

Chapter - 3

Poverty as a challenge

Date: / /

⇒ Introduction:

- Poverty refers to lack of daily requirements of livelihood like food, clothing, education, medical facilities etc.
- The poor could be landless labourers in villages or people living in overcrowded jhuggis in cities.
- Every fourth person in India is poor. means (27 crore) people live in India live in poverty 2011-2012.

⇒ Poverty as seen by social scientist:

- (i) Social Exclusion.
- (ii) Vulnerability

(a) Social Exclusion: Broadly it is a process through which individuals or groups are excluded from facilities, benefits and opportunities that others enjoy.

(b) Vulnerability: Describes the greater probability of being more adversely affected than other people, which is done due to earthquake or simply fall in the availability of jobs.

Poverty line :- poverty line is a way which is used to identify the poor.

It is a method used to measure poverty. common method used to measure poverty is based on the income or consumption level.

- 2400 calories per person per day in rural
- 2100 calories per person per day in urban.

For the year 2011-12 the poverty line for a person was fixed at Rs 816 p/m for rural; 1000 p/m for urban.

In this way in the year 2011-12 (5 member family earning less than 4080^{pm} in rural and for urban 5000^{pm}) should be below poverty line

÷ National Sample Survey organization.

÷ World bank \$ 1.90 per person per day (2011)

⇒ Poverty Estimates :-

• Economic Survey 2011-2012 Ministry of Finance, GOI :-

• The poverty ratio in the year 1973 is 55 percent and 30 percent in 2009-2010 which shows decline in the poverty ratios. poverty ratio further came down to about 26 percent in 2000 and 36 percent in 1994.

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	50.7	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: Report of Expert group to review the methodology for measurement of poverty, Planning Commission, 2014 Govt. of India.



Therefore the poverty ratio is continuously decreased from 1974 to 2000.

⇒ Vulnerable Groups:

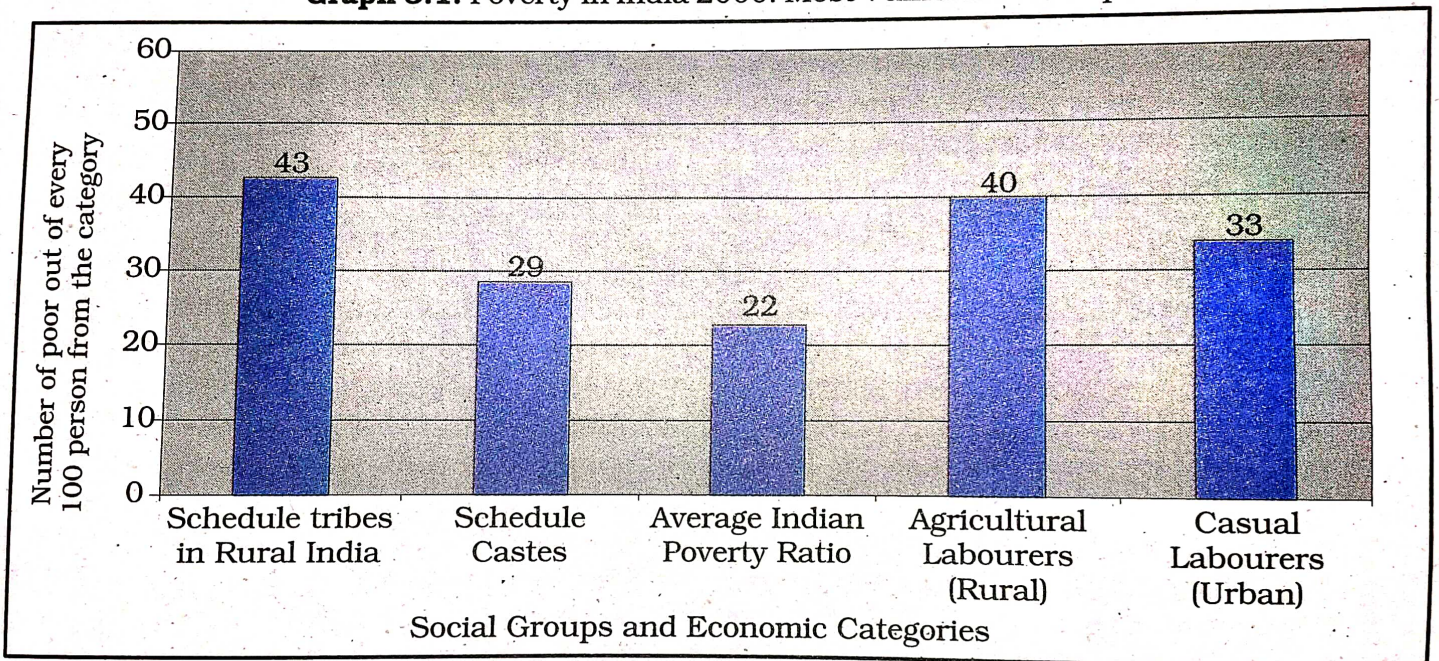
- In India proportion of people below poverty line is also not same for all social groups and economic categories.
- ~~se~~ Scheduled caste and Scheduled tribes household are vulnerable to poverty in social group.
- In same direction rural agricultural labour household and the urban casual labour household are vulnerable to poverty in economic categories.

⇒ Global poverty Scenario:

World development indicators 2012 The World Bank.

- Through huge investment in human resources development and rapid economic growth poverty is substantially decreased in China and Southeast Asian countries.
- Number of poor in China has come down from 88 percent in 1981 to 14.5 percent in 2008 to 1.9 percent in 2013.

Graph 3.1: Poverty in India 2000: Most Vulnerable Groups



Source: Panagriya Arvind and Vishal More



- In India, poverty is higher than the national estimate. It is done because of different poverty line definition.
- In Latin America the ratio of poverty has declined from 11% to 1981 to 6.4 percent in 2008

⇒ Causes of poverty :

- (a) Low growth rate
- (b) Discouragement of development of Industries and handicraft product.
- (c) High growth rate of population
- (d) Huge income inequalities
- (e) Lack of Land Resources.

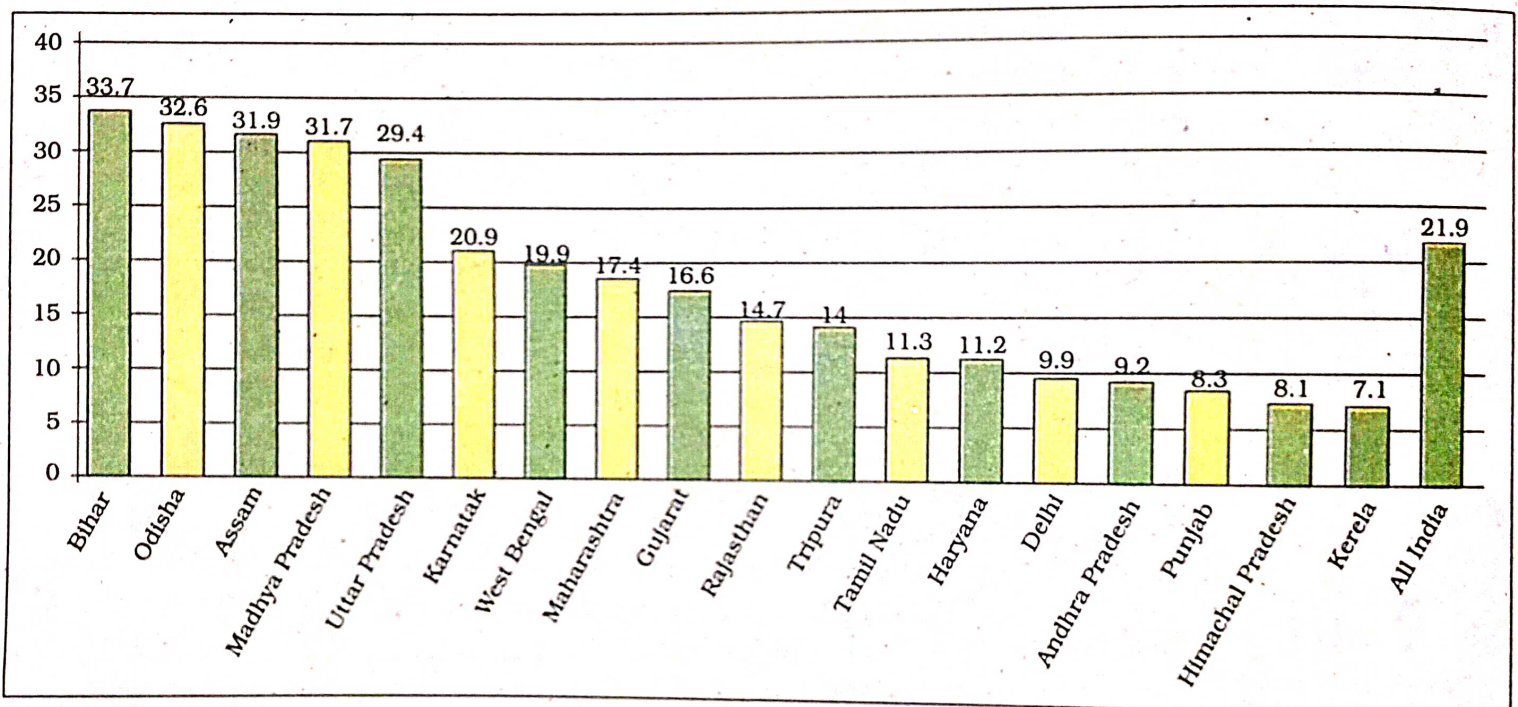
⇒ Anti-poverty Measures :

The current Anti-poverty strategy of the government is based broadly on two plank.

- (i) Promotion of Economic Growth.
- (ii) Targeted Anti-poverty program.

- (a) Promotion of Economic Growth : official poverty estimation, the growth rate jumped from the average

Graph 3.2: Poverty Ratio in Selected Indian States, 2015–16



Source: Economic Survey 2015–16, Ministry of Finance, Government of India

of about 3.5 percent a year in the 1970s to about 6% during the 1980s and 1990s. With the help of high rate of growth, reduction of poverty is possible.

- It shows a link between poverty reduction and economic growth. Therefore, promotion of economic growth helps to reduce poverty.

(ii) Targeted anti-poverty programmes :-

- National Rural Employment Guarantee Act (NREGA)
- Prime Minister Rojgar Yojana (PMRY)
- Sarva Shiksha Yojana (SSY)
- Sashakt Gram Sadak Yojana (SGSY)
- Sampurna Gramin Rojgar Yojana.

⇒ The challenges Ahead :-

- Poverty reduction remains India's most compelling challenge despite the progress. Because of unequal distribution of income, increase in population etc.
- The positive situation can be done by the way of higher economic growth, increasing stress on universal free elementary education, declining population growth, increasing empowerment of the women and the economically weaker section of society.

⇒ Child Labour ÷ child labour is a situation where a child is employed for earning money. Which is mentally, socially, psychologically, physically, economically dangerous and harmful for the children. child labour is a basic problem of poverty. Because of doing work, child can not be illiterate and he/she is unable to make his/her future.

- The child Labour (Prohibition) Act 1986 defines a child as any person who has not completed his fourteen year of age.
- ILO (International labour organization). the term 'child labour' is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

⇒ Illiteracy ÷ a situation when an individual is not able or unable to read and write. Illiteracy is a major problem of poverty.

