POVERTY AND UNBRITISH RULE IN INDIA

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ABSTRACT

More than 700 million people, or 11% of the world's population, still live in extreme poverty, struggling to meet the most basic needs such as health, education, access to water and sanitation, to name a few. In 2017, economic losses attributed to natural disasters were estimated at more than $300 billion, one of the highest losses in recent years. However, this issue also affects developed countries. Currently, 30 million poor children are growing up in the world's richest countries. Poverty has many dimensions, but its causes include unemployment, social exclusion and the high vulnerability of certain populations to disasters, diseases and other phenomena that prevent them from being productive. To analyse the poverty line after the independence of India. the Indian government and NGOs have launched several programs to alleviate poverty, including subsidizing food and other necessities, improving access to credit, improving agricultural techniques and price support, supporting education and family planning. These measures have helped eliminate famines, reduce absolute poverty levels by more than half, and reduce illiteracy and malnutrition.

KEYWORDS: ***Poverty, Economy, Unbritish Rule***

INTRODUCTION

Poverty is when humans do no longer have the method to satisfy their basic desires. as an example, poverty is related to poor health, low stages of education or abilities, incapability or willingness to paintings, high stages of disruptive or adverse conduct, and imprudence. i am right here. Poverty is a phenomenon as old as human history, but its that means has changed through the years. beneath the conventional (i.e., non-industrialized) economic mode of manufacturing, considerable poverty become conventional as inevitable. the full output of goods and offerings, even if disbursed calmly, remains now not enough to provide a at ease wellknown of residing for the whole populace in step with prevailing standards. however, this changed into now not the case as industrialization increased financial productiveness. mainly in the global's most industrialized international locations, home production became enough to carry the whole populace to a secure degree, furnished the vital redistribution might be accomplished without affecting performance. consistent with the arena financial institution, poverty is an apparent loss of welfare and has many dimensions. those encompass low income and shortage of get admission to to primary items and offerings important for first rate survival. Poverty also consists of low degrees of fitness and training, terrible get admission to to easy water and sanitation, lack of physical protection, loss of voice and capacity, and absence of opportunities to improve lives.

- In India in 2011, 21.9% of the population lived underneath the countrywide poverty line.
- nearly eight% of the world's people and their families lived under $1.90 in line with character in keeping with day (international poverty line) in 2018.

For almost 25 years, the range of people living in extreme poverty on much less than US$1.ninety in line with person consistent with day has regularly declined.

Poverty estimation in India: (Joyita, 2013)

- Poverty estimation in India is done by NITI Aayog task force through calculation of poverty line based on data collected by National Bureau of Sample Survey under Ministry of Statistics and Programme.
- Implementation (MOSPI).
- Estimate of poverty line in India is based on consumption expenditure not income level.
- Poverty is measured based on the National Sample Survey Organization's Consumer Expenditure Surveys. A poor household is defined as a household with a level of expenditure below a certain poverty line.
- The incidence of poverty is measured by the poverty ratio, which is the ratio of the number of poor to the total population expressed as a percentage. It is also known as the number of persons ratio.

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- The Alagh Committee (1979) established a poverty line based on a minimum daily requirement of 2400 and 2100 calories for an adult in rural and urban areas respectively.
- Subsequently, various committees; Lakdawala Committee (1993), Tendulkar Committee (2009), Rangarajan Committee (2012) have done poverty estimation.
  According to the Rangarajan Committee Report (2014), the poverty line is estimated as a monthly per capita expenditure of Rs. 1407 in urban areas and Rs. 972 in rural areas.

The prevalence of extreme poverty among the people of India was a major feature of the British government and a net result of British economic policy. While historians disagree on whether India became impoverished under British rule, it cannot be denied that most Indians were always on the brink of starvation at the time. As time went on, it became increasingly difficult for them to find work and earn a living. Economic exploitation by the British, decline of native industry, inability of modern industry to replace it, high taxes, outflow of wealth to Britain and backward agrarian structure leading to stagnation of agriculture and exploitation of poor peasants by zamindars, landlords. , princes, usurers, merchants and the state gradually reduced the Indian people to extroversion. Banerjee responded to Roy's article, refuting his conclusion that British capitalism built a powerful economic system that was abolished after independence. He argues that while the British government introduced Western ideals, it was exploitative. He also argues that the post-colonial Indian state was one of the most backward in the world and the idea that colonization benefited India is nothing but a fiction.

The Asian Development Bank estimates India's population at 1.28 billion, with an average growth rate of 1.3% from 2010 to 2015. In 2014, 9.9% of the population aged 15 and over was employed. 6.9% of the population still live below the national poverty line and 63% are in extreme poverty (December 2018). other. According to recent estimates, the country is on track to end extreme poverty by meeting its Sustainable Development Goals by 2030. According to Oxfam, the top 1% of India's population now owns 73% of the wealth, while 670 million citizens, the poorest half of the country, have their wealth increased by only 1%.

STATEMENT

More than 700 million people, or 11% of the world's population, still live in extreme poverty, struggling to meet the most basic needs such as health, education, access to water and sanitation, to name a few. In 2017, economic losses attributed to natural disasters were estimated at more than $300 billion, one of the highest losses in recent years. However, this issue also affects developed countries. Currently, 30 million poor children are growing up in the world's richest countries. Poverty has many dimensions, but its causes include unemployment, social exclusion and the high vulnerability of certain populations to disasters, diseases and other phenomena that prevent them from being productive. Poverty remains an important issue to address because poverty and inequality harm us all in the long term. They undermine social cohesion and create a burden on all taxpayers to pay for poverty reduction, health services and unemployment. Our economic system and well-being are at risk of serious deterioration unless we act now. Poverty is not a problem of a person, but of an entire nation. It should also be urgently addressed by putting in place effective policies. Furthermore, poverty eradication has become essential for sustainable and inclusive growth of people, society, country and economy. The number of extreme poverty fell from 22.5% in 2011 to 10.2% in 2019, and the decline in rural areas was much higher than in urban areas, the study estimated. extreme poverty decreased by 3.4 percentage points from 2011 to 2015 – to 19.1% from 22.5%. Between 2015 and 2019, poverty saw a steeper decline of 9.1 percentage points from 19.1% to 10%. Extreme poverty fell by 3.2 percentage points between 2017 and 2018, the fastest pace in more than two decades.

OBJECTIVE

To analyse the poverty line after the independence of India.

SECONDARY RESEARCH (Ahmed, 2019)

- **Challenges of Poverty**

One of the most difficult challenges faced by independent India is poverty which brings other challenges in life.
Effects on Health: The biggest challenge of poverty is poor health. People who suffer from poverty do not have access to sufficient food, proper clothing, medical facilities and a clean environment. Lack of these basic needs leads to poor health. Most of them are even malnourished and don't even have enough money to visit a doctor.
Impacts on society: Society faces many challenges of poverty.
• First, the rate of violence and crime is increasing greatly. Due to unemployment and marginalization, poor people usually indulge in nefarious practices such as prostitution, theft and other criminal activities.
• Second, people are generally homeless, so they sleep on roadsides, which is not safe for them, mostly women and children.
• Third, poverty forces people to send their children to work instead of sending them to school. Poor families send their children on average up to the age of 5.

Effects on the economy: Poverty is directly related to the success of a country's economy. The number of people living below the poverty line reflects the strength of the economy.
These are some of the prominent examples of poverty in India that people face on a daily basis.

- **Consequences of Poverty in India**

India also faces an increased risk of disease and health care systems are strained to support and unable to respond effectively. Nearly 800 million people in India are classified as poor, and most of them live in rural areas while working casual jobs for a living. The lack of jobs that offer livable wages in most rural areas is driving many Indians to fast-growing metropolitan areas such as Delhi, Mumbai, Bangalore and Kolkata. Even there, most of them lead a life of poverty and desperation in massive slums made up of several corrugated steel mills, without adequate supply of drinking water, garbage collection, electricity and various other necessities.

Furthermore, such effects of poverty in India cause diseases such as cholera, dysentery and typhoid, in which especially children suffer and die. Thus, poverty in India mostly affects children, families and individuals in many different ways such as:

High infant mortality
- Malnutrition
- Child labour
- Lack of education
- Child marriage
- HIV / AIDS

- **Projects on Poverty in India**

Integrated Rural Development Programme (IRDP): It was first introduced in 1978-79 and universalized from 2nd October 1980, to offer assistance to the rural poor in the form of subsidy and bank credit for effective employment opportunities through successive plan periods.
Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana: The JRY was introduced to create meaningful employment opportunities for the unemployed and underemployed in rural parts of the country through the formation of economic infrastructure, community and social assets.
Food for Work Programme: It focuses on improving food security through wage employment. Foodgrains are supplied to states for free; thus, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.
Rural Housing – Indira Awaas Yojana: The Indira Awaas Yojana (LAY) programme is meant to offer free housing to Below Poverty Line (BPL) families in rural areas and keep up the targets would be the households of SC/STs.
In the end, we understood what poverty in India is all about and how knowing the causes and consequences can help us fight poverty and make India a better place.

- **Economic challenges faced by India**

1. **India's GDP**

Gross domestic product (GDP) is the total monetary or market value of all finished goods and services produced within a country's borders in a given period of time. As a broad measure of total domestic production, it functions as a comprehensive indicator of a country's economic health.
The US dollar was equal to ₹3.30 in 1947, while the Indian rupee is currently estimated to be ₹79. 6 for $1. It is interesting to note that the rupee was first devalued by 57% on June 6, 1966 to boost exports, a move that was triggered by the Indo-Pak war of 1965, after which the US withdrew aid to India. While the Reserve Bank of India devalued the currency by 9% on July 1, 1991 and then by 11% just two days later, it also coincided with turbulent times when the economy was facing its worst crisis.

2. **Per capita income**

Per capita income means direct income from a person's income. Through this, it can be used to know people's living conditions and people's personal economic status. Per capita income is really a measure of what a person's annual income is in a given country. It also shows the quality of life and the quality of people living in a given country, city and region. To find out how much of a person's earnings are in one year, the per capita income is calculated by dividing the population by the total income of the country.
People's income continued to rise after independence. This increase has seen more since 1991. In 1947, when the per capita income was Rs 249.6, there was a record increase of 200 percent.

3. **Inflation**

Inflation is a rise in prices that can be translated as a decline in purchasing power over time. The rate of decline in purchasing power can be reflected in the average price growth of a basket of selected goods and services over a certain period of time.

CPI inflation in India is 4 percent. However, this was not the case in the 1990s when inflation was in double digits. As indicated above, inflation was just as high in August 1991 at 16.7 percent. Even in 1998, it was in double digits. Between 2009 and 2012, higher commodity prices due to a surge in demand in China pushed inflation above comfortable levels. In recent years, inflation has been low.

- **Struggles faced by India due to poverty even today**

1) The High Infant Mortality
2) Malnutrition - not even a bowl of rice a day
3) Child labour - no time to play and learn
4) Lack of education - no opportunities without education
5) Child marriage - the early end of childhood

DATA ANALYSIS (Tendulkar)

- **1951-1961**

Minhas published his estimates of poverty rates in 1950s India as a cyclical and strong function of the annual harvest. Minhas disagreed with the practice of using calories as a basis for estimating poverty and proposed a poverty line based on actual expenditure per year (Rs 240 per year). In 1956–57, a good harvest year, he calculated India's poverty rate at 65% (215 million people). For 1960, Minhas estimated poverty at 59%.

Year[73]	Total Population (millions)	50%lived on (₹ / year)	95% lived on (₹ / year)
1956–57	359	180	443
1961–62	445	204	498
1967–68	514	222	512

- **1961-1971**

A task force was formed in 1962 to try to set a poverty line for India. This task force used the calories needed to survive and the income needed to purchase those calories in different parts of rural India to derive an average poverty line of Rs. 20 per month at 1960–61 prices.

Estimates of poverty in India during the 1960s varied widely. Dandekar and Rath, on behalf of the Government of India, estimated that the poverty rate remained broadly constant at 41% in the 1960s. Ojha, on the other hand, estimated that in 1961, 190 million people (44%) were below the official poverty line in India, and that this number had risen to 289 million people (70%) in 1967. Bardhan also concluded that the poverty rate increased during the 1960s, peaking at 54%. People above the poverty level of Rs 240 per annum in the 1960s were also in fragile economic groups and also did not fare well. Minhas estimated that 95% of India's people lived on Rs 458 a year in 1963–64, while the richest 5% lived on an average of Rs 645 a year (all figures adjusted for inflation to 1960–61 rupees).

India: Poverty Rate and Numbers in Poverty, 1974–2000

	Head Count Poverty Rate (%)			Number in Poverty (millions)		
Year	Combined	Rural	Urban	Total	Rural	Urban
1973/74	54.9	56.4	49.0	321	261	60
1977/78	51.3	53.1	45.2	329	264	65
1983	44.5	45.7	40.8	323	252	71
1987/88	38.9	39.1	38.2	307	232	75
1993/94	36.0	37.3	32.4	320	244	76
1999/2000	26.1	27.1	23.6	260	193	67

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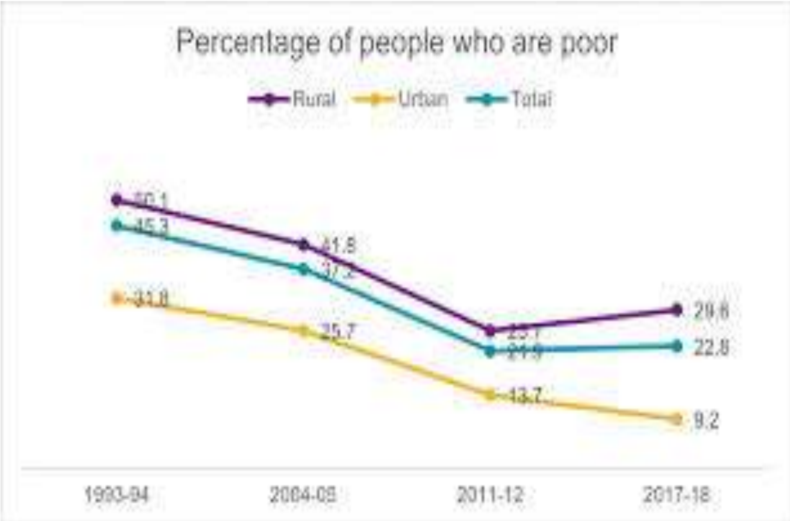
- **1971-2000**

As the table shows, both rural and urban poverty tend to decline together. India is still a predominantly rural country, with more than 70 percent of the population living in rural areas in 2000. As the table shows, the absolute number of poor Indians did not decrease between 1974 and 1994. The decrease in the poverty rate was compensated by the increase in the total population. Between 1994 and 2000, however, the number of poor began to decline sharply—by 60 million people over a six-year period. Growth was very slow in the 1970s and much faster thereafter. With the exception of a sharp decline in 1990-1991, per capita growth has been relatively stable since 1985. It's also been fast, averaging nearly 3.9 percent a year — making it among the fastest growing in the world over the period. At this growth rate, GDP per capita doubles every 18 years. In contrast, at the average growth rate between 1960 and 1980 (1.1 percent per year), per capita income doubles every 62 years.



- **2000-2011**

The Economic Analysis of Poverty in India stated that 50% of Indians live below the poverty line. In contrast, the Planning Commission of India put the poverty rate at 21.9%.
The National Council of Applied Economic Research estimates that 48% of Indian households earn more than ₹90,000 per year. According to the NCAER, in 2009, out of 222 million households in India, there were absolute poor households (annual incomes below ₹45,000 accounted for only 15.6% of them, or about 35 million. Another 80 million households have incomes between ₹45,000 and ₹90,000 per year .

- **2011-2019**

Between 2011 and 2019, poverty in India is estimated to have decreased by 12.3 percentage points. Poverty decreased by 3.4 percentage points from 2011 to 2015 – to 19.1% from 22.5%. Between 2015 and 2019, poverty saw a steeper decline of 9.1 percentage points from 19.1% to 10%. Extreme poverty fell by 3.2 percentage points between 2017 and 2018, the fastest pace in more than two decades. While rural poverty decreased by 4.4 percentage points from 26.3% to 21.9% between 2011 and 2015, it decreased more significantly by 10.3 percentage points from 21.9% to 11.6 during the period 2015 to 2019 %.
Urban poverty decreased by 1.3 percentage points from 2011 to 2015 – from 14.2% to 12.9%, followed by a sharper decline of 6.6 percentage points – from 12.9% in 2015 to 6 .3% in 2019.
However, urban poverty increased by 2 percentage points in 2016, coinciding with the demonetisation event.

FINDINGS (Agrawal P. S., 1995)

The economic reforms of 1991 were a serious balance of payments crisis that occurred in the same year. The first signs of India's balance of payments crisis appeared in the late 1990s, when foreign exchange reserves began to decline. With the onset of the Gulf War, world oil prices began to rise and remittances from Indian workers in the Gulf region plummeted as many of these workers left the region. From a level of US$3.11 billion at the end of August 1990, foreign exchange reserves dwindled to US$896 million in January 1991. The rapid loss of reserves prompted the Indian government to initially tighten restrictions on the import of goods. By early 1991, however, it was becoming increasingly clear that import compression, by limiting imports of capital and intermediate goods, was limiting the rate of economic growth and exports. Furthermore, it was evident that the payments crisis was no longer primarily caused by the trade deficit, but was caused by adverse movements in the capital account, notably the drying up of commercial credit and a net outflow of deposits held in Indian banks by

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non-resident Indians, reflecting a loss of confidence in the government's ability to manage the payments situation balance. The new government of Prime Minister P. V. Narasimha Rao, who took office in June 1991, moved quickly to address the situation. It has rapidly implemented a macroeconomic stabilization program along with a comprehensive and far-reaching review of policies governing India's industrial sector.

The 1991 Reforms

The financial reform program in particular centered on extraordinarily restrictive alternate and industrial regulations. Quotas on the import of most machinery and device and the synthetic intermediate product had been eliminated. an awful lot of the import license gadget has been replaced by means of tradable import entitlements tied to export income. in addition, the "real user" criterion for importing capital and intermediate products has been removed. There has additionally been a enormous reduction in tariff quotes, with the maximum tariff decreased from 300 in line with cent to a hundred and fifty per cent and the maximum responsibility on capital items reduced to eighty consistent with cent. the commercial licensing gadget changed into absolutely abolished, besides for a pick out list of environmentally sensitive industries. components of the MRTP Act that constrained the boom or mergers of massive enterprise homes were removed. The list of industries reserved for the public sector was reduced from seventeen to 6, and personal funding was actively sought in the infrastructure quarter. foreign ownership restrictions had been liberalized and overseas direct funding became actively endorsed, mainly inside the infrastructure sector.

The Indian Economy in the Post-Reform Period

Since the 1990s, the Indian economy has grown at a rate of 5–6 percent per annum, far exceeding the "Hindu rate of economic growth" observed for most of the previous decades since independence. Much of the increase in economic growth can be attributed to the strong performance of the manufacturing sector, in contrast to the dismal performance of the manufacturing sector in the 1970s (see Figure 1). A significant positive feature of economic performance in the 1990s was the control of the inflation rate, which fell below 3 percent, well below the historical average of around 5 percent. The performance on inflation is particularly noteworthy given that in the context of the Indian economy, controlling inflation is considered one of the most effective anti-poverty measures.

Another positive development in the 1990s was the large increase in foreign exchange reserves during the decade. In 2001, foreign reserves stood at US$54,106,000,000, a fifty-fold increase from the level at the height of the economic crisis in 1991. The accumulation of foreign reserves reflects a sharp decline in the current account deficit as well as large net capital inflows during the 1990s. The improvement in the balance of payments is mainly attributable to large inward remittances through legal channels as non-resident Indians took advantage of the market exchange rate, which had been steadily depreciating.

Large-scale trade and industrial policy reforms have clearly had a positive impact on India's involvement in the world economy. The openness of the economy—defined as exports plus imports as a ratio of gross domestic product (GDP)—almost doubled in less than a decade, and the openness rate reached 23 percent in 2000, a significant achievement for an economy that had remained open for most of the post-independence period closed to international trade.

The 1991 reforms freed Indian entrepreneurs from the shackles of bureaucratic controls and from a political regime that encouraged unproductive rent-seeking activities at the expense of productivity- and output-enhancing activities. The Indian business class responded to the new opportunities provided by the reforms by greatly increasing their investment in productive capital. The surge in private investment seen following the reforms, if sustained, promises continued economic prosperity for India and many of its citizens.

SUGGESTION TO REDUCE POVERTY (Guru)

1. **Accelerating Economic Growth:**

During the 1950s and 1960s, it was widely believed that accelerating economic growth could significantly reduce poverty in India. Benefits therefore come to the poor in the form of more job opportunities,higher productivity higher wages.

Theories proposed in the 1950s and 1960s, including Harrod Dormer, Mahalanobis, and the Lewis model of economic development with a limitless supply of labor, supported the rapid expansion of the modern industrial sector to address the problem of poverty in the United States. Asked for a long-term deal. day to day. They proposed increasing the rate of capital formation to achieve this goal in order to increase labor productivity and create more employment opportunities. It is true that we need higher capital accumulation to accelerate economic growth and solve the problem of poverty.

This is illustrated by the actual experience of India in the 1980s and 1990s. Over two decades of development, GDP growth has ranged from 5.5% to 6% per annum, with little increase in employment opportunities.

Especially in an organized industry.

Therefore, while efforts should be made to accelerate economic growth, the use of capital-intensive technologies imported from Western countries must be avoided in order to alleviate the problem of poverty in a sustainable manner. it won't work. In fact, we should follow the path of labor-intensive economic growth. Monetary and fiscal measures should be taken to encourage the use of labor-intensive methods.

2. Agricultural Growth and Poverty Alleviation

The growth of agriculture has been recognized as an important factor contributing to a significant reduction in poverty. A study conducted by Montek Ahuluwalia, a former member of the Planning Commission, clearly showed that agricultural growth and poverty are inversely related; higher agricultural growth leads to lower poverty rates. The experience of Punjab and Haryana in the late 1960s and 1970s confirmed this inverse relationship between agricultural growth and poverty.

The growth in agricultural production in these states, fueled by the adoption of new high-yield technologies, has caused a significant reduction in poverty in these states. The rural poverty rates in Punjab and Haryana were 6.4 and 8.3 percent in 1999-2000, respectively.

Therefore, other states have been urged to follow the path of Punjab and Haryana for reduction of rural poverty. Thus, Late Prof. S. Chakravarty states, "the solution to the problem of rural poverty requires that small farmers must also be given access to land-augmenting innovations". By land augmenting innovations he means the new high-yielding technology represented by green revolution that occurred first in Punjab and Haryana. However, in the recent years relationship between agricultural growth and poverty reduction seems to have weakened. For example, at all India level, employment elasticity of growth in agricultural output has been found to be zero during 1993-94-1999-2000 whereas it was 0.45 during 1977-78-1983.

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.

To ensure marked decline in rural poverty through agricultural growth, rate of agricultural growth should be accelerated by increasing public investment in irrigation and other infrastructure. In recent years since 1980, rate of capital formation in agriculture has been declining. This trend has to be reversed by increasing public investment in agriculture, especially irrigation. Besides, higher agricultural growth can be achieved in semi-arid and rain-fed areas by increasing public investment in infrastructure and ensuring adequate access to credit to the small farmers.

3. Growth of Non-Farm Employment

Non-agricultural employment in rural areas is of particular importance for reducing the growth of poverty. Non-agricultural employment is created in marketing (i.e. small trade), transport, craft production, dairying and forestry, processing of food and other agricultural products, repair shops.

A study on poverty alleviation in Haryana shows that the significant reduction in rural poverty in Haryana, despite the reduction in employment opportunities in agriculture, has been due to a remarkable increase in non-agricultural employment. Similarly, the Andhra Pradesh study also shows that poverty declined faster in districts adjacent to Hyderabad city due to large increases in non-agricultural employment.

4. Access to Assets

The conditions of agricultural laborers and small independent farmers worsened due to rapid population growth after independence, which increased the division and fragmentation of agricultural holdings. They cannot engage in self-employment to generate sufficient income to cover their basic living needs because they lack or have limited land. A key step to reduce rural poverty would be to redistribute land through effective redistribution, enacting tenancy laws to ensure security of tenure and fixing reasonable rents. Land reforms were not implemented to alleviate rural poverty, except in West Bengal and Kerala.

However, the only land reform policy that has been faithfully implemented in many regions of the nation is the abolition of the Zamindari system. Other land reform initiatives, such as restrictions on land tenure, protection of tenants from eviction, and government control of fair rent, were not implemented except in West Bengal.

However, the problem of rural poverty cannot be significantly reduced without land reform. Compared to large farms, small farms have higher labor employment per hectare, production per hectare and double cropping.

Lack of security of tenure prevents tenants from making the necessary investments in income-enhancing inputs to increase productivity. Poverty reduction depends on the effective implementation of land reforms that guarantee access to land and security of tenure.

Unfortunately, the present planning commission and government are not giving significant priority to these much awaited land reforms. referring to the experience of East and Southeast Asia, where both growth rates and poverty eradication have been impressive "Their experience suggests that the impact of development on rural poverty reduction has been greatest in situations where land reforms have been effectively implemented," says Prof. C.H. Hanumanth Rao.

5. Access to Credit

The availability of credit to the poor on simple terms can create the conditions for smallholder farmers to gain access to productive inputs such as HYV seed fertilizers, construction of minor irrigation facilities such as wells and wells. This will enable smallholder farmers to introduce high yield technology to increase their productivity. The new technology is size-neutral, meaning that it can be adopted equally well by small farmers. However, the adoption of new technology requires financial resources, which small farmers lack. Besides, the non-agricultural poor need credit for marketing, food processing, dairying, forestry, craft development that can provide them gainful employment.

Important changes have been introduced in the lending system in India. Expansion of the network of rural branches of commercial banks after nationalization and setting limits on compulsory lending to priority sectors (which include agriculture, small industries) and fixing lower interest rates charged from poor farmers and artisans brought some progress in this regard.

However, banks and other financial institutions have not shown adequate response to provide them with adequate credit because they consider the poor as uncreditworthy. Unless banks and other financial institutions change their attitude towards lending to the poor, much success cannot be achieved in providing adequate credit to poor farmers and artisans. They need short term loan for working capital like purchase of raw materials, fertilizers, pesticides.

An important step in the system of providing credit to the poor was the establishment of Regional Rural Banks (RRBs). Regional rural banks are primarily intended to meet the credit needs of the poor. The government should take effective steps to improve the functioning of these funds institutions so as to ensure the availability of adequate credit for the poor

6. Public Distribution System (PDS)

Poor households spend almost 80 percent of their income on food. Therefore, an effective way to increase rural incomes and ensure food security for poor households is to ensure the supply of adequate amounts of food grains and other basic commodities at subsidized prices, i.e. at prices that are lower than market prices. A well-functioning public distribution system that targets poor households is an important element of a poverty reduction strategy. The central government organization 'Food Corporation of India' procures food grains from farmers at Minimum Support Prices (MSP) and stores them in its warehouses across the country.

The foodgrains thus obtained are allocated to the state governments for sale through public distribution systems (i.e., ration shops) at subsidized prices which are below the market prices. The difference between the two prices is covered by the central government as a subsidy. Expenditure on food subsidies has increased significantly in recent years. The ratio of release of food grains through PDS to the total quantity of food grains is approximately 10 to 13 percent. Some economists suggested reducing subsidies. It is necessary to ensure that subsidized supplies of cereals through PDS are provided only to the target group of households living below the poverty line and not to all households. In this way, food subsidy expenditure can be significantly reduced and only the poor will get the benefits of the subsidy. It is worth noting that Andhra Pradesh is a shining example of using PDS to help the poor under Rs. 2 per kilogram of rice supplied through ration shops.

CONCLUSION

Life expectancy improved from 59 years to 67.5 years, while the maternal mortality rate fell to 167 per 1,000 from 556 in 1990. The under-5 mortality rate fell to 48 per 126 per 1,000 births. The child sex ratio, i.e. females per 1,000 males, has deteriorated to 918 from 945 in 1991. As the country ages, the number of children expected to be born per woman during her entire reproductive life has fallen from 3, 6 to 2.4. The food hare in consumer spending fell from 63 percent to 49 percent, while the percentage of the poor also fell, according to government records. The population is growing at 1.64 percent against 2.16 percent in 1991, while the literacy rate has climbed to 73 from 52.11. The number of doctors increased threefold to 9.59 million from 3.65 million. Infant mortality dropped from 80 to 40 levels.

According to the World Bank, India has achieved annual growth of more than 7 percent over the past 15 years and continues to lift millions of people out of poverty. The country has halved its poverty rate over the past three decades and seen significant improvements in most human development outcomes, according to a report by the international financial institution. Growth is expected to continue and the elimination of extreme poverty in the next decade is within reach, the bank said, warning that the country's development trajectory faces significant challenges.

Since the 1950s, the Indian government and NGOs have launched several programs to alleviate poverty, including subsidizing food and other necessities, improving access to credit, improving agricultural techniques and price support, supporting education and family planning. These measures have helped eliminate famines, reduce absolute poverty levels by more than half, and reduce illiteracy and malnutrition.

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