

1. What is Poverty:

- Inability to meet basic requirements of life necessary for survival with dignity.
- World Bank → extreme poor → those living on < \$1.90/ day.
- UNDP → 1.3 billion (22% of world's population) are multidimensionally poor.

2. Types:

- Absolute poverty → household income is below a necessary level to maintain basic living standards
- Relative Poverty → household income is a certain percentage below median incomes (<60% of median income)
- Multi-Dimensional Poverty → Health → Nutrition + Child Mortality; Education → Years of schooling + School enrollment; Living Standards → Cooking Fuel + Sanitation + Drinking Water + Electricity + Floor + Assets.

3. Reasons:

- Historical factors → imperialism and colonialism
- Overpopulation → less per capita availability + inequality → poverty
- Anti-poverty scheme → not designed and not implemented properly
- Mode of growth → capital intensive not labour intensive
- Agriculture → overdependence, debt crisis, unprofitable, land fragmentation, rainfed
- Poor Infrastructure → Low Investment → Low Employment → Low Income → Poverty
- Lack of Skill → low quality job → low income → poverty
- Discrimination against women, tribals and other vulnerable sections
- Global factor - 2008 Global subprime crisis reduced the flow of aid from the west.
- Health - Covid and lockdown, savings depleted, lack of insurance, unemployment.

4. Poverty Line: Concepts:

- Definition → Cut-off point to divide as poor or non-poor; World bank's International Poverty Line → \$1.90-per-day
- Head Count Ratio → No. of people below poverty line; measures the 'incidence' of poverty
- Intensity of poverty → how far the living standard of the poor population is below the poverty line
- Poverty gap index → ratio by which the mean income of the poor falls below the poverty line; Combines Incidence and Intensity of Poverty; e.g. Foster index

- Sen's P-index: Uses poverty line, head count ratio, Gini coefficient to measure depth of poverty

5. Measurement of Poverty Line:

- Absolute measurement → On the basis of monetary value of basket of essential products; Rely on poverty line which remains constant over time; Overlooks deprivation within country; used mainly by developing nations
- Relative measurement of poverty → Gap between household income and median income of country; Used mainly by developed countries; Economically-bottom population always considered below poverty line
- Poverty line calculation → by NITI Aayog task force on NSSO data; Based on consumption expenditure not income level → Why? because of variation in income, additional incomes, data collection

6. Data Collection Method:

- Uniform reference period: 30-day recall period
- Mixed reference period: Consumption of 5 items (clothing, footwear, durable, education, health expenditure) over 365 days; Other items over last 30 days
- Modified mixed reference period: Regular food item: 7 day recall period; Rest food items: 30 days recall period; Non-food items: 365 days recall period

7. Evolution of Poverty Line in India:

- Dadabhai Naoroji's estimation (Poverty and Unbritish rule in India) → Working Group of Planning Commission (1962) → Dandekar and Rath Committee (1971) → Alagh Committee (1979) → Lakdawala committee (1993) → Tendulkar committee (2005) → Rangarajan committee (2012) → Arvind Panagariya Task Force
- Tendulkar committee → Uniform poverty line basket, Shifted from calorie intake to nutritional outcome; Health & education included; Mixed reference period (MRP); fixed at → ₹27.2 (rural) and ₹33.3 (urban)
- Rangarajan committee → Broader in food requirement (Calories+ Protein+ Fat) and non-food requirement (House rent & Conveyance); used Modified MRP, State specific poverty line, from per capita based to household based; fixed at → ₹32 (rural) & ₹47(urban).

8. Eradication of Poverty:

- Mindset Shift → from alleviation (lessen severity) and reduction (bring down number of poor) to → complete elimination of poverty (SDG 1)

- Socio-Economic Planning → Five Year Plans → NITI Aayog Action Agenda
- Food Security → PDS, Midday Meal
- Financial Inclusion and Progressive Taxation
- Anti Poverty and Employment Generation programmes → MGNREGA
- Social Sector Expenditure → PM Garib Kalyan Yojna, Aspirational district Programme.
- Decentralization of Power → PRIs, 5th and 6th schedule, Forest Rights Act
- Model of Development—check on regional disparity.