

INDIAN ECONOMY

POVERTY IN INDIA: WORLD BANK REPORT

- According to a World Bank working paper, extreme poverty in India dropped to 10.2% in the pre-Covid year of 2019 from as much as 22.5% in 2011 .
 - This is the second working paper after a recent International Monetary Fund paper that talked about poverty reduction.
 - However, while the former dealt with the period before Covid, the latter focuses on the period during the pandemic.

About

- The paper uses the Consumer Pyramids Household Survey (CPHS) – an annual survey conducted by the Centre for Monitoring the Indian Economy (CMIE) – to provide estimates of how poverty and inequality in India have evolved since 2011.
- The CPHS is more recent, has wide coverage, and collects comprehensive data from Indian household living conditions.
- The paper implements a careful reweighting exercise to make CPHS to approach the representativeness of nationally representative surveys such as the Periodic Labour Force Survey (PLFS) and the National Family Health Survey (NFHS).
- It also makes full use of the CPHS consumption to make it comparable to the NSS consumption. In that way, it can show the evolution of poverty in India from 2011 to 2019.
- **Aims**
 - To encourage exchange of ideas on development and quickly disseminate the findings of research in progress.

Major Highlights of the report

- Poverty in India is 12.3 percentage points lower in 2019 as compared to 2011.
- The poverty headcount rate has declined from 22.5 percent in 2011 to 10.2 percent in 2019.
- Poverty reduction was higher in rural areas as compared to urban India.
 - Rural poverty dropped by 14.7 percent while urban poverty declined by 7.9 percentage points during 2011 to 2019.
- Farmers with small landholding sizes have experienced higher income growth.
 - Real incomes for farmers with the smallest landholdings have grown by 10 percent in annualised terms between the two survey rounds [2013 and 2019] compared to a 2 percent growth for farmers with the largest landholding.
- Extreme poverty was as low as 0.8 per cent in the pre-pandemic year of 2019, and food transfers were instrumental in ensuring that it remained at that level in the pandemic year of 2020.
 - Extreme poverty is measured as the number of people living on less than \$1.90 per day (₹144.40 at ₹76 a dollar).
- Consumption inequality in India has moderated after 2011, with almost no change between 2015 and 2019.

What is Poverty?

- It is a multidimensional concept .
- It can be defined as a condition in which an individual or household lacks the financial resources to afford a basic minimum standard of living.
- Economists and policymakers estimate “absolute” poverty as the shortfall in consumption expenditure from a threshold called the “poverty line”.
- The official poverty line is the expenditure incurred to obtain the goods in a “poverty line basket” (PLB).
 - The PLB comprises goods and services considered essential to a basic minimum standard of living — food, clothing, rent, conveyance, and entertainment. The price of the food component can be estimated using calorie norms or nutrition targets.

How is it measured and its importance?

- Poverty can be measured in terms of the number of people living below this line (with the incidence of poverty expressed as the head count ratio).
 - The “depth” of poverty indicates how far the poor are below the poverty line.
- **Six official committees** have so far estimated the number of people living in poverty in India
 - the working group of 1962
 - V N Dandekar and N Rath in 1971
 - Y K Alagh in 1979
 - D T Lakdawala in 1993
 - Suresh Tendulkar in 2009
 - C Rangarajan in 2014.

- The government did not take a call on the report of the Rangarajan Committee; therefore, poverty is measured using the Tendulkar poverty line.
 - The Lakdawala Committee assumed that health and education is provided by the state — therefore, expenditure on these items was excluded from the consumption basket it proposed. Since expenditure on health and education rose significantly in the 1990s, the Tendulkar Committee included them in the basket.
- Poverty numbers matter because central schemes like Antyodaya Anna Yojana (which provides subsidised food grains to households living below the poverty line) and Rashtriya Swasthya Bima Yojana (health insurance for BPL households) use the definition of poverty given by the NITI Aayog or the erstwhile Planning Commission.
 - The Centre allocates funds for these schemes to states based on the numbers of their poor. Errors of exclusion can deprive eligible households of benefits.

Other ways can poverty be estimated

- In 2011, Oxford University researchers Sabina Alkire and James Foster devised the multidimensional poverty index (MPI) to capture poverty using 10 indicators: nutrition, child mortality, years of schooling, school attendance, ownership of assets, and access to proper house, electricity, drinking water, sanitation, and clean cooking fuel.
 - The MPI is a more comprehensive measure of poverty because it includes components that capture the standard of living more effectively.

Governments initiatives in this context

- Multi-pronged strategies are being taken by the Ministry of Rural Development (MoRD) to address rural poverty and improve the economic well-being of the people in rural areas with the main focus on increasing livelihood opportunities, empowering rural women, providing social safety net, skilling of rural youth, infrastructure development, increasing land productivity etc. through programmes of Department of Rural Development, viz.,
 - Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)
 - Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)
 - Deen Dayal Upadhyay – Gramin Kaushalya Yojana (DDU-GKY)
 - Pradhan Mantri Awaas Yojana – Gramin (PMAY-G)
 - Pradhan Mantri Gram Sadak Yojana (PMGSY)
 - Shyama Prasad Mukherjee National RuRBAN Mission (SPMRM) and National Social Assistance Programme (NSAP), and programmes of Department of Land Resources, viz., Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY).

Other related schemes:

- Pradhan Mantri Jan Dhan Yojana
- Schemes for Financial Assistance:
- Pradhan Mantri Kisan Samman Nidhi
- Pradhan Mantri Jan Dhan Yojana
- Integrated Rural Development Programme (IRDP)

Issues /Challenges

- Poverty alleviation has always been accepted as one of India's main challenges by the policy makers, regardless of which government was in power.
- Government policies have failed to address a majority of vulnerable people who are living on or just above the poverty line.
- It also reveals that high growth alone is not sufficient to reduce poverty. Without the active participation of the poor, successful implementation of any programme is not possible.
- It remains among middle-income countries that are home to over half the world's poor. Progress in poverty alleviation has also been affected by shocks like demonetisation and the pandemic
- The pandemic is the biggest setback to poverty reduction worldwide and it will stretch out targets for countries like India.

Way Forward

- Poverty can effectively be eradicated only when the poor start contributing to growth by their active involvement in the growth process.
- This is possible through a process of social mobilisation, encouraging poor people to participate and get them empowered.
- This will also help create employment opportunities which may lead to increase in levels of income, skill development, health and literacy.
- Moreover, it is necessary to identify poverty stricken areas and provide infrastructure such as schools, roads, power, telecom, IT services, training institutions etc.

IMPORTANT FACTS FOR PRELIM**1. Kodava Takke Language**

A book of poems by a veteran Kodagu poet has brought the spotlight on Kodava Takke, an endangered language.

About Kodava Takke

- A language in the Dravidian group
- The original language of the Kodagu district in Southern Karnataka
- UNESCO has classified the language as an Endangered Language.
- It has no separate script and is traditionally written using the Kannada script.
- According to the 2001 census, Kodava takke is spoken by just 166,187 people.

About Kodavas

- It is a small martial community in Kodagu district in Karnataka.
- It is an ethno-linguistic tribe, claiming to be the original inhabitants of Kodagu.
- Traditionally, they are land-owning agriculturists.
- The community has its rituals around guns and weapons like swords.
- The special privilege to own firearms without a license was granted to the Kodavas.

Kailpodh festival (festival of arms)

- It is celebrated annually in the month of September.
- It is marked by the worship of guns, Odi Kathi and Peeche Kathi (two different kinds of swords), and agricultural equipment.

2. World Haemophilia Day

World Haemophilia Day is marked on 17 April annually, and is dedicated to raising awareness about haemophilia and other inherited bleeding disorders.

About World Haemophilia Day

- The World Federation of Haemophilia (WFH) was established in 1963 to enhance treatment and care for all haemophilia patients.
- The WFH began observing World Haemophilia Day in 1989.
- It chose 17 April as the date to bring the community together and honour WFH founder Frank Schnabel's birthday.
- 2022 theme :“Access for All: Partnership. Policy. Progress. Engaging your government, integrating inherited bleeding disorders into national policy”.

Significance:

- The day brings together people suffering from ailments like haemophilia and enables them to share their stories of living with the disease.
- Several institutions and individuals organise awareness campaigns, conferences, workshops, and other events on this day.

3. L-root Server

Rajasthan has become the first State in the country to get the L-root server.

About L-root Server

- The new server has been installed at the Bhamashah State Data Centre in association with the Internet Corporation for Assigned Names and Numbers (ICANN).
- It will enable the State government to provide its flagship digital services and enforce e-governance with seamless internet connectivity.
- The government in the State is delivering digital services to the people through e-Mitra, Jan Aadhaar Yojana, Jan Kalyan portal, Jansuchna portal and various mobile phone apps.
- The State would not depend on any root server for the domain name system following the installation of the new facility.

Benefits:

- The new facility will strengthen internet infrastructure and help improve security and resilience of internet-based operations.
- It will ensure uninterrupted delivery of digital services to the common people and bring transparency and efficiency in operations.
- The internet operations would continue to run in Rajasthan without any interruption even if there was an obstacle in internet connectivity because of a technical glitch or a natural calamity in the whole of Asia or India.
- The new server's installation will also benefit the general public as well as the industry with better load management and lower round trip time latency between the users and servers.

Internet Corporation for Assigned Names and Numbers (ICANN)

- It manages the maintenance of namespaces and numerical spaces which enable secure and stable operation of the internet.
- ICANN performs the technical maintenance of IP Address pools and Domain Name Servers(DNS). ICANN was incorporated in California on September 30, 1998.
- ICANN is governed by an internationally diverse Board of Directors overseeing the policy development process. ICANN's President directs an international staff, working from three continents, who ensure that ICANN meets its operational commitment to the Internet community.

DAILY ANSWER WRITING PRACTICE

Q1. Over the years, a number of differences have emerged between India and Nepal that need attention. India needs to be a sensitive and generous partner for the “neighbourhood first” policy to take root. Comment (250 words)

Introduction

Nepal is an important neighbour of India and occupies special significance in its foreign policy because of the geographic, historical, cultural and economic linkages/ties that span centuries. India and Nepal share similar ties in terms of Hinduism and Buddhism with Buddha's birthplace Lumbini located in present day Nepal. Over the past few years, we have been witness to the deteriorating India-Nepal relations. Reserves of goodwill which India had accumulated is fast depleting in Nepal.

- Recently Nepal's Prime Minister Sher Bahadur Deuba visited India, four years after a Nepali leader visited New Delhi. It is the first bilateral visit abroad for Mr. Deuba who leads an elected government.

Body

Need of a rebalancing India Nepal ties

- Nepal shares borders with 5 Indian states- Uttarakhand, Uttar Pradesh, West Bengal, Sikkim and Bihar and with free movement of people and thereby acting as an important point of cultural and economic exchange in India-Nepal relations.
- Nepal unveiled a new political map that claimed strategically important land Kalapani, Limpiyadhura and Lipulekh of Uttarakhand as part of its sovereign territory.
- The misunderstanding created during the constitution framing / Madhesi agitation changed the entire gamut of relations between India and Nepal.
- Internal Security is a major concern for India; Indo-Nepal border is virtually open and lightly policed which is exploited by terrorist outfits and insurgent groups from North Eastern part of India eg. supply of trained cadres, fake Indian currency.
- Nepal over the years has witnessed chronic political instability, including a 10-year violent insurgency, damaging Nepal's development and economy.
- There is anti-India feeling among certain ethnic groups in Nepal which emanates from the perception that India indulges too much in Nepal and tinkers with their political sovereignty.
- The establishment of diplomatic relations between Nepal and China and its growing influence in Nepal has resulted in declining traditional leverage of India in Nepal.
- Overtime trust deficit has widened between India-Nepal because of the Indian reputation for delaying implementation of various projects.
- The Mahakali agreement has remained in limbo for over two decades. In 2008, the collapse of Koshi's embankment unleashed massive flooding, highlighting India's failure to take precautionary measures and its refusal to take responsibility.

Prospects of India-Nepal Relations:

Trade and economy:

- India is Nepal's largest trade partner and the largest source of foreign investments, besides providing transit for almost the entire third country trade of Nepal.
- Indian firms engage in manufacturing, services (banking, insurance, dry port), power sector and tourism industries etc.

Connectivity:

- Nepal being a landlocked country, it is surrounded by India from three sides and one side is open towards Tibet which has very limited vehicular access.
- India-Nepal has undertaken various connectivity programs to enhance people-to-people linkages and promote economic growth and development.
- MOUs have been signed between both the governments for laying electric rail track linking Kathmandu with Raxaul in India.
- India is looking to develop the inland waterways for the movement of cargo, within the framework of trade and transit arrangements, providing additional access to sea for Nepal calling it linking Sagarmath (Mt. Everest) with Sagar (Indian Ocean).

Development Assistance:

- Government of India provides development assistance to Nepal, focusing on creation of infrastructure at the grass-root level.
- The areas assistance include infrastructure, health, water resources, and education and rural & community development.

Defence Cooperation:

- Bilateral defence cooperation includes assistance to Nepalese Army in its modernization through provision of equipment and training.
- The Gorkha Regiments of the Indian Army are raised partly by recruitment from hill districts of Nepal.
- India from 2011, every year undertakes joint military exercise with Nepal known as Surya Kiran.

Cultural:

- There have been initiatives to promote people-to-people contacts in the area of art & culture, academics and media with different local bodies of Nepal.
- India has signed three sister-city agreements for twinning of Kathmandu-Varanasi, Lumbini-Bodhgaya and Janakpur-Ayodhya.

Humanitarian Assistance:

- Nepal lies in sensitive ecological fragile zone which is prone to earthquakes, floods causing massive damage to both life and money, whereby it remains the biggest recipient of India's humanitarian assistance.

Indian Community:

- Huge number of Indians lives in Nepal, these include businessmen, traders, doctors, engineers and labourers (including seasonal/migratory in the construction sector).

Multilateral Partnership:

- India and Nepal shares multiple multilateral forums such as BBIN (Bangladesh, Bhutan, India, and Nepal), BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation) NAM, and SAARC (South Asian Association for Regional Cooperation) etc.

Way forward

- The two countries have managed to settle about 98% of the common border.
- More than 8,500 boundary pillars have been installed reflecting the agreed alignment.
- As both countries are laying claim to the same piece of land, the time has come for both countries to sit for talks to solve this issue.

DAILY QUIZ

- Q1. Recently seen in the news, Kodava Takke is related to:
- An ethnolinguistic group in Karnataka
 - A festival celebrated in South India
 - A language in the Dravidian group**
 - A group of land-owning people during ancient period
- Q2. Which of the following committees are associated with poverty estimation in India ?
- Y K Alagh
 - D T Lakdawala
 - Suresh Tendulkar
 - C Rangarajan.
 - KV Kamath
- Select the correct answer using the code given below:
- 1, 2 and 3 only
 - 2, 3, 5 and 4 only
 - 4, 5 and 3 only
 - 1, 2, 3 and 4 only**
- Q3. With reference to Haemophilia, consider the following statements:
- It is an inherited condition that causes bleeding for a long time after injury.
 - Haemophilia A is more common among all the types.
 - It is caused by a mutation or change in one of the genes.
- Which of the statements given above are correct?
- 2 and 3 only
 - 2 only
 - 1 and 2 only
 - 1, 2 and 3 only**
- Q4. With reference to Nitrogen Cycle, consider the following statements:
- Nitrogen fixation is a process to convert nitrogen gas into inorganic nitrogen compounds.
 - Ammonification also forms a part of steps in the nitrogen cycle.
- Which of the statements given above is/are correct?
- 1 only
 - 2 only
 - Both 1 and 2**
 - None
- Q5. Other things remaining unchanged, market demand for a good might increase if
- Price of its substitute increases
 - Price of its complement increases
 - The good is an inferior good and income of the consumers increases
 - Its price falls
- Which of the given above statements are correct?
- 1, 2 and 3 only
 - 1 and 4 only**
 - 1 and 3 only
 - 1, 2, 3 and 4 only

- Q6. Examine the following statement with respect to the report “Trend and Progress of Banking in India 2020-21” released recently.
1. The report is released by RBI
 2. This Report presents the performance of the banking sector, including co-operative banks, and non-banking financial institutions .
- Which of the above statement/s is or are correct ?
- a) 1 only b) 2 only **c) Both** d) Neither 1 nor 2
- Q7. Consider the following statement with regards to Tiger census In India
1. Wild Life Institute of India is the nodal agency to conduct Tiger census in India.
 2. Like Rahino census , Tiger census carried out every four years.
- Select the incorrect statement using the codes given below
- a) 1 only b) 2 only **c) Both** d) None of the above
- Q8. With reference to Blue Bull (Nill Gai) often in news ,consider the following
1. Recently central government withdraw the vermin status of nilgai in Bihar.
 2. It is the largest Asian antelope.
 3. Recently IUCN changes its status to endangered from least concern.
 4. It is schedule III animal under wildlife protection act 1972.
- Which of the above statement/s is or are correct ?
- a) 1 and 2 only b) 3 and 4 only c) 1 and 3 only **d) 2 and 4 only**
- Q9. The inter-State border dispute over Belagavi has been erupted again between which of the following states.
- a) Karnataka and Maharashtra** b) Andhra Pradesh and Telengana
c) Andhra Pradesh and Tamil nadu d) Gujrat and Madhya Pradesh
- Q10. Aptani Tribes are in news frequently due to their Aptani weave textile belongs to which of the following state state
- a) Arunachal pradesh** b) Mizoram c) Manipur d) meghalaya
- Q11. Garo, Khasi, Jayantia hills are sometimes in news , arrange them from east to west .
- a) **Jayantia, khasi, Garo** b) Garo , khasi, Jayantia
c) Khasi , Garo, Jayantia d) Jayantia, khasi , Garo
- Q12. Consider the following statement with regards to Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) scheme
1. The PMFME Scheme is a centrally sponsored scheme
 2. It aims to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry.
 3. It aims to promote formalization of the sector and provide support to Farmer Producer Organizations, Self Help Groups, and Producers Cooperatives along their entire value chain.
- Which of the above statement/s is or are correct
- a) 1 only b) 2 and 3 only c) 1 and 3 only **d) All of the above**
- Q13. Consider the following statement with reference to Protection of Women from Sexual Harassment (POSH) Act.
1. The act provides for Every employer is required to constitute an Internal Complaints Committee at each office or branch with 10 or more employees.
 2. The Complaints Committees have the powers of civil courts for gathering evidence
- Select the incorrect statement using the code given below
- a) 1 only b) 2 only c) Both **d) None of the above**
- Q14. Examine the following statement about the Drone rule 2021
1. The rule supersedes the Unmanned Aircraft System (UAS) Rules, 2021
 2. Within the new rules, drones have been clearly classified by size like Nano , Micro ,Small, Medium , Large drones.
- Choose the correct statement /s
- a) 1 only** b) 2 only c) Both d) Neither 1 nor 2
- Q15. Consider the following statements regarding the pharmaceutical sector of India
1. India’s pharmaceutical industry is third largest in the world in terms of volume and value.
 2. Drug formulations and biologicals are the second largest exported commodity in the Merchandise exports.
 3. India’s exports in pharmaceuticals have doubled in the past 10 years
 4. China is now the largest export destination for Indian exports followed by USA.
- Which of the above statement/s given is/are correct?
- a) 1 and 2 only **b) 2 and 3 only** c) 1 and 4 only d) 2 and 4 only