
Unit-08 □ Poverty

Structure :

- 8.1 Concept of poverty**
- 8.2 Manifestation**
- 8.3 Incidence & Magnitude**
- 8.4 Causes**
- 8.5 Problems of Poverty**
- 8.6 Antipoverty strategies**
- 8.7 Effective measures in poverty alleviation Programmes**
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8.1 Concept

Poverty can be defined as a social phenomenon in which a section of the society is unable to fulfil even its basic necessities of life. In the wider sense poverty means the inability of the people to meet the social, political, financial and material requirements. When a substantial segment of a society is deprived of the minimum level of living e.g. foods, clothing, shelter, health, education etc., that society is said to be plagued with mass poverty. Many of the third world countries suffer from abject poverty. There are poverty in the developed countries also—which is known as relative poverty.

Most of the countries have tried to develop a definition of poverty. But the concept varies from one country to another. The standard of living of poor people of a developed country may differ from that of the poor country. In defining the concept of poverty, in our country, more emphasis has been placed on minimum subsistence level of living than reasonable level of living.

The poverty is of two types—absolute poverty and relative poverty. Absolute poverty means a situation when there is lack of basic minimum needs for living. This type of poverty is largely found in the less developed countries. On the other hand, relative poverty measure the comparative standard of living. When a man's standard of living is worse than other, the former is said to be relatively poor man. This type of poverty is found in the developed countries also.

8.2 Manifestation

There are various estimates and views regarding identification and measure of the poor people of a country. Besides, the methods of measuring poverty is different in different countries. Generally, we measure the total number of poor people with the help of poverty line.

8.2.1 Poverty Line

There are two ideas about poverty—one is minimum level and the other is desired level. We use the Minimum Level Concept because the main purpose of our planning is to improve the socio-economic status of lower income-group people. Though there are various measures of poverty, the outcome of all the measures is that an adult requires to consume certain amount of goods and services to live in. The money value of that minimum level of consumption is regarded as poverty line. The goods and services which yields 2250 calorie per day for an adult is the minimum requirements. The cost of purchasing, those goods and services from the market is called the minimum consumption expenditure. This is known as poverty line.

The persons who cannot even earn this minimum level of income are said to live below the poverty line. On the other hand those who earn more than this minimum level is lying above the poverty line. According to the 1960-61 price level, those whose monthly consumption expenditure is less than Rs. 20 per day are considered as people living below the poverty line.

The estimate of poverty with the help of this calorie value is known as biological approach. Many economists do not support this approach. According to them, the calorie requirement of different parts of a country is different. Besides they are many other things which are needed to maintain a minimum standard of life. Those things are also to be included in determining the poverty line.

8.2.2 In-equality in private income distribution

Inequality in the distribution of private income is an indicator of poverty of a country. From the data given by the Reserve Bank of India, we find that bottom 20% of the total population enjoys 9% of the total income, whereas top 5% enjoys 17%. Besides top 50% of the total population enjoys 69%, and that of bottom 50% enjoys 31% of the total income. We can get an idea about the inequality in income distribution from the following table :

Inequality in income distribution

Fractile group	RBI's Measure 153-54 to 1956-57		Measure of Iyenger and Mukherjee 1952-53 to 1956		N.C.A.E.R's Measure 1960	
	Rural	Urban	Rural	Urban	Rural	Urban
Top 5%	17.0	26.0	14.0	17.5	—	31.0
Top 10%	25.0	37.0	34.0	25.0	33.6	42.4
Top 50%	69.0	75.0	—	—	79.3	83.0
Bottom 20%	9.0	7.0	7.5	8.5	4.0	4.0

Source : Courtesy Datt and Sundharam

Footnote : All figures are in percent

8.2.3 Per Capita Private Consumption

Per capita private consumption is another indicator of the state of poverty of an economy. We know that consumption is a direct function of Income, hence rise in income leads to increase in consumption expenditure also. It is found that the richer section of a country consume more than the poorer section. The sixth five year plan estimated the per person consumption expenditure. As per the estimate, we find that in 1977-78, bottom 0-30% of the total population enjoys the 15% of total consumption expenditure in rural area and 13% in urban area. On the other hand top (70-100%) people enjoys 51.9% in rural area and 53.9% in urban area.

8.3 Incidence and Magnitude

Several economists and organisations have conducted studies on the extent and incidence of poverty in India. Some of them are discussed below :

- (i) **Ojha's Estimate** : Mr. P. D. Ojha estimated the number of person below poverty line on the basis of an average calorie intake of 2250 per capita per day. This entailed monthly per capita consumption expenditure of Rs. 15-18 (1960-61 prices) in Urban areas and Rs. 11-18 in rural areas. On this basis, Ojha estimated that 184 million persons in the rural areas of India (15.8% of the total rural population) and 6 million persons in the urban areas (7.6% of the total urban population) lived below the poverty line. For the country as

a whole, 190 million persons (44 percent of the total population) could be considered as poor in 1960-61.

- (ii) **Minha's Estimate :** Economist B.S. Minhas made an estimate on the basis of NSS data. According to him, those who are not able to earn and consume the minimum of Rs. 20 per capita per day lies below the poverty line on the basis of this poverty line, he has estimated that the number and ratio of poor people in rural areas has reduced from 1956-57 to 1967-68. In the year 1956-57 in rural areas of India 65% of the total population lived below the poverty line, where as it reduced to 50.6% in 1969-70.
- (iii) **Dandekar and Rath's Estimate :** Dr. V. M. Dandekar and Mr. Nilkantha Rath calculated the minimum consumption value separately for rural and urban areas. According to them, on the basis of 1960-61 prices, for the rural areas. This minimum consumption expenditure was estimated to be Rs. 180 per capita per annum and this amount is Rs. 270 for the people of urban areas. If this value is estimated on the basis of 1968-69 base year it changes to Rs. 324 and Rs. 486 for rural and urban areas respectively. As per their estimate in 1968-69 40% of the total rural population and 50% of the total urban population lived below the poverty line.
- (iv) **Pranab Bardhan's Estimate :** According to Dr. Pranab Bardhan per capita per month income of Rs. 15 is the poverty line. As per this estimate 38% and 53% people lived below the poverty line in the rural areas during 1960-61 and 1967-68 respectively. According to him, ratio of the rural population, below the poverty line has increased.
- (v) **Montek Ahluwalia's Estimate :** Montek Ahluwalia of the World Bank's Development Research Centre studied the trends in incidence of rural poverty in India for the period 1956-57 to 1973-74. He used the concept of poverty line as an expenditure level of Rs. 15 in 1960-61 prices for rural areas and Rs. 20 for urban areas per capita per month. According to his study there was no definite change in the proportion of poor in the rural areas during the period. Sometimes it has increased and then decreased. For example the percentage of rural population has decreased from 50% to 40% from the mid fifties of beginning of sixties. Again it has increased by the mid sixties and it reached to the highest in 1967-68. Then it started falling again. He has shown the direct relationship between rural poverty and agriculture. When there was good agricultural production the rural poverty decreased and it increased when there was crop failure.
- (vi) **Estimate of Poverty by the Seventh Finance Commission :** The seventh finance commission used a new definition of poverty lines which is known as Augmented poverty line. So far, we have calculated the poverty line on the basis of per capita expenditure. But in the new definition the per capita

government expenditure is also included. The following items are included in the government expenditure—

- (i) Health and family planning
- (ii) Water supply and drainage system
- (iii) Education
- (iv) Administrative cost—police, jail and court
- (v) Roads and transport
- (vi) Social welfare

On the basis of this new definition of poverty line, in 1970-71 52% of the total population (277 million) were below the poverty line. Out of this, 225 million were in the rural areas and 52 million were in the urban areas.

Incidence of Poverty in India

B. S. Minhas, R. L. Jain and S. D. Tendulkar studied the incidence of poverty in India for the period from 1970-71 to 1987-88. For this purpose they used the NSS (National Sample Survey) data.

The findings of the study are stated below—

- (i) The proportion of population below the poverty line in rural areas declined from 58.8% in 1970-71 to 48.7% in 1987-88.
- (ii) The proportion of population below the poverty line in urban areas was 46.2% in 1970-71 which was reduced to 37.8% in 1987-88.
- (iii) In absolute figures, the number of population below the poverty line in rural areas in 1970-71 was 258 million which has increased to 284 million in 1987-88.

On the other hand the figures for the urban areas was 50 million in 1970-71 and 77 million in 1987-88.

- (iv) The rate of increase of population in India was 2.2% after 1971, whereas the rate of increase of poor people is 0.9%. It indicates that there is a positive relation between developmental activities and poverty alleviation programmes.
- (v) On the basis of proportion of population lying below the poverty line, the Indian states have been categorized into two groups. One group includes those states whose proportion of poor people is above the National Average and the other group includes the states which less number of below poverty line people than the National Average.

According to the estimate of 1987-88, the states which belong to the first group are—Bihar, Orissa, Madhyapradesh, West Bengal, Assam, Uttarpradesh, Maharastra, Tamil Nadu,

Kerala and Karnataka. On the other hand the second group includes—Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Rajasthan, Tripura, Andhrapradesh and Gujarat.

8.4 Causes of Poverty

There are various causes of poverty in India which are summarised below—

- (i) **Growth of Population :** One of the most important reason for the poverty is vast population of our country. Though India occupies only 2.4% of the total land area of the world it bears 16% of the total population. The National Income of India has increased during the plan periods, but the rate of growth of population is also very high which has reduced the growth rate of per capita national level to a minimum level. This low level of per capita income leads a country into the vicious circle of poverty.
- (ii) **Unemployment :** Another most important reason is large scale unemployment. In a less developed country like India, the problem of unemployment is worth mentioning. Various developmental activities have been undertaken for improving the National Income. The ultimate objective of these schemes is to eradicate poverty. But it has been noticed that, though National Income has increased due to intervention of Government and other agencies the number of population living below the poverty line has not decreased. Therefore in each a Five Year Plan various poverty alleviation programmes were initiated.
- (iii) **Inflation :** Inflation is another reason for poverty. As the price level is increasing constantly the purchasing power of the people is decreasing. The effects of inflation is more significant on poor people. They cannot buy even the materials needed for minimum subsistence. Those who were lying just above the poverty line will also come below the poverty line. Therefore, number of people below the poverty line will ultimately increase.
- (iv) **Sickness in Industry :** Another important reason of poverty is sickness of industries. In our country many industrial units are becoming sick which makes many industrial labour unemployed. As the problems of unemployed. As the problems of unemployment is rising, the problem of poverty is also rising.
- (v) **Choice of Technology :** At present our country use the capital—intensive technology in the industrial sector. But a country with such a huge number of population labour intensive technology would have been more suitable since this could provide more employment. Instead the use of capital intensive technology has lead to increase unemployment. As a result problem of poverty have been enhanced.

- (vi) **Inequality in Income Distribution** : Inequality in distribution of income is an important factor for the poverty of our country. The major portion of the rise in National Income goes to the hands of a few rich people, where as majority of population get very less of it.

There are few other reasons contributing to the abject poverty of our country. Those are existence of semi-feudalism in agriculture, less per capita national income, lack of supply of consumption goods for the common masses etc.

8.6 Anti Poverty Strategies

In India various developmental activities have been undertaken and executed through the Five-years plans. For this purpose some aims and objectives are determined during each plan based on the country's situation. One of the most important objective of all the plans is to improve the standard of living of the common masses. Initially it was assumed that through the proper implementation of various developmental activities living standard of the common people can be improved. But in reality on this objective has been fulfilled just particularly the other hand, few rich people have become more rich by enjoying the fruits of the developmental activities.

The second five year plan emphasized on creating a favourable environment for the common people.

In the fourth five-year plan, some special programmes were undertaken, aiming at improving the socio-economic status of the weaker section of the society. Emphasis was placed on education and employment which have direct effect on poverty.

During the fifth five year plan evaluation it was noticed that the condition of the common people has not improved much. It was said, "220 milion people are living below the poverty line." Hence, the 5th five year plan emphasized on the implementation of poverty alleviation programmes which affect directly to reduce the incidence of poverty.

The 6th five year plan identified the causes behind the poverty, both in rural and urban sector. The reasons were unemployment, semi-unemployment, low productivity of the labour, low wage rate etc. It was decided the high growth rate of National Income will help in reducing the poverty. Besides special programmes were undertaken for the scheduled caste, scheduled tribe, and weaker section of the society.

The seventh five year plan, emphasized on the special poverty eradication programmes and expected that the number of people living below the poverty line will come down to 10% by the year 1994-95 and to 5% by the year 2000.

In the following plans, also, various special poverty alleviation programmes were undertaken. The 10th five year plan took the problem of poverty seriously and introduced the system of time-bound implementation of the programmes. Besides, it emphasized on evaluation and monitoring of the various poverty alleviation projects.

8.7 Effective Measures on Poverty Alleviation Programmes

The government of India has undertaken various poverty alleviation programme, which are discussed below in brief—

- (a) **Land Reforms** : During the plan periods the govt. of India, has worked for land reforms. The Zamindari system has been abolished and land has been re-distributed to the marginal farmers.
- (b) **Expansion of Bank-Loans** : The banking facilities have been extended to rural areas through Bank Nationalization in 1969. Terms and conditions have been made easier for the poor farmers, so that they can get bank loans easily. Besides various cooperatives have been working in this endeavour. At present, SHG's (Self Help Groups) are important programmes for poverty alleviation. Many banks, financial institutes N.G.O.'s are working together to form and strengthen SHG's.
- (c) **Mass-Distributions** : The government has introduced mass distribution for the poor people. In this programme, the govt collect food grains and other necessary materials and distribute to the poor people through 'Fair price shop.' The food grains and other necessities are supplied to the poor people (living below the poverty line) at comparatively lower price.
- (d) **Special Programmes** : Many specific poverty alleviation programmes have been introduced—
 - (i) Rural work programmes
 - (ii) Small Farmer's Development Agency or SFDA
 - (iii) Marginal Farmers and Agricultural Labour Development Agency of MFAL
 - (iv) Drought Prone Area programmes or (DPAP)
 - (v) Minimum Needs Programme
 - (vi) For For Work or (FAA)
 - (vii) Integrated Rural Development Programme (IRDP)
 - (viii) National Rural Employment Programme, (NREP)
 - (ix) Training of Rural Youth for Self Employment, (TRYSEM)
 - (x) Rural Landless Employment Guarantee Programme (RLEGP)
 - (xi) Jawahar Rojgar Yojana (JRY)
 - (xii) Swarnajoyanti Gramswarojgar Yojna (SJGSY)

8.8 Exercises

1. What is poverty line?
2. Discuss about the different measures undertaken for eradication of poverty.
3. What are the causes of poverty?
4. Discuss about the poverty eradication programmes.

Unit-09 □ Unemployment

Structure :

- 9.1 Introduction**
- 9.2 Magnitude of Unemployment**
- 9.3 Types of Unemployment**
- 9.4 Causes of Unemployment**
- 9.5 Consequences**
- 9.6 Measures Taken to Control Unemployment**
- 9.7 Exercises**

9.1 Introduction

In a country like India with huge population, the scope of employment generation is not sufficient, and hence the problem of unemployment is accelerating day by day. Unemployment means a situation when some able-bodied person (15-60 years old) do not get any productive and Income generating job according to his or her eligibility.

There are different concepts about unemployment. National Sample Survey Organisation (NSSO) has conducted survey on unemployment since 1972-73 and they have formulated three concepts of unemployment—

- (i) Usual Status unemployment.
- (ii) Current weekly status unemployment
- (iii) Current daily status unemployment.

The persons who do not get job and remain unemployed for one year or more, are known as Usual Status Unemployment. This is a long-term phenomenon. This is also known as Open Unemployment.

If a person does not get a job for at least one hour in a week, that is known as weekly status unemployment.

If a person does not get a job for at least one-hour in a day, that is known as daily status unemployment.

9.2 Magnitude of Unemployment

As per the estimate of 947 Employment Exchanges in India, total 4.08 crore candidates registered their names for employment in 2004. Out of this 70% are educated (10th standard or more) of the total registered persons 26% are women. West Bengal have the maximum number of job-seekers, (69.3 lakhs) among all the states of India (Source : GOI Economic Survey 2004-05).

According to the NSSO data, yearly employment has increased by 1% during the period 1993-94 to 1999-2000. In 1983, total number of employment was 303 million which increased to 374 million in 1994 and it further increased to 397 million in 2000. In 2000 total 28.11 million people were employed in the organised sector which was 7% of the total employments of the country.

The survey reports indicate that number of employment is gradually decreasing in the organised sector. The main reason behind this is decline in employment in the Government sector. The rate of employment in the Government sector was 1.52% for the period 1983-1994. Which decreased to (-) 0.33% for the period 1994-2000.

We can get a picture of Employment vs Unemployment in the rural and urban areas. For the period 1999-2000, total population of India was 10003.97 million. Out of this total number of labour force was 363.33 million and total working people were 336.75 million. Therefore, total unemployed people were 26.58 million (7.32%).

For the period 1999-2000, total population of rural area was 727.50 million and total number of labour was 270.39 million. Out of this, number of total working people was 250.89 million. Therefore, total unemployed people were 19.30 million (7.21%).

In the urban areas, for the same period, total population was 276.47 million. Total number of labour was 92.95 million and otherwise employed persons were 85.84 million. That is total number of unemployed was 7.11 million (7.65%).

9.3 Types of Unemployment

Those, who are eager to have job at the current wage rate but they are not getting any job opportunity, are known as unemployed. The nature of unemployment is different in an underdeveloped country and developed country. In developed countries, main reasons behind unemployment is economic crisis and due to change in the industrial infrastructure and change in the use of technology.

There are different types of unemployment in a developing country like India. Those are :

- (i) **Seasonal Unemployment** : Seasonal unemployment is largely found in the agricultural sector. Agriculture is dependent on season. In many cases it is found that the agriculture labours do not get any job for many days in a year, but they remain employed during the peak seasons. This type of unemployment is called as seasonal unemployment. In the industrial sector also, this type of unemployment is found. Winter garments making farms and tea gardens are best examples of that.
- (ii) **Disguise-unemployment** : Disguise unemployment is normally found in the agricultural sector. In the rural areas, agriculture is a family profession. So generally all the members of the family engage themselves in agricultural activities. Therefore, it is estimated that all members of the agricultural families are employed. But sometimes the land owned by a family requires less number of persons than the number of members a family has. That means some members are excess and the marginal productivity is zero. So some members are disguised unemployed.
- (iii) **Structural Unemployment** : Modernisation of industries means use of improved technologies instead of old one and improved machines, computer etc. are used extensively. With the improvement of technology, trained laboures are employed. As a result, the persons employed earlier become excess (as new technology is capital-intensive) and the workers who cannot update themselves with the new technology become unemployed. This is known as structural unemployment.
- (iv) **Trade Cycle Unemployment** : In a capitalistic economy, a type of unemployment appears due to the presence of trade cycle. Sometimes, there is economic crisis and sometimes economic boom. During the crisis period, demand for industrial product decreases. As a result the producers also reduce production which creates an environment of joblessness for some workers. This types of unemployment is known as trade-cycle unemployment. Though, India is a mixed economy, the characteristics of capitalist economy are present. So, trade cycle is very much a reality in the country, resulting into trade-cycle unemployment. Presently, India is undergoing a massive economic reforms and privatisation is an integral part of the reforms. Hence, trade-cycle unemployment has become a problem of the day.
- (v) **Frictional Unemployment** : Frictional unemployment arises due to the inconsistency between demand and supply in the market. Because of this we mark radical change in the production system. Sometimes, deterioration in the relationship between labour and owner is also marked. As a result of such frictions a section of the labourer may loose their job which is termed as frictional unemployment.
- (vi) **Educational Unemployment** : When people of a country do not get a suitable job as per their educational qualifications and efficiency, that is known as

educational unemployment. During the plan periods in India, conventional education has expanded much more than vocational education has expanded much more than vocational education compared to the number of educated persons, job opportunity is less. Thus educated people do not find it easy to get a suitable job. This is called educational unemployment.

9.4 Causes of Unemployment

There are various causes of unemployment in our country. Those are enumerated below.

- (i) **High Growth Rate of Population :** High growth rate of population is one of the most important reasons of increasing unemployment. As the number of total population is increasing, total number of work force is also increasing, but rate of creation of job opportunity is less. This has contributed in the rise of unemployment problem.
- (ii) **Lack of Irrigation Facilities :** In 1950-51, only 17% of the total cultivable land was under the irrigation scheme, which has increased to 35% in 1992-93 on the contrary 2/3rd of the total cultivable land is dependent on rainfall. Thus, majority of the land area is single cropped, i.e cultivation done only once in a year. Therefore, agricultural workers get only in the cropping season and remain jobless during the remaining days which give rise to seasonal unemployment.
- (iii) **Slow Employment Rate in Industries :** The growth rate of employment generation in different industries is much less than that of growth rate of working population. Obviously, this leads to unemployment.
- (iv) **Immigration of Labourer from Rural to Urban Areas :** High pressure of population in the agricultural sector compels rural people to migrate from the rural sector to urban industrial area in search of job. This has increased the number of migrated labour in the urban sector. But all of them do not get earning opportunity.
- (v) **Capital-Intensive Technology :** In our country, foreign technology is used for industrialization. These are capital intensive technology suitable to their countries. But ours is a labour abundant economy. So, labour intensive technology would have been suitable. As a result of using this technology along with the introduction of computer technology, rate of growth of employment has decreased. This has been increasing the problem of unemployment and underemployment in the country as a whole.
- (vi) **Defective Education System :** Our education system has emphasised on conventional system of education system. In the plan periods job oriented

education was not given the priority. Hence number of educated unemployment has been growing. Recently, introduction of computer technology has aggravated the problem. But in the recent years, emphasis has been placed on vocational and professional education for tackling the unemployment issue effectively.

9.5 Consequences

India is a highly populated country. The problem of unemployment is rising along with the high growth rate of population. The problem of under-employment and disguise unemployment are parallel to the open unemployment. This has posed serious threat to the various developmental programme to improve the socio-economic status of the country. The consequences of unemployment problem are as follows—

- (a) **Low per capita Income :** High rate of unemployment is the most important reason for low per capita income of a country. The per capita income is obtained by dividing the National Income by the total population of a country. Though the growth rate of National Income has risen to some extent the per capita income has not increased due to high growth rate of population. A huge amount of total workforce is jobless. So, they cannot participate in the productive units. But they consume a considerable portion of the total National Income. As a result, the problem of poverty is enhanced.
- (b) **Inequality in Income Distribution :** In a developing country, inequality in income distribution is an important feature. A few number of rich people enjoy the majority of National Income, whereas, most of the poor people get less. The problem of unemployment is conducive to this problem of inequality income distribution those, who are unemployed do not participate in any productive activity. So they do not earn any income. So, the number of people below poverty line is increasing.
- (c) **Low Productivity :** High growth rate of unemployment reduces the productivity per labour. Generally, by productivity, we mean, amount of production per unit of factor. Labour is the most important factor of production. As there is huge number of under-employment and disguise unemployment in agricultural sector the productivity is also low. Besides, the standard of living of the unemployed persons is also very poor.
- (d) **Low Participation rate in the work-force :** The participation rate in total workforce is less. According to the NSS report in 1987-88 people's participation rate in the total workforce was 52.45% (for the males) and 20.10% (for the females). The reason behind this low participation rate is lack of suitable job.
- (e) **Poor Standard of Living :** Per capita National Income was considered as an index of development of a country. But high rate of growth of unemployment

reduces the per capita income. As the per capita income is low, their consumption centric expenditure is also low. So, standard of living of the people of the country becomes lower.

9.6 Measures Taken to Control Unemployment

At the initial stages of the plan period, it was assumed that the growth of an economy would reduce the unemployment problem through creating more employment opportunity. Therefore no special measures were taken to control unemployment. In almost all the plans — planners set an objective of employment generation among the masses but it was not realized. The government of India formed a committee headed by M. Bhagwati. The suggestions made by the committee were published in 1973. On the basis of those suggestions some programmes were undertaken.

- (i) **Rural Works Programmes** : This programme emphasized on establishing permanent earning units in the rural areas. This aims at reducing the unemployment problem in rural areas.
- (ii) **Marginal Farmers and Agriculture Labourer's Programme (MFAL)** : This programme was initiated to provide financial help to the marginal farmers and agricultural labourer for improving agricultural activities and its allied activities e.g. dairy farming, poultry farming etc.
- (iii) **Small Farmers Development Agency (SFDA)** : This programme was launched with the objective of helping the small farmers to introduce improved technology in agriculture.
- (iv) **Integrated Dryland Agricultural Development Programme** : Some permanent project was undertaken for improvement of agriculture e.g. land conservation and development, irrigation etc. Those are labour intensive technology which help in creating employment opportunity.
- (v) **Agro-Service Centre** : This is a self-help programme, which provides job opportunity to the vocationally trained persons. It helps the unemployed youths to earn by rendering services like repairing of agricultural machines, spare parts etc.
- (vi) **Area Development Programme** : This programme was undertaken for infrastructure development for specific areas through road construction, market complex development etc.
- (vii) **National Rural Employment Programme : (NREP)** : This programme was launched in October, 1980. The main purpose of this programme was to assist seasonal unemployed people of rural areas. This emphasizes providing 300-400 million man-days of job yearly.

- (viii) **Rural Landless Employment Guarantee Scheme (RLEGP) :** RLEGP was started in the month of April in 1983 as a complementary NREP. The main objective was to create employment opportunity through creating permanent asset in the rural areas. It aims at improving the standard of living of the people of rural areas.
- (ix) **Integrated Rural Development Programme (IRDP) :** In the sixth five year plan. IRDP was initiated. The main objective of this programme was to increase the employment opportunity among the rural unemployed. It's strategy was to supply various factors of production to work through self-help groups.
- (x) **Jawahar Rojar Yojana (JRY) :** JRY was initiated in 1989, encompassing the NREP & RLEGP programmes. It aims at improving the standard of living of the rural poor by improving the infrastructure and creating community wealth.
- (xi) **Others :** Many other programmes have been undertaken such as—Dairy Development project, Drought Prone Area programme, Indira Abas Yojana etc.

Though so many programmes have been launched number of unemployed people is increasing day by day. Actually the rate of employment generation is not enough to absorb the rising work force unemployment and poverty are inter-related. To eradicate poverty unemployment must be controlled. Therefore, priority should be given on opulation control alongwith employment generation efforts both by the public and private sectors.

9.7 Exercises

1. Explain the concept of Unemployment.
2. What are the types of unemployment ? Illustrate.
3. Analyse the causes of unemployment?
4. Critically analyse the programmes undertaken to control the problem of unemployment.

Unit-10 □ Population Explosion

Structure :

- 10.1 Demographic Profile
- 10.2 Causes of Population Growth
- 10.3 Effects of Population Explosion
- 10.4 Population Policy
- 10.5 Family Welfare Programmes
- 10.6 Population Control
- 10.7 Exercises

10.1 Demographic Profile

India occupies only 2.4% of world's land area but it bears the burden of 16.7% of the world population. India is next to China regarding the number of population in the world as a whole. But if the present growth rate of population remains to continue, it will outweigh China expectedly by 2025.

By the start of 19th century total population of India was 236 million. As per the census of 2001 the number has increased to 1028 plus million.

If we study the nature of growth rate of population in India, three phases are noticed—

1st Phase—1891 to 1921

2nd Phase—1921 to 1951

3rd Phase—1951 to 1996

1st Phase : In the 1st phase the population increased from 236 million (1891) to 251 million (1921) during the span of 30 years. That is population rose by 15 million. In this period, the rate of growth of population was comparatively low because both the birth rate and death rate was high.

2nd Phase : In the 2nd phase population of India rose from 251 million (1921) to 361 million (1951). It means that population rose by 110 million during this period of 30 years. The growth rate of population was higher because the death rate declined whereas

birth rate was not checked. Some deadly diseases like, plague, cholera, small pox etc. were controlled satisfactorily resulting into reduction in the death rate.

3rd Phase : In the 3rd phase the population was 361 million in 1951 which was increased to 683 million in 1981. This shows the record growth of population by 322 million in 30 years. The five year plan was initiated in this phase. Due to expansion of medical services death rate declined drastically (from 40 per thousand to 15 per thousand). As a result, growth rate of population reached at maximum during this period. The growth rate of population reached to 2.11% per year.

During the period 1981-2001 population increased by 345 million, from 683 million to 1028 million. Just in a period of 20 years.

The growth rate of population is the result of birth rate and death rate. The difference between these two makes the growth rate so high in India. This will be clear from the following table—

Table No. 1.1
Average Birth Rate and Death Rate

Year	Birth rate (per thousand)	Death rate (per thousand)	Growth rate
1901-1910	49.2	42.6	6.6
1910-20	48.1	47.2	0.9
1921-30	46.4	36.3	10.1
1931-40	45.2	31.2	14.0
1941-50	39.9	27.4	12.5
1951-60	40.9	22.0	18.9
1961-70	41.2	19.0	22.2
1971-80	36.8	15.7	21.1
1981-90	33.7	12.6	21.1
1991-2000	—	—	—

Source : Census of India

10.2 Causes of Growth of Population

We have learned from the above discussion that population growth rate depends on the birth rate and death rate. It is worth noticing that the main reason for high population growth rate in India, is due to rapid reduction the death rate, since the birth rate could not

be reduced to that extent. During the period 1921-30 and 1961-70, the birth rate was declined by 5.2% but the death rate declined by 17.3. This naturally increased the growth rate of population by 12.1 during that period.

Theory of Demographic Transition : The theory of demographic transition on the basis of historical experience can be discussed in brief to understand the scenario. If we study the change in the growth of population of an industrially developed country, three stages of growth are experienced.

1st Stage : When the economy is dependent on agricultural activities, both the birth rate and death rate are high. As a result the natural growth rate of population is low.

2nd Stage : When the country experience the introduction of industrialization, average income and per-capita income rises. In the that case death rate reduces fast, but the birth rate remains almost unchanged. As a result growth rate also rises.

3rd Stage : When the country becomes an economically developed, the financial status and standard of living of the pople improve. They become more conscious about their standard of living to maintain at a particular level. As a result, birth rate declines. On the other hand death rate declines due to significant improvement in the health and medical services. So, in this stage of development both the birth rate and death rate become low resulting into low growth rate of population.

Indian Experience : India was lying in the 1st stage of development till twenties of 20th century. Both the birth rate and death rate were high. For example, in 1920, birth rate was 48% and death rate was 47.2% and hence the growth rate was as low as 0.9%. India passed into the 2nd stage of development since 1950's when the death rate declined very fast. It declined to 19.0% in 1970 but the birth rate did not decline at that pace. But the features of the 2nd stage is different from industrially developed countries. The death rate has declined without much improvement in the standard of living of the people.

The Indian Economy is still regarded as agricultural economy. Very recently since 1991 Indian economy is growing fast with adoption of New Economic Policy. The policy emphasises on economic reforms, the main features of which are liberalization, privatization and globalization.

The reason for decline in the death rate was improvement in medical services. With this improvement, various deadly diseases like, tuberculosis, cholera, malaria, small pox etc were controlled successfully. The improvement in providing health services so that it reaches to all the people has also a positive effect towards this. Various steps were taken to make the people conscious about health services. The standard and coverage of primary Health Services were improved in the rural areas. The decline in the death rate was started much before the intitiation of urbanisation and industrialisation. That indicates that, in India, it did not follow the 2nd stage of demographic transition. It is found that though the death rate, declined but the birth rate was high enough which caused a high growth rate of 2.22%.

The reasons for high birth rate are below :

- (i) **Universal Marriage of Women** : Marriage of women is a universal phenomenon. Almost all the women get married, due to some social reasons. From a study in 1981 it is learnt that there were only .55% (aged between 40-44 years) women who were not married. As the married women give birth to child, this incident is also responsible for high birth rate.
- (ii) **Universal Motherhood** : Motherhood among the married women is almost universal that is all the married women give birth to child, except a minor percentage. As per the estimate of 1981 there were only 6.1% women (aged more than 50 years) who did not give birth to any child. But, unmarried women were also included in this estimate.
- (iii) **Age at Marriage Among Women** : Generally, women get married at their earlier age. This is more so among rural poor women. During 1891-1901, number of women married before 14 years of age was 27%. But there was a little improvement since 1929 when the child marriage Restraint Act was passed. In 1921, average age of marriage was 13.7 year which raised to 15.8 years in 1961 and 19.4 year in 1994. The rate of child-bearing by a woman is maximum between 15-44 years of age. Hence the early marriage among women give rise to high birth rate of children.
- (iv) **Partially Effective Birth Control Method** : During the plan period various methods have been adopted to control the birth rate which was partially effective. In many cases, the planning was defective. Besides, Lack of education and awareness, superstitious belief, religious faith, eagerness to have more child etc also played significant role in making the population control initiative less effective. According to the estimate of 1981 a woman within the age group of 15 to 49 years has borne 4.99 child on an average. This implies that there was birth of 499 children per hundred women.

10.3 Effects of Population Explosion

(i) Low per capita Income :

The National income has increased during the plan periods. But the per capita income has not increased much due to high growth rate of population. The per capita income is obtained by dividing the National Income by the total number of population per capita income is considered as an index of the standard of living of a country. At present HDI (Human Development Index) is used instead of per capita National Income. The growth rate of National income was 4.21% during the period of 40 years from 1950-51 to 1990-91. But the per capita income has increased by 2.23% only. The growth rate of National Income was 5.5% during the period 1990-91 to 1997-98 but the per capita has increased by 3.6% only (on the basis of 1980-81 prices).

(ii) Lowering the Growth Rate of National Income :

The growth rate of National Income is retarded by high growth rate of population. If the population growth rate is high, per capita National Income will be low. This means the saving will be low which results in low rate of investment. We know, that a country's production is directly related to the rate of investment. So, low per capita income leads to low production.

(iii) Food Problem :

Economist Malthus was first to find relationship between population growth and food problem, when he published "Essays on population." The per capita cultivable land is gradually falling due to high growth rate of population. From 1921 to 1991 the per capita cultivable land has reduced from 1.11 acre to 0.47 acre. It clearly indicate that there is a decrease by 58%.

Availability of per capita grain has not increased expectedly. During the period 1956 to 1997 the local amount of food grains (cereals and pulses) production has increased from 63 million ton to 177 million ton. But population has increased from 397 million to 4.98 during the same time. As a result, per capita food grains increased from 431 gram to 512 gram.

(iv) Population and Unproductive Consumer :

The total population can be divided into two groups—productive consumer and unproductive consumer. Productive consumers are those who have positive contribution to the National production. On the other hand by unproductive consumption, we mean those who have no contribution to the National income. For example, child, old persons etc belong to this group. As the population is increasing, the unemployment problem is also rising. Number of unproductive consumer is rising. This implies that though the users of National income is increasing but producers are not increasing. In 1961, total unemployed persons were 256 million which increased to 464 million in 1981. 42% of the total population belongs to the age group of 0-14 years. This group is not productive consumer.

(v) Population and Unemployment Problems :

When the number of people increases, the number of working people also increases. Therefore, high growth rate of population aggravate the problems of unemployment. Total number of unemployed persons was 20.7 million in 1980, which reach to 28 million by 1997. Though various programmes are implemented through the five year plans, employment has not been generated enough to absorb all of them. Therefore, the problem of unemployment is rising further.

(vi) Population and the Problems of Education, Health and Housing :

The rise in the number of population means rise in the number of children also. So, educational expenditure has also been rising. Educational expenditure is a type of social investment. If the students of our country is well educated and trained it will form efficient

work-force for the country so that the productivity increases. As per the estimate on educational expenditure per student is Rs. 144.00 per year on this basis, the total expenditure for the students of 6-14 years old, (156 million children) is Rs. 2246 crore. If university education expenditure is added it will naturally be much higher.

As the population is increasing expenditure on health and housing is also steadily rising.

10.4 Population Policy

The growth of population in our country is very high and to control this high growth rate of population a definite policy is required. Population has increased by 161 million from 1981 to 1991 and it has gone up to 1028 million in 2001.

India is first in the world to adopt family planning programme. It initiated the programme in the year 1952. But emphasis was given in the 3rd five-year plan period. The plan proposal declares that the objective of the programme was stabilizing the growth of population over a reasonable period. Specifically it was mentioned that—

(i) Child Birth Rate (CBR) should be reduced to 25 by 1973.

(ii) The CBR must reach to 23 by the period 1978-79.

But these objectives were not fulfilled because of various reasons.

National Health Policy was declared in 1983 as per the suggestions given by 'working group on population policy.'

The aims of this policy were :

(i) The Net Re-production rate is to be reduced to 1 by 2000.

(ii) To reach this target the birth rate and death rate should be 21 and 9 respectively (Per thousand). The Infant Mortality Rate should decline to below 60. It was decided that these targets, should be reached by 2006-2011.

Population Policy (1997-2002) :

The population policy of the 9th five-year plan (1997-2002) identified three basic factors for high growth rate of population—

(i) The number of child bearing persons (fertile women) is very high, which is responsible for high birth rate. Number of women (15-44 year old) was 78.8 million in 1961, but it reached to 144.2 million in 1997.

(ii) As the IMR (infant mortality rate) is high, a person eager to have more children.

(iii) The population control methods were not upto the satisfaction of the persons concerned.

The objectives of the 9th plan were as follows—

- (a) IMR should reach 50 (per thousand).
- (b) CBR (Child Birth rate) should decline to 23,
- (c) TFR (Total Fertility rate) is to be 2.6.

The measures taken to reach the above-mentioned target by 2002 were

- (i) To take necessary measures for safe and assured motherhood.
- (ii) To increase the acceptability of contraceptives.
- (iii) To make abortion legal by introducing appropriate Act.
- (iv) To arrange effective nutritional services.
- (v) To keep under control the sexual diseases like STD and RTI (Reproductive Truck Infection)

To achieve the targets of this population policy, some other programmes were emphasised such as :

- (i) Improvement of the primary Health Centres (PHC). There should have one male doctor, one female doctor and one doctor responsible for population programmes in each PHC.
- (ii) To reduce the death rate due to motherhood, arrangement were made for safe delivery by AMM. Training facilities for dealing with IUD (Intra Uterian Disease), provision for sterilization in each pitch etc. was made.
- (iii) Integration of population policy with total literacy mission (TLM) was made.
- (iv) Took measures to promote use of contraceptives.

National Population Policy 2002 :

This policy targeted to reach 'Replacement Level of Fertility rate' by 2010. Besides, it emphasized on reaching the target of stability in population growth by 2045.

Other objectives of this policy are as follows :

- (i) Reduction in IMR (Infant Mortality Rate) to 30 per thousand.
- (ii) Reduction in MMR (Maternal Mortality Rate) to less than 100 per lakhs.
- (iii) Make provision for cent percent success in registration of birth and death incidents, marriage registration universalising immunization.
- (iv) To promote the marriage of women at right age (18 years and above)
- (v) To make provision for safe delivery through any institution (80% cases) and by trained person (100% cases).

A permanent institution, namely National Commission on population, was established to look after the implementation of population policy. A population stabilization fund was formed with Rs. 100 crore, for using the same for implementing the National population policy.

10.5 Family Welfare Programmes and Population Control

In 1952, the government of India started Family planning programme to control the rate of growth of population. But the programme was seriously undertaken in 1966-67. With some definite objectives. The objectives of the programme as has been mentioned in the 6th five-year plan were—

- (i) To reduce the average number children per family from 4.2 to 2.3.
- (ii) To bring down the rate of CBR at 21 and IMR at 60.
- (iii) To increase the number of couples using family planning methods to 60%.

These targets were determined to attain stability in population growth rate by 2050.

But there was not much success in this sector during the 6th plan period. So, in the 7th five year plan the targets were reviewed and attainable targets were formulated. This plan aimed at attaining the CPR (Couple protection Rate) at 42%.

Besides, sterilization target was fixed at 31 million by 1990. To have wider acceptance of the family planning activities, the family planning programme was renamed as Family welfare programme and the nature of programme was reviewed accordingly.

The main features of Family welfare programmes were :

- (i) To aware the people about the importance of small family.
- (ii) To ensure the supply to contraceptives through Family Welfare Centres.
- (iii) Integration and cooperation of Mother and Child Health (MCH) programme with Family Welfare Programmes.
- (iv) To provide financial assistance for accepting sterilization methods.
- (v) To improve the health services.
- (iv) To provide facilities for women education and employment
- (vii) To provide training to the family welfare workers and inspire them by providing various facilities.
- (viii) To take steps to raise the age of marriage.
- (ix) The couple should be provide with proper information regarding legal abortion.

- (x) To give emphasis on research and development on Family Welfare programme mainly on Non permanent methods of contraception

10.7 Exercises

1. Analyse the causes of high growth rate of population in India.
2. What are the effects of population growth on the country's economy ?
3. What are the reasons for high child birth rate? Illustrate.
4. Write an essay on the Indian population policy.
5. What is Family Welfare planning? Discuss its salient features.