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# POVERTY ALLEVIATION AND EMPLOYMENT GENERATION IN INDIA

**Economic & Social Issues  
(ESI) Notes**



**FOR NABARD GRADE A EXAM**

# Poverty Alleviation and Employment Generation in India

## ESI Notes for NABARD Gr. A Exam

### Poverty

Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living.

- Poverty means that the income level from employment is so low that basic human needs can't be met.
- Poverty-stricken people and families might go without proper housing, clean water, healthy food, and medical attention.
- Each nation may have its own threshold that determines how many of its people are living in poverty.

### Rural and Urban Settlements

Parameters	Rural	Urban
Meaning	A settlement where the population is very high and has the features of a built environment is known as urban.	An area located on the outskirts is known as rural.
Includes	Cities and towns	Villages and hamlet
Life	Fast and complicated	Simple and relaxed
Environment	Greater isolation from nature	Direct contact with nature
Associated with	Non-agricultural work, i.e., trade, commerce, or provision of services.	Agriculture and livestock.
Population Size	Densely populated	Sparsely populated
Development	Planned settlement exists in urban areas, that are developed according to the process of	Developed randomly, based on the availability of natural

	urbanization and industrialization.	vegetation and fauna in the area.
Social Mobility	Highly intensive	Less intensive
Division of Labour	Always present at the time of job allotment.	No such division.

## Measurement of Poverty

- **Poverty Line:** Poverty line is defined as the expenditure incurred to obtain the goods in a “poverty line basket” (PLB).
- **Poverty Ratio or Head Count Ratio (HCR):** The proportion of the population below the poverty line is called the poverty ratio or headcount ratio (HCR).
- **Ways to Measure Poverty:** Poverty can be measured in terms of the number of people living below the poverty line (with the incidence of poverty expressed as the headcount ratio).

## Current Status of Poverty in India

- **National Statistical Office (NSO) Report** on Household Consumer Expenditure for 2017-18 was junked in 2019. That is why there is no data to update India’s poverty figures.
- **Even MPI Published by OPHI (Oxford Poverty and Human Development Initiative)** has used data from the fourth round of the National Family Health Survey, which is available until 2015-16 only.
- **Social scientist S Subramanian used data** from a leaked version of the consumer expenditure data to conclude that the incidence of poverty in India increased from 31.15% to 35.1% between 2011-12 and 2017-18.

## Important Committees to Estimate Poverty

- **Alagh Committee (1979):** This task force constituted by the Planning Commission constructed a poverty line for rural and urban areas on the basis of nutritional requirements.
- **Lakdawala Committee (1993):** State-specific poverty lines should be constructed, and these should be updated using the Consumer Price Index of Industrial Workers (CPI-IW) in urban areas and Consumer Price Index of Agricultural Labour (CPI-AL) in rural areas.
- **Tendulkar Committee (2009):** It was constituted by the Planning Commission to address the following shortcomings of the previous methods: Consumption patterns were earlier linked

to the 1973-74 poverty line baskets (PLBs) of goods and services, whereas there were significant changes in the consumption patterns of the poor since that time, which were not reflected in the poverty estimates.

- **Rangarajan Committee:** The new poverty line should be Rs 32/day in rural areas and Rs 47/day in urban areas.
- **Saxena Committee:** The recommendations of the Expert Group include automatic exclusion of rural households from the BPL list, automatic inclusion in the BPL list and grading of remaining households.

### What is Below Poverty Line (BPL)

- Below Poverty Line (BPL) can be defined as an economic benchmark used in the identification of economically weaker people and households.
- BPL is set by the Government of India based on a threshold income.
- The households or individuals having an income below this threshold value are considered to be under the below poverty line.

In India, the first official rural and urban poverty lines at the national level were introduced in 1979 by Y. K. Alagh Committee. Criteria for the measurement of BPL are different for the rural and urban areas.



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## Poverty Alleviation Program of the Government

The poverty alleviation programmes in India can be categorized based on whether it is targeted for rural areas or urban areas, most of the programmes are designed to target rural poverty as the prevalence of poverty is high in rural areas, also targeting poverty is challenging in rural areas due to various geographic and infrastructure limitations.

Name of the Scheme/Programme	Year of Formation	Government Ministry	Objectives
<b>Integrated Rural Development Programme (IRDP)</b>	1978	Ministry of Rural Development	To raise the families of identified target groups living below the poverty line through the development of sustainable opportunities for self-employment in the rural sector.
<b>Pradhan Mantri Gramin Awaas Yojana</b>	1985	Ministry of Rural Development	To create housing units for everyone along with providing 13 lakhs housing units to the rural areas.
<b>Indira Gandhi National Old Age Pension Scheme (NOAPS)</b>	1995	Ministry of Rural Development	To provide pensions to the senior citizens of India of 65 years or higher and living below the poverty line.
<b>National Family Benefit Scheme (NFBS)</b>	1995	Ministry of Rural Development	To provide a sum of Rs.20,000 to the beneficiary who will be the next head of the family after the death of its primary breadwinner.
<b>Jawahar Gram Samridhi Yojana (JGSY)</b>	1999	Implemented by the Village Panchayats.	Developing the infrastructure of the rural areas which included connecting roads, schools, and hospitals.
<b>Annapurna</b>	1999-2000	Ministry of Rural Development	To provide 10 kg of free food grains to the eligible senior citizens who are not registered under the National Old Age Pension Scheme.
<b>Food for Work Programme</b>	The 2000s	Ministry of Rural Development	It aims at enhancing food security through wage employment. Foodgrains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.

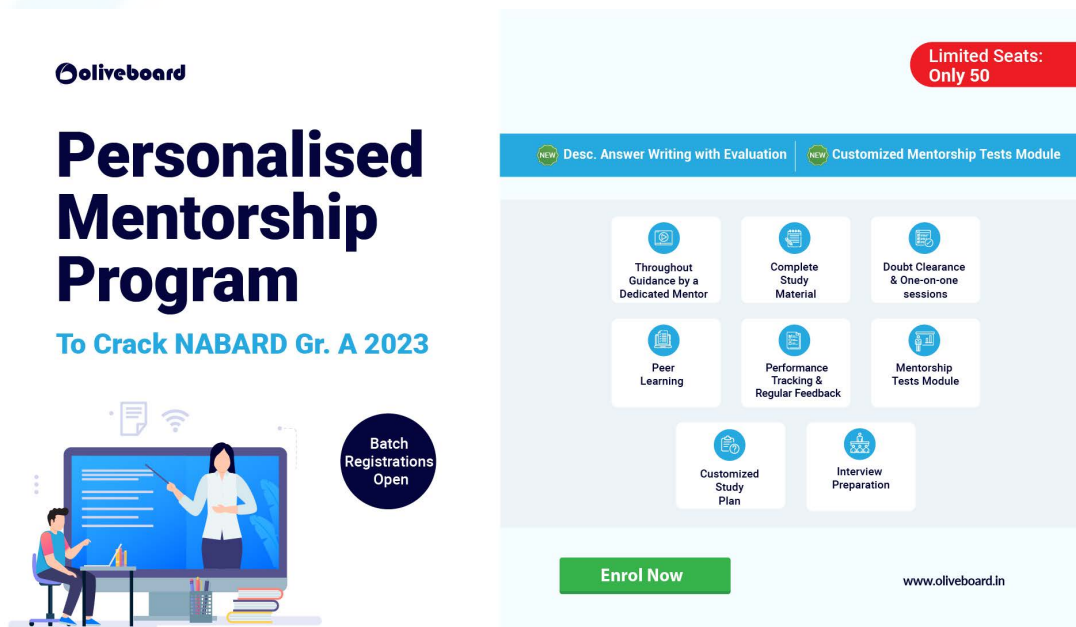
<b>Sampoorna Gramin Rozgar Yojana (SGRY)</b>	2001	-	The main objective of the scheme continues to be the generation of wage employment, the creation of durable economic infrastructure in rural areas and the provision of food and nutrition security for the poor.
<b>Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)</b>	2005	Ministry of Rural Development	The Act provides 100 days of assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also establish National Employment Guarantee Funds.
<b>National Food Security Mission</b>	2007	Ministry of Agriculture	To increase production of rice, wheat, pulses and coarse cereals through area expansion and productivity enhancement in a sustainable manner in the identified districts of the country.
<b>National Rural Livelihood Mission</b>	2011	Ministry of Rural Development	It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on a monthly basis. Self Help Groups are formed at the village level to help the needy.
<b>National Urban Livelihood Mission</b>	2013	Ministry of Housing and Urban Affairs	It focuses on organizing urban poor in Self Help Groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment ventures by ensuring easy access to credit.
<b>Pradhan Mantri Jan Dhan Yojana</b>	2014	Ministry of Finance	It aimed at direct benefit transfer of subsidy, pension, insurance etc. and attained the target of opening 1.5 crore bank accounts. The scheme particularly targets the unbanked poor.
<b>Pradhan Mantri Kaushal Vikas Yojana</b>	2015	Ministry of Skill Development and Entrepreneurship	It will focus on the fresh entrants to the labour market, especially labour market and class X and XII dropouts.

<b>Saansad Aadarsh Gram Yojana (SAGY)</b>	2014	Ministry of Rural development	To develop the institutional and physical infrastructure in three villages by 2019. The scheme aims to develop five 'Adarsh Villages' or 'Model Villages' by 2024.
<b>Pradhan Mantri Jeevan Jyoti Bima Yojana</b>	2015	Ministry of Finance	The scheme provides life coverage to the poor and low-income section of society. The scheme offers a maximum assured amount of Rs.2 lakhs.
<b>Pradhan Mantri Suraksha Bima Yojana</b>	2015	Ministry of Finance	The scheme is an insurance policy to the people belonging to the underprivileged sections of the society.
<b>National Maternity Benefit Scheme</b>	2016	Ministry of Health & Family Welfare (MoHFW)	To provide a sum of Rs.6000 to a pregnant mother who is aged above 19 years.
<b>Pradhan Mantri Ujjwala Yojana (PMUY)</b>	2016	Ministry of Petroleum and Natural Gas	It envisages the distribution of 50 million LPG connections to women below the poverty line.
<b>Pradhan Mantri Garib Kalyan Yojana (PMGKY)</b>	2016	Ministry of Finance	The scheme provides an opportunity to declare unaccounted wealth and black money in a confidential manner and avoid prosecution after paying a fine of 50% on the undisclosed income.
<b>Solar Charkha Mission</b>	2018	Ministry of Micro, Small and Medium Enterprises (MSME)	It aims at Employment generation for nearly one lakh people through solar charkha clusters in rural areas.
<b>National Nutrition Mission (NNM), Poshan Abhiyan</b>	2018	Ministry of Women and Child Development	To reduce the level of under-nutrition and also enhance the nutritional status of children in the country. Also, to improve the nutritional outcomes of adolescents, children, pregnant women, and lactating mothers.
<b>Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM)</b>	2019	Ministry of Labour and Employment	It is a central government scheme that is introduced for old age protection and social security of Unorganised Workers (UW).



**SOURCE:**

- Rural and Urban Ministry Portal
- Yojana and Kurushetra Magazine
- PIB News
- Investopedia, Wikipedia



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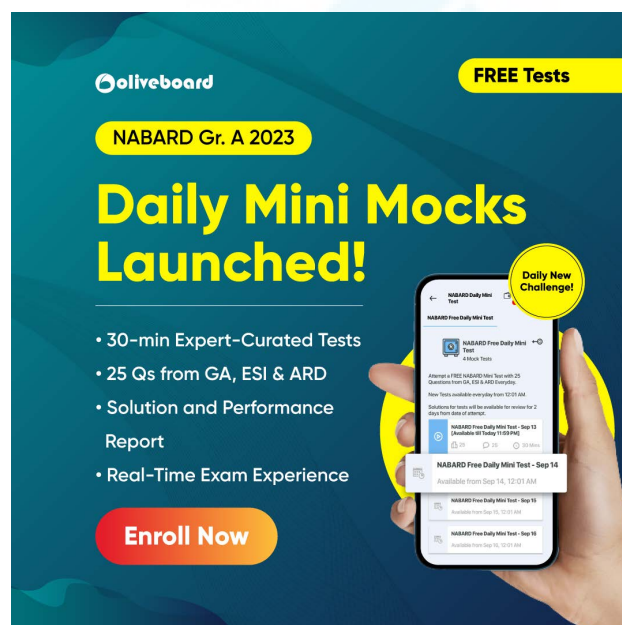
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