

OPEN STUDENT FOUNDATION

Chapters : 5

Std-12 Economics Practice Sheet Day 5

Date : 24/02/24

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [11]
1. According to 2013, give the name of poorest state in India? (July-2018)
(A) Bihar (B) Jharkhand (C) Mizoram (D) Chhattisgarh
 2. How many rupees are decided to decide poverty line of urban areas by Tendulkar committee? (March-2019, July-2019)
(A) 816 (B) 916 (C) 1000 (D) 2000
 3. State the percentage of malnourished persons in the year 2014-16 in India. (Aug-2020, May-2021)
(A) 23.7 % (B) 15.2% (C) 11.2% (D) 20.5%
 4. How many rupees are decide to decide poverty line of rural areas? (March-2022)
(A) 816 (B) 916 (C) 1000 (D) 2000
 5. How much calories are required for urban fields as per the research by Indian Council of Medical Research? (May-2021)
(A) 2000 (B) 2300 (C) 2200 (D) 2100
 6. From which five year Indian plan strategy, the programmes have started for reducing poverty? (March-2023)
(A) Second (B) Fourth (C) Third (D) Fifth
 7. What is the daily standard of the 2015 year was decided to decided absolute poverty at International standard? (March-2023)
(A) \$ 1.90 (B) \$ 1.25 (C) \$ 1 (D) \$ 2.50
 8. What is the minimum daily calories in food decided for villages by India Council of Medical Research? (July-2022)
(A) 2400 (B) 2300 (C) 2200 (D) 2100
 9. Which of the following state is involved in the year sequence of 30 to 40 % poverty as per the year 2011-12 estimation? (July-2022)
(A) Punjab (B) Jammu-Kashmir (C) Karnatak (D) Odisha
 10. What is life expectancy years in India in the year 2014? (March-2018)
(A) 75 (B) 55 (C) 85 (D) 68
 11. In 2013, where the lowest poverty were seen in India? (March-2022)
(A) Gujarat (B) Rajasthan (C) Goa (D) Bihar

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [6]
12. Write a short note on Prime Minister Rojgar Yojana. (March-2018)
 13. What is the poverty line? (March-2018, July-2018, July-2022)
 14. Explain limitations of the poverty line. (March-2022, March-2023)

Section C

- Write the answer of the following questions. [Each carries 3 Marks] [3]
- 15. Write the difference between rural and urban poverty

Section D

- Write the answer of the following questions. [Each carries 4 Marks] [12]
- 16. Explain poverty indicators. (March-2018, July-2018, March-2019, July-2019, March-2020, Aug-2020)
- 17. Explain reasons for Poverty in India. (March-2018, July-2018)
- 18. Discuss the remedies for poverty eradication in planning commission. (March-2020)



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Section A

● Choose correct answer from the given options. [Each carries 1 Mark] [11]

1. According to 2013, give the name of poorest state in India? (July-2018)

- (A) Bihar (B) Jharkhand (C) Mizoram (D) Chhattisgarh

➡ Ans : (D)

2. How many rupees are decided to decide poverty line of urban areas by Tendulkar committee? (March-2019, July-2019)

- (A) 816 (B) 916 (C) 1000 (D) 2000

➡ Ans : (C)

3. State the percentage of malnourished persons in the year 2014-16 in India. (Aug-2020, May-2021)

- (A) 23.7 % (B) 15.2% (C) 11.2% (D) 20.5%

➡ Ans : (B)

4. How many rupees are decided to decide poverty line of rural areas? (March-2022)

- (A) 816 (B) 916 (C) 1000 (D) 2000

➡ Ans : (A)

5. How much calories are required for urban fields as per the research by Indian Council of Medical Research? (May-2021)

- (A) 2000 (B) 2300 (C) 2200 (D) 2100

➡ Ans : (D)

6. From which five year Indian plan strategy, the programmes have started for reducing poverty? (March-2023)

- (A) Second (B) Fourth (C) Third (D) Fifth

➡ Ans : (D)

7. What is the daily standard of the 2015 year was decided to decided absolute poverty at International standard? (March-2023)

- (A) \$ 1.90 (B) \$ 1.25 (C) \$ 1 (D) \$ 2.50

➡ Ans : (A)

8. What is the minimum daily calories in food decided for villages by India Council of Medical Research? (July-2022)

- (A) 2400 (B) 2300 (C) 2200 (D) 2100

➡ Ans : (A)

9. Which of the following state is involved in the year sequence of 30 to 40 % poverty as per the year 2011-12 estimation? (July-2022)

- (A) Punjab (B) Jammu-Kashmir (C) Karnatak (D) Odisha

➡ Ans : (D)

10. What is life expectancy years in India in the year 2014? (March-2018)

- (A) 75 (B) 55 (C) 85 (D) 68

⇒ Ans : (D)

11. In 2013, where the lowest poverty were seen in India? (March-2022)

- (A) Gujarat (B) Rajasthan (C) Goa (D) Bihar

⇒ Ans : (C)

Section B

● Write the answer of the following questions. [Each carries 2 Marks] [6]

12. Write a short note on Prime Minister Rojgar Yojana. (March-2018)

⇒ In the decade of the 1990s employment generation in the organised sector was stagnant and in the public sector, negative growth was noticed.

⇨ On the other hand, the unemployment rate was rising fast. In this situation, Prime Minister Rojgar Yojana was started for self employment with the objective of starting ventures to provide employment to educated unemployed.

13. What is the poverty line? (March-2018, July-2018, July-2022)

⇒ A certain normative minimum level of per capita consumption expenditure required to ascertain minimum basic needs and services is called the poverty line.

⇒ The minimum expenditure or income required to satisfy the minimum basic needs and services is known as the Poverty line.

14. Explain limitations of the poverty line. (March-2022, March-2023)

⇒ In the method of calculating the poverty line, one of the major drawbacks is that it only takes into account calorie consumption. But poverty is an economic situation and hunger is a physical situation. So that Poverty line becomes "starvation line".

⇒ To make the concept of poverty line more progressive, the minimum standard of quality life should be decided and for that required facilities for quality life such as nutritive and balanced food, health, electricity, kitchen fuel, clothing, educational expenditure, housing etc. should be included.

Section C

● Write the answer of the following questions. [Each carries 3 Marks] [3]

15. Write the difference between rural and urban poverty

	Rural Poverty	Urban Poverty
Meaning	The poverty seen in the village.	The poverty seen in the cities.
Educational rate	The rate of illiterate poverty is higher in villages.	The rate of literate poverty is higher in villages.
Sectors	This poverty can be seen in agricultural sector.	This poverty can be seen in industrial sector.

Section D

● Write the answer of the following questions. [Each carries 4 Marks] [12]

16. Explain poverty indicators. (March-2018, July-2018, March-2019, July-2019, March-2020, Aug-2020)

⇒ Meaning : A situation where a major portion of the population cannot even satisfy their minimum

requirements for food, clothes and residence are said to be poor. If a larger population is living below the minimum required standard of living, there exists wide-spread poverty. The meaning of poverty is a relative concept so it changes with changes in time, place and society.

⇒ A class which can't spend for the minimum needs of life is the condition of poverty. Poverty is generated by humans and is a relative concept. The difference can be seen between the poverty of developing countries like India and developed country like USA,

⇒ Generally, Poverty shows the scarcity it means the lower standard of living than others are the poor. To understand this poverty, some factors are decided according to the the level of poverty and its constitution which are as follows:

- (1) Per Capita Household Consumption Expenditure
- (2) Level of Malnutrition
- (3) Life Expectancy and Infant Mortality Rate
- (4) Medical Facilities
- (5) Drinking Water
- (6) Provision of Toilets
- (7) Housing
- (8) Electricity Consumption
- (9) Education
- (10) Unequal Distribution of Income and Property
- (11) High Rate of Unemployment

(1) Per Capita Household Consumption Expenditure :

- ⇒ Per Capita household expenditure is the amount of income a family spends on an average on consumption of goods and services. It includes the expenditures on daily requirements to live a life.
- ⇒ If per capita expenditure is lower than it can be said that the standard of living is lower. In India, per capita expenditure is very low. Per capita expenditure can be calculated per year as the nation's total spending on goods and services is divided by the total population of the respective year.
- ⇒ As an example, According to the above information, on the basis of base year price of year 2005, in the year 2014, the per capita household consumption expenditure was \$ 725 in India, \$ 31,469 in US, \$ 25,828 in UK, \$ 22,149 in Japan, it is \$ 603 in Pakistan. Thus, the per capita household consumption expenditure is very less in India as compared to the US and UK.

(2) Level of Malnutrition

- ⇒ Malnutrition is such a situation in which the food taken by an individual lacks calories, proteins, carbohydrates, vitamins and minerals. A person unable to get enough nutrients in their foods are the victims of Malnutrition.
- ⇒ In India, two groups are generated because of income inequalities: 1) lower income group and 2) higher income group. These groups can spend differently as per their income on their needs. Poor are the victims of Malnutrition in India.
- ⇒ According to the F.A.O. 2015 report, the situation of food security in India ranked 2nd in the world in measurement of malnourishment which indicates poverty in India. In the year 2010-12, India had 15.6 % of the malnourished population while it was 15.2% in 2014-16.

(3) Life Expectancy and Infant Mortality Rate

⇒ **Life Expectancy :**

- ▶ Life expectancy means how long a newborn baby is expected to live on an average. It is calculated by the average of different years. The average life expectancy of people in a country is based on nutritive food, cleanliness, pure drinking water and health services. Poor people are deprived of such facilities so they have low life expectancy.
- ▶ In 2014, India had 68 years while Norway had 81.6 years life expectancy.

⇒ Infant Mortality Rate :

- ▶ Infant mortality means number of deaths taking place per thousand children born before reaching the age of one year. The rate of infant mortality depends on availability of health services, mother's education, vaccination among children and nutrition of food. High Infant mortality is an indicator of poverty in respect to poor health services.
- ▶ In 2014, India had 39 while Norway had 2 Infant Mortality Rates.

(4) Medical Facilities

- ⇒ The availability of health services indicates the development of those respective countries. In the health sector, doctors, nurses, compounder etc. are included. As compared to other countries, India has a lack of medical services and doctors.
- ⇒ America, Itali like countries are more aware of health services while India is less developed in these sectors. In developing countries like India, at every six thousand people, one doctor is available whereas among developed economies, every 350 people, service of one doctor is available.
- ⇒ In developing countries every year, 1.7 crore people die from diarrhoea, Malaria and T.B. In the whole world, 2.3 crore people are suffering from AIDS. Out of this, 90% belong to the developing economies.

(5) Drinking Water

- ⇒ Health of the population is very much connected to drinking water and cleanliness. If people of the countries get clean drinking water, they will be less affected by diseases. In India, we see less availability of clean drinking water.
- ⇒ According to the Census Report 2011, in India 63.3 % families get pure drinking water through treated sources. 8.67 % families get untreated tap water, 26 % people get water from other sources such as wells, hand pumps, tube wells, spring rivers, canals and ponds.
- ⇒ In the absence of pure drinking water, polluted water (contaminated) increases the chances of having water borne diseases and hence make the problem of poverty more severe.

(6) Provision of Toilets

- ⇒ According to the census 2011 in India, 70% of the total population lives in villages. They are more prone to water borne and contagious diseases. To save them from diseases, cleanliness is very important and for that, toilet facilities are a must.
- ⇒ In India, 66% houses have toilet facilities within the house whereas the remaining 34 % families use common toilets. Lack of cleanliness, pollution and physical weakness, keeps the production and productivity at low level, which is one of the factors of rise in poverty.

(7) Housing

- ⇒ The main pillars of standard of living are food, cloth and residence. One of the indicators of poverty is also housing facilities and its nature. Developing countries lack housing facilities. People live in dirty huts and slums. This is called measurement of existing poverty.
- ⇒ Housing is a primary need for human beings. Types of housing facilities decide the level of poverty. Construction of a house, verandah, members in the house, tap in the house, drainage, electricity facilities, etc. and percentage of houses with these facilities decides the level of poverty. India lacks houses with full facilities. In India, 60 crore people have dwellings which are dangerous for their health and risky for their lives. Most of the houses in India comprise of one room facility which is one of the major measuring rods of poverty.

(8) Electricity Consumption

- ⇒ In today's era, for a high standard of living, electricity is more important. One of the major factors in the development of any country is electric facilities. To increase the production of a country and quality of life of people, electricity is imperative.
- ⇒ India is a main producer and consumer of electricity. Per capita usage of electricity in India is 765kW which is lower than America, England and Japan.
- ⇒ Only rich people can take advantage of electricity. Then also, because of the high population and low

per capita income, per person electricity consumption is very less. But due to the Indian Govt. efforts, electricity reaches to almost all areas.

(9) Education

- ⇒ According to the World Bank, people in the age group of 15 years and above who can read and write are literate, and the rest are illiterate and they are mostly poor.
- ⇒ Lack of education and training gives rise to incapable and less productive labourers in the country. As a result, labourers get limited work opportunities and choices. Hence less wages and low income increases poverty. In 2011, Brazil had 91% literacy rate where as in India it was
- ⇒ 74.04 %, in Nepal 60 % and 55 % in Pakistan, which shows that in developing countries, the literacy rate is comparatively very less. Low education among poor makes them conservative and less acceptable to changes. High rate of ignorance is a strong indicator of poverty.
- ⇒ Only the level of per capita income cannot give the right estimate of poverty in the world. A country with high per capita income can have a high number of people below the poverty line.

(10) Unequal Distribution of Income and Property

- ⇒ After 1991 economic reforms, economic growth and per capita income have increased sharply in India but due to unequal distribution of income, larger reduction in poverty is not noticed. With increase in income inequality, on one hand, we see a rich class of people with high standard of living and enjoying good facilities and on the other hand, we find low income people living in slums and deprived of basic necessities like food, education and health.
- ⇒ According to the Economic survey, 2015-16, In comparison to 1998, in the year 2012, actual national income of the top 1% of the rich class in the US has increased from 15.2 % to 18.9 %, in the UK 12.5 % to 12.7 % and in India 9.0 % to 12.6 %. For India, it can be said that the advantages from economic reforms were more in favour of the rich. So, the disparity of income inequality is also one of the indicators of existing poverty.

(11) High Rate of Unemployment

- ⇒ When people with working capacity and willingness to work at an existing wage rate, do not find work, they are said to be unemployed. Low economic development and jobless growth after 1991 resulted in less development of employment opportunities in comparison to increase in supply of labour is the main reason for the increase in unemployment. In a situation of unemployment, due to lack of income, a person cannot fulfil basic needs of his family. As a result, the level of poverty remains high.
- ⇒ In India, till 2011, the rate of unemployment remained around 9%. According to the Labour Commission in the year 2013-14, the rate of unemployment among people 15 years and above is 4.9% . In rural areas, this rate was 4.7% and in urban areas it was 5.5%.

17. Explain reasons for Poverty in India. (March-2018, July-2018)

⇒ To solve any problem, it is better to know its causes and then find the solutions. To eradicate the problem of poverty, it is necessary to understand its reasons. In India, the causes of poverty are as follows :

(1) Historical Reasons

(2) Causes of Rural Poverty : Natural Causes, Demographic Factors

(3) Economic Factors :

- ▶ Low Agricultural Productivity Per Labour
- ▶ Unequal Distribution of Land and Property
- ▶ Minimal Development of Small and Cottage Industry
- ▶ Rapid Increase in Prices
- ▶ High Rate of Unemployment

(4) Social Reasons: Low level of Education, Gender Inequality,

(5) Other Reasons : War, Increase in Defence Expenditure, Defective Policies

(1) Historical Reasons

- ⇒ Historians say that in the 17th century, India was a comparatively more urbanised and most commer-

cialised nation. In business, India had a major share in exports of cotton textile and with that silk, spices, paddy was also exported. After seeing the development of India, other international countries were attracted and increased their business with India and then as time passed some countries made their mind to rule over India. In which, English, French, Dutch and Portuguese are the main countries.

- ⇒ These countries entered India in the name of business and then started to explore by their policy of colonial exploitation. Due to this, India's agriculture and industrial situation deteriorated.
- ⇒ During British rule, the Agricultural sector suffered in India due to many reasons. On one hand, Indian agriculture was based on the monsoon. Britishers did not show any interest in investing money in irrigation projects. On the other hand, due to repeated drought, zamindari system, and tenancy system, the farmers' economic conditions deteriorated and they were under the pressure of debt and interest of loan given to them by zamindars, money lenders and big businessmen. Cultivators started losing land. The farmers and agriculture suffered and so poverty increased.
- ⇒ In case of business and trade, Britishers followed that kind of trade policy, tax policy and Industrial policy which would benefit them by trading in India. Indian exports were prohibited in Europe whereas goods produced in England were given a lot of tax concessions and freedom to sell in the Indian markets. Moreover to supply these goods to each and every corner of India, Indian railway was extensively used.
- ⇒ Because of this kind of policy, Britishers gained surplus from production and sale in India which they invested in Britain to speed up industrialisation and used Indian market to sell final goods produced in Britain. In this system, Indian trade and business started losing their competitive power and production power. Small and cottage industries of India were ruined. As a result, unemployment and poverty started increasing.

(2) Causes of Rural Poverty :

(i) Natural Causes :

- ▶ India has been an agricultural country from the beginning and today also a major portion of the population lives in villages and is dependent on agriculture. In India, production in the agriculture sector is based on natural factors like rain, weather conditions etc. Repeated drought, uncertainty of monsoon and floods results in low production and less and uncertain income of the agriculturist. Hence, poverty is more.

(ii) Demographic Factors

- ▶ India is the second largest populated country in the world. After independence and during the planning period in India, due to economic development and rapid improvement in health services, death rate declined fast but at the same time birth rate did not reduce. As a result, a high population growth rate was noticed.
- ▶ According to the estimation, the population of India increases every year as per the size of Australia continent. The census scenario creates financial conflicts. High increase in population did not allow per capita income to increase. Low per capita income and big size of families resulted in poor quality of life.
- ▶ There was a rapid increase in labour supply because of the high population but low pace of development of employment opportunities resulted in reduction in wage rate, so unemployment increased and so was poverty.

(3) Economic Factors : (July 2018, March-2022)

(i) Low Agricultural Productivity Per Labour

- ▶ One of the important reasons for high poverty in rural India is low agricultural productivity per labourer. Because of poor irrigation facilities, insufficient technology, lack of education and training, low rate of investment, heavy load of population, result in low agricultural productivity. So the income of farmers remains low and poverty increases.

(ii) Unequal Distribution of Land and Property

- ▶ Land is very important for cultivation. From the British period in India, because of systems like Zamindari, land ownership was with the handful of zamindars. This class was not directly associated with

land cultivation and had no interest to invest in the agricultural sector. On the other hand, the tenants were working on other's land and were not the owners, so they also had no interest in investments. Due to low agricultural production and productivity, poverty increased day by day.

(iii) Less development of small and cottage industries :

- ▶ In India the second five year plan onwards, as a strategy for economic development, heavy and basic industries were given importance. But in rural areas, small and cottage industries which have great contribution in employment, production and income were neglected. Moreover agricultural and allied activities like Animal Husbandry, Dairy farming, Fisheries etc. were growing slowly and this increased seasonal unemployment. As a result, poverty remained high.

(iv) Rapid Increase in Prices :

- ▶ Price-rise seriously affects Poverty. Because of war, drought, low national production, rapid increase in demand, increase in production cost, price of goods and services as well as edible goods rise rapidly. This reduces the purchasing power of low income groups. It reduces standard of living. It increases poverty. On the other hand, increasing prices benefit businessmen, traders and big farmers. This increases unequal distribution of income in the society.

(v) High Rate of Unemployment :

- ▶ In India, a major part of rural India is dependent on agriculture. But agriculture is dependent on monsoon, hence only one crop in a year is cultivated, so there exists seasonal unemployment. High increase in population and joint family system also increases the burden on agriculture and results in disguised unemployment. In rural India, lack of development of allied industries are responsible for high illiteracy, low mobility of labour, high rate of unemployment and poverty.

(4) Social Reasons :

(i) Low level of Education :

- ▶ One of the major reasons for poverty in India is scarcity of education, training and skills. Low level of education, especially in rural areas, prevents them from gaining from the use of new technologies in agriculture, new agriculture systems, research and benefit of the market for sale of the product.
- ▶ As a result, both per hectare productivity and per labour productivity in agriculture remains low. This is the reason for the low income of farmers.
- ▶ Apart from this, because of the low level of education, they get less opportunities in alternative employment. Wage level remains low and poverty increases.

(ii) Gender Inequality :

- ▶ India has had gender inequality from the beginning. Society cares less about the health of females. As a result, women face higher levels of malnourishment, low weight and weakness. This causes high maternal mortality during childbirth and health problems among newborn children.
- ▶ Work allocation is such that it is believed to be compulsory for women to work at home, resulting in low level of education and less economic opportunities to work. Apart from this, at the workplace, females are paid less than males. Out of the total population, less than half are women. Amongst them, low health level and less opportunities to work in the economic field keeps family income low and this increases the level of poverty.

(iii) Poor Health Conditions

- ▶ Poor health so many people in India have diseases because of poor health service. A part from this Indian women have less exposure of medical services which inturn in to poor health and so they not getting status so the poverty is higher.

(5) Other Reasons

(i) War :

- ▶ After independence, India fought two wars with neighbouring countries, Pakistan and China. During the war, the limited resources of the country are spent on production and import of required arms and ammunition. This reduces production of basic goods and services.
- ▶ During the war, to avoid scarcity of certain goods in future, people store food-grains, clothes,

fuel, etc. As a result, prices increase rapidly. Because of war, the process of economic development slows down. Due to several wars in India, developmental expenditure is reduced. Economic development remains low and the problem of price rise takes place. Hence poverty increases.

(ii) Increase in Defence Expenditure :

- ▶ Several wars made the issue of security very serious. To make the security system stronger, expenses on modern missiles, fighter planes, tanks and submarines have increased rapidly. In the present era, to fight against terrorism, a lot of special facilities have increased expenditure on defence. The expenditure on security is non-developmental in nature and any increase in such expenditure reduces expenditure on economic development. Economic development slows down and the level of poverty increases.

(iii) Defective Policies :

- ▶ For rapid economic development in India, the 2nd five year plan onwards, basic and heavy industries were given priority and through rapid industrialisation, high economic growth was to be achieved and thus the policy of removal of poverty and unemployment was adopted. But this policy neglected the vast population dependent on agriculture. Agriculture and small and cottage industries which give employment and income to the majority of the population, developed slowly and so was the income of poor people.
- ▶ Apart from this, various schemes were introduced during the planning period to reduce poverty and unemployment but due to frequent changes in the ruling government many times, they lacked continuity and coordination. As a result, the targeted poverty reduction could not be achieved through these schemes.

18. Discuss the remedies for poverty eradication in planning commission. (March-2020)

⇒ The measures to reduce poverty are:

- 1) To Increase Agricultural Productivity
 - 2) Development of Small Scale Industries
 - 3) Development of unorganised Sector
 - 4) Use of Appropriate Tax Policy
 - 5) Rise in Human Capital Investment
 - 6) Goods and Services at Reasonable Rates
 - 7) Employment Programmes
- (1) To Increase Agricultural Productivity

⇒ India is an agricultural country. One of the basic reasons for poverty is low productivity in agriculture due to illiteracy of farmers so they can not use technology and so the productivity. With increase in agricultural productivity and income of agriculture labourers, poverty can be reduced.

⇒ Regarding this, through public programmes, farmers are informed about upgraded technology, available resources at reasonable rates, improved infrastructural facilities, maximum price and regulated market for their produce. Development of agriculture will increase productivity per labour. Also employment opportunities and prices of food-grains will decrease. This will be more advantageous to the poor and poverty can be reduced.

(2) Development of Small Scale Industries

⇒ There are two types of Industries : large scale Industries and small scale Industries. In India, small and cottage industries have made immense contributions to the Gross National Income and employment. So, if small and cottage industries can be developed and encouraged, then poverty can be reduced on a larger scale.

(3) Development of Unorganised Sector

⇒ Unorganised sector includes vegetable vendors, masons in the construction sector, agricultural labourers, vendors etc. To improve the conditions of these workers, the National Commission has recommended deciding the working conditions, Life Insurance, health, old age pension and other social security measures. Moreover, for small and marginal farmers, it is recommended to provide them with irrigation facilities and loan facilities.

(4) Use of Appropriate Tax Policy

⇒ Government uses tax policy to reduce inequality of income and poverty by redistributing income. To fulfil this objective, the government makes such a policy wherein more tax is imposed on rich class which can afford that tax and less tax is imposed on poor class and given tax concession. This way the government collects a fund by imposing taxes on rich people and makes expenses on welfare oriented programmes for the poor people. As a result, socio-economic conditions of the poor improve and reduction in income inequality and poverty is seen.

(5) Rise in Human Capital Investment

⇒ Human Capital Invest means the social, economical and educational development of an individual.

⇒ Developed nations, where large scale investment is made on education, skill development have very low levels of unemployment. As a result, poverty is less. High level of education satisfies the requirement of various employment opportunities and choices among workers. Skill development increases the productivity of workers and that reflects in high wages. For that, at the workplace, continuous investment is required for training and research.

(6) Goods and Services at Reasonable Rates

⇒ To provide nutritive food and food security to poor people at reasonable rates, poverty can be directly reduced. Under the public distribution system in India, we have ration shops where rural and urban poor can buy utility goods at reasonable prices. During drought and scarcity, the responsibility of the public distribution system is more to satisfy the basic needs of the poor.

(7) Employment Programmes

⇒ Employment generation and poverty eradication are interrelated. In India, poverty is very high. To avoid it, some important employment programmes for poverty eradication are introduced as under :

- 1) Self Employment Programmes
- 2) Wage Employment Schemes
- 3) Prime Minister Rojgar Yojana (PMRY)
- 4) National Rural Employment Guarantee Act, 2005 (NREGA)
- 5) Housing Schemes
- 6) Social Security Schemes
- 7) Jan Dhan Yojana