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CLASS-9TH

(BASED ON N C E R T PATTERN)

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ECONOMICS

Poverty as a challenge

Poverty Estimates

In India, there is a substantial decline in poverty ratios from about 45 per cent in 1993-94 to 37.2 per cent in 2004-05. The proportion of people below the poverty line further came down to about 22 per cent in 2011-12.

Vulnerable Groups

Social groups, vulnerable to poverty are Scheduled Caste and Scheduled Tribe. Similarly, among the economic groups, the most vulnerable groups are the rural agricultural labour households and urban casual labour households. According to a recent study, except scheduled tribe, all the other three groups (i.e. scheduled castes, rural agricultural labourers and the urban casual labour households) have seen a decline in poverty in the 1990s.

Inter-State Disparities

In India, the proportion of poor people is not the same in every state. Bihar and Odisha continued to be the two poorest states with poverty ratios of 33.7 and 32.6 percent, respectively. Urban poverty is high in Odisha, Madhya Pradesh, Bihar and Uttar Pradesh. Kerala, Maharashtra, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal saw a decline in poverty. Punjab and Haryana have traditionally succeeded in reducing poverty with the help of high agricultural growth rates. Kerala has focused more on human resource development. In West Bengal, land reform measures have helped in reducing poverty. In Andhra Pradesh and Tamil Nadu, public distribution of food grains is responsible for the improvement.

Global Poverty Scenario

In China and Southeast Asian countries, poverty declined substantially as a result of rapid economic growth and massive investments in human resource development. In Sub-Saharan Africa, poverty declined from 51 per cent in 2005 to 41 per cent in 2015. In Latin America, the ratio of poverty has declined from 10 per cent in 2005 to 4 per cent in 2015.

Causes of Poverty

There are various reasons for widespread poverty in India.

1. Under British control, India had a low level of economic development. New policies of the colonial government ruined traditional handicrafts and discouraged development of industries. like textiles. Low rate of growth and an increase in population combined to make the growth rate of per capita income very low. With the spread of irrigation and the Green revolution, many job opportunities were created in the agriculture sector. However, these were not enough to absorb all the job seekers.
2. Another feature of high poverty rates has been the huge income inequalities. One of the major reasons for this is the unequal distribution of land and other resources. In India, lack of land resources has been one of the major causes of poverty in India, but proper implementation of policy could have improved the lives of millions of rural poor.
3. Small farmers needed money to buy agricultural inputs like seeds, fertilizer, pesticides, etc. So, they used to borrow money and were unable to repay the loan because of poverty.

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