

Poverty

Poverty

It is inability to fulfill the minimum requirements of life.

- Relative Poverty It refers to poverty in relation to different classes, regions or countries.
- Absolute Poverty In India, concept of poverty line is used as a measure of absolute poverty.

Poverty Line

It is that line which expresses per capita average monthly expenditure by which people can satisfy their minimum needs.

Relative poverty and absolute poverty are the two variants of poverty.
Poverty line is fixed in India

- in the estimation of consumption cut off.
- in private consumption expenditure.
- frequencies are recorded against each class-interval. Each frequency counts the number of heads belonging to a particular consumption class.

Categorising Poverty

- Category 1 Chronic poor Those who are always poor and those who are usually poor e.g., Landless workers.
- Category 2 Transient Poor Those who are moving in and out of poverty and occasionally poor.
- Category 3 Never Poor These are categorised as non-poor people.

Rural Poor

These include landless agricultural work marginal holders and tenants-at-will.

Urban Poor

These include migrants from the rural areas in search of employment, casual factory workers and self employed serving largely as street vendors.

Urban poor are largely the spillover of the rural poor who are forced to migrate in search of jobs.

Causes of Poverty

- Low level of national product
- Low rate of growth
- Heavy pressure of population

- Inflationary pressures
- Chronic unemployment and under employment
- Capital deficiency
- Outdated social institutions
- Lack of infrastructure

Measures to Remove Poverty

- Combating poverty by accelerating the pace of economic growth.
- Combating inequality of income through fiscal and legislative measures.
- Combating poverty through population control.
- Other measures enhancing quality of life of the poor.

Poverty Alleviation Programmes

Some of the principle measures adopted by the government to remove poverty are given below

- Samaranjayanti Gram Swarozgar Yojana (SGSY)
- Sampoorna Gramin Rozgar Yojana (SGRY)
- Pradhanmantri Gramoday Yojana (PGY)
- Jai Prakash Rozgar Guarantee Yojana (JPRGY)
- The Swaran Jayanti Shahri Rozgar Yojana (SJSRY)
- Prime Minister's Rozgar Yojana
- Development of Small and Cottage Industries (viii) Minimum Needs Programme
- Twenty Point Programme
- Mahatma Gandhi National Rural Employment Guarantee

Question 1.

Why calorie-based norm is not adequate to identify the poor?

Answer:

The government uses Monthly Per Capita Expenditure (MPCE) as proxy for income of households to identify the poor. Poverty line is estimated by the monetary value (per capita expenditure) of the minimum calorie intake that was estimated at 2400 calories for a rural person and 2100 for a person in the urban area. But this calorie-based norm is not adequate to identify the poor due to following reasons

- This mechanism groups all the poor together and does not differentiate between the very poor and the other poor which makes it difficult to identify who amongst them needs help the most.
- Economists question, the basis of taking expenditure on food and a few select items as proxy for income.
- This norm does not take into account the other factors associated with poverty such as accessibility to basic education, health care, drinking water and sanitation.

- This norm does not take social factors such as illiteracy, lack of access to resources, discrimination or lack of civil and political freedoms into consideration.

Question 2.

What is meant by 'Food for Work' Programme?

Answer:

The National Food for Work Programme was launched in November 2004 in 150 most backward districts of the country, identified by the Planning Commission in consultation with the Ministry of Rural Development and the State Governments. The objective of the programme was to provide additional resources apart from the resources available under the Sampoorna Grameen Rozgar Yojana to 150 most backward districts of the country so that generation of supplementary wage employment and providing of food security through creation of need based economic, social and community assets in these districts are further intensified.

The scheme was 100 per cent centrally sponsored and was open to all rural poor who were in need of wage employment and wanted to do manual and unskilled work.

The focus of the programme was on work relating to water conservation, drought proofing and land development. Flood control protection, rural connectivity in terms of all-weather roads and any other similar activity for economic sustainability could be included.

Foodgrains were given as part of wages under the NFFWP to the rural poor at the rate of 5 kg per man day and the remaining portion may be given in cash. More than 5 kg foodgrains can be given to the labourers under this programme in exceptional cases subject to a minimum of 25% of wages to be paid in cash. The programme has now been subsumed in National Rural Employment Guarantee Act, which has come in force in 200 identified districts of the country including 150 NFFWP districts.

Questions 3.

Why are employment generation programmes important in poverty alleviation in India?

Answer:

In India, twin problems exist i.e., poverty and unemployment. Poverty alleviation has been one of the guiding principles of the planning process in India. Poverty can effectively be eradicated only when the poor start contributing to growth by their active involvement in the growth process. This can only be achieved by launching various employment schemes.

Following points discussed the importance of Employment Generation Programmes to eradicate poverty.

- Nexus between Unemployment and Poverty There exists a deep nexus between unemployment and poverty. If employment opportunities are

- generated, then more people will be employed leading to rise in their income which in turn will reduce poverty.
- Availability of Basic Facilities With the rise in employment opportunities, income increases and poor people are able to get access to education, health facilities, proper sanitation etc.
 - Creation of Assets The Employment Generation Programmes aim at creation of assets like water harvesting, irrigation facilities, construction of roads, construction of dams etc. All these assets help in the social and economic development of the rural areas and hence eradication of poverty.
 - Creation of Skills An essential element of employment generation programmes is the formation of human capital by imparting skills to the unskilled labourers through training. This skill formation enhances income earning capability of poor people.

Thus, such poverty alleviation programmes like Prime Minister's Rozgar Yojana, Swarna Jayanti Shahari Rogzar Yojana, National Food for Work Programme, Annapurna are came into an existence.

Question 4.

How can creation of income earning assets address the problem of poverty?

Answer:

The problem of poverty cannot be solved by giving foodgrains to the poor or distributing clothes to them as no government can keep doing these activities for long due to lack of resources. Poverty can effectively be eradicated only when the poor start rning for themselves and in turn contribute to growth by their active involvement in the growth process. This is possible by providing income generating assets to the poor in the form of land for agriculture, tools and instruments to set up self employment units and giving them proper training which will enhance their income earning capacity.

This can help pbor people to participate in economic activities and make them empowered. This will also help create employment opportunities which may lead to increase in levels of income, skill development, health and literacy and thus poor can be assured of income per month which will help him to come above the poverty line.

Question 5.

The three dimensional attack on poverty adopted by the government has not succeeded in poverty alleviation in India. Comment.

Answer:

Poverty alleviation has always been accepted as one of the major objectives of planned development process in India but even after vast spending on poverty alleviation programmes, the government has not succeeded in poverty alleviation in India.

Despite various strategies to alleviate poverty, problems like hunger, malnourishment, illiteracy and lack of basic amenities are prevalent in India. None of

the poverty alleviation strategies resulted in any radical change in the ownership of assets, process of production and improvement of basic amenities to the needy.

Due to unequal distribution of assets, the benefits from poverty alleviation programmes have not actually reached the poor. The amount of resources allocated for the poverty alleviation programmes is not sufficient when we take the magnitude of poverty into consideration.

The implementation of the poverty alleviation programmes is the responsibility of government and bank officials who are ill motivated, inadequately trained, corruption prone and vulnerable to pressure from local elites. The resources are thus used inefficiently.

Government policies have also failed to address the various issues related to poverty due to non-participation of local level institutions in programme implementation. It is evident that high growth alone is not sufficient to reduce poverty without the active participation of the people.

Further, it is necessary to identify poverty stricken areas and provide infrastructure such as schools, roads, power, telecom, IT services, training institutions etc. Institutional weaknesses abound and implementation failure are the biggest reasons that these programmes not succeeded.

Question 6.

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

Answer:

In accordance with the Directive Principles of State Policy, the Government of India introduced National Social Assistance Programme (NSAP) in 1995 to help the elderly people and poor and destitute women.

The NSAP aims at ensuring minimum national standard for social assistance in addition to the benefits that states are currently providing or would provide in future. At present, NSAP comprises of the following five schemes for BPL persons

- Indira,Gandhi National Old Age Pension Scheme (IGNOAPS)
- Indira Gandhi National Widow Pension Scheme (IGNWPS)
- Indira Gandhi National Disability Pension Scheme (IGNDPS)
- National Family Benefit Scheme (NFBS)
- Annapurna

Under Indira Gandhi National Old Age Pension Scheme (IGNOAPS), f 200 per month provided to the beneficiary of age 65 or more and belonging to a BPL family according to criteria prescribed by Government of India.

Widow pension is provided under IGWPS to the BPL widows of age group of 40-64 years. Disability pension is provided to the multiple or severely disabled persons of age group of 18-64 years under IGNDPS. Central assistance of ₹ 200 per month per beneficiary is provided under Indira Gandhi National Disability Pension Scheme (IGNDPS) and Indira Gandhi , National Widow Pension Scheme (IGWPS).

The states are urged to contribute another ₹ 200 from their own resources so that a pensioner could get at least ₹ 400 per month in the above programmes.

Question 7.

Is there any relationship between unemployment and poverty? Explain.

Answer:

There exists a deep nexus between unemployment and poverty. Unemployment or under employment and the casual and intermittent nature of work in both rural and urban areas drives unemployed people who do not have resources to make their ends meet into indebtedness and poverty.

If employment opportunities are generated, then more people will be employed leading to rise in their income which in turn will reduce poverty.

Due to unemployment, income of the people is reduced to a large extent and they are unable to get access to education, health facilities, proper sanitation, etc. This causes poor quality of living and hence poor human capital and skills which in turn lead to poverty making a vicious circle of poverty.

Question 8.

Suppose you are from a poor family and you wish to get help from the government to set up a petty shop. Under which scheme will you apply for assistance and why?

Answer:

We can apply for assistance to set up a petty shop under Prime Minister Rozgar Yojana (PMRY) because the educated unemployed from low-income families in rural and urban areas can get financial help to set up any kind of enterprise that generates employment under PMRY.

Question 9.

Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas? Use the trends in the poverty ratio to support your answer.

Answer:

The difference between rural and urban poverty is mainly of the nature of poverty.' The poor are identified on the basis of their occupation and ownership of assets. The rural poor work mainly as landless agricultural labourers, cultivators with very small landholdings, landless labourers who are engaged in a variety of non-agricultural jobs and tenant cultivators with small landholdings.

On the other hand, the urban poor is largely the overflow of the rural poor who had migrated to urban areas in search of alternative employment and livelihood, laborers who do a variety of casual jobs and the self-employed who sell a variety of things on roadsides and are engaged in various activities.

Yearwise Poverty Ratio

Year	Poverty Ratio		
	Rural (%)	Urban (%)	Total (%)
1973-74	56.4	49.0	54.9
1977-78	53.1	45.2	51.3
1983	45.6	40.8	44.5
1987-88	39.1	38.2	38.9
1993-94	37.3	32.4	36.0
1999-2000	27.1	23.6	26.1
2004-05	28.3	25.7	27.5

Source Planning Commission Estimates (Uniform Reference Period).

It is evident from the above table that rural poverty has declined significantly from 56.4% in 1973-74 to 28.3% in 2004-05 whereas decline in urban poverty (from 49% to 25.7%) is not that significant. Moreover, the gap between the rural and urban poverty ratios which was around 7% in 1973-74 fell to just around 2% in 2004-05 again signifying the shift in poverty from rural to urban areas.

Question 10.

Suppose you are a resident of a village, suggest a few measures to tackle the problem of poverty.

Answer:

As a resident of a village, a few measures which I would suggest to alleviate poverty from rural areas are as follows

- Identified the poorest who is in the most urgent need of assistance.
- Allocation of funds for poverty alleviation programmes must be increased.
- Implementation of poverty alleviation programmes should be done by involving the village panchayat and local people.
- Focus of schemes should be more on providing income generating asset? which can provide sustainable income for the poor.
- Vocational training should be provided to the youth to enable them to earn their livelihood.
- Improved delivery mechanism should be put in place in schools so that the level of education is brought up to the required standards.
- Credit facilities through banks and micro finance institutions should be provided to the people to save them from indebtedness to the exploitative moneylenders.
- Farmers should be provided land for cultivation and irrigation, warehousing and marketing facilities should be provided to small farmers.
- Targeted Public Distribution System (PDS) should be adopted to provide food security to BPL families.

- Committed government officials should be given the responsibility of rural development programmes.