

CLASS 9 ECONOMICS LESSON 3 POVERTY AS A CHALLENGE

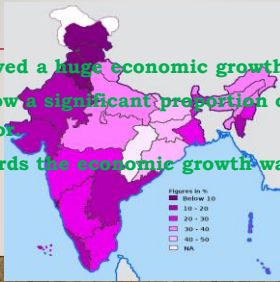
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MODULE -2

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POVERTY HAS MANY DIMENSIONS IN INDIA

- India achieved a huge economic growth,
- But even now a significant proportion of its population remains poor.
- In other words the economic growth was not inclusive.



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INDICATORS OF POVERTY

- Poverty can have two broad categories like absolute poverty and relative poverty.
- **Absolute Poverty**
 - A condition in which people do not even get a minimum income needed to maintain their lives.
 - India has higher prevailing rates of malnutrition, hunger, homelessness, unemployment and hence its absolute poverty also remains high.
- **Relative poverty**
 - A section of population is relatively deprived compared to another better off section of population.
 - This definition is more broader and includes amenities like a well sanitised pucca house, access to education, healthcare, social security benefits, leisure, comfort etc.,

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INDICATORS OF POVERTY

- **When Poverty is considered as a single dimensional measure-**
- **The term Social Exclusion is even more broader and multidimensional.**
- **It indicates that a section of population is not able to participate effectively in social life.**
- **Taking part in activities of society like festivals, getting an employment or indulging in leisure activities. From an Indian point of view it includes the weaker sections like SC/STs, disabled, women, etc.,**

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INDICATORS OF POVERTY

- **Vulnerability is an important aspect of households' experience of poverty. ...**
- **Vulnerability as a probability, the risk that a household will experience at least one episode of poverty in the near future.**
- **Social groups most vulnerable to poverty have been identified to be the scheduled caste households and the scheduled tribe households .**
- **These groups having above average levels of poverty indicators in the rural and the urban population**

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POVERTY LINE

- **A LEVEL IS VERY LOW THAT ONECANNOT FULFIL HIS BASIC MINIMUM NEEDS.**
- **His income and consumption level becomes low.**
- **This situation is absolute poverty.**
- **What is needed to obtain basic requirements vary from place to place and from time to time.**
- **A car in India – luxurious item**
- **A family without car in USA dubbed as Poor.**

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POVERTY LINE IN INDIA

- CALORIE IN TAKE
- ENERGY IS MESAURED IN TERMS OF CALORIES.
- A UNIT OF MEASUREMENT FOR ENERGY VALUE OF FOOD TAKEN IN.
- AN AVERAGE MAN IN RURAL - 2400 CALORIES PER DAY
- AN AVERAGE MAN IN URBAN- 2100 CALORIES PER DAY
- VILLAGE PEOPLE ARE ENGAGED IN HARD PHYSICAL LABOUR THAT REQUIRES MORE ENERGY.
- MONEY REQUIRED FOR MEETING CALORIE REQUIREMENTS.
- PEOPLE WHOSE INCOME IS VERY LOW ARE UNABLE TOMEET THEIR DESIRED CALORIES
- THUS THEY COME UNDER BELOW POVERTY LINE.

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PER CAPITA EARNINGS – URBAN AND RURAL

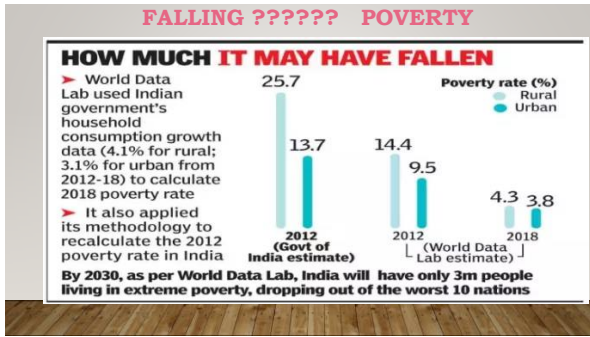
- On the basis of calculations, for the year 2011-12,
- the poverty line for a person - fixed at Rs 816 per month for rural areas
- Rs 1000 for urban areas:-the higher amount for urban areas has been fixed - as high prices of many essential products in urban centres.
- A family of five members living in rural areas and earning less than about Rs 4,080 per month will be below the poverty line.
- In the urban areas would need a minimum of Rs 5,000 per month
- The National Sample Survey Organisation (NSSO) Set ups surveys to estimate poverty line every five years
- the World Bank (2011, ppp).use a uniform standard
- minimum availability of the equivalent of \$1.99 per person per day.

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A GLANCE AT POVERTY HEADCOUNT IN INDIA

- Poverty headcount ratio at \$5.50 a day is the percentage of the population living on less than \$5.50 a day at 2011 international prices.
- India poverty rate for 2011 was **86.80%**, a **3.8% decline** from 2009.
- India poverty rate for 2009 was **90.60%**, a **1.9% decline** from 2004.
- India poverty rate for 2004 was **92.50%**, a **2.8% decline** from 1993.
- India poverty rate for 1993 was **95.30%**, a **0.2% decline** from 1987.

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