

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2907
ANSWERED ON:17.12.2008
WORLD BANK REPORT ON POVERTY IN INDIA
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Will the Minister of PLANNING be pleased to state:

- (a) whether a World Bank study has revealed that nearly five out of 10 Indians live on less than Rs. 55 per day as reported in The Hindu dated 25 August, 2008;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI V. NARAYANASAMY)

(a) and (b) : A news item appearing in The Hindu dated 28th August 2008, captioned, "World Bank 's new poverty norms find larger number of poor in India" states that, "With an upward revision in its international poverty line norm from \$1 a day, a World Bank study has revealed that nearly five out of 10 Indians are living on less than \$1.25 (approximately Rs. 55) a day." The news item is presumably based on the findings of the "Policy Research Working Paper No. 4703" (of the Development Research Group, World Bank) entitled "The Developing World is Poorer Than We Thought, But No Less Successful in the Fight against Poverty" by Shaohua Chen and Martin Ravallion, released in August 2008. According to this paper, the percentage of people living below the international poverty line of US \$1.25 per day declined from 59.8 per cent in 1981 to 41.6 per cent in 2005. The absolute number of people living below the poverty line increased from 420.5 million in 1981 to 455.8 million in 2005. The findings, interpretations, and conclusions expressed in the paper are entirely those of the authors and they do not necessarily represent the views of the World Bank and its affiliated organisations.

(c) : The Government of India does not use the poverty estimates made by the World Bank on the basis of international poverty line, since it does not distinguish between rural and urban areas or between different States of the country. The central vision of the Eleventh Plan is to trigger a development process, which ensures broad based improvement in the quality of life of the people, especially the poor, the Scheduled Castes and Scheduled Tribes, minorities, etc. The Eleventh Five Year Plan has set the growth target for the economy at 9% per year for the Plan period (2007-12) and aims at putting the economy on a sustainable growth trajectory with a growth of approximately 10% by the end of its period. In order to reduce poverty, the Government is implementing a number of anti-poverty programmes, such as wage employment and asset generation programmes to raise the income of poor, in addition to the income generated from the general growth process. The Eleventh Plan has set monitorable target to reduce the headcount ratio of consumption poverty by 10 percentage points.