

CLASS NOTES	
Class: IX	Topic: Poverty as a challenge
Subject: Economics	Chapter-3 (notes)

Points to Remember: -

Poverty

- When a person is unable to fulfil his basic needs of food, clothing and shelter, then he is said to be living in poverty. One of the biggest challenges of independent India has been to bring millions of its people out of poverty.
- In our daily life, we see poverty all around us. They could be landless labourers in villages, people living in overcrowded jhuggis in cities, daily wage workers or child workers in dhabas.
- According to facts, in India every fourth person is poor.
- Roughly 270 million (or 27 crore) People in India live in poverty (2011-12).

Two Typical Cases of Poverty (Urban Case and Rural case)-

- Poverty means hunger and lack of shelter, lack of clean water and sanitation facilities, lack of a regular job at a minimum decent level.
- It is a situation in which parents are not able to send their children to school or a situation where sick people cannot afford treatment.
- Poverty is considered as one of the biggest challenges of independent India. **“India would be truly independent only when the poorest of its people become free of human suffering”.**

Poverty as seen by social scientists-

- Social scientists look at poverty through a variety of indicators.
- Usually, the indicators are used to relate to the levels of income and consumption.
- But, now poverty is looked through other social indicators like illiteracy level, lack of general resistance due to malnutrition, lack of access to healthcare, lack of job opportunities, lack of access to safe drinking water, sanitation etc.

Analysis of poverty based on Social Exclusion and Vulnerability is now becoming very common.

- (i) Social Exclusion
- (ii) Vulnerability

Social exclusion: For analysis of poverty, social exclusion is very useful. As per this concept poverty must be seen in terms of the poor living only in a poor surrounding with other poor people.

It is a process through which individuals or groups are excluded from facilities, Benefits and opportunities that others enjoy. E.g. Caste system in India.

Vulnerability: Vulnerability describes the greater probability of being more adversely affected than other people, which is done due to earthquake or simply a fall in the availability of jobs.

Measurement of vulnerability to poverty describe the greater probability of certain communities i.e.,
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members of a backward caste or individuals i.e. a widow or a physically handicapped person

Poverty Line

- The poverty line is a method to measure poverty based on income or consumption levels. If the level of income and consumption falls below the minimum level of income and consumption of this line, then the person is considered to be poor.
- Poverty line varies according to time and place.
- In India, the poverty line is determined through a minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirement, etc.. These physical quantities are multiplied by their prices in rupees.
- In India poverty is calculated on the basis of the desired calorie requirement. The accepted average calorie requirement in India is 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas.
- The calorie requirement of the people in rural area is more than that of the people in urban areas because they do more physical work as compared to people in urban areas.
- On the basis of these calculations, for the year 2011–12, the poverty line for a person was fixed at Rs 816 per month for rural areas and Rs 1000 for urban areas.
- The Poverty Line is estimated periodically (normally every five years) by conducting sample surveys carried out by the National Sample Survey Organisation (NSSO)

Poverty Estimates

- In India, there is a substantial decline in poverty ratios from about 45 per cent in 1993-94 to 37.2 per cent in 2004–05. The proportion of people below the poverty line further came down to about 22 per cent in 2011–12.

Vulnerable Groups

- Social groups, vulnerable to poverty are Scheduled Caste and Scheduled Tribe.
- Similarly, among the economic groups, the most vulnerable groups are the rural agricultural labour households and urban casual labour households.
- 51 out of 100 people belonging to schedule tribe are not able to meet their basic needs. Similarly 50% of casual workers in Urban areas are below poverty line. About 50% of the landless agricultural workers and 43% of scheduled caste are also poor.
- According to a recent study, except scheduled tribe, all the other three groups (i.e. scheduled castes, rural agricultural labourers and the urban casual labour households) have seen a decline in poverty in the 1990s.
- Apart from these social groups, women, elderly people and female infants are systematically denied equal access to resources available to the family. This group is the poorest of the poor.

Inter-State Disparities

- In India, the proportion of poor people is not the same in every state. Bihar and Odisha continued to be the two poorest states with poverty ratios of 33.7 and 32.6 percent respectively.
- Urban poverty is high in Odisha, Madhya Pradesh, Bihar and Uttar Pradesh.
- Kerala, Maharashtra, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal saw a decline in poverty.
- Punjab and Haryana have traditionally succeeded in reducing poverty with the help of high agricultural growth rates.
- Kerala has focused more on human resource development.
- In West Bengal, land reform measures have helped in reducing poverty.
- In Andhra Pradesh and Tamil Nadu public distribution of food grains could have been responsible for development.