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Poverty Line or Starvation Line!!

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Poverty Estimation has become a bone in the throat for Planning Commission of India! First, the Deputy Chairman of this august and expert body (although many have started feeling the existence of Planning Commission to be of no relevance any more) raised doubts on the data collected by National Sample Survey Organisation (NSSO), another government organisation. Now, using the same data (66th Round NSS, 2009-10) and the Tendulkar Committee's method of estimation, the Planning Commission or to say, the national government is claiming that the population below poverty line has come down by 7.4 percentage points to 29.8%. It was 37.2 % in 2004-05. Many don't agree! For instance, different states using different methods for estimating poverty are coming up with their own figures of population of poor while at national level, the figures are drastically different because the method of estimation is completely different. On one hand, this leads to lot of confusion in coordination between central and state governments as well as in utilization of funds and on the other hand, adds to inclusion and exclusion confusion in the community. In fact, CMS from time to time has raised concerns about the perils of different estimates of poverty. Do we need to rectify this practice?

No doubt, the pace of development and economic growth has played a role in improving the living standards of the population to some extent. The 12th Five-Year Plan (2012-17) has started. However, what is disturbing or shameful is the fact that even after six and half decades of so-called pro-poor policies, we still have around 30 percent

of population living below poverty line (BPL). In absolute numbers, the figure is more mind-boggling; around 360 million are residing below the official poverty line. One can imagine the figures if we go by other estimation methods as it would be ranging between 45% and 80% below poverty line.

Interestingly, a day after releasing its new estimates on population of the poor, the Planning Commission came out with the explanation and justification that the official consumption poverty line is not defined for a daily basis, as reported by most newspapers. It further added that the practice around the world is to define poverty lines in terms of a year or a month...as if the living conditions around the world are similar, the work, the wage rate and the payment culture is similar or the system of who will borne the expenditure on schooling of children or health is similar in India to what is being followed across the world. When these conditions vary vastly from country to country, why come up with these kinds of justifications?

Using the plea, Planning Commission converted per capita consumption expenditure on a monthly basis for a family of five. On this basis the family based poverty line per month for the country as a whole is shown as ` 3364 in rural India and ` 4298 in urban areas. The figures are misleading because the fact is that these amounts are not a fixed income which the household will get at the end of every month. Majority of the population below and around this figure have uncertain source of income. Moreover, with growing population in urban India (38% in 2011 from 29% in 2001) and the slower

rate of poverty reduction per year between 2004-05 and 2009-10 in urban areas (1.0) compared to rural areas (1.6) the estimated figure of BPL population needs to be carefully examined. It indicates that the population migrating from rural to urban areas continues to live below poverty line, the only difference being that they are poor now by urban standards. But even if we assume that their income has improved in urban areas it is in no way encouraging or substantial for adequate living. Reason is simple-the difference between consumer budget of a family residing in urban areas and rural areas is meagre, just `934. Most probably in urban areas in comparison to rural areas, this additional amount must be spent on paying the rent of a house, which might not be sufficient to get a decent or even a manageable house for a family of five. Subtracting this differential amount, are we made to presume that the rest of the expenses of households in urban areas are the same as that of families residing in a village? Should we believe that the prices of commodities in urban areas are same as those prevailing in rural areas? Even a lay person can find fault in this statement. So what does it mean? It suggests that either our bureaucrats are presenting these figures to please their political bosses or consider it more of an academic interest and less to do with its practical utility.

As a paradigm shift, what is required is to put in public domain the harsh facts even if they portray a poor picture of India but at least the Vision of the country could be drawn in a more realistic way rather than day dreaming. Even if the bold acceptance of facts will mean that more than two-third of our population is below 'Decent Index of Living (DIL)' rather than calling it below poverty line. Decent because it will take into consideration the realistic figure required for a living better than just survival. *DIL*, a Hindi word meaning heart with realistic calculation could be much closer to hearts of poor people of India. As a matter of fact, the currently estimated figure of `22.4 per capita per day in rural and `28.6 in urban areas for deciding whether a person is below or above poverty line

should be rather taken as 'starvation line' i.e., to assess whether the person having an income below this level is facing starvation like scenario not only in context of food but other basic and essential items such as clothing, shelter, health care, schooling.

Under given circumstances, the need is to adopt a reoriented approach with the basic principle that all social security or poverty alleviation schemes are not meant for ALL below the 'Decent Index of Living' (DIL) population. Rather, there should be conditional transfer of benefits and eligible beneficiary category should be identified on a scheme to scheme basis depending upon the nature and spread of the scheme. With availability of *Aadhaar* (UID number), the scrutiny for scheme-wise eligible population is possible.

No populist measures are required rather all policy level decisions should be more fact-based and less vote-based. Dole out syndrome should be resisted and more conditional transfer of subsidy should be practiced. Unlike what has happened recently where lot of hue and cry was made by one of the coalition partners about increase in rail fare?

Even if we justify no increase in unreserved and second class fares, what justification is there to roll back the increase in AC-3 rail fare? Does this mean that more and more people have started travelling in AC-3 class, indicating a change in economic status of a segment of population and should we allow them to avail the benefits of highly subsidized rail fare? Similarly Census 2011 figures show that more than half of the households have a mobile phone (53%). These are some positive indicators to show the proportion of population availing or possessing these not so essential services and items is increasing. So there is no need to give them access to all subsidized facilities meant for the real poor families. The more transparent, systematic and conditional transfer of benefits will be, more upward the movement in proportion of population below poverty line of living (or Decent Index of Living) could be expected in the next round of estimation of poor population.

