

These Slides Accompany the YouTube Video Tutorial:  
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# NCERT Class 9 Economics

## Chapter 3: Poverty as Challenge

### Facts – “Roti, Kapda aur Makan”

- One third of world's poor in India
- 1 in 11 child are working
- Half of child deaths under 5 are due to malnutrition
- UNICEF – 46% of all children below 3 years are too small, 47% are underweight & 16% are wasted
- Poorest pockets - Rajasthan, MP, UP, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal
- In 2012 – 21.9% of India's Population is BPL (by MDGs)
- One in every four is poor
- India as single largest concentration of poor in world
- Global Wealth Report 2016 by Credit Suisse Research Institute: India is the second most unequal country in world with top 1% with 60% total wealth

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## Definition

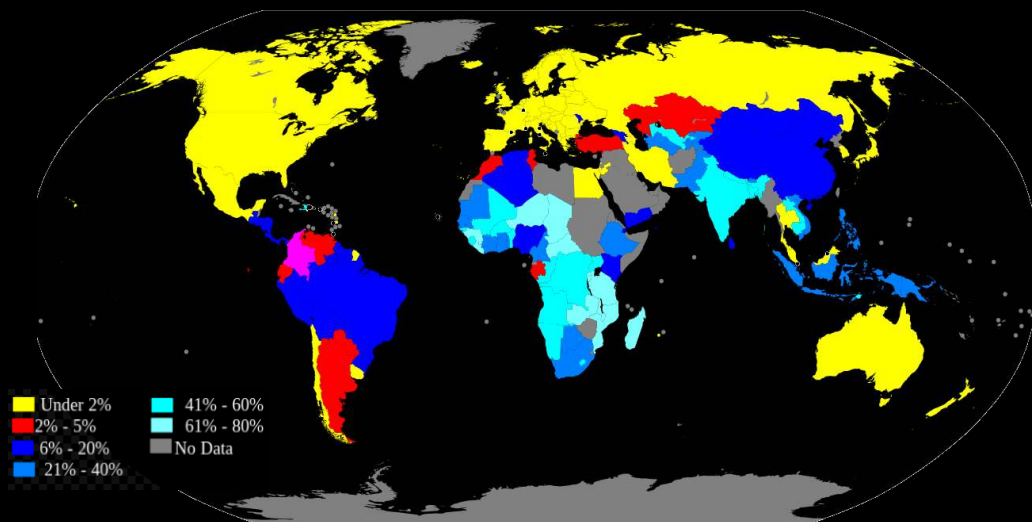
- No one definition - No Car in USA (Poverty); Car in India (Luxury)
- Based on calories – 2400/day (Rural) & 2100/day (Urban) – Rural have more physical work
- In 2000, by income – Rs. 328/month (rural) & Rs. 454/month (urban)
- In 2000, family of 5 income – Rs. 1640/month (rural) & Rs.2,270/month (urban)
- These conducted by National Sample Survey Organisation (NSSO)

## Definition

- World Bank: International poverty line as purchasing power parity at \$1.25 per day
- 1971 – Dandekar & Rath – based on calories consumption
- 2001 – Alkire - Multi-dimensional Poverty Index (MPI) - 6.25% weight to assets owned by a person & 33% weight on education years spent in school
- Determined by income level & consumption
- Now focus on social indicators – like illiteracy
- Further on social exclusion – where poor is excluded from social equality (it is both cause & consequence)

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% population on less than \$1.25 per day

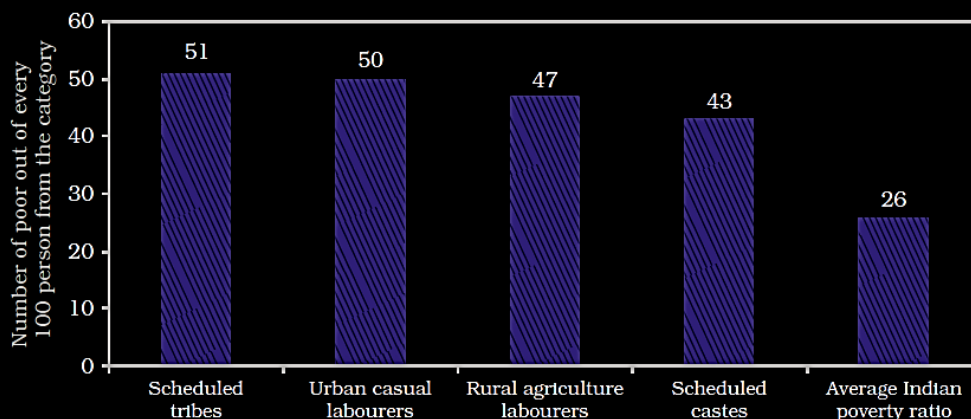


## Issues related to Poverty

- Landlessness
- Unemployment
- Size of families
- Illiteracy
- Poor health/malnutrition
- Child labor
- Helplessness

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## Poverty in Vulnerable Groups - 2000



- Hunger
- Lack of Shelter
- Lack of resource to spend on education
- Lack of clean water
- Lack of sanitation
- Ill-Treated
- Mahatma Gandhi: India would be truly independent only when the poorest of its people become free of human suffering
- Vulnerability – greater probability of certain community to remain poor in coming years

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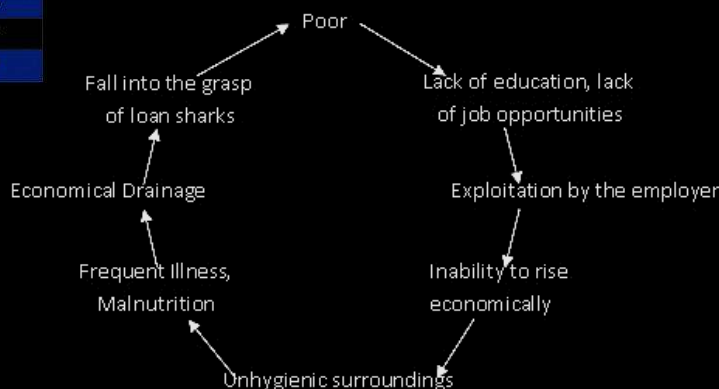
## Causes of Poverty

- British Rule
- Rural economy
- Income inequality
- Heavy pressure on population
- Unemployment and underemployment
- Lack of industrialization
- Social factors
- India's economic policy
- Neo liberal policies and effects
- Less job opportunities
- Unequal distribution of assets
- Lack of land resources

## Poverty Cycle

Percent Poverty Estimates 1993 – 2012

Year	Rural	Urban	Total
1993 – 94	50.1	31.8	45.3
2004 – 05	41.8	25.7	37.2
2009 – 10	33.8	20.9	29.8
2011 – 12	25.7	13.7	21.9



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## Poverty – State-wise (2004-05 to 2011-12)

- Odisha & Bihar – Sharpest drop
- Odisha – 57% in 2004-05 to 32.6% in 2011-12
- Among BIMARU states – Only Rajasthan better than national average
- Rural – 326 million to 217 million
- Urban – 81 million to 53 million
  - Punjab & Haryana – ↓ by agriculture
  - Kerala ↑ in HRD
  - West Bengal – Land reforms
  - Andhra Pradesh & Tamil Nadu - PDS

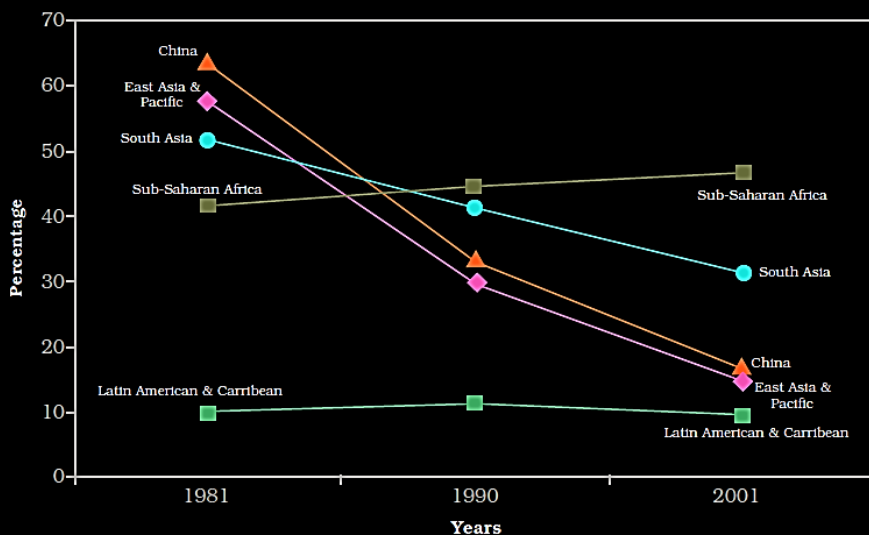
BPL AS % OF TOTAL POPULATION		
State	2004-05	2011-12
<b>WORST 5</b>		
Chhattisgarh	49.4	39.93
Jharkhand	45.3	36.96
Manipur	37.9	36.89
Arunachal Pradesh	31.4	34.67
Bihar	54.4	33.74
<b>BEST 5</b>		
Goa	24.9	5.09
Kerala	19.6	7.05
Himachal Pradesh	22.9	8.06
Punjab	20.9	8.26
Puducherry	14.2	9.69

## Poverty – Global Scenario

- Decrease from 28% in 1990 to 21% in 2001
- ↓ in China & SE Asia – Economic growth & investment in HRD
- In China – 606 million (1991) to 212 (2001)
- Sub-Saharan Africa - ↑ from 41% in 1981 to 46% in 2001
- MDGs - ↓ people on less than \$ 1 to half from 1990 to 2015

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## People living on \$1/day (1980–2001)



## Anti-Poverty Measures

- Promotion of Economic Growth – Opportunities for investment in human development, better education, better agriculture
- Targeted Anti-Poverty Programs
- National Rural Employment Guarantee Act (NREGA) 2005: Provides 100 days assured employment every year to every rural household in 200 districts. Later, extended to 600 districts with 1/3<sup>rd</sup> women. If no employment in 15 days – get daily unemployment allowance
- National Food for Work Program (NFWP), 2004: 150 most backward districts & is for rural poor for wage employment and manual unskilled work. 100% centrally sponsored scheme and foodgrain are provided free of cost to the states

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- Prime Minister Rozgar Yozana (PMRY), 1993: Create self-employment opportunities for educated unemployed youth in rural areas and small towns
- Rural Employment Generation Program (REGP), 1995: Create self-employment opportunities in rural areas and small towns with 25 lakh new jobs
- Swarnajayanti Gram Swarozgar Yojana (SGSY), 1999: Bring assisted poor families above the poverty line by organizing them into self help groups through a mix of bank credit and government subsidy.
- Pradhan Mantri Gramodaya Yozana (PMGY), 2000: Assistance to states for basic services such as primary health, primary education, rural shelter, rural drinking water and rural electrification.
- Antyodaya Anna Yozana (AAY)

## Challenges Ahead

- Providing health care
- Education
- Job
- Security for all
- Gender equality

Dignity for Poor