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REVISION SERIES

CLASS 9 ECONOMICS

POVERTY AS A CHALLENGE





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REVISION SERIES

Poverty as a Challenge

Introduction

Poverty



As seen by social scientist



- **Examples** : urban poor and rural poor
- **Poverty** : Its estimation and identification
[Social exclusion, vulnerability, poverty line]

Poverty and Comparisons

- Interstate disparities
- Global poverty scenario

Causes of poverty



Anti poverty measures



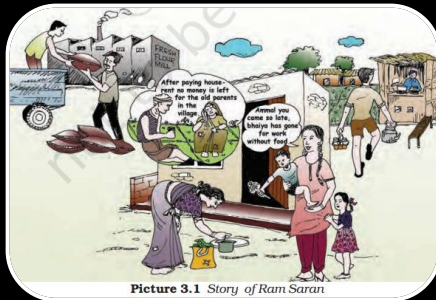
The challenges ahead

What is poverty?

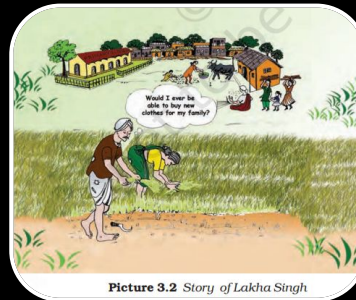


- Poverty means hunger and lack of shelter.
- Poverty also means a lack of clean water and sanitation facilities.
- It also means a lack of a regular job at a minimum decent level
- Above all, it means living with a sense of helplessness

Two typical cases of poverty



Picture 3.1 Story of Ram Saran



Picture 3.2 Story of Lakha Singh

Analyse



One of the biggest challenges of independent India has been to bring millions of its people out of abject poverty

Poverty as seen by social scientists

Social indicator

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.



Analysis of poverty on the basis of social exclusion and vulnerability is very common now.



Economic indicator

Income and consumption.

Social Exclusion

- Poverty must be seen in terms of the poor having to live only in a poor surrounding with other poor people, excluded from enjoying social equality of better-off people in better surroundings.
- Cause as well as a consequence of poverty
- Typical example is **caste system**.

Vulnerability

- Describes the greater probability of certain communities (say, members of a backward caste) or individuals (such as a widow or a physically handicapped person) of becoming, or remaining, poor in the coming years.
- Describes the greater probability of being more adversely affected than other people when a bad time comes for everybody.

Poverty Line

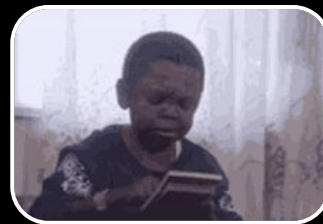
Poverty Line It is an imaginary line used by any country to determine its poverty. Calories and Rupees fixed for rural and urban areas to measure poverty line. The poverty line may vary with time and place.



A person is considered poor if his or her income or consumption level-falls below a given "**Minimum Level**"

How poverty line is calculated? 🤔

1. Minimum level of requirements are determined
2. Their prices are determined ❌



Benchmark for poverty line is set

- ➔ The present formula for food requirements while estimating the poverty line is based on the **desired calorie requirement**.
- ➔ The calorie needs vary depending on age, sex and the type of work that a person does.
- ➔ 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.** 🤔

Poverty Line in Terms of Money

- The monetary expenditure per capita needed for buying these calorie requirements in terms of food grains, etc., is revised periodically taking into consideration the rise in prices.
- The poverty line for a person was fixed at **Rs 816 per month for rural areas and Rs 1000 for urban areas. (2011–12)** 🤔

Who performs this whole task? 🤔

- The poverty line is estimated periodically (normally every five years) by conducting sample surveys. These surveys are carried out by the **National Sample Survey Organisation (NSSO)**.
- International organisations like World Bank use a uniform standard for poverty line for making comparisons between developing countries.
- \$1.90 per person per day (2011, ppp).

Poverty Estimates**Table 3.1:** Estimates of Poverty in India (Tendulkar Methodology)

Year	Poverty ratio (%)			Number of poor (in millions)		
	Rural	Urban	Total	Rural	Urban	Combined
1993-94	50	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

Source: India in figures, 2018, Government of India Central Statistics office.
niti.gov.in/statestatistics (accessed on Nov. 15, 2021)

Analyse

Vulnerable Groups

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

Socially Vulnerable Groups

- Scheduled Caste and Scheduled Tribe households.

Economically Vulnerable Groups

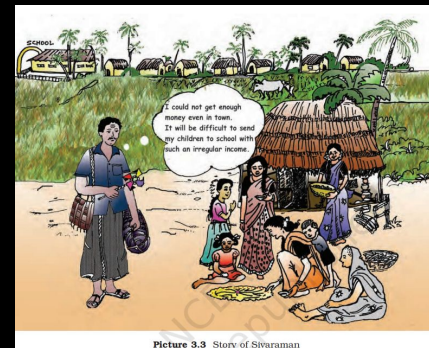
- Rural agricultural labour households and the urban casual labour households.

The problem of double disadvantage 🤔

Poorest of the poor

- Women, elderly people and female infants.

Ex: story of sivaraman



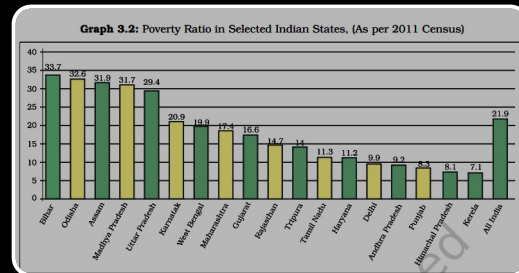
Picture 3.3 Story of Sivaraman

Inter-State Disparities

The proportion of poor people is not the same in every state. 🤔

- Recent estimates show while the 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.

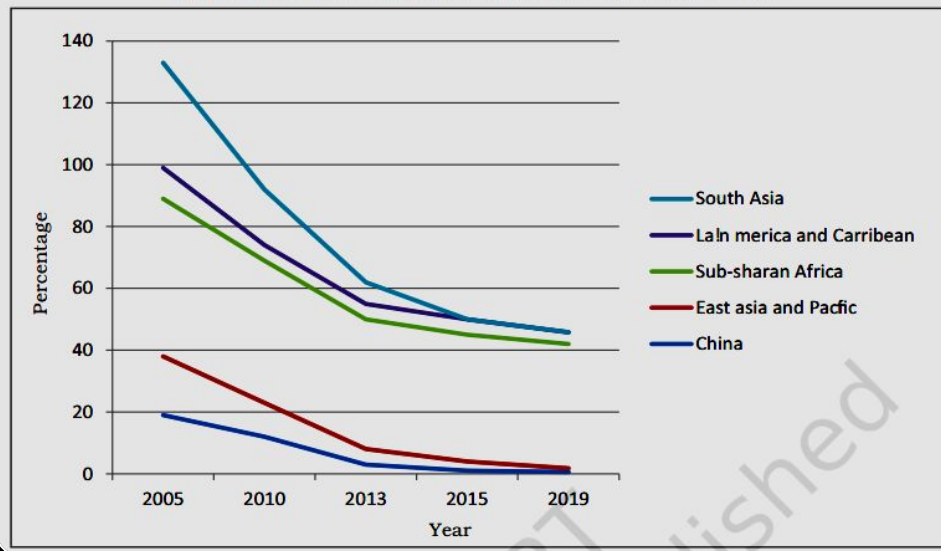
Reasons 🤔





Global Poverty Scenario

- The proportion of people in different countries living in extreme economic poverty as defined by the World Bank as living on less than \$1.90 per day has fallen from 36 percent in 1990 to 10 percent in 2015.
- Poverty declined substantially in China and Southeast Asian countries as a result of rapid economic growth and massive investments in human resource development.
- The new sustainable development goals of the United Nations (UN) propose ending poverty of all types by 2030.

Graph 3.3: Share of people living on \$1.90 a day, 2005–2019



Causes of Poverty

- low level of economic development under the British colonial administration. ➡ **Explain** 
- The spread of irrigation and the Green Revolution, many job opportunities were created in the agriculture sector. But the effects were limited to some parts of India. 
- The unequal distribution of land and other resources. (Failure of land reforms)
- Socio-cultural and economic factors also are responsible for poverty. To fulfil social obligations and observe religious ceremonies, people in India, including the very poor, spend a lot of money.
- The high level of indebtedness is, both, the cause and effect of poverty.

Anti – Poverty Measures

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

Promotion of economic growth

- Strong link between the economic growth and reduction in poverty.
- Economic growth widens opportunities and provides the resources needed to invest in human development.

Targeted anti-poverty

- Mahatma Gandhi National Rural Employment Guarantee Act, 2005
- Prime Minister Rozgar Yozana (PMRY) 1993
- Rural Employment Generation Programme (REGP) 1995
- Swarnajayanti Gram Swarozgar Yojana (SGSY) 1999
- Pradhan Mantri Gramodaya Yozana (PMGY) 2000.
- Antyodaya Anna Yozana (AAY)

The Challenges Ahead

Challenges

- Disparities in poverty are visible between rural and urban areas and among different states.
- Vulnerability of certain social groups.

How to overcome challenges?

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**.



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