

Poverty in India: Trends, Government Interventions and Emerging Challenges

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Abstract

Poverty in India remains one of the most persistent socio-economic challenges despite decades of policy interventions. This article examines the concept and types of poverty, with a special focus on poverty trends in India and disparities between rural and urban areas. It reviews major government initiatives for poverty alleviation and employment generation from early programmes such as IRDP and Jawahar Rozgar Yojana to recent flagship schemes including Ayushman Bharat, PMAY-G, Ujjwala, PMJDY and Jal Jeevan Mission. The analysis highlights the strengths and limitations of these schemes, issues of leakages, administrative inefficiencies, inadequate resource allocation, and the limited participation of local institutions. The paper also discusses the impact of the COVID-19 pandemic, which reversed years of poverty reduction and pushed millions back into extreme poverty. The findings underscore the need for more inclusive, transparent, and community-driven strategies to sustainably uplift vulnerable populations.

What is Poverty

Poverty is a condition wherein an individual lacks the financial resources & essential conditions for meeting the minimum standard of living. It refers to the condition wherein the economic condition of a person is so low that even the most basic needs are not met.

Introduction

Poverty is a curse for humanity; it is a condition in which people do not have the basic comforts of life, such as food, clothes, shelter, etc. The United Nations defines poverty as the denial of options and opportunities. a violation of human dignity. It means a lack of basic skills to participate effectively in a society (Sen, 1999; NITI Aayog, 2021).

Different types of poverty

1. **Absolute poverty:** When a person does not obtain the minimum income necessary to sustain life, they are said to be living in absolute poverty. This form of poverty is assessed based on minimum subsistence and nutritional requirements essential for survival (Bullamore, 1974; Planning Commission, 2014).
2. **Relative poverty:** Relative poverty refers to a condition in which a section of the population is economically disadvantaged in comparison to a more affluent section of society. It highlights inequality in income distribution and access to resources rather than absolute deprivation (Sen, 1999).

Poverty in India

According to the Rangarajan Committee Report, individuals earning ₹32 per day in rural areas and ₹47 per day in urban areas are considered to be living below the poverty line. Earlier, the Tendulkar Committee had fixed the poverty line at ₹27 per day for rural areas and ₹33 per day for urban areas. Following the revised methodology of the Rangarajan Committee, the estimated number of people living below the poverty line increased by nearly 100 million, reflecting stricter poverty thresholds and broader consumption norms (Planning Commission, 2014). The identification of Below Poverty Line (BPL) households is carried out by State governments, and these households are the primary beneficiaries of government-aided poverty alleviation programmes (Government of India, 2019).

Rural and Urban Disparity

A significant disparity exists between rural and urban areas, as urban regions offer relatively more employment opportunities due to the concentration of manufacturing, service-sector activities, and informal employment. In contrast, rural populations largely depend on agriculture, which is often characterized by low productivity, dependence on rainfall, and income instability. These structural challenges in rural areas lead to large-scale migration to urban centers in search of better employment and livelihood opportunities (Government of India, 2019; World Bank, 2022).

Governmental Initiatives for Poverty Alleviation & Employment Generation in India

To foster economic growth and social inclusion, the Government of India has undertaken several initiatives since independence to alleviate poverty and generate employment. These programmes aim to enhance income security, provide basic services, and improve livelihood opportunities for vulnerable populations (Planning Commission, 2014).

Initiatives for Poverty Alleviation

- Integrated Rural Development Programme (IRDP)
- Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana
- Rural Housing – Indira Awaas Yojana
- Food for Work Programme
- National Old Age Pension Scheme (NOAPS)
- Annapurna Scheme
- Sampoorna Gramin Rozgar Yojana (SGRY)
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005
- National Rural Livelihood Mission: Aajeevika (2011)
- National Urban Livelihood Mission
- Pradhan Mantri Kaushal Vikas Yojana
- Pradhan Mantri Jan Dhan Yojana

Government Initiatives for Employment Generation in India

The initiatives undertaken by the government of India since independence for employment generation are:

- Nehru Rozgar Yojana
- National Food for Work Programme
- Training of Rural Youth for Self-employment
- National Rural Employment Programme
- Rural Landless Employment Guarantee Programme
- Jawahar Rozgar Yojana
- Rural Employment Generation Programme

- Prime Minister's Rozgar Yojana for Educated Unemployed Youth
- Swarna Jayanti Shahari Rozgar Yojana
- Swarnjayanti Gram Swarozgar Yojana
- Sampoorna Grameen Rozgar Yojana
- National Rural Employment Guarantee Scheme
- Employment Assurance Scheme
- Deen Dayal Upadhyaya Grameen Kaushalya Yojana
- Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

Governmental schemes in recent years

At recent Since the NDA government came to power, the Government has launched many pro-poor schemes in the past 7 years for the upliftment of the poor. Those are-

1. Ayushman Bharat: World's largest free healthcare scheme. Ayushman Bharat is a flagship scheme of the Government of India, which was launched to achieve the vision of Universal Health Coverage (UHC). This initiative has been designed to meet Sustainable Development Goals (SDGs) and its commitment, which is to "leave no one behind." It provides a cover of up to Rs 5 lakhs per family per year for secondary and tertiary care hospitalization. Over 10.74 crore poor and vulnerable families (about 53 crore beneficiaries) are eligible for these benefits. The scheme provides cashless and paperless access to services for the beneficiaries at the point of service.

2. Pradhan Mantri Awaas Yojana Gramin - Pradhan Mantri Awas Yojana Gramin was launched to address the housing gaps existing in the rural areas. The houses built under the PMAYG scheme are low-cost and disaster-resilient. The Government also provides financial assistance to those who are homeless or living in kaccha houses. So far, 1.26 crore houses have already been built across the country under the scheme.

3. Ujjwala scheme and Saubhagya scheme - The Ujjwala scheme aims to benefit 5 crore families, especially the women living below the poverty line. By providing free gas connections and electricity connections under the Saubhagya scheme, to crores of poor, their dependence on wood has greatly reduced. Apart from reducing pollution, it has also helped a lot in

improving health and strengthening environmental protection. Under Ujjwala, cash assistance of Rs. 1,600 is given to each beneficiary to get a deposit-free new connection. Till now, 80 million poor families have benefited from availing free cooking gas connections.

4. Swachh Bharat Abhiyan: Swachh Bharat Abhiyan or Clean India Mission is a country-wide campaign initiated by the Government of India in 2014 to eliminate open defecation and improve solid waste management. The problem of open defecation and contamination of drinking and bathing water in India prompted the government to take measures to deal with the problem and improve the health conditions of the poor people. Since October 2014, over 9.5 crore toilets have been built all over the country and 564,658 villages have been declared Open Defecation Free (ODF).

6. Pradhan Mantri Jan Dhan Yojana: Pradhan Mantri Jan Dhan Yojana was launched in 2014 to ensure comprehensive financial inclusion of all households in the country by providing universal access to banking facilities with at least one basic bank account to every household for financial literacy, access to credit, insurance, and pension facility. Under this, a person without a savings account can open an account without the requirement of any minimum balance. 41.94 crore accounts have been opened under Pradhan Mantri Jan Dhan Yojana.

7. Jal Jeevan Mission: To improve the lives of people, Jal Jeevan Mission has been implemented with speed so that every household has the provision of an assured tap water supply by 2024. In this period, in the whole country, about 4.25 Crore households have been provided tap water connections, thus increasing coverage by 22 per cent to presently 7.50 Crore, i.e. 39 per cent of the total rural households in the country. This has also created new employment opportunities in villages, boosting the rural economy.

Conclusion

Poverty in India is a multidimensional issue encompassing economic deprivation along with limited access to health, education, sanitation, and social opportunities. Although the government has implemented numerous welfare programmes, their effectiveness varies due to structural challenges such as administrative inefficiencies, targeting errors, and limited community participation. While schemes such as MGNREGA, Ayushman Bharat, PMJDY,

and PMAY-G have yielded notable improvements, these gains remain fragile, particularly in the face of economic shocks, natural disasters, and pandemics. The COVID-19 crisis highlighted the vulnerability of poor households and reversed years of poverty reduction (World Bank, 2022). Therefore, future poverty alleviation strategies must emphasize stronger implementation mechanisms, real-time monitoring, local institutional engagement, and beneficiary capacity-building to ensure inclusive and sustainable development.

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