

Marks : 40	FYJC Subject: Economics POVERTY IN INDIA (CHAPTER 8) SOLUTION	Time: 1.5 hrs.
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Q.1. Give economic terms: (7 Marks)

1. Denial of opportunities to certain section of the people in the society.

Ans. poverty

2. Concept of poverty that covers material and non-material dimensions.

Ans. Multi-dimensional

3. Poverty judged on the basis of relative standards of living of the people.

Ans. Relative poverty

4. Poverty that can be completely eradicated.

Ans. Absolute poverty

5. Threshold expenditure needed to satisfy basic human needs at socially acceptable levels.

Ans. Poverty line

6. Poverty found among small and marginal farmers.

Ans. Rural poverty

7. Poverty found in towns and cities.

Ans. Urban poverty

Q.2. Find the odd word out: (3 Marks)

1. High poverty ratio

a) Chhattisgarh b) Jharkhand c) Bihar d) Kerala

Ans. Kerala

2. Low poverty ratio.

a) Andhra Pradesh
b) Himachal Pradesh
c) Madhya Pradesh
d) Kerala

Ans. Madhya Pradesh

3. Cause of poverty

a) Drought
b) Migration
c) Illiteracy
d) Slow industrial growth

Ans. Drought

Q.3. Identify and explain the concepts. (Any 3) (6 Marks)

1. Dhanajirao is a wealthy landlord, but his annual income is relatively less in comparison to entrepreneur Raobahadur.

Ans. (A) Identified concept: Relative poverty.

(B) Explanation of concept: Relative poverty-arises due to the difference in the standard of living due to inequality in income.

2. Urmi's family live in a situation whereby they are not able to fulfil even the basic needs of life such as food, clothing and shelter.

Ans. (A) Identified concept: Poverty

(B) Explanation of concept: Poverty refers to a situation in which a person is unable to fulfil even the basic needs of life such as food, clothing and shelter due to lack of sufficient income.

3. Sanjay's family receives food grains on the basis of yellow ration card through public distribution system.

Ans. (A) Identified concept: Food security through tri colour Family Ration Card

(B) Explanation of concept: To ensure food security, the government of Maharashtra has introduced Tri colour Family Ration Card. Yellow Colour ration cards are issued only to families who fall under below poverty line (BPL) category.

4. In certain parts of the state, starvation- related deaths have been observed whereas in certain areas gross wastage of food has been reported.

Ans. (A) Identified concept: Economic inequality.

(B)Explanation of concept: Economic inequality is inequality in consumption expenditure, assets, agricultural landholdings, etc. arising due to inequality hi income.

Q.4. Distinguish between the following: (Any 1) (2 Marks)

1. Absolute Poverty and Relative Poverty.

Ans.

Absolute Poverty	Relative Poverty
(1)Meaning :	
It is a situation where the individual does not posses sufficient income to fulfill the basic needs.	It is a situation wherein people from lower income group become poor when compared with people of higher income group.
(2)Example :	
Absolute poverty exists in the developing countries like India.	Relative poverty is universal as class differences exists in all countries.

2. Rural Poverty and Urban Poverty.

Ans.

Rural Poverty	Urban Poverty
(1) Meaning :	
Poverty among the people living in the rural area is described as rural poverty. A person whose income is not sufficient to have intake of daily food giving 2400 calories is called the rural poor.	Poverty among the people living in the urban area is described as urban poverty. A person whose income is not sufficient to have intake of daily food giving 2100 calories is called the urban poor.
(2) Constituents:	
Contractual workers the landless agricultural labourers, the small and marginal farmers constitute the rural poor.	The rural migrants in the urban area, who live in slums, in unhygienic conditions and have no regular source of income constitute the urban poor.

Q.5. Short notes (Any 1)

(4 Marks)

1. Poverty Line.

Ans. Poverty line is an imaginary line that divides the poor and non-poor. It is determined in terms of per capita household expenditure. Various Committees and Study Groups have defined poverty line in different ways.

As per the Task Force on Eliminating Poverty constituted by the NITI Aayog, Poverty line is defined as "the threshold expenditure or the amount necessary to purchase a basket of goods and services that are considered necessary to satisfy basic human needs at socially acceptable levels".

Poverty line helps to fulfil the following objectives:

- 1) To determine the population living above poverty line (APL) and below poverty line (BPL).
- 2) To identify the poor on the basis of the household consumption expenditure.
- 3) To track poverty in a region over a period of time and compare it across regions.
- 4) To provide an estimate of the required expenditure on poverty alleviation programmes.

Poverty line differs from country to country. According to World Bank, "Poverty line was defined at \$1.90 per capita per day at 2011 prices on purchasing power parity basis (PPP)". On this basis, 21.2% of India's population lived below poverty line.

2. Types of Poverty

Ans. Rural Poverty: Deprivation of basic needs among certain section of the people living in the villages is termed as rural poverty. It is found among small and marginal farmers, agricultural labourers, contractual workers and landless labourers. Low agricultural productivity, drought, poor rural infrastructure, illiteracy, lack of alternative jobs, rural indebtedness have aggravated the problem of rural poverty.

Urban Poverty: Absence of basic needs among certain section of the population living in towns and cities is termed as urban poverty. Urban poverty is largely attributed to the spillover effects of migration among the rural poor, lack of affordable housing, illiteracy, slow industrial growth, lack of infrastructure etc. Urban poverty has led to the growth of slums and informal sector as well as it creates law and order problems in the society.

Q.6. State with reasons whether you agree or disagree with the following statements: (Any 2) (8 Marks)

1. Population control is the only measure to eradicate poverty.

Ans. No, I do not agree with this statement.

Reasons:

- (1) Population control is one of the measures to eradicate poverty.
- (2) Rural industrialisation, minimum wages, progressive tax system, nationalization of banks, etc. are some of the other measures to eradicate poverty.
- (3) Poverty is also being eradicated as one of the United Nations Sustainable Development Goals.

Thus, population control is one of the measures to eradicate poverty.

2. Regional imbalance is the only causes of poverty.

Ans. No, I do not agree with this statement.

Reasons:

- (1) Regional imbalance is one of the causes of poverty.
- (2) Poverty is also caused due to population explosion, economic inequalities, inflation, unemployment, etc.
- (3) Poverty is also caused due to poverty itself. This is known as vicious circle of poverty.

Thus, regional imbalance is one of the causes of poverty.

3. Relative poverty is universal by nature.

Ans. Yes, I agree with this statement.

Reasons:

- (1) Relative poverty is measured with respect to differences in the levels of income, wealth, consumption, etc.
- (2) Low income group people become poor when compared to high income group people.

- (3) Difference in income group, wealth, etc. is found in all countries of the world. Therefore, relative poverty is seen in underdeveloped countries, developing countries as well as developed countries.

Thus, relative poverty is universal by nature.

4. The poverty line differs from country to country.

Ans. Yes, I agree with this statement.

Reasons:

- (1) Poverty is a relative concept.
- (2) The intensity of poverty differs from country to country.
- (3) For example. A person described as poor in the USA will not be placed in below the poverty line category in India.

Thus, the poverty line differ from country to country.

Q.7. Answer the brief. (Any 1)

(10 Marks)

1. Explain the various measures to eradicate poverty.

Ans. Various measures undertaken to eradicate poverty are as follows:

- (1) **Control of population:** Government of India has introduced Family Welfare Programme and population policies to keep a check over the population growth. This in turn helps in controlling poverty.
- (2) **Agriculture:** Government provides financial assistance to farmers to purchase agricultural inputs. The Government also announces Minimum Support Prices for selected crops to ensure stable agricultural income to farmers.
- (3) **Rural works:** Through various schemes, the employment opportunities are provides to the poor through construction of rural roads, irrigation projects, rural electrification, etc.
- (4) **Rural industrialization:** To promote employment in the rural areas, government encourages setting up of small scale and cottage industries.
- (5) **Minimum Wages:** Minimum Wages Act was passed in 1948 to provide fair wages to agricultural and industrial workers. It has been revised from time to time. This has helped in reduction of poverty.
- (6) **Public Distribution System:** Government has also taken efforts to ensure food security to poor. Foodgrain are made available to the poor people at highly subsidized rates through ration shops under the Public Distribution System.
- (7) **Nationalization of banks:** To ensure financial aid, credit facilities are made available to the poor people at low rates of interest. For this purpose, nationalization of banks was undertaken by the government of India in 1969 and 1980.
- (8) **Progressive tax measures:** To reduce inequalities in the distribution of income, progressive income tax system has been introduced in India.
- (9) **Education:** Government has taken many efforts to spread ed cation in country. To increase the enrolment ratio, primary education has been made

free and compulsory for all. Free education for girls, mid-day meal programmes, sanitation and safe drinking water, etc. have also been provided.

- (10) **Affordable housing:** Government has also started slum rehabilitation programmes. Affordable housing facilities are provided to the rural and urban poor.
- (11) **Health facilities:** Government has established primary health centres, government hospitals to provide medical treatment at subsidized rates to the poor people especially in rural areas.
- (12) **Skill development and self-employment:** For the removal of poverty in India, skill development is considered one of the important aspects for job creation. For this purpose, government has started providing opportunities for skill based training. This will inspire people towards entrepreneurship or self employment. This in turn will help to eradicate poverty.

2. Define poverty and Explain the causes of poverty.

Ans. Meaning of poverty:

- (1) **Poverty** refers to a situation in which an individual / major section of the people in society are unable to fulfill even the basic needs due to lack of sufficient income.
- (2) **Multi-dimensional** poverty refers to deprivation in terms of both material and non-material dimensions.

The following are the causes of poverty:

- (1) **Population explosion:** Population of India is increasing day by day. It has resulted in Unequal distribution of resources. This has led to deprivation of basic facilities causing widespread poverty.
- (2) **Slow economic growth:** In India, agricultural and industrial growth is found to be slow. As its effect, the growth rate of national income and per capita income has been slow over the years. This has resulted in widespread poverty and low standard of living among the people.
- (3) **Unemployment and Underemployment:** Poverty in the rural and urban areas has also arisen due to the problem of unemployment and underemployment.
- (4) **Economic inequalities:** In India, wide inequalities in the distribution of Income assets, consumption expenditure, credit facilities, agricultural landholdings, etc. have been observed. This has also increased poverty in the country.
- (5) **Inaccessibility to infrastructural facilities:** Due to lack of purchasing power, many people in India are unable to have access to infrastructural facilities such as energy, transport, communication, health and education. This has created a problem of poverty.
- (6) **Inflation:** Inflation refers to a state of continuous rise in the price level of essential commodities especially the food items. Growing demand for food and its insufficient supply causes the prices to rise tremendously. Inflation leads to low purchasing power making the poor still poorer.

Food crisis results in malnutrition, hunger and starvation among the people.

- (7) **Regional imbalance:** Regional imbalance is also one of the causes of poverty. In India, the states such as Orissa, Bihar, Madhya Pradesh, Chhattisgarh, Jharkhand, Sikkim, Arunachal Pradesh, Assam, etc. lag behind in terms of economic development and therefore a high poverty ratio is found in these states.
- (8) **Vicious circle of poverty:** The concept of vicious circle of poverty is given by Prof. Ragnar Nurkse.
In India, low national income leads to low per capita income. Low per capita income leads to low savings. Low savings are responsible for low capital formation. Low capital formation is responsible for low investments. Low investments lead to low production. Low production creates less employment and less employment again leads to low national income. Thus this vicious circle of poverty is a major cause of poverty.
- (9) **Other factors:** Other factors like recurrence of natural disasters, flood, earthquakes, etc, caste, religious, racial and gender discrimination, administrative inefficiency and corruption. Leakages in the public distribution system are also responsible for poverty in India.