ECONOMICS

Textbook for Class IX

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FOREWORD

The National Curriculum Framework (NCF), 2005, recommends that children's life at school must be linked to their life outside the school. This principle marks a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home and community. The syllabi and textbooks developed on the basis of NCF signify an attempt to implement this basic idea. They also attempt to discourage rote learning and the maintenance of sharp boundaries between different subject areas. We hope these measures will take us significantly further in the direction of a child-centred system of education outlined in the National Policy on Education (1986).

The success of this effort depends on the steps that school principals and teachers will take to encourage children to reflect on their own learning and to pursue imaginative activities and questions. We must recognise that given space, time and freedom, children generate new knowledge by engaging with the information passed on to them by adults. Treating the prescribed textbook as the sole basis of examination is one of the key reasons why other resources and sites of learning are ignored. Inculcating creativity and initiative is possible if we perceive and treat children as participants in learning, not as receivers of a fixed body of knowledge.

These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time-table is as necessary as rigour in implementing the annual calendar so that the required number of teaching days are actually devoted to teaching. The methods used for teaching and evaluation will also determine how effective this textbook proves for making children's life at school a happy experience, rather than a source of stress or boredom. Syllabus designers have tried to address the problem of curricular burden by restructuring and reorienting knowledge at different stages with greater consideration for child psychology and the time available for teaching. The textbook attempts to enhance this endeavour by giving higher priority and space to opportunities for contemplation and wondering, discussion in small groups, and activities requiring hands-on experience.

The National Council of Educational Research and Training (NCERT) appreciates the hard work done by the textbook development committee responsible for this book. We wish to thank the Chairperson of the advisory group in Social Sciences, Professor Hari Vasudevan and the

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Chief Advisor for this book, Professor Tapas Majumdar for guiding the work of this committee. Several teachers contributed to the development of this textbook; we are grateful to their principals for making this possible. We are indebted to the institutions and organisations which have generously permitted us to draw upon their resources, material and personnel. We are especially grateful to the members of the National Monitoring Committee, appointed by the Department of Secondary and Higher Education, Ministry of Human Resource Development under the Chairmanship of Professor Mrinal Miri and Professor G.P. Deshpande, for their valuable time and contribution. As an organisation committed to systemic reform and continuous improvement in the quality of its products, NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinement.

Director
National Council of Educational
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New Delhi
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THE CONSTITUTION OF INDIA

PREAMBLE

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a [1]**[SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC]** and to secure to all its citizens :

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the [2][unity and integrity of the Nation];

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949 do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

1. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Sovereign Democratic Republic" (w.e.f. 3.1.1977)
2. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Unity of the Nation" (w.e.f. 3.1.1977)

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Our National Anthem

Jana-gana-mana adhinayaka, jaya he
Bharata-bhagya-vidhata.
Punjab-Sindh-Gujarat-Maratha
Dravida-Utkala-Banga
Vindhya-Himachala-Yamuna-Ganga
Uchchhala-jaladhi-taranga.
Tava shubha name jage,
Tava shubha asisa mage,
Gahe tava jaya gatha.
Jana-gana-mangala-dayaka jaya he
Bharata-bhagya-vidhata.
Jaya he, jaya he, jaya he,
Jaya jaya jaya, jaya he!

Our National Anthem, composed originally in Bangla by Rabindranath Tagore, was adopted in its Hindi version by the Constituent Assembly as the national anthem of India on 24 January 1950.

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Constitution of India

Part IV A (Article 51 A)

Fundamental Duties

It shall be the duty of every citizen of India —

(a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;

(b) to cherish and follow the noble ideals which inspired our national struggle for freedom;

(c) to uphold and protect the sovereignty, unity and integrity of India;

(d) to defend the country and render national service when called upon to do so;

(e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;

(f) to value and preserve the rich heritage of our composite culture;

(g) to protect and improve the natural environment including forests, lakes, rivers, wildlife and to have compassion for living creatures;

(h) to develop the scientific temper, humanism and the spirit of inquiry and reform;

(i) to safeguard public property and to abjure violence;

(j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;

*(k) who is a parent or guardian, to provide opportunities for education to his child or, as the case may be, ward between the age of six and fourteen years.

Note: The Article 51A containing Fundamental Duties was inserted by the Constitution (42nd Amendment) Act, 1976 (with effect from 3 January 1977).

*(k) was inserted by the Constitution (86th Amendment) Act, 2002 (with effect from 1 April 2010).

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1

Chapter

The Story of Village Palampur

Overview

The purpose of the story is to introduce some basic concepts relating to production and this we do through a story of a hypothetical village called Palampur.*

Farming is the main activity in Palampur, whereas several other activities such as small scale manufacturing, dairy, transport, etc. are carried out on a limited scale. These production activities need various types of resources — natural resources, man-made items, human effort, money, etc. As we read through the story of Palampur, we will learn how various resources combine to produce the desired goods and services in the village.

Introduction

Palampur is well-connected with neighbouring villages and towns. Raiganj, a big village, is 3 kms from Palampur. An all weather road connects the village to Raiganj and further on to the nearest small town of Shahpur. Many kinds of transport are visible on this road starting from bullock carts, *tongas*, bogeys (wooden cart drawn by buffalos) loaded with jaggery (*gur*) and other commodities to motor vehicles like motorcycles, jeeps, tractors and trucks.

This village has about 450 families belonging to several different castes. The 80 upper caste families own the majority of land in the village. Their houses, some of them quite large, are made of brick with cement plastering. The SCs (dalits) comprise one third of the population and live in one corner of the village and in much smaller houses some of which are of mud and straw. Most of the houses have electric connections. Electricity powers all the tubewells in the fields and is used in various types of small business. Palampur has two primary schools and one high school. There is a primary health centre run by the government and one private dispensary where the sick are treated.

Picture 1.1 *Scene of a village*

- The description above shows that Palampur has fairly well-developed system of roads, transport, electricity, irrigation, schools and health centre. Compare these facilities with those in your nearby village.

The story of Palampur, an imaginary village, will take us through the different types of production activities in the village. In villages across India, farming is the main production activity. The other production activities, referred to as non-farm activities include small manufacturing, transport, shop-keeping, etc. We shall take a look at both these types of activities, after learning a few general things about production.

* The narrative is partly based on a research study by Gilbert Etienne of a village in Bulandshahr district in Western Uttar Pradesh.

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Organisation of Production

The aim of production is to produce the goods and services that we want. There are four requirements for production of goods and services.

The first requirement is **land**, and other natural resources such as water, forests, minerals.

The second requirement is **labour**, i.e. people who will do the work. Some production activities require highly educated workers to perform the necessary tasks. Other activities require workers who can do manual work. Each worker is providing the labour necessary for production.

The third requirement is **physical capital**, i.e. the variety of inputs required at every stage during production. What are the items that come under physical capital?

(a) *Tools, machines, buildings:* Tools and machines range from very simple tools such as a farmer's plough to sophisticated machines such as generators, turbines, computers, etc. Tools, machines, buildings can be used in production over many years, and are called **fixed capital**.

(b) *Raw materials and money in hand:* Production requires a variety of raw materials such as the yarn used by the weaver and the clay used by the potter. Also, some money is always required during production to make payments and buy other necessary items. Raw materials and money in hand are called **working capital**. Unlike tools, machines and buildings, these are used up in production.

There is a fourth requirement too. You will need knowledge and enterprise to be able to put together land, labour and physical capital and produce an output either to use yourself or to sell in the market. This these days is called human capital. We shall learn more about **human capital** in the next chapter.

- In the picture, identify the land, labour and fixed capital used in production.

Picture 1.2 *A factory, with several labourers and machines*

Every production is organised by combining land, labour, physical capital and human capital, which are known as **factors of production**. As we read through the story of Palampur, we will learn more about the first three factors of production. For convenience, we will refer to the physical capital as the capital in this chapter.

Farming in Palampur

1. Land is fixed

Farming is the main production activity in Palampur. 75 per cent of the people who are working are dependent on farming for their livelihood. They could be farmers or farm labourers. The well-being of these people is closely related to production on the farms.

But remember that there is a basic constraint in raising farm production. Land area under cultivation is practically fixed. Since 1960 in Palampur, there has been no expansion in land area under

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cultivation. By then, some of the wastelands in the village had been converted to cultivable land. There exists no further scope to increase farm production by bringing new land under cultivation.

> The standard unit of measuring land is hectare, though in the villages you may find land area being discussed in local units such as *bigha, guintha* etc. One hectare equals the area of a square with one side measuring 100 metres. Can you compare the area of a 1 hectare field with the area of your school ground?

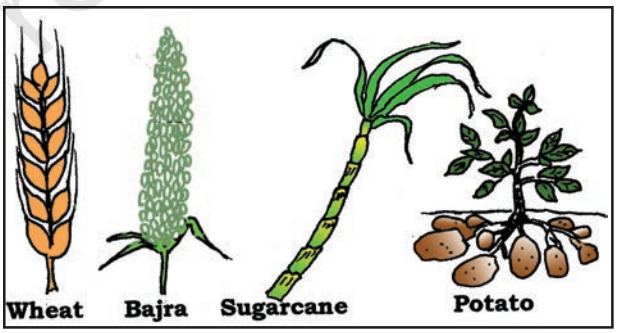
2. Is there a way one can grow more from the same land?

In the kind of crops grown and facilities available, Palampur would resemble a village of the western part of the state of Uttar Pradesh. All land is cultivated in Palampur. No land is left idle. During the rainy season (kharif) farmers grow jowar and bajra. These plants are used as cattle feed. It is followed by cultivation of potato between October and December. In the winter season (rabi), fields are sown with wheat. From the wheat produced, farmers keep enough wheat for the family's consumption and sell the surplus wheat at the market at Raiganj. A part of the land area is also devoted to sugarcane which is harvested once every year. Sugarcane, in its raw form, or as jaggery, is sold to traders in Shahpur.

The main reason why farmers are able to grow three different crops in a year in Palampur is due to the well-developed system of irrigation. Electricity came early to Palampur. Its major impact was to transform the system of irrigation. Persian wheels were, till then, used by farmers to draw water from the wells and irrigate small fields. People saw that the electric-run tubewells could irrigate much larger areas of land more effectively. The first few tubewells were installed by the government. Soon, however, farmers started setting up private tubewells. As a result, by mid-1970s the entire cultivated area of 200 hectares (ha.) was irrigated.

> Not all villages in India have such high levels of irrigation. Apart from the riverine plains, coastal regions in our country are well-irrigated. In contrast, plateau regions such as the Deccan plateau have low levels of irrigation. Of the total cultivated area in the country a little less than 40 per cent is irrigated even today. In the remaining areas, farming is largely dependent on rainfall.

To grow more than one crop on a piece of land during the year is known as multiple cropping. It is the most common way of increasing production on a given piece of land. All farmers in Palampur grow atleast two main crops; many are growing potato as the third crop in the past fifteen to twenty years.



Picture 1.3 *Different crops*

Let's Discuss

- The following Table1.1 shows the land under cultivation in India in units of million hectares. Plot this on the graph provided. What does the graph show? Discuss in class.

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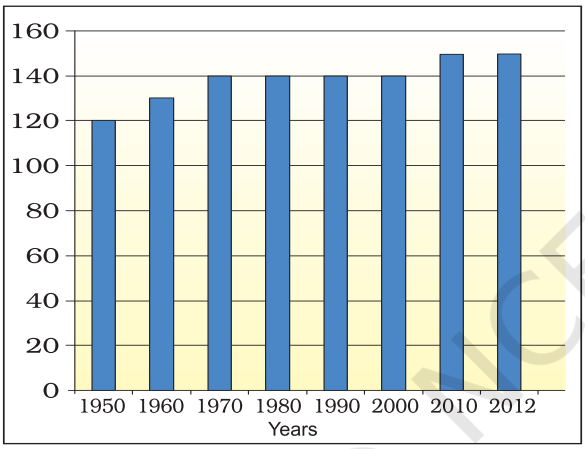
Table 1.1: Cultivated area over the years

	Cultivated Area (Million Hectare)
1950	120
1960	130
1970	140
1980	140
1990	140
2000	140
2010	155
2012	155

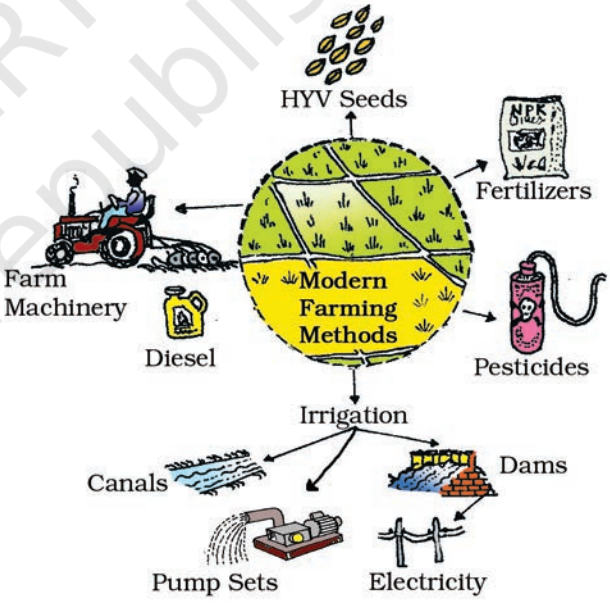
Source: State of Indian Agriculture 2015-16; Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare.



- Is it important to increase the area under irrigation? Why?
- You have read about the crops grown in Palampur. Fill the following table based on information on the crops grown in your region.

You have seen that one way of increasing production from the same land is by multiple cropping. The other way is to use modern farming methods for higher yield. Yield is measured as crop produced on a given piece of land during a single season. Till the mid-1960s, the seeds used in cultivation were traditional ones with relatively low yields. Traditional seeds needed less irrigation. Farmers used cow-dung and other natural manure as fertilizers. All these were readily available with the farmers who did not have to buy them.

The Green Revolution in the late 1960s introduced the Indian farmer to cultivation of wheat and rice using high yielding varieties (HYVs) of seeds. Compared to the traditional seeds, the HYV seeds promised to produce much greater amounts of grain on a single plant. As a result, the same piece of land would now produce far larger quantities of foodgrains than was possible earlier. HYV seeds, however, needed plenty of water and also chemical fertilizers and



Picture 1.4 *Modern Farming Methods: HYV seeds, chemical fertilizer etc.*

Name of crop	Month sown	Month Harvested	Source of irrigation (Rain, tanks, tubewells, canals, etc.)

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pesticides to produce best results. Higher yields were possible only from a combination of HYV seeds, irrigation, chemical fertilisers, pesticides, etc.

Farmers of Punjab, Haryana and Western Uttar Pradesh were the first to try out the modern farming method in India. The farmers in these regions set up tubewells for irrigation, and made use of HYV seeds, chemical fertilisers and pesticides in farming. Some of them bought farm machinery, like tractors and threshers, which made ploughing and harvesting faster. They were rewarded with high yields of wheat.

In Palampur, the yield of wheat grown from the traditional varieties was 1300 kg per hectare. With HYV seeds, the yield went up to 3200 kg per hectare. There was a large increase in the production of wheat. Farmers now had greater amounts of surplus wheat to sell in the markets.

Let's Discuss

- What is the difference between multiple cropping and modern farming method?
- The following table shows the production of wheat and pulses in India after the Green Revolution in units of million tonnes. Plot this on a graph. Was the Green Revolution equally successful for both the crops? Discuss.
- What is the working capital required by the farmer using modern farming methods?

Table 1.2: Production of pulses and wheat (Tonnes)

	Production of Pulses	Production of Wheat
1965 - 66	10	10
1970 - 71	12	24
1980 - 81	11	36
1990 - 91	14	55
2000 - 01	11	70
2010 - 11	18	87
2012 - 13	18	94
2013 - 14	19	96
2014 - 15	17	89
2015 - 16	17	94

Source: State of Indian Agriculture 2016; Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare.

- Modern farming methods require the farmer to start with more cash than before. Why?

Suggested Activity

- During your field visit talk to some farmers of your region. Find out:

1. What kind of farming methods — modern or traditional or mixed — do the farmers use? Write a note.
2. What are the sources of irrigation?
3. How much of the cultivated land is irrigated? (very little/nearly half/majority/all)
4. From where do farmers obtain the inputs that they require?

3. Will the land sustain?

Land being a natural resource, it is necessary to be careful in its use. Scientific reports indicate that the modern farming methods have overused the natural resource base.

In many areas, Green Revolution is associated with the loss of soil fertility due to increased use of chemical fertilisers. Also, continuous use of groundwater for tubewell irrigation has led to the depletion of the water-table. Environmental resources, like soil fertility and groundwater, are built up over years. Once destroyed it is very difficult to restore them. We must take care of the environment to ensure future development of agriculture.

Suggested Activity

- After reading the following reports from newspapers/magazines, write a letter to the Agriculture Minister in your own words telling him how the use of chemical fertilisers can be harmful.

> ...Chemical fertilisers provide minerals which dissolve in water and are immediately available to plants. But these may not be retained in the

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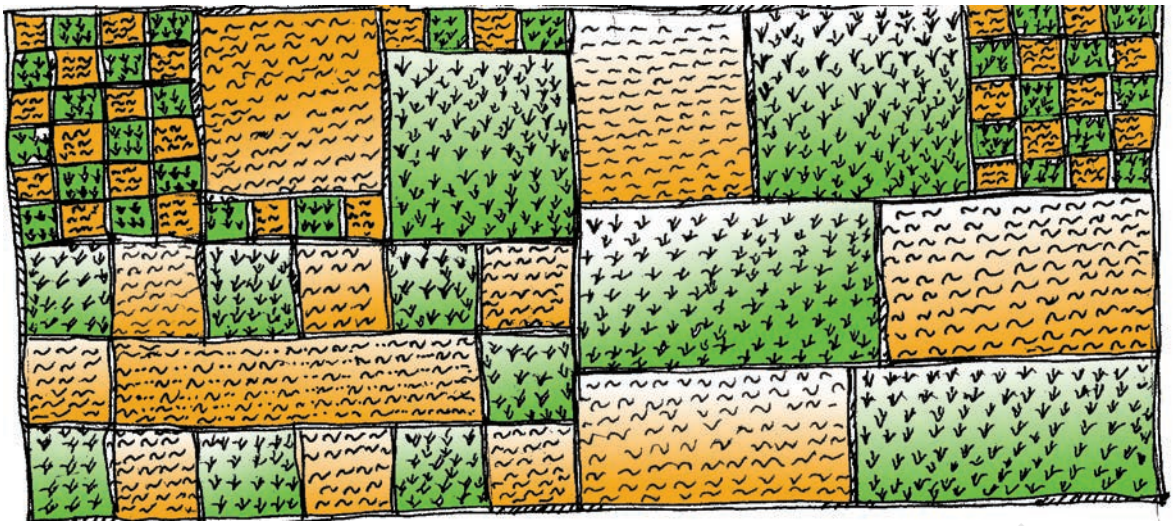

Picture 1.5 *Palampur village: Distribution of cultivated land*

soil for long. They may escape from the soil and pollute groundwater, rivers and lakes. Chemical fertilizers can also kill bacteria and other micro-organisms in the soil. This means some time after their use, the soil will be less fertile than ever before....*(Source:* Down to Earth, New Delhi)

.....The consumption of chemical fertilizers in Punjab is highest in the country. The continuous use of chemical fertilizers has led to degradation of soil health. Punjab farmers are now forced to use more and more chemical fertilizers and other inputs to achieve the same production level. This means cost of cultivation is rising very fast.....*(Source:* The Tribune, Chandigarh)

4. How is land distributed between the farmers of Palampur?

You must have realised how important land is for farming. Unfortunately, not all the people engaged in agriculture have sufficient land for cultivation. In Palampur, about one third of the 450 families are landless, i.e. 150 families, most of them dalits, have no land for cultivation.

Of the remaining families who own land, 240 families cultivate small plots of land less than 2 hectares in size. Cultivation of such plots doesn't bring adequate income to the farmer family.

In 1960, Gobind was a farmer with 2.25 hectares of largely unirrigated land. With the help of his three sons Gobind cultivated the land. Though they didn't live very comfortably, the family managed to feed itself with a little bit of extra income from one buffalo that the family possessed. Some years after Gobind's death, this land was divided among his three sons. Each one now has a plot of land that is only 0.75 hectare in size. Even with improved irrigation and modern farming method, Gobind's sons are not able to make a living from their land. They have to look for additional work during part of the year.

You can see the large number of small plots scattered around the village in the picture. These are cultivated by the small farmers. On the other hand, more than half the area of the village is covered by plots that are quite large in size. In Palampur, there are 60 families of medium and large farmers who cultivate more than 2 hectares of land. A few of the large farmers have land extending over 10 hectares or more.

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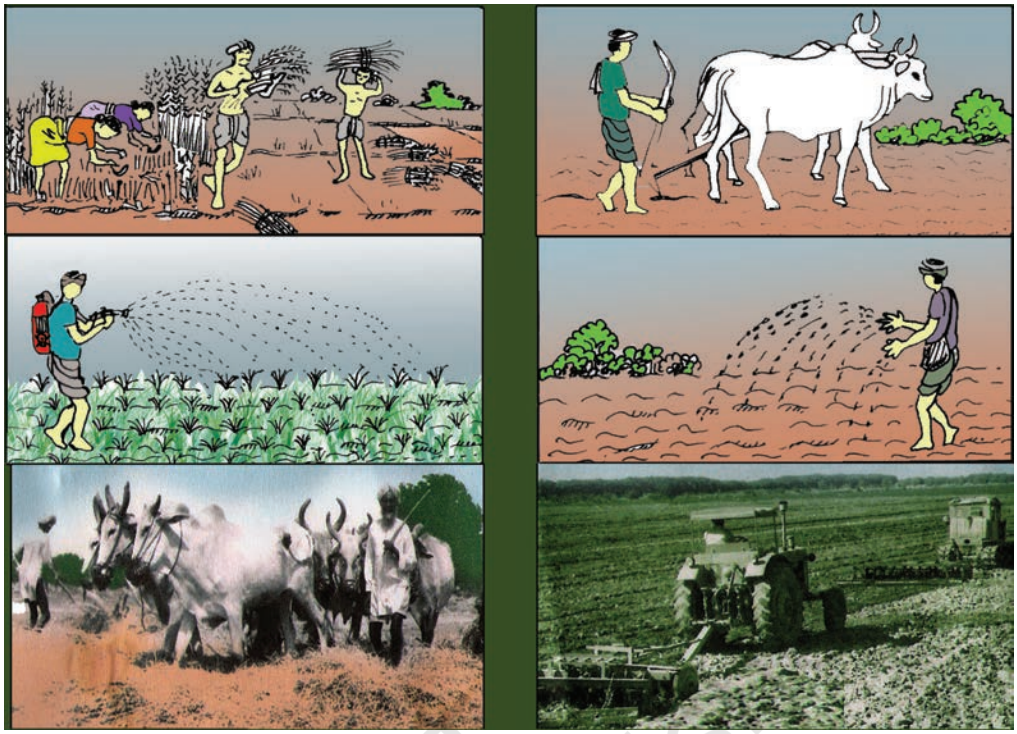
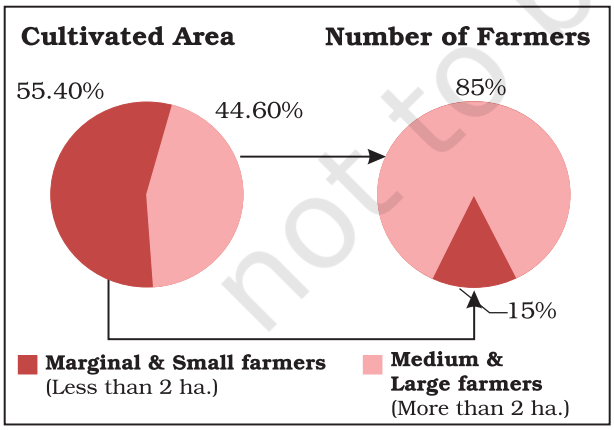


Picture 1.6 *Work on the fields: Wheat crop—ploughing by bullocks, sowing, spraying of insecticides, cultivation by traditional method, cultivation by modern method, and cutting of crops.*

Let's Discuss

- In the Picture 1.5, can you shade the land cultivated by the small farmers?
- Why do so many families of farmers cultivate such small plots of land?
- The distribution of farmers in India and the amount of land they cultivate is given in the following Graph 1.1. Discuss in the classroom.

Graph 1.1: *Distribution of Cultivated Area and Farmers*



Source: Pocket Book of Agriculture Statistics 2015 and State of Indian Agriculture 2015, Department of Agriculture, Cooperation and Farmers Welfare

Let's Discuss

- Would you agree that the distribution of cultivated land is unequal in Palampur? Do you find a similar situation for India? Explain.

5. Who will provide the labour?

After land, labour is the next necessary factor for production. Farming requires a great deal of hard work. Small farmers along with their families cultivate their own fields. Thus, they provide the labour required for farming themselves. Medium and large farmers hire farm labourers to work on their fields.

Let's Discuss

- Identify the work being done on the field in the Pictures 1.6 and arrange them in a proper sequence.

Farm labourers come either from landless families or families cultivating small plots of land. Unlike farmers, farm labourers do not have a right over the

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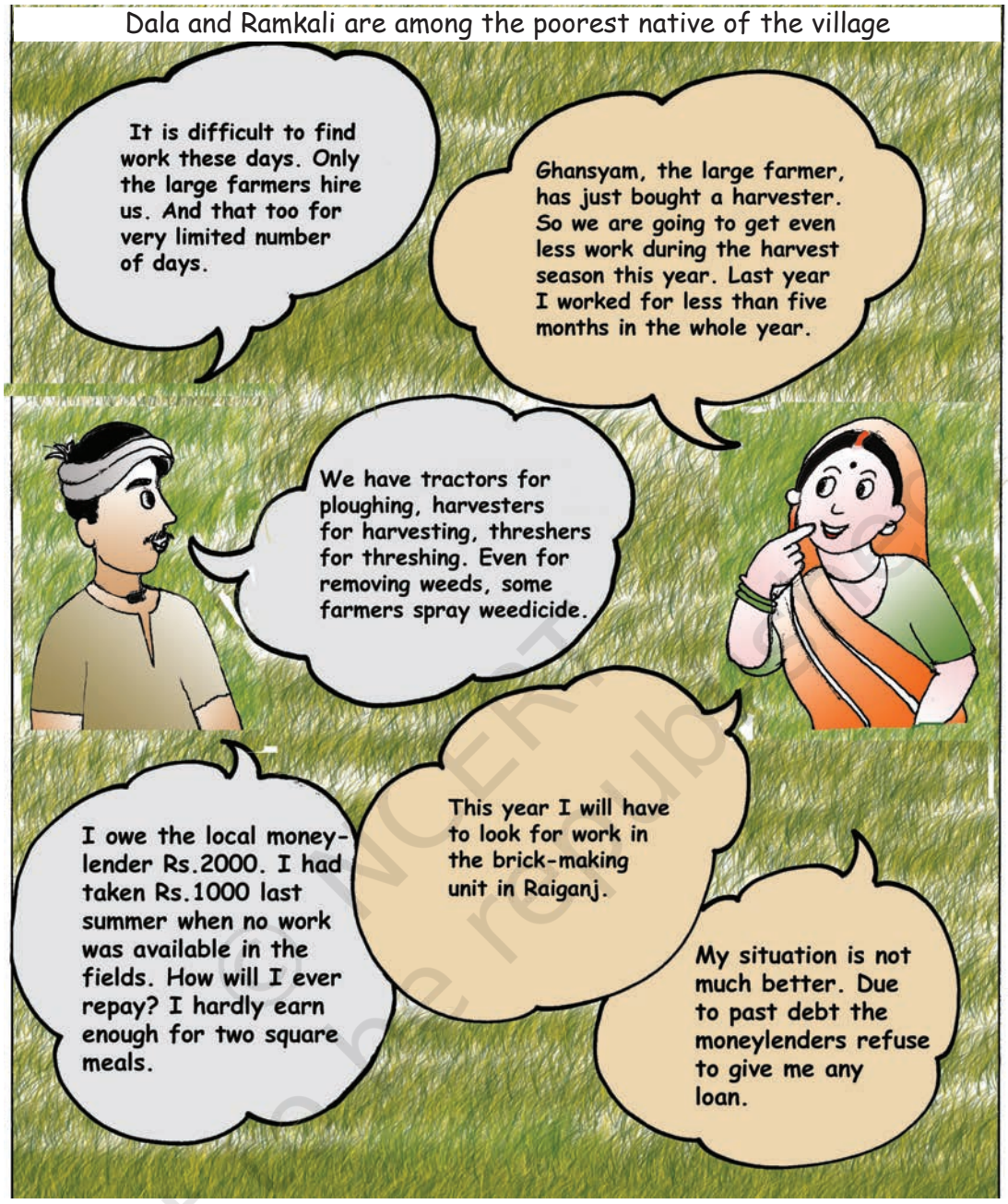

Picture 1.7 *The conversation between Dala and Ramkali*

crops grown on the land. Instead they are paid wages by the farmer for whom they work. Wages can be in cash or in kind e.g. crop. Sometimes labourers get meals also. Wages vary widely from region to region, from crop to crop, from one farm activity to another (like sowing and harvesting). There is also a wide variation in the duration of employment. A farm labourer might be employed on a daily basis, or for one particular farm activity like harvesting, or for the whole year.

Dala is a landless farm labourer who works on daily wages in Palampur. This means he must regularly look for work. The minimum wages for a farm labourer set by the government is Rs 300 per day (March 2017), but Dala gets only Rs 160. There is

heavy competition for work among the farm labourers in Palampur, so people agree to work for lower wages. Dala complains about his situation to Ramkali, who is another farm labourer.

Both Dala and Ramkali are among the poorest people in the village.

Let's Discuss

- Why are farm labourers like Dala and Ramkali poor?
- Gosaipur and Majauli are two villages in North Bihar. Out of a total of 850 households in the two villages, there are more than 250 men who are employed in rural Punjab and Haryana or in Delhi, Mumbai, Surat, Hyderabad or Nagpur. Such migration is common in most villages across India. Why do people migrate? Can you describe (based on your imagination) the work that the migrants of Gosaipur and Majauli might do at the place of destination?

6. The capital needed in farming

You have already seen that the modern farming methods require a great deal of capital, so that the farmer now needs more money than before.

1. Most small farmers have to borrow money to arrange for the capital. They borrow from large farmers or the village moneylenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high. They are put to great distress to repay the loan.

Savita is a small farmer. She plans to cultivate wheat on her 1 hectare of land. Besides seeds, fertilizers and pesticides, she needs cash to buy water and repair her farm instruments. She estimates that the working capital itself would cost a minimum of Rs 3,000. She doesn't have the money, so she decides to borrow from Tejpal Singh, a large farmer. Tejpal Singh agrees to give Savita the loan at an interest rate of 24 per cent for four months, which is a very high interest rate. Savita also has to promise to work on his field as a farm labourer during the harvest season at Rs 100 per day. As you can tell, this wage is quite low. Savita knows that she will have to work very hard to complete harvesting on her own field, and then work as a farm labourer for Tejpal Singh. The harvest time is a very busy time. As a mother of three children she has a lot of household responsibilities. Savita agrees to these tough conditions as she knows getting a loan is difficult for a small farmer.

2. In contrast to the small farmers, the medium and large farmers have their own savings from farming. They are thus able to arrange for the capital needed. How do these farmers have their own savings? You shall find the answer in the next section.

Let's discuss the story so far....

We have read about the three factors of production—land, labour and capital—and how they are used in farming. Let us fill in the blanks given below.

Among the three factors of production, we found that labour is the most abundant factor of production. There are many people who are willing to work as farm labourers in the villages, whereas the opportunities of work are limited. They belong to either landless families or _____. They are paid low wages, and lead a difficult life.

In contrast to labour, _____ is a scarce factor of production. Cultivated land area is _____. Moreover, even the existing land is distributed _____ *(equally/unequally)* among the people engaged in farming. There are a large number of small farmers who cultivate small plots of land and live in

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conditions not much better than the landless farm labourer. To make the maximum use of the existing land, farmers use _____ and _____. Both these have led to increase in production of crops.

Modern farming methods require a great deal of _____. Small farmers usually need to borrow money to arrange for the capital, and are put to great distress to repay the loan. Therefore, capital too is a scarce factor of production, particularly for the small farmers.

Though both land and capital are scarce, there is a basic difference between the two factors of production. _____ is a natural resource, whereas _____ is man-made. It is possible to increase capital, whereas land is fixed. Therefore, it is very important that we take good care of land and other natural resources used in farming.

7. Sale of Surplus Farm Products

Let us suppose that the farmers have produced wheat on their lands using the three factors of production. The wheat is harvested and production is complete. What do the farmers do with the wheat? They retain a part of the wheat for the family's consumption and sell the surplus wheat. Small farmers like Savita and Gobind's sons have little surplus wheat because their total production is small and from this a substantial share is kept for their own family needs. So it is the medium and large farmers who supply wheat to the market. In the Picture 1.1, you can see the bullock cart streaming into the market each carrying loads of wheat. The traders at the market buy the wheat and sell it further to shopkeepers in the towns and cities.

Tejpal Singh, the large farmer, has a surplus of 350 quintals of wheat from all his lands! He sells the surplus wheat at the Raiganj market and has good earnings.

What does Tejpal Singh do with his earnings? Last year, Tejpal Singh had put most of the money in his bank account. Later he used the savings for lending to farmers like Savita who were in need of a loan. He also used the savings to arrange for the working capital for farming in the next season. This year Tejpal Singh plans to use his earnings to buy another tractor. Another tractor would increase his fixed capital.

Like Tejpal Singh, other large and medium farmers sell the surplus farm products. A part of the earnings is saved and kept for buying capital for the next season. Thus, they are able to arrange for the capital for farming from their own savings. Some farmers might also use the savings to buy cattle, trucks, or to set up shops. As we shall see, these constitute the capital for non-farm activities.

Non-Farm Activities in Palampur

We have learnt about farming as the main production activity in Palampur. We shall now take a look at some of the non-farm production activities. Only 25 per cent of the people working in Palampur are engaged in activities other than agriculture.

1. Dairy — the other common activity

Dairy is a common activity in many families of Palampur. People feed their buffalos on various kinds of grass and the *jowar* and *bajra* that grows during the rainy season. The milk is sold in Raiganj, the nearby large village. Two traders from Shahpur town have set up collection cum chilling centres at Raiganj from where the milk is transported to far away towns and cities.

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Let's Discuss

- Let us take three farmers. Each has grown wheat on his field though the production is different (see Column 2). The consumption of wheat by each farmer family is the same (Column 3). The whole of surplus wheat this year is used as capital for next year's production. Also suppose, production is twice the capital used in production. Complete the tables.

Farmer 1

	Production	Consumption	Surplus = Production – Consumption	Capital for the next year
Year 1	100	40	60	60
Year 2	120	40		
Year 3		40		

Farmer 2

	Production	Consumption	Surplus	Capital for the next year
Year 1	80	40		
Year 2		40		
Year 3		40		

Farmer 3

	Production	Consumption	Surplus	Capital for the next year
Year 1	60	40		
Year 2		40		
Year 3		40		

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Let's Discuss

- Compare the production of wheat by the three farmers over the years.
- What happens to Farmer 3 in Year 3? Can he continue production? What will he have to do to continue production?

2. An example of small-scale manufacturing in Palampur

At present, less than fifty people are engaged in manufacturing in Palampur. Unlike the manufacturing that takes place in the big factories in the towns and cities, manufacturing in Palampur involves very simple production methods

and are done on a small scale. They are carried out mostly at home or in the fields with the help of family labour. Rarely are labourers hired.

Mishrilal has purchased a mechanical sugarcane crushing machine run on electricity and has set it up on his field. Sugarcane crushing was earlier done with the help of bullocks, but people prefer to do it by machines these days. Mishrilal also buys sugarcane from other farmers and processes it into jaggery. The jaggery is then sold to traders at Shahpur. In the process, Mishrilal makes a small profit.

Let's Discuss

- What capital did Mishrilal need to set up his jaggery manufacturing unit?
- Who provides the labour in this case?
- Can you guess why Mishrilal is unable to increase his profit?
- Could you think of any reasons when he might face a loss?
- Why does Mishrilal sell his jaggery to traders in Shahpur and not in his village?

3. The shopkeepers of Palampur

People involved in trade (exchange of goods) are not many in Palampur. The traders of Palampur are shopkeepers who buy various goods from wholesale markets in the cities and sell them in the village. You will see small general stores in the village selling a wide range of items like rice, wheat, sugar, tea, oil, biscuits, soap, toothpaste, batteries, candles, notebooks, pen, pencil, even some cloth. A few of the families whose houses are close to the bus stand have used a part of the space to open small shops. They sell eatables.

Kareem has opened a computer class centre in the village. In recent years a large number of students have been attending college in Shahpur town. Kareem found that a number of students from the village are also attending computer classes in the town. There were two women in the village who had a degree in computer applications. He decided to employ them. He bought computers and set up the classes in the front room of their house overlooking the market. High school students have started attending them in good numbers.

Let's Discuss

- In what ways is Kareem's capital and labour different from Mishrilal's?
- Why didn't someone start a computer centre earlier? Discuss the possible reasons.

4. Transport: a fast developing sector

There are variety of vehicles on the road connecting Palampur to Raiganj. *Rickshawallahs*, *tongawallahs*, jeep, tractor, truck drivers and people driving the traditional bullock cart and bogey are people in the transport services. They ferry people and goods from one place to another, and in return get paid for it. The number of people involved in transport has grown over the last several years.

Kishora is a farm labourer. Like other such labourers, Kishora found it difficult to meet his family's needs from the wages that he received. A few years back Kishora took a loan from the bank. This was under a government programme which was giving cheap loans to poor landless households. Kishora bought a buffalo with this money. He now sells the buffalo's milk.

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Further, he has attached a wooden cart to his buffalo and uses it to transport various items. Once a week, he goes to the river Ganga to bring back clay for the potter. Or sometimes he goes to Shahpur with a load of jaggery or other commodities. Every month he gets some work in transport. As a result, Kishora is able to earn more than what he used to do some years back.

Let's Discuss

- What is Kishora's fixed capital?
- What do you think would be his working capital?
- In how many production activities is Kishora involved?
- Would you say that Kishora has benefitted from better roads in Palampur?

Summary

Farming is the main production activity in the village. Over the years there have been many important changes in the way farming is practiced. These have allowed the farmers to produce more crops from the same amount of land. This is an important achievement, since land is fixed and scarce. But in raising production a great deal of pressure has been put on land and other natural resources.

The new ways of farming need less land, but much more of capital. The medium and large farmers are able to use their own savings from production to arrange for capital during the next season. On the other hand, the small farmers who constitute about 80 per cent of total farmers in India, find it difficult to obtain capital. Because of the small size of their plots, their production is not enough. The lack of surplus means that they are unable to obtain capital from their own savings, and have to borrow. Besides the debt, many of the small farmers have to do additional work as farm labourers to feed themselves and their families.

Labour being the most abundant factor of production, it would be ideal if new ways of farming used much more labour. Unfortunately, such a thing has not happened. The use of labour on farms is limited. The labour, looking for opportunities is thus migrating to neighbouring villages, towns and cities. Some labour has entered the non-farm sector in the village.

At present, the non-farm sector in the village is not very large. Out of every 100 workers in the rural areas in India, only 24 are engaged in non-farm activities. Though there is a variety of non-farm activities in the villages (we have only seen a few examples), the number of people employed in each is quite small.

In the future, one would like to see more non-farm production activities in the village. Unlike farming, non-farm activities require little land. People with some amount of capital can set up non-farm activities. How does one obtain this capital? One can either use his own savings, but more often has to take a loan. It is important that loan be available at low rate of interest so that even people without savings can start some non-farm activity. Another thing which is essential for expansion of non-farm activities is to have markets where the goods and services produced can be sold. In Palampur, we saw the neighbouring villages, towns and cities provide the markets for milk, jaggery, wheat, etc. As more villages get connected to towns and cities through good roads, transport and telephone, it is possible that the opportunities for non-farm activities in the village would increase in the coming years.

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Exercises

1. Every village in India is surveyed once in ten years during the Census and some of details are presented in the following format. Fill up the following based on information on Palampur.
   a. LOCATION:
   b. TOTAL AREA OF THE VILLAGE:
   c. LAND USE (in hectares):

Cultivated Land		Land not available for cultivation (Area covering dwellings, roads, ponds, grazing ground)
Irrigated	Unirrigated	
		26 hectares

   d. FACILITIES:

Educational	
Medical	
Market	
Electricity Supply	
Communication	
Nearest Town	

2. Modern farming methods require more inputs which are manufactured in industry. Do you agree?
3. How did the spread of electricity help farmers in Palampur?
4. Is it important to increase the area under irrigation? Why?
5. Construct a table on the distribution of land among the 450 families of Palampur.
6. Why are the wages for farm labourers in Palampur less than minimum wages?
7. In your region, talk to two labourers. Choose either farm labourers or labourers working at construction sites. What wages do they get? Are they paid in cash or kind? Do they get work regularly? Are they in debt?
8. What are the different ways of increasing production on the same piece of land? Use examples to explain.
9. Describe the work of a farmer with 1 hectare of land.
10. How do the medium and large farmers obtain capital for farming? How is it different from the small farmers?
11. On what terms did Savita get a loan from Tajpal Singh? Would Savita's condition be different if she could get a loan from the bank at a low rate of interest?
12. Talk to some old residents in your region and write a short report on the changes in irrigation and changes in production methods during the last 30 years. (Optional)

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13. What are the non-farm production activities taking place in your region? Make a short list.

14. What can be done so that more non-farm production activities can be started in villages?

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3

Chapter

Poverty as a Challenge

Overview

This chapter deals with one of the most difficult challenges faced by independent India—poverty. After discussing this multi-dimensional problem through examples, the chapter discusses the way poverty is seen in social sciences. Poverty trends in India and the world are illustrated through the concept of the poverty line. Causes of poverty as well as anti-poverty measures taken by the government are also discussed. The chapter ends with broadening the official concept of poverty into human poverty.

Introduction

In our daily life, we come across many people who we think are poor. They could be landless labourers in villages or people living in overcrowded *jhuggis* in cities. They could be daily wage workers at construction sites or child workers in *dhabas*. They could also be beggars with children in tatters. We see poverty all around us. In fact, every fourth person in India is poor. This means, roughly 270 million (or 27 crore) people in India live in poverty 2011-12. This also means that India has the largest single concentration of the poor in the world. This illustrates the seriousness of the challenge.

Two Typical Cases of Poverty

Urban Case

Thirty-three year old Ram Saran works as a daily-wage labourer in a wheat flour mill near Ranchi in Jharkhand. He manages to earn around Rs 1,500 a month when he finds employment, which is not often. The money is not enough to sustain his family of six—that includes his wife and four children aged between 12 years to six months.

Picture 3.1 *Story of Ram Saran*

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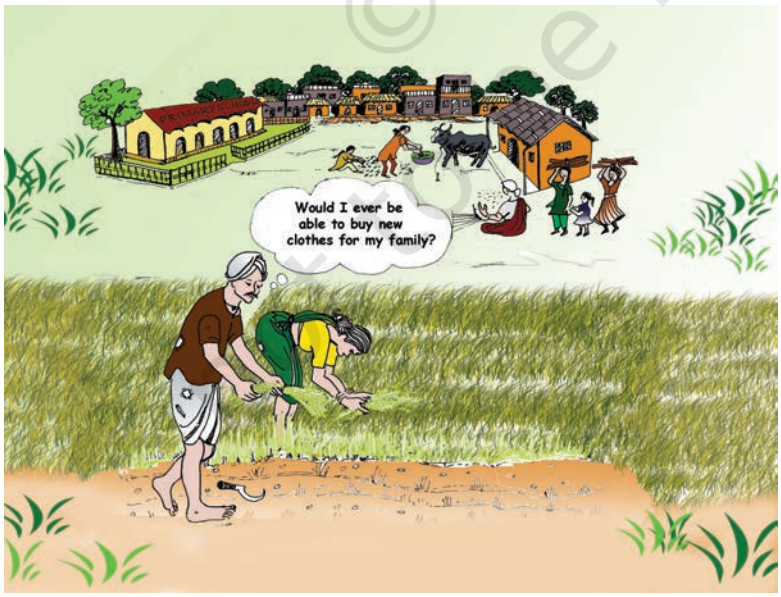
He has to send money home to his old parents who live in a village near Ramgarh. His father a landless labourer, depends on Ram Saran and his brother who lives in Hazaribagh, for sustenance. Ram Saran lives in a one-room rented house in a crowded basti in the outskirts of the city. It's a temporary shack built of bricks and clay tiles. His wife Santa Devi, works as a part time maid in a few houses and manages to earn another Rs 800. They manage a meagre meal of dal and rice twice a day, but there's never enough for all of them. His elder son works as a helper in a tea shop to supplement the family income and earns another Rs 300, while his 10-year-old daughter takes care of the younger siblings. None of the children go to school. They have only two pairs of hand-me-down clothes each. New ones are bought only when the old clothes become unwearable. Shoes are a luxury. The younger kids are undernourished. They have no access to healthcare when they fall ill.

Rural case

Lakha Singh belongs to a small village near Meerut in Uttar Pradesh. His family doesn't own any land, so they do odd jobs for the big farmers. Work is erratic and so is income. At times they get paid Rs 50 for a hard day's work. But often it's in kind like a few kilograms of wheat or *dal* or even vegetables for toiling in the farm through the day. The family of eight cannot always manage two square meals a day. Lakha lives in a *kuchha* hut on the outskirts of the village. The women of the family spend the day chopping fodder and collecting firewood in the fields. His father a TB patient, passed away two years ago due to lack of medication. His mother now suffers from the same disease and life is slowly ebbing away. Although, the village has a primary school, Lakha never went there. He had to start earning when he was 10 years old. New clothes happen once in a few years. Even soap and oil are a luxury for the family.



Picture 3.2 *Story of Lakha Singh*

Study the above cases of poverty and discuss the following issues related to poverty:

- Landlessness
- Unemployment
- Size of families
- Illiteracy
- Poor health/malnutrition
- Child labour
- Helplessness

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These two typical cases illustrate many dimensions of poverty. They show that poverty means hunger and lack of shelter. It also is a situation in which parents are not able to send their children to school or a situation where sick people cannot afford treatment. Poverty also means lack of clean water and sanitation facilities. It also means lack of a regular job at a minimum decent level. Above all it means living with a sense of helplessness. Poor people are in a situation in which they are ill-treated at almost every place, in farms, factories, government offices, hospitals, railway stations etc. Obviously, nobody would like to live in poverty.

One of the biggest challenges of independent India has been to bring millions of its people out of abject poverty. Mahatama Gandhi always insisted that India would be truly independent only when the poorest of its people become free of human suffering.

Poverty as seen by social scientists

Since poverty has many facets, social scientists look at it through a variety of indicators. Usually the indicators used relate to the levels of income and consumption. But now poverty is looked through other social indicators like illiteracy level, lack of general resistance due to malnutrition, lack of access to healthcare, lack of job opportunities, lack of access to safe drinking water, sanitation etc. Analysis of poverty based on social exclusion and vulnerability is now becoming very common (see box).

Social exclusion

According to this concept, poverty must be seen in terms of the poor having to live only in a poor surrounding with other poor people, excluded from enjoying social equality of better-off people in better surroundings. Social exclusion can be both a cause as well as a consequence of poverty in the usual sense. Broadly, it is a process through which individuals or groups are excluded from facilities, benefits and opportunities that others (their "betters") enjoy. A typical example is the working of the caste system in India in which people belonging to certain castes are excluded from equal opportunities. Social exclusion thus may lead to, but can cause more damage than, having a very low income.

Vulnerability

Vulnerability to poverty is a measure, which describes the greater probability of certain communities (say, members of a backward caste) or individuals (such as a widow or a physically handicapped person) of becoming, or remaining, poor in the coming years. Vulnerability is determined by the options available to different communities for finding an alternative living in terms of assets, education, health and job opportunities. Further, it is analysed on the basis of the greater risks these groups face at the time of natural disasters (earthquakes, tsunami), terrorism etc. Additional analysis is made of their social and economic ability to handle these risks. In fact, vulnerability describes the greater probability of being more adversely affected than other people when bad time comes for everybody, whether a flood or an earthquake or simply a fall in the availability of jobs!

Poverty Line

At the centre of the discussion on poverty is usually the concept of the "poverty line". A common method used to measure poverty is based on the income or

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consumption levels. A person is considered poor if his or her income or consumption level falls below a given "minimum level" necessary to fulfill the basic needs. What is necessary to satisfy the basic needs is different at different times and in different countries. Therefore, poverty line may vary with time and place. Each country uses an imaginary line that is considered appropriate for its existing level of development and its accepted minimum social norms. For example, a person not having a car in the United States may be considered poor. In India, owning of a car is still considered a luxury.

While determining the poverty line in India, a minimum level of food requirement, clothing, footwear, fuel and light, educational and medical requirement, etc., are determined for subsistence. These physical quantities are multiplied by their prices in rupees. The present formula for food requirement while estimating the poverty line is based on the desired calorie requirement. Food items, such as cereals, pulses, vegetable, milk, oil, sugar, etc., together provide these needed calories. The calorie needs vary depending on age, sex and the type of work that a person does. The accepted average calorie requirement in India is 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas. Since people living in rural areas engage themselves in more physical work, calorie requirements in rural areas are considered to be higher than in urban areas. The monetary expenditure per capita needed for buying these calorie requirements in terms of food grains, etc., is revised periodically taking into consideration the rise in prices.

On the basis of these calculations, for the year 2011–12, the poverty line for a person was fixed at Rs 816 per month for rural areas and Rs 1000 for urban areas. Despite less calorie requirement,the higher amount for urban areas has been fixed because of high prices of many essential products in urban centres. In this way in the year 2011-12, a family of five members living in rural areas and earning less than about Rs 4,080 per month will be below the poverty line. A similar family in the urban areas would need a minimum of Rs 5,000 per month to meet their basic requirements. The poverty line is estimated periodically (normally every five years) by conducting sample surveys. These surveys are carried out by the National Sample Survey Organisation (NSSO). However, for making comparisons between developing countries, many international organisations like the World Bank use a uniform standard for the poverty line: minimum availability of the equivalent of $1.90 per person per day (2011, ppp).

Let's Discuss

Discuss the following:

- Why do different countries use different poverty lines?
- What do you think would be the "minimum necessary level" in your locality?

Poverty Estimates

It is clear from Table 3.1 that there is a substantial decline in poverty ratios in India from about 45 per cent in 1993-94 to 37.2 per cent in 2004–05. The proportion of people below poverty line further came down to about 22 per cent in 2011–12. If the trend continues, people below poverty line may come down to less than 20 per cent in the next few years. Although the percentage of people living under poverty declined in the earlier two decades (1973–1993), the number of poor declined from 407 million in 2004–05 to 270 million in 2011–12 with an average annual decline of 2.2 percentage points during 2004–05 to 2011–12.

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Table 3.1: Estimates of Poverty in India (Tendulkar Methodology)

	Poverty ratio (%)			Number of poor (in millions)		
Year	Rural	Urban	Total	Rural	Urban	Combined
1993–94	507	32	45	329	75	404
2004–05	42	26	37	326	81	407
2009–10	34	21	30	278	76	355
2011–12	26	14	22	217	53	270

Source: Economic Survey 2015-16

Let's Discuss

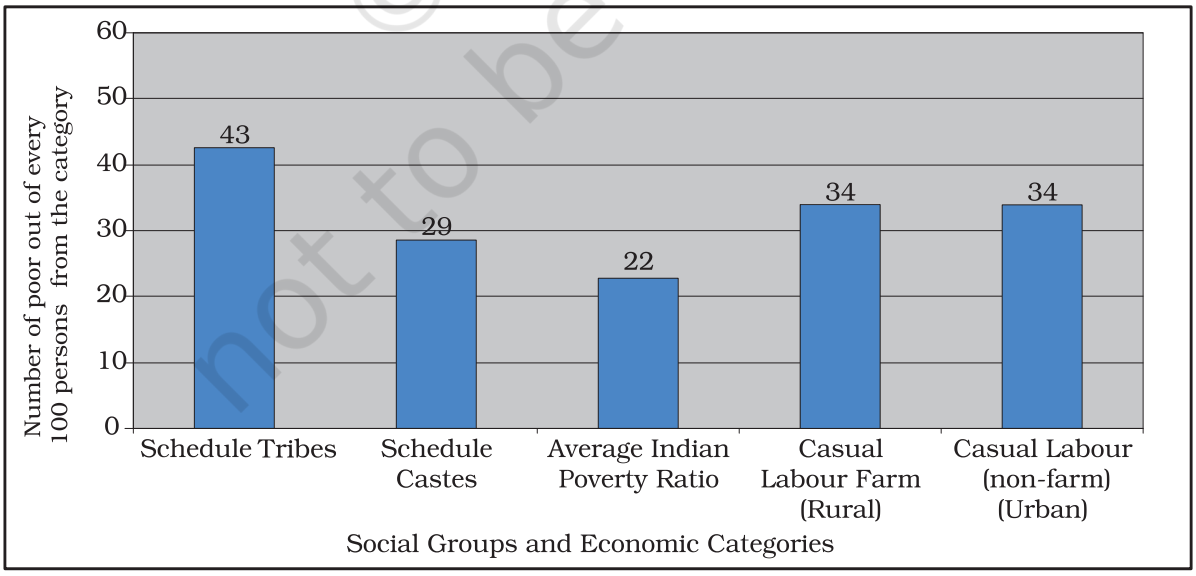
Study Table 3.1 and answer the following questions:

- Even if poverty ratio declined between 1993–94 and 2004–05, why did the number of poor remain at about 407 million?
- Are the dynamics of poverty reduction the same in rural and urban India?

Vulnerable Groups

The proportion of people below poverty line is also not same for all social groups and economic categories in India. Social groups, which are most vulnerable to poverty are Scheduled Caste and Scheduled Tribe households. Similarly, among the economic groups, the most vulnerable groups are the rural agricultural labour households and the urban casual labour households. Graph 3.1 shows the percentage of poor people in all these groups. Although the average for people below poverty line for all groups in India is 22, 43 out of 100 people belonging to Scheduled Tribes are not able to meet their basic needs. Similarly, 34 per cent of casual workers in urban areas are below poverty line. About 34 per cent of casual labour farm (in rural areas) and 29 per cent of Scheduled Castes are also poor. The double disadvantage of being a landless casual wage labour household in the socially disadvantaged social groups of the

Graph 3.1: Poverty in India 2000: Most Vulnerable Groups



Source: www.worldbank.org/2016/India-s-Poverty-Profile

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Picture 3.3 Story of Sivaraman

scheduled caste or the scheduled tribe population highlights the seriousness of the problem. Some recent studies have shown that except for the scheduled tribe households, all the other three groups (i.e. scheduled castes, rural agricultural labourers and the urban casual labour households) have seen a decline in poverty in the 1990s.

Apart from these social groups, there is also inequality of incomes within a family. In poor families all suffer, but some suffer more than others. In some cases women, elderly people and female infants are denied equal access to resources available to the family.

Story of Sivaraman

Sivaraman lives in a small village near Karur town in Tamil Nadu. Karur is famous for its handloom and powerloom fabrics. There are a 100 families in the village. Sivaraman an *Aryunthathiyar* (cobbler) by caste now works as an agricultural labourer for Rs 160 per day. But that's only for five to six months in a year. At other times, he does odd jobs in the town. His wife Sasikala too works with him. But she can rarely find work these days, and even if she does, she's paid Rs 100 per day for the same work that Sivaraman does. There are eight members in the family. Sivaraman's 65 year old widowed mother is ill and

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needs to be helped with her daily chores. He has a 25-year-old unmarried sister and four children aged between 1 year to 16 years. Three of them are girls, the youngest is a son. None of the girls go to school. Buying books and other things for school-going girls is a luxury he cannot afford. Also, he has to get them married at some point of time so he doesn't want to spend on their education now. His mother has lost interest in life and is just waiting to die someday. His sister and elder daughter take care of the household. Sivaraman plans to send his son to school when he comes of age. His unmarried sister does not get along with his wife. Sasikala finds her a burden but Sivaraman can't find a suitable groom due to lack of money. Although the family has difficulty in arranging two meals a day, Sivaraman manages to buy milk once in a while, but only for his son.

Let's Discuss

Observe some of the poor families around you and try to find the following:

- Which social and economic group do they belong to?
- Who are the earning members in the family?
- What is the condition of the old people in the family?
- Are all the children (boys and girls) attending schools?

Inter-State Disparities

Poverty in India also has another aspect or dimension. The proportion of poor people is not the same in every state. Although state level poverty has witnessed a secular decline from the levels of early seventies, the success rate of reducing poverty varies from state to state. Recent estimates show while the all India Head Count Ratio (HCR) was 21.9 per cent in 2011-12 states like Madhya Pradesh, Assam, Uttar Pardesh, Bihar and Orissa had above all India poverty level. As the Graph 3.2 shows, Bihar and Orissa continue to be the two poorest states with poverty ratios of 33.7 and 32.6 per cent respectively. Along with rural poverty, urban poverty is also high in Orissa, Madhya Pradesh, Bihar and Uttar Pradesh.

In comparison, there has been a significant decline in poverty in Kerala, Maharashtra, Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal. States like Punjab and Haryana have traditionally succeeded in reducing poverty with the help of high agricultural growth rates. Kerala has focused more on human resource development. In West Bengal, land reform measures have helped in reducing poverty. In Andhra Pradesh and Tamil Nadu public distribution of food grains could have been responsible for the improvement.

Global Poverty Scenario

The proportion of people in developing countries living in extreme economic poverty— defined by the World Bank as living on less than $1.90 per day—has fallen from 35 per cent in 1990 to 10.68 per cent in 2013. Although there has been a substantial reduction in global poverty, it is marked with great regional differences. Poverty declined substantially in China and Southeast Asian countries as a result of rapid economic growth and massive investments in human resource development. Number of poors in China has come down from 88.3 per cent in 1981 to 14.7 per cent in 2008 to 1.9 per cent in 2013. In the countries of *South Asia* (India, Pakistan, Sri Lanka, Nepal, Bangladesh, Bhutan) the decline has also been rapid

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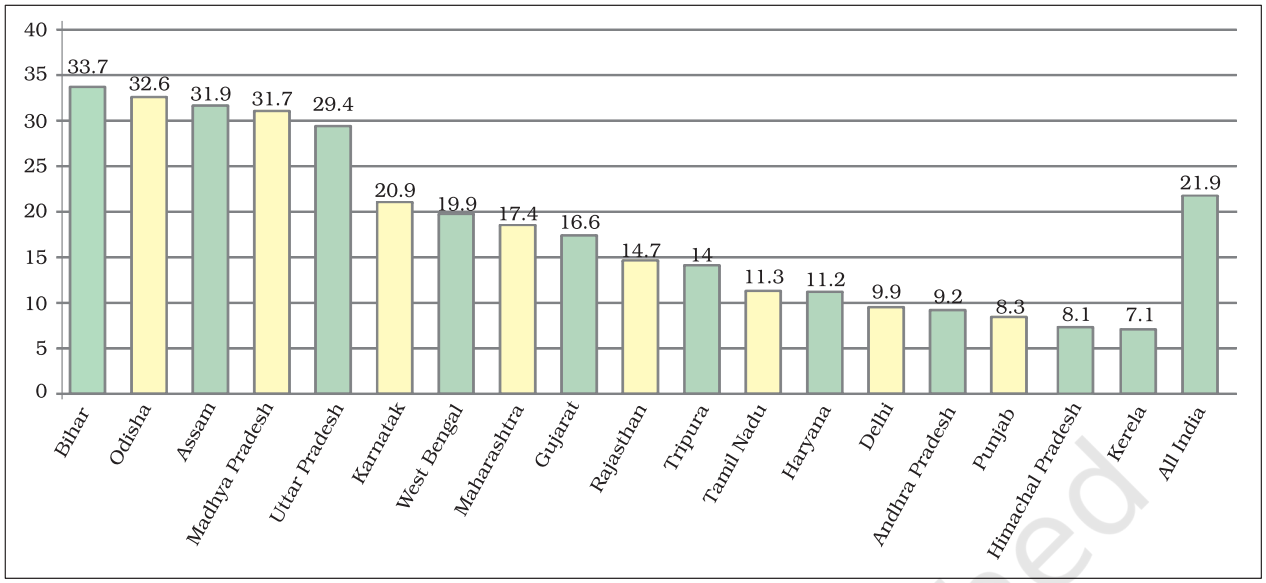
Graph 3.2: Poverty Ratio in Selected Indian States, 2015–16



Source: Economic Survey 2015–16, Ministry of Finance, Government of India

Let's Discuss

Study the Graph 3.2 and do the following:

- Identify the three states where the poverty ratio is the highest.
- Identify the three states where poverty ratio is the lowest.

from 54 to 15 per cent. Despite decline in the percentage of the poor, the number of poor has declined significantly from 44 per cent in 1990 to 17 per cent in 2013. Because of different poverty line definition, poverty in India is also shown higher than the national estimates.

In Sub-Saharan Africa, poverty in fact rose from 54 per cent in 1990 to 41 per cent in 2013 (see graph 3.3). In Latin America, the ratio of poverty has also declined from 16% in 1990 to 5.4 per cent in 2013. (see graph 3.3) Poverty has also resurfaced in some of the former socialist countries like Russia, where officially it was non-existent earlier. Table 3.2 shows the proportion of people living under poverty in different countries as defined by the international poverty line (means population below $1.90 a day). The new Suistainable development goals of the United Nations (UN) proposes ending poverty of all types by 2030.

Let's Discuss

Study the Graph 3.4 and do the following:

- Identify the areas of the world, where poverty ratios have declined.
- Identify the area of the globe which has the largest concentration of the poor.

Table 3.2: Poverty: Comparison among Some Selected Countries

Country	% of Population below $1.90 a day (2011ppp)
1. Nigeria	53.5 (2009)
2. Bangladesh	18.5 (2010)
3. India	21.2 (2011)
4. Pakistan	6.1 (2013)
5. China	1.9 (2013)
6. Brazil	3.7 (2014)
7. Indonesia	8.3 (2014)
8. Sri Lanka	1.9 (2012)

Source: Poverty & Equity Database, World Bank Data; (databank.worldbank.org)

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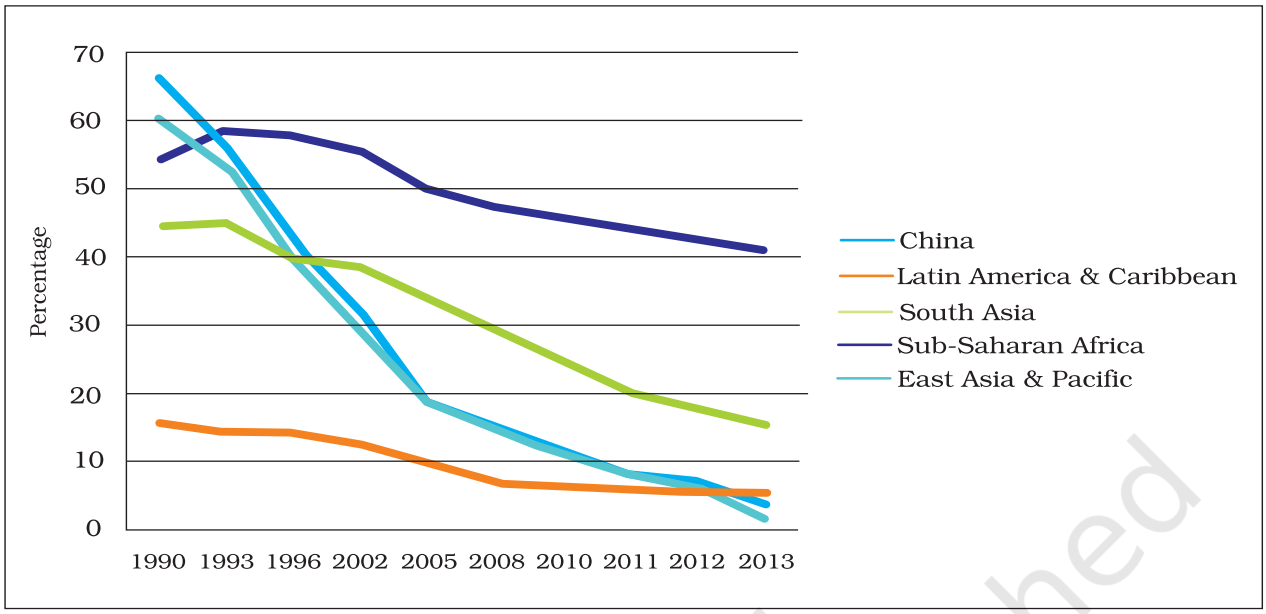
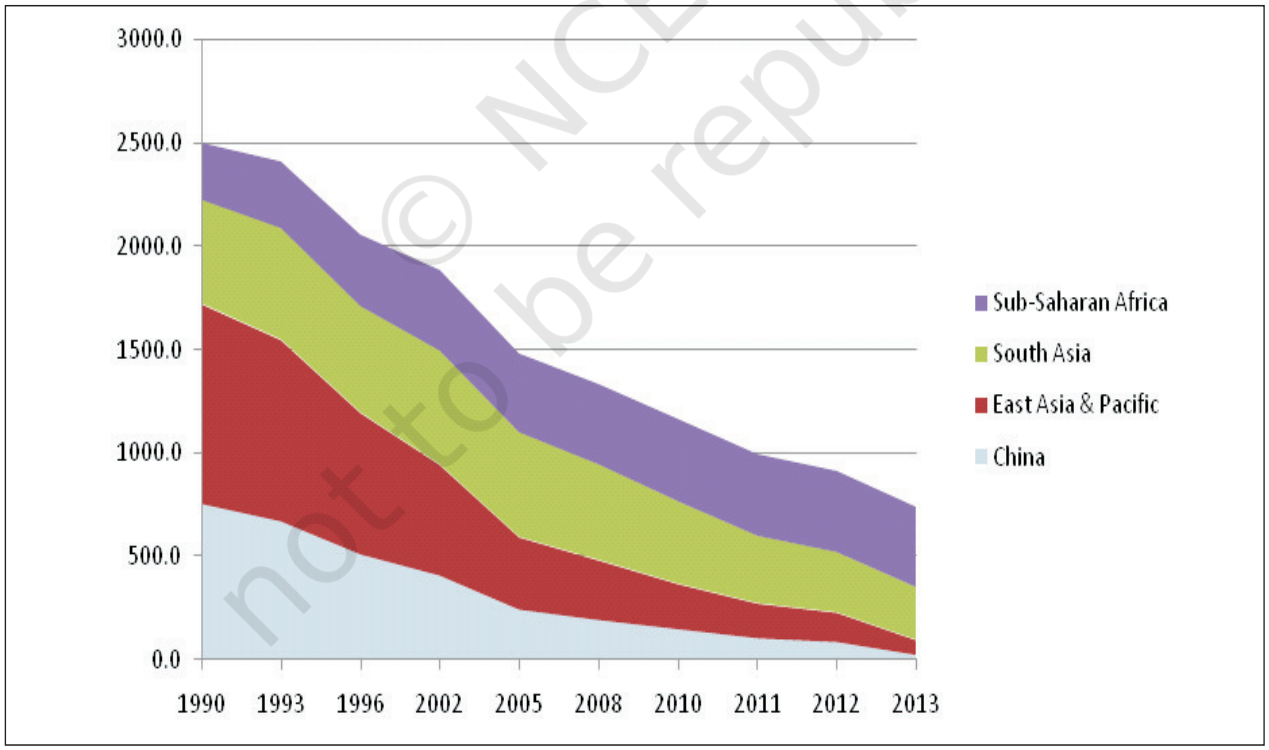
Graph 3.3: Share of people living on $1.90 a day, 1990–2013



Source: Poverty and Equity Database; World Bank
(http://databank.worldbank.org/data/reports.aspx?source=poverty-and-equity-database)

Graph 3.4: Number of poor by region ($ 1.90 per day) in millions



Source: Poverty and Equity Database; World Bank
(http://databank.worldbank.org/data/reports.aspx?source=poverty-and-equity-database)

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Causes of Poverty

There were a number of causes for the widespread poverty in India. One historical reason is the low level of economic development under the British colonial administration. The policies of the colonial government ruined traditional handicrafts and discouraged development of industries like textiles. The low rate of growth persisted until the nineteen-eighties. This resulted in less job opportunities and low growth rate of incomes. This was accompanied by a high growth rate of population. The two combined to make the growth rate of per capita income very low. The failure at both the fronts: promotion of economic growth and population control perpetuated the cycle of poverty.

With the spread of irrigation and the Green revolution, many job opportunities were created in the agriculture sector. But the effects were limited to some parts of India. The industries, both in the public and the private sector, did provide some jobs. But these were not enough to absorb all the job seekers. Unable to find proper jobs in cities, many people started working as rickshaw pullers, vendors, construction workers, domestic servants etc. With irregular small incomes, these people could not afford expensive housing. They started living in slums on the outskirts of the cities and the problems of poverty, largely a rural phenomenon also became the feature of the urban sector.

Another feature of high poverty rates has been the huge income inequalities. One of the major reasons for this is the unequal distribution of land and other resources. Despite many policies, we have not been able to tackle the issue in a meaningful manner. Major policy initiatives like land reforms which aimed at redistribution of assets in rural areas have not been implemented properly and effectively by most of the state governments. Since lack of land resources has been one of the major causes of poverty in India, proper implementation of policy could have improved the life of millions of rural poor.

Many other socio-cultural and economic factors also are responsible for poverty. In order to fulfil social obligations and observe religious ceremonies, people in India, including the very poor, spend a lot of money. Small farmers need money to buy agricultural inputs like seeds, fertilizer, pesticides etc. Since poor people hardly have any savings, they borrow. Unable to repay because of poverty, they become victims of indebtedness. So the high level of indebtedness is both the cause and effect of poverty.

Anti-Poverty Measures

Removal of poverty has been one of the major objectives of Indian developmental strategy. The current anti-poverty strategy of the government is based broadly on two planks (1) promotion of economic growth (2) targeted anti-poverty programmes.

Over a period of thirty years lasting up to the early eighties, there were little per capita income growth and not much reduction in poverty. Official poverty estimates which were about 45 per cent in the early 1950s remained the same even in the early eighties. Since the eighties, India's economic growth has been one of the fastest in the world. The growth rate jumped from the average of about 3.5 per cent a year in the 1970s to about 6 per cent during the 1980s and 1990s. The higher growth rates have helped significantly in the reduction of poverty. Therefore, it is becoming clear that there is a strong link between economic growth and poverty reduction. Economic growth widens opportunities and provides the resources needed to invest in human development. This also encourages people

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to send their children, including the girl child, to schools in the hope of getting better economic returns from investing in education. However, the poor may not be able to take direct advantage from the opportunities created by economic growth. Moreover, growth in the agriculture sector is much below expectations. This has a direct bearing on poverty as a large number of poor people live in villages and are dependent on agriculture.

In these circumstances, there is a clear need for targeted anti-poverty programmes. Although there are so many schemes which are formulated to affect poverty directly or indirectly, some of them are worth mentioning. *Mahatma Gandhi National Rural Employment Guarantee Act, 2005* aims to provide 100 days of wage employment to every household to ensure livelihood security in rural areas. It also aimed at sustainable development to address the cause of draught, deforestration and soil erosion. One-third of the proposed jobs have been reserved for women. The scheme provided employment to 220 crores person days of employment to 4.78 crore households. The share of SC, ST, Women person days in the scheme are 23 per cent, 17 per cent and 53 per cent respectively. The average wage has increased from 65 in 2006-07 to 132 in 2013-14.

Prime Minister Rozgar Yozana (PMRY) is another scheme which was started in 1993. The aim of the programme is to create self-employment opportunities for educated unemployed youth in rural areas and small towns. They are helped in setting up small business and industries. *Rural Employment Generation Programme* (REGP) was launched in 1995. The aim of the programme is to create self-employment opportunities in rural areas and small towns. A target for creating 25 lakh new jobs has been set for the programme under the Tenth Five Year plan. *Swarnajayanti Gram Swarozgar Yojana* (SGSY) was launched in 1999. The programme aims at bringing the assisted poor families above the poverty line by organising them into self help groups through a mix of bank credit and government subsidy. Under the *Pradhan Mantri Gramodaya Yozana* (PMGY) launched in 2000, additional central assistance is given to states for basic services such as primary health, primary education, rural shelter, rural drinking water and rural electrification. Another important scheme is *Antyodaya Anna Yozana* (AAY) about which you will be reading more in the next chapter.

The results of these programmes have been mixed. One of the major reasons for less effectiveness is the lack of proper implementation and right targeting. Moreover, there has been a lot of overlapping of schemes. Despite good intentions, the benefits of these schemes are not fully reached to the deserving poor. Therefore, the major emphasis in recent years is on proper monitoring of all the poverty alleviation programmes.

The Challenges Ahead

Poverty has certainly declined in India. But despite the progress, poverty reduction remains India's most compelling challenge. Wide disparities in poverty are visible between rural and

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urban areas and among different states. Certain social and economic groups are more vulnerable to poverty. Poverty reduction is expected to make better progress in the next ten to fifteen years. This would be possible mainly due to higher economic growth, increasing stress on universal free elementary education, declining population growth, increasing empowerment of the women and the economically weaker sections of society.

The official definition of poverty, however, captures only a limited part of what poverty really means to people. It is about a "minimum" subsistence level of living rather than a "reasonable" level of living. Many scholars advocate that we must broaden the concept into *human poverty*. A large number of people may have been able to feed themselves. But do they have education? Or shelter? Or health care? Or job security? Or self-confidence? Are they free from caste and gender discrimination? Is the practice of child labour still common? Worldwide experience shows that with development, the definition of what constitutes poverty also changes. Eradication of poverty is always a moving target. Hopefully we will be able to provide the minimum "necessary" in terms of only income to all people by the end of the next decade. But the target will move on for many of the bigger challenges that still remain: providing health care, education and job security for all, and achieving gender equality and dignity for the poor. These will be even bigger tasks.

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Summary

You have seen in this chapter that poverty has many dimensions. Normally, this is measured through the concept of "poverty line". Through this concept we analysed main global and national trends in poverty. But in recent years, analysis of poverty is becoming rich through a variety of new concepts like social exclusion. Similarly, the challenge is becoming bigger as scholars are broadening the concept into *human poverty.*

Exercises

1. Describe how the poverty line is estimated in India?
2. Do you think that present methodology of poverty estimation is appropriate?
3. Describe poverty trends in India since 1973?
4. Discuss the major reasons for poverty in India?
5. Identify the social and economic groups which are most vulnerable to poverty in India.
6. Give an account of interstate disparities of poverty in India.
7. Describe global poverty trends.
8. Describe current government strategy of poverty alleviation?
9. Answer the following questions briefly
   (i) What do you understand by human poverty?
   (ii) Who are the poorest of the poor?
   (iii) What are the main features of the National Rural Employment Guarantee Act 2005?

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4

Chapter

Food Security in India

Overview

- Food security means availability, accessibility and affordability of food to all people at all times. The poor households are more vulnerable to food insecurity whenever there is a problem of production or distribution of food crops. Food security depends on the Public Distribution System (PDS) and government vigilance and action at times, when this security is threatened.

What is food security?

Food is as essential for living as air is for breathing. But food security means something more than getting two square meals. Food security has following dimensions

(a) *availability of food* means food production within the country, food imports and the previous years stock stored in government granaries.

(b) *accessibility* means food is within reach of every person.

(c) *affordability* implies that an individual has enough money to buy sufficient, safe and nutritious food to meet one's dietary needs.

Thus, food security is ensured in a country only if (1) enough food is available for all the persons (2) all persons have the capacity to buy food of acceptable quality and (3) there is no barrier on access to food.

Why food security?

The poorest section of the society might be food insecure most of the times while persons above the poverty line might also be food insecure when the country faces a national disaster/calamity like earthquake, drought, flood, tsunami, widespread failure of crops causing famine, etc. ***How is food security affected during a calamity?*** Due to a natural calamity, say drought, total production of foodgrains decreases. It creates a shortage of food in the affected areas. Due to shortage of food, the prices goes up. At the high prices, some people cannot afford to buy food. If such calamity happens in a very wide spread area or is stretched over a longer time period, it may cause a situation of starvation. A massive starvation might take a turn of famine.

A Famine is characterised by wide spread deaths due to starvation and

In the 1970s, food security was understood as the "availability at all times of adequate supply of basic foodstuffs" (UN, 1975). Amartya Sen added a new dimension to food security and emphasised the "access" to food through what he called 'entitlements' — a combination of what one can produce, exchange in the market alongwith state or other socially provided supplies. Accordingly, there has been a substantial shift in the understanding of food security. The 1995 World Food Summit declared, "Food security at the individual, household, regional, national and global levels exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" (FAO, 1996, p.3). The declaration further recognises that "poverty eradication is essential to improve access to food".

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epidemics caused by forced use of contaminated water or decaying food and loss of body resistance due to weakening from starvation.

The most devastating famine that occurred in India was the FAMINE OF BENGAL in 1943. This famine killed thirty lakh people in the province of Bengal.

Do you know who were affected the most by the famine? The agricultural labourers, fishermen, transport workers and other casual labourers were affected the most by dramatically increasing price of rice. They were the ones who died in this famine.

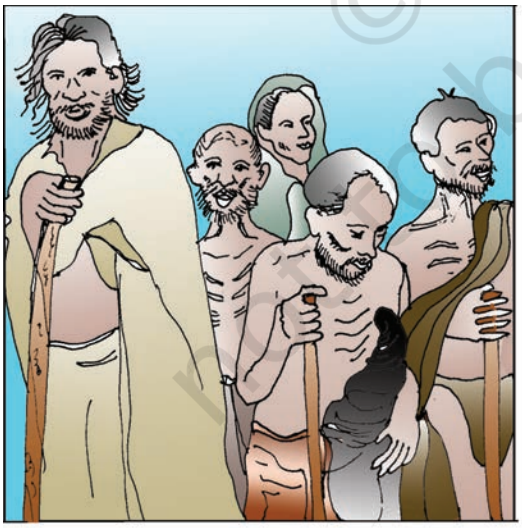
Table 4.1: Production of Rice in the Province of Bengal

Year	Production (Lakh tonnes)	Imports (Lakh tonnes)	Exports (Lakh tonnes)	Total Availability (Lakh tonnes)
1938	85	–	–	85
1939	79	04	–	83
1940	82	03	–	85
1941	68	02	–	70
1942	93	–	01	92
1943	76	03	–	79

Source: Sen, A.K, 1981 Page 61

Let's Discuss

1. Some people say that the Bengal famine happened because there was a shortage of rice. Study the table and find out whether you agree with the statement?
2. Which year shows a drastic decline in food availability?



Picture 4.1 *Starvation victims arriving at a relief centre, 1945.*

Picture 4.2 *During the Bengal Famine of 1943, a family leaves its village in Chittagong district in Bengal.*

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Suggested Activity

(a) What do you see in Picture 4.1?

(b) Which age group is seen in the first picture?

(c) Can you say that the family shown in the Picture 4.2 is a poor family? why?

(d) Can you imagine the source of livelihood of the people, (shown in two Pictures) before the occurrence of famine? (In the context of a village)

(e) Find out what type of help is given to the victims of a natural calamity at a relief camp.

(f) Have you ever helped such victims (in the form of money, food, clothes, medicines etc.)

PROJECT WORK: Gather more information about famines in India.

Nothing like the Bengal Famine has happened in India again. But it is disturbing to note that even today, there are places like Kalahandi and Kashipur in Orissa where famine-like conditions have been existing for many years and where some starvation deaths have also been reported. Starvation deaths are also reported in Baran district of Rajasthan, Palamau district of Jharkhand and many other remote areas during the recent years. Therefore, food security is needed in a country to ensure food at all times.

Who are food-insecure?

Although a large section of people suffer from food and nutrition insecurity in India, the worst affected groups are landless people with little or no land to depend upon, traditional artisans, providers of traditional services, petty self-employed workers and destitutes including beggars. In the urban areas, the food insecure families are those whose working members are generally employed in ill-paid occupations and casual labour market. These workers are largely engaged in seasonal activities and are paid very low wages that just ensure bare survival.

Story of Ramu

Ramu works as a casual labourer in agriculture in Raipur village. His eldest son Somu who is 10 years old also works as a *pali* to look after the cattle of the Sarpanch of the village Satpal Singh. Somu is employed for the whole year by the Sarpanch and is paid a sum of Rs 1,000 for this work. Ramu has three more sons and two daughters but they are too young to work on the field. His wife Sunhari is also (part time) working as house cleaner for the livestock, removing and managing cow dung. She gets ½ litre milk and some cooked food along with vegetables for her daily work. Besides she also works in the field along with her husband in the busy season and supplements his earnings. Agriculture being a seasonal activity employs Ramu only during times of sowing, transplanting and harvesting. He remains unemployed for about 4 months during the period of plant consolidation and maturing in a year. He looks for work in other activities. Some times he gets employment in brick laying or in construction activities in the village. By all his efforts, Ramu is able to earn enough either in cash or kind for him to buy essentials for two square meals for his family. However, during the days when he is unable to get some work, he and his family really face difficulties and sometimes his small kids have to sleep without food. Milk and vegetables are not a regular part of meals in the family. Ramu is food insecure during 4 months when he remains unemployed because of the seasonal nature of agriculture work.

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Let's Discuss

- Why is agriculture a seasonal activity?
- Why is Ramu unemployed for about four months in a year?
- What does Ramu do when he is unemployed?
- Who are supplementing income in Ramu's family?
- Why does Ramu face difficulty when he is unable to have work?
- When is Ramu food insecure?

Story of Ahmad

Ahmad is a rickshaw puller in Bangalore. He has shifted from Jhumri Taliah along with his 3 brothers, 2 sisters and old parents. He stays in a *jhuggi*. The survival of all members of his family depends on his daily earnings from pulling rickshaw. However, he does not have a secured employment and his earnings fluctuate every day. During some days he gets enough earning for him to save some amount after buying all his day-to-day necessities. On other days, he barely earns enough to buy his daily necessities. However, fortunately, Ahmad has a yellow card, which is PDS Card for below poverty line people. With this card, Ahmad gets sufficient quantity of wheat, rice, sugar and kerosene oil for his daily use. He gets these essentials at half of the market price. He purchases his monthly stock during a particular day when the ration shop is opened for below poverty people. In this way, Ahmad is able to eke out his survival with less than sufficient earnings for his big family where he is the only earning member.

Let's Discuss

- Does Ahmad have a regular income from rickshaw-pulling?
- How does the yellow card help Ahmad run his family even with small earnings from rickshaw-pulling?

The social composition along with the inability to buy food also plays a role in food insecurity. The SCs, STs and some sections of the OBCs (lower castes among them) who have either poor land-base or very low land productivity are prone to food insecurity. The people affected by natural disasters, who have to migrate to other areas in search of work, are also among the most food insecure people. A high incidence of malnutrition prevails among women. This is a matter of serious concern as it puts even the unborn baby at the risk of malnutrition. A large proportion of pregnant and nursing mothers and children under the age of 5 years constitute an important segment of the food insecure population.

According to the National Health and Family Survey (NHFS) 1998–99, the number of such women and children is approximately 11 crore.

The food insecure people are disproportionately large in some regions of the country, such as economically backward states with high incidence of poverty, tribal and remote areas, regions more prone to natural disasters etc. In fact, the states of Uttar Pradesh (eastern and south-eastern parts), Bihar, Jharkhand, Orissa, West Bengal, Chattisgarh, parts of Madhya Pradesh and Maharasthra account for largest number of food insecure people in the country.

Hunger is another aspect indicating food insecurity. Hunger is not just an expression of poverty, it brings about poverty. The attainment of food security therefore involves eliminating current hunger and reducing the risks of future hunger. Hunger has chronic and seasonal dimensions. Chronic hunger is a consequence of diets persistently inadequate in terms of quantity and/or

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quality. Poor people suffer from chronic hunger because of their very low income and in turn inability to buy food even for survival. Seasonal hunger is related to cycles of food growing and harvesting. This is prevalent in rural areas because of the seasonal nature of agricultural activities and in urban areas because of casual labourers, e.g., there is less work for casual construction labourers during the rainy season. This type of hunger exists when a person is unable to get work for the entire year.

Table 4.2: Percentage of Households with 'Hunger' in India

Year	Type of hunger		
	Seasonal	Chronic	Total
Rural			
1983	16.2	2.3	18.5
1993–94	4.2	0.9	5.1
1999–2000	2.6	0.7	3.3
Urban			
1983	5.6	0.8	6.4
1993–94	1.1	0.5	1.6
1999–2000	0.6	0.3	0.9

Source: Sagar (2004)

The percentage of seasonal, as well as, chronic hunger has declined in India as shown in the above table.

India is aiming at Self-sufficiency in Foodgrains since Independence.

After Independence, Indian policy-makers adopted all measures to achieve self-sufficiency in food grains. India adopted a new strategy in agriculture, which resulted in **'Green Revolution'**, especially in the production of wheat and rice.

Indira Gandhi, the then Prime Minister of India, officially recorded the impressive strides of Green Revolution in agriculture by releasing a special stamp entitled 'Wheat Revolution' in July 1968. The

Picture 4.3 *A farmer from Punjab standing in a field of one of the High Yielding Varieties of wheat on which the Green Revolution is based*

success of wheat was later replicated in rice. The increase in foodgrains was, however, disproportionate. The highest rate of growth was achieved in Uttar Pradesh and Madhya Pradesh, which was 44.01 and 30.21 million tonnes in 2015–16. The total foodgrain production was 252.22 Million tonnes in 2015–16.

Uttar Pradesh and Madhya Pradesh recorded a significant production in field of wheat which was 26.87 and 17.69 million tonnes in 2015–16, respectively.

West Bengal and UP, on the other hand, recorded significant production of rice 15.75 and 12.51 Million tonnes in 2015–16 respectively.

Suggested Activity

Visit some farms in a nearby village and collect the details of food crops cultivated by the farmers.

Food Security in India

Since the advent of the Green Revolution in the early-1970s, the country has avoided famine even during adverse weather conditions.

India has become self-sufficient in foodgrains during the last 30 years because of a variety of crops grown all over the country. The availability of foodgrains (even in adverse weather conditions or otherwise) at the country level has further been ensured with a

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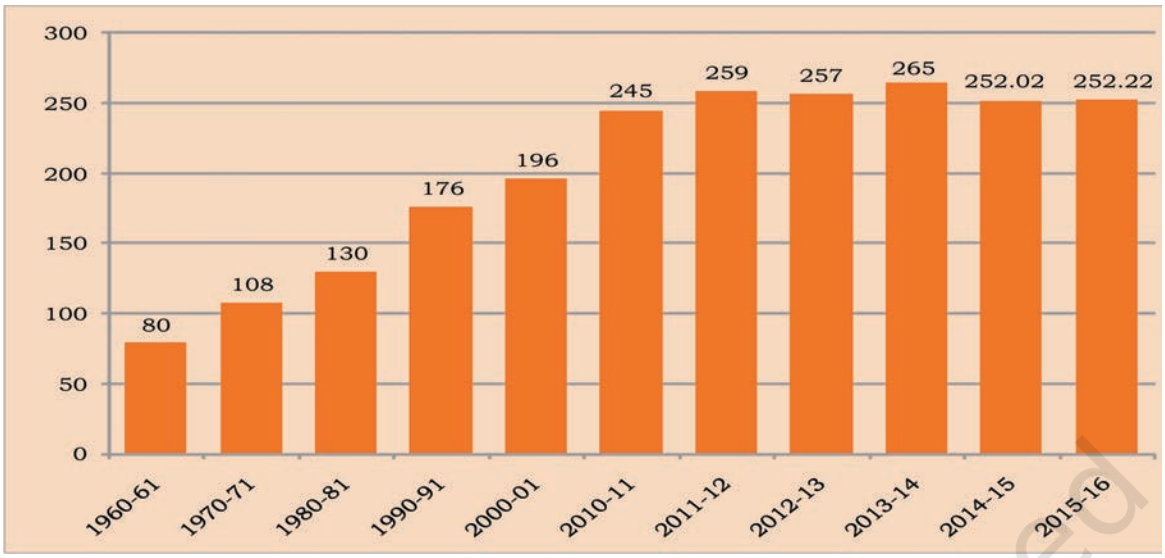
Graph 4.1: Production of Foodgrains in India (Million Tonnes)



Source: Pocket Book of Agricultural Statistics, 2016, Government of India.

Let's Discuss

Study Graph 4.1 and answer the following questions:

(a) In which year did our country cross the 200 Million tonne per year mark in foodgrain production?

(b) In which decade did India experience the highest decadal increase in foodgrain production?

(c) Is production increase consistent in India since 2000–01?

carefully designed food security system by the government. This system has two components: (a) buffer stock, and (b) public distribution system.

What is Buffer stock?

Buffer Stock is the stock of foodgrains, namely wheat and rice, procured by the government through the **Food Corporation of India (FCI)**. The FCI purchases wheat and rice from the farmers in states where there is surplus production. The farmers are paid a pre-announced price for their crops. This price is called **Minimum Support Price (MSP)**. The MSP is declared by the government every year before the sowing season to provide incentives to farmers for raising the production of these crops. The purchased foodgrains are stored in granaries. Do you know why this buffer stock is created by the government? This is done to distribute foodgrains in the deficit areas and among the poorer strata of the society at a price lower than the market price also known as **Issue Price**. This also helps resolve the problem of shortage of food during adverse weather conditions or during the periods of calamity.

What is the Public Distribution System?

The food procured by the FCI is distributed through government regulated ration shops among the poorer section of the society. This is called the Public Distribution System (PDS). Ration shops are now present in most localities, villages, towns and cities. There are about 5.5 lakh ration shops all over the country. Ration shops also, known as **Fair Price Shops,** keep stock of foodgrains, sugar, and kerosene for cooking. These items are sold to people at a price lower than the market price. Any family with

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a ration card* can buy a stipulated amount of these items (e.g. 35 kg of grains, 5 litres of kerosene, 5 kgs of sugar etc.) every month from the nearby ration shop.

*There are three kinds of ration cards: (a) Antyodaya cards for the poorest of the poor; (b) BPL cards for those below poverty line; and (c) APL cards for all others.

Suggested Activity

Visit your area's ration shop and get the following details

1. When does the ration shop open?
2. What are the items sold at the ration shop?
3. Compare the prices of rice and sugar from the ration shop with the prices at any other grocery shop? (for families below poverty line)
4. Find out:
   Do you have a ration card?
   What has your family recently bought with this card from the ration shop?
   Are there any problems that they face?
   Why are ration shops necessary?

Picture 4.4

The introduction of **Rationing** in India dates back to the 1940s against the backdrop of the Bengal famine. The rationing system was revived in the wake of an acute food shortage during the 1960s, prior to the Green Revolution. In the wake of the high incidence of poverty levels, as reported by the NSSO in the mid-1970s, three important food intervention programmes were introduced: Public Distribution System (PDS) for food grains (in existence earlier but strengthened thereafter); Integrated Child Development Services (ICDS) (introduced in 1975 on an experimental basis) and Food-for-Work** (FFW) (introduced in 1977–78). Over the years, several new programmes have been launched and some have been restructured with the growing experience of administering the programmes. At present, there are several Poverty Alleviation Programmes (PAPs), mostly in rural areas, which have an explicit food component also. While some of the programmes such as PDS, mid-day meals etc. are exclusively food security programmes, most of the PAPs also enhance food security. Employment programmes greatly contribute to food security by increasing the income of the poor.

Suggested Activity

Gather detailed information about some of the programmes initiated by the government, which have food component.

Hint: Rural wage employment programme, Employment Guarantee Scheme, Sampurna Grameen Rojgar Yojana, Mid Day Meal, Integrated Child Development Services, etc.

Discuss with your teacher.

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****The National Food Security Act, 2013**

This Act provides for food and nutritional security life at affordable prices and enables people to live a life with dignity. Under this act, 75% of the rural population and 50% of the urban population have been categorised as eligible households for food security.

Current Status of Public the Distribution System

Public Distribution System (PDS) is the most important step taken by the Government of India (GoI) towards ensuring food security. In the beginning, the coverage of PDS was universal with no discrimination between the poor and the non-poor. Over the years, the policy related to PDS has been revised to make it more efficient and targeted. In 1992, Revamped Public Distribution System (RPDS) was introducted in 1,700 blocks in the country. The target was to provide the benefits of PDS to remote and backward areas. From June 1997, in a renewed attempt, Targeted Public Distribution System (TPDS) was introducted to adopt the principle of targeting the 'poor in all areas'. It was for the first time that a differential price policy was adopted for poor and non-poor. Further, in 2000, two special schemes were launched *viz.*, *Antyodaya Anna Yojana**** (AAY) and *Annapurna Scheme* (APS) with special target groups

Table 4.3: Some Important Features of PDS

Name of scheme	Year of introduction	Coverage target group	Latest volume	Issue price (Rs per kg.)
PDS	Up to 1992	Universal	–	W-2.34 R-2.89
RPDS	1992	Backward blocks	20 kg of foodgrains	W-2.80 R-3.77
TPDS	1997	Poor and non-poor BPL APL	35 kg of foodgrains	BPL – W-4.15 R-5.65 APL-W-6.10 R-8.30
AAY	2002	Poorest of the poor	35 kg of foodgrains	W-2.00 R-3.00
APS	2000	Indigent senior citizens	10 kg of foodgrains	Free
National Food Security Act (NFSA)	2013	Priority households	5 Kg per person per month	W-2.00 R-3.00 Coarse-1.00 grains

Note: W - Wheat; R - Rice; BPL - Below poverty line; APL - Above poverty line
Source: Economic Survey

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of 'poorest of the poor' and 'indigent senior citizens', respectively. The functioning of these two schemes was linked with the existing network of the PDS.

Some important features of PDS are summarised in Table 4.3.

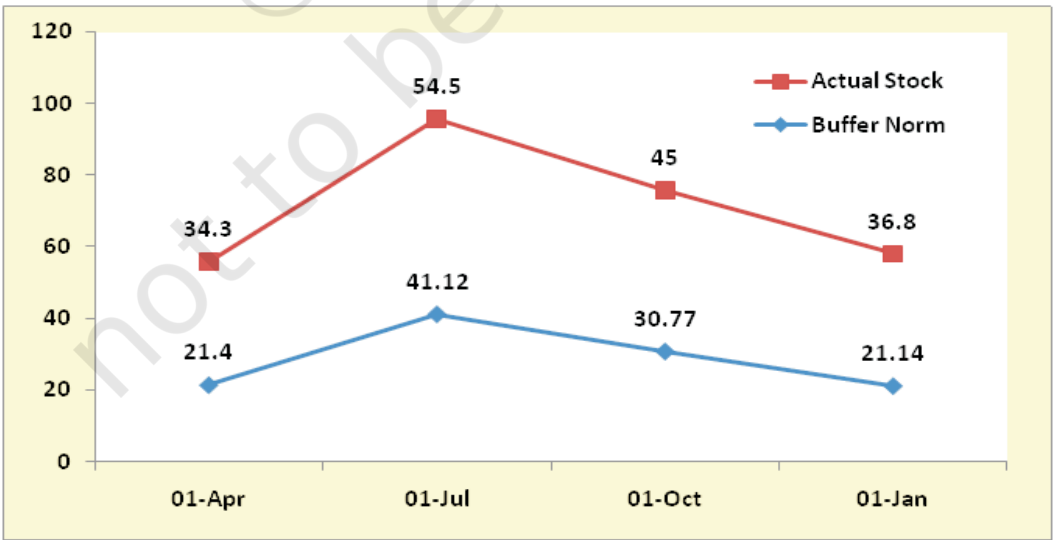
The PDS has proved to be the most effective instrument of government policy over the years in stabilising prices and making food available to consumers at affordable prices. It has been instrumental in averting widespread hunger and famine by supplying food from surplus regions of the country to the deficit ones. In addition, the prices have been under revision in favour of poor households in general. The system, including the minimum support price and procurement has contributed to an increase in foodgrain production and provided income security to farmers in certain regions.

However, the Public Distribution System has faced severe criticism on several grounds. Instances of hunger are prevalent despite overflowing granaries. FCI godowns are overflowing with grains, with some rotting away and some being eaten by rats. Graph 4.2 shows the difference in foodgrain stocks in Central pool and its stocking norms.

*****Antyodaya Anna Yojana (AAY)**

AAY was launched in December 2000. Under this scheme one crore of the poorest among the BPL families covered under the targeted public distribution system were identified. Poor families were identified by the respective state rural development departments through a Below Poverty Line (BPL) survey. Twenty-five kilograms of foodgrains were made available to each eligible family at a highly subsidised rate of Rs 2 per kg for wheat and Rs 3 per kg for rice. This quantity has been enhanced from 25 to 35 kg with effect from April 2002. The scheme has been further expanded twice by additional 50 lakh BPL families in June 2003 and in August 2004. With this increase, 2 crore families have been covered under the AAY.

Graph 4.2: Central Foodgrains (Wheat + Rice) Stock and Minimum Buffer Norm (Million Tonnes)



***Source*:** Food Corporation and India

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+*Subsidy is a payment that a government makes to a producer to supplement the market price of a commodity. Subsidies can keep consumer prices low while maintaining a higher income for domestic producers.*

Let's Discuss

Study the Graph 4.2 and answer the following questions:

- In which recent year foodgrain stock with the government was maximum?
- What is the minimum buffer stock norm for the FCI?
- Why were the FCI granaries overflowing with foodgrains?

In 2014, the stock of wheat and rice with FCI was 65.3 million tonnes which was much more than the minimum buffer norms. However, these remained consistently higher than the buffer norms. The situation improved with the distribution of foodgrains under different schemes launched by the government. There is a general consensus that high level of buffer stocks of foodgrains is very undesirable and can be wasteful. The storage of massive food stocks has been responsible for high carrying costs, in addition to wastage and deterioration in grain quality. Freezing of MSP for a few years should be considered seriously.

The increased food grains procurement at enhanced MSP# is the result of the pressure exerted by leading foodgrain producing states, such as Punjab, Haryana and Andhra Pradesh.

Picture 4.5 *Farmers Carrying Bags of Grains to the Granaries.*

Moreover, as the procurement is concentrated in a few prosperous regions (Punjab, Haryana, Western Uttar Pradesh, Andhra Pradesh and to a lesser extent in West Bengal) and mainly of two crops— wheat and rice— increase in MSP has induced farmers, particularly in surplus states, to divert land from production of coarse grains, which is the staple food of the poor, to the production of rice and wheat. The intensive utilisation of water in the cultivation of rice has also led to environmental degradation and fall in the water level, threatening the sustainability of the agricultural development in these states.

The rising Minimum Support Prices (MSP) have raised the maintenance cost of procuring foodgrains by the government. Rising transportation and storage costs of the FCI are other contributing factors in this increase.

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As per the NSSO report No. 558 in rural India, the per person per month has declined from 6.38 Kg. in 2004-05 to 5.98 Kg in 2011-12. In urban India, the per person per month consumption of rice, too has declined from 4.71 Kg in 2004-05 to 4.19 Kg in 2011-12. Per Capita consumption of PDS rice has doubled in rural India and increased by 66% in urban India since 2004-05. The per Capita consumption of PDS wheat has doubled since 2004-05 in both rural and urban India.

PDS dealers are sometimes found resorting to malpractices like diverting the grains to open market to get better margin, selling poor quality grains at ration shops, irregular opening of the shops, etc. It is common to find that ration shops regularly have unsold stocks of poor quality grains left. This has proved to be a big problem. When ration shops are unable to sell, a massive stock of foodgrains piles up with the FCI. In recent years, there is another factor that has led to the decline of the PDS. Earlier every family, poor and non-poor had a ration card with a fixed quota of items such as rice, wheat, sugar etc. These were sold at the same low price to every family. The three types of cards and the range of prices that you see today did not exist. A large number of families could buy foodgrains from the ration shops subject to a fixed quota. These included low income families whose incomes were marginally higher than the below poverty line families. Now, with TPDS of three different prices, any family above the poverty line gets very little discount at the ration shop. The price for APL family is almost as high as open market price, so there is little incentive for them to buy these items from the ration shop.

Role of cooperatives in food security

The cooperatives are also playing an important role in food security in India especially in the southern and western parts of the country. The cooperative societies set up shops to sell low priced goods to poor people. For example, out of all fair price shops running in Tamil Nadu, around 94 per cent are being run by the cooperatives. In Delhi, Mother Dairy is making strides in provision of milk and vegetables to the consumers at controlled rate decided by Government of Delhi. Amul is another success story of cooperatives in milk and milk products from Gujarat. It has brought about the White Revolution in the country. These are a few examples of many more cooperatives running in different parts of the country ensuring food security of different sections of society.

Similarly, in Maharashtra, Academy of Development Science (ADS) has facilitated a network of NGOs for setting up grain banks in different regions. ADS organises training and capacity building programmes on food security for NGOs. Grain Banks are now slowly taking shape in different parts of Maharashtra. ADS efforts to set up Grain Banks, to facilitate replication through other NGOs and to influence the Government's policy on food security are thus paying rich dividends. The ADS Grain Bank programme is acknowledged as a successful and innovative food security intervention.

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Summary

Food security of a nation is ensured if all of its citizens have enough nutritious food available, all persons have the capacity to buy food of acceptable quality and there is no barrier on access to food. The people living below the poverty line might be food insecure all the time while better off people might also turn food insecure due to calamity or disaster. Although a large section of people suffer from food and nutrition insecurity in India, the worst affected groups are landless or land poor households in rural areas and people employed in ill paid occupations and casual labourers engaged in seasonal activities in the urban areas. The food insecure people are disproportionately large in some regions of the country, such as economically backward states with high incidence of poverty, tribal and remote areas, regions more prone to natural disasters etc. To ensure availability of food to all sections of the society the Indian government carefully designed food security system, which is composed of two components: (a) buffer stock and (b) public distribution system. In addition to PDS, various poverty alleviation programmes were also started which comprised a component of food security. Some of these programmes are: Integrated Child Development Services (ICDS); Food-for-Work (FFW); Mid-Day Meals; Antyodaya Anna Yojana (AAY) etc. In addition to the role of the government in ensuring food security, there are various cooperatives and NGOs also working intensively towards this direction.

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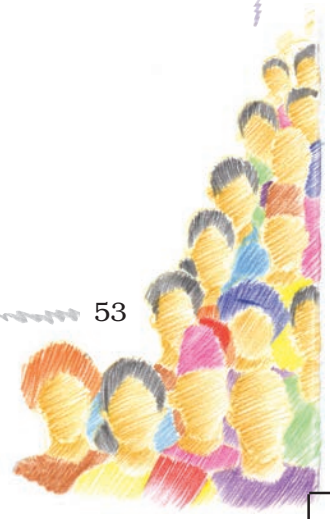
Exercises

1. How is food security ensured in India?
2. Which are the people more prone to food insecurity?
3. Which states are more food insecure in India?
4. Do you believe that green revolution has made India self-sufficient in food grains? How?
5. A section of people in India are still without food. Explain?
6. What happens to the supply of food when there is a disaster or a calamity?
7. Differentiate between seasonal hunger and chronic hunger?
8. What has our government done to provide food security to the poor? Discuss any two schemes launched by the government?
9. Why buffer stock is created by the government?
10. Write notes on:
    (a) Minimum support price
    (b) Buffer stock
    (c) Issue price
    (d) Fair price shops
11. What are the problems of the functioning of ration shops?
12. Write a note on the role of cooperatives in providing food and related items.



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