

Poverty as a Challenge

Overview of the Chapter

This chapter focuses on poverty, a major challenge faced by independent India. It examines poverty as a **multidimensional problem** affecting people differently in rural and urban areas. The chapter:

1. Illustrates poverty through **real-life examples**.
2. Explains how **social scientists analyse poverty**.
3. Discusses **poverty trends** in India and globally using the **poverty line** concept.
4. Examines **causes of poverty**.
5. Describes **government anti-poverty measures**.
6. Expands the discussion from income poverty to **human poverty**, emphasizing deprivation in health, education, and living standards.

Introduction

- Poverty is visible in everyday life, e.g., landless labourers in villages or slum dwellers in cities.
- NITI Aayog uses the **Multidimensional Poverty Index (MPI)** to measure poverty.
- MPI trends in India:
 - 2005–06 → 55%
 - 2015–16 → 25%
 - 2019–21 → 15%
- Expected to reach **single digits** soon.

Two Typical Cases of Poverty

1. Urban Case – Ram Saran (Jharkhand)

- Age 33, daily-wage labourer, earns ₹3,500/month irregularly.
- Supports **family of six + elderly parents**.
- Lives in **one-room rented shack**.
- Wife earns ₹1,500/month as part-time maid.
- Elder son helps in a tea shop (₹700/month), daughter goes to school.
- Only **two sets of clothes** per person; shoes are a luxury.
- Meals: dal and rice twice a day; not enough for all.

Key Issues:

- Landlessness → no own land
- Unemployment → irregular work
- Large family → economic pressure
- Low literacy → children helping rather than studying fully
- Poor nutrition → meagre meals
- Helplessness → no stable livelihood

2. Rural Case – Lakha Singh (U.P.)

- Landless, works for big farmers; income **erratic**, often paid in kind.
- Family of six survives on **2 meals/day**.
- Lives in **kuchha hut**.
- Family women collect fodder, firewood; children often stay at home.
- Father died of tuberculosis; mother is ill.
- Children attend school, but overall family lacks basic amenities like clothes, soap, and oil.

Key Issues:

- Landlessness → dependent on others for work
- Unemployment → irregular work
- Large family → heavy economic burden
- Low literacy → limited schooling
- Poor health/nutrition → illness, lack of treatment
- Helplessness → no assets or social security

Dimensions of Poverty Highlighted

- Hunger & malnutrition

- Lack of shelter
- Inability to afford healthcare
- Lack of clean water & sanitation
- Irregular jobs & low wages
- Social exclusion & helplessness

Mahatma Gandhi emphasized that true independence comes only when the poorest are free from human suffering.

Poverty as Seen by Social Scientists

Poverty is not just about income—it is **multidimensional**. Indicators include:

1. Income and Consumption

- Traditional measure, but insufficient alone.

2. Multidimensional Poverty Index (MPI)

- **Health:** Nutrition, child/adolescent mortality, maternal health
- **Education:** Years of schooling, school attendance
- **Standard of living:** Cooking fuel, sanitation, drinking water, housing, electricity, assets, bank account

3. Social Exclusion

- Poor people live only among the poor, excluded from social equality.
- Can be both **cause and effect of poverty**.
- Example: caste discrimination in India.

4. Vulnerability

- Probability of certain groups (backward castes, widows, physically handicapped) remaining poor.
- Dependent on **available options:** assets, education, health, job opportunities.
- Vulnerability worsens during **natural disasters** or economic shocks.

❖ Poverty Line

- **Definition:** The poverty line is the minimum level of income or consumption required to satisfy basic needs like food, clothing, housing, fuel, education, and medical care.
- **Consumption-based approach:** Measures poverty based on household expenditure. A person is poor if their income or consumption falls below the “minimum necessary level.”
- **Variation:** The poverty line varies across countries and time depending on economic development and social norms. For example, owning a car in India is a luxury, but in the U.S., it might be considered essential.
- **Calorie requirement:** In India, poverty line calculations historically considered calorie needs:
 - Rural areas → 2400 calories/person/day
 - Urban areas → 2100 calories/person/day
- **Monetary estimate:** Physical quantities of food and other essentials are multiplied by market prices to estimate the monetary poverty line.

❖ Multidimensional Poverty Index (MPI)

- Developed by **NITI Aayog** to complement income-based poverty measures.
- Uses **12 indicators** grouped into health, education, and living standards:

Health

1. Nutrition
2. Child-Adolescent Mortality
3. Maternal Health

Education

4. Years of Schooling
5. School Attendance

Living Standards

6. Cooking Fuel
7. Sanitation
8. Drinking Water
9. Housing
10. Electricity

11. Assets

12. Bank Account

- A household deprived in any of these indicators is considered **multidimensionally poor**.

Difference between consumption-based and MPI:

- **Consumption-based poverty** focuses only on income/expenditure.
- **MPI** captures deprivation in health, education, and living conditions, offering a **broader understanding of poverty**.

❖ **Poverty Estimates in India**

- **Head Count Ratio (HCR):** Proportion of population below poverty line.
- **Consumption-based HCR trend (1993–2012):**
 - Declined from 45% → 22%
 - Number of poor remained high (~407 million initially) due to population growth.
- **Multidimensional poverty (2015–21):**
 - Declined from 25% → 15%
 - 13.5 crore people escaped multidimensional poverty, with rural areas seeing sharper improvements.

❖ **Inter-State Disparities**

- Poverty is uneven across states.
- States with **HCR < 10% (2019–21):** Karnataka, Tamil Nadu, Delhi, Punjab, Himachal Pradesh, Andhra Pradesh, Haryana, Maharashtra.
- States with **high poverty:** Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan.
- **Reasons for differences:**
 - Kerala → human resource development
 - West Bengal → land reforms
 - Andhra Pradesh & Tamil Nadu → public food distribution

❖ **Vulnerable Groups in India**

- **Most vulnerable social groups:** Scheduled Castes (SC) and Scheduled Tribes (ST).
- **Most vulnerable economic groups:** Rural agricultural labourers, urban casual labourers.
- **Data highlights:**
 - Average poverty: 22%
 - ST households: 43% below poverty line
 - Urban casual workers: 34%
 - Rural casual farm labour: 34%
 - SC households: 29%
- Double disadvantage: Being landless **and** socially disadvantaged (SC/ST) worsens poverty.
- Within families, women, elderly, and female infants often face unequal access to resources.

❖ **Global Poverty Scenario**

- Poverty is not unique to India.
- **International poverty line:** \$2.15 per person/day (World Bank, for extreme economic poverty).
- **Global trend:** Extreme poverty declined from 16.27% (2010) → 9.05% (2019).
- **Regional differences:**
 - China & Southeast Asia → drastic reduction due to economic growth and human resource development.
 - China → 0.1% poverty in 2020.
- **Purpose of \$:** Standardizes poverty measurement across countries for comparison.

❖ **Global Poverty Trends**

- **South Asia** (Sri Lanka, Nepal, Bangladesh, Bhutan, Afghanistan, Maldives):
 - Poverty declined from **13% in 2017** → **11% in 2021**.
 - Number of poor fell from **233 million** → **207 million**.
- **Country-wise poverty (Head Count Ratio, \$2.15/day, PPP):**

| Country | % Population below \$2.15/day | Year |
|---------|-------------------------------|------|
| Nigeria | 30.9 | 2018 |

| Country | % Population below \$2.15/day | Year |
|------------|-------------------------------|------|
| Bangladesh | 9.6 | 2022 |
| India | 11.9 | 2021 |
| Pakistan | 4.9 | 2018 |
| China | 0.1 | 2020 |
| Brazil | 5.8 | 2021 |
| Indonesia | 2.5 | 2022 |
| Sri Lanka | 1.0 | 2019 |

• **Regional trends (2005–2019):**

- **Decline in poverty:** South Asia, East Asia & Pacific, China.
- **Increase/slow decline:** Sub-Saharan Africa, Latin America & Caribbean.
- **Largest concentration of poor:** Sub-Saharan Africa; by 2030, ~9 in 10 extreme poor are expected to live there.

- **Different countries use different poverty lines** because national cost of living, economic conditions, and social expectations vary. International comparisons use **\$2.15/day** for standardization.

❖ **Poverty and Sustainable Development Goals (SDGs)**

- **UN SDGs aim to end poverty by 2030** and promote peace, prosperity, health, education, equality, and sustainability.
- **SDG 1 – No Poverty:**
 - Target: Reduce poverty in all forms by at least half by 2030.
 - India's declining poverty reflects commitment toward this goal.

❖ **Causes of Poverty in India**

1. **Historical Factors:**

- Colonial policies destroyed traditional industries (e.g., textiles, handicrafts).
- Low economic growth until the 1980s limited employment opportunities.

2. **Agriculture & Employment:**

- Green Revolution improved productivity but mainly in select regions.
- Urban migration led to informal work (rickshaw pullers, vendors, domestic workers) with low, irregular income → slum formation.

3. **Income Inequality & Land Distribution:**

- Unequal access to land and resources increased vulnerability.
- Land reform policies often not implemented effectively.

4. **Socio-cultural Factors:**

- Spending on social obligations and religious ceremonies reduces savings.
- Indebtedness among small farmers perpetuates poverty.

❖ **Anti-Poverty Measures in India**

Strategies

1. **Promotion of economic growth** → generates jobs, increases income, and encourages investment in education and health.
2. **Targeted poverty programs** → focus on vulnerable groups.

Major Programs

| Program | Objective | Key Features |
|---|------------------------------------|--|
| MGNREGA (2005) | Livelihood security | 100 days of wage employment/household in rural areas; 1/3 jobs for women; focuses on sustainable development |
| PM Poshan Shakti Abhiyan | Improve nutrition & education | School feeding program (Classes I–VIII), reduces dropouts, targets disadvantaged children |
| Pradhan Mantri Surakshit Matritva Abhiyan (2016) | Reduce maternal & infant mortality | Quality antenatal care, safe delivery, engages private practitioners |

| Program | Objective | Key Features |
|---|-----------------------------------|--|
| Pradhan Mantri Ujjwala Yojana (PMUY, 2016) | Women empowerment & clean cooking | Free LPG connections for BPL, SC/ST, forest dwellers; first refill included; environmental sustainability; issued in women's names |

❖ **Challenges Ahead**

- **Persistent disparities:** Rural vs urban, inter-state, social & economic groups.
- **Income-based poverty measures are limited:**
 - Do not capture access to education, health, job security, gender equality, caste discrimination, or human dignity.
- **Broader concept – Human Poverty:** Needs multi-dimensional measures like NITI Aayog's **National Multidimensional Poverty Index (NMPI)**.
- **Key factors for poverty reduction:**
 - Sustained economic growth
 - Universal education
 - Population control
 - Women and weaker section empowerment

1. How is the poverty line estimated in India?

- The **poverty line** is an income or consumption level below which a person is considered poor.
- Historically, in India, it was based on **minimum calorie requirements**:
 - 2400 calories/day in rural areas
 - 2100 calories/day in urban areas
- The calculation included **food, clothing, footwear, fuel, electricity, education, and medical needs**.
- Prices of these items were multiplied by their physical quantity requirements to determine **minimum expenditure per capita**, which defined the poverty line.
- Today, India also uses the **National Multidimensional Poverty Index (NMPI)** to measure poverty beyond income, including health, education, and living standards.

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

- **Pros:**
 - Combines income/consumption measures with multidimensional indicators (health, education, living standards).
 - Provides a more holistic picture of deprivation.
- **Cons:**
 - Income-based measure alone ignores access to education, health, and employment security.
 - Calorie norms may not reflect changing lifestyles or regional variations.
 - NMPI may still not capture social discrimination, mental well-being, and job security.

3. Describe poverty trends in India since 1993

- **1993–94:** HCR ~45%, number of poor ~404 million.
- **2004–05:** HCR declined to 37%, but number of poor remained ~407 million due to population growth.
- **2011–12:** HCR declined to 22%, number of poor ~270 million.
- **2015–21 (multidimensional):** Poverty declined from 25% → 15%, ~13.5 crore people escaped multidimensional poverty.
- Rural areas saw sharper declines than urban areas.

4. Discuss the major reasons for poverty in India

- **Historical factors:** Colonial policies destroyed traditional industries.
- **Low economic growth** until 1980s → fewer job opportunities.
- **Agricultural limitations:** Green Revolution benefited only some regions.
- **Urban informal employment:** Rickshaw pullers, vendors, domestic workers → low, irregular income.
- **Income inequality:** Unequal land and resource distribution.

- **Socio-cultural factors:** Expenditure on social obligations, religious ceremonies.
- **Indebtedness:** Small farmers borrow at high interest, trapped in poverty.

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

- **Social groups:** Scheduled Castes (SC), Scheduled Tribes (ST)
- **Economic groups:**
 - Rural agricultural laborers
 - Urban casual laborers
- **Other vulnerable groups:** Landless households, women, elderly, female children

6. Give an account of interstate disparities of poverty in India

- **Lowest HCR (2019–21):** Karnataka, Tamil Nadu, Delhi, Punjab, Himachal Pradesh, Andhra Pradesh, Haryana, Maharashtra (<10%)
- **Highest HCR:** Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan
- **Reasons for variation:**
 - Kerala → Human resource development focus
 - West Bengal → Land reforms
 - Andhra Pradesh & Tamil Nadu → Public distribution of food grains

7. Describe global poverty trends

- **South Asia:** Poverty declined from 13% → 11% (2017–21)
- **Sub-Saharan Africa:** Slight decline from 36.6% → 35% (2017–19)
- **China:** Extreme poverty ~0.1% in 2020
- **Latin America & Caribbean:** Slight increase from 4.4% → 4.6% (2017–21)
- **Number of poor worldwide:** South Asia: 233 million → 207 million (2017–21)
- **Global trend:** Extreme poverty is declining, but Sub-Saharan Africa will hold majority of extreme poor by 2030 (~9 in 10)

8. Describe the role of government in reducing poverty in India

- **Economic growth:** Generates jobs, increases income, encourages education and health investment.
- **Targeted anti-poverty schemes:**
 - MGNREGA → wage employment in rural areas
 - PM Poshan → school nutrition & education
 - PM Surakshit Matritva Abhiyan → maternal & infant health
 - PM Ujjwala Yojana → LPG connections for rural poor, women empowerment
- **Policy interventions:** Land reforms, public distribution systems, women and social empowerment programs

9. What do you understand by human poverty?

- Poverty is **not just low income**, but deprivation in:
 - Education, health, job security, housing
 - Access to clean water, sanitation, and nutrition
 - Social equality (freedom from caste/gender discrimination)
- Human poverty focuses on **quality of life and capability deprivation**, not just subsistence.

10. Who are the poorest of the poor?

- **Scheduled Tribes (STs)** → 43% below poverty line
- **Rural agricultural laborers, urban casual workers, Scheduled Castes (SCs)** → 29–34% below poverty line
- **Landless casual wage laborers in disadvantaged social groups** face double disadvantage

11. What are the main features of the Mahatma Gandhi National Rural Employment Guarantee Act 2005?

- Provides **100 days of wage employment per household** in rural areas

- Targets **livelihood security**
- Focuses on **sustainable development** → drought, deforestation, soil erosion
- **One-third jobs reserved for women**
- Wage rates revised regularly

12. Differentiate between consumption based poverty line and NMPI based poverty estimates

| Feature | Consumption-based Poverty | NMPI-based Poverty |
|-------------|---|---|
| Basis | Income or expenditure on basic needs (food, clothing, etc.) | Multidimensional deprivations (education, health, living standards) |
| Focus | Minimum subsistence | Quality of life & capability |
| Measurement | Calorie norms & expenditure | 12 indicators including nutrition, schooling, sanitation, assets |
| Limitation | Ignores non-monetary deprivations | More comprehensive but data intensive |

13. List the indicators used to estimate multidimensional poor in India

12 indicators of NMPI:

1. Nutrition
2. Child-adolescent mortality
3. Maternal health
4. Years of schooling
5. School attendance
6. Cooking fuel
7. Sanitation
8. Drinking water
9. Housing
10. Electricity
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