NOTES:

- Poverty: It is a situation in which one is unable to get even the minimum basic necessities of life such as food, clothing, shelter for his/her sustenance.
- Dimensions of Poverty: Poverty means hunger and lack of shelter, parents are unable to send their children to school, lack of clean surroundings, lack of regular job and therefore, leads to helplessness.
- Social indicators of poverty: Illiteracy, lack of general resistance due to malnutrition, inability to work, lack of access to health care and lack of jobs.
- Social Exclusion: Living in bad conditions, surrounded by poor, does not enjoy social equality with better-off people in good surroundings i.e. the people do not enjoy facilities, benefits and opportunities that others enjoy.
- Vulnerability: It describes the greater probability of being more adversely affected than other people when bad time comes for everyone. Vulnerability to poverty is a measure describing a situation in which some sections of the society such as people from the backward classes, physically handicapped become poor or remain in poverty in the coming years.
- Poverty Line: It is an imaginary line that expresses the income that is required to purchase the minimum subsistence needs of a person. It is a line that demarcates the population into poor and non-poor.
- Measurement of poverty: In India, the daily minimum nutritional requirements for a person is fixed at 2400 calories in rural areas while in urban areas it is fixed at 2100 calories. The poverty line fixed for rural areas is Rs. 328 per capita per day and for urban areas it is fixed at Rs. 454 per capita per day.
- Vulnerable Groups: Under the social groups – Schedule Caste, Schedule Tribes. Under the economic groups – agricultural labour households and the urban casual labour households.
- Uneven distribution of poverty is due to differences in social and economic infrastructure in different states.
- Causes of Poverty: a) British government did not encourage industry in India. Handicraft and small cottage industries were crushed for e.g. textile industry.
  b) Backwardness in agriculture.
  c) Due to lack of technology and capital, there is slow rate of economic growth.
  d) the industries, both public and private, did provide some jobs, but these were not enough to absorb all the job seekers.
  e) Unequal distribution of wealth.
  f) Social factors such as illiteracy, social structure and overpopulation.
- Anti-Poverty Measures: The current anti-poverty strategy of the government is based on two planks-promotion of economic growth and targeted anti-poverty programmes.

QUESTIONS

Q1 Describe how poverty line is estimated in India.

For estimating the poverty line, a minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirement etc. is determined for subsistence. These physical quantities are multiplied by their prices in rupees. The total value of the multiplied figures gives us the level at which the poverty line is to be set up.

The accepted average calorie requirement in India is 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas. The monetary expenditure per capita
needed to buy these calorie requirements is revised periodically taking into consideration the rise of prices. 

On the basis of these calculations, for the year 2000, the poverty line for a person was fixed at Rs. 328 per day for rural areas and Rs. 454 per day for urban areas. 
The poverty line is estimated periodically by conducting sample surveys. These surveys are conducted by National Sample Survey Organisation (NSSO).

Q2 Discuss the major reasons for poverty in India.
   a) Low level of economic development under British Government. One historical reason for widespread poverty in India is the low level of economic development under the British colonial administration. The policies of the British Government discouraged the development of industries like textiles, handicrafts etc. this resulted in low rate of economic growth which further lessened job opportunities and growth of incomes.
   b) High Growth Rate of Population. The cycle of poverty was further perpetuated by high growth rate of population. Failure to control population reduced the growth rate of per capita income.
   c) Unequal Distribution of Land and Other Resources. Land and other resources are not well distributed among people living in rural and urban areas. Major policy initiatives like land reforms have not been implemented in an effective manner by most of the state governments.
   d) Socio-Cultural and Economic Factors. In order to fulfil social obligations and observe religious ceremonies, people in India, including the very poor spend a lot of money. Small farmers need money to buy agricultural inputs like seeds, fertilizers, pesticides.

Q3 Discuss the following issues related to poverty.
   a) Landlessness: In rural India, cultivation is the main occupation of the people. In cultivation, land is the major asset. Those who have no land of their own constitute the landless class, e.g. landless agricultural labourers. They are most vulnerable to poverty.
   b) Unemployment: Those who find no work in agriculture sector and elsewhere, are rendered unemployed. They have to face poverty, hunger and starvation. They lead a miserable life.
   c) Size of families: A large family means a large number of dependents. In such a situation, the consumption expenditure is high and the capacity to save is less. As such, the family is caught in the vicious cycle of poverty i.e. low productivity – low income – no savings – low productivity
   d) Illiteracy: Acquisition of knowledge, skills and training is a necessary condition for getting a suitable and well paid job. Illiterate persons can hope to get, if at all, only low-productivity and low-paid jobs.
   e) Poor health/malnutrition: Poverty gives birth to another vicious cycle. Poverty – ill or poor health and malnutrition – less capacity to work – low paid or no job – poverty.
   f) Child labour: Poverty compels people to send their children to seek work. They are denied education and health care. Hence, the vicious cycle of poverty perpetuates.

Q4 Why do different countries use different poverty lines?
Poverty is found in different countries in various dimensions. Its nature and extent also varies from time to time and region to region. Different countries adopt different levels of poverty lines because of the following reasons:
   a) Existing level of development in different countries.
   b) Every country has its own accepted minimum social norms.

Q5 Describe the current government strategy of poverty alleviation.
The current anti-poverty strategy of the government is based mainly on two planks:
   a) Promotion of economic growth: A major cause of poverty in India has been slow rate of growth of the economy. A fast growing economy turns out increasing amount of goods and services every year, generates higher incomes and provides greater employment opportunities. If income distribution remains unaltered, the poor will share this increased income through greater employment and more job
opportunities. Thus there will be some improvement in the poor masses and incidence of poverty will be reduced. There is a strong link between economic growth and poverty reduction.

b) Targeted Anti-Poverty Programmes: In view of the growing magnitude of poverty and unemployment in spite of reasonable, though not high, growth rate achieved during the first three decades of planning, special programmes were designed and implemented to make a direct attack on poverty. Some anti-poverty measures are as follows:

- NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA) 2005
- NATIONAL FOOD FOR WORK PROGRAMME (NFWP), 2004
- PRIME MINISTER ROZGAR YOJNA (PMRY), 1993
- RURAL EMPLOYMENT GENERATION PROGRAMME (REGP), 1995
- SWARNJAYANTI GRAM SWAROZGAR YOJNA (SGSY), 1999
- PRADHAN MANTRI GRAMODYA YOJNA (PMGY), 2000

Q6 Write a short note on the following

# NREGA.

1) This act provides 100 days assured employment every year to every rural household in 200 districts.
2) One-third of the proposed jobs would be reserved for women.
3) Under this scheme if an applicant is not provided employment within 15 days of his application, he/she would be entitled to receive a daily unemployment allowance.
4) The central government will set up NATIONAL EMPLOYMENT GUARANTEE FUND.
5) The state government will set up a STATE EMPLOYMENT GUARANTEE FUND.
6) The jobs will be provided to the people within 5 kms of the radius.

# NFWP

1) This scheme was launched in 150 most backward districts of the country.
2) This programme is open to all rural poor who are in need of wage employment and desire to do unskilled manual work.
3) It is a 100% centrally sponsored scheme.
4) The state provides foodgrains free of cost to the states.

# PMRY

1) This programme aims to create self-employment opportunities for educated unemployed youth in rural areas and small towns.
2) They are helped to set up small business and industries.

# REGP

1) This programme aims to create self employment opportunities in rural areas and small towns.

# SGSY

1) This programme aims to bring the poor families above the poverty line by organizing them into self help groups through a mix of bank credit and government subsidy.

# PMGY

1) Under this programme the centre provides assistance to the states for basic services such as primary health, education, rural shelter, rural drinking water, rural electrification etc.
2) The objective of this scheme is to uplift the living standards of the rural poor by improving the quality of their lives.

Q7 How do you explain inequalities of income within a family?
Within a poor household, all members of the family suffer from poverty. But some members suffer more than others. Some members are given priority over the rest. They have the first right of consumption over the available resources. This group includes the adult males and male children. Other members have to subsist on leftovers. This group comprises of women, elderly people and female children.

Q8 Mention the positive and negative aspects of poverty alleviation programmes in India.

**POSITIVE SIDE:** The incidence of poverty has declined. In the year 1973, about 55% of the Indian population was poor. At present the poverty ratio has come down to 26%.

**NEGATIVE SIDE:** Poverty still remains one of the major challenges of our country. About 1/4th of the total population still remains poor. The major drawbacks of the poverty alleviation programmes are as follows:

1) Lack of proper targeting.
2) Lack of proper implementation.
3) Non-delivery of benefits to targeted groups.
4) Overlapping of schemes.

Q9 Mention a few measures to reduce poverty.

1) More industrialization. In order to remove poverty and unemployment, both in rural and urban areas, there is a need to set up more and more industrial units.
2) Improvement in agriculture sector. Besides initiating institutional and technological reforms, there is a need to provide land to the actual tiller of the land.
3) Promotion of education. Education widens the opportunities of an individual to take up jobs and earn a livelihood for himself.
4) Promotion of economic growth. Economic growth creates more opportunities and provides more resources which are quite essential for human development. This also encourages people to send their children to schools in the hope of getting better economic returns by investing in their education.
5) Improvement in the implementation of anti-poverty programmes. Proper targeting and delivery of benefits to the targeted groups should be done.
6) Reduction in the rate of population growth.

Q10 Name a few states in India where the poverty ratios are high.

Bihar, Orissa, Rajasthan, Tripura, Uttar Pradesh.

Orissa and Bihar continue to be the two poorest states with poverty ratios of 47% and 43% respectively.

Q11 Name the Indian states that have experienced a massive decline in their poverty ratios.

Kerala because of huge investments made in human capital.
West Bengal because the effective implementation of land reforms.
Andhra Pradesh and Tamil Nadu because of the successful working of PDS.
Punjab and Haryana because of the improvement and development of agriculture.

Q12 Name the countries where the poverty ratios have increased over a period of time.

Sub-Saharan Africa and Russia.