

POVERTY ITS *CAUSES AND PREVENTION*



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Presented by group-D

TOPICS TO BE EXPLAINED

- I. What is poverty?
- II. How does poverty affect the nation?
- III. Reasons for poverty in India
- IV. Social reasons for poverty
- V. Anti-poverty measures

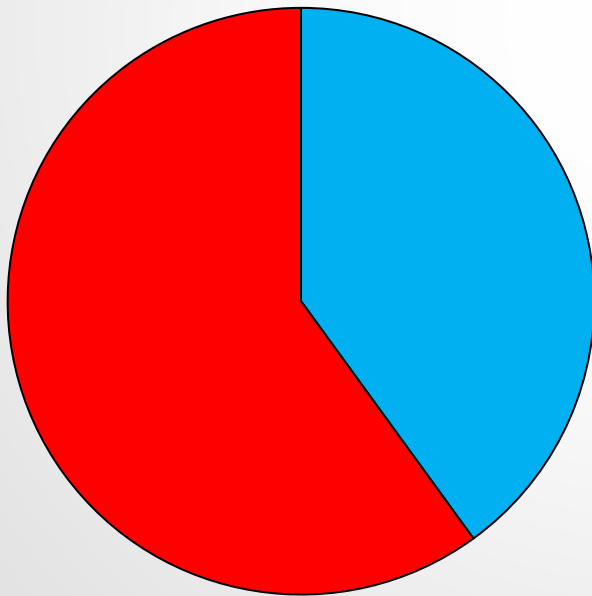
WHAT IS POVERTY?



- ▶ **Poverty is general scarcity or the state of one who lacks a certain amount of material possessions or money. It is a multifaceted concept, which includes social, economic, and political elements. Absolute poverty or destitution refers to the lack of means necessary to meet basic needs such as food, clothing and shelter. Absolute poverty is meant to be about the same independent of location. Relative poverty occurs when people do not enjoy a certain minimum level of living standards as compared to the rest of society and so would vary from country to country, sometimes within the same country.**



- ▶ Almost half the world — over three billion people — live on less than \$2.50 a day. At least 80% of humanity lives on less than \$10 a day.



red	poor
blue	rich

REASONS FOR POVERTY IN INDIA

- ❖ **Poverty in India is a historical reality. From late 19th century through early 20th century, under British colonial rule, poverty in India intensified, peaking in 1920s. Famines and diseases killed millions each time. After India gained its independence in 1947, mass deaths from famines were prevented. Rapid economic growth since 1991, has led to sharp reductions in extreme poverty in India. However, those above poverty line live a fragile economic life.**
- ❖ **Education is an agent of social change and egalitarianism. Poverty is also said to be closely related to the levels of schooling and these two have a circular relationship. The earning power is endowed in the individual by investment in education and training. But this investment in people takes away money and lack of human investment contributes to the low earning capacity of individuals.**

In this way people are poor because they have little investment in themselves and poor people do not have the funds for human capital investment.

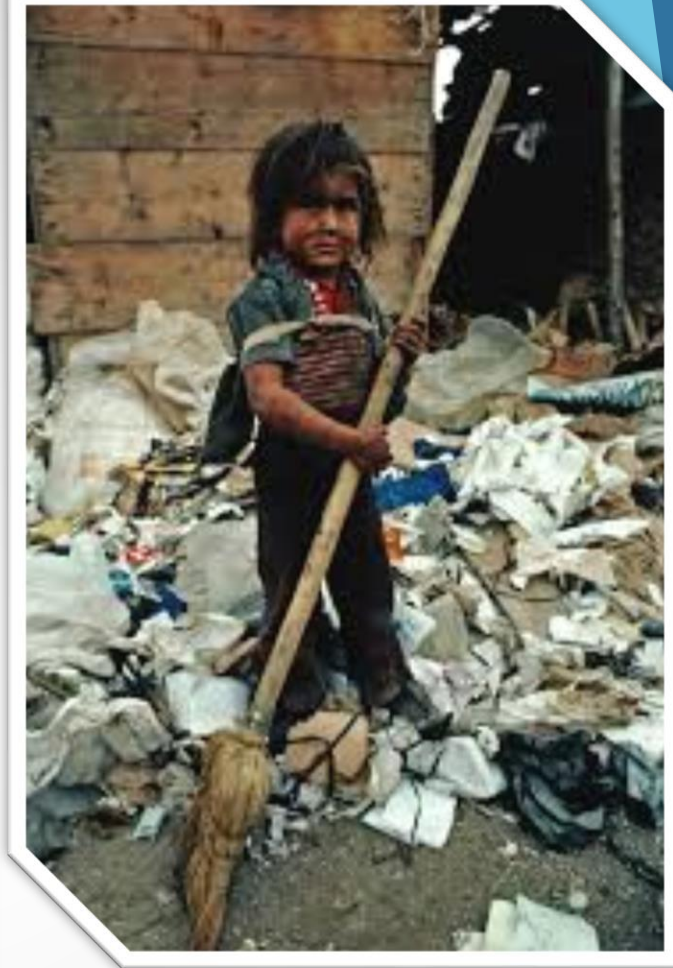
CASTE SYSTEM

Caste system in India has always been responsible for rural poverty. The subordination of the low caste people by the high caste people caused the poverty of the former. Due to rigid caste system, the low caste people could not participate in the game of economic progress.

A Shudra was not allowed to become a trader and a Vaishya could earn his bread only by trade.

Birth would decide their occupation and their economic fate. K. V. Varghese rightly observes, “Caste system acted as a springboard for class exploitation with the result that the counterpart of the poverty of the many is the opulence of the few. The second is the cause of the first.”

Child labour



JOINT FAMILY SYSTEM

- ▶ The joint family system provides social security to its members. Some people take undue advantage of it. They live upon the income of others. They become idlers. Their normal routine of life consists in eating, sleeping and begetting children.
- ▶ In this way poverty gets aggravated through joint family system
- ▶ CUSTOMS
- ▶ The realties spend a large percentage of annual earnings on social ceremonies like marriage, death feast etc. As a result, they remain in debt and poverty.

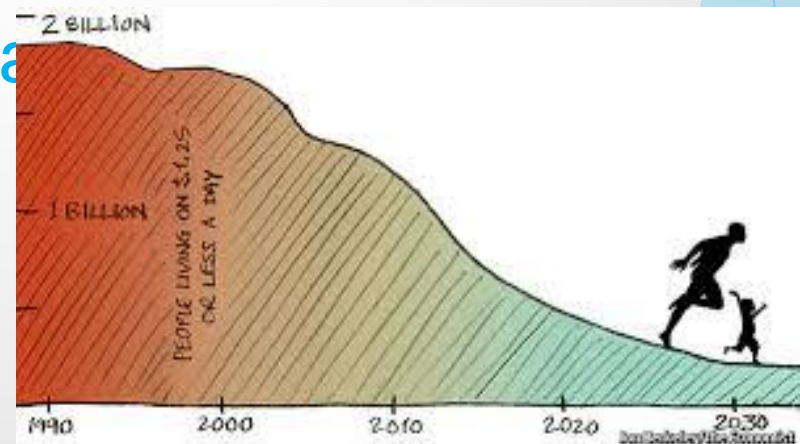
GROWING INDEBTNESS

- ❖ In the rural sector most of the realties depend on borrowings from the money-lenders and land-lords to meet even their consumption expenses. Moneylenders, however, exploit the poor by charging exorbitant rates of interest and by acquiring the mortgaged land in the event of non-payment of loans.
- ❖ Indebted poor farmers cannot make themselves free from the clutches of moneylenders. Their poverty is further accentuated because of indebtedness. Such indebted families continue to remain under the poverty line for generations because of this debt-trap.

ANTI-POVERTY MEASURES

The six anti-poverty programmers as suggested by the Govt. of India are as follows:

1. Integrated Rural Development Programmed
2. Jawaharlal Rodger Yolanda/Jawahar Gram Samriddhi Yojana
3. Employment Assurance Scheme
4. Food for Work Program



Integrated rural development program

- ▶ Integrated Rural Development Programme
- ▶ The Integrated Rural Development Programme (IRDP), which was introduced in 1978-79 and universalized from 2nd October, 1980, aimed at providing assistance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods.
- ▶ On 1st April, 1999, the IRDP and allied programmes were merged into a single programme known as Swarnajayanti Gram Swarozgar Yojana (SGSY). The SGSY emphasizes on organizing the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

JAWAHARLAL ROZGAR YOGANA

- ▶ Under the Wage Employment Programmes, the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were started in sixth and seventh plans.
- ▶ The NREP and RLEGP were merged in April 1989, under Jawahar Rozgar Yojana (JRY). The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets.

Employment assurance scheme

- ▶ employment assurance schemeThe Employment Assurance Scheme (EAS) was launched on 2nd October, 1993, covering 1,778 drought-prone, desert, tribal and hill area blocks. It was later extended to all the blocks in 1997-98.
- ▶ The EAS was designed to provide employment in the form of manual work in the lean of agricultural season. The works taken up under the programme were expected to lead to the creation of durable economic and social infrastructure and address the needs of people

Food for work programme

- I. The Food for Work Programme was started in 2000-01 as a component of EAS. It was first launched in eighth drought-affected states of Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttaranchal.
- II. It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.

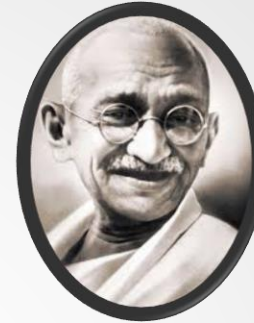
How demonitisation has affected poverty:

- ▶ The incidence of fake Indian currency notes in higher denomination has increased. The recent move to demonetization of 500 and 1000 rs note has certain positive impact-
- ▶ 1) **Counterfeit Currency**- 500 and 1000rs note constitute 80% of the money in circulation so this will take most of the money out hence will impact badly the terrorist organization.
2) **Funding**-Funding for arms, smuggling, terrorism will take a blow since all the money will get back to bank and from there it is easy to check and the fake currency will be discounted.
3) **Security Features**- features like “ See through register”, “latent image with denominational numeral” will make it hard to fake currency. So it will impact the money that was coming through Bangladesh , Nepal etc for funding terrorist activities in J&K.
4) **Parallel Economy**- Black money, hawala transactions would have negative effects as now they had to go back to bank for exchange of notes.
5) **Misc**- other sectors like drug trafficking, illegal trade and the money use in it, funding of election and involvement of various terrorist groups will be affected badly. The money stored by terrorist in big currency has become a piece of paper now.
- ▶ So demonetization comes with immense benefit but GOI should also consider about informal sector where most of the payment is in cash only. Hence we can say the move is good but Utilitarian Principle would have made it further better.

CONCLUSION

- ▶ Poverty has become a great issue in our world. Though many organizations have been created to find solutions for this matter nobody could not save our world completely from poverty.
- ▶ The most common fact which we can realize when we consider on information about poverty is that poverty is mostly occurring in developing countries.
- ▶ Increasing the number of organizations which are working to reduce poverty by educating people of developed countries to be organized and to take actions related to this matter is also another suggestion of mine.
- ▶ Encouraging people who have volunteered to provide facilities such as pure water, foods filled with nutrients, living places to poor people and who're conducting charity services to develop the lives of them, by offering special rewards and admiring them in various ways would be a good way to increase the number of voluntary workers.
- ▶ So I believe my opinions and suggestions would be a good help to conclude poverty.

Thank you !



- ▶ Poverty is the worst form of violence....
- ▶ “There are people in the world so hungry, that God cannot appear to them except in the form of bread.”

-Mahatma Gandhi



- ▶ “Poverty is the parent of revolution and crime.”

-Aristotle



- ▶ “When I give food to the poor, they call me a saint. When I ask why the poor have no food, they call me a communist.”

— Helder Camara