Redesigning the Future of India by Reducing the Poverty as Prescribed by the Millennium Development Goals

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The Millennium Development Goals adopted by the world leaders in the year 2000 to be achieved by the year 2015. These goals provide an agenda for the entire international community to come together towards a common conclusion of human development for everyone, everywhere. If these goals are achieved, world poverty will be cut by half, tens of millions of lives will be saved, and billions more people will have the opportunity to benefit from the global economy. These eight time-bound goals provide an opportunity for the countries of the world to forge a global partnership in development.

India like many other countries has committed to achieve the MDGs and set a goal to reduce extreme poverty by half by 2015. The biggest challenge faced by India today, is the problem of poverty and its eradication. India has the world’s largest number of poor people living in a single country. Out of its total population, around 300 million people are living below the poverty line. Poverty in India is chronic, where about half the people have been poor for a long duration. Economic growth is a necessary condition for poverty reduction. No country can expect to halve extreme poverty by 2015 in the absence of sustained growth. However, poverty reduction also depends on how much share of income goes to the people living below poverty line. In India extreme income inequalities (the poorest 10% capture around 3.5% of national income) converting effect of growth into poverty reduction partly.

In spite of high growth there is a modest effect on poverty incidence, with the number of extreme poor remaining constant. The underlying point is that the MDGs require a focus not on economic growth or equity, but on growth with equity. That requires strategies for enabling poor households to mend their way out of poverty, along with social protection programmes that reduce vulnerability and extend opportunity.

India finds itself in a complex combination of success and failures. India has a long history of planned economic development and since the beginning of planned development in the country; various target oriented programmes have been used for reduction in poverty. Poverty has been reduced but not in absolute terms.

Objectives of the Research

The main objective of the study is to find out will the MDG targets make any difference? Or is this simply hitting another numerical target? Will the struggle against poverty end on 31st December 2015? The performance and relevance of MDGs with reference to India was studied. The objective of present study was to find out effectiveness of present policies to cut down poverty with this specially designed target.

Research Methodology

The researcher has reviewed and analyzed the MGDs goal of reduction in poverty by half with special reference to India. The data collected with various government, non government and international sources. The paper is organized into theme statement, progress of MGDs goal of poverty in India, findings and conclusion.

Theme Statement

(1) Millennium Development Goals

The Millennium Development Goals are milestone in international cooperation. UN member states recognized the need to assist nations more aggressively on welfare front and adopted target based...
strategy. The international development targets were officially established at the Millennium Summit in 2000, where 189 presented leaders adopted the United Nations Millennium Declaration and thus called **Millennium Development Goals (MDGs).** The MDGs aim to enhance development by improving social and economic conditions in the world’s poorest countries through specified eight goals. The MDGs are composed of eight fundamental goals which are further divided into 21 specific targets designed to serve as a blueprint. The eight goals are as follows:

1) Eradicate extreme poverty and hunger
2) Achieve Universal Primary Education
3) Promote gender equity and empower women
4) Reduce Child Mortality Rate
5) Improve maternal health
6) Combat HIV/AIDS, malaria and other diseases
7) Ensure environmental sustainability
8) Develop a global partnership for development

The present paper has highlighted the goal no. one i.e., Eradicate extreme poverty and hunger. There are three targets under the goal number one, they are:

1A: Halve, between 1990 and 2015, proportion of population below national poverty line.
1B: Achieve Decent Employment for Women, Men, and Young People and
1C: Halve between 1990 and 2015, proportion of people who suffer from hunger

The researcher has emphasized on first target 1A of goal one, reduction in poverty in India.

**2) The Concept of Poverty**

The World Bank (Report-2004) defines poverty as the inability of people to attain a minimum standard of living. It is deprivation of the basic necessities of life such as food, clothing and housing. According to the World Bank, poverty is multidimensional in nature. "In addition to low income, illiteracy, ill health, gender inequality and environmental degradation are all aspects of being poor."

Poverty is the condition of lacking full economic access to fundamental human needs such as food, shelter and safe drinking water. Poverty also has non-economic dimensions such as discrimination, exploitation, lack of power and fear. Poverty means lack of human development, a lack of voice in decision-making and a high degree of vulnerability. Poverty has multidimensional causes, manifestations and outcomes, many of which are linked to vulnerability and social exclusion. Some consequences of poverty as a social issue are:

- Not having an adequate home or shelter
- Famine and starvation (Hunger)
- Not being able to afford the adequate healthcare
- Not being able to afford the education
- Not being able to socialize with friends due to lack of money
- Many others

Definitely, there are two types of poverty in India; absolute poverty and relative poverty.

**2.1 Absolute Poverty**

Absolute poverty can be described as a state of a person not having enough to survive physically, for example not having enough food to eat. Absolute poverty refers to a set standard which is the same in all countries and which does not change over time. Clearly, where both absolute and relative poverty are prevalent, it is absolute poverty which is (by far) the more serious issue. This is the case in much of the third world, where the focus is therefore on fixed income thresholds.

**2.2 Relative Poverty**

Relative poverty is described as a state where people are less well off than others and do not have the money to function normally within the society. Thus, relative poverty refers to a standard which is defined in terms of the society in which an individual lives and which therefore differs between countries and over time. People believe that relative poverty is important is because they believe that no one should
live with "resources that are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities."

(3) Measurement of Poverty
3.1) At International Level
The very first of the Millennium Development Goals emphasizes to reduce half of the world poverty by 2015. The definitions and methods of measuring poverty differ from country to country. Managing poverty has become a great concern for the world today. The nature, magnitude and relative cause of it vary from country to country. The Millennium Development Goal’s progress for poverty can be measured with four indicators suggested by United Nations Millennium Declaration.
  The four indicators are:
  a) Population living below $1.25 a day
     The World Bank had released new international poverty line of $ 1.25 per day per person at 2005 purchasing power parity (PPP) prices and United Nations Millennium Development Goals has adopted this as one of the Indicators in place of $ 1 per day per person. The purchasing power parity conversion factor is the number of units of a country’s currency required to buy the same amounts of goods and services in the domestic market as the United States dollar would buy in the United States. Source: United Nations Millennium Development Goals Indicators. Online database accessed on 24th October 2010.
  b) Population living below the national poverty line
     The national poverty rate is the percentage of the total population living below the national poverty line. The figures are not comparable across countries and may not be comparable over time within a country. Source: United Nations Millennium Development Goals Indicators. Online database accessed on 24th October 2010.
  c) Poverty Gap
     Poverty gap is the mean shortfall of the total population from the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence. Data reported with a value of 0.5 signify a poverty gap of 0.5 per cent or less.
  d) Share of poorest quintile in national income and consumption.
     Percentage share of income or consumption is the share that accrues to subgroups of population indicated by quintiles.
     Apart from this World Bank has also given one more indicator called Gini Index for measuring poverty.
  e) Gini Coefficient
     For better measurement of income equality, economists have created another indicator called ‘Gini Coefficient’ named after Corrado Gini, an Italian statistician. Gini Coefficient is obtained by dividing the area between Lorenz Curve and 45 degree equality line by the entire area below the 45 degree line. A Gini Coefficient of ‘0’ indicates perfect income equality, while a ‘1’ would imply that a single person possesses all income or perfect inequality.
     The Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution.
3.2) At National Level
India’s approach of measuring absolute consumption poverty, based on the National Sample Surveys (NSS)
that started in 1950s, under the leadership of the distinguished statistician P.C. Mahalanobis. National statistical systems collect more than survey data, and much non-survey information is relevant for the monitoring of living standards. Estimates of private consumption can be derived from India’s National Accounts Statistics (NAS). Poverty measures require a cut-off line so as to separate poor from non-poor households. According to the definition by Planning Commission of India, poverty line is drawn with an intake of 2400 calories in rural areas and 2100 calories in urban areas. If a person is unable to get that much minimum level of calories, then he/she is considered as being below poverty line. The next step is to convert this nutrient requirement into monetary terms. To obtain the desired calories the amount of expenditure level of the households serves as the cut-off point or the poverty line. Looking at the price variations an appropriate price deflator has to be selected. Selection of appropriate deflator involves intricacy. Thus the extent of poverty is affected by the following elements: 1) the nutrition norms (translated into monetary terms) in the base year; 2) Price deflator used to update the poverty line; and 3) Pro rata adjustment in the number of households in different expenditure classes to determine the number of households below and above the poverty line.

Different assumptions and methods are used for these three purposes, which accounts for the different estimates provided by the different scholars. India's official poverty line are set by the Planning Commission with a task force charged with a job of setting a poverty line in late 1970s using reference of 1973-74 NSS round. The task force estimated the poverty lines for 1973-74 to be Rs 49.09 and Rs 56.64 for rural and urban areas respectively. These were the expenditure levels at which average food energy requirements were met, which were determined to be on the basis of calories defined above. The poverty lines were held constant in real terms, and were converted to current rupees using the price deflator of consumption in the National Accounts. This process had the disadvantage of ignoring interstate differences in price levels, as well as variations from state to state in urban to rural price differences. In addition to this national accounts consumption deflators was also been doubted as an ideal measure of inflation for households near the poverty line. The problems were dealt with by an Expert group in 1983, whose recommendations for new poverty lines were accepted in a modified way by the Planning Commission and from 1983 to the present day these poverty lines have been used by the government for official calculations of poverty in India. According to these procedures, poverty lines are defined at the state level, separately for rural and urban households. Each line is updated by a state-specific price index, the state consumer price index for agricultural laborers (CPIAL) for rural lines, and the state consumer price index for industrial workers (CPIIW) for urban lines. There is no countrywide poverty line as such; instead, once the all-India rural and urban headcount ratios have been calculated, the all India lines are defined implicitly as the lines which, when applied to all households, give the all-India poverty rates. The poverty headcount ratio (PHR) is the proportion of population whose per capita income/consumption expenditure is below an official threshold set by the National Government. The Planning Commission has been estimating the incidence of poverty with the help of NSSO at an interval of approximately five years.

India's official poverty lines for 2004-05 were Rs.538.6 and Rs.356.3 per month for urban and rural areas. An estimated 250 million people are below the poverty line and approximately 75 per cent of them are in the rural areas, most of them are daily wagers, landless laborers and self employed house holders. Official estimates of poverty were criticized, hence
government constituted two committees to look into these issues. They are:
1) Expert Group of Planning Commission
2) Committee constituted by the Ministry of Rural Development
The Committee constituted by the Ministry of Rural Development observed that the national poverty line at 2004-05 prices was not sufficient to fulfill the desired norms of 2,400/2,100 k calories. The committee further suggested to increase cut-off line for BPL status should be around Rs. 700 in rural areas and Rs. 1,000 in urban.

(4) Reasons for Poverty In India
There are a number of reasons of poverty in India. In the Pre-British period, India was predominantly an agriculture country and the products of Indian industries and handicrafts enjoyed a world wide reputation. Till the closing of the 18th century, India was the leading nations in the world. By the end of the eighteenth century British rule had made a profound impact on India. India was forced, for the first time, into a subordinate role within a world system based on industrial production rather than agriculture. Many of the cottage industries that had long attracted foreigners to India suffered extensively under competition with new modes of mass production fostered by the British. Modern institutions and technologies, such as railroads and mass communication, broke with Indian intellectual traditions and served British, rather than Indian, economic interests. A country that in the eighteenth century was a magnet for trade was, by the twentieth century, an underdeveloped and overpopulated land groaning under alien domination. Even at the end of the twentieth century, with the period of colonialism well in the past. It is said that British policies in India exacerbated weather conditions to lead to mass famines due to which, India suffered a further 8 famines from 1838 to 1901 with well over 9 million dying of starvation. In summary, this view claims that deindustrialization, declining terms of trade, and the periodic mass misery of man-made famines are the major ways in which colonial government destroyed development in India and held it back for centuries.
Another school of thought is India’s economic policies until reforms are also responsible for the poor condition of the people in the country. In brief, the average income in India was not much different from South Korea in 1947, but South Korea became a developed country by 2000s. At the same time, India was left as one of the world’s poorest countries. Indian policies included, extreme bureaucracy and regulation, prevented high foreign investment, lack of property rights, protectionist policies pursued till 1991 created unemployment and underemployment and over-reliance on agriculture. Apart from these certain other factors responsible for poverty are high population growth rate; religious, caste, and regional diversity exist in India.

(5) Analysis
5.1 India’s Progress on MDGs
India is the fastest growing developing country and home to the world’s largest number of poor people. With more than a billion people and one third of the world’s poor, India needs rapid growth, together with strong employment creation and extended social protection, to reduce poverty and sustain income increases. A major effort is required to meet Millennium Development Goal till 2015.
India needs to make its development more inclusive, towards an increased social cohesion and a substantial reduction of poverty, to achieve the MDGs in a targeted time. India’s progress in reduction of poverty can be seen with the prescribed indicators.

a) Population living below $1.25 a day
Out of total worlds poor around 300 millions are in India according to the international poverty line of a $1 a day per person. The World Bank has updated estimates of world poverty based on a new international poverty line of $ 1.25 per day per person
at 2005 purchasing power parity (PPP) prices. The new World Bank estimates put the total number of poor in the world at 1.4 billion in 2005, and 42 percent of India fall below this new international poverty line. This will add 100 millions more poor to India.

b) Population Living below the National Poverty Line
The latest NSS survey for 2004-05 shows poverty at 28.3% in rural areas, 25.7% in urban areas and 27.5% for the country as a whole, using Uniform Recall Period Consumption.

In summary, the official poverty rates recorded by NSS are given in the Table number 1

Table No.1 Official Poverty Rates (1977-78 to 2004-05)

<table>
<thead>
<tr>
<th>Year</th>
<th>Round</th>
<th>Poverty Estimated Rate (%)</th>
<th>Poverty Reduction per Annum (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-78</td>
<td>32</td>
<td>51.3</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>38</td>
<td>44.5</td>
<td>1.3</td>
</tr>
<tr>
<td>1987-88</td>
<td>43</td>
<td>38.9</td>
<td>1.2</td>
</tr>
<tr>
<td>1993-94</td>
<td>50</td>
<td>36.0</td>
<td>0.5</td>
</tr>
<tr>
<td>1999-00</td>
<td>55</td>
<td>26.9</td>
<td>7.4</td>
</tr>
<tr>
<td>2004-05</td>
<td>61</td>
<td>27.5</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: NSS Survey 2004-2005

India has been successfully reduced the share of the poor in the population by 27.3 percentage points from 51.3 in 1973 to 27.5 in 2004 (National Sample Survey), the method uses the consumption expenditure on food and non-food items, based on a basket that was determined in 1973-74 (which has since remained constant). Between 1973 and 1983, the headcount ratio of the poor had declined from 51% to 44%, and it fell further from 36% in 1993-94 to 27% by 2004-05. According to Planning Commission data the poverty ratio and number of poor people from 1973 to 2004 are given in the Table number 2.

Table No.2 Percentage and Number of Poor by URP and MRP

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Year</th>
<th>Poverty Ratio(%)</th>
<th>Number of Poor(millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1973-74</td>
<td>54.9</td>
<td>321.3</td>
</tr>
<tr>
<td>2</td>
<td>1977-78</td>
<td>51.3</td>
<td>328.9</td>
</tr>
<tr>
<td>3</td>
<td>1983</td>
<td>44.5</td>
<td>322.9</td>
</tr>
<tr>
<td>4</td>
<td>1987-88</td>
<td>36.9</td>
<td>307.0</td>
</tr>
<tr>
<td>5</td>
<td>1993-94</td>
<td>36.0</td>
<td>320.4</td>
</tr>
<tr>
<td>6</td>
<td>1999-2000</td>
<td>26.1</td>
<td>260.2</td>
</tr>
<tr>
<td>7</td>
<td>2004-05 (Uniform Reference Period)</td>
<td>27.5</td>
<td>301.7</td>
</tr>
<tr>
<td>8</td>
<td>2004-05 (Mixed Reference Period)</td>
<td>21.8</td>
<td>238.5</td>
</tr>
</tbody>
</table>

Source: Planning Commission Estimates

The table no. 2 clearly indicates that in absolute term the number of poor people reduced from 321 million to 301 million between 1973 to 2004-05. At this rate of decline, the country is expected to have a burden of about 279 million of people (22.1%) living below the poverty line in the year 2015.

Though poverty has declined at macro-level, there are wide inter-state disparities. In 1999-2000 Bihar and Orissa continued to be the two poorest states. The major States namely, Bihar, Jharkhand, Chhattisgarh, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh and Uttarakhand, which are incidentally the more
populated States, are among the slow moving States in reducing the poverty and are not likely to achieve their target of halving the poverty ratio of 1990 by 2015 going at the pace they moved during 1990-2005. These States had about 193.5 million of people below poverty line in 2004-05 (64% of total BPL 2 population) and are expected to have nearly 198 million people below poverty line in 2015 (71% of total projected BPL population), says 'Millennium Development Goals: India Country Report 2009'.

The Poverty Gap Ratio is given in Table number .3.

<table>
<thead>
<tr>
<th>Table No. 3 Poverty Gap Ratio (PGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Poverty Gap Ratio</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>8.5</td>
</tr>
<tr>
<td>2004-05 (URP)</td>
</tr>
<tr>
<td>Urban</td>
</tr>
<tr>
<td>8.1</td>
</tr>
<tr>
<td>6.1</td>
</tr>
</tbody>
</table>


d) Share of Poorest Quintile in National Income and Consumption.

India’s growth performance over the year has raised enquiry to check whether the growth is inclusive or not. The concept of ‘quintile income’ and consumption is one of the ways to find out the share of poorest 20 percent of population. The details are given in the Table No. 4 below.

<table>
<thead>
<tr>
<th>Table No. 4 Share of Poorest Quintile in national consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Share of Poorest Quintile</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>9.6</td>
</tr>
<tr>
<td>Urban</td>
</tr>
<tr>
<td>2004-05 (URP)</td>
</tr>
<tr>
<td>9.5</td>
</tr>
<tr>
<td>7.3</td>
</tr>
</tbody>
</table>


The share of poorest quintile in total consumption in the rural areas declined from 9.6% in 1993-94 to 9.5% in 2004-05 in rural area based on URP. This decline was sharper in the urban areas where the ratio declined from 8% to 7.3%. This decrease in the share of consumption for the poorest quintile could be one of the reasons for growing inequities particularly in urban areas.
e) Gini Coefficient:
Gini Coefficient in rural and urban area has shown in the table number 5.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>0.302</td>
<td>0.341</td>
</tr>
<tr>
<td>1977-78</td>
<td>0.337</td>
<td>0.345</td>
</tr>
<tr>
<td>1983</td>
<td>0.298</td>
<td>0.330</td>
</tr>
<tr>
<td>1987-88</td>
<td>0.291</td>
<td>0.352</td>
</tr>
<tr>
<td>1993-94</td>
<td>0.281</td>
<td>0.340</td>
</tr>
<tr>
<td>1999-00</td>
<td>0.260</td>
<td>0.343</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.297</td>
<td>0.373</td>
</tr>
</tbody>
</table>

Source: 61st round of NSSO report.Govt. of India

The table clearly indicated that Gini Coefficient has increased in urban area, whereas it has trivial reduction in rural area. Regional income differences have intensified, with the Gini coefficient for per capita incomes across the states of India increasing. Sen and Himanshu (2005) also find that state-wise rural and urban Gini coefficients, adjusted for changes in estimates, increased for a majority of states between 1993–94 and 1999–2000.

6) Findings:
1. India has been able to reduce the share of the poor in the population by 27.3 percentage.
2. India needs to reduce poverty by 18.6 percent till 2015.
3. Measurement of poverty is not uniform, according to new estimates of Tendulkar Committee the 37.2 percent of the Indian population live below the poverty line of earning less than a $1.25 a day. That percentage is up from 27.5 percent in 2004. In terms of real people the percentages mean that 100 million more people living in poverty.
4. India now has 410 million people living below the U.N. estimated poverty line of $1.25 a day, 100 million more than was estimated earlier.
5. Despite continued growth in India’s gross domestic product, the growth has not been able to keep up with the rising food prices. Food prices have increased 17 percent over that same time span.
6. Another major challenge in poverty reduction is the correction of regional imbalances, since poverty is highly concentrated in the northern and eastern parts of the country.
7. The major States namely, Bihar, Jharkhand, Chhattisgarh, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh and Uttarakhand, which are incidentally the more populated States, are not likely to achieve their target of halving the poverty ratio of 1990 by 2015 going at the pace they moved during 1990-2005.
8. Other estimates of the incidence of poverty also find that it has been remarkably persistent, especially in rural India, and also much higher than the official Indian estimates. The most recent World Bank estimates (Chen and Ravallion 2008, using a cut-off of $1.25 per day at revised 2005 PPP$) estimated the number of absolutely poor people in India in 2005 to be 456 million, significantly more than the Indian government’s own estimate of 301 million in 2004–05. According to these estimates, the aggregate head count poverty ratio in India declined from 59.8 per cent in 1981 to 51.3 per cent in 1990 and 41.6 per cent in 2005. So, according to the World Bank, the rate of poverty reduction slowed from 0.94 percentage points per annum during 1981–1990 to only 0.65 percentage points per annum during 1990–2005. On these trends, India would not meet the MDG of halving poverty by 2015.
9. The Asian Development Bank (2008) estimate of the number of poor in India in 2005 is well over double the official Indian estimate, at between 622 to 740
million. The higher estimate is because the ADB used a higher Asian poverty line of $1.35 PPP per day per person rather than the $1.25 per day per person used by the World Bank.

10. While total overall poverty in India has declined, the extent of poverty reduction is often debated. While there is a consensus that there has not been increase in poverty between 1993-94 and 2004-05, the picture is not so clear if one considers other non-pecuniary dimensions (such as health, education, crime and access to infrastructure).

11. India remains at a abysmal rank in the UN Human Development Index. India is positioned at 132nd place in the 2007-08 UN HDI index. It is the lowest rank for the country in over 10 years. In 1992, India was at 122nd place in the same index.

12. A study by the McKinsey Global Institute found that if India can achieve 7.3% annual growth over the next 20 years, 465 million more people will be lifted out of poverty.

13. The IMF has recently released a working paper on inequality in India, India: Is the Rising Tide Lifting All Boats? The Gini coefficient rose from 0.303 to 0.325 for the entire country in the 1993-94 to 2004-05 period, from 0.285 to 0.298 for the rural areas and from 0.343 to 0.378 for the urban areas. This indicates that urban inequality widened significantly during the period. Interestingly, while inequality was stable (in urban India) and declining (in rural India) in the 1980s, this trend was reversed in the 1990s. During the 1982-83 and 1993-94 period, the proportional decrease in poverty between was much higher in all categories and the Gini Coefficient fell significantly from 0.312 to 0.285 in the rural areas and by a smaller level across the country.

14. Globally, poverty had fallen 40 percent since 1990, and the developing world was well on track to reach the global target of cutting income poverty in half by 2015. Thanks to rapid growth, especially in China, East Asia had already halved extreme poverty. Although Sub-Saharan Africa was unlikely to reach the target, poverty had been falling rapidly since the late 1990s.

15. The Millennium Development Goals Report 2010, released by the UNDP states, "Newly updated estimates from the World Bank suggest that the global economic crisis will leave an additional 50 million people in extreme poverty in 2009 and some 64 million by the end of 2010 relative to a no-crisis scenario, principally in Sub-Saharan Africa and Eastern and South-Eastern Asia. Moreover, the effects of the crisis are likely to persist: poverty rates will be slightly higher in 2015 and even beyond, to 2020."

(7) Conclusion:
The government has initiated, sustained, and refined many programs since independence to help the poor but since the 1970s the Indian government has made poverty reduction a priority in its development planning. Policies have focused on improving the poor standard of living by ensuring food security, promoting self-employment through greater access to assets, increasing wage employment and improving access to basic social services.

With all this, the questions arise:

1. Will India able to achieve the MGD target of halving reduction in poverty? The answer can not be straight yes or no. According to poverty line of 2004-05 prices, it may be less than few percent but according to new estimates it seems to be impossible.

2. Why there is a persistent income poverty in spite of rapid economic growth.

India has experienced much faster economic growth in the last two decades compared to the first three decades after independence, and although the share of the poor in the population has declined, the number of the poor has not. Thus, no single element can be specified as the main cause due to difficulties in
establishing causality relationships in the growth-poverty nexus.

3. Which estimated poverty percentage is the acceptable? According to Indian government estimates no of poor people were 301 millions in 2004-05, where as World Bank (2008) and The Asian Development Bank (2008)estimated 456 million and between 622 to 740 million. In 2004-05.Although the determination of both the poverty line and the PPP measures employed by both the World Bank and the ADB have been criticized (Reddy and Pogge 2002, Reddy 2008), we certainly can not ruled out the new possibilities.

However, finally it can be pointed out that the Indian poverty reduction has been relatively slow, as South Asia with India is just above the sub Saharan African countries, which has not fared well in most of the goals fronts. On the hope front the future of the India largely depends how far Indian policy makers succeed in their goal of poverty alleviation.

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