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Panel support sought to tackle urban poverty

T. Ramakrishnan

CHENNAI: The urban poor account for about 47 per cent of the total poor in the State. In absolute terms, the number of the urban poor is 69.13 lakh and of the rural poor 76.5 lakh. These figures pertain to 2004-2005.

Quoting the Press Information Bureau in this regard, the State government, in its memorandum presented to the 13th Finance Commission earlier this month, stated that during the period 1973-1974 to 2004-2005, the number of total poor fell from 2.4 crore to nearly 1.46 crore.

“However, all of this reduction in the number of poor comes from rural areas. The number of urban poor actually increased over time in absolute terms, reaching a peak of 80.4 lakh in 1993-94. After 1993-94, there was a reduction in the number of urban poor but even in 2004-05, the absolute number of urban poor was larger than that in 1973-74 (66.92 lakh).” In 1973-74, the proportion of urban poor to the total poor was 27.94 per cent, which went up to 30.17 per cent in 1983 and 39.78 per cent 10 years later.

Pointing out that the State had been very successful in reducing rural poverty, the memorandum said that during the period 1983 to 2004-2005, the reduction in rural poverty, as measured by head count ratio (HCR), was over 30 percentage points — from 53.99 per cent to 22.8 per cent. In contrast, the all-India reduction in rural poverty amounted to only about 17 percentage points — from 45.65 per cent to 28.3 per cent.

Acknowledging that “urban poverty [reduction] remains a major challenge,” the memorandum said that between 1973-1974 and 1993-1994, the all-India performance of reducing urban poverty was comparatively better as the national HCR fell from 49.01 per cent to 32.36 per cent.

In the corresponding period, Tamil Nadu's urban poverty HCR declined from 49.4 per cent to 39.77 per cent.

It was after 1993-1994 that the reduction in urban poverty in the State was sharper than the national figure.

The reduction in urban poverty amounted to over 17 percentage points — from 39.77 per cent in 1993-1994 to 22.2 per cent in 2004-2005. The corresponding all-India figure was less than seven percentage points — from 32.36 per cent to 25.7 per cent.

In view of the urban poverty factor, the State Government wanted the Finance Commission to support its efforts to reduce poverty, particularly urban poverty through significantly larger resource allocations to education and skill development, and reduce inter-district difference in human development through significant additional budgetary support to education and health.