Approach in poverty alleviation

What is the issue?

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- India’s record of reducing poverty is not very encouraging in comparison to many developing countries.
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- This calls for a reassessment of the approach to poverty reduction efforts.
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How has India's record been?

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- India extricated 120 million people from extreme poverty between 1990 and 2013; however the process was relatively slow.
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- Over the same period, China reduced the number of people living in extreme poverty from 756 million to 25 million.
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- Growth elasticity of poverty reduction i.e. the impact of economic growth on poverty reduction is also very weak in comparison to many high growth countries.
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- Despite many initiatives in this regard, the results are being diluted by the conditions of rising inequalities.
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What should be done?

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- An essential element in any poverty alleviation strategy is the prevention of large declines in household incomes.
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- State-sponsored anti-poverty and social protection schemes should come with the right understanding.
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- Conditional Cash Transfers (CCTs) have been proposed as an effective instrument in alleviating poverty in many countries.
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- Above addressing poverty, CCTs have longer term results through behavioural changes in households.
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- Importantly, encouraging investment in the human capital of poor children can only break the inter-generational transmission of poverty.
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- This translates to quality and equal educational opportunities, accessible and affordable health infrastructure
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- The idea of Universal Basic Income in the latest Economic Survey is positive, but focusses more on reducing poverty.
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- However, there is a need to build the **social infrastructure** capable of providing quality education, health, and nutrition to reap full benefits.
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- A well-functioning social infrastructure is thus a prerequisite for CCTs and other such measures in reducing poverty.
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Source: Indian Express

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