



ST. MARY'S CO-ED SCHOOL, HARDA

CLASS - XII (2020-2021)

INDIAN ECONOMIC DEVELOPMENT

CHAPTER – 4

POVERTY

IMPORTANT POINTS OF THE CHAPTER

- 1) Poverty is the inability to fulfill the minimum requirement of life like food, clothing, housing education and health facilities etc.
- 2) Relative poverty refers to poverty of people in comparison to other people in different region or nations.
- 3) Absolute poverty refers to total number of people living below the poverty line.
- 4) Absolute poverty is measured on the basis of two criteria:-
 1. Minimum Calories Consumption Criteria
 2. Minimum Consumption Expenditure Criteria
1. Minimum Calories Consumption:- People who are not getting 2400 calories per person per day in rural areas and 2100 calories in urban area is considered to be living below poverty line.
2. Minimum Consumption Expenditure Criteria:- The new poverty line, thus, translates to a monthly per capita consumption expenditure of Rs 972 in rural areas and Rs 1,407 in urban areas in 2011-12. Or, Rs 32 in rural areas and Rs 47 in urban areas on a per capita daily basis.
- 5) Poverty line refers to that line which expresses per capita average monthly expenditure that is essentially required by the people to satisfy their minimum needs. As per Tendulkar committee, poverty line is estimated in monthly basis as Rs. 816 in rural areas and Rs. 1000 in urban areas. People who are not able to earn even such amount in a month are considered below poverty line.
- 6) According to a survey, approx. 22% population in India is below poverty line.
- 7) Estimation of poverty line:

Calories based estimation— For rural area intake calorie was estimated at 2,400 calories and for urban area it is 2,100 calories,

8) In 1999-2000 new ways of measuring started i.e. monthly per capita expenditure—it estimates for rural area as consumption worth Rs. 816 per persons and for urban areas it is Rs. 1000 Presently as per Tendulkar committee.

9) Three approach of govt to combat poverty.

Approach

1. Enhancing Economic Growth
2. Specific Programmes for Poverty Alleviation
3. Fulfilling Minimum Needs of the poor

10) Vicious Circle of Poverty:- It refers to situation of self reinforcing forces in which there are certain factors that are related in a circular way and results in continuation of poverty and under development.

11) Causes of Poverty:

1. Rapid increase in population.
 2. Low level of National product.
 3. Rise in price.
 4. Unemployment.
 5. Low rate of growth.
 6. Capital deficiency.
 7. Rural Indebtedness
 8. Exploitation under British rule
 9. Low education
 10. Inflationary Pressure
 11. High Level of Migration from rural areas
 12. Failure to implement land reforms.
- 12) Measures adopted by the Government to remove poverty.
1. Food for work programme.
 2. Swarnjayanti Gram Swarozgar Yojana.

3. Pradhan Mantri Gramodaya Yojana.
4. Sompurna Gramin Rozgar Yojana.
5. Swarn Jayanti Shahri Rozgar Yojana.
6. Mahatma Gandhi National Rural Employment Guarantee Scheme.
7. Jawahar Gram Samridhi Yojana

13) Programme adopted by govt. to help elderly and poor people and also destitute women:-

1. National social assistance programme which includes National Old Age Pension Scheme, National Family Benefit Scheme, National Maternity benefit scheme.
2. Annapurna Yojana
3. On the job training

ANSWER THE FOLLOWING QUESTIONS:

Question 1. Define poverty.

Answer. Poverty in India has been defined as that situation in which an individual fails to earn income sufficient to buy him minimum means of subsistence.

Question 2. What is meant by 'Food for Work' programme?

Answer. National Food for Work Programme (NFWP). This programme was initially launched w.e.f. February 2001 for five months and was further extended. This programme aims at augmenting food security through wage employment in the drought affected rural areas in eight States, i.e., Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal. The centre makes available appropriate quantity of food grains free of cost to each of the drought affected States as an additionality under the programme. Wages by the State government can be paid partly in kind and partly in cash. The workers are paid the balance of wages in cash, such that they are assured of the notified minimum wages.

Question 3. Briefly explain the three-dimensional attack on poverty adopted by the government.

Answer. A country is caught in a vicious trap once poverty is inbuilt in the system. The government has followed three-dimensional poverty removal programme. These dimensions are:

- a) The rate of economic growth should be raised. Economic growth can be helpful in removing poverty by the trickle down effect. It was felt that raised economic growth would benefit the underdeveloped region and the more backward sections of the society.

b) Various beneficiary-oriented programmes need to be strengthened. For this, local institutions have to be involved in these programmes. The activities should be organised on a co-operative basis. Major training programmes should be taken up to improve the skills of potential workers.

c) To provide minimum basic amenities. The provision of basic amenities should be made like water supply, sanitation, nutrition, etc. to the people.

Question 4. What programmes has the government adopted to help the elderly people and poor and destitute women?

Answer. National Social Assistance Programme (NSAP). NSAP was introduced on 15 August, 1995 as a 100 per cent Centrally Sponsored Scheme for social assistance to poor households affected by old age, death of primary bread earner and maternity care. The programme has three components, i.e., National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme (NMBS).

Annapurna. This scheme came into effect from April 1, 2000 as a 100 per cent Centrally Sponsored Scheme. It aims at providing food security to meet the requirement of those senior citizens who though eligible for pensions under the National Old Age Pension Scheme, are not getting the same. Food grains are provided to the beneficiaries at subsidised rates of Rs. 2 per kg of wheat and Rs. 3 per kg of rice. The scheme is operational in states and 5 union territories. More than 6.08 lakh families have been identified and the benefits of the scheme are passing on to them.

Question 5. Is there any relationship between unemployment and poverty? Explain.

Answer. Unemployment means lack of living. It leads to hunger, gloom, pessimism, indebtedness, etc. They all are signs of poverty.

QUESTIONS FOR SELF ASSESMENT

Q.1 What is the difference between relative poverty and absolute poverty ?

Q.2 How can poor people be categorised?

Q.3 Which organisation collects data on poverty in India?

Q.4 Mention the drawbacks of concept of relative poverty?

Q.5 Which standard is used by the concept of absolute poverty to measure the number of poor people ?