

## Chapter-3 POVERTY AS A CHALLENGE

### **1. Illustrate the seriousness of poverty in India.**

In our daily life, we come across many people who we think are poor. They could be landless labourers in villages or people living in overcrowded *jhuggis* in cities. They could be daily wage workers at construction sites or child workers in *dhabas*. They could also be beggars with children in tatters. We see poverty all around us. In fact, every fourth person in India is poor. This means, roughly 260 million (or 26 crore) people in India live in poverty. This also means that India has the largest single concentration of the Poor in the world. This illustrates the seriousness of the challenge.

### **2. What are the issues related to poverty which in turn become its causes?**

The following issues are related to poverty:

- Landlessness
- Unemployment
- Size of families
- Illiteracy
- Poor health/malnutrition
- Child labour
- Helplessness

### **3. What does poverty mean to different people at different situation? OR What are the different dimensions of poverty?**

- Poverty means hunger and lack of shelter. It also is a situation in which parents are not able to send their children to school or a situation where sick people cannot afford treatment.
- Poverty also means lack of clean water and sanitation facilities.
- iii) It also means lack of a regular job at a minimum decent level.
- Above all it means living with sense helplessness. 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.

### **4. What did Mahatma Gandhi say about poverty?**

Mahatma Gandhi always insisted that India would be truly independent only when the poorest of its people become free of human suffering.

### **5. What are the indicators of poverty as seen by the social scientists?**

Usually the indicators used relate to the levels of income and consumption. But now poverty is looked through other social indicators like 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.

### **6. What is meant by social exclusion?**

- According to this concept, 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.
- Social exclusion can be both a cause as well as a consequence of poverty in the usual sense.

- iii) Broadly, it is a process through which individuals or groups are excluded from facilities, benefits and opportunities that others enjoy .
- iv) A typical example is the working of the caste system in India in which people belonging to certain castes are excluded from equal opportunities.

### **7. What do you mean by vulnerability of poverty and how is it determined?**

- i) Vulnerability to poverty is a measure, which describes the greater probability of certain communities or individuals of becoming, or remaining, poor in the coming years. vulnerability describes the greater probability of being more adversely affected than other people when bad time comes for everybody, whether a flood or an earthquake or simply a fall in the availability of jobs.
- ii) Vulnerability is determined by the options available to different communities for finding an alternative living in terms of assets, education, health and job opportunities.

### **8. What is poverty line? How is it determined?**

- i) A statistical tool to identify the number of poor people in India is known as poverty line. It is the line of demarcation between the rich and the poor. It is the minimum level fixed by the government to identify the number of poor in India.
- ii) While determining the poverty line in India, a minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirement etc. are determined for subsistence. These are multiplied by their prices in rupees.
- iii) The present formula for food requirement while estimating the poverty line is based on the desired calorie requirement.
- iv) Food items such as cereals, pulses, vegetable, milk, oil, sugar etc. together provide these needed calories. The calorie needs vary depending on age, sex and the type of work that a person does.
- v) 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. The poverty line fixed for a person in a villages was Rs 328 and for cities it was Rs. 454 for a month in the year 2000.

### **9. Name the agency in India that calculates the poverty line.**

In India it is the National Sample Survey Organization that calculates the poverty line.

### **10. Why is poverty line different from countries to countries?**

- a. What is necessary to satisfy basic needs is different at different times and in different countries. Therefore, poverty line may vary with time and place.
- b. Each country uses an imaginary line that is considered appropriate for its existing level of development and its accepted minimum social norms. For example, a person not having a car in the United States may be considered poor. In India, owning of a car is still considered a luxury.

### **11. Describe the poverty trends in India since 1973.**

- i) There is substantial decline in poverty ratios in India from about 55 per cent in 1973 to 36 per cent in 1993. The proportion of people below poverty line further came down to about 26 per cent in 2000. If the trend continues, people below poverty line may come down to less than 20 per cent in the next few years.
- ii) Although the percentage of people living under poverty declined in the earlier two decades, the number of poor remained stable around 320 million for a fairly long period. The latest estimates indicate a significant reduction in the number of poor to about 260 million.

### **12. Name the social groups that are vulnerable to poverty.**

- i) Social groups which are most vulnerable to poverty are scheduled caste and scheduled tribe households.
- ii) Similarly among the economic groups, the most vulnerable groups are the rural agricultural labour households and the urban casual labour households.

### **13. Give an account of inter-state disparities of poverty in India.**

- i) Recent estimates show that in 20 states and union territories, the poverty ratio is less than the national average.
- ii) Orissa and Bihar continue to be the two poorest states with poverty ratios of 47 and 43 per cent respectively. Along with rural poverty urban poverty is also high in Orissa, Madhya Pradesh, Bihar and Uttar Pradesh.
- iii) In comparison, there has been a significant decline in poverty in Kerala, Jammu and Kashmir, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal.
- iv) States like Punjab and Haryana have traditionally succeeded in reducing poverty with the help of high agricultural growth rates.
- v) Kerala has focused more on human resource development.
- vi) In West Bengal, land reform measures have helped in reducing poverty.
- vii) In Andhra Pradesh and Tamil Nadu, Public Distribution of food grains could have been responsible for the improvement.

### **14. Explain inequality of incomes within a family**

There is inequality of incomes within a family. In poor families all suffer, but some suffer more than others. Women, elderly people and female infants are systematically denied equal access to resources available to the family. Therefore women, children (especially the girl child) and old people are poorest of the poor

### **15. Describe the global poverty trends.**

- i) The proportion of people in developing countries living in extreme economic poverty— defined by the World Bank as living on less than \$1 per day—has fallen from 28 per cent in 1990 to 21 per cent in 2001. Although there has been a substantial reduction in global poverty, it is marked with great regional differences.
- ii) Poverty declined substantially in China and Southeast Asian countries as a result of rapid economic growth and massive investments in human resource development. Number of poor in China has come down from 606 million in 1981 to 212 million in 2001. In the countries of *South Asia* (India, Pakistan, Sri Lanka, Nepal, Bangladesh, Bhutan) the decline has not been as rapid. Despite decline in the percentage of the poor, the number of poor has declined marginally from 475 million in 1981 to 428 million in 2001. Because of different poverty line definition, poverty in India is also shown higher than the national

estimates.

iii) In Sub-Saharan Africa, poverty in fact raised from 41 per cent in 1981 to 46 per cent in 2001 . In Latin America, the ratio of poverty remained the same. Poverty has also Re-surfaced in some of the former socialist countries like Russia, where officially it was non-existent earlier.

### **16. What was the millennium development goal of the United Nations?**

Reducing the proportion of people living on less than \$1 a day to half the 1990 level by 2015.

### **17. Discuss the major reasons for poverty in India.**

i) One historical reason is the low level of economic development under the British colonial administration. The policies of the colonial government ruined traditional handicrafts and discouraged development of industries like textiles.

ii) The low rate of growth persisted until the nineteen eighties. This resulted in less job opportunities and low growth rate of incomes.

iii) This was accompanied by a high growth rate of population. The two combined to make the growth rate of per capita income very low. The failure at both the fronts: promotion of economic growth and population control perpetuated the cycle of poverty.

iv) Unequal distribution of land and other resources is a major cause for poverty in India. The lower castes were not allowed to possess and for centuries.

v) Major policy initiatives like land reforms which aimed at redistribution of assets in rural area have not been implemented properly and effectively by most of the state governments.

vii) In order to fulfill social obligations and observe religious ceremonies, people in India, including the very poor, spend a lot of money. Small farmers need money to buy agricultural inputs like seeds, fertilizer, pesticides etc. Since poor people hardly have any savings, they borrow. Unable to repay because of poverty, they become victims of indebtedness. So the high level of indebtedness is both the cause and effect of poverty.

### **18. Describe current government strategy of poverty alleviation.**

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

(1) Promotion of economic growth (2) Targeted anti-poverty programmes.

(Write two answers below in short)

### **19. Prove by giving examples that there is a strong link between economic growth and poverty reduction in India.**

i) Over a period of thirty years lasting up to the early eighties, there were little per capita income growth and not much reduction in poverty.

ii) Official poverty estimates which were about 45 per cent in the early 1950s remained the same even in the early eighties.

iii) Since the eighties, India's economic growth has been one of the fastest in the world. The growth rate jumped from the average of about 3.5 per cent a year in the 1970s to about 6 per cent during the 1980s and 1990s.

iv) The higher growth rates have helped significantly in the reduction of poverty. Therefore, it is becoming clear that there is a strong link between economic growth and poverty reduction.

v) Economic growth widens opportunities and provides the resources needed to invest in human development. This also encourages people to send their children, including the girl child, to schools in the hope of getting better economic returns from investing in education.

## **20. Explain the various poverty alleviation measures adopted by the government in India.**

- i) National Rural Employment Guarantee Act (NREGA) 2005 was passed in September 2005. The Act provides 100 days assured employment every year to every rural household in 200 districts. Later, the scheme will be extended to 600 districts. One third of the proposed jobs would be reserved for women.
- ii) Another important scheme has been the National Food for Work Programme (NFWP), which was launched in 2004 in 150 most backward districts of the country. The programme is open to all rural poor who are in need of wage employment and desire to do manual unskilled work. It is implemented as a 100 per cent centrally sponsored scheme and food grains are provided free of cost to the states. Once the NREGA is in force, the NFWP will be subsumed within this programme.
- iii) Prime Minister Rozgar Yozana (PMRY) is another scheme which was started 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.
- iv) Rural Employment Generation Programme (REGP) 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.
- v) Swarnajayanti Gram Swarozgar Yojana (SGSY) was launched in 1999. **The programme aims at** bringing the assisted poor families above the poverty line by organising them into Self Help Groups through a mix of bank credit and government subsidy.
- vi) Under the Pradhan Mantri Gramodaya Yozana (PMGY) launched in 2000, additional central assistance is given to states for basic services such as primary health, primary education, rural shelter, rural drinking water and rural electrification.

## **21. What were the reasons for becoming anti poverty measures less effective?**

One of the major reasons for less effectiveness is the lack of proper implementation and right targeting. Moreover, there has been a lot of overlapping of schemes. Despite good intentions, the benefits of these schemes are not fully reached to the deserving poor. Therefore, the major emphasis in recent years is on proper monitoring of all the poverty alleviation programmes.

## **22. Suggest a few measures that can be adopted to reduce poverty in the next 10-15 years.**

This would be possible mainly due to 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.

### **23. What do you understand by human poverty?**

It is a “reasonable” level of living rather than the minimum level of living. Many scholars advocate that we must broaden the concept into *human poverty*. A large number of people may have been able to feed themselves. But they do not have education or shelter or health care or job security. or self-confidence. They are not free from caste and gender discrimination. The practice of child labour still common. Worldwide experience shows that with development, the definition of what constitutes poverty also changes. Eradication of poverty is always a moving target. Hopefully we will be able to provide the minimum “necessary” in terms of only income to all people by the end of the next decade. But the target will move on for many of the bigger challenges that still remain: providing health care, education and job security for all, and achieving gender equality and dignity for the poor.