

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ECO/B Date 9.7.2020

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POVERTY

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.