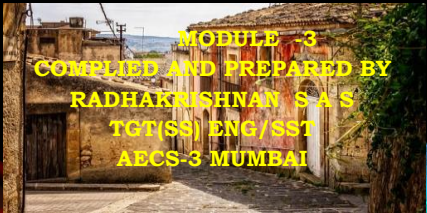


**CLASS 9 ECONOMICS LESSON 3
POVERTY AS A CHALLENGE**

MODULE - 3
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ESTIMATES OF POVERTY IN INDIA

Counting the Poor

Estimates not based on income
10 deprivation parameters

Poverty index to rank states on improvement in reducing poverty

HOW WILL IT HELP?
Assessing poor, poverty levels essential to better target benefits



UNDP MPI ESTIMATES		Rangarajan panel	
2005-06	640m (55.1%)		363m (29.6%)
2015-16	369m (27.9%)		269.8m (21.9%)

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ESTIMATES OF POVERTY IN INDIA

- According to recent reports, more than a quarter of the population living in rural areas of India is below the poverty line.
- Out of the total population living in the rural parts of India, 25.7% is living below the poverty line .
- In the urban areas, the situation is a bit better with 13.7% of the population living below the poverty line.

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ESTIMATES OF POVERTY IN INDIA

• **Consumption Versus Income Level:** Poverty line estimation in India is based on the consumption expenditure .

Variation in Income: Income of self-employed people, daily wage laborers etc. is highly variable both temporally and spatially while consumption pattern are comparatively much stable.

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THE STORY OF SIVARAMAN

Sivaraman lives in a small village near Karur town in Tamil Nadu. Karur is famous for its handloom and powerloom fabrics. There are a 100 families in the village. Sivaraman an Arunthathiyar (cobblers) by caste now works as an agricultural labourer for Rs 160 per day. But that's only for five to six months in a year.

At other times, he does odd jobs in the town. His wife Sasikala too works with him. But she can rarely find work these days, and even if she does, she's paid Rs 100 per day for the same work that Sivaraman does. There are eight members in the family. Sivaraman's 65 year old widowed mother is ill and needs to be helped with her daily chores. He has a 25-year-old unmarried sister and four children aged between 1 year to 16 years. Three of them are girls, the youngest is a son. None of the girls go to school. Buying books and other things for school-going girls is a luxury he cannot afford. Also, he has to get them married at some point of time so he doesn't want to spend on their education now.

His mother has lost interest in life and is just waiting to die someday. His sister and elder daughter take care of the household. Sivaraman plans to send his son to school when he comes of age. His unmarried sister does not get along with his wife. Sasikala finds her a burden but Sivaraman can't find a suitable groom due to lack of money. Although the family has difficulty in arranging two meals a day, Sivaraman manages to buy milk once in a while, but only for his son.

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INEQUALITY IN INCOME & POVERTY IN INDIA

- In poor families – income in families - unequal
- Some members of these families suffer more
- Women , disabled, aged and children depending upon others
- Generally denied equal access to resources available in India
- The poorest of the poor are these people who suffer under poverty

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