

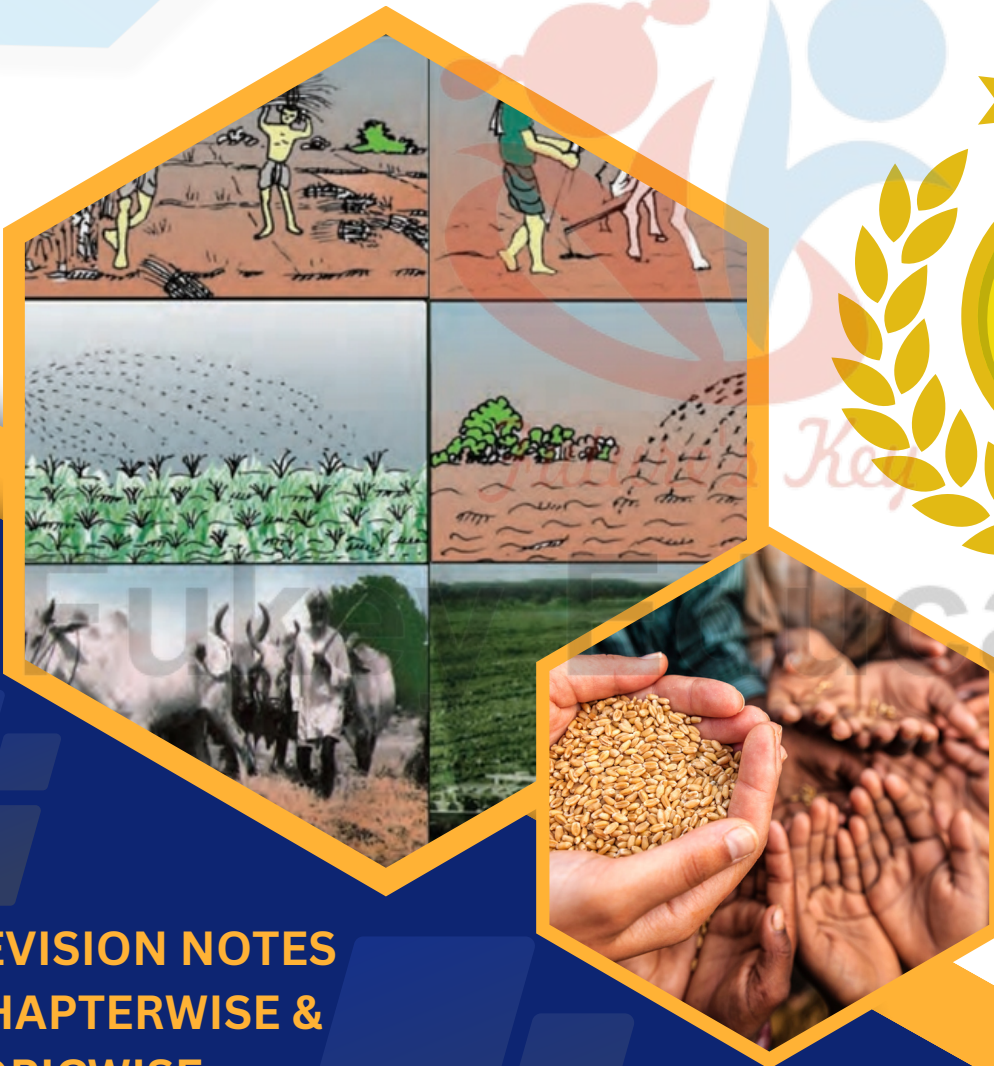


NOTES

SOCIAL SCIENCE

(ECONOMICS)

POVERTY AS A CHALLENGE



**REVISION NOTES
CHAPTERWISE &
TOPICWISE**

Chapter 3: The Story of village Palampur

Concepts Covered:

1.	Introduction
2.	Two typical cases of Poverty <ul style="list-style-type: none"> ➤ Urban case ➤ Rural case
3.	Poverty as seen by Social Scientists <ul style="list-style-type: none"> ➤ Social exclusion ➤ Vulnerability
4.	Poverty Line <ul style="list-style-type: none"> ➤ Determination of Poverty line in India ➤ Poverty estimates ➤ Vulnerable groups
5.	Inter-State Disparities
6.	Global Poverty Scenario
7.	Causes of Poverty in India
8.	Anti-Poverty measures <ul style="list-style-type: none"> ➤ Anti-Poverty programmes ➤ Outcome
9.	The Challenges ahead
10.	Mind Map (Colourful & Interactive/ Complete All Concept Covered)
	Practice Questions (All Topics Available)

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POVERTY AS A CHALLENGE**INTRODUCTION****INTRODUCTION**

Poverty is a condition in which a person lacks the financial resources and essentials things to enjoy minimum standards of life. Poor people can be landless labourers in villages, jhuggi and slum dwellers in cities and towns, daily wage workers at construction sites, child, workers in Dhaba's or even beggars. India has the largest single concentration of the poor in the world, where every fourth person is poor.



- When a person is unable to fulfil his basic needs of food, clothing, and shelter, then he is said to be living in poverty. One of the biggest challenges of independent India has been to bring millions of its people out of poverty.
- In our daily life, we see poverty all around us. They could be landless labourers in villages, people living in overcrowded jhuggis in cities, daily wage workers or child workers in Dhaba's.
- According to facts, in India every fourth person is poor.
- Roughly 270 million (or 27 crore) People in India live in poverty (2011-12).

POVERTY AS A CHALLENGE**TWO TYPICAL CASES OF POVERTY****Analysis and discussion of two cases of poverty**

Landlessness, Unemployment, Size of families, Illiteracy, Poor health/malnutrition, Child labour, Helplessness.

Poverty

- Hunger and lack of shelter.
- Lack of clean water and sanitation facilities.
- Lack of a regular job.
- Living with a sense of helplessness.



Mahatma Gandhi always insisted that India would be truly independent only when the poorest of its people become free of human suffering.



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POVERTY AS A CHALLENGE**POVERTY AS SEEN BY SOCIAL SCIENTISTS****POVERTY AS SEEN BY SOCIAL SCIENTISTS**

Social scientists look at it through various indicators like:

1. Level of income and consumption.
2. 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.
3. Analysis of poverty based on social exclusion and vulnerability is now becoming very common.

**Social exclusion**

- Poor have to live in poor surrounding with poor people and excluded from enjoying social equality.
- Cause as well as consequences of poverty.
- Caste system is an example of social exclusion.

Vulnerability

- When a section is more prone to specific problem it is known as vulnerable.
- When the probability of certain community or individual is more towards remaining poor.
- Creates probability of being more adversely affected.



POVERTY AS A CHALLENGE

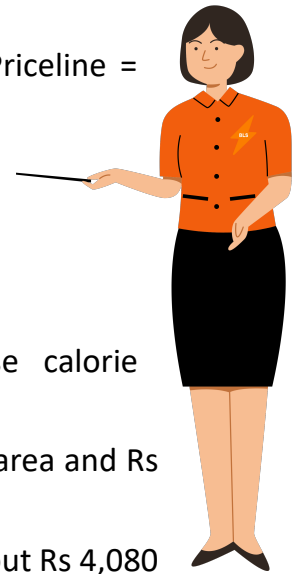
POVERTY LINE

POVERTY LINE

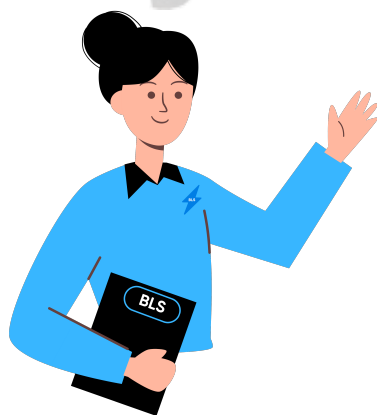
- It is a benchmark which defines the poverty.
- A common method used to measure poverty is based on the income or consumption levels.
- Poverty line may vary with time and place.

Determination of Poverty line in India

- A minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirement, etc. are determined for subsistence.
- These physical quantities are multiplied by their prices in rupees. Priceline = Poverty line.
- Present formula for food requirement while estimating the poverty line is based on the desired Calorie requirement.
 - 2400 calories per person per day in rural area.
 - 2100 calories per person per day in urban area.
- The monetary expenditure per capita needed for buying these calorie requirements are [2011-12]
- The poverty line for a person was fixed at Rs 816 per month for rural area and Rs 1000 for urban areas.
- A family of five members living in rural areas and earning less than about Rs 4,080 per month will be below the poverty line. A similar family in the urban areas would need a minimum of Rs 5,000 per month to meet their basic requirements.
- Poverty line is estimated periodically (normally every five years) by conducting sample surveys.



NSSO [National Sample Survey Organisation]



- World Bank use a uniform standard for the poverty line. [\$ 1.90 per person per day]

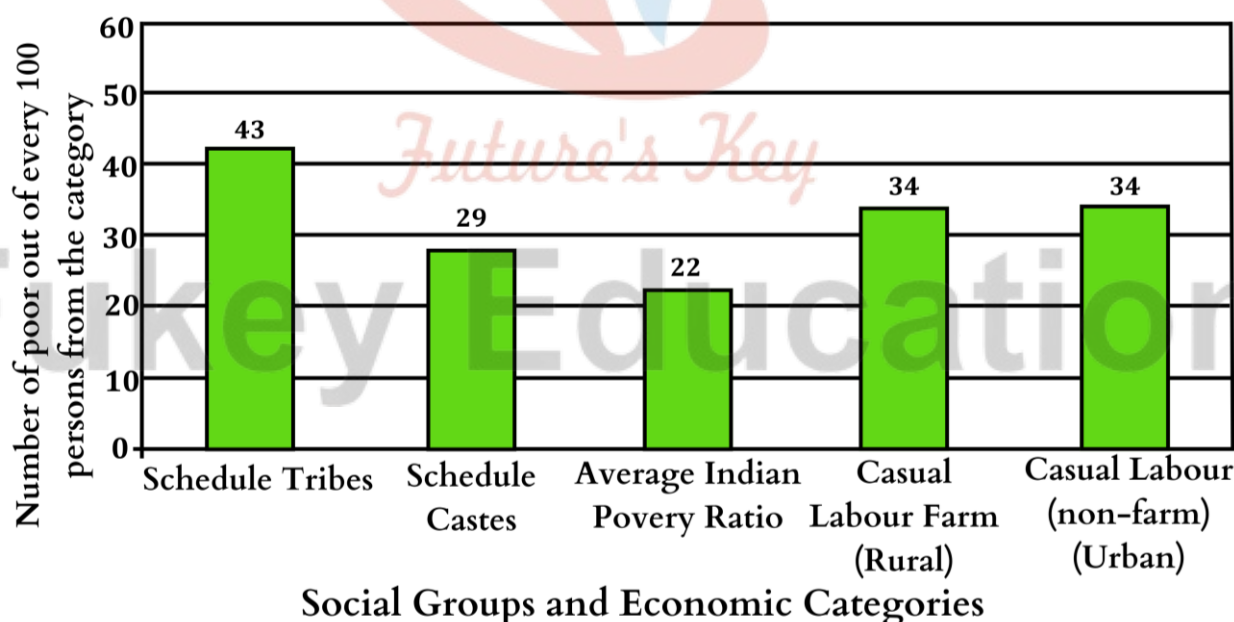
POVERTY AS A CHALLENGE**POVERTY LINE****Poverty Estimate**

Year	Poverty ratio (%)			Number of poor (in millions)		
	Rural	Urban	Total	Rural	Urban	Combined
1993-94	507	32	45	329	75	404
2004-05	42	26	37	326	81	407
2009-10	34	21	30	278	76	355
2011-12	26	14	22	217	53	270

1. There is a substantial decline in poverty ratios in India from about 45 per cent in 1993-94 to 37.2 per cent in 2004-05.
2. If the trend continues, people below poverty line may come down to less than 20 per cent in the next few years.
3. The number of poor declined from 407 million in 2004-05 to 270 million in 2011-12 with an average annual decline of 2.2 percentage.

Vulnerable groups

- The proportion of people below poverty line is also not same for all social groups and economic categories in India.



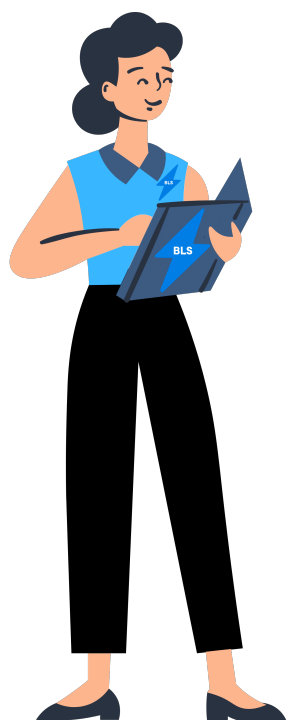
- Social groups, which are most vulnerable to poverty are Scheduled Caste and Scheduled Tribe households.
- Economic groups, which are most vulnerable are the rural agricultural labour households and the urban casual labour households.

POVERTY AS A CHALLENGE**POVERTY LINE**

- The double disadvantage of being a landless casual wage labour household in the socially disadvantaged social groups of the scheduled caste or the scheduled tribe population highlights the seriousness of the problem.
- Inequality of Income within a family

Poorest of the poor

Women, elderly people, and female infants.

Story of Sivaraman

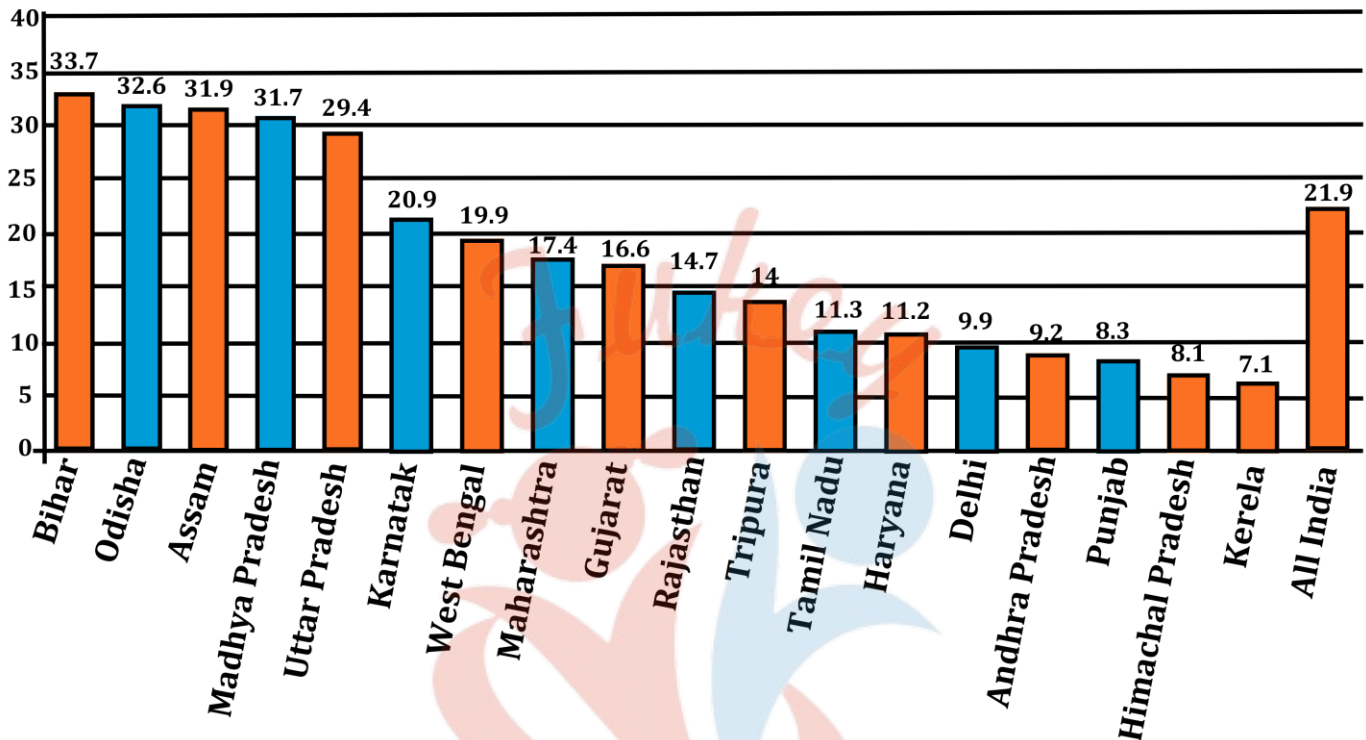
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POVERTY AS A CHALLENGE

INTER-STATE DISPARITIES

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The proportion of poor people is not the same in every state and the success rate of reducing poverty varies from state to state.



Analysis

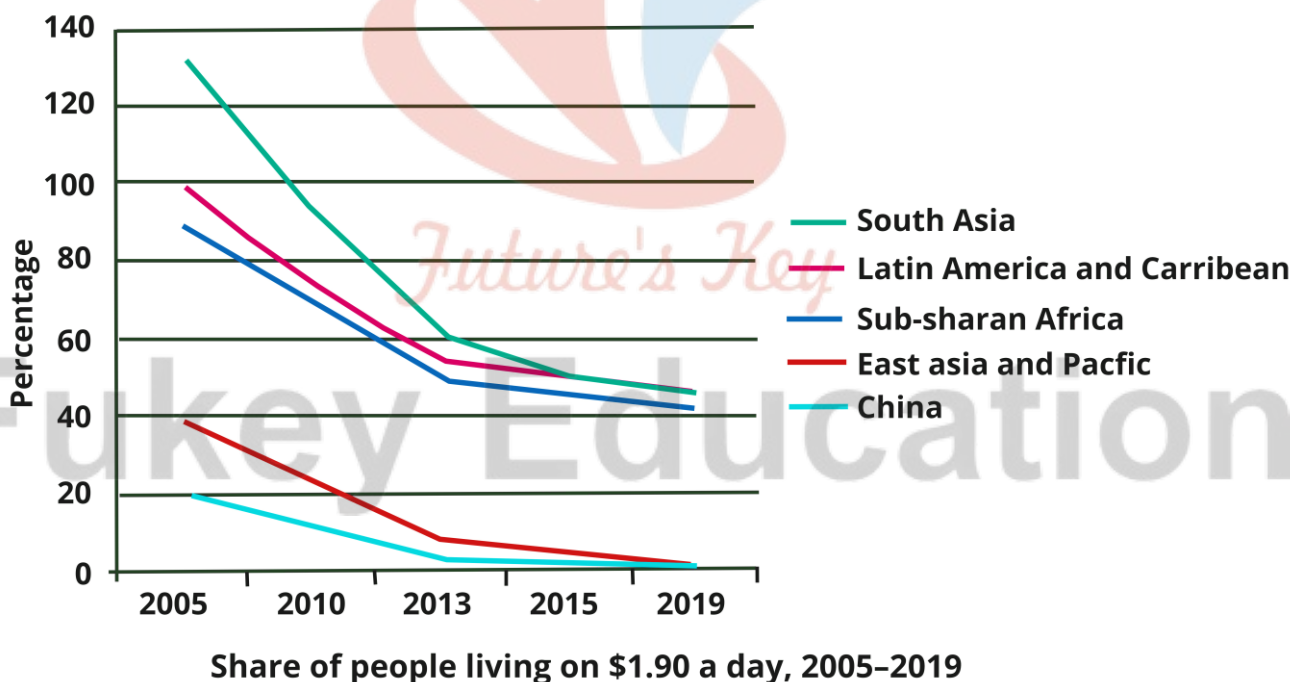
- Recent estimates show while all India Head Count Ratio (HCR) was 21.9 per cent in 2011-12 states like Madhya Pradesh, Assam, Uttar Pradesh, Bihar, and Odisha had above all India poverty level.
- Bihar and Odisha continue to be the two poorest states with poverty ratios of 33.7 and 32.6 percent respectively.
- There has been a significant decline in poverty in Kerala, Maharashtra, Andhra Pradesh, Tamil Nadu, Gujarat, and West Bengal.



GLOBAL POVERTY SCENARIO

There has been a substantial reduction in global poverty, it is marked with great regional differences.

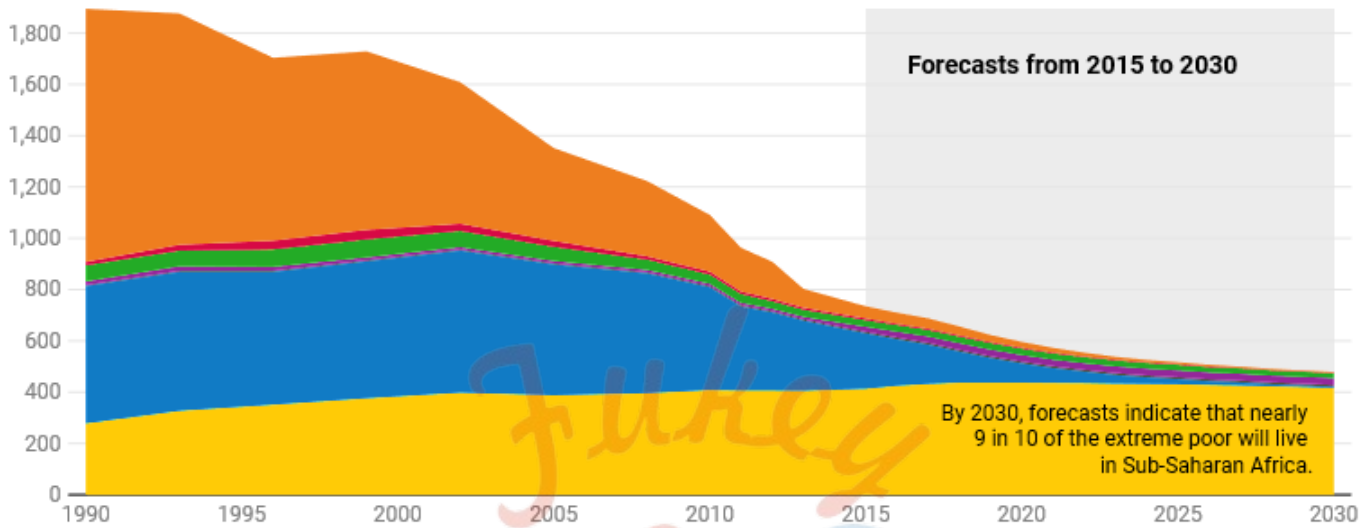
- Poverty declined substantially in China and Southeast Asian countries as a result of rapid economic growth and massive investments in human resource development.
- Countries of South Asia (India, Pakistan, Sri Lanka, Nepal, Bangladesh, Bhutan) the decline has also been rapid 34 per cent to 15.2 per cent in 2014.
- In Sub-Saharan Africa, poverty in fact declined from 51 per cent in 2005 to 40.2 per cent in 2018.
- In Latin America, the ratio of poverty has also declined from 10 per cent in 2005 to 4 per cent in 2018.
- Poverty has also resurfaced in some of the former socialist countries like Russia, where officially it was non-existent earlier.
- The new sustainable development goals of the United Nations (UN) propose ending poverty of all types by 2030.



POVERTY AS A CHALLENGE**GLOBAL POVERTY SCENARIO**

People in extreme poverty (millions)

■ Sub-Saharan Africa
 ■ South Asia
 ■ Rest of the world
 ■ Middle East and North Africa
 ■ Latin America and the Caribbean
 ■ Europe and Central Asia
 ■ East Asia and Pacific



Graph : Number of poor by region (\$ 1.90 per day) in millions



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POVERTY AS A CHALLENGE

CAUSES OF POVERTY IN INDIA

CAUSES OF POVERTY IN INDIA

There were a number of causes for the widespread poverty in India.



- Low level of economic development under the British colonial administration.
- Declined in the traditional handicraft and Indian industries were discouraged.
- Jobs declined = Unemployment

Cycle of Poverty

Low growth rate and Income

Population was increasing.

- Fruits of green revolution was limited to some parts of India only.
- Migration to cities and low level of living standard.
- Industries failed to provide job and people migrated and started doing unorganised job.

Poverty

Huge income inequalities are another reason of poverty.

- Failure of land reforms.
- Lack of land resources



POVERTY AS A CHALLENGE

CAUSES OF POVERTY IN INDIA

Socio-Culture and economic factors are also responsible for poverty.

- 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, fertilizer, pesticides etc.
- Since poor people hardly have any savings, they borrow.
- Unable to repay because of poverty, they become victims of indebtedness. So, the high level of indebtedness is both the cause and effect of poverty.



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POVERTY AS A CHALLENGE

ANTI-POVERTY MEASURES

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Anti-Poverty programmes

The current anti-poverty strategy of the government is based broadly on two planks.

1. Promotion of economic growth: -

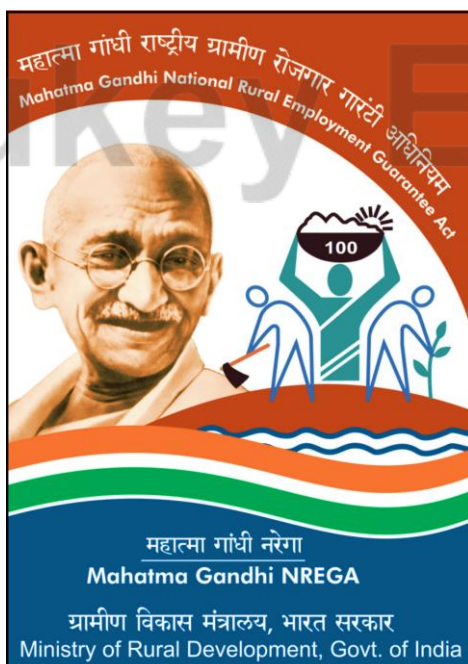
- Low during the initial period [1980's]
- After 1980's, India's economic growth has been of the fastest in the world.
- 6 Percent during the 1980's and 1990's
- Economic growth is related to poverty reduction.

2. Targeted anti-poverty programmes: -

Policies and programmes which directly or indirectly targeted to reduce poverty.

- Mahatma Gandhi National Rural
- Employment Guarantee (MGNREGA)
- Prime Minister Rozgar Yojana (PMRY)
- Rural Employment Generation Programme (REGP)
- Swarna Jayanti Gram Swarozgar Yojana (SGSY)
- Pradhan Mantri Gramodaya Yojana (PMGY)
- Antyodaya Anna Yojana (AAY)

Mahatma Gandhi National Rural Employment Guarantee: -



POVERTY AS A CHALLENGE

ANTI-POVERTY MEASURES

- Aims to provide 100 days of wage employment to every household.
- It also aimed at sustainable development to address the cause of draught, deforestation, and soil erosion.
- One-third of the proposed jobs have been reserved for women.
- The share of SC, ST, Women person days in the scheme are 23 per cent, 17 per cent and 53 per cent respectively.
- The average wage has increased from 65 in 2006–07 to 132 in 2013–14.
- Recently, in March 2018, the wage rate for unskilled manual workers has been revised, state wise, the range of wage rate for different states and union territories lies in between ` 281 per day (for the workers in Haryana) to ` 168 per day (for the workers of Bihar and Jharkhand).

Prime Minister Rozgar Yojana (PMRY): -



- It was started in 1993.
- The aim of the programme is to create self-employment opportunities for educated unemployed youth in rural areas and small towns.
- They are helped in setting up small business and industries.

Rural Employment Generation Programme (REGP): -

- This program was launched in 1995.
- The aim of the programme is to create self-employment opportunities in rural areas and small towns.
- A target for creating 25 lakh new jobs has been set for the programme under the Tenth Five Year plan.

POVERTY AS A CHALLENGE

ANTI-POVERTY MEASURES

Swarna Jayanti Gram Swarozgar Yojana (SGSY) –



1. It was launched in 1999.
2. The programme aims at bringing the assisted poor families above the poverty line by organising them into self-help groups through a mix of bank credit and government subsidy.

Pradhan Mantri Gramodaya Yojana (PMGY): -

1. Launched in 2000.
2. Additional central assistance is given to states for basic services such as primary health, primary education, rural shelter, rural drinking water and rural electrification.

Outcome

The results of these programmes have been mixed.

- One of the major reasons for less effectiveness is the lack of proper implementation and right targeting.
- Moreover, there has been a lot of overlapping of schemes.
- Despite good intentions, the benefits of these schemes are not fully reached to the deserving poor.
- Therefore, the major emphasis in recent years is on proper monitoring of all the poverty alleviation programmes.



THE CHALLENGES AHEAD

Poverty

No doubt poverty has certainly declined. But reducing poverty remains India's most compelling challenge.

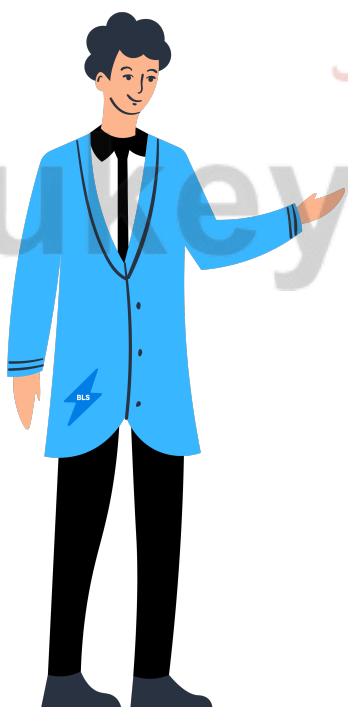
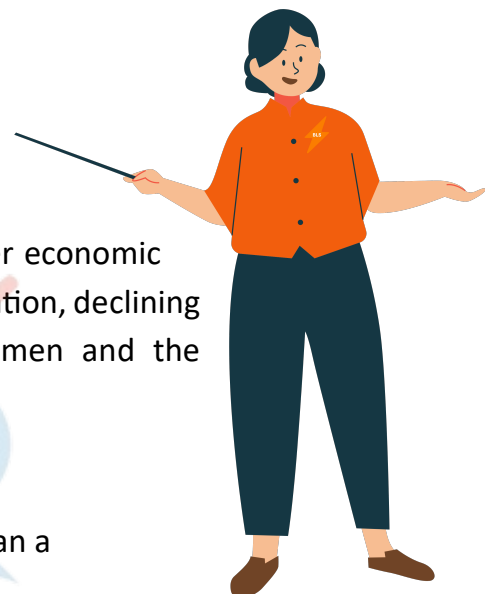
Challenges

- Disparities in poverty are visible between rural and urban areas and among different states.
- Vulnerability of certain social groups.
- Overcoming the challenge of would be possible with higher economic growth, increasing stress on universal free elementary education, declining population growth, increasing empowerment of the women and the economically weaker sections of society.

Limited definition of poverty

- It is about a "minimum" subsistence level of living rather than a "reasonable" level of living.
- Need for broadening the concept into Human Poverty.
- A large number of people may have been able to feed themselves.

Eradication of poverty is always a moving target



03

POVERTY AS A CHALLENGE

MIND MAP

