




# Problem of Poverty

IN THIRD WORLD COUNTRIES

# Introduction

- ▶ Poverty is one of the most widespread socio-economic problems of the third world countries (economically backward countries).
- ▶ It is not only socio-economic but even emotional, cultural and political in nature.
- ▶ The problem of poverty is very closely linked up with unemployment. Poverty and unemployment, the twin social problems are found throughout the length and breadth third world countries (India included).

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- ▶ The study of poverty therefore invites invariably a number of questions:
    - ✓ What is poverty?
    - ✓ What is the extent or magnitude of poverty?
    - ✓ What are the causes of poverty?
    - ✓ How to measure poverty?
    - ✓ What are its socio-economic effects?
    - ✓ What are the effective solutions to poverty? Etc.

# Definition of Poverty

- ▶ Adam Smith: A person “...is rich or poor according to the degree in which he can afford to enjoy the necessaries, the conveniences and the amusements of life.”
- ▶ Goddard: “Poverty is insufficient supply of those things which are requisite for an individual to maintain himself and those dependent upon him in his health and vigour.”

## Explanation of poverty in terms of “Poverty Line”

- The first Director General of FAO (Food and Agricultural Organization of the UNO) was the first to explain poverty on the basis of ‘starvation line’ in 1945. According to him an intake of less than 2300 calories of food per person per day, was considered the line of starvation and this has been transformed into “poverty line”.
- The Indian Planning Commission defined “poverty line” on the basis of nutritional requirements of 2400 calories per person per day for rural areas and 2100 calories per person per day for urban areas.

# Absolute Poverty and Relative Poverty

- ▶ These two expressions are another aspects of poverty when an in-depth study of the concept is attempted.
- ▶ Absolute Poverty
  - ✓ Absolute poverty is often known as “subsistence poverty” for it is based on assessments of minimum subsistence requirements or basic “physical needs” such as food, clothing, shelter, health requirements etc.
  - ✓ The concept of absolute poverty has been widely criticised. It is based on the assumption that there are minimum basic needs for all people in all societies. This is a difficult argument to defend even in regard to subsistence poverty measured in terms of food, clothing and shelter.

## ▶ Relative Poverty

- ✓ The difficulties involved in the application of the concept of “absolute poverty”, made some researchers to abandon the concept altogether.
- ✓ In place of absolute standards, they have developed the idea of “relative standards” that is, standards which are relative to particular time and place.
- ✓ Relative poverty is measured in terms of judgements by members of a particular society of what is considered reasonable and acceptable standard of living and styles of life according to the conventions of the day. Just as conventions changes from time to time, and place to place, so will definitions of poverty”.
- ✓ In a rapidly changing world, definitions of poverty based on relative standards will be constantly changing.
- ✓ Even the concept of relative poverty presents certain problems. It cannot be assumed that there are universally accepted standards of reasonable and acceptable life-styles. Within a particular society, ethnicity, class, religion, age and a variety of other factors can vary judgements of reasonable living standards.



# Causes of Poverty

- ▶ Inadequate Economic Development
- ▶ Increasing Unemployment
- ▶ Inflationary Pressures
- ▶ Capital Deficiency
- ▶ Dependence on Agriculture
- ▶ Overpopulation
- ▶ Illiteracy and Ignorance
- ▶ Etc.