# 8. POVERTY IN INDIA

**Q:1.** Define Poverty. Explain Concepts of Poverty?

**(A) Introduction :-** Poverty is one of great **(4m)** Challenges faced by India. It is a <u>Socio-economic</u> Concept. Poverty is considered as Social Exclusion of Some Peoples in a Society.

<u>Social Exclusion</u> means few People Unable to Satisfy basic needs of life and never gets better opportunities.

**(B) Meaning :-** " Poverty means a Situation where majority of People are Unable to Satisfy basic needs of life such as - Food, Clothing, Shelter, health and Education "

**(C) Concepts of Poverty :-**

1. Absolute Poverty
2. Relative Poverty

**1. Absolute Poverty :-** Absolute Poverty is measured in terms of minimum Calorie intake.

According to <u>planning commission</u> — Each Person require <u>2400</u> Calories for Living in <u>rural</u> areas and <u>2100</u> Calories for Living in <u>Urban</u> areas.

On an average, a Person require <u>2250 Calories from food</u> intake. When Person is <u>Unable to earn income</u> to satisfy desired level of Calories from food intake is called <u>Absolute Poor.</u> It is mostly Found in <u>developing</u> countries like - <u>India.</u>

**2. Relative Poverty :-** Relative Poverty is measured on the basis of difference in the <u>Level of income</u>, <u>wealth</u> <u>consumption</u> etc. Relative Poverty means a comparision of relative <u>standard</u> <u>of Living</u> of different People.

This Poverty is found in all the countries of world so it is a <u>Universal Phenomenon</u> (concept).

Relative Poverty cannot be removed but it can be reduced by using suitable Policy measures.

<u>Q:2</u> Define Poverty. Explain types of Poverty ? **(4m)**

(A) **Introduction** } **Same from Q:1**
(B) **Meaning**

(C) <u>**Types of Poverty :-**</u>

1. **Rural Poverty**          2. **Urban Poverty.**

1. <u>**Rural Poverty**</u> :- " when People are unable to satisfy basic needs of Life in rural areas is called Rural Poverty "

Rural Poverty is <u>mostly found</u> in small and marginal farmers, Landless Labours, artisans, Contract Labours etc.

<u>Main Causes of Rural Poverty are:-</u>

i) Rapid Population growth
ii) Low Agricultural Productivity.
iii) Poor Rural Infrastructure.
iv) Illiteracy
v) Natural Calamities like Flood

vi) Lack of alternative Jobs
vii) Rural Indebtedness
etc.

2. **Urban Poverty :-** " When People are Unable to satisfy basic needs of Life in town and Cities is called Urban Poverty "

Main Causes of Urban Poverty are —

i) Rapid growth of Population.
ii) Slow Industrial growth
iii) Poor Urban Infrastructure.
iv) Illiteracy
v) Lack of Vocational and skill Training etc.

Effects of Urban Poverty :-

i) Growth of Slum areas.
ii) Growth of Informal Sector.
iii) Increase in Social Problems and crimes etc.

Q:3  Define Poverty. Explain Various Causes of Poverty? **(4m)**

Ⓐ Introduction
Ⓑ Meaning
} **Same from Q:1**

c) **Causes of Poverty :-**

1. **Population Explosion :-** There is Unequal distribution of resources among the rapidly growing Population. It will result in more Poverty in India.

2. **Slow Economic Growth :-** There is slow Agricultural growth and Industrial growth. This result in slow growth in National Income and Per Capita Income which resulted in Poverty.

3) **Unemployment and Underemployment :-** There is more Poverty in Rural and Urban areas due to Unemployment and Underemployment.

**4. Economic Inequalities :-** There is more inequalities found in the distribution of income, assets, credit facilities, Agricultural Land holding etc. This also result in more Poverty in India.
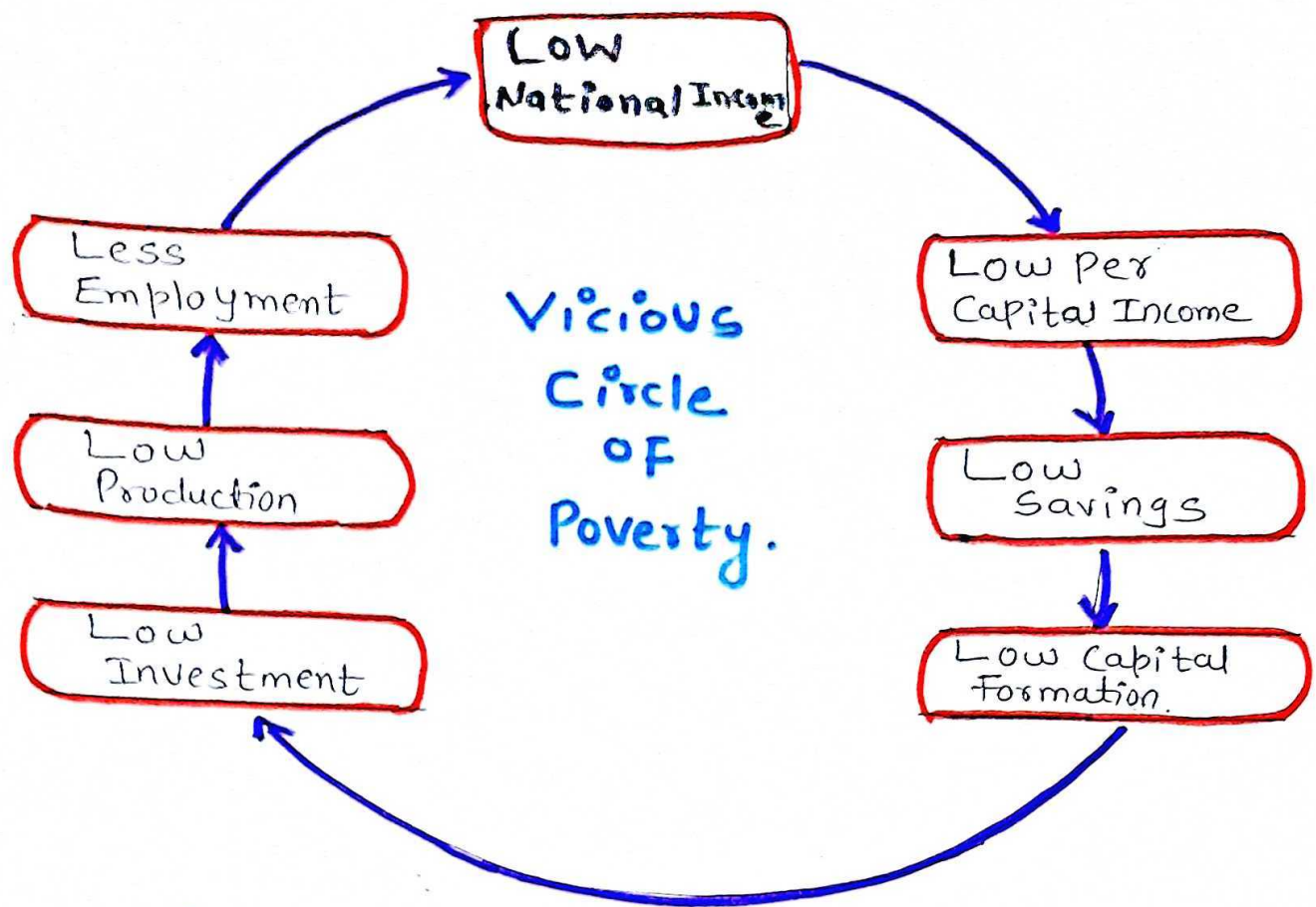
**5. Poor Infrastructural Facilities :-** Purchasing Power of Peoples in villages and backward areas is Less. So there is poor infrastructural facilities in backward rural areas like- Energy, transport, communication, Health etc. As a result, they do not develop Properly. There is more Poverty in backward areas.

**6. Inflation :-** "General rise in the Price level is called Inflation".
Due to inflation, Prices for various necessary goods rise which reduce Purchasing Power of People and result in Poverty.

**7. Regional Imbalance :-** Few states like- Orissa, Bihar, M.P, Chhatigarh, Jharkhand, Arunachal Pradesh, Assam etc. have not developed well. So we find more Poverty in these states.

**8. Vicious Circle of Poverty :-** This Concept is explained by Prof. Ragnar Nurkse. The Vicious Circle of Poverty has Trapped Indians into many Problems like—

- Low National Income
- Low Per Capita Income
- Low Saving
- Low Capital formation
- Low Investment
- Low Production
- Less Employment

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                    ┌──────────────┐
                    │     Low      │
                    │National Income│
                    └──────────────┘
   ┌──────────┐                        ┌──────────────┐
   │  Less    │      Vicious           │  Low Per     │
   │Employment│      Circle            │ Capital Income│
   └──────────┘       OF               └──────────────┘
   ┌──────────┐     Poverty.           ┌──────────────┐
   │  Low     │                        │    Low       │
   │Production│                        │  Savings     │
   └──────────┘                        └──────────────┘
   ┌──────────┐                        ┌──────────────┐
   │   Low    │                        │ Low Capital  │
   │Investment│                        │ Formation.   │
   └──────────┘                        └──────────────┘
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**9. Other Factors :-**

i) Natural Calamities like- Floods, Cyclones, earthquakes results in Poverty.

ii) Caste, Religious and Gender Discrimination.

iii) Administrative inefficiency and Corruption.

iv) Leakages in Public Distribution System (PDS) etc.

Q:4 Explain Various Government measures to eradicate / Alleviate / Reduce Poverty in India ? (8m)

(A) Introduction &

(B) meaning } Same from Q:1

(C) **General measures to eradicate Poverty :-**

1. **Control of Population :-** Family Welfare Programmes are Population Policy have been introduced by Government to control Population Growth.

2. **Agriculture Growth :-** For Agricultural growth and Development, Government announces Minimum Support Prices (MPS) to Provide better income to farmers. Government also Provide cheap credit facilities to Purchase Seeds, Fertilizers, Pesticides etc.

3. **Rural Works :-** Many employment opportunities are Provided to rural People through construction of rural roads, irrigation Projects, rural electrification etc. It will help to increase income of Poor People and reduce Poverty.

4. **Rural Industrialization :-** Government Put many efforts to Set up Small Scale and cottage industries in rural areas. It will Provide employment and income to Poor People.

5. **Minimum Wages :-** Minimum Wages Act was Passed in 1948 to Provide fair wages to Agricultural and Industrial workers

6. **Public Distribution System :-** To maintain Food Security, Government distributed Food grains to Poor People at Subsidized (Concessional) rates through ration shops.

7. **Nationalization of Banks :-** Government has done

Nationalization of Banks in 1969 and 1980 to provide more financial facilities to economy. It will provide more credit facilities to poor people at low rate of interest.

8. **Progressive Tax measures:-** In India Government follows Progressive Tax system. It means more taxes on rich people and Low Taxes on Poor People. This will help to reduce inequalities of income and wealth.

9. **Education:-** To increase Literacy Rate, government Started Various Programmes like—

 - Free and compulsory education for all
 - Free education for girls
 - Mid-day meal Programme,
 - Sanitation and Safe drinking water etc.

10) **Affordable Housing:-** Government has Provided affordable housing facilities to poor people in Rural areas and in Urban areas.

11) **Health Facilities:-** Government started various Primary health centres in villages and Government Hospitals in Urban areas. They provide reasonable medical treatment to poor peoples.

12) **Skill Development and Self employment:-** Govt. Provided many Vocational and skill Development Centres which provide necessary Training to get Jobs. It also helps people towards Entrepreneurship or self-employment.

CO-5 Distinguish between — **Absolute & Relative Poverty.** [8]

| 1. Absolute Poverty | Relative Poverty |
|---|---|
| 1. **Meaning** :- According to Planning Commission — "when a Person Living in rural area Unable to get 2400 calories and Person Living in Urban area Unable to get 2100 calories From Food intake is Called Absolute Poor". | 1. Relative Poverty means differences in the Levels of incomes, wealth, Consumption of different sections of the People. " |
| 2. **Found in** :- It is mostly Found in Developing Countries. | 2) It is Universal in nature. as it is Found in all the countries of world. |
| 3. **Removed** :- Absolute Poverty Can be removed by Government measures | 3) It cannot be completly removed. |
| 4. **Nature** :- This Poverty indicate minimum Level of income require to Satisfy basic needs of Life. | 4) This Poverty indicate the economic Status of a Person in Comparision to others in Society. |
| 5. **Elastic** :- This Poverty remain Inelastic over a time. | 5) This Poverty goes on Changing due to increase in income and standard of Living |
| 6. **Quality of Life** Quality of Life is Poor in Case of Absolute Poverty | 6) Quality of Life is better as they get better, housing health services and Education etc. |

| 2. Urban Poverty | Rural Poverty |
|---|---|
| **1. Meaning :-** "when People are Unable to satisfy basic needs of Lives in Urban area is Called Urban Poverty" | 1. when People are Unable to satisfy basic needs of Life in Rural areas is called Rural Poverty". |
| **2. Reasons :-** <br> i) Lack of affordable Housing <br> ii) Illiteracy <br> iii) Slow Industrial growth <br> iv) Lack of Infrastructure etc | 2) <br> i) Poor Rural infrastructure <br> ii) Lack of alternative Jobs, <br> iii) Rural indebtedness <br> iv) Illiteracy etc. |
| **3. Effects :-** <br> i) growth of Slum areas <br> ii) growth of Informal sector <br> iii) Create Problems in Law & order. | i) migration of People to Urban areas in Search of Jobs. <br> ii) Social and Economic Effects. |
| **4. House :-** Urban Poor Lives in Pucca Houses which are well-developed. | 4. Rural Poor Lives in Kutcha houses. |
| **5) Nature :-** In urban areas People do either service or business | 5) In rural areas majority of People are Farmers |

Q:8 Assertion and reasoning Questions :—

1) Assertion (A): Poverty level declines with a rise in agricultural output.

Reasoning (R): Agricultural incomes have declined due to wide Fluctuations in Climatic conditions.

Options :— 1) (A) is True, but (R) is False.
2) (A) is False, but (R) is True.
3) Both (A) and (R) are True and (R) is the Correct explaination of A.
✓4) Both (A) and (R) are True but (R) is not the Correct explaination of (A)

Ans:— _____1—d     4th option is correct_____

2) Assertion (A): Urban Poverty is attributed mainly to Spillover effects of migration among rural Poor.

Reasoning (R): Poor Rural infrastructure, Lack of alternative Jobs results in Forced migration.

Options: 1) (A) is True, but (R) is False
2) (A) is False, but (R) is True
✓3) Both (A) and (R) are True and (R) is the Correct explaination of (A)
4) Both (A) and (R) are True and (R) is not the Correct explaination of (A)

Ans :— _____3rd option is correct_____

3) Assertion (A): Relative Poverty is Found in all the Countries of the world.

Reasoning (R): Differences in the Levels of income is the only Criteria For Judging relative Poverty.

Options :- 1) (A) is True but (R) is False      ①

2) (A) is False, but (R) is True

3) Both (A) and (R) are True and (R) is the correct explaination of (A)

4) Both (A) and (R) are True but (R) is not the correct explaination of (A)

Ans: __**1st option is correct**__

4) Assertion (A): Poverty is not just lack of money but also Lack of Capabilities.

Reasoning (R): Lack of freedom to satisfy hunger, Lack of health care facilities, denial of political Freedom Leads to Poverty.

Options - 1) (A) is True but (R) is False

2) (A) is False but (R) is True

3) Both (A) and (R) are True and (R) is correct explaination of (A)

4) Both (A) and (R) are True and but (R) is not the Correct explaination of (A)

Ans: __**4th option is correct**__

5. Assertion (A): Food Security, Credit Facilities guarantee social Protection to the poor.

Reasoning (R): Leakages in the administrative System Perpetuates Poverty.

Options : 1. (A) is True, but (R) is False

2. (A) is False, but (R) is True

3. Both (A) and (R) are True and (R) is the Correct explaination of (A)

4. Both (A) and (R) are True but (R) is not the Correct explaination of (A)

Ans:  __4th option is correct.__

Q:9 Find the odd word out :—
1. Colours of Ration Card — white, Green, Saffron, Yellow.

   Ans:- __Green__

2. High Poverty Ratio — Chhatisgarh, Jharkhand, Bihar, Kerala.

   Ans:- __Kerala__

3. Calories — 2400, 1800, 2100, 2250

   Ans:- __1800__

Q-10 Give Economic Term :-
1. Denial of Opportunities to certain section of the People in the society __Ans:- Social Exclusion.__

2. Concept of Poverty that covers material and Non-material dimensions. __Multi-Dimensional Poverty__

3. Poverty Judged on the basis of relative standards of Living of the People. __Relative Poverty.__

4. Poverty that can be completely eradicated.

Ans:- __Absolute Poverty.__

5. Threshhold expenditure needed to Satisfy basic human needs at socially acceptable levels

Ans:- __Poverty Line.__

Q-10. Identify and explain the Concepts from the given Illustrations—
1. Baban's daughter had to be hospitalized due to weakness caused by undernourishment or Lack of minimum calorie requirement in the intake of food.

Ans:- <u>**Absolute Poverty**</u>

Explaination. <u>Refer - Q:1 - 1st Point</u>

2) Dhanajirao is a wealthy Landlord, but his annual income is relatively less is in comparison to entrepreneur Rao bahadur.

Ans:- <u>**Relative Poverty**</u>

Explaination. Q:1 - 2nd point

3) Urmi's family live in a situations whereby they are not able to fulfil even the basic needs of life such as- Food, Clothing and Shelter.

Ans: <u>**Absolute Poverty.**</u>

Explaination. <u>Refer - Q:1 - 1st Point</u>

4) Sanjay's family receives food grains on the basis of yellow ratio cards through public distribution system.

Ans:- <u>**General Measures to Reduce Poverty.**</u>

Explaination. **Q:4 - 6th Point**

5. In Certain Parts of the State, Starvation-related deaths have been Observed whereas in Certain areas gross wastage of food has been reported.

Ans:- <u>**Regional Imbalance**</u>

Explaination - **Q:3 - 7th Point**

Q:11 State with the Reason reasons whether you agree or disagree with the Following statements :-

1. Population Control is the only measure to eradicate Poverty.

Ans:- **No. I do not agree with this statement.**

Reasons :- Refer - Q - 4 - 1st Point

Q-2 Relative Poverty is Universal by nature.

Ans :- **Yes. I do agree with this stament.**

Reasons :- Refer - Q:4

3) Regional imbalance is the only cause of Poverty.

Ans :- **No. I do not agree with this statement.**

Reasons :- Refer. Q: 3

Q: 12 Short Note - Poverty - Line.

Ⓐ <u>**Poverty-line**</u> :- Poverty Line is decided in terms of Per Capita household expenditure. It is an imaginary line that divides the Poor and non-Poor People.

Ⓑ **Meaning** :- According to Task Force on Eliminating ~~Povert~~ Poverty - " The Threshold expenditure or the amount necessary to purchase goods and services that satisfy basic human needs."

Ⓒ **Objectives of Poverty line :-**

1) To determine the population Living above Poverty line- **APL** and below Poverty Line - **BPL**

2) To Calculate Poverty on the basis of Household Consumption Expenditure.

3) To Compare the Poverty among various regions.

4) To Calculate the expenditure required for Poverty alleviation Programmes

Poverty Line is differs from Country to country.

According to <u>World Bank</u>—

"Poverty Line was defined at <u>$1·90</u> Per Capita Per day at <u>2011 Prices</u> on Purchasing Power Parity <u>(PPP)</u> basis".

On PPP basis, <u>21·2 %</u> of India's Population lived below Poverty line.

Q — Define Multi-Dimensional Poverty.

"<u>Multi-Dimensional Poverty</u> means People are Unable to get material and non-material goods and services."

<u>Material goods</u> means — Food, clothing shelter, health, education electricity, safe drinking water, road connectivity etc.

<u>Non-material goods</u> are related with social Discrimination