MANIDHANAEYAM FREE IAS ACADEMY – TNPSC GROUP II & IIA
UNIT - III
POVERTY

1. **What is Poverty? State the main classifications of poverty.**

   1) When an individual or community lacks the means of subsistence, they are said to be in a state or situation of poverty. When a person is in poverty, their level of employment-based income is too low to cover even their most basic necessities.

   2) According to World Bank, Poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity

   3) In India, 21.9% of the population lives below the national poverty line in 2011.

   4) In 2018, almost 8% of the world's workers and their families lived on less than US$1.90 per person per day (international poverty line).

   Types of Poverty: There are two main classifications of poverty:

   1) **Absolute Poverty:** A condition where household income is below a necessary level to maintain basic living standards (food, shelter, housing). This condition makes it possible to compare between different countries and also over time.

   2) **Relative Poverty:** It is defined from the social perspective that is living standard compared to the economic standards of population living in surroundings. Hence it is a measure of income inequality.

   Usually, relative poverty is measured as the percentage of the population with income less than some fixed proportion of median income.