

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:4065
ANSWERED ON:18.08.2010
HIGH AND LOW INCOME HOUSEHOLDS
Ray Shri Rudramadhab

Will the Minister of PLANNING be pleased to state:

- (a) whether the number of high-income households has exceeded the number of low-income households as per the estimates of National Council of Applied Economic Research (NCAER) as reported in the media;
- (b) if so, the details thereof alongwith the details of comparative study conducted in this regard;
- (c) whether NCAER estimates have taken the economic conditions of people of backward States like Orissa, Jharkhand, Bihar and Eastern UP where people are still struggling for one square meal a day;
- (d) if so, the reaction of the Government thereto; and
- (e) the measures proposed to be taken to uplift the socio-economic conditions of people of low income households in the country, including in Orissa, Bihar, Jharkhand and Eastern UP?

Answer

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

(a) to (c): Newsmedia of the country reported about the survey results of a study conducted by National Council of Applied Economic Research (NCAER) on earnings and spending of Indian households. The study report has been published as a book titled 'How India Earns, Spends and Saves'.

The study report reveals that the number of low-income households (those earning under Rs.45,000 per annum at 2001-02 prices) is estimated to have fallen from 84 million in 1985-86 to 65 million in 2001-02, and this number is projected to further decline to 41 million by end of the decade. The number of middle-income households (Rs 45,000 to Rs 180,000) is estimated to have increased from 43 million in 1985-86 to 109 million in 2001-02 and is expected to rise further to 141 million in 2009-10. The high-income households (over Rs. 180,000) are projected to have risen from 1.4 million to 13.8 million and expected to further rise to 47 million in 2009-10.

Thus, each level of household income is set to move a notch higher by end of decade. On the basis of above analysis, it has been brought out that for the first time, the number of high-income households is set to exceed the number of poor households in 2009-10. NCAER study uses data from primary survey of households both in rural and urban areas covering twenty four major States/Union Territories which includes States of Orissa, Jharkhand, Bihar and Uttar Pradesh. The Planning Commission has not conducted any comparative study in this regard.

(d) & (e): The survey report has highlighted gradual and steady increase in the rural incomes and living standards of each level of households implying that the number of the low income people is declining. These findings are similar to the ones brought out in the National Sample Survey (NSS) report no. 508 titled " Level and Pattern of Consumer Expenditure, 2004-05", which indicates that the monthly per-capita consumption expenditure in real terms have gradually increased for each percentile group of the population. This can be attributed to policy intervention of the Central Government through implementation of its various developmental programmes.

Reduction in income disparities and upliftment of the socio-economic conditions of people of low-income households has always been the priority of the Government's development policy. The strategy has been to generate employment opportunities in rural & backward areas and also to develop infrastructure to bring a tangible improvement in the income and standard of living of the people. The Government is implementing a number of poverty alleviation programmes such as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), Swarnajayanti Gram Swarozgar Yojana (SGSY), Indira Awas Yojana (IAY), Prime Minister's Rozgar Yojana (PMRY), Jawaharlal Nehru National Urban Renewable Mission (JNNURM), Swarna Jyanti Shahri Rozgar Yojana (SJSRY), etc. All these poverty alleviation programme of the government have an in-built mechanism for progressiveness since the Central support to States/State level implementing agencies under all these programme/ schemes are guided by the State specific incidence of poverty and backwardness.