

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:4684

ANSWERED ON:18.04.2001

DECLINE IN POVERTY LINE

A. VENKATESH NAIK;GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA;IQBAL AHMED
SARADGI;RAMSHETH THAKUR;SUKENDER REDDY GUTHA

Will the Minister of PLANNING be pleased to state:

- (a) Whether according to a survey poverty level in the country has gone down merely by 9% between 1993-94 and 1999-2000;
- (b) If so, the facts in this regard and the reasons for such slow progress;
- (c) whether poverty level is being estimated on the basis of monthly per capita consumption and on the basis of per capita income;
- (d) If so, the justification thereof;
- (e) whether the Government propose to change the method of estimating poverty level;
- (f) If not, the reasons therefor; and (g) the other specific plans of the Government to reduce the below poverty level in rural areas of the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF INVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS, PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) and (b) : The estimate of those living below the poverty line calculated from the 50th Round large sample survey on consumer expenditure conducted by the National Sample Survey Organisation (NSSO) was 35.97% for the year 1993-94. The data from the latest large survey of the 55th Round on a 30-day recall basis indicate a poverty ratio of 26.1% for 1999-2000. Among the reasons for poverty ratio not reducing faster could be that the growth rate of agriculture and allied sectors during the period 1993-94 to 1999-2000 is 3.1% as compared to the Ninth Plan target of 3.9%

(c) : The poverty line that is used for estimating the poverty level is determined with reference to monthly per capita consumption expenditure and not per capita income.

(d) : Per capita consumption expenditure is considered more appropriate for analysis of level of living and poverty than per capita income for two reasons. First, expenditure data reflect more accurately people's actual level of living while income data are more concerned with people's potential level of living. Secondly, expenditure data are considered more reliable than income data. Income data often underestimate people's potential level of living because income is normally measured over a year's period which is a long period for correctly recalling one's income. The reference period for expenditure is one month, except for expenditures on consumer durables. Moreover, income in kind such as consumption of own produce is often valued at producer prices which results in people's actual level of living being underestimated.

(e) and (f) : There is no proposal to change the method of estimation of poverty level at the moment since it is based on the recommendations of the Expert Group on Estimation of Proportion and Number of Poor, which comprised of the leading experts in the country.

(g) : There is a three-pronged action to alleviate and reduce the poverty in the country. These are:

(i) acceleration of economic growth,

(ii) human, and social development through literacy, education, health, nutrition, meeting of the minimum needs, elevation of social and economic status of the weaker sections of the society, etc., and

(iii) direct attack on poverty through employment and income generating programmes and assets-building for the poor.

The increase in income of the people living below the poverty line occur from the joint impact of general growth process and direct income generation of the poor arising from various anti- poverty programmes introduced from time to time by the Government for their

upliftment. Since the Sixth Five Year Plan (1980-85), the Government has been implementing employment and asset generation schemes for the upliftment of the people living below the poverty line. These schemes are mainly of two types, self-employment and wage employment. Integrated Rural Development Programme (IRDP) has been the major self-employment programme and it has been in operation in all the blocks of the country since 1980. The wage employment programme initially was National Rural Employment Programme (NREP) during the Sixth Plan period. In the Seventh Plan, another wage employment programme under the name Rural Labour Employment Guarantee Programme (RLEGP) was introduced. Then in 1989, Jawahar Rozgar Yojana (JRY) was launched by merging the National Rural Employment Programme and the Rural Labour Employment Guarantee Programme, and it became the main wage-employment programme. In addition, several programmes to help the poor were also in operation until March, 1999. These programmes are: Million Wells Scheme (MWS), Employment Assurance Scheme (EAS), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self-Employment (TRYSEM), Supply of Improved Toolkits to Rural Artisans (SITRA).

>From 1st April, 1999, these programmes, excepting EAS and JRY have been restructured into single self-employment programme called the Swarnajayanti Gram Swarozgar Yojana (SGSY) with the primary objectives of focussed approach to poverty alleviation, capitalising advantages of group lending, and overcoming the problems associated with multiplicity of programmes. Also, from 1st April, 1999, Jawahar Rozgar Yojana (JRY) has been restructured as Jawahar Gram Samridhi Yojana (JGSY) with the primary objective of creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. Its secondary objective is generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme is given to Below Poverty Lines (BPL) families.

>From 1.12.1997, Swarna Jayanti Sahari Rozgar Yojana (SJSRY) is the main poverty alleviation programme in the urban areas. The SJSRY, which has subsumed all the earlier three urban poverty alleviation programmes, viz., Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP), Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPER) seeks to provide gainful employment to unemployed or underemployed urban and educated up to IX standard for setting up self employment ventures or provision of wage employment. The implementation of SJSRY is relying on suitable community structures on the UBSP pattern and delivery of inputs under this programme is through the medium of Urban Local Bodies (ULBs) and such community structure.