**Poverty and Human Capital Formation in India**

**Important Questions :**

* **MCQ**

1According to UNO those countries are considered relative poor where per capita income is less than:

1. Three dollar
2. One dollar
3. Two dollar
4. Four dollar

**Ans:** b.

2. By which year governments are aiming to meet the Millennium Development Goals including halving the rate of global poverty?

1. 2011
2. 2035
3. 2015
4. 2045

**Ans:** c. 2015

3. Which of the following is an indicator of poverty in India?

1. All of these
2. Illiteracy level
3. Income level
4. Employment level

**Ans:** c. Income level

4. When was National Food For Work Programme launched?

1. 2005
2. 1992
3. 2012
4. 2004

**Ans:** d. 2004

5.Which Five Year Plan recognised the importance of human capital?

1. Tenth
2. Seventh
3. Nineth
4. Sixth

**Ans:** b. Seventh

6. Which of the following is an example of a curative medicine?

1. Spread of health literacy
2. All of these
3. Vaccination
4. Medical intervention during illness

**Ans:** d. Medical intervention during illness

7. Physical capital refers to

1. All of these
2. Stock of produced means of production
3. Process of acquiring and increasing the number of persons who have skill
4. Stock/shares of the companies

**Ans:** b. Stock of produced means of production

8. People of which age group are treated as productive labour force **(1)**

1. 15-35
2. 60-70
3. 15-60
4. 0-6

**Ans:** c. 15-60

9. Which of the below-mentioned institution guides higher education?

1. NCERT
2. IGNOU
3. UGC
4. None of the above

**Ans:** c.UGC

10 Human capital is called an investment that brings,

1. Qualitative improvement in labour
2. Quantitative improvement in labour
3. Both
4. None

**Ans:** a. Qualitative improvement in labour

* **3 or 4 Marks Questions**

1.  Explain how rapid growth in population spreads poverty.

.Answer:

* Increase in the population results in more family expenses.
* Unemployment rate increases pushing families to poverty.
* Increased number of people in agricultural families results in decreased portion of divided land among the family members causing lower incomes.
* Increased pressure of satisfying the expanded family needs creates stress on the bread winner resulting in health related issues sometimes to the extreme of fatal. This would push the family to poverty.

2. Discuss the causes behind failure of poverty alleviation programmes..

Answer:

* **Lack of Resources:**Resources allocated to different programmes were far less than required keeping in mind the magnitude of poverty.
* **Lack of Proper implementation:** Due to corruption, lack of training, pressure from local leaders, and lack of awareness amongst the beneficiary group, these programmes were not properly implemented.
* **Lack of Active participation of Beneficiary Group:**Poor people did not actively participate in the implementation of these programmes.
* **Lack of Infrastructure:** Infrastructure required for implementation of these programmes was lacking in the economy.

3. Explain the steps taken by the government in developing rural markets.

Answer:

* ***Regulated Markets*:** Explain briefly
* ***Infrastructure Development*:** Explain briefly

***Co-operative Agricultural Marketing Societies*:** Explain briefly

4. Explain the three main causes of poverty in India.

Answer:

* A substantial portion of Indian farming is dependent on the vagaries of monsoon, making it a **Rapid growth of population:** Rapid growth of population aggravates the poverty of the people. The growth of population exceeds the rate of growth in national income. Population growth not only creates difficulties in the removal of poverty but also lowers the per capita income which tends to increase poverty. The burden of this reduction in per capita income is borne heavily by the poor people. Population growth at a faster rate increases labour supply which tends to lower the wage rate.
* **Lack of employment opportunities:** Unemployment is the reflection of poverty. Because of lack of employment opportunities, people remain either unemployed or underemployed. Most of these unemployed and underemployed workers are the small and marginal farmers and the landless agricultural labourers.
* **Decline of village industries:** At present consequent upon industrialization new factories and industries are being set up in rural areas. Village industries fail to compete with them in terms of quality and price. As a result they are closed down. The workers are thrown out of employment and lead a life of poverty.

5. How is health a source of human capital formation?

Answer:

* **Increases the productivity of physical capital**: Physical capital refers to the stock of produced means of production. It consists of production plants, machines, tools and equipments. The skilled workers handle the productive assets in such a manner that these not only enhance their productivity but also lead to an efficient utilization of the physical capital. When the productivity increases, the pave of growth is automatically accelerated.
* **Innovation of skills:** An educative person is more productive and skillful. He has the potential to develop new skills and innovate new techniques that can be more efficient and productive. Greater the number of skilled and trained personnel, greater will be probabilities of innovations.
* **High participation rate and equality**: Human capital endowed with higher technical skills and innovating power is more productive and efficient. This increases the participation of more people in the process of economic growth and development. Higher the participation rate, higher is the degree of social and economic equality.

6. Explain the concept of vocationalisation of education.

Answer:

**Size of Population in India:** Explain Briefly  
**Growth of Population:** Explain Briefly  
**Life Expectancy:** Explain Briefly

**Infant Mortality Rate:** Explain Briefly

**Density of Population:** Explain Briefly

**Age-Composition:**  Explain Briefly  
**Sex-Composition:** Explain Briefly  
**Rural Urban Divide:** Explain Briefly  
**State of Literacy:** ExplainBriefly

7. Discuss the weaknesses of education sector in India.

Answer:

Regular salaried employee is skilled people and mostly available in urban areas. These skills are obtained through the process of training and education, which is difficult for rural people to access because of financial issues, infrastructure, and low literacy level.

8. What are the indicators of educational achievement in a country?

Answer:

* ***Adult Literacy Rate*:**This rate indicates the percentage of the literate adult population who are aged 15 years and above. The word literacy in this context is confined only to the ability to read and write. It provides a measure of the stock of literate persons within the adult population. This rate is expressed in terms of percentage. Higher the percentage of adult literacy rate, higher the educational achievement in a country. This rate is the most important indicator for a country as it indicates the percentage of the population that can participate in the economic activity of the country.
* ***Youth Literacy Rate*:**This rate indicates the percentage of literate people between the age of 15-24 who can read and write. It denotes the stock of literate population within the youth population. This is an important indicator of educational achievement in a country. This is because of the fact that majority of a country’s population is not able to continue their education till this age. Therefore, higher the youth literacy rate, higher will be the achievement of a country in terms of education.
* ***Primary Education Completion Rate*:**This rate indicates the percentage of students completing the last year of primary school. Primary education includes students of the class group 1 to 8 in the age group of 6-14 years. It includes basic education in reading, writing and mathematics along with an elementary understanding of other subjects such as history, geography, natural sciences, social sciences, art and music. Lower primary education completion rate leads to lower youth literacy rate and, hence, lower adult literacy rate.