

Worksheet- Important Questions

Class-12 Economics
Ch- Poverty

QUESTIONS FOR PRACTICE

1. According to UNO those countries are considered relative poor where per capita income is less than
 - a. Three dollar
 - b. One dollar
 - c. Two dollar
 - d. Four dollar
 2. When was National Food For Work Programme launched?
 - a. 2005
 - b. 1992
 - c. 2012
 - d. 2004
 3. By which year governments are aiming to meet the Millennium Development Goals including having the rate of global poverty?
 - a. 2011
 - b. 2035
 - c. 2015
 - d. 2045
 4. Which of the following is an indicator of poverty in India?
 - a. All of these
 - b. Illiteracy level
 - c. Income level
 - d. Employment level
 5. When does economic growth leads to economic development?
 6. Which states are the most poor?
 7. Which organisation collects data on poverty in India?
 8. On which basis did Dadabhai Naoroji computed the average poverty line?
 9. Which concept of poverty helps to assess the level of inequality in the country?
 10. Explain how rapid growth in population spreads poverty.
 11. Discuss the causes behind failure of poverty alleviation programmes.
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12. How are poverty and child labour related to each other?

13. Explain the three main causes of poverty in India.
14. Explain different causes of poverty.
15. Why did "**Growth oriented Approach**" of the government proved to be ineffective?

Answer key

1. b. One dollar

Explanation: Per capita income or average income measures the average income earned per person in a given area (city, region, country, etc.) in a specified year. It is calculated by dividing the area's total income by its total population.

2. d. 2004

Explanation: National Food for work programme was launched on November 14, 2004 in 150 most backward districts of the country identified by the Planning Commission in consultation with the Ministry of Rural Development and State Governments.

3. c. 2015

Explanation:

In 2000, 189 nations made a promise to free people from extreme poverty and multiple deprivations. This pledge became the eight Millennium Development Goals to be achieved by 2015.

4. c. Income level

Explanation: In the past two decades, research in development and poverty has firmly established that poverty is a multidimensional phenomenon that can't be adequately described or measured in monetary terms. So the boundary is widening from the economic perspective alone to include social, political and cultural dimensions also.

5. Economic growth leads to economic development only when it helps to eradicate poverty. When the economy grows, employment opportunities get generated for the people below the poverty line and it leads to eradication of poverty. Eradication of poverty leads to economic development.

6. Uttar Pradesh, Bihar, Madhya Pradesh, West Bengal, Orissa, Chattisgarh and Manipur — account for about 70 per cent of India's poor.

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7. National Sample Survey Organisation (NSSO) collects data on poverty in India. It is estimated on the basis of consumption expenditure data collected by NSSO.
 8. Dadabhai Naoroji computed the average poverty line on the basis of the menu for a prisoner and appropriate prevailing prices to arrive at what he called 'jail cost'.
 9. Relative concept of poverty helps to assess the level of inequality in the country. As per this concept, a comparison between the income level of top 5-10% with the bottom 5-10% is made, which reflects the relative standard of poverty. This concept of poverty indicates the relative position of different segments of the population in the income hierarchy. Relative poverty is when households receive 50% less than average household incomes, so they do have some money but still not enough money to afford anything above the basics.
 10. Following points imply how population growth causes poverty:
 - i. Increase in the population results in more family expenses.
 - ii. Unemployment rate increases pushing families to poverty.
 - iii. Increased number of people in agricultural families results in decreased portion of divided land among the family members causing lower incomes.
 - iv. Increased pressure of satisfying the expanded family needs creates stress on the breadwinner resulting in health related issues sometimes to the extreme of fatal. This would push the family to poverty.

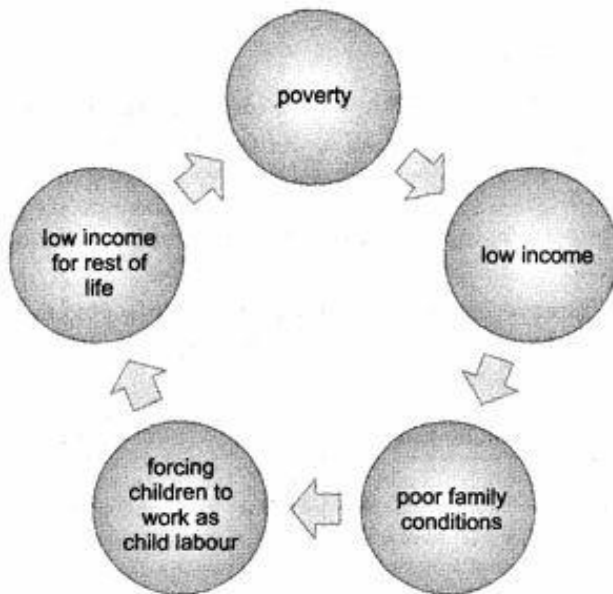
Hence, poverty and population are 2 factors which mutually compliment each other in each other's growth causing serious repercussions on the development of states and nations.

11. Poverty Alleviation Programmes could not succeed due to:
 - a. **Lack of Resources:** Resources allocated to different programmes were far less than required keeping in mind the magnitude of poverty.
 - b. **Lack of Proper implementation:** Due to corruption, lack of training, pressure from local leaders, and lack of awareness amongst the beneficiary group, these programmes were not properly implemented.
 - c. **Lack of Active participation of Beneficiary Group:** Poor people did not actively participate in the implementation of these programmes.
 - d. **Lack of Infrastructure:** Infrastructure required for implementation of these programmes was lacking in the economy.
 - e. **Lack of political will:** poverty has been a hindrance in the development of India as a whole since Independence. There have been a lot of schemes aimed at poverty alleviation like provision of ration cards, food for work, MGNREGA, etc yet all of them have failed to get implemented due to lack of penetration of democracy at local levels, lack of political participation, lack of education, etc.
 - f. **Lack in holistic approach:** schemes that have been implemented in India to alleviate
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poverty have been primarily aimed at just covering the monetary part.

E.g. in case of Food for work, only the food portion was being covered. In MGNREGA, the beneficiary was entitled only for the monetary benefit. As per the UN report, poverty is just not about money, and yet the governmental schemes had failed to realize this.

12. There is a circular relation between poverty and child labour. They have a cause-effect relationship. Child labour is both a cause as well as effect of poverty. Child labour continues to remain in poverty for rest of his life and he becomes child labour because he was poor.



Various studies have been conducted and it was found that children work mainly due to poverty. Poor parents are forced to send their children to work instead of school.

Poverty reduction is the key to reducing child labour. The government should provide some compensation to poor parents for sending their children to school.

13. The three main causes of poverty in India are as follows:

i. Rapid growth of population:

Rapid growth of population aggravates the poverty of the people. The growth of population exceeds the rate of growth in national income. Population growth not only creates difficulties in the removal of poverty but also lowers the per capita income which tends to increase poverty. The burden of this reduction in per capita income is borne heavily by the poor people. Population growth at a faster rate increases labour supply which tends to lower the wage rate.

ii. Lack of employment opportunities:

Unemployment is the reflection of poverty. Because of lack of employment opportunities, people remain either unemployed or underemployed. Most of these unemployed and underemployed workers are the small and marginal farmers and the landless agricultural labourers.

iii. Decline of village industries:

At present consequent upon industrialization new factories and industries are being set up in rural areas. Village industries fail to compete with them in terms of quality and price. As a result they are

closed down. The workers are thrown out of employment and lead a life of poverty.

14. There are various causes of poverty, some of them are discussed as under:
- i. **Poverty itself is the biggest cause of poverty:** Poverty is a cause as well as effect of poverty. A man is poor because he is poor. It is called vicious circle of poverty.
 - ii. **Low level of economic development:** During British Rule, British Govt. ruined textile industry of India. They used India as mere exporter of raw material and buyer of finished goods. They exploited our economy and left us as depleted economy.
 - iii. **Income Inequalities:** Due to Zamindari System, land was unequally distributed. Even other income generating assets were unequally distributed. Even after independence this inequality continued and exists till date. It has also led to poverty. However efforts were made during planning to remove inequality in the distribution of income through a system of progressive taxation and other measures. But despite such measures the extent of inequality has only increased overtime.
 - iv. **Caste System, gender inequality and other social evils:** Social system of India has also played its role in widening of poverty. The social structure of our country is full of outdated traditions and institutions like caste-system, joint family system, laws of inheritance and succession, etc. All these obstruct dynamic changes in the economy. Growth rate is hampered and poverty is the net consequence.
 - v. **Corruption:** Due to corruption, poverty alleviation programmes which were framed could not succeed. Thus corruption has also been a cause of poverty.
 - vi. **Low level of industrial growth:** India did not pay much attention on secondary sector. It kept people disguisedly employed in agriculture sector leading to unemployment, low level of output and continuation of poverty.
15. Growth-oriented approach was based on the expectation that the effects of economic growth will spread over to the poor section of the society as well. This approach was the major focus of planning in the 1950s and early 1960s. It was expected that rapid industrialisation and transformation of agriculture through green revolution will benefit backward regions as well. The benefits of economic growth has not trickled down to the poor because of the following reasons:
- a. Overall growth rate of industry and agriculture was quite low.
 - b. Population growth made per capita income to rise at further low levels.
 - c. The gap between the rich and the poor widened.
 - d. There was lack of political willingness and inability to redistribute lands.
 - e. The green revolution exacerbated the disparities regionally and between large and small farmers.
 - f. Although various initiatives were taken by the government to improve the growth rate and to reduce poverty however there is lack of basic amenities and educational facilities in many regions of India particularly those regions where people are poor. Therefore the benefits of growth did not trickle down to
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the weaker sections of the society.
