

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

Notes

Global poverty Scenario -

- Although extreme economic poverty has reduced in the world from 43% in 1990 to 22% in 2008 (as per the World Bank), still there are vast regional differences. These are stated below
- The proportion of people living under poverty in different countries is defined by the international poverty line (means population below \$1 a day).
- In South-East Asia and China, there is a decline in poverty due to rapid economic growth and massive investment in human resource development.
- In Latin America and the Caribbean, the poverty ratio has not changed significantly since 1981
- In Sub-Saharan Africa, poverty has increased since 1981 due to successive droughts and other reasons. However, it declined from 51% in 1981 to 47% in 2008.
Economic Growth It is a term which defines an increase in real output of a country.

Causes of Poverty:

There are a number of causes for the widespread poverty in India.

1. **British colonial administration**-One historical reason is the low level of economic development under the British colonial administration. New policies of the colonial government ruined traditional handicrafts and discouraged development of industries. like textiles and other allied industries.
2. **Increase in population** - Rapid growth of population, particularly among the poor is considered a major cause of Indian poverty.
3. **Enough Job Opportunity were not created** -With the spread of irrigation and the Green revolution, many job opportunities were created in the agriculture sector. However, these were not enough to absorb all the job seeker. Similarly, our industries could not provide much job for the job seekers
4. **Huge income inequalities**. One of the major reasons for this is the unequal distribution of land and other resources. In India, lack of land resources has been one of the major causes of poverty in India, but proper implementation of policy could have improved the lives of millions of rural poor.
5. **Unequal distribution of land and other resources**. Various land reform measures introduced after Independence could not improve the life of millions of rural poor because of their poor implementation.

6. **Social factors:** People in India, including the very poor, spend a lot of money on social occasions like marriages, festivals, etc. Poor people hardly have any savings; they are, thus forced to borrow. Unable to pay because of poverty, they became victims of indebtedness.

Anti-Poverty Measures:

Removal of poverty has been one of the major objectives of Indian developmental strategy. The current anti-poverty strategy of the government is based on the following two objectives

i) **Promotion of Economic Growth** -The government has promoted economic growth during the last few years. Economic growth was low till the 1980s but has increased significantly since then, causing significant poverty reduction.

The high economic growth helps in a significant reduction of poverty. There is strong linkage between economic growth and poverty reduction. Economic growth widens opportunities and provides the resources needed to invest in human development.

High economic growth encourages people to send their children (including the girl child) to school with hope of better economic returns from investing in education. However, the poor may not take direct advantage of economic growth. Due to lack of growth in the agricultural sector, the large number of people remain still poor in rural areas.

(ii) **Targeted Anti-Poverty Programmes**-The government introduced targeted anti-poverty programmes starting from 1990. The results of these programmes have been mixed due to lack of proper implementation and improper targeting. Also, some schemes overlap others. Thus, the benefits of these schemes are not fully reaching the deserving poor.

So, now the government is emphasising more on proper monitoring of all these programmes.

Some Important Programmes

Name of Programme	Initiated in (year)	Target Group	Significant Features of Programme
Prime Minister Rozgar Yojana (PMRY)	1993	Unemployed youth in rural areas and small towns	Setting up of self-employment ventures through industry, service and business routes.
Rural Employment Generation Programme (REGP)	1995	Unemployed youth in rural areas	To generate employment in rural areas and to develop entrepreneurial skill and attitude among rural unemployed youth.
Swarnajayanti Gram Swarozgar Yojana (SGSY)	1999	Poor families in rural areas	Organising the rural poor into Self Help Groups (SHGs), providing skill development opportunities, credit linkages and subsidies and creation of marketing opportunities for products. This scheme is now known as National Rural Livelihood Mission (NRLM).
Pradhan Mantri Gramodaya Yojana (PMGY)	2000	Rural areas in states	Achieve sustainable human development at the village level by providing central assistance to States and Union Territories for certain basic minimum services like primary health, primary education, shelter, drinking water, electrification and nutrition.
Antyodaya Anna Yojana (AAY)	2000	Poor families in urban and rural areas	Ensuring food security to the poorest of the poor by providing foodgrains at highly subsidised rates.
National Food for Work Programme (NFWP)	2004	Poor people in rural areas of 150 most backward districts	Generating supplementary wage employment and providing food security in these districts. This has now been subsumed under NREGA.
Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)	2005	Rural households	Enhancing the livelihood security of people in rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household whose adult member volunteers to do unskilled manual work. The scheme provided employment to 220 crore person days of employment. The share of SC, ST and women are 23%, 17% and 53% respectively in the scheme. The average was 132 in 2013-14.

The Challenges to Poverty Reduction:

Poverty reduction is still a major challenge in India, due to the wide differences between regions as well as rural and urban areas. Further, poverty should include not only the matter of the adequate amount of food but other factors like education, healthcare, shelter, job security, gender, equality, dignity and so on.

These give us the concept of human poverty. Poverty reduction is expected to be lower in the next 10-15 years.

In addition to anti-poverty measures, the government should focus on the following to reduce poverty.

- Higher economic growth.
- Universal free elementary education.
- The decrease in population growth.
- Empowerment of women and weaker sections.