

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:5896

ANSWERED ON:03.05.2000

BELOW POVERTY LINE

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Will the Minister of PLANNING be pleased to state:

- (a) whether World Bank has revealed that poverty situation in the country remains a matter of concern even after the liberalization;
- (b) if so, the reaction of the Government thereto; & whether the number of persons living below the poverty line has increased after the liberalization policy;
- (d) if so, the details thereof;
- (e) the target fixed/achieved after implementation of this policy; and
- (f) the concrete steps taken by the Government to make the policy effective to reduce the poverty in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS.

(SHRI ARUN SHOURIE)

(a): The World Bank Report No. 19471-IN entitled : India-Policies to Reduce Poverty and Accelerate Sustainable Development, published on January 31, 2000, on Page-5, Para-1.13 states: 'In the mid-1990s, the decline in poverty slowed sharply, particularly in the rural areas, according to recently available National Sample Survey (NSS) data for the periods July 1994 to June 1995, July 1995 to June 1996 and January to December 1997. An estimated 34% of the population was still below the poverty line in 1997 compared to 35% in 1993-94.'

(b): The estimates of poverty for the periods, July 1994 to June 1995, July 1995 to June 1996 and January to December 1997, mentioned in the World Bank report and from which the conclusion on poverty has been drawn, are based on NSS 'thin' sample data on consumer expenditure. The Planning Commission, on the other hand, estimates poverty from large sample survey data on consumer expenditure of the NSS, which are available once in approximately five years. The latest estimate of poverty made by the Planning Commission are available for the year 1993-94 (NSS 50th Round).

(c) and (d) : The Planning Commission estimates the percentage of persons living below the poverty line at national and state level from the large sample surveys on consumer expenditure conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years. The last such survey was conducted in 1993-94. The next large survey on consumer expenditure is being conducted during the period, July 1999 to June, 2000. As such, the estimates of percentage of people living below the poverty line since the beginning of the process of economic reforms and liberalisation in 1991, is available only for the year 1993-94. Hence, it is not possible to ascertain the change in poverty during the period of economic reforms. However, comparing two latest estimates, 1987-88 and 1993-94, it is observed that the percentage of people living below the poverty line declined by 2.9 percentage point.

(e): No targets of poverty ratios are fixed. However, the poverty ratio for the country as a whole is projected to go down to 17.98 per cent in the terminal year (2001-2002) of the Ninth Five Year Plan.

(f): There is a three-pronged action to alleviate and reduce the poverty in the country. These are: (a) acceleration of economic growth, (b) 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 (c) direct attack on poverty through employment and income generating programmes and assets-building for the poor.