



# **CURRENT CHALLENGES FACING THE INDIAN ECONOMY**

## **Chapter - 4**

### **POVERTY**

## **INTRODUCTION**

**Poverty is a widespread social evil in the underdeveloped countries. Economic growth is of no use if a sizeable segment of the society suffers deprivation. Growth is converted into development only when Poverty is eliminated. All people enjoy at least the bare minimum of life like food, Clothing, and shelter.**

## **WHO ARE POOR?**

**We see a number of poor people around us, if we go to Varanasi areas, remote villages and Jhuggi- Jhopri colonies in the urban sector. The major chunk of the poor people in rural areas generally belong to the following principal categories: the landless labourer, the small and marginal farmers, the agricultural and casual labourers, and rural artisans, the tribal and disabled persons. Similarly in urban sector, most of the poor people are among the casual workers, daily wage workers working at Construction sites, domestic servants, rickshaw pullers, vendors, street cobblers, child workers working in canteen and dhabas, beggar and the peoples living in jhuggis. There are families who do not get enough food to feed their members. We can see people who do not have enough clothes to wear.**

## **FEATURES OF POVERTY**

**1. Poverty refers to starvation, hunger, lack of shelter, and proper clothing.**

**2. It is a situation in which parents are unable to send their children to school.**

**3. Poor people cannot afford treatment at the time of illness.**

**4. Malnutrition is found among poor people.**

**5. Poor people generally have large size of family.**

**6. Unemployment or under employment is also found in poor section.**

**7. Poverty generates Child labour.**

**8. Poor people do not get clean water and sanitation facilities**

### **MEANING OF POVERTY**

**Poverty this defined as a lack of income to acquire minimum necessities of life.**

## **CATEGORIES OF POOR**

### **1. Chronic Poor**

**It includes two kind of people:**

**(i) People who are always poor and**

**(ii) People who are usually poor but sometimes may have income higher than the poverty line.**

### **2. Transient Poor**

**This category includes two type of poor people:**

**(i) Churning Poor: - Those who sometimes remain poor and sometimes Cross the poverty line and**

**(ii) Occasionally poor : - These people normally have income higher than poverty line but due to bad luck sometimes may remain below the poverty line.**

**3. Non - Poor: - This category belongs to those people who are never poor.**

## **TYPES OF POVERTY**

### **1. Absolute Poverty**

**Those persons are treated as absolutely poor whose monthly consumption expenditure falls below poverty line.**

### **2. Relative Poverty**

**It refers to poverty in relation to different Classes, regions or countries. Relative poverty is also interpreted in terms of inequality of income within the country.**

## **POVERTY LINE**

**The concept of poverty line is based on calorie intake. It is found that in India the average calorie requirement of an average man is to have 2400 Calories per day in rural sector and 2100 calories per day in the urban sector.**

## **CAUSES OF POVERTY**

**1. Under utilisation of Natural Resources:** India possesses vast and rich natural resources. But we could not yet utilise the country's natural resources to their fullest extent. A large part of our water, forest, energy and mineral resource is either utilised or under utilised.

**2. Low level of Technology:** The level of technology being adopted in India is low and outdated. Use of low technology result in low level of productivity and consequently the country remains in a state of poverty.

**3. Widespread unemployment:** - The problem of unemployment here has many forms such as open unemployment, disguised unemployment, under employment, seasonal unemployment and so on.

**4. Backwardness of Agriculture:** - Inadequate supply of water, fertilizers, pesticides and high yielding variety seeds and low level of technology are the main reasons responsible for backwardness of agriculture in India.

**5. Inequalities:** Inequalities in distribution of wealth and income are also to a large extent responsible for poverty in India.

**6. Rapid Rise in population:** - On one hand the size of India's population is big and on the other it is increasing at a rapid rate and consequently, the level of per capita income and consumption is not increasing much.

## **MEASURE FOR REMOVAL OF POVERTY IN INDIA**

**The important measures for poverty eradication adopted in India are as follows:**

**1. Population Control:** - The high growth rate of population has depressed the increase in per capita income in India.

**2. Redistribution of Income:** - Inequalities in the distribution of and wealth makes the poverty permanent and also reduces the efficiency of the people in general. In this situation, instead of coming down, the level of poverty may go up. It is therefore, essential to redistribute the income and Consumption level of poor class may increase.

**3. Development of Agriculture and cottage and small scale industries:** Large of poor people in India are in agricultural sector. In this regard measures should be adopted to improve the conditions of landless labourer and marginal farmers. Development of cottage and small scale industries can play a very crucial role in providing employment to the poor section of the society.

## **MEASURES ADOPTED BY GOVERNMENT TO REMOVE POVERTY**

## **POLICIES AND PROGRAMME TO ALLEVIATE POVERTY**

**1. Swarnajayanti Gram Swarozgar yojana:** To remove poverty from rural areas, a new programme was launched in the villages, in April 1999. It is known as Swarnajayanti Gram Swarozgar yojana. It replace earlier poverty eradication programmes like Integrated rural development programme (IRDP), Training for rural youth for self-employment (TRYSEM) etc.

### **2. Jawahar Gram Samridhi Yojana**

Jawahar Gram Samridhi yojana came into effect from 1-4-1999 to impart a thrust on creation of rural infrastructure. The primary Objective of JGSY is creation of demand driven community village infrastructure including durable asset at the village level and asset to enable the rural poor to increase the employment opportunities for sustained employment. The secondary object is generation of supplementary employment for the unemployed poor in rural areas.

### **3. Employment Assurance scheme**

The Employment Assurance scheme was launched on 2nd October 1993. In 1772 identified black backward block of 257 district situated in drought prone, desert, tribal and hill areas. The primary objective of EAS is creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The secondary



**Objective is the creation of durable community, social and economic asset to sustained employment and development. A maximum of 2 adult per family are provided wage employment. While providing is employment, preference given to SCs / STs and parents of child labour withdrawn from hazardous occupation who is below the Poverty line.**

### **Other measures**

**1. Speeding up the pace of Economic growth: Speeding up the pace of growth is an ultimate solution to the problem of poverty. Greater the employment, greater the generation of income and therefore lesser the poverty.**

**2. Stability in Price level: - Price can be stabilised:**

**(a) When Production of food grain and other goods of mass consumption is increased and**

**(b) When goods of mass Consumption are distributed to the poor through fair price shop.**

**3. Eradication of unemployment: - Special measures should be adopted to eradicate unemployment, under employment and disguised unemployment, if poverty is to be removed.**

**4. Change in technique of production: - India should adopt labour intensive technique of production. Its adoption will increase the level of employment and eradicate poverty.**

**5 Provision for minimum needs of the poor: - Government should take appropriate measures to meet minimum needs of poor, such as, supply of drinking water, provision of primary health centers, primary education etc.**

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