

# 12<sup>th</sup> Economics

Chapter 5: Poverty

GSEB

*Amit Academy*

# Prime Minister Rojgar Yojana (PMRY)

1. Launched in 1993



2. Self-Employment Opportunities



3. Financial Assistance

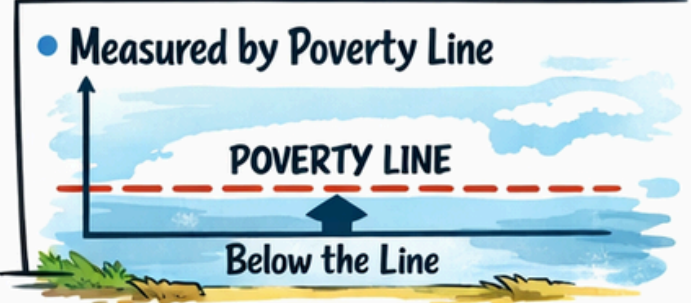


4. Target Group: 18 to 35 Years

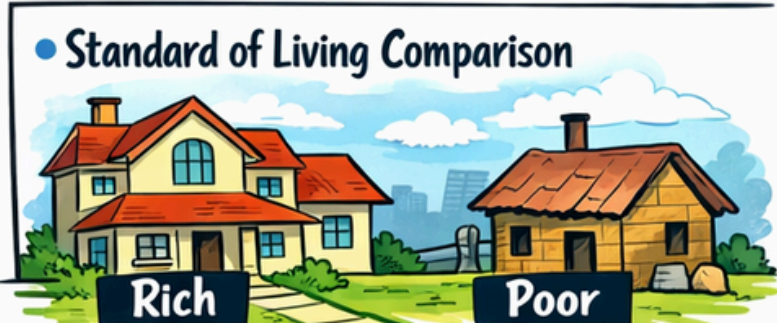


# Absolute Poverty & Relative Poverty

## 1. Absolute Poverty



## 2. Relative Poverty



# Measure of Absolute Poverty in India

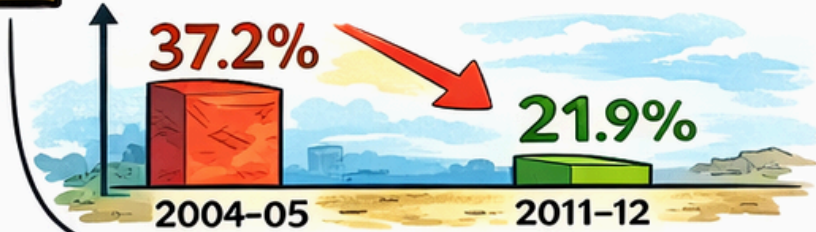
1. Measured Using Poverty Line Based on Consumption Expenditure



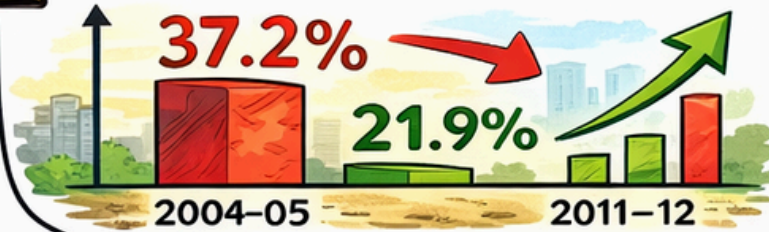
2. Tendulkar Committee Method Used to Estimate Poverty



3. Poverty Reduced from 2004-05 to 2011-12



4. Overall Poverty Fell from 37.2%



5. Level of Absolute Poverty in India Decreased



# What is the Poverty Line?

**1.** Imaginary Line Showing Minimum Income Needed to Live



**2.** Shows Amount Needed to Meet Basic Needs (Food, Clothes, Shelter)



**3.** People Earning Below the Poverty Line are Poor



**4.** People Earning Above the Poverty Line are Not Poor



**5.** Used to Measure Poverty in a Country



# Limitations of Poverty Line

1. Based Mainly on Minimum Calorie Intake



2. Focuses Mostly on Basic Consumption



3. Poverty is Also About Living Conditions



4. Does Not Include Other Important Factors



5. Shows Only One Aspect of Poverty



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# CAUSES OF RURAL POVERTY

## 1. NATURAL CAUSES



Droughts, floods, irregular rainfall reduce farm production and income, increase poverty

## 2. LOW AGRICULTURAL INCOME

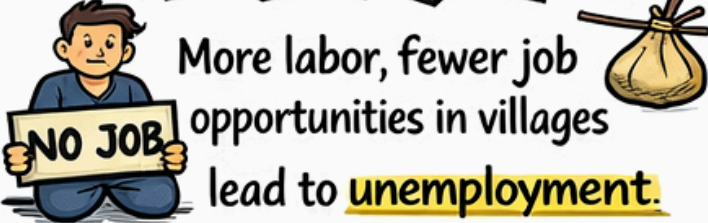
Farmers depend on agriculture, but low productivity leads to low earnings → 

## 3. HIGH POPULATION GROWTH


Rapid population growth reduces per capita income and increases poverty. 

# CAUSES OF RURAL POVERTY

## 4. UNEMPLOYMENT

More labor, fewer job opportunities in villages lead to unemployment. 

## 5. LARGE FAMILIES

Large family size and low income result in a poor standard of living. 

# Modern Approach to Poverty

## 1. Income

Only One Part of Life



## 2. Health & Education



Health & Knowledge

## 3. Living Standards

Basic Needs



## 4. Opportunities & Dignity



Freedom & Respect

**Measured in Many Ways!**

# Objectives of Pradhan Mantri Jan Dhan Yojana

## 1. Banking for Every Household

Financial Inclusion



## 2. Easy Account Opening

For Poor People



For Poor People

## 3. Direct Benefit Transfer

Subsidies Sent to Bank Accounts



## 4. Zero Balance & Overdraft



₹5,000 Overdraft Facility

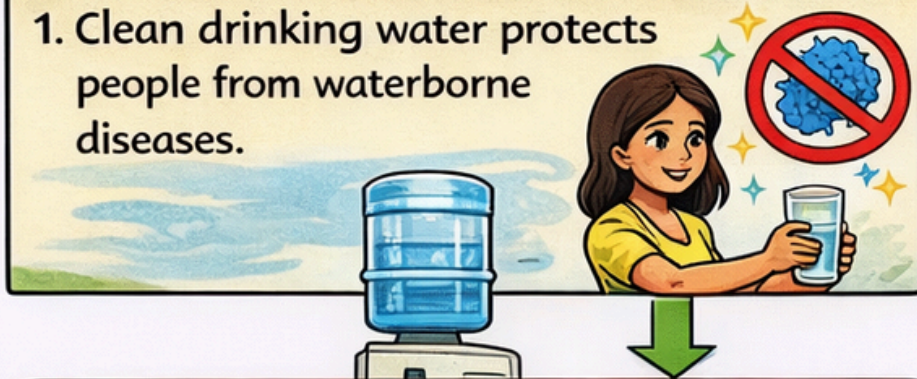
# Zero Balance & Overdraft

# Importance of Safe Drinking Water

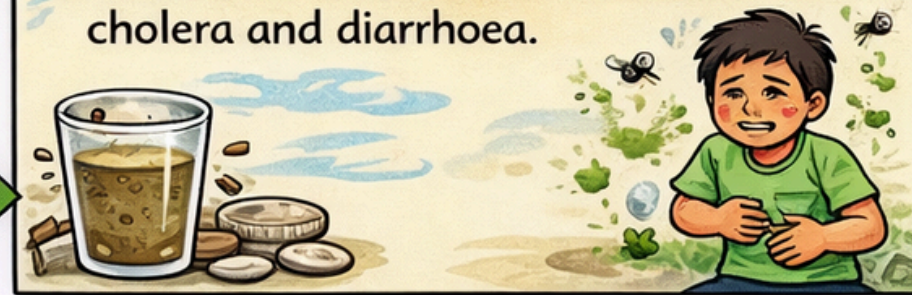
## Safe Drinking Water

### 1. Clean drinking water protects people

1. Clean drinking water protects people from waterborne diseases.



### 2. Polluted water causes illnesses like cholera and diarrhoea.



### 3. Good health helps people work and earn

3. Good health helps people work and earn properly.



### 4. Lack of safe water makes poverty worse

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# Housing Facilities

**1. A good house provides safety and protection from heat, cold, and rain.**

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**2. Many low-income families live in small one-room houses.**

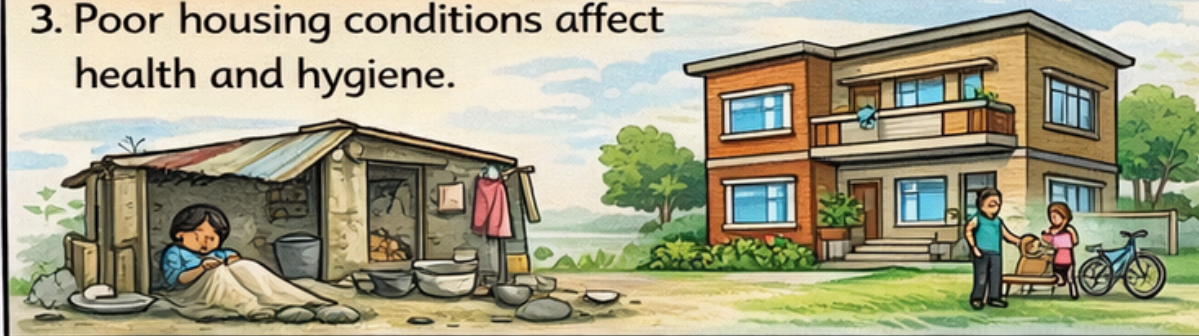
2. Many low-income family live in | small one-room houses.

**4. Poor housing conditions**

affect health and hygiene.

**3. Poor housing improves the standard of living.**

3. Poor housing conditions affect health and hygiene.



**5. Therefore, housing is an important measure of poverty.**



**1. Integrated Rural Development Programme (IRDP)**



**2. Training of Rural Youth for Self-Employment (TRYSEM)**



**3. Development of Women & Children in Rural Areas (DWCRA)**



**SELF-EMPLOYMENT PROGRAMMES**  
by the Government

**4. Million Wells Scheme (MWS)**



**5. Supply of Improved Toolkits to Rural Artisans (SITRA)**



**Promoting Self-Employment & Reducing Poverty in Rural Areas!**

# INCOME CONCEPT of POVERTY

1 Defined by  
Income or Expenditure



2 Minimum Income  
for Basic Needs



Food, Clothing, Shelter

3 The Poverty Line

POVERTY LINE

Below

4 Earning Less Than  
the Poverty Line



5 Lack of Income



# GENDER INEQUALITY as a REASON for POVERTY in INDIA

1 Paid Less Than Men



2 Fewer Job Opportunities



3 Poor Health & Lack of Education ?



4 Family Income Remains Low



4 Increases Poverty



5 Increases Poverty



# SOCIAL SECURITY SCHEMES for Poverty Eradication

## 1. Atal Pension Yojana



Monthly Pension After 60



## 2. Pradhan Mantri Suraksha Bima Yojana



## 3. Pradhan Mantri Jeevan Jyoti Bima Yojana



## 4. Pradhan Mantri Fasal Bima Yojana



1 Two main types:  
absolute & relative



Absolute



Relative

# Nature of Poverty

2 Absolute poverty:  
not enough income  
for basic needs



3 Measured with the  
help of a poverty line



Poverty Line

4 Relative poverty:  
inequality of income  
among groups



5 Poverty = lack of basic  
needs + income inequality



Lack of basic needs



Income inequality

# MEASURES TO REDUCE POVERTY IN INDIA

## 1. POPULATION CONTROL

- Rapid Population Growth
- Family Planning Programmes
- Improve Per Capita Income



## 2. EMPLOYMENT OPPORTUNITIES

- More Jobs in Rural & Urban Areas
- Skill Development Programmes
- Training Initiatives



## 3. INCREASE IN PRODUCTION

- Boost Agriculture & Industry
- Modern Technology Use
- Better Seeds & Irrigation



## 1 Control of Price Rise

- Rising prices affect the poor.
- Government should control inflation.
- Stable prices improve living standards.



## 2 Promotion of Small & Cottage Industries

- Provides self-employment.
- Support rural industries.
- Increases income of poor families.



# Ways to Reduce Poverty

## 3 Equal Distribution of Income

- No wealth concentration.
- Equal job opportunities.
- Fair tax policies.



## 4 Implementation of Govt. Schemes

- Poverty removal programs.
- Honest execution.
- Proper monitoring.



# ECONOMIC CAUSES OF POVERTY

## 1. Low Agricultural Productivity

- Low Farm Output
- Low Earnings



## 2. Unequal Distribution of Land and Property

- Landless Tenants
- Poor Farmers



## 3. Slow Development of Small & Cottage Industries

- Low Growth
- More Unemployment



## Economic Causes of Poverty

## 4. Rise in Prices (Inflation)

- Higher Prices
- Low Purchasing Power



## 5. High Rate of Unemployment

- No Jobs
- Seasonal Unemployment



# EMPLOYMENT-ORIENTED PROGRAMMES FOR POVERTY ERADICATION

## 1. INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

- Started on 2<sup>nd</sup> Oct 1980
- Self-Employment for Rural Poor
- Small Farmers & Artisans

OCT  
2  
1980



Merged into **SGSY**

## 2. WAGE EMPLOYMENT SCHEMES

- Jawahar Rozgar Yojana (JRY)
- Employment Assurance Scheme (EAS)
- Rural Infrastructure Work



## 3. PRIME MINISTER ROJGAR YOJANA (PMRY)

- Support for Youth Entrepreneurs
- Small Business Loans



## 4. NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA)

- Passed in 2005
- 100 Days of Work
- Roads & Ponds Creation



Renamed as **MGNREGA** in 2009

# Speed & Expansion of GREEN REVOLUTION Can Solve the Problem of Unemployment

1. Large Population in Agriculture



5. Expansion of Irrigation



2. Disguised & Seasonal Unemployment



3. Increased Agricultural Production



6. Multiple Cropping



9. Agro-based Rural Industries



4. More Labour & Jobs



7. Dairy, Fisheries & Poultry



10. Soil & Land Development



11. Modern Technology & Seeds



12. Rural Infrastructure



13. Reduce Unemployment & Poverty



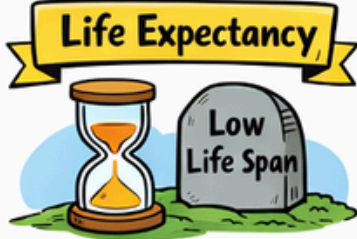
# HEALTH-RELATED INDICATORS OF POVERTY

## 1. Level of Malnutrition



- ▶ Lack of Nutritious Food
- ▶ Weakness & Diseases
- ▶ Indicator of Poverty

## 2. Life Expectancy & Infant Mortality



Average Age of Survival



Indicator of Poverty

## 3. Medical Facilities



- ▶ Limited Hospitals & Doctors
- ▶ Cannot Afford Treatment
- ▶ Indicator of Poverty

## 4. Drinking Water



- ▶ Untreated Water Sources
- ▶ Diseases & Child Health
- ▶ Indicator of Poverty

## 5. Provision for Toilets (Sanitation)



- ▶ Lack of Proper Toilets
- ▶ Poor Sanitation & Diseases
- ▶ Indicator of Poverty