## **Poverty**

High poverty levels are synonymous with poor quality of life, deprivation, malnutrition, illiteracy and low human resource development. The eradication of poverty has been an integral component of the strategy for economic development in India. The Planning Commission has been estimating the incidence of poverty at the national and state level using the methodology contained in the report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee) and applying it to consumption expenditure data from the large sample surveys on consumer expenditure conducted by the NSSO at an interval of approximately five years. On this basis, comparable estimates of poverty are available at national and state level from 1973-74 to 1999-2000.

10.5 According to the latest large sample survey data on consumer expenditure made available by the National Sample Survey Organisation (NSSO) from its 55th Round Survey (July 1999-June 2000), the poverty ratio on a 30 day recall basis, is estimated at 27.09 per cent in rural areas, 23.62 per cent in urban areas and 26.10 per cent for the country as a whole. The incidence of poverty expressed as a percentage of people living below the poverty line has witnessed a steady decline from 55 per cent in 1973-74 to 36 per cent in 1993-94 and 26 per cent in 1999-2000. (Table 10.4). Though the poverty ratio declined, the number of poor remained stable at around 320 million for a fairly long period of two

decades, (1973-1993), due to a countervailing growth in population. The latest estimates for 1999-2000 reveal a significantly reduced number of poor, at about 260 million out of a total population of 997 million.

10.6 Poverty at the national level is estimated as the weighted average of state-wise poverty levels. The poverty ratio is estimated from the state-specific poverty lines and the distribution of persons by expenditure groups obtained from the NSS data on consumption expenditure. The state specific poverty ratios at the national and state levels are listed at Table 10.5. State-wise poverty ratios have witnessed a secular decline from 1973-74 to 1999-2000. Though poverty has declined at the macro-level, rural - urban and inter-state disparities are visible. The rural poverty ratio is still relatively high in Orissa, Bihar and the North Eastern States. In Orissa, Madhya Pradesh, Bihar and Uttar Pradesh, the urban poverty ratios were in the range of 30.89 to 42.83 per cent in 1999-2000. The combined rural and urban poor make up 47.15 per cent of Orissa and 42.60 per cent of Bihar. For the states of Madhya Pradesh, Sikkim, Arunachal Pradesh and Assam the combined poverty ratios in 1999-2000 were in the range of 33.47 to 37.43 per cent. There has been a significant reduction in poverty during the period in Kerala, Jammu & Kashmir, Goa, Lakshdweep, Delhi, Andhra Pradesh, Gujarat, Tamil Nadu, Karnataka, West Bengal and Andaman and Nicobar Islands. Thus, while some states such as Punjab and Haryana have succeeded in reducing poverty by following the

TABLE. 10.4 Estimates of Poverty											
1973-74	321	54.9	261	56.4	60	49.0					
1977-78	329	51.3	264	53.1	65	45.2					
1983	323	44.5	252	45.7	71	40.8					
1987-88	307	38.9	232	39.1	75	38.2					
1993-94	320	36.0	244	37.3	76	32.4					
1999-2000	260	26.1	193	27.1	67	23.6					
Source: Planning C	ommission										

path of high agricultural growth, others have focussed on particular areas of development e.g. Kerala has focussed on human resource development, West Bengal on vigorous implementation of land reform measures and empowerment of Panchayats, and Andhra Pradesh on direct public intervention in the form of public distribution of foodgrains.

S.No. 1 2.	State Andhra Pradesh	1973-74	Rural							<u> </u>
1		1973-74				Urban		С	ombined	
	Andhra Pradesh		1993-94	1999-2000	1973-74	1993-94	1999-2000	1973-74	1993-94	1999-2000
2		48.41	15.92	11.05	50.61	38.33	26.63	48.86	22.19	15.77
	Arunachal Pradesh	52.67	45.01	40.04	36.92	7.73	7.47	51.93	39.35	33.47
3.	Assam	52.67	45.01	40.04	36.92	7.73	7.47	51.21	40.86	36.09
4.	Bihar	62.99	58.21	44.30	52.96	34.50	32.91	61.91	54.96	42.60
5.	Goa	46.85	5.34	1.35	37.69	27.03	7.52	44.26	14.92	4.40
6.	Gujarat	46.35	22.18	13.17	52.57	27.89	15.59	48.15	24.21	14.07
7.	Haryana	34.23	28.02	8.27	40.18	16.38	9.99	35.36	25.05	8.74
8.	Himachal Pradesh	27.42	30.34	7.94	13.17	9.18	4.63	26.39	28.44	7.63
9.	Jammu & Kashmir	45.51	30.34	3.97	21.32	9.18	1.98	40.83	25.17	3.48
10.	Karnataka	55.14	29.88	17.38	52.53	40.14	25.25	54.47	33.16	20.04
11.	Kerala	59.19	25.76	9.38	62.74	24.55	20.27	59.79	25.43	12.72
12.	Madhya Pradesh	62.66	40.64	37.06	57.65	48.38	38.44	61.78	42.52	37.43
13.	Maharashtra	57.71	37.93	23.72	43.87	35.15	26.81	53.24	36.86	25.02
14.	Manipur	52.67	45.01	40.04	36.92	7.73	7.47	49.96	33.78	28.54
15.	Meghalaya	52.67	45.01	40.04	36.92	7.73	7.47	50.20	37.92	33.87
16.	Mizoram	52.67	45.01	40.04	36.92	7.73	7.47	50.32	25.66	19.47
17.	Nagaland	52.67	45.01	40.04	36.92	7.73	7.47	50.81	37.92	32.67
18.	Orissa	67.28	49.72	48.01	55.62	41.64	42.83	66.18	48.56	47.15
19.	Punjab	28.21	11.95	6.35	27.96	11.35	5.75	28.15	11.77	6.16
20.	Rajasthan	44.76	26.46	13.74	52.13	30.49	19.85	46.14	27.41	15.28
21.	Sikkim	52.67	45.01	40.04	36.92	7.73	7.47	50.86	41.43	36.55
22.	Tamil Nadu	57.43	32.48	20.55	49.40	39.77	22.11	54.94	35.03	21.12
23.	Tripura	52.67	45.01	40.04	36.92	7.73	7.47	51.00	39.01	34.44
24.	Uttar Pradesh	56.53	42.28	31.22	60.09	35.39	30.89	57.07	40.85	31.15
25.	West Bengal	73.16	40.80	31.85	34.67	22.41	14.86	63.43	35.66	27.02
26.	A & N Island	57.43	32.48	20.55	49.40	39.77	22.11	55.56	34.47	20.99
27.	Chandigarh	27.96	11.35	5.75	27.96	11.35	5.75	27.96	11.35	5.75
28.	Dadra & Nagar Hav.	46.85	51.95	17.57	37.69	39.93	13.52	46.55	50.84	17.14
29.	Daman & Diu	N.A.	5.34	1.35	N.A.	27.03	7.52	N.A	15.80	4.44
30.	Delhi	24.44	1.90	0.40	52.23	16.03	9.42	49.61	14.69	8.23
31.	Lakshadweep	59.19	25.76	9.38	62.74	24.55	20.27	59.68	25.04	15.60
32.	Pondicherry	57.43	32.48	20.55	49.40	39.77	22.11	53.82	37.40	21.67
	All India	56.44	37.27	27.09	49.01	32.36	23.62	54.88	35.97	26.10

## N.A. Not Available

- 1. Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2. Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate povertyratio of Goa.
- 3. Poverty Line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir is used to estimate poverty ratio of Jammu & Kashmir.
- 4. Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Island
- 5. Urban Poverty Ratio of Punjab used for both rural and urban poverty of Chandigarh
- 6. Poverty Line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.
- 7. Poverty Ratio of Goa is used for Daman & Diu.
- 8. Poverty Ratio of Kerala is used for Lakshadweep.
- 9. Urban Poverty Ratio of Rajasthan may be treated as tentative.
- 10. Estimates on a 30 day recall basis for 1999-2000.

Source: Planning Commission.