

# Notes on Poverty

## Introduction

At the dawn of the twenty first century we are still a long way from achieving what had evaded humanity for thousands of years, a world free from poverty and hunger. The past thirty Years, however, have brought us closer to reaching this goal in a large part of the developing World. The lives of millions have been transformed at a pace of exceptional in human history and to an extent that would have seemed unthinkable only a generation ago. However, there is no room for complacency even today, close to 1.2 billion people -a fifth of the world's population continues to live in conditions of grovelling poverty.

**Meaning of Poverty-**When a person is unable to fulfilled their basic need such as food, cloths, shelter, health and education.

**Classification of Poverty-** Poverty can be divide into two types **Absolute Poverty** and **Relative Poverty**

**Absolute Poverty:** - It is the complete lack of the means necessary to meet basic personal needs, such as food, clothing and shelter.

**Relative Poverty:** - it is the condition in which people lack the minimum amount of income needed in order to maintain the average standard of living in the society in which they live. Relative poverty is considered the easiest way to measure the level of poverty in an individual country.

## Causes of poverty

There are many causes of poverty in India so these cannot study in single term of causes of poverty. They can be divide into the following way.

- A. Economic causes of poverty
- B. Social causes of Poverty:
- C. Geographical Factors:
- D. Environmental and climatic factors:
- E. Other Causes:

### A. Economic causes of poverty

1. **Slow Economic growth and development:** A country that has slow economic growth due to bad governmental policies causes widespread poverty. Stagnant or slow paced economic development also leads to poverty.
2. **Increasing unemployment:** The population to jobs ratio if unbalanced can cause unemployment between masses and is a leading cause of poverty. Increased and

uncontrolled population in any country is the biggest threat of unemployment related poverty.

3. **Decreased Agricultural Output:** This can be due to unpredictable weather patterns. Decreased agricultural output leads to some serious inflation issues. No country can be economically balanced without the aid of a strong agricultural backbone. Yearly agricultural produce governs a major part of a country's economy and needs to be in surplus to keep poverty at bay.
4. **Under-developed infrastructure:** Infrastructural development also drives the economic growth and hence determines the poverty situation of any place.
5. **Inadequate industrialization in certain areas:** Industries provide employment opportunities to the locals of the place. Concentration of industries in any one state or place sure escalates the employment in that particular place but, the deprived areas face acute poverty. Areas having inadequate industrialization causes poverty since employment opportunities become limited in the said area. Industries also offer well salaried jobs when compared to small time jobs.
6. **Inadequate production of essential items:** Any inadequacy in the production of basic necessities causes poverty nationwide. Food as well as non-food essentials production always needs to be adequate to avoid poverty.
7. **Deprivation of resources:** Natural deprivation of resources as well as forced or situational deprivation can cause poverty. Lack of proper resources and opportunities deprive people from their target lifestyle and employment options and push them towards poverty.
8. **Uneven concentration of wealth and resources:** A nation that has uneven concentration of wealth and resources is more prone to poverty than the one that has a uniform distribution. Uneven concentration leads to an extreme situation wherein people are either neo-rich or below the poverty line. This unbalance is harmful for a nation's overall economy and development.
9. **Underutilized natural resources:** Natural resources are God's gift and a place with rich natural resources is blessed. Hence, natural resources of every place need to be completely discovered and tapped to extract their complete economical benefit. This should be a governmental initiative to ensure that there is no scope of poverty in any place due to under-utilization of natural resources.
10. **Economic inflation:** An economic inflation not only affects the poor but also the middle class of the society. This means that more people come under borderline poverty. Economic inflation is extremely detrimental for a nation and hit all sections of the society. Also, a country may take a long time to recover from an economic inflation and face years of poverty.

#### **B. Social causes of Poverty:**

1. **Social evils like untouchability:** Untouchability is an unfair social norm in some of the backward parts of a country that limit people of certain lower castes from their democratic rights. They are shunned from the society and pushed towards poverty.

There are not allowed to venture into the general employment opportunities and are forced to do meagre jobs.

2. **Unethical abuse of power:** When power is abused, it has a biased outlook and never helps the downtrodden and poor. A corrupt government would always want to keep the poor section of the society a status quo to exercise more control on the masses. This is another major cause of poverty in corrupt countries.
3. **Widespread ignorance and illiteracy:** Illiteracy is another major cause of poverty. Uneducated people are unable to tap their complete potential and hence their earning sources get limited. They are unable to compete with the educated counter-parts of the competitive society and hence remain in poverty. Illiteracy also is a reason for ignorance in people. They are unaware of all the possible opportunities any modern society has to offer and spend their life in ignorance.
4. **Overpopulated places:** Over population in any place increases competition in the employment sector. As a result, poverty creeps in, in any overpopulated place since competition increases and opportunities decreases.
5. **Practicing caste-system:** Caste system segregates people (based on their job) in a society and does not allow them to venture outside their caste to seek employment. For example, a lower caste person will not be allowed to become a businessman or a trader. This system makes the poor get poorer and the rich get richer. This unbalanced and unfair system is another leading cause of poverty.
6. **High divorce rates and Feminization of Poverty:** Feminine gender of the society should be given equally employment opportunities to eradicate feminization of poverty. Also, high divorce rates cause poverty among the feminine section that cannot support themselves due to gender inequality.
7. **Inequality of available opportunities:** Exercising inequality in the society for whatever reasons can cause poverty. Available opportunities should be offered equally to one and all in a society. Inequality leads to unfair loss of opportunities among the weaker sections of the society.

### C. Geographical Factors:

1. **Density of population:** Area population density also determines the poverty graph of the place. Densely populated places see a red when it comes to poverty.
2. **Selective fertility of land:** The fertility of soil is not the same in every region of a country and varies from place to place. While the fertile areas have blessed agricultural produce, the unfertile lands are pushed towards poverty naturally.
3. **Uneven distribution of fertile land:** Geographically, fertile lands are distributed in an uneven fashion and this is also a primary cause of poverty in naturally unfertile lands. Fertile lands provide agricultural employment to the local people and they do not have to strive for job opportunities to earn a living. Unfertile lands completely deprive the natives from the agricultural sector and take away this employment

scope, which is one of the most sought after choice of employed among the uneducated villagers.

4. **Variable farm output:** Farm output varies from season to season and year by year. A good year will lead to substantial produce while droughts and other natural calamities can limit the output at times. This variability also causes poverty in trying times.
5. **Differential rural and urban poverty:** rural and urban poverty differ at many levels. The difference in rural and urban lifestyle has different effects in their poverty scenario. For example: Survival of the poor is more sustainable in rural areas than in urban areas due to high cost of living in the latter scenario.

#### D. Environmental and climatic factors:

1. **Flooding of lands:** Natural calamities like floods can completely destroy farmlands and adversely affect the agricultural produce. This will lead to uncalled for poverty situations that a country can seldom tackle.
2. **Long spells of drought:** Another climatic adversity that causes poverty is drought. Long spells of drought harms farmlands and the overall agricultural output. Droughts are a permanent cause of poverty in most nations.
3. **Lack of seasonal rainfall:** Any abnormalities with the seasonal rainfall also can cause some serious poverty problems. Agricultural produce gets disturbed due to the absence of the predicted rainfall and hence causes inflation related poverty.

#### E. Other Causes:

1. **Lack of proper education:** Education is obviously essential for a growing economy, but relevant education is even more important. For example, rural population should be given more of technical and vocational education than bookish knowledge. This will help them land technical jobs easily and abolish poverty among the masses.
2. **Increasing competition:** A society that has a raised qualification standard faces increased competition in the job acquisition front. This also leads to increased competition and resultant poverty even among the educated population. This can also be said as a side-effect of increased education standards, especially in cities.
3. **More demand and less supply:** The demand-supply relationship has to be balanced to achieve a poverty free nation. The key to a balanced demand-supply state is population control. There is no escaping from the population management, if you are looking for a poverty free nation.
4. **Lack of adaptable nature of the rural population:** Rural population usually have a backward mindset and refuse to adapt with modernization. This does little to help them change their economic conditions and eliminate poverty. Open mindedness and adaptability of the population at large is an important quality to remove poverty from its very roots.

- 5. Mass migration to cities:** It is important to limit over-crowding of the cities. This is only possible by stopping the mass migration of the villagers to cities. Most rural people leave their village and migrate to cities in search of bigger employment scopes. If the government can develop the rural areas sufficiently and provide good employment as well as educational opportunities to the rural population, they will remain content and stay put in their villages. This will reduce the urban poverty index and keep the population of cities in control as well.

### **A Solution of the problem of poverty**

The following strategy can solve the problem of poverty:

- Adopt a strategy of pro-poor growth instead of emphasizing liberalisation and GDP growth
- Stimulating Agricultural growth
- Increasing the productivity and job quantity of the unorganised sector
- Improving the share of wages in the process of growth to achieve poverty reduction
- Empowerment of the poor through education and skill formation
- Empowerment through provision of better health
- Empowering the poor through provision of housing
- Empowerment through skill formation for our expanding IT sector
- Providing employment through National Rural employment guarantee scheme

Prepared by  
Dr.T.C.Saxena