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ISSUES & CHALLENGES OF POVERTY AND UNEMPLOYMENT IN WORLD ASPECT

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ABSTRACT: As a result of “GLOBALIZATION”, the “Earth” turns into a small village. Moreover, this is needless to say that the news of a small village is made known to all in a moment. As an instance, the number of the poor and the unemployed persons is more than solvent and employed persons. In one side the image of increasing population and on the other side the unequal distribution excepting the difference between poor and solvent person increase the agony of poor and unemployed person. Once upon a time ,in a specific region, the trouble of the poor and unemployed thrust them to go another region in order to be free from economic hardships and to get more comfortable life otherwise they fell into death due to starvation . At present times, in our world, the people being in unequal and imperfect rivalry are deviated from the right path. To get relief from the trouble , the equal distribution of resources and the awareness of maximum people as well as the same awareness on the part of our every government of our world are vitally necessary to do the needful action taken up to rise from global problems - poverty and unemployment . Under the developed countries, the USA, France, Japan, and Australia etc. the number of the poor and the unemployed is increasing day by day. India including our state i.e. West Bengal is not outside the problem. In all areas of government and non government sectors the output of surplus employment and shortage employment is carried forward, as the folk is trained for needed courses whereas some or a large number forsake the unnecessary courses. In one side , because of increasing population the food crisis and money crisis take place all over the whole world as well as the number of unemployment and incapable workers is rapidly increasing. From the small industry to hospital, insurance company, transport sector (i.e. air, naval, rail departments) etc. workers are curtailed in a profuse number. Besides, the notes already referred to, I hope, elaborated discussion take place for searching the right way to lead.

INTRODUCRTION:

Folk is undergoing, In recent era an economic and social crisis unexampled scale

leading to the rapid poverty of the large sector of the world population. National

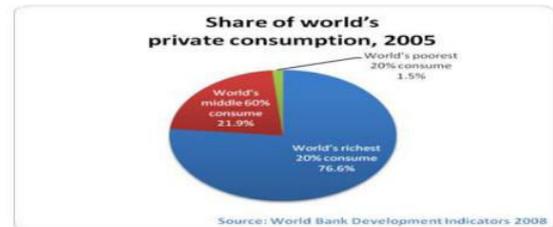
economics as well as international economics are collapsing and unemployment is unprevented. The worlds are suffered from human poverty and unemployment with the destruction of the natural environment. It originates social separation, encourages racism and ethnic enmity, violence of women and often precipitates states as well as countries into destructive between nationalities. In 1987 100000 people gathered on the human rights liberties plaza at the Trocadera to honor victims of poverty, hunger, valance and fear. According to jospesh wresinski (1917-1988) founder of ATD Forth world –“where ever men and women condemned to live in extreme poverty, human rights are violated. To come together to ensure that these rights be respected is our solemn duty. “In every year the International day for the eradication of poverty is celebrated on October 17 through out the world. It was officially recognized by the United Nations in 1992. The state run national commission for enterprises in the unorganized sector [NCEUS] said most of those living on bellow 20 rupees [half of a dollar] per day were from the informal labor sector with no job or social security, living in abject poverty. In recent situation all of these report recommends the government provide social security benefit such as maternity and medical expenses as well as pensions to people working in the unorganized sector.

OBJECTIVE:

To aware the people from poverty and unemployment and also to know about the recent situation.

METHODOLOGY:

At first I have collected the data from journal, gadget, book, internet, newspaper. Then, I have scientifically analyzed and interpret it.



METHOD OF MEASEARING

POVERTY: The method s for measuring poverty in the several countries varies from one country to another. Since its 1990 World Development Report, the World Bank’s “global” poverty measures have mainly based on an International poverty line of about \$1 a day; more precisely, the line \$32.74 per month., at 1993 international purchasing power parity. Now a days it is increased and to gauge sensitively this value \$72.48.

CAUSES OF POVERTY:

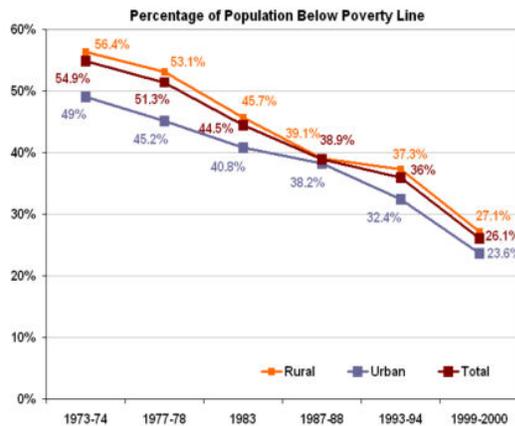
The World Banks “voices of the poor” based on research with over 20000 people in 23 countries, identifies a range of factors which poor people identify as part of poverty.

These include:

1. precarious livelihoods
2. excluded locations
3. physical limitations
4. gender relationship
5. lake of security
6. abuse by those in power
7. disempowering institutions
8. limited capabilities
9. weak community organizations

Causes of poverty in India:

1. Caste system
2. British era
3. India's economic policies
4. high growth rates
5. openness to trade and investment a promotional state
6. social expenditure awareness
7. macro stability



In summary, the official poverty rates in India recorded by NSS are

Year	Round	Poverty Rate (%)	Poverty Reduction per year(%)
1977-78	32	51.3	
1983	38	44.5	1.3
1987-88	43	38.9	1.2
1993-94	50	36.0	0.5
1999-2000	55	(26.09)	not comparable
2004-2005	61	27.5	0.8

POVERTY RATE (%) IN INDIA FROM 1977-78 TO 2004-05.

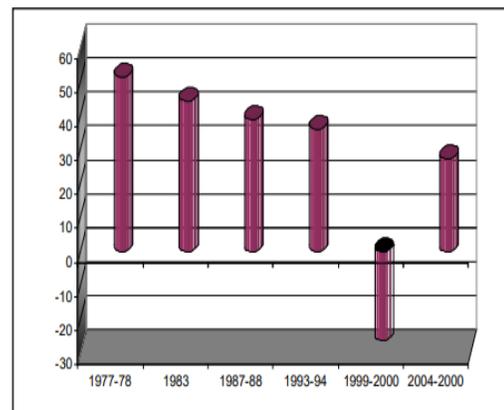


Figure 1: POVERTY REDUCTION PER YEAR (%) IN INDIA FROM 1977-78 TO 2004-05.

Showing latest available data. Select another time period:

Rank	Countries	Amount	Date
= 1	Liberia:	80%	2000
= 1	Haiti:	80%	2003
= 1	Zimbabwe:	80%	2004
= 1	Chad:	80%	2001
# 6	Sierra Leone:	70.2%	2004
= 7	Suriname:	70%	2002
= 7	Mozambique:	70%	2001
= 7	Angola:	70%	2003
= 7	Nigeria:	70%	2007
# 11	Swaziland:	69%	2006
# 12	Burundi:	68%	2002
= 13	Tajikistan:	60%	2007
= 13	Bolivia:	60%	2006
= 13	Rwanda:	60%	2001
= 13	Comoros:	60%	2002
# 17	Guatemala:	56.2%	2004
# 18	Malawi:	55%	2004
= 19	Senegal:	54%	2001

low growth rates (Hindu rate of growth)
 closure to trade and investment
 a license-obsessed, restrictive state (License Raj)
 inability to sustain social expenditures
 Macro instability, indeed crisis.
 Poverty has decreased significantly since reforms were started in the 1980s. Over-reliance on agriculture. There is a surplus of labor in agriculture. Farmers are a large vote bank and use their votes to resist reallocation of land for higher-income industrial projects. High population growth rate, although demographers generally agree that this is a symptom rather than cause of poverty. Despite this, India currently adds 40 million people to its middle class in every year.

4. Neo-liberal policies and their effects

Rank	Countries	Amount	Date
= 19	São Tomé and Príncipe	54%	2004
# 21	Afghanistan	53%	2003
# 22	Honduras	50.7%	2004
= 23	Kenya	50%	2000
= 23	Namibia	50%	2002
= 23	Ethiopia	50%	2004
= 23	Madagascar	50%	2004
= 23	Eritrea	50%	2004
= 23	South Africa	50%	2000

CLASSIFICATION OF POVERTY:

There are different types of poverty, e.g.

1. Absolute poverty: The World Bank defines extreme poverty as living on less than U.S.\$1.25(PPP)/day.

2. Moderate poverty: Which PPP/day is less then \$2 a day.

3. Relative poverty: It views poverty as socially defined and dependent on social context, hence relative poverty is a measure of inequality.

4. Ultra poverty: A term apparently coined by Michel Lipton, connotes being amongst poorest of the poor in low income countries. Lipton defined Ultra poverty as receiving less than 80% minimum caloric in take whilst spending more than 80% of income in food.

5. Voluntary poverty: Among some individuals, such as ascetics, poverty is considered a necessary or desirable condition, which embraced in order to reach certain spiritual, moral, or intellectual states.

HOW TO REDUCE POVERTY: We all know about “poverty reduction strategies”. There are follows –

1. Population reduction: In the mind of certain Central Planners, poverty reduction has almost become synonymous with population reduction.

2. Economic growth: Historically, poverty has been largely a result of “economic growth”. In 1820, 75% of humanity lived on

less than a dollar, while in 2001, only about 20% do. It is possible due to following factors- 1) Industrial revolution. 2) Green revolution.

3. Economic liberalization: the World Bank concludes increasing land rights is ‘the key to reducing poverty’ citing that land rights greatly increase poor people’s wealth, in some cases doubling it. In china and India, noted reduction in poverty in recent decades.

4. Capital, infrastructure and technology: Investments in human capital, in the form of health, is needed for economic growth. Human capital, in the form of education is an even more important determinant of economic growth than physical capital. UN economists argue that good infrastructure and technology such as roads and information networks i.e. computers, mobiles, internet electric equipments, helps market reforms to work.

5. Aid: Aid in its simplest form is a basic income grant, a form of social security periodically providing citizens with money. The many Govt. take some pilot project like as rewarded to poor student, full free of tuition fees economically support, conditional cash , transfers, house Building, food supply etc. Aid from non-governmental organizations may be more effective than governmental aid; this may be because it is better at reaching the poor and better controlled at the grassroots level.

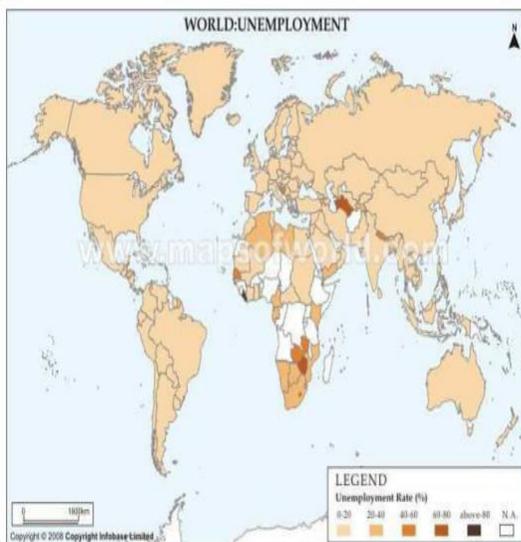
6. God institution: the “United Nations development program” published a report in April 2000 which focused on good governance in poor countries as a key to economic development and over coming the

selfish interests of wealthy elites often behind state actions in developing nations.

7. Empowering women: It has helped some countries and sustains economic development & they are more successful in bringing down rapid population growth because they have more said in family planning.

Unemployment

Unemployment condition of a person who is able to work, is actively seeking work, but is unable to find any. Statistics on Unemployment are collected and analyzed by government labor offices in most in countries considered an important indicator of economic health. Since 2nd world war full employment has been a stated goal of many governments. Full Unemployment is not necessarily synonymous with zero Unemployment rates, since at any given time the Unemployment rate will include some people who are between jobs and not employed in any long term sense.



World unemployment:

Country	2009	
Australia	4.825	16
Austria	4.413	14
Belgium	8.56	12
Canada	6.325	10
Cyprus	3.925	8
Denmark	2.6	6
Finland	6.192	4
France	8.289	2
Germany	8.024	
Greece	8.3	
Hong Kong SAR	3.643	
Iceland	3.9	

Luxembourg	4.773
Malta	7
Netherlands	2.897
New Zealand	4.342
Norway	3
Portugal	7.802
Singapore	2.2
Slovenia	5
Spain	14.746
Sweden	7.117
Switzerland	2.8
Taiwan Province of China	4.125
United Kingdom	6.037
United States	6.875

SOURCE: [Google Docs](#) – [Report Abuse](#) –

India - Unemployment rate (%)

Year	Unemployment rate (%)
2002	8.8
2003	8.8
2004	9.5
2005	9.2
2006	8.9
2007	7.8
2008	7.2
2009	6.8

Types of unemployment:

There are two major of unemployment e.g.

1) Voluntary unemployment
 2) Involuntary employment unemployment
 Economists distinguish between various types of voluntary unemployment, including Cyclical, Frictional, Structural, Classical, Seasonal, Hardcore, and Hidden unemployment.

1) Cyclical or Keynesian unemployment: Cyclical or Keynesian unemployment, also known as demand deficient unemployment, occurs when there is not enough aggregate demand in the economy. It gets its name because it varies with the business cycle, though it can also be persistent, as during the great dispersion the 1930s. This is caused by a business cycle recession and wages not falling to meet the equilibrium level. Cyclical unemployment rises during economic downturns and falls when the economy improves

2) Frictional Unemployment: It occurs when a worker moves from one job to another. While he searches for a job he is experiencing frictional unemployment. This applies for fresh graduates looking for employment as well. This is an example of a productive part of the economy.

3) Classical or real-wage unemployment: It occurs when real wages for a job are set above the market-clearing level, causing the number of job-seekers to exceed the number of vacancies.

4) Structural unemployment: It's caused by a mismatch between jobs offered by employees and potential workers. This may pertain to geographical location, skill variation, and many other factors. Even

though the number of vacancies may be equal to the number of the unemployed, the unemployed workers might lack the skills needed for the jobs — or are in the wrong part of the country or world to take the jobs offered. If such a mismatch exists, frictional unemployment is likely to be more significant as well.

5) Long-term unemployment: This is normally defined, for instance in European Union statistics, as unemployment lasting for longer than one year. It is an important indicator of social exclusion.

6) Hidden unemployment: Hidden, or covered, unemployment is the unemployment of potential workers that is not reflected in official unemployment statistics, due to the way the statistics are collected.

7) Natural rate of unemployment: This is the summation of frictional and structural unemployment.

Measurement:

According to Keynesian theory of employment, the number of employment depends on the 3 major components i.e. real wage rate, demand of labour and supply of labour. He also propounded that the main controller of employment is “effective demand”. So lack of those components in any region must be take place Unemployment. The unemployment rate is expressed as a percentage, and is calculated as follows:

$$\text{Unemployment rate} = \frac{\text{Unemployed workers}}{\text{Total labour force}}$$

The relation between poverty and unemployment: These two things are

simultaneously related. If the poverty is supposed as human body, then unemployment will be taken as heart. The countries which suffer from poverty, they also suffer from the unemployment.

Conclusion:

People must be united across, “both issue” groups join hands in its understanding on how this economic system destroys and impoverishes. The globalization of this struggle is fundamental, requiring degree solidarity and internationalism unprecedented in world history. This global economic system feeds on social divisiveness between and within countries. A major thrust is required which brings together social movements in all major regions of the world in this issue and commitment to the elimination of poverty & unemployment and a lasting world peace. From the above discussion, it is clear that devaluations is taking place in social and economic areas. With increasing population, plenty of food, clothes and habitation are becoming more scarce and due this effect, poverty and unemployment are increasing. Poverty and unemployment are two such things using by which the politician dream to win in vote. It is applicable in districts as well as in the countries- everywhere the situation is the same. Keeping the two problems as political weapons, every politician is busy in pocketing benefits using it. For this reason, terrorist, human-bombers, unsocial activities are being created. As a result, the world now is in target by the terrorists Suggestion: According to economists, the poverty and unemployment can be reduced by developments of all the

economics sectors (i.e. primary, secondary, tertiary etc.). But the political leaders do not understand this simple theory. They only need govt. power. As a result , they take decision either against agriculture or industrialization which is required time to time for vote bank. In fact these activities are causing more poverty and unemployment. In 2009, the world economy fell down due to developed countries policies. The no. of poor people and unemployed persons were increased in states as well as countries. So this year can called as a year of cutting employees. However the government take economic policies that can be solve the above problem

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