

1. Why is calorie-based norm not adequate to identify the poor?

Ans. The calorie-based norm is not adequate to identify the poor because of the following reasons:

- (a) This mechanism does not differentiate a very poor from other poor. It categorizes them into one category that is poor. Consequently, it indicates whole class of poor and not, especially, those poor who are the most needy.
- (b) This mechanism uses inappropriate proxies for income like Monthly Per Capita Expenditure (MPCE), etc. These items do not act as suitable and appropriate proxies for income to measure calorie requirements.
- (c) This mechanism does not consider various important factors that are associated with poverty, These factors are health care, clean drinking water, proper sanitation and basic education. Mere estimation of calorie intake does not reflect the true economic condition of an individual.
- (d) Another shortcoming of calorie- based norm is that it fails to account for social factors that exaggerate and worsen poverty like ill health, lack of access to resources, lack of civil and political freedom, etc. Therefore, because of these shortcomings in the calorie-based norm, it cannot be used to identify the poor.

2. What is meant by ‘Food for Work programme’?

Ans. The programme was initially launched w.e.f. February 2001 for five months and further extended. This programme aims at augmenting food security through wage employment in the drought affected rural areas in eight states, i.e., Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal.

Wages by the state government can be paid partly in kind and partly in cash. The workers are paid the balance of wages in cash, such that they are assured of the notified minimum wages.

3. Why are employment generation programmes important in poverty alleviation in India?

Ans. The importance of employment generation programmes in poverty alleviation efforts in India areas follows:

- (a) **Direct Relationship between Employment and Poverty Alleviation:** There exists a positive relationship between employment and poverty alleviation. If government aims at creating

new employment opportunities, then more people will be employed that will raise their income and, thus, will pull them above the poverty line.

- (b) **Higher Standard of Living:** With the increase in income, consequent to the new employment opportunities, poverty-trodden people can enjoy higher standard of living and greater accessibility to education, better health facilities, proper sanitation. etc.
- (c) **Reduce Rural-Urban Migration:** Poor people tend to migrate from rural to urban areas in search of better employment and earning opportunities. This creates undue burden on the urban areas to provide ample job opportunities to these migrants. Failure of this leads to formation of informal sector that makes these people more vulnerable in the urban areas. A positive point of employment generation programmes is that it generates ample employment opportunities in rural areas to reduce rural-urban migration.
- (d) **Creation of Durable Assets:** The employment generation programmes aim at creation of durable assets like watershed development works, water harvesting, irrigation facilities, canal building, construction of roads connecting rural areas to urban areas and construction of dams. All these assets play an important role in the social and economic development of the country.
- (e) **Self-sufficiency and Self-reliant Areas:** The creation of these durable assets protects the poverty-trodden areas from natural calamities such as floods and droughts thereby facilitating these areas to be self-sufficient and self-reliant.
- (f) **Impart and Enhance Skills:** Most of the employment generation programmes help in human capital formation by enhancing knowledge and imparting skills to the unskilled labourers. Such skills increase the employment prospect of the unskilled labourers in the industrial and the service sectors. This not only enhances income earning capacities of these people but also alleviates poverty simultaneously.
- (g) **Reduce underemployment and disguised unemployment:** Indian agricultural sector is characterised by disguised unemployment. This implies that although a labourer is engaged in agriculture but the total output will not be affected even if the labourer is withdrawn. The role of employment generation programmes in reducing disguised unemployment is very important. These programmes engage these

extra labourers in economically fruitful activities, thereby, reducing unnecessary burden on the agricultural sector.

4. How can creation of income earning assets address the problem of poverty?

Ans. Creation of income earning assets generate employment opportunities through which poor can raise their income which ultimately helps in improving standard of living. The income earning assets are those assets the ownership of which are controlled and owned by the members of a household. These are land, capital, labour and different levels of skills, Poverty and inequality of income arises due to improper distribution of and access to such income-earning assets.

Moreover, a substantial proportion of population is engaged in the small scale production that often lacks capital and modern technology. Consequently, such techniques directly hamper the income earning capabilities of small scale industries. In addition to this poor people often lack access to social services like proper medical and health care facilities, better education, proper sanitation, etc. The lack of access to such social services affects health, productivity and finally income earning capabilities of the poor.

In order to alleviate the problem of poverty, the role of income earning assets cannot be substituted. There are various measures that can create income earning assets for the poor people like providing proper access to easy credit, capital, money assistance, imparting technical skills, allotment of land to the landless and marginal farmers and better access to education health services along with better access to information and support services for increasing their productivity. This in turn leads to increase in the income opportunities and earning capabilities, thereby, contributing to the alleviation of poverty.

5. The three dimensional attack on poverty adopted by the government has not succeeded in poverty alleviation in India. Comment.

Ans. In order to alleviate poverty, government has adopted the following three dimensional approaches:

- (a) **Trickle-down Approach:** This approach is based on the expectation that the positive effects of economic growth will be trickled down or benefit all sections of the society and also the poor people.
- (b) **Poverty Alleviation Approach:** This approach aimed at the creation of income-earning assets and employment generation opportunities.
- (c) **Providing Basic Amenities:** This approach aimed at providing the basic amenities like proper medical and health care facilities, better education, proper sanitation etc. to the poor people. These basic amenities positively affect health, productivity, income-earning

opportunities and, thereby, alleviate poverty.

A thorough analysis of the three dimensional approach yield the following conclusions:

- (i) **Misappropriation of assets:** Due to unequal distribution of land and other assets, the benefits from direct poverty alleviation programmes have been appropriated by the non-poor. Moreover, the assets are distributed under these programs depending upon inadequately trained and corrupt government officials. The resources are inefficiently used and wasted.
- (ii) **Non-participation of local level institution and the target group:** Without the participation from local level institution as well as the poor, these programs cannot be expected to be successful. It is essential that poor are actively involved through social mobilization and participation in the growth process. This will in turn lead to:
 - (a) Creation of employment opportunities
 - (b) Increase in income (c) Skill development
 - (d) Health (e) Literacy
- (iii) **Inadequate Financial Limits.** Financial limits of investment in different schemes are centrally fixed without reference to actual costs. Amount actually transferred to the beneficiary bears no relation to the investment required by beneficiary household to become viable.
- (iv) **Lack of Interest.** Schemes are administered by overburdened block development officers who are unlikely to be familiar with the local situation. They favour educated, rich and resourceful persons as against the poor.
- (v) **Lack of Accountability.** Accountability for ensuring proper choice of beneficiaries and proper use of funds remains a serious problem. No one is held accountable if wrong projects are launched or wrong beneficiaries are chosen.

Therefore, it can be summed up that although various poverty alleviation programmes were well planned on papers but these were not implemented Properly.

6. What programmes has the government adopted to help the elderly people and poor and destitute women?

- Ans.** (a) **National Social Assistance Programme (NSAP).** NSAP was introduced on 15 August, 1995 as a 100 per cent Centrally Sponsored Scheme for social assistance to poor households affected by old age, death of primary bread earner and maternity care. The programme has three components, i.e., National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme (NMBS).
- (b) **Annapurna.** This scheme came into effect from April 1, 2000 as a 100 per cent Centrally Sponsored Scheme. It aims at providing food security to meet the requirement of those senior citizens who though eligible for pensions under the National Old Age Pension Scheme, are not getting the same. Foodgrains are provided to the beneficiaries at subsidised rates of Rs. 2 per kg of wheat and Rs. 3 per kg of rice. The scheme is operational in states and 5 union territories. More than 6.08 lakh families have been identified and the benefits of the scheme are passing on to them.

7. Is there any relationship between unemployment and poverty? Explain.

- Ans.** 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 fulfil 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.

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?

Ans. 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. Other programme is Rural Employment Generation Programme (REGP).

9. Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas? Use the trends in poverty ratio to support your answer.

Ans. The major difference between rural and urban poverty in India lies in the standard of living. The latter enjoys higher living standard compared to the former and the standard of living may be attributable to the wide income disparity and gap between the two.

Another major difference is the level of education and also access to education. The urban poor enjoy better access to quality education than the rural counterparts. Thirdly, health care facilities prevalent in the urban areas are far better than that of in the rural areas. Also the rural poor people lack access to these health facilities and important medical information. Fourthly, the difference lies in the type of houses they live in. The rural poor lives in kutcha house, while the urban poor resides in pucca houses which are well developed with proper sanitation facilities. Fifthly, rural poverty is temporary as the rural poor can migrate to urban areas to seek employment but, on the other hand urban poverty is permanent.

Rural-Urban Break-up of Poverty

Following pattern emerges:

- (a) The decline in poverty was comparatively much steep in rural areas where the percentage of people living below poverty line fell to 21.8 per cent (2004-05) from 27.1 per cent (1999-2000).
- (b) In urban areas, percentage of people living below poverty line fell to 21.7 per cent (2004-05) from 23.6 per cent (1999-2000).
- (c) The number of people living below poverty line was estimated at 238.5 million — 170.3 million in rural areas and 68.2 million in urban areas — out of the over one billion population.

The data does reveal that people migrated from rural areas to urban areas due to which decline in poverty is much lesser in urban areas than rural areas.