



AN ANALYSIS OF POVERTY REDUCTION AND HUMAN DEVELOPMENT IN INDIA

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Abstract

The present study focuses on how human development influenced by poverty factor and their consequences on various economic factors including gender development in the country. Poverty is a social-economic phenomenon in which a section of society is unable to fulfil even its basic necessities of life. The minimum needs are food, clothing, housing, education health and other basic minimum human needs. Humanity faces caution and miseries if it does not attain a subsistence level of such needs. It is generally agreed in this country that only they who be unsuccessful to reach a certain minimum consumption standard should be regards as poor.

Key words: consumption, Human development, poverty

INTRODUCTION

Poverty is a social-economic phenomenon in which a section of society is unable to fulfil even its basic necessities of life. The minimum needs are food, clothing, housing, education health and other basic minimum human needs. Humanity faces caution and miseries if it does not attain a subsistence level of such needs. It is generally agreed in this country that only they who be unsuccessful to reach a certain minimum consumption standard should be regards as poor. "No society can surely be flourishing and happy, of which the far greater part of the members are poor and wretched". Poverty is about refutation of opportunities and fulfilment of human potential. Poverty and inequality are closely related, and inequality appears to have been on the rise worldwide in recent decades at both national and international levels. More than 80 percent of the world's population lives in countries where income differentials are widening. The poorest 40 percent of the

world's population account for only 5 percent of global income. On the other hand, the richest 20 percent account for 75 percent of world income, according to the United Nations Development Programme. Poverty is the principal cause of hunger and under nourishment. According to most recent estimates of the Food & Agriculture Organization of the United Nations (FAO, 2009), the number of hungry people worldwide has reached 963 million, or roughly 15 percent of the estimated world population. Poverty essentially consists of two elements, narrowly defined "income" poverty and a broader concept of "human" poverty. Income poverty is defined as the lack of necessities for minimum material wellbeing determined by the national poverty line. Human poverty means the denial of choices and opportunities for a tolerable life in all economic and social aspects recognising the problem, the Millennium Development Goals of the United Nations also contain a commitment to halve the proportion of the world's population living in extreme poverty by



2015. Poverty is widespread in India, with the nation estimated to have a third of the world's poor. Poverty eradication has been one of the major objectives of planned development in India.

The concept of human development was first laid out by Amartya Sen, a 1998 Nobel laureate and expanded upon by Martha Nussbaum, Sabina Alkire, Ingrid Robeyns, and others. Development concerns expanding the choices people have, to lead lives that they value, and improving the human condition so that people have the chance to lead full lives. Thus, human development is about much more than economic growth, which is only a means of enlarging people's choices. Fundamental to enlarging these choices is building human capabilities—the range of things that people can do or be in life. Capabilities are "the substantive freedoms enjoying the kind of life reason to value." Human development disperses the concentration of the distribution of goods and services that underprivileged people need and centre its ideas on human decisions.

LITERATURE REVIEW:

Ghanshyam Shah-Growth, Poverty and Human Development in India-Economic growth is important but not universal remedy for human development. There is no significant relationship between level of growth and decline in poverty. At the most the relationship is weak and does not take into considerations the households who were not poor become poor in the high growth regions

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and Poverty – a Perspective Across Indian States- It underlines the need of expansion of economic activities and educational facilities along with their equitable distribution. Thus, it can be concluded that to raise the level of human development concrete efforts at grass root level, not only towards raising economic resources and developmental opportunities but also to ensure their equal distribution, should be made.

Gender inequality, economic development, and globalization: a state level analysis of India. In recent years gender has become a significant part of the mainstream discourse on economic growth and development. Gender perspective has been adopted by the international organizations such as, World Bank, WTO and IMF in the formulation of millennium development goals, trade policies and macroeconomic structural programmes.

OBJECTIVES OF THE STUDY:-

The study confined following objectives to fulfil their requirements regarding poverty reduction and human development in India.

1. Poverty reduction can lead to Human development of a country means to improve the phenomenon with the alleviation of poverty problem in the country.
2. To state that poverty influences on overall human development strategies.
3. Through providing all basic amenities to downtrodden people to improve their standard of livings.

Methodology:-

The methodology of the present study can be broadly outlined with the help of the secondary source of data and



information of national and state level. "An analysis of poverty reduction and human development in India" is estimated on the basis of available annual data. Secondary sources such as Government publications, reports of ministry of finance, departments, various state level and national level journals and books.

Poverty Estimation in India

Poverty line is a cut-off point on the income distribution, which divides the population as poor and rich. People below poverty line, are poor and above that line are average or rich. Poverty line is therefore a derivation from inequality of income distribution. However cut-off level of income or expenditure is determined differently in different countries and regions. According to Planning Commission of India, "Poverty line is drawn on the basis of barest minimum desirable nutritional standards of 2400 calories per person per day in rural areas and 2100 calories for urban areas" .During the five year plans, several programmes has been introduced to alleviate poverty in India, yet there has been an increase

in the number of poor persons in the country. There were about 32.1 crore persons living below poverty line in 1973-74. It remained almost stagnant during a decade of 1973-1983 but it come down to 26 crore in 1999-2000 and 22 crore in 2004-05. Poverty in rural sector always has been on higher side as compared to urban India. But it came down in 2004-05 in both rural and urban sector. By the end of 11th plan number of poor persons are expected to come down to 10 crore. A brief analysis showing absolute trend in poverty in India is shown through following table 1:

In India different states have different monthly income such as Utter Pradesh, Bihar, Tamilunadu Rajasthan, Utterakhand, Madhya Pradesh etc. have relatively more number of less income persons as compared to other states. In percentage form Orissa has the highest % of persons living below poverty line which reflect by the following table 2:

Table 1. Trends in poverty in India (Crore)

Year	Rural	urban	Total
1973-74	26.1	6.0	32.1
1977-78	26.4	6.5	32.9
1983-84	25.2	7.1	32.3
1987-88	23.2	7.5	30.0
1993-94	24.4	7.6	32.0
1999-2000	19.3	6.7	26.0
2007-08	17.0	3.0	20.0
2010-11	-	-	10.0

Source: Economic Survey 2002-3 & 2010-11, Eleventh Five Year Plan



Table 2.State specific Poverty Lines for 2011-12

States	Monthly per capita (Rs.)		States	Monthly per capita (Rs.)	
	RURAL	URBAN		RURAL	URBAN
Andhra Pradesh	860	1,009	Maharashtra	967	1,126
Arunachal Pradesh	930	1,060	Manipur	1,118	1,170
Assam	828	1,008	Meghalaya	888	1,154
Bihar	778	923	Mizoram	1,066	1,155
Chhattisgarh	738	849	Nagaland	1,270	1,302
Delhi	1,145	1,134	Odisha	695	861
Goa	1,090	1,134	Punjab	1,054	1,155
Gujarat	932	1,152	Rajasthan	905	1,002
Haryana	1,015	1,169	Sikkim	930	1,226
Himachal Pradesh	913	1,064	Tamil Nadu	880	937
J & K	891	988	Tripura	798	920
Jharkhand	748	974	Uttarakhand	880	1,082
Karnataka	902	1,089	Uttar Pradesh	768	941
Kerala	1,018	987	West Bengal	783	981
Madhya Pradesh	771	897	Puducherry	1,301	1,309
			All India	816	1,000

Source: Computed as per Tendulkar method on Mixed ReferencePeriod (MRP)

Defining Human Development

In 1990, Human Development was often described as 'enlarging people's choices'. We have retained that fundamental motivation of human development as expanding people's capabilities; we have also added two further features that have been discussed, deliberated, advocated and clarified over the past twenty years. Our new statement of human development is this: **Human Development aims to expand people's freedoms – the worthwhile capabilities people value – and to empower people to engage actively in development processes, on a shared planet. And it seeks to do so in ways that appropriately advance equity, efficiency, sustainability and other key principles.** People are both the

beneficiaries and the agents of long term, equitable human development, both as individuals and as groups. Hence Human Development is development by the people of the people and for the people.

Human development has three components: capabilities, process freedoms and principles of justice. Human development focuses on expanding people's real freedoms, their **capabilities**. When human development is successful; people are able to enjoy activities and states of being that they value and have reason to value. With human development, people live long and healthy lives; enjoy education and a decent quality of life. They are able to be



productive and creative at home and/or at work, shape their own destiny and together advance shared objectives. With human development, people are able to enjoy human relationships and feel relatively secure. In human development, the 'focal space' is people's lives. Resources, income, institutions and political or social guarantees are all vitally important means and policy goals; yet ultimately success is evaluated in terms of the lives people are able to lead, the capabilities they enjoy.

Measurement of human development

One measure of human development is the Human Development Index (HDI), formulated by the United Nations Development Programme. Though this index does not capture every aspect that contributes to human capability, it is a standardized way of quantifying human capability across nations and communities. Aspects that could be left out of the calculations include incomes that are unable to be quantified, such as staying home to raise children or bartering goods/services, as well as individuals' perceptions of their own wellbeing. Other measures of human development include the Human Poverty Index and the Global Empowerment Measure.

Pillars of human development

There are basic pillars of human development: equity, poverty eradication and sustainability, etc.,

- Equity is the idea of fairness for every person, between men and women; we each have the right to an education and health care.
- Poverty eradication reduces income inequalities; enhance capabilities

through the accessing required factored to human lives.

- Sustainability is the view that we all have the right to earn a living that can sustain our lives and have access to a more even distribution of goods.

Happiness & Human Development

The recent gush of interest in happiness and subjective well-being reflects an increased desire to consider how material well-being translates into psychological experiences of fulfilment. Some of the "happiness" literature defines well-being sufficiently broadly that it is more or less synonymous with human development. For example, the concept of Gross National Happiness, and its Gross National Happiness index, has nine domains: health, education, standard of living, governance, environment, community vitality, culture and spirituality, time use, and emotional well-being. The domains and indicators used to reflect Gross National Happiness thus could be seen as a country-specific articulation of human development, in which the goal itself was named in a culturally appropriate manner.

Conclusion

India had large population at the same time it pursued the economic and social and also other unsustainability like poverty, inadequate basic necessities, unemployment, and regional inequalities across the India. But 21st century tried to increase or upgrade human welfare with reduction of poverty by providing required necessary amenities and particulars for their people in order to that millennium development goal had their objectives to reach by 2020. Hence need to improve the human development in respective manner for necessary to reduce poverty



and inequalities across the country by adopting different policy features. Through the proper allocation of budgetary funds to all states as well as classes in the society. That all should necessarily consider and taken up as a important to increase the human development in India.

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