



Mains Practice Question

Q. Poverty and unemployment are the major barriers to India's Development. Discuss. (250 words)

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Approach

- Start your answer by giving a brief about poverty and unemployment.
- Discuss how poverty and unemployment is barrier to the development.
- Discuss the various steps taken to mitigate unemployment.
- Conclude your answer by giving a way forward.

Introduction

- **Poverty:** Poverty can be defined as a situation where people are unable to satisfy the basic needs of life.
- **Unemployment:** Unemployment can be defined as a state of worklessness for a person who is fit and willing to work at the current wage rate. It is a condition of involuntary and not voluntary idleness.

Body

- **Reasons for High Poverty and unemployment in India:**
 - **Vicious cycle:** once people get trapped in the vicious cycle of poverty, it's difficult to break as it restricts opportunities available.
 - **Increasing population:** the rate of growth of population exceeds the growth of National income in India, and the burden of reduction in per capita is mainly borne by the poor sections of society.
 - **Lack of productive Employment:** The magnitude of poverty is directly linked to the unemployment situation. The present employment conditions don't permit a reasonable level of living, causing poverty.
- **Barrier to India's Development:**
 - Poverty and unemployment create a gap between the rich and the poor.
 - There is considerable evidence that productivity growth rates and inequality growth rates are inversely related. Poverty also limits people to realize their full human capital potential thus impacting productivity.
 - High levels of poverty and unemployment are associated with economic instability and crises, whereas more equal societies tend to have longer periods of sustained growth.
 - It is often seen that unemployed people end up getting addicted to drugs and alcohol or attempts suicide, leading to losses to the human resources of the country.
 - Further, increase in inequality and poverty has been responsible for a **wide range of health and social problems**, from **reduced life expectancy and higher infant mortality to poor educational attainment**, lower social mobility and increased levels of violence and mental illness, which hampers India's economic growth potential.

Government Initiatives taken to tackle unemployment:

- **Mahatma Gandhi National Rural Employment Guarantee Work (MGNREGA):** This flagship programme of the government aims at enhancing livelihood security of households in rural areas by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work with the stipulation of one-third participation of women.
- **National Rural Livelihood Mission (NRLM):** Aajeevika the Swarnjayanti Gram Swarozgar Yojana (SGSY)/ NRLM: it is a self-employment programme implemented since April 1999 aims at lifting the assisted rural poor families (swarozgaris) above the poverty line by providing them income-generating assets through a mix of bank credit and government subsidy.
- **Swarna Jayanti Shahari Rozgar Yojana (SJSRY):** The SJSRY launched on 1 December 1997 aims at providing gainful employment to the urban unemployed and underemployed, by encouraging them to set up selfemployment ventures or creating wage employment opportunities.

Way Forward

The issue of poverty and unemployment is a major threat to the Indian economy and requires deliberate inequality and poverty-busting policies. While the state is a dominant actor in driving this agenda, the efforts need to be complemented by the private sector and civil society to accelerate its removal.

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