

# **Revision Notes**

## **Class – 9 Economics**

### **Chapter 3 - Poverty As A Challenge**

- In India every 4th person is poor. Roughly, around 70 million people in the country live under poverty, according to the estimates of year 2011-12. India also has the largest population of poor in the world. In our day-to- day lives, we generally come across people who suffer from poverty. They can be people who landless labourers of villages, or who generally live in overcrowded juggis in the city, and daily wage earners at construction sites or even child labourers at dhabas.

- **Various Aspects Related to Poverty**

- ❖ There could be two causes of poverty. One is the rural poverty and other is urban poverty. Poverty is also associated with landlessness, illiteracy, unemployment, poor health or even malnutrition, child labour, helplessness and also the family size.
- ❖ Poverty means lack of any kind of shelter & suffering from hunger. Poor people are not being able to send their children to school or afford treatment when they are sick. Poor people also lack the basic means of life
- ❖ like clean water and basic sanitation facilities. They also lack a regular job with kind of proper wages. Poor people are then mistreated everywhere.

- **Poverty Line**

- ❖ To measure poverty, a common method is generally used which is based on income & consumption levels. If a person is unable to satisfy his/her basic

needs then he or she is considered as poor. Poverty line also varies with time and place. For each country, poverty line is considered different.

- ❖ Basic amenities like food requirements, clothing, footwear, fuel, education, light & the medical requirements are determined for measuring poverty. Food items like cereals, pulses, vegetables, oil and sugar together provide calories to body. Calorie requirement varies with age, sex and type of work that a person does. In India, the average calorie requirement is 2400 calories / day in rural areas and 2100 calories / day in urban areas. People living in rural areas are also associated with more heavy physical work hence that calorie requirement is higher in people living in rural areas in comparison to urban areas. The National Sample Survey Organisation (NSSO) is responsible for doing surveys to determine the standard of the poverty line in the country.

- **Vulnerable Groups in India**

- ❖ The proportion of people who are below the poverty line is not equal for all the social groups & the economic categories in the country. Some groups are more vulnerable than other. These are Scheduled Castes and the Scheduled Tribe households. Also, among the economic groups, agricultural labourers & the urban casual labours are more vulnerable. In India, out of 100 poor people, 43 of them are of Scheduled Tribes. 34% of casual urban workers are also below the poverty line. 23% percent of the Scheduled Castes community are also poor.
- ❖ Recent studies have shown that except Scheduled Tribe households the other groups of Scheduled Castes, rural agricultural labourers and the urban casual labourers have seen a decline in poverty since 1990. In poor families, some people also suffer more than others. In some cases, women, female infants and elderly people are denied equal access to resources available to the family.

- **Interstate Disparities in Poverty Levels**

- ❖ Not every state in the country has the same proportion of poor people. The success rate of poverty reduction since the early seventies generally varies from state to state.
- ❖ The all-India headcount ratio is 21.9% in states like Madhya Pradesh, Uttar Pradesh, Assam, Bihar & Orissa. This was also lower than the all-India poverty levels in the year 2011-12. Till date Bihar and Orissa are the two of the poorest states having poverty ratios of 33.7 and 32.6. However, there has been a good decline of poverty in states of Maharashtra, Kerala, Andhra Pradesh, Tamil Nadu, Gujarat & the West Bengal. States of Haryana and Punjab have also succeeded in poverty reduction with the help of high agricultural growth. Kerala has focused on human resource development.
- ❖ In West Bengal, the land reform measures had been undertaken which helped in poverty reduction. Andhra Pradesh & Tamil Nadu had distributed food grains amongst the public which reduced the poverty levels.

- **Causes of Poverty**

There are various reasons for the prevalence of widespread poverty in India. Some of these are:

- ❖ Economic exploitation under the British colonial rule can be seen as one of the reasons. The policies of the British government ruined traditional cottage, handicrafts & textile industries. The low growth rate was also persistent till the 1980s. There were low job opportunities and incomes accompanied by high population growth. The growth rate per capita income was also extremely low.
- ❖ With the dawn of the Green Revolution in the country, new job opportunities were created also present in the agricultural sector. The problem with this was that it was limited to some parts of the country. There were industries in the

public & private sectors which provided some jobs but were unable to provide jobs to all the seekers. People who were unable to find proper jobs started working as construction workers, vendors, domestic servants, rickshaw pullers, etc. These people then could not afford proper housing and hence started living in slums.

- ❖ Another reason for this high poverty rates in the country has been huge income inequalities. This was because of the unequal distribution of land & resources. In India, there is also a lack of proper land resources and this has also been a major cause of poverty.
- Proper implementation of government policies will improve the conditions of poverty-stricken people.
- Farmers in the country also require money to buy agricultural inputs like fertilizers, pesticides, seeds etc. They used to borrow money which they were then unable to repay because of poverty. When they are unable to repay the loan, they become victims of the indebtedness which is both a cause and effect of poverty.
- Money is then spent in the country by both the poor and the non-poor to fulfil social and religious obligations and ceremonies. This spent money could be used for something else in a meaningful manner.

- **Anti-Poverty Measures**

Presently, the anti-poverty scheme has two parts to it. First is the promotion of economic growth and second is targeted anti-poverty programmes. Since 1980 India's economic growth has been one of the fastest in the world.

Economic growth and poverty reduction are associated with each other. There were some schemes formulated aimed at reducing poverty. These are-

- ❖ The MGNREGA or rural employment act of 2005. This act provided 100 days of wage employment to every household in rural areas to ensure their livelihood security. It proposed that one-third of job vacancies would be reserved for women. It aimed to manage situations of deforestation, drought and soil erosion.
- ❖ Pradhan Mantri Gramodaya Yojana of 2000 was started to assist states for services like primary health and education, rural shelter, rural drinking water and rural electrification.
- ❖ In 1999, the Swarna Jayanti Gram Swarozgar Yojana was also started which aimed to assist low-income families in coming above the poverty line by organising them into self-reliant groups by the help of bank credit and government subsidy.
- ❖ Rural Employment Generation Programme - Launched in 1995 in order to create self-employment opportunities in the small towns, and rural areas.
- ❖ In 1993, Prime Minister Rozgar Yojana was launched. This initiative aimed to create as well as provide employment opportunities in rural areas and small towns.

- **Upcoming Challenges**

The poverty rate in India has been declining but it remains a challenge. It is expected that poverty reduction would make better progress in the upcoming years. Economic growth, free elementary education, declining population and empowered women will help in reducing poverty levels in the country.