POVERTY AND SOCIAL EXCLUSION

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ABSTRACT

Financial inclusion has become a top policy priority of the Central Government to ensure egalitarians Society as the substantial population of India lives with Eco insecurity. Setting steps towards universal financial inclusion is both a national commitment as well as a public policy priority in India.

Keywords: Poverty, Social inclusion, subsistence poverty, relative poverty, Social exclusion.

Introduction

The present paper is an attempt to find out the relational aspects of poverty and Social Exclusion.

HOW POVERTY IS DEFINED?

Since poverty has many facets, social scientists look at it through a variety of indicators. Usually the indicators used relate to the levels of income and consumption. But now property is looked through other social indicators like illiteracy level, lack of general resistance due to malnutrition, lack of access to healthcare, lack of job opportunities, lack of access to safe drinking water, sanitation etc. Analysis of poverty based on social exclusion and vulnerability is now becoming very common.

Social Exclusion

According to this concept, poverty must be seen in terms of the poor having to live only in a poor surrounding with other poor people, excluded from enjoying social equality of better-off people in better surroundings. Social exclusion can be both a cause as well as a consequence of poverty in the usual sense. Broadly, it is a process through which individuals or groups are excluded from facilities, benefits and opportunities that others (their "betters") enjoy. A typical example is the working of the caste system in India in which people belonging to certain castes are excluded from equal opportunities. Social exclusion thus may lead to, but can cause more damage than, having a very low income.

It will focus on the similarities and differences between the two concepts and describe efforts that have been made to quantify them both historically and in modem times. Poverty is a universal concept, widely used in all countries in the world.

Poverty is generally seen as a deprivation due to lack of money. The Scottish Poverty Information Unit defines poverty as "relative to the standards of living in a society at a specific time." It then goes on to say that people are living in poverty "when they are denied an income sufficient for their material needs." (BBC 2011).

There are considered to be two types of poverty: (1) absolute (subsistence) poverty (2) Relative (overall) poverty. Absolute poverty can be defined as the lack of sufficient resources to meet basic necessities such as water, shelter, food, warmth and clothing. Relative poverty refers to a standard of living, which is defined in terms of the society in which an individual lives and therefore differs between countries over time. It is concerned with the absence of the materials needed by individual/households to participate fully in accepted daily life.

The 1995 Copenhagen World Summit on Social Development defines overall poverty as: lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It also described poverty as being characterized by lack of participation in decision-making and in civil, social and cultural life. (United Nations 1995:57) (Levitas 1999).

According to the World Bank Organisation "The most commonly used way to measure poverty is based on incomes. A person is considered poor if his or her income level falls below some minimum level necessary to meet basic needs. This minimum level is usually referred to as the "poverty line". What is necessary to satisfy basic needs varies across societies and time each country uses lines which are appropriate to its level of development, societal norms and values." (BBC 2011)

One of the first . researches on poverty (outside London) was published in 1901. Seebohm Rowntree was the son of Joseph Rowntree who owned a successful Rowntrees "chocolate business in York. Inspired by his fathers work and the study by Charles Booth, Life and Labour in London (1889), Rowntree decided to carry out his own investigations into poverty in York. There results of his study, Poverty, A Study of Town Life, was published in 1901 and highlighted a wealth of statistical data on wages, hours of work, nutritional needs, food consumed, health and housing. The book illustrated the failings of the capitalist system and argued that new measures were needed to overcome the problems of unemployment, old age and ill health. Rowntree was a strong supporter of the Liberal Party and became associated with David Lloyd George. Lloyd George became Chancellor of the Exchequer and introduced a series of reforms influenced by Rowntree, which included the Old Age Pensions Act (1908) and the National Insurance Act (1911) Rowntree believed that healthy and well-fed workers were also efficient workers. He introduced a series of reforms at the Rowntree factory including an increase in wages for the 4,000 people the company employed. He argued that employers who refused to pay decent wages should be put out of business as their existence was bad for the "nation's economy and humanity". In his book The Human Needs of Labour (1918) Rowntree argued strongly for a government enforced minimum wage and the introduction of family allowances. Rowntree carried out a second survey of York. In Progress and Poverty (1941), Rowntree pointed out that in the 1930s the main cause of poverty was unemployment, whereas in the 1890s it had been low wages. (The Rowntree Society 2011).

Social exclusion has been defined by the Department of International Development as "a process by which certain groups are systematically at disadvantage because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, descent, gender, age, disability, HIV status, migrant status or where they live (DIFD 2005).

The SEU describe social exclusion as 'a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown' (SEI: 1997). Other possible definitions are the 'inability to participate effectively in economic, social, paid and cultural life, alienation and 'distance from the mainstream society'(Duffy 1995) or 'the dynamic process of being shut out ... from any of the social, economic, political and cultural systems which determine the social integration of a person in society' Social exclusion is, in all these versions presented as a comprehensive problem (Walker and Walker 1995).

One of the advantages of the term 'social exclusion is that it is reasonably self-explanatory, clearly relating to the alienation or disenfranchisement of certain people within society. Its use, therefore, helpfully highlights the importance of such alienation and the need to understand the full complexities of its causes and effects.

In contrast, a drawback of introducing the term 'social exclusion' was that it led some people to assume that low income and alienation were essentially unconnected and that each could (and should) be considered separately when developing policy. This, in turn, led to the tendency in some instances to downgrade the importance of addressing issues of low income, on the grounds that its effect was simply to limit the material goods that a household could acquire rather than having any wider social impact.

Part of the difficulty of finding indicators of social exclusion is that there is no agreed definition or measurement either of the occurrence or of its maincauses (Levitas 1998) It is clear to see that households with high income and high standards of living are not considered poor, whilst those with low income and low standards of living are considered poor. However due to changes in income, those who have low standards and high wage or those with high standards to maintain (who may have recently lost a job) and a low income can also be considered in poverty. (Gordon 2006).

Poverty may be the 'lack of material resources, especially income, necessary to participate in British society' (Walker and Walker p 8). But some definitions of poverty include social exclusion, which is understood as lack of participation in social life.

However variables are apparent as to the extent of social exclusion in light of benefits available to some but not all low-income families. Children whose parents "receive some benefits receive free school meals, yet other children whose "parents" bring home a low wage, struggle to find enough money for school meals often opting to give their children a pack up - they find the current expense (£10.50) per child per week more than they can afford.

Levitas (1995) developed a model that shows the three differing approaches to social exclusion. The first of these is a redistributionist discourse (RED) which sees social exclusion as a consequence of poverty. The RED approach has been that since social exclusion results from poverty, raising benefit levels to reduce poverty is crucial to reducing exclusion. Much of current day policy however focuses more on a labourforce element being the key to social integration (SID) In this approach paid work is represented as the primary or sole legitimate means of integrating individuals of working age into society. The excluded are those who are 'workless', or, in the case of young people, at risk of becoming become so. It ignores the poorly paid workforce and fails to reward unpaid (volunteer) workers. The third approach is a moral underclass discourse (MUD). This approach emphasises moral and cultural causes of poverty and is concerned with the moral hazard of 'dependency', and workless households. It emphasises social exclusion for social order and focuses on particular groups such as the unemployed and potentially criminal young men and young unmarried mothers rather than individual labour markets.

Prime Minister, Tony Blair described social exclusion as"...a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown". (Levitas 2005). Prior to the 1997 Labour Government, the term 'social exclusion' was rarely used when discussing social policy in the UK. Up till then poverty was generally used to describe a situation where people lacked many of the opportunities that were available to the average citizen. However in 1997soon after labour came to power, it became a central concept and the Social Exclusion Unit (SEU) was set up to develop coordinated policies to address the issue (Levitas 2008).

Since both poverty and social exclusion are major threats for the countries like India therefore, the foremost need of the hour is to find out the solution for the same.

Now the answer of this question is the inclusion just opposite of exclusion.

What is Inclusion?

There are multiple ways in which inclusion has been conceptualized. Some scholars have focused upon the rate at which poverty has reduced over time. A more rapid decline in poverty has been viewed as evidence for inclusion. In fact there is a long tradition in India among both academics and policy makers of examining rates of poverty reduction. Given this it is important to describe in detail what this procedure entails. Poverty has typically been measured using official poverty lines and the quinquennial surveys on consumption expenditure conducted by the National Sample Survey Organization (NSSO) usually every five years. In the absence of reliable data on incomes, expenditure has been used instead. The Most popular measure of poverty has been the Head Count Ratio (HCR), which is the percentage of individuals whose incomes fall below the poverty line. Considering two different time periods say the years 2004-05 and 2009-10, for which the Head Count Ratios are denoted by $HCR_{2004\text{-}05}$ and $HCR_{2oo9\text{-}10}$ respectively, the rate of decline in poverty is given by: $HCR_{2004\text{-}05}$ $HCR2_{2009\text{-}10.}$) 5. Note that the total decline in poverty is ($HCR_{2004\text{-}05}$ $HCR_{2oo9\text{-}10}$) and this has happened over a period of five years.

Suryanarayana and Das (2014) conceptualize inclusion in terms of three dimensions employment, income and consumption. They use three measures: (i) elasticity of mean consumption with respect to mean income, i.e the percentage by which mean consumption has changed when there is a one percent change in mean income (ii) elasticity of median consumption with respect to mean consumption. i.e. the percentage by which median consumption has changed when there is a one per cent change in mean consumption, and (iii) "inclusive coefficient," - which depends upon the share of the population that has less than 60 per cent of the median consumption. For broad-based growth, one would want the above elasticities to be greater than I and the inclusive coefficient to be high. Considering both the entire population and socially disadvantaged groups (e.g. the Scheduled Tribes), and using NSS consumption expenditure data from 1993-94 to 2011-12, they show that Indian growth has not been inclusive for example, the inclusion coefficient has fallen from 0.748 in 1993-94 to 0.711 in 2011-12.They conclude that "inclusiveness of the poorest in the Indian mainstream growth process is still a forlorn hope".

Discussion and Conclusions

Average incomes for both the entire population and for disadvantaged social groups have risen in the past two decades, Poverty as measured As has been documented by several government reports and scholars, the sector which has created the most jobs has been construction and that too, in rural areas. In general, these jobs are not remunerative and are unlikely to build marketable skills. The performance of manufacturing has been disappointing and official poverty lines has also declined. However, inclusion demands much more than these outcomes. As it has been argued above, more expansive approaches towards conceptualizing inclusion have found India's record is still disappointing. The reasons for this are not difficult to fathom. Indian apiculture has not been performing well and as several scholars (e.g. Vasavi 2015) have been arguing, is currently in the throes of a crisis. Adequate jobs have also not been created in urban area to absorb the poor from either the agricultural sector or the urban informal sector. As has been documented by several government reports and scholars, the sector which has created the most jobs has been construction and that too, in rural areas. In general, these jobs are not remunerative and are unlikely to build table skills.

The performance of manufacturing has been disappointing. Creation of jobs in manufacturing, particularly labor intensive manufacturing, could have gone a long way towards inclusion. The need of the hour is to strengthen welfare programmes scheme to protect urban poor 'Mahatma Gandhi National Rural Employment Guarantee, urban poor. Apart from this, policies that can build skills and spur jobs creation through public investment) are necessary. Simply assuming that growth will lead to inclusion is bound to be counterproductive.

Bridging the Gap Current Scenario

India's growth story during the six and half decades of Independence has been remarkable, with India emerging from an underdeveloped nation to one of the largest economies. Despite many ups and downs in the global economy, India has been able to hold fort and reached a growth rate of 7.5 per cent in the last quarter. Recent report by the World Rank has projected India as the world's fastest growing economy. As per the report, India's Gross Domestic Product (GDP) is expected to grow at 7.5 per cent in 2015-16 followed by further acceleration to 7.9 per cent in 2016-17 and then to 8 per cent in 2017-18. The economic indicators show a significant improvement in growth figures over the last one year.

President Pranab Mukherjee, while addressing both houses of Parliament at the start of the budget session described "Inclusive growth covering poorest of poor" as the gone priority. This emphasis stems from the realization that there has been a gap between the pace and pattern of growth in India. The country's progress on various fronts has not been translated into overall improvement in life of poor and marginalised sections of society. India's 135^{th} rank on UNDP's Human development Index substantiates this fact. In India, a need has always been felt to broad base economic growth and share the benefits of the growth process to make it more inclusive. The concept of "Inclusive growth" was first envisaged in the Eleventh five year plan document which intended to achieve a growth process with broad-based improvement in the quality of life and equality of opportunity to all. Twelfth plan document highlighted this agenda more emphatically with specific locus on reducing poverty, improving health and education facilities and livelihood opportunities.

Inclusive growth means economic growth that creates employment opportunities and helps in reducing poverty. It includes providing equality of opportunity and empowering people through education and skill development. The Government has launched several initiatives to ensure this by bringing excluded sections of the society jam the mainstream and enabling them to reap the benefits of faster economic growth. One of the major steps in the direction of bringing about financial inclusion. Pradhan Mantri Jan Dhan Yojana, (PMJDY), has yielded impressive results within ten months of its launch with 98 per cent households having a bank account MUDRA Rank. SETU, Skill India Mission are strong measures expected to create skilled workforce and provide livelihood opportunities. Pradhan Mantri Jeevan lyoti Derma Yojana, Pradhan Mantri Jeevan Suraksha Yojana and Atal Pension Yojana have been introduced with the intention of creating sustainable security net in the country. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has improved the standard of living of people and has been able to check migration to a great extent. Kisan Card, Pradhan Mantri Krishi Sinchayee Yojana (PMIKSY), National Agriculture Market (NAM) arc aimed at benefitting largely the agrarian community, an important indicator of economic wellbeing of the country. Rashtriya Mahila KOSH (RMK) Venture Capital Fund Scheme (RMK), Venture Capital fund Scheme are also the same steps taken by Government recently for inclusion.

However with a diverse population of 1.2 billion, the biggest challenge is to take the levels of growth to all sections of the society and to all parts of the country and this is where the role of appropriate technology comes into play. Digital India programme launched recently proposes to address these challenges and use of technology effectively and efficiently for the benefit of people by delivering governance and services to the last person. The mission aims to use technology to bring about complete transformation in the basic sectors of education, health, agriculture and manufacturing thereby improving general quality of life. With Indian economy now headed in a new direction with a broad objective of "Inclusive Growth", it is poised to secure to its citizens, the equality of status and opportunity in real sense.

Stand-up Indian Scheme.

Venture Capital Fund Scheme status as on 27th June, 2018

Particulars	Present status
1. No of companies to whom funds sanctioned	71 Companies
2. Sanctioned amount	Rs. 255.37 Cr.
3. No of companies who have availed disbursement	56 companies
4. Total Disbursement	176.76 Cr.

These scheme clearly highlights that the Govt. is committed to the cause of inclusive empowerment of weaker s section of the society. As a stated various landmark initiatives have been taken under the present regime to eliminate poverty and empower the disadvantages sections of the society.

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