

UNIT 7 – UPSC - Poverty and Developmental Issues

One of the sarcasm of technical developing world is the poverty which remains prevalent and uncontrolled. Poverty is old age observable fact suffered by countries at global scale. It is a very indistinct concept with varied implications and facades. Bhalla Surjit stated "there is a rich history of formal definitions of poverty, going back to the mid nineteenth century. It is an attempt to capture the bottom-half of the population, the have-nots, and the poor (2000:1). Traditionally, poverty is defined in terms of one dimensional approach of income and food intake capabilities. Dandekar and Rath determined the minimum acceptable income level in terms of 'nutritional deficiency' (1971). The concept of poverty thus goes beyond income and basic services. People who are under empowered, who are unable to participate in making the decisions, who are deprived of elementary education, health care, nutrition, water and sanitation, employment and wages and who pass many different inabilities and adversities like inequality of asset, unequal distribution, ignorance, corruption, lack of political power, lack of political will, natural calamities, inadequate governance, lack of opportunities of development, inappropriate public policies and programmes, lack of access to entitlements and many hurdles in the wellbeing of human beings are included in the group of poor.



Poverty is a matter of heated debate among academicians and policy-makers. The modern multidimensional approach is characterised with a bigger view and considers poverty as a withdrawal of essential productive assets and opportunities to which every human being should be entitled. According to this approach, defining poverty in terms of consumption expenditure misses the point. Assets and its distribution are major factor. The World Health Organization has described poverty as the greatest cause of suffering on earth. The traditional definition of poverty concerns the inability of a person to realize certain minimum basic level of consumption. The ability to consume, in a market economy, depends on the nominal expenditure and the commodity prices. The level of expenditure depends on the purchasing power, which, to a large extent depends on the income earned. Incomes are earned if jobs are held and, hence, the relationship between employment and the incidence of poverty. According to The World Bank (1990:26) poverty is "the inability to attain a minimal standard of living". The World Bank website on 'Poverty Reduction and Equity' defines poverty in comprehensive manner, saying, "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."

Principles of Amartya Sen offer useful alternative to understand poverty. Capability approach to understanding poverty goes beyond income and stresses the whole range of means, available to achieve human capabilities such as literacy, longevity and access to income. From this viewpoint, poverty is seen as the failure of some basic capabilities to function- a person lacking the opportunity to achieve some minimally accepted level of these functionings (Sen Amartya and Dreze Jean, 1999). Allan Cochrane stated that " A crucial aspect of poverty is the way in which it reduces ability of people to participate in the normal lives of their communities with stress being placed on the deprivation which results from the lack rather than low income itself." In bulk of theoretical literature, it is demonstrated that "Individuals, families and groups in population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and how the living conditions and amenities which are customary or approved in the societies to which they belong" (Peter Townsend, 1979) .There resources are below those commanded by the average individual or family that they in effect excluded from the normal living patterns, custom and activities. According to Galbraith John Kenneth (1970), poverty may itself be a source of poverty. This is because, it denies the nation from investment, revenues for education or purchasing power for customer product, which in turn, is an inventive to effort. Therefore, poverty continues itself.

Components of rural and urban poverty: Poverty has multivariate nature for which a single variant approach is insufficient. The components that constitutes vector of poverty are in terms of satisfaction and deprivation. There are nine components of poverty that include occupation and employment, income and asset, food, shelter, health, education, demographic features, values, interests and activities, power and politics.

Vector components of poverty (Source: Shiv Prakash Gupta, 1987)



Poverty: International Concerns

Poverty is not limited to national boundaries. It is a worldwide concern for policy makers and researchers. It is very difficult to measure and assess the world poverty. "For the purposes of measuring poverty in the world as a whole, the World Bank's "\$1 a day" measures have aimed to apply a common standard, anchored to what "poverty" means in the world's poorest countries" (Chen, Shaohua and Ravallion Martin:2008:2). Today, all over world, billions of people go hungry. Everyday millions of people experience extreme forms of deprivation that inflict suffering and reduce or terminate their future prospects of having a good life and being productive. Early generations of human beings claim that global poverty was inevitable because there were not enough resources nor technology to transform resources to meet the needs of all people internationally. But presently, world has resources and advanced technology to offer basic services like primary education, health services, finance services. Main cause of increasing poverty at global level is that world is organized in such a way that billions of people do not have access to these advanced technology and resources. Tough leaders and powerful people promised that they will reduce the poverty but it still persists among populace (Hulme, 2010). In the least developed countries such as Africa, both the income and non-income aspect poverty is prevalent due to problem stretching from corrupt governance and mishandling, poor economic growth, unemployment and underemployment, lack of access to social services, low level of investment, high degree of indebtedness.

South Asia also has huge population in poverty group. While the incidence of poverty as defined by head-count ratio has shown some decline in all South Asian countries over the years, large proportion of the population in all the countries still live in poverty. In spite of a reasonable growth in current period, per capita GNP (with Purchasing Power Parity or PPP) of all countries and for the region as a whole remains low and in a small fraction of that of middle-income countries (Poverty and Vulnerability in South Asia, The World Bank, June 2002).

Poverty in India

India is a developing country and it is apparent that poverty is widespread and is a matter of serious concern for policy analysts and academic scholars because of its scope and intensity. The prime objective of a country's policy and planning is to increase the standard of living and improve the productive capabilities of its people. As population of India is exploding year by year, this challenge is particularly intimidating for nation. When reviewing the past record of poverty, it is said that from 1951 to 1974, India's first quarter-century of independence, the percentage of its population living in poverty rose from 47 to 56 percent. During the next quarter-century, that rate fell suddenly, and reached to 26 percent by 1999–2000. Between 1974 and 1999–2000, the poverty rate dropped by 53%, exceeding the millennium development goal of a 50% reduction over a 25-year period. The number of poor people rose gradually from 171 million in 1951 to a 321 million in 1974, before falling to 260 million in 1999–2000. (Fox James W.:2002)

Many surveys and Economic reports after 1970s demonstrated that there is continuous decline in rural poverty from 55 percent in the early 70s to less than 35 percent by the late 80s. Various program conducted by government such as Green revolution, poverty reduction programmes, political will and better policy framing along with many other factors assisted in decreasing poverty.

Jayaraman and Lanjouw (1999: 1-30) stated that, despite decline in poverty rate there is considerable movement in and out of poverty. Some of this movement can be accredited to the year-to-year fluctuations in harvest quality, and can also be associated with momentary factors such as illness. Reports indicated that India still is a country with huge people living in poverty line and it has a third rank of the world's poor. World Bank report of 2015 estimates, 42% of India's population falls below the international poverty line of \$1.25 a day; having reduced from 60% in 1980. According to the principle used by the Planning Commission of India, 27.5% of the population was living below the poverty line in 2004–2015, reduced down from 51.3% in 1977–1978, and 36% in 1993-1994. The planning commission report estimated BPL population to 27.5% in 2004. The URP-consumption distribution data of the NSS 61st Round signified that a poverty ratio was 28.3 percent in the rural areas, 25.7 percent in the urban areas and 27.5 percent for the country as a whole in 2004-05 (Government of India Press Information Bureau (2007:2): Poverty Estimates for 2004-05 New Delhi). Poverty in rural India has dropped considerably in current period.

According to Fan Shenggen, Hazell Peter, Thorat Sukhadeo (2000:1038), "the percentage of the rural population living below the poverty line fluctuated between 50 and 65% prior to the mid-1960s, but then declined steadily to about one-third of the rural population by the early 1990s." The occurrence of poverty hit rural as well as urban areas. But nature, extent and conditions of poverty in rural and urban areas are dissimilar in many ways. The urban and rural poor have differential access to physical, financial assets and many other services as well as infrastructural and human capabilities. Rahman, M. A. (1981:3) described the rural poverty as that section of the rural population whose basic minimum needs for life and existence with human dignity are unfulfilled. Such condition of poverty is considered by low income, generally related with various forms of subjugation under social structure through which overriding social groups dictate their terms.

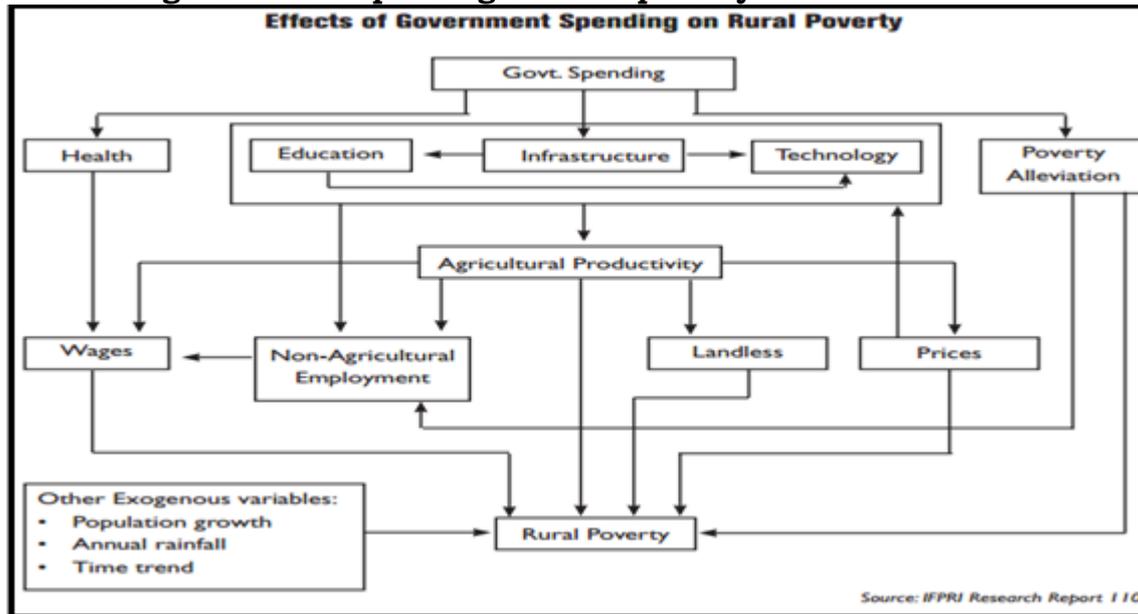
At the regional level, the marginality of central and eastern India is explained largely by adverse agrarian relations. Poverty has persisted in these areas though there are good endowment of natural resources and a relatively strong focus of Indian development planning on "backward areas". It was estimated in previous reports that more than seventy per cent of India's poor population reside in six states that include Uttar Pradesh, Bihar, Madhya Pradesh, Maharashtra, West Bengal and Orissa Uttaranchal, Jharkhand and Chattisgarh. In four of these states, Bihar, Orissa, Madhya Pradesh and Uttar Pradesh, and Assam there is high levels of poverty (Mehta and Shah 2003).

The Planning Commission of India occasionally estimates poverty lines and poverty ratios for each year for which Large Sample Surveys on Household Consumer Expenditure have been conducted by the National Sample Survey Office (NSSO) of the Ministry of Statistics and Programme Implementation. According to the survey conducted in 2011-2012, the percentage of persons below the Poverty Line in India for the year 2011-12 has been estimated as 25.7% in rural areas, 13.7% in urban areas and 21.9% for the country as a whole. The corresponding ratios for the rural and urban areas were 41.8% and 25.7% and 37.2% for the country as a whole in 2004-05. It was 50.1% in rural areas, 31.8% in urban areas and 45.3% for the country as a whole in 1993-94. In the year of 2011-12, India had 270 million persons below the Tendulkar Poverty Line as compared to 407 million in 2004-05, that is a reduction of 137 million persons over the seven year period.

It is clear from various surveys and poverty reports that Most of the rural population in India and in other developing countries is living in deprived way because they do not own assets like land, they work as agricultural labourers, get insufficient and insecure employment and less salary. Degrees of inaccessibility, development stage of the region, low level of social capital are major correlative aspects that causes rural poverty. Though small farmers having some access to land, but they are dependent on unpredictable natural conditions, markets and chances of income generation. Poverty in rural India also has dimensions of caste, ethnicity and gender. Scheduled Castes and Scheduled Tribes of India's rural areas are the poorest people that constitute about 40 to 50 percent of its population.

When assessing the urban poverty in India, it is also a major worry for policy makers and researchers as number of poor is increasing due to fast urbanization. The Urban Poverty Report 2009 has shown that India has entered the Eleventh Plan period with an impressive record of economic growth. However, the incidence of decline of urban poverty has not augmented with GDP growth. In fact, urban poverty will become a major challenge for politicians in India as the urban population is growing which leads to urban poverty. The poverty rates as estimated in, "the MRP-consumption distribution data of the 61st Round are 21.8 percent in the rural areas, 21.7 percent in the urban areas and 21.8 percent for the country as a whole" (Poverty Estimates For 2004-05 2007:2).

There have numerous efforts been made by government to alleviate poverty. Poverty is inter-related to other problems of underdevelopment. In rural and urban societies, the nature of poverty can be very different. In urban areas, people often have access to health and education but more the problems faced by people due to poverty like overcrowding, unsanitary conditions, pollution, insecure houses. When appraising the factors lead to rural poverty, it is found that there is often less access to education, health and many other services but people usually live in healthier and safer environments. Since the mitigation of poverty is major aim of development work, it is necessary to understand the way to measure poverty. Development means that there has been some improvement and improvements must be measurable. Government expenditure in India is divided into non-development and development spending, and the latter is further subdivided into spending on social and economic services. Social services include health, labour, social welfare and other community services, while economic services include such sectors as agriculture, industry, trade and transportation.

Effects of government spending on rural poverty

The most common ways to assess poverty is to set a monthly average on which a family can survive. This is called the poverty line. If a family has an average income below this amount, the household and its members are said to be living in poverty. The poverty line is an amount that changes according to the size of the household, its age and composition. Other effective way to measure poverty is by measuring the poverty gap. The poverty gap shows how far a household falls below the poverty line, so in other words it shows the depth of, or degree of poverty. In some regions, many people may be below the poverty line but they may be just a little bit below it. In other provinces fewer people could be below the poverty line but they could be far below it. These two types of poverty distribution in population clearly need a different reaction.

Groups that are affected by poverty: There are many groups that are greatly impacted by poverty.

Women: Reports have shown that Women makes a greater percentage of poor people as compared to men. The main cause for this is that women have generally found less access to education and employment. Many women have always performed unpaid work as mothers, housewives. Many women are employed in less salary job such as domestic and farm labour. Even within poor household women usually earn less than men and property and possessions are often in the name of a man. The UN has found that although women perform nearly two thirds of the world's work, they receive only one tenth of the world's income and they own only one hundredth of the world's property.

Children: Another group that is most affected by poverty is children. Currently, some of the poorest households in South Africa are those headed by children where parents are either ill or have died from AIDS or other causes. Even in families where parents are still present, children are very badly affected by malnutrition and it has its most severe effect on children between the ages of six months and two years. Malnutrition also means that the children can more easily catch diseases and either die young or have poor physical and mental development as a result. Poverty restricts the access to children to get educational opportunities, especially in early childhood development. Many poor children also leave school before completing elementary education. Socio-economic circumstance conditions in childhood which result in low qualifications in adulthood help transmit poverty across generations. A main cause of child poverty is a lack of opportunities among parents

with low skills and low qualifications. Such parents are less likely to work, and if they do work they are more likely to have low earnings.

Youth: Young people have to suffer a lot due to poverty because they may be deprived of education facility which in turn limits employment opportunities. In India, with high unemployment rate, many young people do not get work which degrades their standard of living and they are not being able to access numerous facilities. Urban youth are also very susceptible to getting involved in crime, gangs and drug or alcohol abuse.

The elderly: Older people do not have employment and have to be taken care of by the rest of society. In India, most poor older people survive on the monthly pensions paid by the state. Because of high unemployment, many families share the pensions meant for the elderly and it ends up being inadequate for their needs. Older people also often look after grandchildren and continue to perform unpaid domestic work for their families. This especially applies to older women.

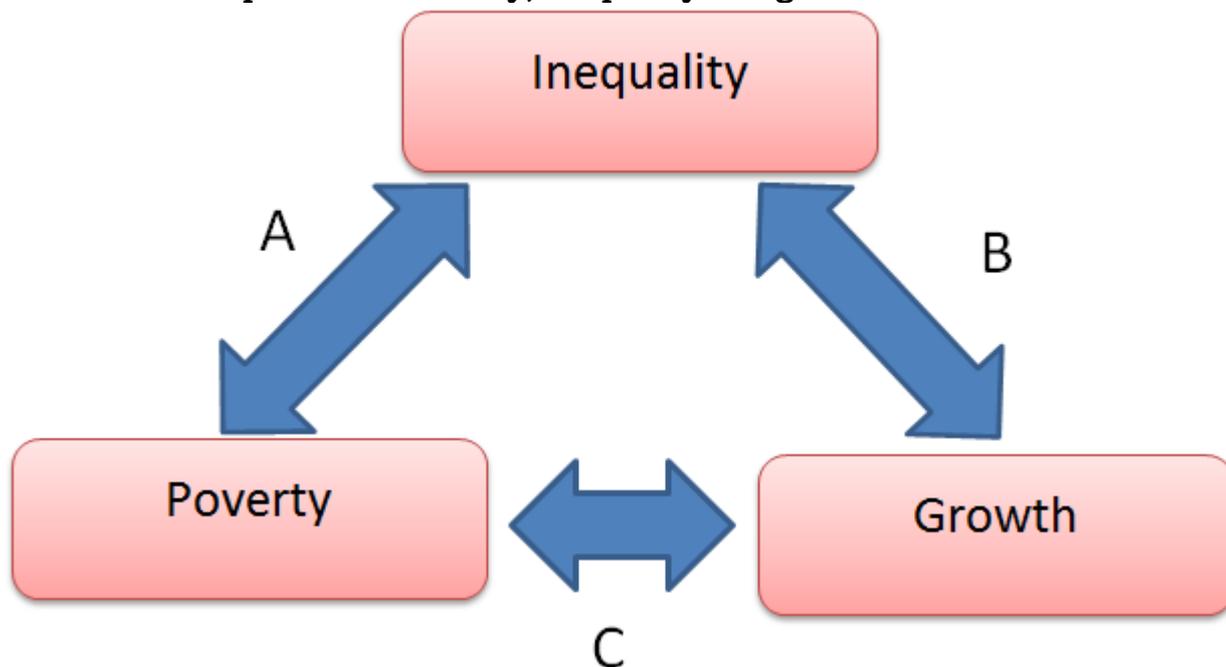
Poverty and environmental issues: In global society, poverty is prevalent. There is a general agreement among academicians that poverty is a major cause of environmental degradation. Various international reports asserted that poverty leads to environmental degradation. In theoretical literature, it was clearly shown that, poverty is main reason of environmental problems and it is necessary to improve the conditions of poor populace and central condition of any effective programmes addressing the environment. According to Jalal (1993), the Asian Development Bank's chief of the environment department, "It is generally accepted that environmental degradation, rapid population growth and stagnant production are closely linked with the fast spread of acute poverty in many countries of Asia." In urban areas, it is awesomely the consumption patterns of non-poor groups (especially high income groups) and the production and distribution systems that serve them, leads to environmental degradation. The urban poor contribute very little to environmental degradation because they use so few resources and produce so few wastes. Since the 1970s it has been agreed at global level that poverty and environmental degradation are inseparably linked. The World Commission on Environment and Development (Brundtland Commission) stated that Poverty is a major cause and effect of global environmental problems. It is therefore futile to attempt to deal with environmental problems without a broader perspective that encompasses the factors underlying world poverty and international inequality (1987).

Poverty and Population Explosion: Poverty remains major issues where population increases at rapid rate. Poverty in India is common with the nation estimated to have a third of the world's poor. Population growth rate is one of major ground of poverty in India. This has adverse effect level of illiteracy, poor health care facilities and lack of access to financial resources. High population growth affects the per capita income and makes per capita income even lower. It is predictable that population in India will reach 1.5 billion by 2026. But India's economy is not growing at the same rate. This leads of unemployment and people may become poor. Report of a 2015 World Bank estimate that 42% of India falls below the international poverty line. There are 421 million poor living in north India states of Bihar, Chattisgarh, Jharkand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. This number is higher than the 410 million poor living in the 26 poorest African nations. Population and poverty are closely related to each other and leads to malnutrition, unemployment, homelessness and several others problems.

Social Inequality: One of the engrained sources of poverty around the globe is social inequality which originates from cultural ideas about the relative worth of different genders, races, ethnic groups, and social classes. Recognized inequality works by placing individuals in dissimilar social categories at birth, often based on religious, ethnic, or 'racial' characteristics. Poverty and social inequality have direct and indirect impacts on the social, mental and physical health of an individual. It can be said that poverty and inequality are closely related. Wilkinson (1997) supposed that income inequality leads to psychosocial stress, which results in deteriorating health and higher mortality over time. However, the association between income inequality and life expectancy is gradually disappearing and is no longer generally accepted. Those who live in deprived societies, where there is under-investment in the social and physical infrastructure, experience poor health, resulting in higher mortality for those of lower socio-economic class. The effects of income inequality also tumble over into society, causing stress, frustration and family disruption, which then increase the rates of crime, murder and violence (Wilkinson, 1996).

Poverty, inequality and growth interrelate with one another. Inequality can indirectly influence poverty as inequality affects growth and growth in turn influences poverty.

Interrelationship between Poverty, inequality and growth



Wodon (1999) stated that Changes in income distribution have even huge effects on measures of the depth and severity of poverty. Initial cross-country studies conducted by Birdsall et al. (1995) have demonstrated that greater initial income inequality disrupts future growth even after controlling for initial levels of GDP and human capital. It is established that Poverty and inequality are inherently linked. Poverty reduction especially for the poorest can be greatly enhanced through distributional policies. Facts confirm that distribution is vital to reduce poverty. Distribution objectives, particularly for assets, should be an integral part of the poverty reduction programme.

Poverty and Space Technology development: Poverty has adverse impact on technical development in space arena. India is a world innovator in space science. But the reach within the local Indian community is superseded and immobile. Incorporation of the extensive advancements of this area with the school going children is not up to the mark. Awareness must be created in

the student community. Space science is restricted to organizations like the ISRO and so, establishing oneself in this field is very infertile.

Poverty and employment issue: It is a major issue in country like India. In the presence of inadequate subsidies and low levels of wealth, joblessness will be correlated with high degrees of poverty. However, employment alone may not assure a non-poor status. In India, majority of people do not get high salary to buy the minimum consumption products. It is vital for policy maker to comprehend that whether poverty is a result of a lack of employment opportunities, or due to low wages. If all employed persons get sufficient wages to live above the poverty line but not all persons are employed, the mandatory approach is one of employment generating policies. If people are employed but have low productivity and earn low incomes, then the policy prescription is one of increasing the productivity of labour. In India, the actual poverty calculation is done as the consumption of the entire household is obtained and divided by the household size. This gives the per capita consumption in the household. If this is below the given poverty line, then the entire household is termed as poor. Poverty is a household characteristic. Employment characteristics are surveyed for each and every member of the NSS household. There is no employment status of the household. There is vast literature on employment issues. Gangopadhyay and Wadhwa (1999) studied the relationship between employment and poverty in India. They found that the poor cannot afford to be unemployed. It indicates that most of the poor people are already employed. This is factual in both the rural and the urban sectors. Conversely, much of the unemployment is in the non-poor households.

Gender Bias and poverty: Since poverty is a household attribute, and the NSS does not give the individual consumption of household members, it is difficult to assess the gender bias in the occurrence of poverty. It has been shown in Indian literature, the head of the household has always been taken as a mere reference point. If the head is someone with income earning responsibility, or holds decision-making powers within the household, then the gender of the head can be used as a factor of gender bias. Gender bias can operate in two different ways. First, women may be discriminated against in the work. Discriminating employers may favour males to female candidates. If we see the other aspect, women may not be recruited in high salary jobs, not because the employer discriminates against them, but because they are not found appropriate for such jobs. This could happen if the job requires skills, and women are not competent than males. This gets reflected in lower incomes among females. If women are less skilled than males, then the responsibility for this kind of perception lies within the household, where the parents train, or educate, the boy child more than the girl child. While less schooling means less of human capital. This is another reason why females may earn less income.

Poverty and health issues: The issue of poverty and health within the nation has remained predominant since Indian independence. The poverty dominant factor that leads to health related problems in both urban and rural populace. The rapid increase of the population, especially the slum inhabitants primarily suffers from Tuberculosis, Malaria and some water borne diseases. The major cause of these diseases is unhygienic environment. In slums area, there is lack of water, sanitation facility that leads to the growth of deadly diseases among the dwellers. The government has provided numerous medical facility centres for the poor people. The government should implement some new schemes for the slum dwellers. Some cleanliness awareness programme should be launched to generate wakefulness among poor for basic health knowledge. Some of the diseases such as tuberculosis, cholera transmit due to unhygienic atmosphere. In rural India, the

major cause of health associated problems are poverty and lack of education. Most of the villagers still consider in Tantra- Mantra to cure a disease. As a result, the mortality rates have increased in some of the remote villages. Poverty also creates poor health because it forces people to live in unhygienic environments that make them sick. The government has already setup number of Primary Health Centres in almost every villages in India. But health workers do not sincerely serve the rural patients. In most places, the health workers remain absent from their duties for several days. Most of the Indian villages do not have proper communication and transportation with the nearby towns or cities. This problem is largely affecting the rural people who can not go to nearby towns to get better treatment. The communication and lack of transport facilities are observed in the north eastern part of India. There are still some distant villages in Arunachal Pradesh and Nagaland which do not have any road, connected with nearby towns. Due to these problems, more casualties occur without getting any modern treatment. There are many disadvantages for which the government policies are still ineffective, especially related with health issues.

To summarize, Poverty has been major issue to people because it causes the serious setback and hinder national development. It is prevalent at global scale and threatens some economic especially those in the Least Developing countries. Hence, the scale of poverty though varying in different parts of the world is known to be noticeable in the LDCs. Poverty is multidimensional Deficiency in income, illiteracy, malnutrition, mortality, morbidity, access to water and sanitation, susceptibility to economic shocks. Income deprivation is linked in many cases to other forms of deprivation, but do not always move together with others.

Theoretical studies and economic survey have shown that poverty has adverse impact on health of people. Inequality, population explosion, are some major issues which leads to poverty. Raanan Weitz (1986) stated that "While humanity shares one planet, it is a planet on which there are two worlds, the rich and the world of the poor". These poor world countries are called the Third World. They are characterized by low monetary growth, low per capita income, low standards of living, and low level of technology, high illiteracy rate, and political instability. Allan Cochrane avowed that: A crucial aspect of poverty is the way in which it reduces ability of people to participate in the normal lives of their communities with stress being placed on the deprivation which results from the lack rather than low income itself". Poverty can influence policy interfere in any society and it is central to strategy debates concerning development on safety issue.