

**CBSE Class 09 Social Science**  
**NCERT Solutions**  
**Chapter 03 Economics**  
**Poverty as a Challenge**

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**Question 1. Describe how the poverty line is estimated in India?**

**Answer :**

- **Expenditure Method :**

- a. Under the expenditure method, the minimum nutritional food requirement for survival is estimated.
- b. The total minimum food requirement is first measured in calories.
- c. The calorie is then converted into money value.
- d. A minimum amount which is required for clothes and other requirements is added to the money value of food.
- e. This total amount is considered as poverty line.
- f. All the families which spend less than the poverty line are considered as below the poverty line families.
- g. In India, the daily minimum nutritional requirement for a person has been fixed at 2400 calories in rural areas, and 2100 calories in urban areas.

- **Income Method :** Under Income Method, a minimum per capita income is fixed like in 2010-2011, the income was fixed at Rs. 859.6 per capita per month, and in urban areas it was Rs. 672.8. If any family has less than the fixed income, it is considered as below the poverty line. This method is used to distribute food at subsidised price through PDS.

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**Question 2. Do you think that present methodology of poverty estimation is appropriate?**

**Answer :** The present methodology of poverty estimation does not look appropriate. It only takes one factor in view and that is the economic factor. A person is considered poor if his or her income or consumption level falls below a given minimum level necessary to fulfil basic needs. Moreover it considers about a “minimum” subsistence level of living rather than a

“reasonable” level of living.

Poverty has many dimensions. It is no longer confined to economic factors alone. While ensuring the minimum necessary in terms of income is indeed essential for India to bring a large section of its population out of the clutches of poverty, the government must also focus its attention upon the broader element of human poverty. With development, the definitions of what constitutes poverty also changes. Its concept has broadened to human poverty. A few persons may have been able to feed themselves but if they are without education, without shelter, without health-care, without job security, without self-confidence, without social equality, they are considered poor. The goal of poverty alleviation is a moving target because definition of poverty changes with time. Once the basic needs of all the people are fulfilled then some higher needs would need to be taken into account to address the issue of poverty. If poverty is to be removed in real sense and the people are to be brought above the poverty line, not only that we need to increase their income but also, we have to provide the people with education and skills, shelter, health-care, job-security, respect, dignity etc. future state may be achieved wherein everybody is able to feed himself or herself. However, in the continuing presence of factors like illiteracy, lack of job opportunities, lack of access to proper healthcare and sanitation, caste and gender discrimination, etc., such a state cannot be called a poverty-free state.

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### **Question 3. Describe poverty trends in India since 1973?**

**Answer : A decline:** There has been a substantial decline in the poverty ratios in India from about 55 per cent in 1973 to 36 per cent in 1993. The proportion of people below poverty line further came down to about 26 percent in 2000. Although the percentage of people living in poverty declined from 1973 to 1993, the number of poor remained stable around 320 million for a fairly long period. However, as per the latest estimates, the number of poor has shown a significant decline to about 260 million.

**Rural and urban poor:** The poverty trends also indicate that the problem of poverty is a much bigger menace in the rural areas than it is in the urban areas. As the greater part of the Indian population resides in the villages, the greater number of the poor also resides in the villages.

**Vulnerable groups:** Looked at from the point of view of the various social and economic

groups in the country, the scheduled tribes, the scheduled castes, the rural agricultural labourers and the urban casual labourers turn out to be the groups most vulnerable to poverty. Though the average for people below poverty line for all groups in India is 26, the averages of these groups are higher than the average Indian poverty ratio.

**Poor states:** The poverty trends also show that though there has been a decline in poverty in every state from the early seventies, the success rate of reducing poverty has varied from state to state. In 20 states and union territories, the poverty ratio is less than the national average of 26. In others, the poverty ratios are higher than the national average. Among these, Orissa and Bihar continue to be the two poorest states with poverty ratios of 47 and 43 per cent respectively. On the other hand, states like Kerala, Gujarat, Punjab and Jammu and Kashmir have shown a significant decline in poverty.

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#### **Question 4. Discuss the major reasons for poverty in India?**

**Answer :** The major reasons for poverty in India are:

- i) Colonial Rule: India went through a long phase of low economic development under the British colonial administration. The policies of the colonial government ruined traditional handicrafts and discouraged development of industries like textiles and handicrafts.
- ii) High growth in Population: The rapid growth of population, particularly among the poor, is considered one of the major causes behind Indian poverty. Poor people are illiterate and have traditional outlook. Hence, they are either ignorant of birth control measures or not convinced of the need of birth control. Moreover, they consider male child as an asset, that is, as a source of income and a source of security during old age.
- iii) Low Rate of Economic Development : The actual rate of growth in India has always been below the required level. It has been around 4 per cent since 1951. This has resulted in less job opportunities. This was accompanied by a high growth rate of population.
- iv) Unemployment : Another important factor that can be held responsible for the incidence of high poverty in India is the high degree of unemployment and underemployment. The job seekers are increasing at a higher rate than the increase in the employment opportunities.
- v) Unequal Distribution of Wealth: Although national income of India has been increasing since 1951, it was not properly distributed among different sections of the society. A large proportion of increased income has been pocketed by a few rich. They become richer. Consequently, the majority of people have to live below the poverty line.

vi) Social Factors : Various social factors, viz., caste system, joint family system, religious faiths, law of inheritance, etc., have blocked the path of economic development.

**Other factors which leads to poverty are as follows:-**

The Industries set up in the public and private sector provided jobs to many people but the number of job seekers was far more than tile jobs available and a large number of people remained unemployed leading to poverty.

**Revolution and Employment**

(a) The Green Revolution enabled multiple cropping or growing of 2 to 3 crops in, year, which created demand for labour in the agriculture sector. However, the Green Revolution was limited mainly to Punjab, Haryana and Western Uttar Pradesh and provided limited opportunities of work.

(b) The poor farmers could not buy inputs for farming and landholdings were small. Thus their production was low and the poor peasant families could hardly survive.

(c) The poor, especially in rural areas had to take loans for farming inputs and many times were unable to repay the loan. Thus they fell into a debt trap, leading to a worse situation.

(d) Another cause of poverty has been the huge income inequalities. One of the major reasons for this is the unequal distribution of land and other resources.

(e) Many communities like the Dalits, scheduled castes and scheduled tribes had traditionally been deprived of education, land and social status. Consequently, they have not been able to raise their standard of living in the absence of education, land and other resources.

(f) To fulfil social obligations and observe religious ceremonies, people in India including the very poor, spend a lot of money. They hardly have any savings, so they borrow money and are unable to repay the loans because of low income, thus falling into a debt trap leading to extreme poverty.

(g) Small farmers need money to buy agricultural inputs like seeds fertilisers, pesticides etc tor which they have to take loans which they are unable to repay, thus tailing into a debt trap leading to extreme poverty.

**Question 5. Identify the social and economic groups which are most vulnerable to poverty in India.**

**Answer :** The proportion of people below poverty line is not the same for all social groups and economic categories in India. The social groups of scheduled castes and scheduled tribes, and the economic groups of rural agricultural labourers and urban casual labourers are the ones most vulnerable to poverty. The poverty ratios for each of these groups are higher than the average Indian poverty ratio. Apart from these groups, women, elderly people and female infants are considered to be the poorest of the poor.

**Social Groups Vulnerable to Poverty :**

- Scheduled caste households
- Scheduled tribe households

**Economic Groups Vulnerable to Poverty :**

- Rural agricultural labour households
  - Urban casual labour households
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**Question 6. Give an account of interstate disparities of poverty in India.**

- Answer :** (a) The proportion of poor people is not the same in every state.  
(b) Government has made many efforts to reduce poverty by following various programmes but the success rate of reducing poverty is different in different states.  
(c) In 20 states and union territories the poverty ratio is less than the national average.  
(d) Poverty is still a serious problem in Orissa, Bihar, Assam, Tripura and Uttar Pradesh.  
(e) Orissa and Bihar continue to be the two poorest states with poverty ratios of 47% and 43 % respectively.  
(f) There has been a significant decline in poverty in Kerala, Jammu and Kashmir, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal.  
(g) States like Punjab and Haryana have traditionally succeeded in reducing poverty with the help of agricultural growth rates.  
(h) In West Bengal, land reform measures have helped in reducing poverty  
(i) In Andhra Pradesh and Tamil Nadu, public distribution of foodgrains has been responsible for the reduction of poverty.
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**Question 7. Describe global poverty trends.**

**Answer :Global poverty trends:** The proportion of people in developing countries living on less than \$1 per day has fallen from 28 per cent in 1990 to 21 per cent in 2001. There has been a substantial reduction in global poverty since the 1980's. However, the reduction in poverty is marked with great regional differences. Due to rapid economic growth and massive investment in human resource development, poverty declined substantially in China and Southeast Asian countries. The number of poor in China has come down from 606 million 1981 to 212 million in 2001.

On the other hand, in South Asian countries (India, Pakistan, Sri Lanka, Nepal, Bangladesh, Bhutan), the decline has not been as rapid. While the ratio of poverty in Latin America has remained the same, in sub-Saharan Africa, poverty has risen from 41 per cent in 1981 to 46 per cent in 2001.

- 1990-28% Population was under Poverty
- 2002-21% Population was under Poverty
- Poverty declined in China & Southeast Asia
- Sub- Saharan Africa Poverty rose to 46%
- U.N Millennium Development goal was to reduce poverty to 14% by 2015, which has not been realised till date.
- In Latin America the ratio of poverty has remained the same.

According to the world development report of 2001, countries like Nigeria, Bangladesh and India still have a large percentage of people living under poverty.

Poverty has also resurfaced in some of the former socialist countries like Russia, where officially it was non-existent earlier.

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**Question 8. Describe current government strategy of poverty alleviation?**

**Answer:** Removal of poverty has been one of the major objectives of Indian developmental strategy. The current government strategy of poverty alleviation is based on two planks:

- (1) Promotion of Economic Growth
- (2) Targeted Anti-poverty Programmes

**Promotion of Economic growth**

- (a) India's economic growth gained momentum and since the eighties has been one of the fastest in the world.
- (b) The growth rate jumped from the average of about 3.5 % a year in 1970's to 6 % during the 1980's and 1990's.
- (c) The higher growth rates have helped significantly in the reduction of poverty.
- (d) It is becoming clear that there is a strong link between economic growth and poverty reduction.
- (e) Economic growth widens opportunities and provides resources to invest in human development.
- (f) This also encourages people to send their children, including girls, to schools in the hope of getting better economic returns from investing in education.

**Some of the anti-poverty programmes undertaken by government at present are discussed below:**

- i) Prime Minister's Rozgar Yojana (PMRY): Started in 1993, this programme aims to create self-employment opportunities for educated unemployed youth in rural areas and small towns.
- ii) Pradhan Mantri Gramodaya Yojana (PMGY): Launched in 2000, this aims to create and improve basic services like primary health, primary education, rural shelter, rural drinking water and rural electrification.
- iii) National Food for Work programme (NFWP): Launched in 2004 in 150 most backward districts of the country, this programme is open to all rural poor who are in need of wage employment and desire to do manual unskilled work.
- iv) National Rural Employment Guarantee Act (NREGA): This act was passed in September 2005. The act provides 100 days assured employment every year to every rural household in 200 districts. Later, the scheme is planned to be extended to 800 districts and also one third to the proposed jobs would be reserved for women.

## 1. ANTI-POVERTY MEASURES

### **Govt Strategy**

Promotion of economic growth Targeted anti-poverty prog.



Widen opportunities & provides resources (a) National rural Employment Guarantee Act (NREGA)-2005

- 100 days assured employment-600 districts
- National employment Guarantee Funds.

(b) National Food for work Prog.(NFWP)2004

- 150 most backward districts.
- 100% centrally sponsored scheme.

(c) Prime Minister Rozgar Yojna(PMRY)-1993

- Self employment opportunities for educated unemployed youth in rural areas.

(d) Rural Employment Generation Prog.(REGP)-1995

- Self Employment opportunities.

(e) Swaranjayanti gram Swarozgar Yojna(SGSY)-1999

- Self help groups

(f) Pradhan Mantri Gramodaya Yojna(PMGY)-2000

- Additional central assistance to states for basic services.

(g) Antyodaya Anna Yojana(AAY)

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**Question 9.** Answer the following questions briefly

(i) What do you understand by human poverty?

**Answer :** i)Human poverty : It is a concept that goes beyond the limited view of poverty as lack of income. It refers to the denial of political, social and economic opportunities to an individual to maintain a “reasonable” standard of living. Illiteracy, lack of job opportunities, lack of access to proper healthcare and sanitation, caste and gender discrimination, etc., are all components of human poverty. Many scholars advocate that we must broaden the



concept of poverty into human poverty. A large number of people may have been able to feed themselves. But they do not have education or shelter or health care or job security or self confidence. They are not free from caste and gender discrimination. The practice of child labour is still common.

(ii) Who are the poorest of the poor?

**Answer :**(ii) Women, children (especially the girl child) and elder people in a poor family are regarded as the poorest of the poor because they are systematically denied equal access to resources available to the family. That is why they are considered the poorest of the poor.

(iii) What are the main features of the National Rural Employment Guarantee Act 2005?

**Answer :**(iii) The mandate of the MGNREGA is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work.

Main features of the National Rural Employment Guarantee Act 2005:

- The Act assures 100 days employment every year to every household.
- Initially covering 200 districts, the Act is extended on to cover 685 districts.
- One-third of the jobs are reserved for women.

The central government will also establish National employment Guarantee Funds. Similarly, the State Government will also establish the State Employment Guarantee Funds for the implementation the scheme.

Under the scheme if an applicant is not provided employment within 15 days he/she will be entitled to a daily unemployment allowance.