

## The politics of poverty in India

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### Abstract

Unlike other developed nations of the world, poverty is considered as fertile land for the Indian politics to grow and flourish and the poor an asset, vote bank and fertilizer for its growth. The victory or defeat of any political party depends upon the fact how best it can manage maximum votes from among the poorest of the poor because it is very easy to exploit the poverty for gaining the political mileage in India.

We daily observe how does a healthy woman (called mother) on the cross roads use a feeble and skeletal child in her lap as a prop for begging to earn for the family at its cost. Two healthy and stout persons beg for a crippled soul being pulled in the trolley on the roads. A healthy person with 6/6 eyesight escorting a blind person and begging for him in the streets. In all these instances we find the woman with the feeble and skeletal child the healthy persons with a blind and crippled soul in the trolley earn more than if they had used the healthy child and normal persons during begging. It is a tragedy that these healthy and stout persons instead of begging for these crippled and feeble souls could prove a succour for them.

**Keywords:** poverty, politics, gross domestic products etc

### Introduction

India faces many economic problems at present, especially with respect to the sustainability of growth and the emerging inequalities. The strategy of development had given a relatively high income growth without the associated increase in employment and most of the employment has been in lower productivity activities under uncertain and rather oppressive conditions. Growth has been associated with sharp increase in spatial and vertical inequalities, greater fragility of incomes among the marginalized groups and adverse shifts in certain human development indicators. Since 2004 there has been a marked shift in the declared political priorities towards more inclusive growth.

India holds a large population covering all of its geographical areas along with regional diversity. Since Independence India has been a traditional "mixed" developing economy with significant private sector participation and the emphasis was primarily on the regulation of private capital. Indeed, one of the problems of the so-called "planned economy" in India was the inability of the state to make the private sector behave in ways that fit in with the plan allocations of the state, leading to mismatches between production and private demand as well as periodic macroeconomic imbalances. The neo-liberal reforms undertaken during the phase of globalization have further extended the scope for private activity and reduced regulation. But the inability to undertake land reforms or other strategies that would have involved substantial redistribution of assets not only meant that wealth and income inequalities continued to be very high, but also affected the ability of the Indian state to undertake economic policies that would be taken as going against the interests of the landed and other elites.

While India's recent economic growth experience has been less spectacular but it has still been extremely impressive. The real GDP growth rates have increased (except for the current demonetization drive whose impacts are yet to be

ascertained) to a higher level in the last two decades. Increase in per capita income suggests that economic inequalities have increased in India in the post-reform period and today, the official estimates of the extent of poverty in the shape of poverty line have become the subject of much debate. Concerns have also been expressed with the determination of the poverty line itself and has been used a political tool. The current poverty line is based on the line first determined in the 1970s, based on the consumption expenditure level at which a household was procuring sufficient food to meet the average calorie requirement of 2400 kcal per day in rural areas and 2100 kcal per day in urban areas. This line, determined in 1973, has been extended for subsequent years based on the consumer price indices for agricultural labourers in rural areas and for industrial workers in urban areas and it has all types of pitfalls in it now.

The other sources of inequality, social groups - particularly caste and community - remain important sources of economic differentiation, and within households, gender differences remain high and have even swelled. Social divisions extend beyond religious and ethnic groups to caste divisions, which in India, are not confined to Hindus, but are also implicitly recognized and practiced in other religious communities. There were hopes and expectations that such divisions would decrease or disappear in the course of economic development but this has not really happened to the anticipated extent, even in the more advanced urban areas. Instead, caste awareness is increasingly reflected in identity politics that has led the political process to emphasize affirmative action such as reservation. Scheduled Castes and Scheduled Tribes were explicitly recognized in the Constitution as being deprived and down trodden and were given reservations in all spheres. But the ground reality is still the different with their actual share still remaining low, well below their mandated levels. Now even the Other Backward Castes (OBCs) have been awarded reservations in both government employment and

higher education, although this policy remains politically contested with newer castes raising their hoods. There are proposals to extend such reservation to the private sector, although this has not yet been legislated. Moreover Muslims are still being deprived educationally and marginalized occupationally, and attempts might be made by the political leadership to rectify this.

What explains this persistence of poverty and the apparently paradoxical divergence between growth rates and poverty reduction in India is worth a question. The increasing inequality is an important factor to it since it has meant that the benefits of the growth have been concentrated and have not “trickled down” sufficiently to ensure improved consumption among the poor. Moreover, the terms of trade are playing a more complex role in the changing patterns of poverty. The rising agricultural and food prices are actually increasing poverty especially in rural India. The relevant indicator is not the nominal food price level, but the relative price of food and the rate of increase of nominal food prices. A faster rate of increase of agricultural prices had a contradictory effect on poverty.

Economic growth never delivers either income poverty reduction or improvements in the conditions of human poverty. It's a bad misnomer. Instead, what matters crucially is the nature of the growth: the extent to which the growth is associated with growing inequalities that do not allow the benefits of growth to reach the poor; the extent to which the structural change involved in the growth process generates sufficient opportunities for productive non-agricultural employment; the extent to which markets and states function in ways that ensure the provision of basic needs and universal access to essential social services. It also implies that government mediation of the process of global economic integration matters in affecting the processes that will ultimately determine the extent to which economic growth delivers better conditions for the poor.

The government must lay emphasis on infrastructure development, combined with some “controlled” trade and investment liberalization and must create greater possibilities for employment as an engine of growth. Simply a macroeconomic flexibility in a market driven environment is not the best recipe either for growth and stability or for poverty reduction. India's growth experience has been less than the rapid growth experienced by other Asian economies and it could not deliver the desired structural change in terms of the composition of output and employment that would have ensured substantial poverty reduction. These inadequacies of the recent growth process in India were related to the reduced public expenditure by the Indian state in the period of reform but even the public spending was directed towards rural areas generally. The central government's policies created resource problems for the state governments in various ways, forcing them to cut back on crucial developmental expenditure which resulted in a decline in aggregate income growth were and a dwindling employment rate. These problems were further heightened by the effects that trade liberalization had on small scale production in some manufacturing sectors. Agrarian distress and inadequate employment generation have thus emerged as the most significant problems of the times and needs to be rectified at the earliest. Else all efforts of all the political

parties would turn out to be a sham with no or very insignificant alleviation of poverty in the country.

## References

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