH got emp under this law.

***In dec 2025, VB - G RAM G replaced MGNREGA***

***VIKSIT BHARAT - GUARANTEE FOR ROZGAR AND AGEEVIKA MISSION (GRAMIN):***

updated rural emp by increasing guaranteed work to **125 days per HH**, focusing on sustainable infrastructure.

### **3. Minimum needs prog**

Initiated from 5th FYP. Aim: to provide min basic amenities to ppl.

- a. Public dist. System: PDS operate under the joint resp<sup>^</sup>y of centre and SG. The CG, through the FCI, has assumed the resp<sup>^</sup>y for procurement , storage , transportation and bulk allocation of food grains to the SG.
- b. Integrated child devl. Scheme: launched on 2 oct 1975 . For early childhood care and development .  
Beneficiaries : children in 0-6 year, pregnant women and feeding mothers.
- c. Mid -day meal scheme : to increase the enrollment, retention, attendance, and simultaneously improve the nutritional level among children. Free lunch is supplied on working days to children in primary and upper primary in govt or gov aided school.

### **Pre independence poverty estimation**

1. Dadabhai Naoreji: RS 16 and RS 35/ capita/ year. Book: Poverty and unbritish rule in india.
2. National planning com<sup>^</sup>y in 1938: RS 15/ RS 20/ capita/month.
3. The proponents of bombay plan 1944 proposed a poverty limit of RS 75/ capita/year.

### **post-independence poverty estimation**

1. In 1971, VM Dandekar and N Rath, conducted a systematic assessment of poverty using data from NSS.  
PL criterion should be based on spending that would supply 2250 cal per day in both rural and urban areas.
2. Alagh comm<sup>^</sup>y in 1979: developed PL for rural and urban areas based on dietary needs and linked consumption expenditure.
3. Lakadwala comm<sup>^</sup>y (1993) : PL estimation which is based on calorie consumption can be sustained (fixed consumption basket). The CPI-Industrial worker in urban areas and CPI- agriculture labor in rural areas should be used to create state specific poverty line .  
NSS date be used.
4. Tendulkar comm<sup>^</sup>y (2009): A shift away from poverty estimate based on calorie consumption. When calculating poverty , private health and education expenditure are taken into account. The mixed reference period was employed instead of universal reference period.

2004 - 05	2009-10
Rural areas . Rs 446.88 per capita per month	Rs 671.8
Urban areas. Rs 578.80 per capita per month	Rs 859.6

5. Rangarajan comm<sup>^</sup>y (2012) : they found poverty at 29.5% in 2011-12.  
The poverty line should be based on normative and behavioural levels.  
The ideal and desirable level of nutrition is the normative level of appropriate nutrition. Non food expenditure are determine by ppl's general behavior.