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Economy - Topics Concept of Poverty,

Date

28-08-2020

Measurement of Poverty, Alag Committee,

11th FYP : (2007 - 2012)Lakadwala Committee,
Tendulkar Committee and
Rangarajan Committee etc.

Target - 9%.

Achieved - 8%.

India had emerged as one of ^{the} fastest grow^{ing} economy by the end of 10th FYP. The saving rate and investment rate were higher, industrial sector improved, foreign investment improved. But the benefit of higher economic growth and development did not reach to the masses of the people, particularly SC, ST, minorities, poor etc.

Therefore the objective of this plan was "Towards faster and more inclusive growth."

12th FYP : (2012-2017)

This plan was implemented at a time when the global economy was going through financial crisis's impact. and ~~precipitated~~ ^{preceded} by the Eurozone crisis which ~~erupted~~ ^{affected} in the last year of 11th FYP. This crisis ~~affected~~ ^{declined} all countries including India. Our growth declined to about 6.2% in 2011-12. and the deceleration continued into the first year of 12th FYP. Therefore 12th FYP emphasised the first priority to bring the economy back to higher economic growth and also achieve inclusive and sustainable growth.

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Main objectives "faster, Sustainable and More inclusive Growth".

The objectives of FYP

→ Poverty

→ opp^r. for employment

→ Industrialisation

→ Agriculture.

Conflicts in Indian Planning (acc^r to Kaushik Basu)

The actual policy regime that India followed in its early days of independence was a mixture of two contradictory visions. A soviet style planning system was developed but without the state having a monopoly of control over the resources. Capitalism or market oriented economy was allowed to develop but a large bureaucracy was nurtured.

Huge investment where made in basic and heavy industry but at the same time several sector were protected as belonging to small scale industries. Capitalism was criticized but it was also relied upon. Socialism was never practised but the socialism was the Norm.

NITI "The National Institution for Transforming India"

It was constituted through Resolution of Union Cabinet on 1 January 2015. NITI Aayog is the premier Policy "Think tank" of the Govt of India and providing both directional and policy input while designing strategy and long term policy and programme for the Govt of India. NITI Aayog also provides

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relevant technical advice to the centre and state. The Govt of India in keeping with its reforms agenda, constituted the NITI Aayog. This was done in order to better serve the needs and aspiration of the people of India.

The core of NITI Aayog are two hubs

1. Team India Hub.
2. Knowledge and Innovation Hub.

Objectives of NITI Aayog

→ To foster capital cooperative federalism through structural support and initiative with the state on continuous basis, recognising that strong state make a strong Nation.

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→ To develop a mechanism for formulation and implementation of programme at village level and aggregate this progressively at high level.

→ Decentralised Planning

- The interest of National security are incorporated in economic strategy and policy.
- To pay special attention to the that section of the society were not benefited from higher economic growth and development.
- To provide advised and encourage partnership between key stakeholder at national and international level as well as educational and policy research institution.
- To create a knowledge, innovation and entrepreneur support system through a collaborative community of National and international practitioners and other partners.
- To focus on technology upgradation and capacity building for implementation a programme and initiative.

- (11/20)
- To offer a platform for resolution of intersectoral and interdepartmental issues in order to accelerate the implementation of the development Agenda.
 - To actively monitor and evaluate the implementation of programme and initiative, including the identification of the need resource so strengthening the probability of success and delivery.

Composition of NITI Aayog

1. Chairperson → Prime Minister of India
2. The Governing Council - is the highest decision making body of NITI Aayog.
3. The Governing Council comprising the chief ministers of all the state, Chief minister of UTs, like Delhi, Puducherry and J&K, and Lieutenant Governor of other UTs.
4. Regional Council is not the permanent body. It is a time bound manner. will be formed to address specific issues impacting more than one state & UTs. Regional council will be chaired by the Chairperson of NITI Aayog and his nominees and members will be the states related to this issue.
5. Experts, specialist and practitioner with relevant domain knowledge as special invitees nominated by the prime minister.
6. Full time Organisational Framework.
 - Chairperson - PM
 - Vice Chairperson to be appointed by the Prime minister in the rank of cabinet minister.
 - Full time Member.

⑥ These are appointed by the prime minister in the rank of ministers of state.

→ Part time members are maximum of 2 from leading institution, research organisation. Part time member will be on the rotational basis.

→ Ex-officio → members maximum of 5 members of the Union council of ministers to be nominated by the Prime minister.

→ ~~for~~ Minister of Home Affairs
Minister of finance
Minister of Railways
Minister of Agriculture and farmers welfare
Minister of State planning

→ CEO Chief Executive officer - (Amitabh Kant)
to be appointed by the Prime minister for a fixed time period in the rank of secretary of the Govt of India.

full time Member

at present → Prof Ramesh Chand

→ Shri V.K Sarawat

→ Dr. V.K. Paul

Difference between planning Commission and NITI Aayog.

- 1 → Planning Commission had the power to allocate fund to different ministry and state Govt.
- 1 → NITI Aayog is an advisory body or think tank and has No power to allocate fund. this power with ministry of finance.

Planning Commission

2. Under planning commission State role was limited to NDC and annual interaction during plan meetings only.

3. Under Planning commission when policy was formulated by the commission then state were consulted about allocation of fund.

4. Planning commission worked on the policy or methodology one size ^{fit} ~~fits~~ for all.

NITI Aayog

2. Under NITI Aayog the highest decision making body is governing council and all state and UTs are powerful to governing this council.

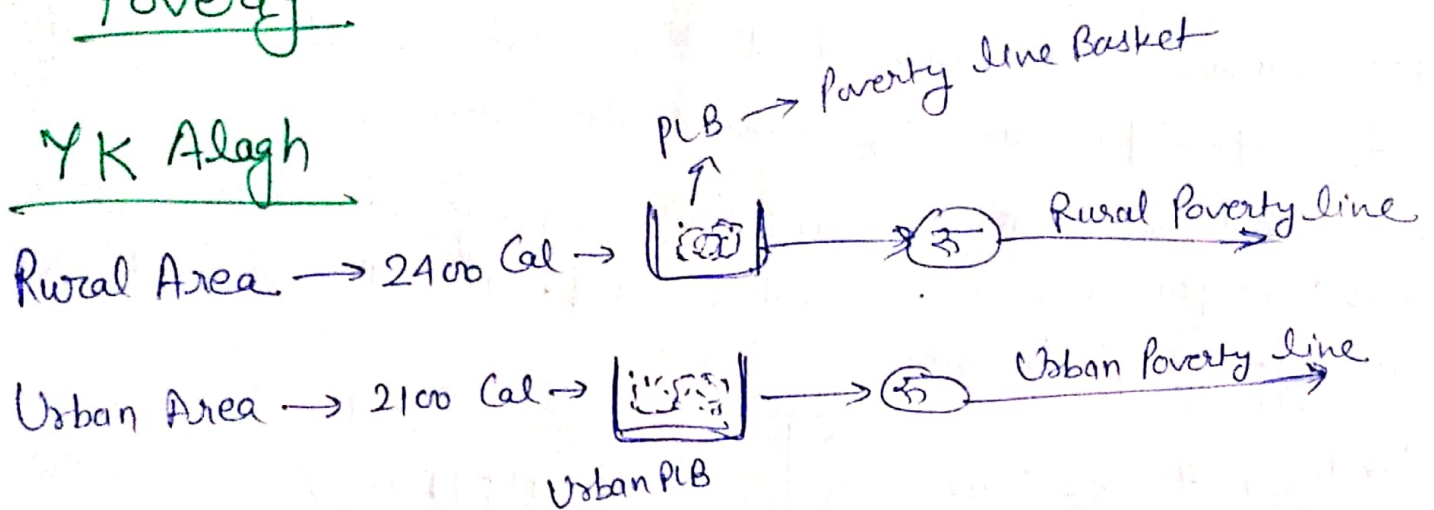
3. Under NITI Aayog state are consulting while formulation of policy and deciding on fund allocation with the help of ministry of finance.

4. NITI Aayog is a think tank and does not have a power to impose a particular plan. Planning commission formulates plans according to need of concern state.

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Poverty

Y K Alagh



Rural Poor + Urban Poor = All India Poor

Poverty refers to socially perceived deprivations in terms of basic human needs. It has both material and non material dimensions. The material dimension relates to deprivation in consumption including items such as food, clothing, durables, shelter, health, education and connectivity.

Non material dimension relates to ^{deprivation} ~~deprivation~~ associated with such phenomena as discrimination based on gender, religion, Race and cast.

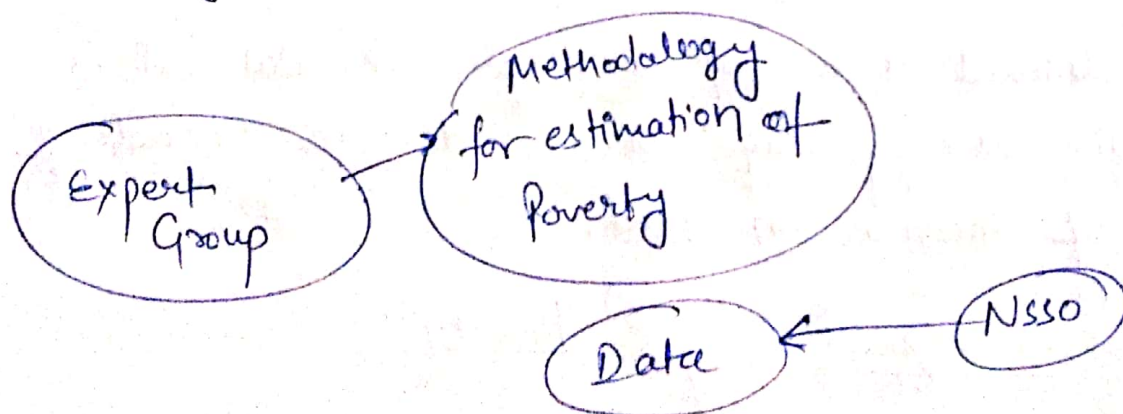
The Conventional approach to measuring poverty focused on the material dimension. It asked whether the individual or household earns enough to purchase goods and services at market prices to satisfy basic needs at socially acceptable levels.

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The first step in measuring poverty is to ~~ex~~specify the threshold level of expenditure that separates the poor from non poor.

The threshold expenditure called the poverty line, is the amount necessary to purchase a basket of goods and services deemed necessary to satisfy basic human needs at socially acceptable levels. The basket itself may be referred as the poverty line basket.

The planning commission now NITI Aayog estimated the no. and proportion people living below the poverty line at nation and state level for rural and urban area.. It estimates poverty based on a large sample survey of household consumption expenditure conducted by the NSSO.



➤ Absolute Poverty

➤ Relative Poverty

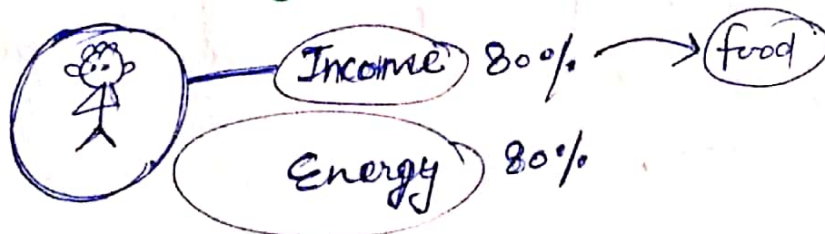
Absolute Poverty →

It measures poverty in relation to the amount of money necessary to meet basic needs such as food, clothing, shelter, education, health, sanitation etc.

Relative Poverty →

Relative poverty defines poverty in relation to the economic status of other members of the society i.e. people are poor if they failed to maintain prevailing standard of living in a given society.

Ultra Poverty →



It is defined as a group of people who eat below 80% of their energy requirements despite spending at least 80% of income on food.

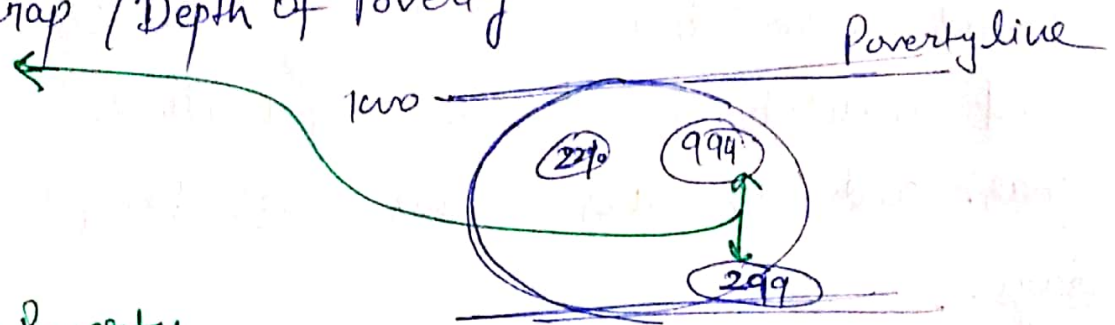
Transient and Chronic Poverty

↓
Temporary

↓
Long-Term

Transient Poverty refers to short term poverty ^{or seasonal poverty} and
Chronic Poverty means long term or structural poverty. (ii)

1. Incidence of Poverty
2. Poverty Gap / Depth of Poverty



Incidence of Poverty

The Incidence of Poverty represents as a head count ratio that is the percentage of people below the poverty line. It does not indicate anything about the depth of poverty.

Depth of Poverty
The depth of Poverty can be measured as the average or mean distance separating the population from the poverty line.

URP & MRP

URP (Uniform Reference / Recall Period) → (30 days)

MRP (Mixed Reference / Recall Period) → $\left(\begin{matrix} 30 \text{ days} \\ + \\ 12 \text{ months} \end{matrix} \right)$

Until 1993-94, consumption information collected by the NSSO was based on the uniform reference period URP, which measured consumption across the 30 days recall periods. i.e., survey respondents where

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asked about their consumption in the previous 30 days. from 1999 to 2000 onwards the NSSO shifted to a method known as the mixed reference period. The MRP measures consumption of five low frequency items like clothing, footwear, durable, education and institutional health expenditure over the previous year. and all other items over the previous 30 days.

Book - "Poverty and the Un-British Rule in India"
- by - Dadabhai Naoroji

	1993-94	2004-05	Tendulkar Committee
		27.5%.	37.2%.
<u>approx.</u>	36%.		