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Class 12 commerce Sub. ECO/A Date 07.07.2021 Teacher name – Ajay Kumar Sharma

Poverty

Question 6:

What programmes has the government adopted to help the elderly people and poor and destitute women?

ANSWER:

The government has adopted various programmes to help the elderly people and poor and destitute women. One of such programmes is National Social Assistance Programme, introduced by the central government. This programme targets elderly people, widows and the poor and destitute women who are alone and have no one to take care of them. Under this programme, these targeted people are given pension to sustain their livelihood.

Question 7:

Is there any relationship between unemployment and poverty? Explain.

ANSWER:

Yes, there do exist a direct and positive relationship between unemployment and poverty. Unemployment leads to poverty and poverty in turn leads to unemployment.

An unemployed person has no means to earn money and cannot fulfill his own and his family's basic needs. He and his family cannot avail quality education, medical facilities and has no means to create income-earning assets. Such circumstances often compel indebtedness. Consequently, an unemployed person exaggerates poverty for his family due to indebtedness. This confirms the positive relationship between unemployment and poverty.

If government wants to alleviate poverty, then it should aim at creating new employment opportunities. As a result, more people will get employed and perhaps their income will rise. This rise in income will improve their access to quality education, better health care and other basic amenities. Further, these newly employed people will experience appreciation in their living standards and can create income-earning assets. The combined result of all these factors leads to alleviation of poverty. Hence, there exists a positive (but a negative) relationship between unemployment (employment) and poverty.

Question 8:

Suppose you are from a poor family and you wish to get help from the government to set up a petty shop. Under which scheme will you apply for assistance and why?

ANSWER:

For setting up a petty shop, I would apply for financial assistance under the programme of Prime Minister's *Rozgar Yojana*(PMRY). Under this programme, an unemployed educated person from low-income family in rural and urban areas can set up any kind of enterprise that can generate employment.

Question 9:

Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas? Use the trends in poverty ratio to support your answer.

ANSWER:

The major difference between rural and urban poverty in India lies in the standard of living. The latter enjoys higher living standard compared to the former and the standard of living may be attributable to the wide income disparity and gap between the two. Another major difference is the level of education and also access to education. The urban Poor enjoy better access to quality education than the rural counterparts. Thirdly, health care facilities prevalent in the urban areas are far better than that of in the rural areas. Also the rural poor people lack access to these health facilities and important medical information. Fourthly, the difference lies in the type of houses they live in. The rural poor lives in kutcha house, while the urban poor resides in pucca houses which are well developed with proper sanitation facilities. Fifthly, rural poverty is temporary as the rural poor can migrate to urban areas to seek employment but, on the other hand, urban poverty is permanent.

Year	Poverty Ratio		
	Rural (%)	Urban (%)	Total (%)
1973-74	56.4	49.0	54.9
1977-78	53.1	45.2	51.3
1983	45.6	40.8	44.5
1987-88	39.1	38.2	38.9
1993-94	37.3	32.4	36.0
1999-2000	27.1	23.6	26.1
2004-05	28.3	25.7	27.5
comparable with			
1993-94			

Yes, it is correct to say that poverty has shifted from rural to urban areas. The above data spells out how rural poverty has declined significantly from 56.4% to 28.3% from 1973-74 to 2004-05 whereas decline in urban poverty (from 49% to 25.7%) is not so significant. Over the years, rural poor has migrated to urban areas in order to seek for better employment opportunities and better living standard. But on the other hand, since rural people lack skills and education, so the urban industrial sector fails to absorb this excess supply of labour. Consequently, these unskilled labourers form an informal sector (like rickshaw puller, barber, cobbler, etc.) that makes them even more vulnerable. Thus, the trends in poverty in India support the statement that poverty has shifted from rural to urban areas

Question 10:

Suppose you are a resident of a village, suggest a few measures to tackle the problem of poverty. ANSWER:

Being a resident of a village, I would suggest the following measures to tackle the problem of poverty:

- 1. Identification of poor.
- 2. Generating employment opportunities for the identified poor.
- 3. Free access to education and health care facilities.
- 4. Establishment of small scale industries.
- 5. Redistribution of income-earning assets.
- 6. Encouraging poor for their active participation
- 7. Organising Training Camps and Night Classes for imparting vocational training to unskilled labourers.
- 8. Advancing financial and technical assistance to establish small enterprises.
- 9. Upgradation of agricultural practices to raise productivity
- 10. Enforcement of measures to check population growth.
- 11. Development of infrastructure.
- 12. Motivating the poor to acquire skills, information and knowledge.