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New norms for redrawing urban, rural poverty lines

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The Tendulkar Committee report on poverty estimate is yet another bid by the aam aadmi government to pin down the level of rural and urban poverty in the country so that the various poor-friendly programmes the UPA government has been undertaking could be scaled up, even as the urban-rural divide in terms of per capita income continues to widen, as revealed by the Committee.

The latest Committee report presented to the Plan panel on December 8 and subsequently put on the official Web site on Thursday, has suggested a new methodology to arrive at State-wise and all-India rural and urban poverty lines for 2004-05, the latest available major National Sample Survey (NSS) round on household consumer expenditure that provides the data base for the calculation of poverty estimates by the Plan panel.

Whereas the 61st round of NSS estimates state that 27.5 per cent people in the country were living below the poverty line (BPL) with the rural area poverty at 28.3 per cent and urban areas at 25.7 per cent, the new methodology has raised the all-India poverty headcount ratio to 37.2 per cent of the population — with the rural area poverty at a sharper 41.8 per cent and urban area poverty at 25.7 per cent.

Worrying factors

The point to ponder upon is that while the all-India poverty ratio has edged up from a level 27.5 per cent to 37.2 per cent for the year 2004-05, the urban area poverty stays put at 25.7 per cent in both the estimates. The worrisome feature is, however, the rural area poverty, which has shot up sharply from a level of 28.3 per cent to 41.8 per cent, reflecting the inescapable point that even the UPA's gradualist economic reforms have bypassed the vast swathe of rural India.

Bimaru distresses

The distressing aspect to the rural scenario continues to be the parlous state of affairs in the so-called Bimaru State comprising Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh where rural poverty is at its worst at 55.7 per cent, 53.6 per cent, 35.8 per cent and 42.7 per cent respectively, with some modicum of relief only in Rajasthan. For Bihar, the urban poverty is 43.7 per cent while its aggregate poverty level is at 54.4 per cent, the second in the list of home to maximum percentage of poor people. The worst hit State remains Orissa, whose rural poverty is 60.8 per cent, urban poverty is 37.6 per cent and aggregate percentage of poverty is 57.2 per cent, earning the dismal distinction of being the number one State at an all-India level for being home to the highest percentage of people below the poverty line.

Education, health

It is also interesting to note that even as the new methodology has moved away from the calorie intake norms, the new poverty lines have been arrived at after assessing the adequacy of private household expenditure on education and health — the two crucial aspects of well-being — that the earlier calorie-anchored poverty lines did not explicitly account for.

This is also the reason why as the Chairman of the Expert Group, Dr Suresh Tendulkar, told Business Line that the new estimates could not be compared to the earlier announced official headcount using the earlier official poverty lines and out-dated price indices.

Be that as it may, any assessment of the extent of poverty beyond the latest period of 2004-05 needs to reckon the subsequent measures the UPA government took, including National Rural Health Mission, Bharat Nirman and National Rural Employment Guarantee Scheme, in its earlier dispensation, which are being continued and scaled up.

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At the same time, it cannot be gainsaid that despite the accent being on rural development, inclusive growth and raft benign welfare schemes specifically tailed to address the rural areas, the percentage of people continuing to eke out their lives on the edges of existence, with health and education concerns not duly factored in, show the vast ground that remains to be covered.

Policy analysts contend the fact that close to 42 per cent of the rural population in the country is trapped in poverty needs to be reckoned so that effective intervention measures are mooted and implemented on a war footing, even as India is striving to become a developed country from its emerging economy status before long.