

Various measures taken to reduce poverty in India

Various measures which should be taken to reduce poverty in India are:

1. Changing Strategy of Economic Growth:

In the fifties and sixties it was generally thought that poverty in India could be significantly reduced by accelerating economic growth. According to this view, benefits of economic growth will trickle down to the poor in the form of more employment opportunities, greater productivity and higher wages. With this it was expected that the poor will be raised above the poverty line.

Various growth models put forward in the fifties and sixties For this purpose they suggested for increasing the rate of capital formation so as to generate more employment opportunities and increase productivity of labour.

In the last ten years (since 2004-05) the rate of growth of employment has further declined despite the achievement of average 8 per cent GDP growth per annum. Therefore, while efforts should be made to accelerate economic growth but if it has to make a significant dent on the problem of poverty, the use of capital-intensive technologies imported from the Western countries should be avoided. In fact, we should pursue labour-intensive path of economic growth.

2. Agricultural Growth and Poverty Alleviation:

Agricultural growth has been recognised as an important factor that contributes to marked reduction in poverty. A study made by Montek Singh Ahluwalia, former member of Planning Commission, brought out clearly that agricultural growth and poverty are inversely related; the higher agricultural growth leads to lower poverty ratio. The experience of Punjab and Haryana in the late sixties and in the seventies confirmed this inverse relation between agriculture growth and poverty. The

growth in agricultural output in these states propelled by the adoption of new-high yielding technology caused a marked reduction in poverty in these states.

However, in the recent years relationship between agricultural growth and poverty reduction seems to have weakened. It appears that at the all India level employment generated by new green revolution technology has been cancelled out by increasing mechanisation of agricultural operations in various parts of a country. Thus, even in the light of the finding of zero employment elasticity of agricultural output at the all India level, positive impact of agricultural growth on the incomes of small farmers and, more particularly on the wage income of agricultural labourers, cannot be denied.

3. Speedy Development of Infrastructure:

An important measure to generate employment opportunities for the poor and to raise their productivity is the speedy development of infrastructure. Since private sector is not attracted to make adequate investment in infrastructure, public investment needs to be stepped up for its development. Infrastructure development consists of building of roads, highways, ports, telecommunication, power and irrigation. They involve mainly construction work which is highly labour intensive.

4. Accelerating Human Resource Development:

Besides physical infrastructure development, poverty can also be reduced through human resource development. Human resource development requires greater investment in educational facilities such as schools to promote literacy, technical training institutes and vocational colleges to impart skills to the people. Further, human resource development requires healthcare by public investment in Primary Health Centres, dispensaries and hospitals.

These human resource development not only directly generates a good deal of employment opportunities but also raises productivity and income of the poor. People equipped with skills, education and good health can easily-get wage employment or self-employment with higher productivity.

5. Growth of Non-Farm Employment:

For reduction of poverty growth of non-farm employment in the rural areas is of special importance. Non-farm employment is created in marketing (i.e., petty trade), transportation, handicrafts, dairying, and forestry, processing of food and other agricultural products, repair workshops. A study of poverty alleviation in Haryana brings out that significant reduction in rural poverty in Haryana in spite of a reduction in employment opportunities in agriculture was due to the remarkable increase in non-farm employment.