

UNIT – V

Poverty, unemployment and the 1991 turn

Poverty · Unemployment · LPG · WTO

Explanatory Lecture Slides

Economic Development of India · Major-4 · Semester III

ECONOMIC DEVELOPMENT OF INDIA

Topics covered in this unit

01

Define and measure poverty

02

Classify unemployment

03

Evaluate LPG 1991

04

Place WTO and India

05

Note inequality

06

Close with a development-and-rights sentence

How this unit is organised

01

Poverty

02

Unemployment

03

LPG 1991

04

WTO

05

Inequality

06

Rights close

Poverty

Absolute (calorie/income line) v relative. Tendulkar, Rangarajan, MPI (NITI). Causes: low productivity, inequality, social exclusion, health shocks.

- A 16-mark: definition, measurement debate, two causes, two programmes (MGNREGA, NFSA, JAM transfers) and one criticism (identification, inflation of the line).

Poverty

COUNT

- Headcount.
- MPI (health, education, living standards).

DO NOT

- Invent a current all-India percentage if you do not know it.

Unemployment

Open, disguised, seasonal, educated, cyclical, structural, frictional. Measurement: usual status, CWS, daily status (NSS/PLFS).

- India's oddity: low open unemployment, high under-employment, graduate unemployment.
- Remedies match the type: MGNREGA (rural unskilled), skilling (mismatch), counter-cyclical G (Keynes).

Unemployment

RURAL

- Disguised.
- Seasonal.

URBAN/EDUCATED

- Structural.
- Mismatch.

LPG 1991

Crisis (BoP, 1991) → liberalisation (delicensing), privatisation/disinvestment, globalisation (trade, FDI). Architects: a 6-mark name-drop (Rao, Manmohan Singh) is enough.

- Gains: growth, forex, consumer choice, a services export engine. Costs: jobless patches, agrarian stress, regional winners, a weaker public-health floor until later missions.
- Always both sides.

LPG 1991

GAIN

- Growth.
- Forex.
- Choice.

COST

- Inequality.
- Informal job quality.
- Agrarian lag.

WTO and India

1995, successor to GATT. Agriculture (AoA), TRIPS (the IPR papers' neighbour), services (GATS), dispute settlement.

- India: food-security stockholding, public stockholding at MSP, TRIPS-and-public-health (Doha), a cautious services offer.
- A 10-mark: three WTO windows + one Indian interest in each.

WTO and India

MUST NAME

- AoA.
- TRIPS.
- GATS.

INDIAN NERVE

- Food stocks.
- Generics.
- Mode-4 professionals.

Inequality

Kuznets (it first rises) is a hope, not a law. India: income, wealth, caste, gender, region, digital.

- Piketty-style wealth concentration is an optional name. The examable pair is: growth with or without redistribution (tax, transfers, public services).

Inequality

AXES

- Income.
- Caste.
- Region.
- Gender.

TOOLS

- Tax.
- Transfers.
- Public health/school.

Close: development as freedom

Sen: development is the expansion of capabilities. Olga Tellis, PUCL (food), Unnikrishnan / RTE — the legal form of a capability.

- A last paragraph that names one index (HDI/MPI), one statute (NFSA/MGNREGA/RTE), one case, and one unfinished task (jobs quality) is a first-class ending.

Close: development as freedom

INDEX

- HDI / MPI.

STATUTE + CASE

- NFSA + PUCL, or RTE + Unnikrishnan.

WTO and India

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Cases a KSLU answer should name

CASE

Olga Tellis

(1985) 3 SCC 545

Livelihood.

CASE

PUCL (Right to Food)

2001–

Poverty as an Art. 21 process.

CASE

Unnikrishnan v State of A.P.

(1993) 1 SCC 645

Education as the capability the RTE Act later statutory-ised.

Provisions & materials to quote

MGNREGA 2005

Employment as a statutory rural floor.

NFSA 2013

Food security.

RTE Act 2009

Art. 21A in a statute.

Art. 21A / 41 / 45

Education and assistance DPSPs-turned-rights.

WTO / TRIPS / Customs

The external constraint on Indian development policy.

10 / 16-mark frames from this unit

Q1

Examine the problem of poverty in India. Suggest measures.

Q2

Explain the types of unemployment found in India.

Q3

Evaluate the 1991 economic reforms.

Q4

Write a note on WTO and India / inclusive growth / HDI.

Unit recap

- 1 Poverty: name the line you are using (Tendulkar / MPI).
- 2 Unemployment: type + matching remedy.
- 3 1991: both sides, always.
- 4 WTO: AoA, TRIPS, GATS — one Indian interest each.
- 5 End with a capability, a statute and a case.