

Rural Poverty in India: A Big Challenge

Dr. Md. Moazzam Sulaiman

“Sulaiman House”, Chhoti Quazipura, P.O. Lal Bagh, Darbhanga, Bihar-846004, India.

Abstract

The term “Poverty” itself is a problem particularly in Indian economy since long. It indicates a condition in which a person finds him unable to maintain a standard of living for their comfortable life style. Poverty in the rural India is widespread, which has been estimated to one third of the world’s poor. Rural poverty is the sum total of a multiplicity of factors that include not just income and calorie intake but also access to land and credit nutrition, health and longevity, literacy, education, safe drinking water, sanitation and other infrastructural facilities. India is well known in the world because of its Culture & Society. The major causes of rural poverty in India are to be found in the socio-economic structure prevailing in the country side.

Agriculture is the back bone of the Indian economy because it contributes to a larger portion of our national income. It cannot be denied that no steps have been taken by the government for poverty elevation. In the post-independence era government of India began to fight against poverty and implemented various programs even since inception of economic planning. From the Sixth Plan onwards, poverty alleviation became the priority in government’s development planning. It is of course very distressful that after 69 years of independence, poverty within India (mainly rural area) remained basic concern. Thus, if the real development is required the villages of India have to develop.

Keywords: Poverty, Rural Programs, Rural Poverty, Employment, Agriculture, Rural area, India & Government etc.

Introduction

The term poverty is multi-dimensional social problem of whole globe and it is a great pollutant. The majorities of the world poorest people live and work in rural areas. So, the study of poverty is an important issue in the field of rural development. Poverty is a situation in which a section of society is feeling unsatisfied for the fulfillment of the fundamental necessities of life e.g. Food, Cloth & Shelter etc. In other words, it is indicative of a condition in which a person finds himself or herself unable to maintain a minimum standard of living for his physical and mental efficiency. It is very difficult to draw a demarcation line between affluence and poverty.

Poverty is a peculiar problem from which various countries of the world, particularly the Third World have been suffering. Poverty varies in different countries and in different societies of the world in different ways e.g. lack of money, food, clothing, home etc.

The problem of poverty arises not due to any short-term economic maladjustment rather mostly due to continuation of orthodox methods of production and social institution of rural areas.

According to Adam Smith, 1776, “No society can surely be flourishing and happy, of which the far greater part of the member are poor and miserable”.

Gandhi pointed out “Poverty is the worst form of violence”.

Aristotle perceived “Poverty is the parent of revolution and crime”.

According World Bank, 1990, “the inability to attain a minimal standard of living”.

There cannot be a common definition of poverty which can be broadly accepted everywhere. Thus, there are large differences between the definitions of poverty accepted in various countries of the world. Leaving aside all these differences it

can be broadly said that poverty is a situation where a section of the society, having no fault of their own, is denied of even basic necessities of life. In a country, where a big chunk of population is deprived of even minimum amenities of life for a very long period, the country then suffers from a viscous circle of poverty.

In India broadly accepted definition of poverty emphasizes more on minimum level of living rather than on reasonable level of living. Accordingly, it is broadly agreed that poverty can be termed as a situation where a section of the population fails to reach a certain minimum consumption standard. Differences arises with the fixing of this minimum consumption standard.

Thus poverty cannot be defined very easily because it is multi-faceted concept that has drawn the attention of economist, sociologist and others.

India is the largest democracy in the world and boasts high economic growth but also a home of the world’s largest poor population. The majority of rural people of India are living in rural areas of the country. The living condition of this rural people is very poor. A vast majority of population works in villages under the grim shadow of poverty. More than three-fourths of the poor populations of India face problems of unemployment, under-employment as well as pitiable social and economic conditions due to dependency on agriculture and agricultural allied works for their livelihood. Most of them are daily wagers, landless laborers and self-employed house holders. It is fact that India is a predominantly a largest agriculture based economy in the world; where near about 75% of the population depends on it for their livelihood. Agriculture is considered as the only source of primary occupation as a huge size of rural population of the country solely depending on it. It is the only major source which supply food to huge size of population of our country,

industrial development, trade (internal & external) and revenue to government (State and Central) and national income of the Country as well. Furthermore it is an engine of rural poverty alleviation programs of the government.

Rural development has been considerable discussion of the need for and nature of shifts in emphasis and approach called for in rural development in keeping with the objective of overall development policy for speedy alleviation of poverty.

Rural development has been in and out of focus of political decision-makings many times, but again it is 'in' and this time it is expected to be integrated. Rural development is an elastic concept and everyone interprets it in his own way. About half-a-century back Gandhi said "India lives in villages" but this is true even today also.

Rural development as a concept is not a new one. It had received attention of people like Gandhi, Tagore's and many others much before independence. Tagore's Shantiniketan was perhaps the first systematic attempts in this direction. The problem of rural reconstruction, however, was concretized by Gandhi. He experienced the toil, drudgery and sub-human living conditions in villages of India. Gandhi knew it certainly that unless and until the village economy of India was boosted 'Swarajya' would be meaningless. The soul of India, he said with agony and anguish, lives in villages and India's salvation is in rural reconstruction.

Rural development strategies by force of circumstances have been dynamic in nature. Community development and national extension blocks were started in the early fifties as a part of rural reconstruction programs. The panacea for rural problems was seen, at that time, through the development of agriculture and allied sector.

After independence government of India started to fight against poverty and implemented various programs for rural development since inception of economic planning in India. First plan introduced the Community Development Program and on 2nd October, 1952, the first 55 Community Development Projects were inaugurated. The Community Development Programs had undertaken ambitious schemes for all round development of rural areas which include improvement of agricultural techniques, exploring supplementary source of employment, extension of minor irrigation facilities, improvement of transportation facilities, provision for social services, development of co-operatives and panchayats. The Community development program did have its impact on the socio-cultural moves of the rural people and created a will in the village masses to improve their lot.

One of the great success stories of India is the nation's achievement in food production. The Bengal famine of 1943 was responsible for the deaths of over 4 million people and catapulted the Green Revolution in 1967. New agriculture methods incorporating the use of genetically improved seeds, double cropping and expansion of farming land brought about national self-sufficiency in grain production. Constant innovation in farming techniques continue to increase unit output, but this remarkable success has not yet fully insulated the country from the impact of drought and declining water sources. Nor has the contribution of rural sector to the nation's economic prosperity brought about the desired improvement in the lives of the 300 million poor who mostly live in the villages. That is the story the nation cannot hide.

Garibi Hatao Desh Bachao (Meaning Abolish poverty rescue the Country) was the theme slogan of the late Mrs. Indira

Gandhi's 1971 election bid. It was successful and the party scored landslide victory based on this campaign. But only 4% of the funds allocated for economic development were given to anti-poverty programs. Later on same theme and slogan was used by her son late Mr. Rajeev Gandhi (Both are former Prime Ministers of India). But the problem of poverty was not alleviated during their ruling period.

Poverty showed sharp decline in 1980s due to agriculture development of 1970s & 1980s resulting from Green Revolutions.

The Community Development Program could not make much headway as it failed to bring the villages into the spirit of self-help, self-reliance and cooperative effort. The planners become very much worried about the failure of this program as it is failed to attract more and more rural people within its fold.

In the mean time lot of changes have taken place at the Centre. The Ministry of Community Development and Co-operation was abolished and was replaced by a New Ministry of Rural Development for accelerating the pace of rural development of the country. The Central ministry of rural development, government of India is the apex body for formulating policies, regulations and acts pertaining to the development of the rural sector of the country. The ministry of rural development is implementing a number of programmes for sustainable and holistic development of rural areas of the nation. The vision and mission of the Ministry is sustainable and inclusive growth of rural India through a multipronged strategy for eradication of poverty by increasing livelihoods opportunities, providing social safety net and developing infrastructure for growth.

Since sixth five years plan government has given greatest importance on poverty alleviation programs and introduced several anti-poverty programs to alleviate poverty from India. Planners have been framed different policies time to time with prime focus on improving standard of living of the people by ensuring them food security, promoting self-employment, increasing wage employment and improving access to basic social services like drinking water, health care, sanitation and basic education facilities etc.

A part from that, other Central ministries, Govt. of India are also directly or indirectly engaged for implementation of various programs and schemes for the development of rural areas of the country.

To achieve success in the poverty eradication programs along with the economic reforms introduced in the country in 1991, alternative strategies for empowering the people to help themselves are to be designed. A mere increase in the amount of expenditure on social sector and rural development will not be sufficient to eradicate poverty rather a change in strategy in the direction along with sincere and active participation of the people in the design and implementation of rural development schemes etc. are the utmost need of the hour.

There is not just one cause of rural poverty but a lot of reasons are responsible for rural poverty in India. Some important reasons/factor which is responsible for rural poverty in India is briefly mentioned here under:

I. Low productivity of land and labour

The National Commission on Agriculture pointed out that one of the principal causes of rural poverty is the low productivity of land and labor. This low productivity of land is

characterized by low-input and low output situation. The poor small and marginal farmers are still to be brought within the network of information. Services and supplies which will enable them to put out on higher level of technology and output per unit of land. The low production also reflects low consumption have deleterious effect on labour efficiency.

II. Lack of land resources

The National Commission on Agriculture further pointed out that apart from low productivity, lack of land resources is one of the causes of low income. A large number of households have either no land at all or small holdings. They live by their personal labour of family members, and constitute some of the poorest section of the rural population. In a traditional society ownership of land largely determines the economic opportunity available to an individual. The structure of services and supplies is built around the land. Further, in a rural community the operations on non-farm groups are ancillary to these who hold land.

III. Large scale unemployment

It was pointed out that large scale unemployment and under-employment in rural areas is also a major reason for widespread rural poverty. In villages some poor do not get employment throughout the year, while some gets seasonal employment e.g. Paddy transplanting, sowing, harvesting etc. As a result the earning per head, when averaged over the working periods and non-working periods of the year come to a very small figure.

IV. Slow paced growth

Another important cause of rural poverty is the slow rate of growth at which the economy has grown since 1950-51. The rise in the national income was modest, often fluctuating. Even this small rise was largely eaten up by the rapid rise in population lowering the per capita income. This dismal situation was all the more depressing for the rural areas, where the rise in agricultural sector was less and the increase in per capita income was still less. Thus the rural poverty in acutest form exists in the villages. The unsatisfactory growth rate is due to many factors e.g. slow capital formation, low domestic savings, neglect of agriculture, small scale industries and cottage industries etc.

V. Lack of employment and rapid rise in population

Rural development so far has failed to create enough opportunities for productive employment to absorb the growing labour force. High rate of population growth and lack of any scope to absorb a share of this has made the matters worse. As a result unemployment and underemployment has assumed a serious proportion and are contributing to the deterioration of the economic position of the weaker sections in rural areas.

VI. Defective delivery system

Efforts at raising production and productivity of the villagers were made, as is evident from the extension of irrigation, introduction of new agricultural technology etc. A little effort for land reforms was also made. And above all, special programmes were devised to help marginal and small farmers, drought prone areas, and landless agricultural workers. Much help was also extended through various schemes e.g.

employment programmes, minimum need programmes, allotment of houses, etc.

But unfortunately a very small portion of benefit of these efforts reached the intended beneficiaries. This is partly due to lack of any effective organization among the weaker sections of the rural population. But largely this situation was caused by the defective delivery system. The organization, the administration and the management of the development programmes and relief measures were so inadequate and badly conceived that a large part of the resources targeted for poor and weaker sections trickled down to the rural rich.

VII. Limited resources and rapid increase in population

Besides, the limited resources and rapid increase in population has adversely affected the status of poor in many ways. The important among them are:

- a) The public services i.e. drinking water, medical aid, education, etc. with limited resources were spread over on a large number of people so that each one's share was in the process thinned.
- b) Secondly, with increase in non-earning members of the family, the consumption level of these poor went down still further.
- c) Thirdly, the increase in the number of the poor weakened further with their already weak bargaining positions.

The unfortunate part of it is that, the population rise is faster among the poor and illiterate than among the well off and literate. The poor themselves, sandwiched between the unfavorable growth process and hostile distributive system, have also been forced to contribute not a little to their poverty.

VIII. Other factors

The other major factors which are also associated above are uneconomical level holdings by a large number of cultivators, low productivity and lack of irrigation has also contributed low income generation and low employment opportunities in rural areas.

The poor get even poorer when they face social obligations such as dowry and weddings, when they are unable to work due to illness, or when natural disasters strike their sources of livelihood or their dwellings. The get more indebted to landlords and moneylenders, a condition they can hardly expect to overcome in their lifetime. Without an external social support system and an income-generating asset, there is no reasonable way out of this human bondage.

All these factors make a viscous cycle of poverty and aggregate the problems related to poverty.

Thus under such a situation, development of rural areas must receive much attention in the various schemes designed for the development of Indian economy.

The government of India has been trying its best to remove poverty from the country. Anti-poverty programs and schemes have been designed from time to time by the government to increase the income earning of the rural poor people of the country.

A brief description of some important beneficiary oriented anti-poverty programs and schemes Government of India is given below which are started since the Sixth Plan onwards is mentioned here under:

i) Integrated Rural Development Program (IRDP):

It was started in 1978-79 in selected blocks as a programme of

total development. From 2nd October, it was extended to the entire country. IRDP has provided assistance to rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods. Consequently, Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tool Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY) were introduced as sub-programs of IRDP to take care of the specific needs of the rural population of the country.

ii) Swarnajayanti Gram Swarozgar Yojana (SGSY)/ National Rural Livelihoods Mission (NRLM) renamed as Aajeevika /Deen Dayal Upadhyaya Grameen Kaushalya Yojna (DDU-GKY)

In April 1999, the IRDP and allied programs Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tools Kits to Rural Artisans (SITRA) and Ganga Kalayan Yojana (GKY) along with Million Wells Schemes (MWS) have been restructured into a single self-employment program known as Swarnajayanti Gram Swarozgar Yojana (SGSY). It graduated in 2004 to Swarnajayanti Gram Swarozgar Yojana (SGSY) - Special Projects. The SGSY special projects provided time-bound training and capacity building for bringing a specific number of Below Poverty Line (BPL) families above poverty through skilling and placement in jobs that provided regular wage employment.

The SGSY has been restructured as National Rural Livelihoods Mission (NRLM) renamed as Aajeevika in June 2011 aims to create efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.

Deen Dayal Upadhyaya Grameen Kaushalya Yojna (DDU-GKY) is a part of the National Rural Livelihoods Mission (NRLM). It was started in September 2014 with an aim to skill rural youth who are poor and provide them with jobs having regular monthly wage at or above the minimum wage.

iii) Rural Housing – Indira Awaas Yojana (IAY)

With a view to meeting the housing needs of the rural poor, Indira Awaas Yojana (IAY) was launched in May 1985 as a sub-scheme of Jawahar Rozgar Yojana. It is being implemented as an independent scheme since 1st January, 1996. The Indira Awaas Yojana aims at helping rural people below the poverty-line (BPL) belonging to SCs/STs, freed bonded labourers and non-SC/ST categories in construction of dwelling units and upgradation of existing unserviceable kutch houses by providing assistance in the form of full grant.

iv) Jawahar Rozgar Yojana (JRY)/ Jawahar Gram Samirdhi Yojana (JGSY)

The JRY was launched as a Centrally Sponsored Schemes (CSS) on 1st April, 1989 by merging the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). The main objective of the programme is the generation of additional gainful employment for unemployed and underemployed persons, both men and women, in the rural areas through the creation of rural economic infrastructure, community and

social assets with the aim of improving the quality of life of the rural poor.

The JRY was revamped from 1st April, 1999 as the Jawahar Gram Samridhi Yojana (JGSY). It now became a programme for the creation of rural economic infrastructure with employment generation as a secondary objective. The programme is implemented by the village panchayats.

v) Rural Employment Generation Programme (REGP)

Khadi and Village Industries Commission (KVIC) Launched Rural Employment Generation Programme (REGP) with effect from 1st April, 1995 for generation of two million jobs under the KVI sector in the in the rural areas of the country. It also includes an area classified as town, provided its population does not exceed 20,000 as per 1991 census.

vi) National Social Assistance Program (NSAP)

The National Social Assistance Programme (NSAP) which came into effect from 15th August, 1995. The programme introduced a National Policy for Social Assistance for the poor and aims at ensuring minimum national standard for social assistance in addition to the benefits that states are currently providing or might provide in future. NSAP at present comprises of Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna.

vii) Rural Group Life Insurance Scheme (RGLIS)

It was launched on August 15, 1995 in order to provide life insurance coverage to the rural people of the country. The objective of the scheme is to promote social insurance in the rural areas with the active involvement of the Panchayats and to partly alleviate the distress caused by the death of the bread –winner among the rural poor. This scheme is administrated by Life Insurance Corporation (LIC) of India and implemented by Panchayats in the rural areas for the age group of 20-60 years.

viii) Sampoorna Grameen Rozgar Yojana (SGRY)

Jawahar Gramin Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS) and Food for Work Programme were revamped and merged into it in September 2001. The basic aim of the scheme continues to be generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The amalgamation of the earlier schemes has led to an augmentation of resources for this programme.

ix) Pradhan Mantri Gramodaya Yojana (PMGY)

The Pradhan Mantri Gramodaya Yojana (PMGY) was launched in the Annual Plan 2000- 2001 in all the States and the UTs in order to achieve the objective of sustainable human development at the village level. PMGY envisages allocations of Additional Central Assistance (ACA) to the States and UTs for selected basic minimum services in order to focus on certain priority areas identified by the Government. The components of PMGY are Primary Education, Rural Health, Rural Drinking Water, Rural Shelter, Nutrition and Rural Electrification. Rural Electrification has been added as the sixth component from the Annual Plan 2001-02.

x) Pradhan Mantri Gram Sadak Yojana (PMGSY)

Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched on 25th December, 2000 as a fully funded Centrally Sponsored Scheme to provide all weather road connectivity in rural areas of the country. The Finance Minister, in his Budget Speech of 28th February, 2005, identified Rural Roads as one of the six components of Bharat Nirman and has set a goal to provide connectivity to all habitations with a population of 1000 persons and above (500 persons and above in the case of hilly or tribal areas) with an all-weather road.

xi) National Rural Employment Guarantee Scheme (NREGS)/Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)

National Rural Employment Guarantee Scheme (NREGS) was started in Feb., 2006. To provide legal guarantee for 100 days of wage employment to every household in the rural areas of the country each year, to combine the twin goals of providing employment and asset creation in rural areas. On the birth anniversary of Mahatma Gandhi, on October 2, 2009 it is renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA).

Conclusion

Rural Poverty is a national problem of Indian economy since long and it must be solved on a war footing to end poverty from the whole country. We all should do everything possible from our end to alleviate rural poverty from our nation. The socio-economic structure prevailing in the country side should break for the removal of rural poverty from India. Traditional pattern of agriculture or cultivation should be also converted into industrial techniques with utilization of science and technology. The Indian government should reform its policies to nurture the further development of rural industries of the countries through a mix of subsidy and bank credit.

The present scenario demands that if the rural development schemes are to be implemented in its right spirit then there should be a sincere and timely attempt on the part of bureaucratic administration, banking administration and political administration. Sincere attempts should also be made for proper identification and selection of target group beneficiary, creation of appropriate productive assets, controlling misuse of loan, considering the regional differences for determining the strategy of such programs, checking leakage and corruption involved in the implementation of programs and to arrange for growing and spontaneous participation in every aspect of such programs.

The success of this rural development program in realising its goal of lifting all the people above the poverty line in truest sense and also in generating the scope of both self-employment and wage employment throughout the country finally rests on arousing the consciousness of the rural people about their rights and benefits involved in all such programs.

If we want to develop our nation, there is a pressing need to build up of its rural areas and abolish poverty from the whole country. Thus, poverty removal is an issue of fundamental importance.

References

1. Agrawal, A.N. Indian Economy: Problems of Development and Planning. 11th ed., Vikas Publishing House Private Limited, New Delhi, 1985.
2. Ahuja, Ram. Social Problems in India. 2nd ed., Rawat Publication, New Delhi, 1992.
3. Chandy, K.T. Rural Poverty in India. Booklet no. 378, Agricultural & Rural Development: ARDS-1, Agricultural & Environmental Education.
4. Dhar, P.K. Indian Economy: Its Growing Dimensions. Kalyani Publishres, New Delhi, 2004.
5. George, Abraham. The Unchanging Face of Rural Poverty in India. Speech. Global Organization of People of Indian Origin Conference in New York, New York. 12 Sept, 2002.
<http://www.tgfworld.org/critical-ruralpoverty.htm>
6. Jha, Raghendra. Rural Poverty in India: Structure, determinants and suggestions for policy reform. Australian National University, Division of Economics Working Paper, 2002.
7. Mehta, B.C. Rural Poverty in India. Concept Publishing Company Pvt. Ltd., New Delhi, 1993.
8. Madan, G.R. Indian Social Problems. 6th ed., Vol. 1, Allied Publishers Pvt. Ltd., New Delhi, 2002.
9. Myneni, S.R. Indian Economics. 3rd ed., Allahabad Law Agency, Faridabad, 2006.
10. Prasad, B.K. Rural development: Concept, approach and strategy. Sarup & Sons, New Delhi, 2003.
11. Prasad, K.N. Problems of Indian Economic Development. Sterling Publisher Pvt. Ltd., New Delhi, 1983.
12. Padhy, Kishore Chandra. Rural Development in Modern India. B.R. Publishing Corporation, New Delhi, 1986.
13. Singh, K.K. and Ali, S. Eds. Encyclopaedia of Rural Planning and Development. Vol. 3. Sarup & Sons, New Delhi, 2000.
14. Sankaran, S. Indian Economy: Problems, Policies and Development. Margham Publications, 1994.
15. Different Annual Reports, Planning Commission, Govt. of India.
16. www.planningcommission.nic.in
17. www.rural.nic.in
18. www.india.gov.in
19. www.pib.nic.in
20. www.aajeevika.gov.in
21. www.ddugky.gov.in
22. www.iay.nic.in
23. www.kvic.org.in
24. www.nsap.nic.in
25. www.pmgsy.nic.in
26. www.nrega.nic.in
27. www.rbi.org.in
28. www.poverties.org
29. www.indiabudget.nic.in