

CBSE Test Paper-04

Chapter 09 Poverty

1. In the year 2004-2005 ____ percentage of population was below the poverty line (1)

- a. 37.2
- b. 36.2
- c. 35.2
- d. 33.2

2. Name the Programme that covers elderly people, poor women who are destitute and widows. (1)

- a. National Rural Employment Guarantee Act
- b. Integrated Child Development Scheme
- c. National Food for Work Programme
- d. National Social Assistance Programme

3. The ratio measures the number of poor below poverty line is known as (1)

- a. Poverty count real ratio
- b. None
- c. Population count ratio
- d. Head count ratio

4. In which programme people were encouraged to form SHG (1)

- a. REGP
- b. SISRY
- c. SGSY
- d. PMRY

5. Which people are categorised as 'churning poor'? (1)

6. Why are poverty alleviation programmes targeted to rural areas? (1)

7. 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? (1)

8. Define poverty. (1)

9. Comment on 'MGNREGA'. (3)

- 10.** Explain the vicious circle of poverty. **(3)**
- 11.** What is the difference between relative and absolute poverty? Which measure is generally used to determine these types of poverty? **(4)**
- 12.** What is poverty? Is there a definite way to identify people living in poverty? **(4)**
- 13.** Write a note on different categories of poverty. **(4)**
- 14.** Poverty in India is a historical, political, social-economic, religious issue. Comment. **(6)**
- 15.** Economic planners are of the view that poverty could be eradicated through growth-oriented approach. Discuss the measures which will help to bring growth in an economy. **(6)**

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Answer

1. a. 37.2

Explanation: Below Poverty Line is an economic benchmark used by the government of India to indicate economic disadvantage and to identify individuals and households in need of government assistance and aid. It is determined using various parameters which vary from state to state and within states. The present criteria are based on a survey conducted in 2002.

2. d. National Social Assistance Programme

Explanation: The National Social Assistance Programme (NSAP) is a Centrally Sponsored Scheme of the Govt. of India that provides financial assistance to the elderly, widows and persons with disabilities in the form of social pensions. The scheme was launched in 1995 in accordance with the directive principles of the state policy.

3. d. Head count ratio

Explanation: When the number of poor is estimated as the proportion of people below the poverty line, it is known as 'head count ratio'.

4. c. SGSY

Explanation: The SGSY (Swarnajayanti Gram Swarojgar Yojana) aims at providing self-employment to villagers through the establishment of self help groups. Activity clusters are established based on the aptitude and skill of the people which are nurtured to their maximum potential. Funds are provided by NGO's, banks and financial institutions.

5. Among the different categories of poverty, one category is churning poor. They are the people who regularly move in and out of poverty segment (small scale workers), e.g. small farmers and seasonal workers.

6. The rural population is four times of urban population and poverty level is more in rural areas than urban areas. So, it is very pertinent that these programmes should be targeted to rural areas so that more poor people are benefited by these programs.

7. I will apply for assistance under Prime Minister Rozgar Yojana (PMRY). This scheme provides self-employment to educated unemployed youth and for this, it gives financial assistance to young people from poor families so that they can establish their small entrepreneurial ventures.

8. It refers to the situation where people do not fulfil the minimum needs of life.

9. MGNREGA is the largest social security scheme in the world — guaranteeing 100 days of unskilled manual work to all rural households in India. Last year, about 235 crore person-days of work were generated under the scheme. The MGNREG Act actually gives rural households the right to work — making it obligatory for the State to give them work on demand. Household could actually sue them for not doing so — at least on paper. The work is usually on projects to build durable assets like roads, canals, ponds and wells. In reality, there are quite a lot of rules on how the money may be spent. The Act stipulates a minimum wage-material ratio of 60:40. The average wage per day per person in 2016-17 was ₹161.

10. The vicious cycle of poverty simply illustrates how poverty begets poverty, and how poverty itself traps the poor into staying in poverty. The Vicious circle of poverty implies that poverty is the cause of poverty. There are many vicious circles of poverty. One of them is depicted below



11.

Basic	Absolute Poverty	Relative Poverty
Meaning	It refers to a phenomenon in which a section of the society is unable to fulfill even its basic necessities of life concerning food, clothing, housing, education and health.	It refers to a phenomenon in which inequalities of income exist and hence one person is poor in relation to other person.
Cause	There are many causes of absolute poverty some of these causes are: over population, low economic growth, over dependence on agriculture etc.	Inequalities of income is the main cause of relative poverty.

Remedy	There are remedies to remove absolute Poverty by PAPs and other ways.	It can not be removed as people have different skills and accordingly their incomes vary.
Measurement	It is measured by Poverty Line. A person having an income below the defined poverty line will be described as poor in the absolute sense.	It is measured by Gini Co-efficient and Lorenz Curve. The value of zero of Gini-Coefficient reflects perfect equality and the value of 1 reflects perfect inequality

12. Poverty is defined as a state of being under privileged and deprived of having equal opportunity in society. It is also defined as the inability to fulfil the minimum requirements of life. The minimum requirements include food, clothing, housing, education and health facilities. It can be estimated but we cannot give a sure shot formula to identify if a person is living in poverty or not. If we visit slums we might find television, fridge, coolers in those slums. It is more so because there are varying degrees of poverty and due to inflation poverty line itself keeps changing. However if one is to identify people living in poverty, he can determine poverty line in terms of income or consumption.

13. We can categorize poor into three categories:

- i. **Chronic Poor:** Those who are below poverty line most of the time and reach above poverty line once in a while are called chronic poor. It is also defined as a phenomenon whereby an individual or group is in a state of poverty over extended period of time. While determining both the implicit poverty line and the duration needed to be considered long-term is debated, the identification of this kind of poverty is considered important because it may require different policies than those needed for addressing transient poverty. Chronic poverty may take following two forms:
 - a. **Always Poor:** Those who are always below poverty line.
 - b. **Usually Poor:** Those who are mostly below poverty line but once in a while they come above poverty line.
- ii. **Transient poor:** Those people who keep fluctuating between the category of poor and non poor are called transient poor. It includes:
 - a. **Churning poor:** Those people who regularly move in and out of the poverty. These are seasonally employed people. When they have jobs they are above poverty line and when they don't have a job they are below poverty line.
 - b. **Occasionally poor:** Those who are rich most of the time but sometimes out of a business fluctuation or other mishappening become poor.

- iii. **Non Poor:** These are the people who have never ever gone below poverty line or those who have sufficient money or material professions.

14. Yes, It is very true that poverty in India is a historical, political, social-economic, Religious issue.

- i. **As A Historical Issue:** Poverty has been caused due to the low level of economic development and exploitation of Indian economy during British rule.
- ii. **As A Political Issue:** India could not eradicate poverty due to political instability and lack of commitment from ruling parties in implementation of different poverty alleviation programmes. Even after implementing some poverty alleviation programmes, the desired result could not be achieved because of corruption.
- iii. **As A Social Issue:** The social structure of our country is full of outdated traditions and customs. Caste system, population, superstitions, Traditions, and gender inequality are some of the social causes of poverty.
- iv. **As An Economic Issue:** Unemployment, low agricultural productivity, unequal distribution of land, income inequalities, low rate of industrialization are some of the economic causes of poverty.
- v. **As A religious Issue:** Expenditure on religious ceremonies leading to indebtedness and wrong religious beliefs giving birth to lethargy and lack of efforts for eradication of poverty.

15. The different measures which will help to bring growth in an economy are:

- i. **Income distribution should be improved:** The government should try to improve the mechanism of income distribution and try to reduce income inequalities with the help of fiscal and legislative measures.
 - a. **Fiscal Measures:** These measures relate to the provisions related to taxation and subsidy. The government should adopt a progressive system of taxation in which the richer section of the society is charged with a higher rate of taxes and tax exemption is given to those with low incomes. Also, money collected as tax from the rich can be used to give subsidies to the poor, thus ensuring the equitable distribution of income.
 - b. **Legislative Measures:** These measures are implemented by passing laws and are mandatory for all those who fall under its purview.
- ii. **Population Control:** The government should try to control the population of the country which is rising at a very fast rate. The growth rate of poverty in India is 1.8%. For the removal of poverty, the growth rate of poverty has to be reduced. Poverty cannot be eradicated unless and until the population of the

country is controlled. In spite of significant growth in the national income of the country, the per capita income remains low due to an excessive rise in population. Population control will reduce the dependent members in a poor household and help them to improve their status.

- iii. **Development of agriculture and other allied activities:** The agriculture should be developed to remove poverty. The rapid rate of growth of agriculture production will help to remove urban as well as rural poverty. Agriculture should be mechanized and modernized. Marginal farmers should be given financial assistance.
- iv. **Maintaining stability in the price level:** Stability in prices helps to remove poverty. If prices continue to rise, the poor will become poorer. So Govt. should do its best to keep the prices under control.
- v. **Eradication of unemployment:** Special measures should be taken to solve the problems of unemployment and disguised unemployment. Agriculture should be developed. Small scale and cottage industries should be developed in rural areas to generate employment.
 - a. Promoting labor intensive technique of production
 - b. Developing backward regions
 - c. Creating self-employment opportunities