Poverty as a Challenge

Meaning of Poverty

Poverty is a condition in which a person lacks the financial resources and essential things to enjoy minimum standards of life. It is the most difficult challenge faced by independent India.

As per the Poverty Report 2011-12, roughly 270 million (or 27 crore) people in India live in poverty. This means India has the largest single concentration of the poor in the world.

Two Typical Cases of Poverty

The following two cases show the many dimensions of poverty, including lack of proper food, shelter, healthcare, education as well as clean water and sanitation. They also show lack of a regular means of livelihood.

(i) Urban Case

Ram Saran is a daily wage labourer in a flour mill near Ranchi in Jharkhand. He earns around ₹ 1,500 per month when employed. He supports his family of 6 persons, besides sending some money to his old parents. His wife Santa Devi works as a part time maid and earn ₹800. His elder son also works and earns ₹ 300. None of his 4 children (aged between 12 years to 6 months) can attend school.

The family lives in a one-room rented house on the outer areas of the city. The younger childrens are undernourished. They have very few clothes and footwear and no access to healthcare.

(ii) Rural Case

Lakha Singh belongs to a small village near Meerut in Uttar Pradesh. His family does not own any land, so they do odd jobs for big farmers, and earns ₹ 50 per day. Sometimes, they gets some foodgrain or other item instead of cash. Lakha Singh is

not literate and his family of 8 people lives in a kuchha hut near the edge of the village. They have no access to healthcare, cannot afford new clothes or even soap or oil.

These two typical cases illustrate many dimensions of poverty. They show that poverty means hunger and lack of shelter. It is also a situation in which parents are not able to send their children to school or where sick people cannot afford treatment.

Poverty also means lack of clean water and sanitation facilities. It also means lack of a regular job at a minimum decent level.

Poor people are in a situation in which they are ill-treated at almost every place in farms, factories, government offices, hospitals, railway stations etc.

These two cases clearly prove Mahatma Gandhi's statement that India would be truly independent only when the poorest of the country become free of human suffering.

Poverty as seen by Social Scientists

Social scientists analyse poverty from many indicators besides levels of income and consumption. These indicators are

- Illiteracy level
- Lack of general resistance due to malnutrition
- Lack of access to healthcare
- Lack of job opportunities
- Lack of access to sanitation and safe drinking water, etc.

Indicators for Poverty

The most commonly used indicators for poverty analysis are social exclusion and vulnerability.

Social Exclusion

- According to this concept, poverty is seen in terms of the poor, who are living in a poor surrounding with poor people. They are excluded from enjoying social equality.
- In India, caste system is based on social exclusion. People belonging to certain caste were prevented from enjoying social facilities, benefits and opportunities. This caused more poverty than the lower income.

Vulnerability

- It is a measure, which describes the greater probability of certain communities or individuals of becoming or remaining poor in the coming time. For example, members of a backward caste or individual like widow or physically handicapped person.

- It is determined by various options available to different communities in terms of assets, education, job, health, etc.
- It is also analysed by the ability of these communities to face various risks like natural disasters (earthquakes, Tsunami), terrorism, etc. The group which face greater risk at the time of natural calamity are called vulnerable groups.

Poverty Line

- Poverty line is an imaginary line which is used to estimate poverty in a country. It varies from one country to another country.
- Income or consumption level is used to determine poverty in a nation. It means people will be considered poor if their income or consumption level is below to 'a minimum level' which is needed to fulfill their basic needs.

Poverty Line Estimation in India

- In India, a minimum level of food requirement (as determined by its calorific value), clothing, footwear, fuel, lighting, educational and medical requirements, etc are determined for estimating the poverty line.
- The food requirement while estimating the poverty line is based on the desired calorie requirement*. Food items, such as cereals, pulses, vegetables, milk, oil, sugar etc together form calorie needs. The calorie needs are different for every person depending on age, sex and the type of work.
- In India the calorie requirement is 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas.
- The money value required for buying these calorie requirements in terms of food grains and other items is revised periodically based on rise in prices of these goods.
- In the year 2011-12, the poverty line for a person was fixed at ₹ 816 per month for rural areas and ₹ 1000 for urban areas.

In this way, in 2011-12, a family of five members earning less than ₹4,080 per month in rural areas and ₹ 5000 per month in urban areas will be considered as lying below poverty line.

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* Calorie Requirement The quantity of food that is capable of producing the required amount of energy needed by a normal person. In urban area, this is 2100 calories and in rural areas, it is 2600 calories.

Organisation Involved in Estimating Poverty Line

- Surveys for determining poverty line in India are carried out by the National Sample Survey Organisation (NSSO). It was established in 1950.
- For determining the poverty line in various countries and for their comparison, international organisations like the World Bank use a uniform standard method. As per this method, the poverty line is level of minimum availability of the equivalent of $1.90 per person per day.

Check Point 01

1. ...... is a condition in which a person lacks the financial resources.
2. Poverty means lack of .... and sanitation facilities.
3. In poverty situation sick people cannot afford ....
4. Name any one indicator of poverty.
5. What is the calorie requirement per person per day in urban areas?

Poverty Estimation in India

There is decline in poverty ratios in India from about 45% in 1993-94 to 37.2% in 2004-05.

The proportion of people below poverty line further came down to about 22% in 2011-12. If the trend continues, people below poverty line may come down to less than 20% in the next few years.

The percentage of people living under poverty, declined in the earlier two decades (1973-1993).

The number of poor declined from 407 million in 2004-05 to 270 million in 2011-12.

An average annual decline of 2.2 percentage recorded during 2004-05 to 2011-12.

Vulnerable Group

- Poverty among social groups and economic categories varies widely in India. Social groups which are more vulnerable to poverty are Scheduled Castes (SCs) and Scheduled Tribes (STs). Economic groups which are more vulnerable to poverty are rural agricultural labour households and the urban casual labour households.
- However, during the last few years, all these groups except the Scheduled Tribes group, have witnessed a decline in poverty.

- There is a great difference among the members within the poor families. It is observed that female infants, women and elderly members in the poor families are not given equal access to resources available to the family. So, they are also called *poorest of the poor*.
- The average for people below poverty line for all groups in India is 22 out of 100. However, 43 out of 100 people belonging to Scheduled Tribes are not able to meet their basic needs.
- Similarly, 34% of casual workers in urban areas are below poverty line. About 34% of casual labour farm (in rural areas) and 29% of Scheduled Castes are also poor.

Inter-State Disparities

The proportion of poor people is not the same in every state. In 2011-12 estimates, all India HCR (Head Count Ratio[2]) was 21.9%. The 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%, respectively. Rural-urban poverty is also high in Odisha, Madhya Pradesh, Bihar and Uttar Pradesh.

In states like Kerala, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal, there is significant decline in poverty. The states which are successful in reducing poverty have adopted different methods. Some *examples are*

- Punjab and Haryana have traditionally succeeded in reducing poverty with the help of high agricultural growth sates.
- Kerala has focused more on human resource development.
- In West Bengal, land reform measures have helped in reducing poverty.
- In Andhra Pradesh and Tamil Nadu 'Public Distribution System[3] of food grains could have been responsible for reducing poverty.

Global Poverty Scenario

The proportion of people living under poverty in different countries is defined by the international poverty line. Extreme economic poverty has reduced in the world from 36% in 1990 to 10% in 2015 (as per the World Bank[4]) but still there are vast regional differences.

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2. **Head Count Ratio** It is the proportion of a population that lives below the poverty line.
3. **Public Distribution System** It means distribution of essential commodities like wheat, rice, sugar and kerosene to larger section of the society, mostly vulnerable people, through a network of Fair Price Shops on a recurring basis.
4. **World Bank** It is an international organisation dedicated to providing financing, advice and research to developing nations to aid their economic advancement.

...are stated below

- In South-East Asia and China, there is decline in poverty due to rapid economic growth[5] and massive investment in human resource development.
- In China, the number of poors has come down from 88.3% in 1981 to 14.7% in 2008 to 0.7% in 2015.
- In the South Asian countries like (India, Pakistan, Sri Lanka, Nepal, Bangladesh and Bhutan). The decline has also been rapid from 34% in 2005 to 16.2% in 2013. With decline in the percentage of the poor, the number of poor has also declined significantly from 510.4 million in 2005 to 274.5 million in 2013.
- In Sub-Saharan Africa, poverty has declined from 51% in 2005 to 41% in 2015.
- In Latin America the ratio of poverty has also declined from 10% in 2005 to 0.4% in 2015.
- It is seen that poverty has also resurfaced (appear again) in some of the former socialist countries like Russia, where officially it was non-existent earlier.
- The new Sustainable Development goals[6] of the United Nations, proposes, ending all types of poverty by 2030.

Check Point 02

1. In 2011-2012 the proportion of people below poverty line was about ....
2. Name any one social group which is vulnerable to poverty.
3. Rural agricultural labour household comes under which vulnerable group?
4. HCR stands for ....
5. Name two states which have recorded significant decline in poverty.

Causes of Poverty

Poverty continues in India for many reasons. These are

- During the British Colonial period there was a low level of economic development. They discouraged traditional handicrafts and also industrial development, reducing job opportunities and income growth.
- The low level of economic development persisted for many years after independence and due to population increase, Per Capita Income growth was low, increasing poverty.
- The Green Revolution improved opportunities in agriculture but only in certain areas of the country.
- The growth in population increased the number of job seekers which further led to poverty.

- Socio-cultural (i.e. traditions) and economic factors lead to extra expenditure, which ultimately increases poverty.
- There is unequal distribution of land and other resources, that is why there are large income inequalities also.
- Land reforms have not been properly implemented and lack of adequate land resources is also a reason for many people to be poor.
- Small farmers borrow money for seeds, fertilisers and pesticides, etc and later on fail to pay which results in debt trap. This high level of indebtedness is both the cause and effect of poverty.

Anti-Poverty Measures

Removal of poverty has been one of the major objectives of Indian developmental strategy. The current anti-poverty strategy of the government is based on following two objectives

(i) Promotion of Economic Growth

The government has promoted economic growth during the last few years. Economic growth was low till the 1980s, but has increased significantly since then, causing significant poverty reduction.

There is strong linkage between economic growth and poverty reduction. Economic growth widens (increase in scope/area) opportunities and provides the resources needed to invest in human development.

High economic growth encourages people to send their children (including the girl child) to school with hope of better economic returns from investing in education. The poor may not take direct advantage of economic growth. Due to lack of growth in agricultural sector, large number of people remain poor in rural areas.

(ii) Targeted Anti-Poverty Programmes

The government introduced targeted anti-poverty programmes starting from 1990. The results of these programmes have been mixed due to lack of proper implementation and improper targeting. Also, some schemes overlap others.

Thus, the benefits of these schemes are not fully reaching the deserving poor. So, now the government is emphasising more on proper monitoring of all these programmes.

5. Economic Growth It is a term which defines an increase in real output of a country.
6. Millennium Development Goals These are eight international development goals that were officially established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration.

Some Important Programmes

Prime Minister Rozgar Yojana (PMRY) It was launched 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) It 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.

Swarnajayanti Gram Swarozgar Yojana (SGSY) It was launched in 1999. The programme aims at bringing the assisted poor families above the poverty line by organising them into Self-Help Groups.

Pradhan Mantri Gramodaya Yojana (PMGY) It was launched in 2000. Under this scheme, additional central assistance is given to states for basic services such as primary health, primary education, rural shelter, rural drinking water and rural electrification.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) It was launched in 2005. It aims to provide 100 days of wage employment to every household to ensure livelihood security in rural areas.

It also aimed at sustainable development to address the cause of draught, deforestation and soil erosion. One-third of the proposed jobs under MGNREGA have been reserved for women. In this scheme, the share of

SC, ST and Women are 23 per cent, 17 per cent and ... per cent, respectively.

The Challenges Ahead

Poverty reduction is still a major challenge in India, due to the wide differences between rural and urban areas and among different states.

Further, poverty should include not only the amount of adequate amount of food, but other factors like education, healthcare, shelter, job security, gender equality, dignity and so on. They give us the concept of human poverty. Poverty reduction is expected to be lower in next 10-15 years.

In addition to anti-poverty measures government should focus on the following to reduce poverty.

- Higher economic growth.
- Universal free elementary education.
- Decrease in population growth.
- Empowerment of women and weaker sections.

Check Point 03

1. _____ revolution improved opportunities in agriculture but only in certain areas of the country.
2. Removal of _____ has been one of the major objectives of Indian development strategy.
3. In which five year plan a target of creating 25 lakhs new jobs was set under REGP?
4. PMRY stands for _____.
5. In year _____ MGNREGA was launched.

SUMMARY

- Poverty is a condition in which a person lacks the financial resources and essential things to enjoy minimum standards of life.
- India has the largest single concentration of the poor in the world.
- Social scientists analysed poverty from many indicators besides level of income and consumption.
- These aspects include poor level of literacy, lack of job opportunities, etc.
- Social exclusion and vulnerability are the most commonly used indicators for poverty analysis.
- Poverty line is an imaginary line which is used to estimate poverty in a country. It varies from one country to another country.
- Income or consumption level issued to determine poverty in a nation.
- In India, a minimum level of food requirement (as determined by its calorific value), clothing, footwear, fuel, lighting, educational and medical requirements, etc are determined for estimating the poverty line.
- In India the calorie requirement is 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas.
- Surveys for determining poverty lines are carried out by the National Sample Survey Organisation (NSSO).
- Poverty among social groups and economic categories varies widely in India.

- It is observed that female infants, women and elderly members in the poor families are not given equal access to resources available to the family. So they are called poorest of the poor.
- Bihar and Odisha continue to be the two poorest states with poverty ratios of 33.7% and 32.6% respectively.
- In states like Kerala, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal there is significant decline in poverty.
- The proportion of people living under poverty in different countries is defined by the international poverty line.
- In South-East Asia and China there is decline in poverty due to rapid economic growth and massive investment in human resource development.
- The new sustainable development goals of the United Nations (UN) proposes ending poverty of all types by 2030.
- There are many causes for the prevalence of poverty in India like unemployment, low economic development and income inequalities.
- Removal of poverty has been one of the major objectives of Indian developmental strategy.
- There is strong linkage between economic growth and poverty reduction.
- The Government of India introduced targeted anti-poverty programmes starting from 1990.
- Poverty reduction is still a major challenge in India, due to the wide differences between states rural and urban areas among different states.

CERT FOLDER

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...given cases of poverty and discuss the ...issues related to poverty.

...

...years old Ram Saran works as a daily-wage ... wheat flour mill near Ranchi in Jharkhand. ...manages to earn around ₹ 1,500 a month when he ...employment, which i... The money is not ...sustain h... ...ncludes his wife ...4 children... ...6 months. ...He has t... ...old parents who ...live in a... ...h. His father a landless ...Saran and his brother who ...sustenance.

Ram Saran lives in a one-room rented house in a crowded basti in the outskirts of the city.

It's a temporary shack built of bricks and clay tiles. ...wife Santa Devi, works as a part time maid in a few houses and manages to earn another ₹ 800. They manage a meagre meal of dal and rice twice a da... there's never enough for all of them.

His elder son works as a helper in a tea shop to supplement the family income and earns another ... while his 10-year-old daughter takes care of the ... siblings.

None of the children go to school. They have on... pairs of hand-me-down clothes each. New ones ... bought only when the old clothes become unwe... Shoes are a luxury. The younger kids are undernourished. They have no access to health... when they fall ill.