

Unit-3

Poverty as a Challenge

Question 1:

Describe how the poverty line is estimated in India.

Answer:

A person is considered poor if his or her income or consumption level falls below a given minimum level necessary to fulfil basic needs. Each country uses an imaginary line that is considered appropriate for its existing level of development and its accepted minimum social norms. This is called the poverty line.

While determining the poverty line in India, a minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirements, etc., are determined for subsistence. These physical quantities are multiplied by their prices in rupees, and thereby the poverty line is arrived at. The numbers involved in the calculation of the poverty line vary. Since the economics of living in the rural parts of the country is different from that of living in the urban parts, the poverty line deducted for individuals living in the rural areas is different from that deducted for individuals living in the urban areas.

Question 2:

Do you think that present methodology of poverty estimation is appropriate?

Answer:

The present methodology of poverty estimation takes into account a minimum subsistence level of living rather than a reasonable level of living. A person is considered poor if his or her income or consumption level falls below a given minimum level necessary to fulfil basic needs. While ensuring the minimum necessary in terms of income is indeed essential for India to bring a large section of its population out of the clutches of poverty, the government must also focus its attention upon the broader element of human poverty. A future state may be achieved wherein everybody is able to feed himself or herself. However, in the continuing presence of factors like illiteracy, lack of job opportunities, lack of access to proper healthcare and sanitation, caste and gender discrimination, etc., such a state cannot be called a poverty-free state.

Question 3:

Describe poverty trends in India since 1973.

Answer:

A decline: There has been a substantial decline in the poverty ratios in India from about 55 per cent in 1973 to 36 per cent in 1993. The proportion of people below poverty line further came down to about 26 percent in 2000. Although the percentage of people living in poverty declined from 1973 to 1993, the number of poor remained stable around 320 million for a fairly long period. However, as per the latest estimates, the number of poor has shown a significant decline to about 260 million.

Rural and urban poor: The poverty trends also indicate that the problem of poverty is a much bigger menace in the rural areas than it is in the urban areas. As the greater part of the Indian population resides in the villages, the greater number of the poor also resides in the villages.

Vulnerable groups: Looked at from the point of view of the various social and economic groups in the country, the scheduled tribes, the scheduled castes, the rural agricultural labourers and the urban casual labourers turn out to be the groups most vulnerable to poverty. Though the average for people below poverty line for all groups in India is 26, the averages of these groups are higher than the average Indian poverty ratio.

Poor states: The poverty trends also show that though there has been a decline in poverty in every state from the early seventies, the success rate of reducing poverty has varied from state to state. In 20 states and union territories, the poverty ratio is less than the national average of 26. In others, the poverty ratios are higher than the national average. Among these, Orissa and Bihar continue to be the two poorest states with poverty ratios of 47 and 43 per cent respectively. On the other hand, states like Kerala, Gujarat, Punjab and Jammu and Kashmir have shown a significant decline in poverty.

Question 4:

Discuss the major reasons for poverty in India.

Answer:

Major reasons for poverty in India

(i) Colonial rule: India went through a long phase of low economic development under the British colonial administration. The policies of the colonial government ruined traditional handicrafts and discouraged development of industries like textiles.

(ii) Low economic growth and high population growth: The Indian administration's failure on the two fronts – promotion of economic growth and population control perpetuated the cycle of poverty.

(iii) Rural poverty: The effects of agricultural and rural development were limited to only certain parts of the country. As a result, while some parts of the country showed great progress in the rural sector, others continued in the shadow of poverty.

The presence of huge income inequalities is a major reason for the high poverty rates in the rural areas.

The government's failure to properly implement major policy initiatives to tackle the issue of income inequalities has contributed to the continuance of poverty in villages.

(iv) Urban poverty: The jobs created by the industrial sector have not been enough to absorb all the job seekers. Unable to find proper jobs in cities, many people start working as rickshaw pullers, vendors, construction workers, domestic servants, etc. With irregular small incomes, these people cannot afford expensive housing. In consequence, they start living in slums. Thus, poverty (a largely rural phenomenon sometime back) has become a dominant feature of urban India as well.

(v) Socio-cultural factors: Various socio-cultural factors like caste and gender discrimination and social exclusion have contributed to the wider realm of human poverty.

Question 5:

Identify the social and economic groups which are most vulnerable to poverty in India.

Answer:

The proportion of people below poverty line is not the same for all social groups and economic categories in India. The social groups of scheduled castes and scheduled tribes, and the economic groups of rural agricultural labourers and urban casual labourers are the ones most vulnerable to poverty. The poverty ratios for each of these groups are higher than the average Indian poverty ratio. Apart from these groups, women, elderly people and female infants are considered to be the poorest of the poor.

Question 6:

Give an account of interstate disparities in poverty in India.

Answer:

The proportion of poor is not the same in every state. Though there has been a decline in poverty in every state from the early seventies, the success rate of reducing poverty has varied from state to state. In 20 states and union territories, the poverty ratio is less than the national average of 26. In others, the poverty ratios are higher than the national average. Among these, Orissa and Bihar continue to be the two poorest states with poverty ratios of 47 and 43 per cent respectively. Both rural and urban poverty are quite high in these states. On the other hand, states like Tamil Nadu, Andhra Pradesh, Gujarat, Kerala, Punjab and Jammu and Kashmir and West Bengal have shown a significant decline in poverty. Public distribution of food grains, focus on human resource development, high agricultural development and land reform measures are some of the factors responsible for the decline in poverty in these states.

Question 7:

Describe global poverty trends.

Answer:

The proportion of people in developing countries living on less than \$1 per day has fallen from 28 per cent in 1990 to 21 per cent in 2001. There has been a substantial reduction in global poverty since the nineteen eighties. However, the reduction in poverty is marked with great regional differences. Due to rapid economic growth and massive investment in human resource development, poverty declined substantially in China and Southeast Asian countries.

On the other hand, in South Asian countries (India, Pakistan, Sri Lanka, Nepal, Bangladesh, Bhutan), the decline has not been as rapid. While the ratio of poverty in Latin America has remained the same, in sub-Saharan Africa, poverty has risen from 41 per cent in 1981 to 46 per cent in 2001. According to the world development report of 2001, countries like Nigeria, Bangladesh and India still have a large percentage of people living under poverty.

Poverty has also resurfaced in some of the former socialist countries like Russia, where officially it was non-existent earlier.

Question 8:

Describe current government strategy of poverty alleviation.

Answer:

The current anti-poverty strategy of the government has a two-lined approach – promotion of economic growth and targeted anti-poverty programmes.

Economic growth widens opportunities and provides resources needed to invest in human development. Also, so that the poor can take advantage of this economic growth, the government has formulated several anti-poverty schemes to affect poverty directly or indirectly. Prime Minister Rozgar Yojana, Rural Employment Generation Programme, Swarnajayanti Gram Swarozgar Yojana, Pradhan Mantri Gramodaya Yojana, Antyodaya Anna Yojana, National Food for Work Programme, National Rural Employment Guarantee Act, and proposals for establishing National and State Employment Guarantee Funds are some of the anti-poverty schemes of the government.

However, despite the good intentions of these schemes, the benefits have not fully reached the deserving poor. Hence, the major emphasis in recent years has been on proper monitoring of all the poverty alleviation programmes.

Question 9:

Answer the following questions briefly

(i) What do you understand by human poverty?

(ii) Who are the poorest of the poor?

(iii) What are the main features of the National Rural Employment Guarantee Act 2005?

Answer:

(i) Human poverty is a concept that goes beyond the limited view of poverty as lack of income. It refers to the denial of political, social and economic opportunities to an individual to maintain a "reasonable" standard of living. Illiteracy, lack of job opportunities, lack of access to proper healthcare and sanitation, caste and gender discrimination, etc., are all components of human poverty

(ii) Women, female infants and elderly people are the poorest of the poor. Within a poor family, such individuals suffer more than the others. They are systematically denied equal access to the resources available to the family.

(iii) Main features of the National Rural Employment Guarantee Act 2005:

(a) The Act assures 100 days employment every year to every household.

(b) Initially covering 200 districts, the Act would be extended later on to cover 600 districts.

(c) One-third of the jobs are reserved for women.