

Ch-5 / Ch-4

Poverty In India

* Q) Who are churning Poor?

Ans) People who are always poor & those who are usually poor (who may sometimes get a little more money) are known as churning poor. There is also another group of poor who regularly move in & out of poverty (small & marginal farmers). These people are also called churning poor. (Chronic Chronic Poor)

23rd Week • 158-207

Q. Occasionally poor or Transient poor:

Ans) The people who are rich most of the time but may become poor sometimes when bad luck prevail are known as occasionally or Transient (Temporary) poor. (small & marginal farmers)

Q) Types of non poor-

① not so poor, ② Middle class people

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- iii) Upper Middle class poor people
- iv) the rich
- v) the very rich
- vi) millionaires
- vii) Billionaires

* Poverty: The term poverty may be defined as phenomenon where society is unable to fulfil the basic consumption needs of its people. This minimum requirement includes food, clothing, housing, education & basic health.

24th Week • 161-204

Tuesday

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Poverty is mainly defined in terms

of income & consumption. In many countries poverty is measured in terms of ~~ability to consume~~ the required amount of calories as income per

Note

In many nation prefer to define poverty in terms of consumption as income fluctuates more than consumption

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But consumption is maintained by saving & dissaving.

Monday
Relatively Poor

When we compare the income of 2 or more people, we find some people are poorer than others. This is called relative poverty. The person who has less income compared to others is relatively poor. Thus the problem of relative poverty is a problem of inequality of income & asset ownership.

Difference betw
absolute & Relative Poverty

y absolute

Relative

It refers to the minimum needs determined for poverty.

It refers to the number
of people living
below poverty line

It can be measured
on 2 basis -

③ Monthly Take of
Calories

It implies inequality in the distribution of income.

It is a comparative study bet^w the 2

It can be measured on 2 basis—

(a) on the basis of comparison
(b) Ranking criteria in the form of per capita income

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[The no. of people below the poverty line is known as head count ratio]

Rural Urban Break up of Poverty

Poors or Poverty can be found both in rural & urban sector areas. In rural areas, poors include landless labourers, small & marginal farmers etc. These persons lack basic literacy & skills & thus they find difficulty in getting employed in non agricultural jobs.

In urban area, the poor are mostly rickshaw pullers, rag pickers, domestic workers etc. They reside in poor localities & with vulnerable condition. They are also not allowed to negotiate their legal wages & are exploited by the farmers.

In imp feature of Indian Poverty is that its incidence is far greater in rural area, compared to urban area. About 75% of poor live in rural area & the urban poverty is more a result of outflow of ^{pop} people from

Human Development Report published by UNO measures poverty in terms of multi-dimensional poverty index (MPI). It takes into account 3 parameters namely living standard, health & education. According to this report, those living on less than \$1.25 a day are considered poor. According to this parameter, Indian population consist of 41.6% of poor.

Poorest of Poor: These are homeless people who survive in common.

21 land. They do not have even 2 meals a day. They thus suffer from chronic hunger. 25th Week - 172-193

Characteristics of poor -

- ① Malnutrition & hunger a basic problem of poor
- ② Poor people are generally physically weak due to ill health, disability etc.
- ③ They have very limited economic opportunities due to lack of literacy & skills. So they face unstable employment

- 4) They face high indebtedness as they borrow from money lenders who charge high interest rate.
- 5) Poor families are bigger in size & they do not have access to quality water supply, health care etc.

Cause of Poverty - *

Poverty of India is caused by 3 factors -

- ① low level of economic development
- ② Extreme inequality of ^{income} inequality & assets
- ③ Growth of Population.

However, there are other factors too $\rightarrow$

① Low level of Economic Development-

The indian economy is highly underdeveloped due to relative backwardness of agriculture & industrial sector. Due to wide spread lot of backward infrastructure facility, nearly 22% population

is still living below poverty line

2) Reducing inequalities in income distribution shall work wonders in reducing the gap between rich & poor. ~~It will also enable~~ It will also enable poor to reach the benefits of govt programmes.

3) Control on inflation of essential commodities is the utmost demand for eradicating poverty. Inflation shall be kept under control by increasing the supply of products of food grains & supplying them in the market at a subsidised price.

4) Govt. should invest in off opening more & more industries which will intension generate employment opportunities & enable the poor to earn their livelihood.

5) Govt should educate poor regarding the ill effects of population explosion & shall make them aware of birth control measures, small family benefits etc.

Wednesday

6) Govt shall put special emphasise on the development of some ~~to~~ extremely back ward states such as Odisha, Nagaland, UP etc to eradicate poverty. Govt shall promote FDI & other employment generative programmes among these areas for their development as well as the development of poor people residing in such areas.

The Critical Appraisal

The Govt has introduced several poverty
a removal programme such as
JSRY, MGNREGS, SCSY etc. The

Achievement of such programmes are -

⑤ The nutrition level of poor people has increased.

② The wage level in backward areas has increased.

③ The proportion of population living below poverty line has decreased from

54.9% to 21.9% (2011-12)
(1973-74)

However, owing to corruption & other hurdles, the poverty alleviation programmes were not effectively implemented in certain regions. The causes for this limited success are -

① The administrative machinery has been inefficient in the effective implementation of such programmes.

② Compared to magnitude of poverty, the resource allocated for this programme was inadequate.

③ Due to many loopholes in the implementation process, even the people living above poverty line could take the advantage of such programmes.

④ The performance of the supporting institution such as credit institution & marketing agencies

have been has not been satisfactory.

Thus we can conclude that even after witnessing 13th 5 year plans, the level of poverty has not ~~do~~ been reduced to great extent & thus the problem of poverty still remains as one of the main concerns of the nation.

Govt to remove poverty -

The current anti poverty strategy of the Govt has 3 dimensions -

① Growth Oriented approach - This approach was initiated from 1st 5 year plan. This approach is based on the idea that effect of economic growth would spread to all sections of the society & will trickle down to the poor section.

2/ Poverty alleviation Programme

To tackle down the problem of poverty the govt decided to launch certain employment generation programme. According to this approach, the govt tried to remove poverty by increasing the income of the poor & their employment opportunities. This strategy became obvious from 5th plan & since then many employment generation programme have been implemented.

10 Some of the major programmes are - Thursday 28th Week • 191-174

@ The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) - CHG MREGS

This scheme was launched on Feb 2, 2006. The ongoing programmes such as Sampurna Gramin Rozgar Yojana & National Food for Work Programme were added with this scheme. The scheme of MGNREGS was launched in 200 districts of the country under

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This scheme 100 days of guaranteed wage employment is provided in every financial year to every poor household living in rural area.

(b) Swarnajanti Gram Swarozgar Yojana (SGSY)

→ To promote self employment & remove poverty, the scheme was launched on 1999. The programme aims at establishing a large number of micro enterprise in rural area of the nation. With in the target group, special reservation has been allotted to SC/ST (about 50%), women (40%) & disabled persons (3%). The scheme covers all aspect of self employment such as organization of poor in self help groups, training, credit, technology etc. Further

the cost of the programme is shared as on the basis of 75:25 ratio between the central & state govt respectively.

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c) Sampurna Gramin Rozgar Yojana (SGRY)

This programme was started on 25th Sep 2001 with the objective of providing additional wage employment in rural area along with food security. The programme also promote creation of economic assets & development of infrastructure in rural area. The center and the state share the cost of programme as to the ratio $87.5 : 12.5$.

d) National Food for Work Programme (NFWP)

This programme was started on Nov 14, 2004 in 150 most backward districts. The programme aims at intensify the generation of supplementary wage employment. The programme is a 100% centrally sponsored scheme & the food grains are provided to the state free of cost.

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d) Swarna Jayanti Shahri Rozgar Yojana (SSRY)

→ The scheme became operational from Dec 1st, 1997. The programme seeks to provide gainful employment to urban unemployed & under unemployed poor through encouraging setting up of self-employment ventures or provisions of wage employment.

SSRY has 5 components -

- Urban Self Employment Programme (USEP)
- Urban Women Self Help Programme (UWSH)
- Skill Training for Employment among Urban Poor (STEP UP)
- Urban Wage Employment Programme (UWEP)
- Urban Community Development Programme (UCDP)

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3/ Provision of Minimum Basic Needs -

The best approach to addressing poverty is to provide minimum basic needs to people. Under this approach the govt seeks to provide many facilities (food grain, education, water etc) at a subsidised rate. Public Distribution System (PDS), Mid-day Meal (MDM) are some of the programme under this approach which aims at food security by providing the poor the food grains

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Saturday

29th Week • 200-165

as a subsidised rate are sometimes free (in educational institutions)

Further programme like Pradhan Mantri Gram Sadak Yojana, Valmiki Ambedkar Awas Yojana etc are some of the scheme that seek to develop the infrastructure & standard of living of urban poor.

20 Sunday