

A black and white photograph of a hand holding a white eraser, positioned over the word 'poverty' which is written in green chalk on a white surface. The hand is in the process of erasing the word.

poverty

The biggest obstacle for the developing WORLD

# What is Poverty ?

- ▶ Poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, clothing and shelter
- ▶ Poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages
- ▶ Poverty is the world at its worst when people are deprived of basic everyday things that we everyday take for granted like food, water shelter, money, and clothes
- ▶ It indicates a condition in which a person fails to maintain a living standard adequate for a comfortable lifestyle

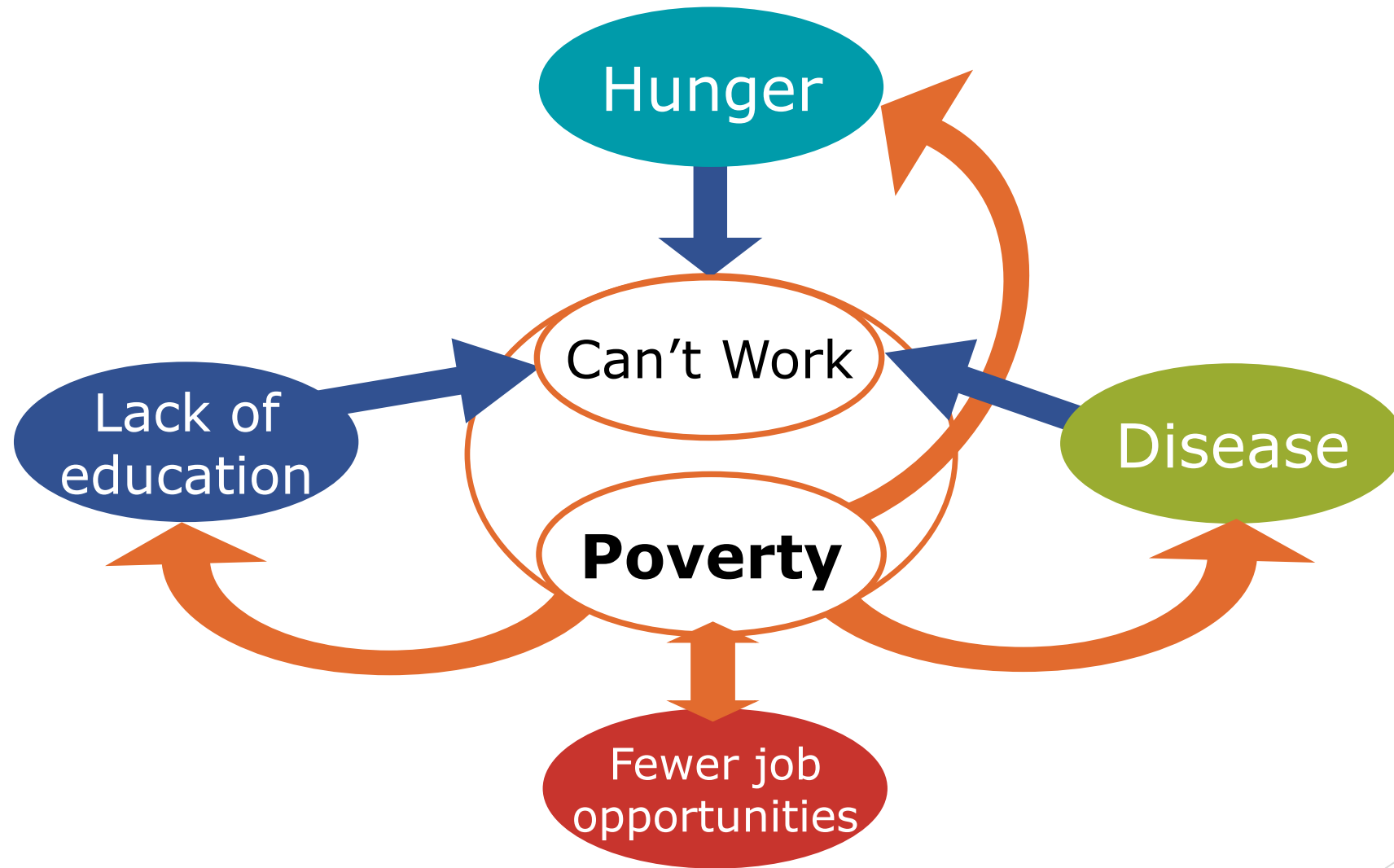
# Poverty - According to UN

*“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society*

*It means not having enough to feed and cloth a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit*

*It means insecurity, powerlessness and exclusion of individuals, households and communities*

*It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation”*



# Types of Poverty

**Poverty is generally of two types:**

**(1) Absolute Poverty**

**(2) Relative Poverty**

**Absolute Poverty :**

- ▶ It refers to the state of severe deprivation of basic human needs
- ▶ It refers to the measure of poverty, keeping in view the per capita intake of calories and minimum level of consumption.
- ▶ Per capita income :  $\text{National income} / \text{Population}$

# Types of Poverty

## **Relative Poverty :**

- ▶ Under Relative Poverty the economic conditions of different regions or countries is compared.
- ▶ It is defined contextually as Economic inequality in location or society in which people live.
- ▶ The capita income and the national income are the two indicators of relative poverty.
- ▶ According to UNO those countries are treated poor whose per capita income is less than US \$725 per annum.

# MEASUREMENT OF POVERTY

## EXPENDITURE METHOD

- UNDER THIS THE MINIMUM FOOD REQUIREMENTS FOR SURVIVAL IS ESTIMATED.
- THE FOOD VALUE IS CONVERTED INTO CALORIES.
- THE CALORIC VALUE OF FOOD IS THEN CONVERTED INTO THE MONEY VALUE I.E. IN RUPEES.
- THE TOTAL EQUIVALENT AMOUNT IS CONSIDERED AS THE POVERTY LINE.

## INCOME METHOD

- THIS METHOD IS USED BY THE GOVERNMENT WHILE DISTRIBUTING FOOD THROUGH PDS AT THE LOCAL LEVEL.
- UNDER THIS A POVERTY LINE IS FIXED BY THE GOVERNMENT.
- ALL THE FAMILIES WHOSE TOTAL INCOME IS LESS THAN THE POVERTY LINE FIXED BY THE GOVERNMENT ARE CONSIDERED AS BPL.

# Poverty line

- ▶ The poverty threshold or poverty line is the minimum level of income deemed adequate in a given country.
- ▶ In practice, like the definition of poverty, the official or common understanding of the poverty line is significantly higher in developed countries than in developing countries.
- ▶ The common international poverty line has in the past been roughly \$1 a day.



# Poverty line

- ▶ In 2008, the World Bank came out with a revised figure of \$1.25 at 2005 purchasing-power parity (PPP).
- ▶ Determining the poverty line is usually done by finding the total cost of all the essential resources that an average human adult consumes in one year.
- ▶ The largest of these expenses is typically the rent required to live in an apartment, so historically, economists have paid particular attention to the real estate market and housing prices as a strong poverty line affecter.

# Causes of poverty

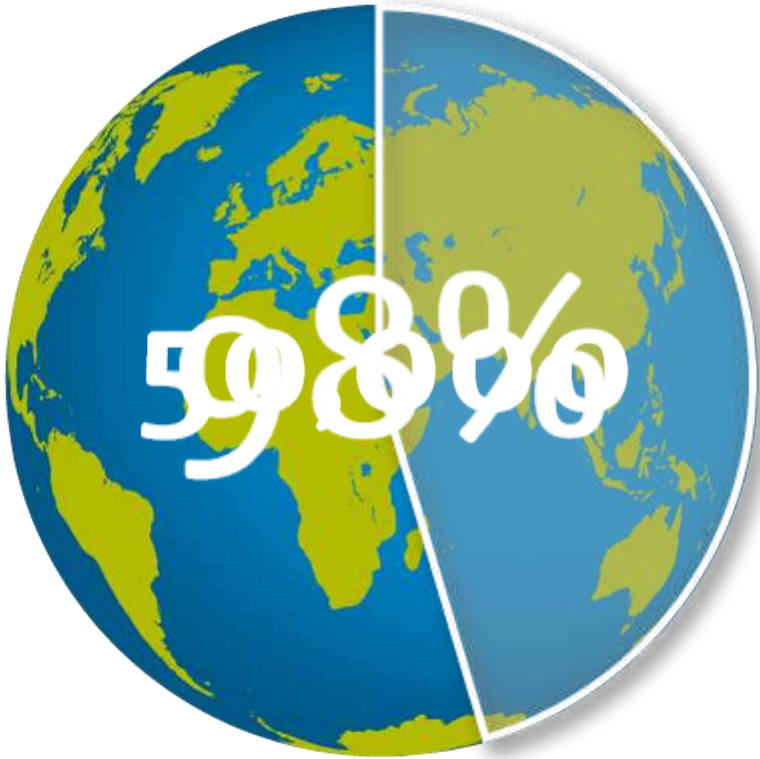
- ▶ Lack of education
- ▶ Large Scale Import
- ▶ Division of Agricultural land
- ▶ Moral Culture
- ▶ Government Policies
- ▶ Corruption
- ▶ Privatization
- ▶ Overpopulation
- ▶ Unemployment

# Causes of poverty

- ▶ Law and Order
- ▶ Increase in Utility Charges
- ▶ Inflation
- ▶ Imposition of Taxes
- ▶ Non-Productive Expenditures
- ▶ Low Living Standard
- ▶ Landlordism
- ▶ Nepotism
- ▶ Backward Infrastructure

# Effects of poverty

- ▶ Child labour
- ▶ Crimes and violence
- ▶ Health Problems
- ▶ From a moral and religious values
- ▶ Homelessness
- ▶ Shorter lives
- ▶ Children antisocial behaviour
- ▶ Hunger



## Fact box

- Almost half – over three billion people – live on less than **\$2.50 a day**
- 98% of the world's hungry people live in developing countries
- 50,000 people die every day as a result of poverty

# Solutions of poverty

- ▶ ENSURING RESOURCES FOR POOR
- ▶ BY EMPOWERING THE POORS
- ▶ EQUAL ACESS OVER MARKETS
- ▶ INCREASING AGRICULTURE
- ▶ DEVELOPMENT IN CONSTRUCTION
- ▶ ROLE OF MICROFINANCE

# Solutions of poverty

- ▶ HEALTH FACILITIES
- ▶ POVERTY ELIMINATING PROGRAMMES
- ▶ ECOCOMIC GROWTH
- ▶ EDUCATION
- ▶ POPULATION CONTROLLING
- ▶ DEVELOPMENT OF AGRICULTURAL LAND