

# “Poverty alleviation programme in Maharashtra”

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## Abstract

*In spite of per capita income of the Maharashtra is highest among the other states but it has not managed to provide balanced growth. There is regional inequality available in Maharashtra. the four main urban centers Mumbai, Pune, Thane and Nagpur are in better position as compared rest of Maharashtra. The per capita income in Maharashtra at Rs.114,392 in 2013-14 stands next only to Haryana among all the major states, while the national per capita income is distinctly lower at Rs.74,380. On the other hand, the poverty rate in the state at 18% is close to the national average and shows sharp urban-rural disparity. While the urban poverty rate at 9% is lower than the national average by 5 percentage points, the rural poverty rate at 24% is less than the national average by only 1 percentage point. The economy of Maharashtra has gone through a faster structural shift from agriculture to industry and services, compared with the shift seen at the national level. While the agricultural sector grew at less than 5% per annum since 2004-05, industry and services sectors grew at 8% and 10% per annum, respectively. While it is easy to conclude that rapid growth of the urban-centric sectors of industry and services has resulted in a lower level of urban poverty in the state, the picture changes at the micro level. About 22% of the total poor population in the state of Maharashtra is from the four main urban centers Mumbai, Pune, Thane and Nagpur. The slow trickle-down effect of economic growth to the rural economy of Maharashtra is one of the reasons of relatively high poverty rate in the state. There are several reasons for poverty such as Low literacy levels as compared to urban area, Low per capita income of rural people, Inadequate of Transportation and warehousing facilities, etc. Planning Commission of India has defined poverty line on the basis of recommended nutritional requirements of 2400 calories per person per day for rural areas and 2100 calories per person per day for urban areas. Based on this, income criterion has been adopted in India to determine poverty line. The new panel, headed by the former governor of the Reserve Bank of India, C. Rangarajan, estimates there were 363 million people, or 29.5% of India's 1.2 billion populations, who lived in poverty in 2011-12.*

**Keywords:** Poverty alleviation, National per capita income, literacy, poverty line

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## Introduction:-

The Maharashtra state also suffers from high regional inequality. Without its four main urbanized districts such as Mumbai, Pune, Thane and Nagpur, the conditions in the rest of Maharashtra are barely better than in low income

states such as Bihar, Madhya Pradesh, Rajasthan and Odisha. The overall economic growth and generation of wealth in the state has led to the relative neglect of its distributional aspects. It is also evident from spatial data analysis that the concentration of business facilities and financial institutions per person in the high poverty zones of Mumbai and Pune are even higher than in the low poverty zone localities of the rest of Maharashtra. The slow trickle-down effect of economic growth to the rural economy of Maharashtra is one of the reasons of relatively high poverty rate in the state.

According to United Nation latest Millennium Development Goals report One third of the world's 1.2 billion poorest people live in India. The economy of Maharashtra has gone through a faster structural shift from agriculture to industry and services, compared with the shift seen at the national level. While the agricultural sector grew at less than 5% per annum since 2004-05, industry and services sectors grew at 8% and 10% per annum, respectively. While it is easy to conclude that rapid growth of the urban-centric sectors of industry and services has resulted in a lower level of urban poverty in the state, the picture changes at the micro level. As per the latest census 2011 about 70% of India's total population lives in rural India. Rural India has a population of 83.3 crore spread across 6,38,000 villages. For the first time since independence, the absolute increase in population is more in urban areas than in rural areas. The rural-urban distribution ratio currently is 68.84% & 31.16% respectively.

### **Research Methodology:**

The study was based on an extensive literature survey conducted through various journals, magazines and Research papers, the news printed in the various leading Newspapers as well as government reports such as Census 2011, Press Note on Poverty Estimates, 2011-12, Government of India Planning Commission July 2013, even also internet survey was also used to browse the latest occurrences in the Poverty.

### **Statement of Problem:-**

The basic purpose of this research is to ascertain the poverty and poverty alleviations programme in Maharashtra and also emphasis given to find out the causes of poverty and how could we implement poverty alleviation programme effectively in Maharashtra.

### **Objectives:-**

The objectives of study are based on

1. To understand the concept of Poverty in Maharashtra.
2. To find out causes of Poverty.
3. To study the poverty measurement techniques and Tendulkar method estimation of poverty.
4. To know the poverty alleviation programme in Maharashtra.

### **Meaning and Definition of Poverty**

#### **Meaning:-**

Absolute poverty or destitution refers to the deprivation of basic human needs, which commonly includes food, water, sanitation, clothing, shelter, health care and education. Relative poverty is defined contextually as economic inequality in the location or society in which people live. Rural poverty means poverty which is found in rural areas, factors like rural society, rural economy, and rural political systems that give rise to the poverty in rural area. Rural poverty is cursed for Indian economy

#### **Definition:-**

The term "Poverty" refers to "the state or condition of having little or no money, goods, or means of support." (Random, 1969) or "to a condition of being in want of something that is needed, desired or generally recognized as having value." (Valentine, 1968 : 12)

Table 1  
State specific Poverty Lines for 2011-12

S.No	State	Monthly Per Capita (Rs.)	
		Rural	Urban
1	Andhra Pradesh	860	1009
2	Arunachal Pradesh	930	1060
3	Assam	828	1008
4	Bihar	778	923
5	Chhattisgarh	738	849
6	Delhi	1145	1134
7	Goa	1090	1134
8	Gujarat	932	1152
9	Haryana	1015	1169
10	Himchal Pradesh	913	1064
11	Jammu & Kashmir	891	988
12	Jharkhand	748	974
13	Karnataka	902	1089
14	Kerala	1018	987
15	Kerala	771	897
16	Maharashtra	967	1126
17	Manipur	1118	1170
18	Meghalaya	888	1154
19	Mizoram	1066	1155
20	Nagaland	1270	1302
21	Odisha	695	861
22	Punjab	1054	1155
23	Rajasthan	905	1002
24	Sikkim	930	1226
25	Tamil Nadu	880	937
26	Tripura	798	920
27	Uttarakhand	880	1082
28	Uttar Pradesh	768	948
29	West Bengal	783	981
30	Puducherry	1301	1309
	All India	816	1000

Note: Computed as per Tendulkar method on Mixed Reference Period (MRP)

### Poverty alleviation programme

Poverty eradication is one of the major objectives of planned development therefore effectively implement poverty alleviation programme in rural area.

- **Maharashtra Employment guarantee Schemes**

The scheme was intended to provide productive employment to the rural population and there by solve the problem of rural poverty. The scheme has since been reviewed and revised several

times. Now it is contained in the Maharashtra Employment Guarantee Act, 1977 and the Rules made the said Act over the years the EGS has not only become a household word but also an important part of the culture of the State.

- **Integrated Rural Development Programme (IRDP) and Allied Programmes**

The Integrated Rural Development Programme (IRDP) aims at providing self employment to the rural poor through acquisition of productive assets or appropriate skills which would generate additional income on a sustained basis to enable them to cross the poverty line. Assistance is provided in the form of subsidy and bank credit.

- **Jawahar Rozgar Yojana (JRY)**

The JRY was launched as a Centrally Sponsored Schemes (CSS) on 1<sup>st</sup> April, 1989 by merging the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). The main objective of the programme is the generation of additional gainful employment for unemployed and underemployed persons, both men and women, in the rural areas.

- **National family Benefit Scheme (NFBS)**

It is under the community and rural department. This scheme provides a sum of 10000 Rs to a person of a family who becomes the head of the family after the death of its primary breadwinner.

- **National Maternity Benefit Scheme**

This scheme provides a sum of 500 Rs to a pregnant mother for the first two live births. The women have to be older than 19 years of age. It is given normally 12–8 weeks before the birth and in case of the death of the child the women can still avail it.

- **Rural Housing-Indira Awaas Yojana (IAY) (initiated in 1985)**

This scheme aimed at creating housing for everyone. It aimed at creating 20 lakh housing units out of which 13 lakhs were in rural area. This scheme also would give out loans to people at subsidized rates to make houses. It was started in 1999–2000.

- **National Rural Employment Guarantee Act (NREGA)**

The NREGA bill notified in 2005 and came into force in 2006 and further modified it as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2008. This scheme guarantees 100 days of paid work to people in the rural areas. The scheme has proved to be a major boost in Indian rural population's income. Implementation of NREGA at all levels is sought to be made transparent and accountable to the public, now 100 to 150 days work for all labour.

### **Conclusion:-**

The four main urbanized districts Mumbai, Pune, Thane and Nagpur in Maharashtra performance very well in Maharashtra as compared other parts. The economy of Maharashtra has gone through a faster structural shift from agriculture to industry and services, compared with the shift seen at the national level. While the agricultural sector grew at less than 5% per annum since 2004-05, industry and services sectors grew at 8% and 10% per annum, respectively. While it is easy to conclude that rapid growth of the urban-centric sectors of industry and services has resulted in a lower level of urban poverty in the state, the picture changes at the micro level. The slow trickle-down effect of economic growth to the rural economy of Maharashtra is one of the reasons of relatively high poverty rate. Apart from the central government sponsors schemes of poverty alleviation, the state government has also taken initiative new projects / schemes for poverty alleviation such as Maharashtra Employment guarantee Schemes, etc

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