

AS' SAARTHI IAS

POVERTY

Poverty refers to a state where individuals or groups are deprived of basic needs such as food, clothing, shelter, education, and healthcare. According to **Amartya Sen**, poverty is the failure to achieve certain minimum capabilities essential for living, and this lack of capabilities is absolute.

Data on Poverty

- **World Population under Poverty:** The global recession due to the pandemic may push 1.4% of the world's population into extreme poverty, according to the World Bank.
- **Poverty in India:** The number of people living in poverty in India has doubled from 60 million to 134 million within a year due to the pandemic-induced economic recession (Pew Research Center).

Causes of Poverty

1. Economic Factors:

- **Unemployment Levels:** High unemployment rates (above 5%) contribute to poverty.
- **Lack of Finance:** Poor people struggle to start new businesses due to a lack of access to credit and collateral.
- **Poor Agricultural Growth and Low Income:** 50% of India's workforce is in agriculture, which contributes less than 20% to the national GDP. 52% of farmers are in debt.
- **Rising Inequality:** The top 10% of the Indian population controls 77% of the total national wealth, creating an uneven playing field for the poor.
- **Poor Skills:** Only 5.4% of the Indian workforce has formal skills, making it harder for low-skilled laborers to escape poverty.

2. Social Factors:

- **Health-Related Issues:** With 65% of health expenses being out-of-pocket, many families are driven into debt and poverty.
- **Education-Related Factors:** Poor educational outcomes, lack of vocational training, and unutilized degrees increase unemployment.
- **Social Cleavages:** Systems like caste divisions impact individual potential.
- **Patriarchal Mindset:** This hinders women from becoming the main earners in their families, leading to the feminization of poverty.

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3. Governance-Related Factors:

- **Failure of Social Contract:** Poor and underprivileged populations fail to receive government assistance due to issues like a lack of documents, complex procedures, and the middleman problem.
- **Inefficient Service Delivery:** Corruption, self-serving interests of officials, and lack of motivation impact government services.
- **Lax Rules and Regulations:** Despite having laws in place, enforcement remains weak, leading to violations like child labor and gender inequality.

4. Decentralization-Related Factors:

- **Digital Divide:** With the new era of Industrial Revolution 4.0, the divide between those who have access to technology and those who don't can worsen poverty.
- **Financial Inclusion:** Poor service delivery of financial services, including Direct Benefit Transfer (DBT) reforms, savings schemes, and access to credit, aggravate poverty for those without bank access or insurance.

Consequences of Poverty

1. Economic Consequences:

- **Decreased demand:** Low demand leads to lower economic growth.
- **Demographic 'bomb':** India's large youth population could become a liability instead of an asset.
- **Fiscal deficit:** Increased subsidies and food security expenditure strain the economy.
- **Increased unemployment:** Poor skill sets and insufficient business funds reduce productivity.

2. Political and Governance-related Consequences:

- **Protests and riots:** Poverty makes people easy targets for politically motivated protests.
- **Decreased political participation:** The poor have limited bargaining power in national politics.
- **Manipulation of social cleavages:** Poor people are exploited to create disharmony.
- **Service delivery:** Poverty hampers access to health, education, and other social services.

3. Social Consequences:

- **Illiteracy:** Poverty leads to illiteracy, further perpetuating the cycle.
- **Malnutrition:** Wasting, stunting, and high mortality rates are prevalent among the poor.
- **Child labor:** Low literacy leads to children working instead of getting educated.

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- **Feminization of poverty:** Single mothers and separated women are more vulnerable.
- **Social tensions:** Poverty can lead to issues like drug abuse, mob lynching, and robbery.

Government Initiatives

1. Employment-based Initiatives:

- **Prime Minister Employment Generation Programme:** Promotes self-employment by helping people start micro-enterprises.
- **Deendayal Antyodaya Yojana:** Aims to reduce urban poverty by enabling self-employment and wage employment opportunities.
- **Swaranjayanti Grameen Swarojgar Yojana:** Provides self-employment opportunities to the rural poor through assets or skills.
- **Atal Innovation Mission:** Encourages entrepreneurship and self-employment.
- **MUDRA Bank:** Provides startup loans for small enterprises.
- **Credit Guarantee Fund Trust for Micro and Small Enterprises:** Helps micro and small businesses with loans and credit support.
- **Annapurna Scheme:** Provides loans for women to start food catering businesses.

2. Employment-Based Initiatives:

- **Stree Shakti:** A scheme aimed at women entrepreneurs who want to expand their existing businesses.
- **Udyogini Scheme:** Focuses on the welfare and development of Indian women entrepreneurs.
- **MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme):** Provides a guarantee of 100 days of wage employment per household per year for any adult willing to do unskilled manual labor.
- **Kaushal Vikas Yojana:** Focuses on training and skill development for people entering the labor market, especially targeting school dropouts from Class X and XII.

3. Food Security-Based Initiatives:

- **National Food Security Act (NFSA):** Enacted in 2013 to provide adequate food and nutritional security by offering affordable and quality food grains to people.
- **Mid Day Meals Scheme:** Aims to enhance enrollment, retention, and attendance of children in schools while improving their nutritional levels.
- **Poshan Abhiyan:** Works toward reducing under-nutrition and improving the nutritional status of children across the country.

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- **Antyodaya Anna Yojana:** Launched in December 2000, this scheme aims to provide food grains to the poorest families (BPL) at highly subsidized rates of Rs. 2/kg for wheat and Rs. 3/kg for rice.

4. Health-Based Initiatives:

- **Pradhan Mantri Surakshit Matritva Abhiyan:** Focuses on maternal healthcare.
- **Janani Shishu Suraksha Karyakaram:** Ensures free maternal care for pregnant women.
- **National Health Mission:** Provides affordable and accessible healthcare services to all.
- **Mission Indradhanush:** Aims to ensure full immunization for all children.
- **Pradhan Mantri Swasthya Suraksha Yojana (PMSSY):** Focuses on improving tertiary healthcare.
- **National Ayush Mission:** Promotes traditional healthcare systems like Ayurveda, Yoga, Unani, Siddha, and Homeopathy.

5. Other Initiatives:

- **Pradhan Mantri Jan Dhan Yojana (PMJDY):** Ensures financial inclusion by providing access to affordable financial services.
- **Pradhan Mantri Awas Yojana:** Focuses on providing housing for the homeless in both rural and urban areas.
- **National Rural Livelihood Mission:** Promotes diversified income sources for rural poor and helps create self-help groups (SHGs) to ensure regular income.
- **PM SVANidhi:** Provides microcredit to street vendors affected by COVID-19.
- **PM Shram Yogi Maan Dhan:** A scheme for unorganized workers, focusing on old-age protection and social security.

These government initiatives are crucial in addressing poverty by targeting multiple dimensions, including employment, food security, healthcare, financial inclusion, and housing.

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