

one place to another place and many students are not in a position to walk down that distance. I, therefore, suggest that for the development of hill areas more and more educational institutions may be set up there at the shortest possible distance.

In addition, I would like to point out that rail facilities are quite inadequate in hill areas. You will see that rail facilities are quite inadequate everywhere in these areas. I would, therefore, like to request you that rail facilities and other means of communication should be increased there so that maximum number of tourists could visit those areas and could appreciate the scenic beauty of hill areas. Provision of more facilities of transportation would lead to further development of those areas.

In addition to this, I would like to lay emphasis on this fact that facility of drinking water supply is very acute in hill areas. It is a fact. The Hon. Member, who spoke just before me, has rightly said that hills provide water to people living in other areas but the people living in hill areas are experiencing acute shortage of drinking water. The Government, should, therefore, pay special attention towards this problem. Water reservoir and tanks should be built in order to supply water to people in the hour of need.

Besides, I would like to point out that there is an acute lack of communication facilities in hill areas. Telephone facilities are quite inadequate there. I would like to say that telephone facilities should be provided to the people there although Government will face great difficulty in providing this facility. That shortage should be removed and the people of these areas brought at par with the mainstream of the nation. Transport and telephone facilities should be provided to them.

In addition, I would like to make a mention about the industries also. We have set up some industries in Gangtok. In this connection ..

[English]

MR. CHAIRMAN : You may continue your speech next time. Now we will take up Half-an-hour Discussion.

HALF AN HOUR DISCUSSION

[Translation]

Per Capita Income

SHRI MOOL CHAND DAGA (Pali) : Mr. Chairman, Sir, today I have good fortune of raising this discussion when an able Minister like Shri Ajit Panja is there. The question is that all the Hon. Members present here are committed to the Constitution. I have subscribed oath of allegiance to the Constitution and so has Shri Panja. I want to draw your attention to Article 38 :

[English]

“38 (2) The State shall, in particular, strive to minimise the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.”

[Translation]

If at all there is a curse in India, it is that of the economic disparity.

[English]

Economic disparity is a curse.

[Translation]

Keeping this very aspect in view, I had raised the question. My question was :

[English]

“Will the Minister of Planning be placed to state :

- (a) whether one of the aims of the plans formulated/implemented in the country was to reduce economic disparity;
- (b) the minimum and the maximum per capita average income at the end of the First Five-year Plan and at present;

[Shri Mool Chand Daga]

- (c) whether it is a fact that during these years, the rich became richer while the poor became poorer; and
- (d) if so, the reasons therefore ?”

[Translation]

What reply did Shri Panja give to my question on this subject. He is a very competent person and about 400 officials, all highly qualified, work in the Department of Planning. He has said :

[English]

- “(a) Yes, Sir.
- (b) The annual per capita income, i.e., the Annual Per Capita Net National Product at All India Level at the end of the First Plan period and in 1983-84 (quick estimates for the latest year available) at current and 1970-71 prices are as follows :”

[Translation]

There is no reply to my question as such. Whatever I had asked, he replied to that in a very subtle manner as follows :

[English]

“(c) and (d). Question does not arise.”

[Translation]

You have said that question does not arise, but what I wanted to know in these parts was that today on the one hand there are sky-scrapers and on the other, there are shanties on the verge of collapse. On the one hand, there is enormous accumulation of wealth and on the other, there is object poverty. I had purposefully asked it because this was my very object. My object was clear from the note I had given along with my question and, I think, the Planning Minister might have read that. The note was :

[English]

“The Prime Minister of India has recently stated that economic disparity is on the increase and the poor are becoming poorer while the rich are becoming richer. This fact has been acknowledged by all the expert economists. The Constitution of India has aimed at the removal of economic disparity among human beings. If this economic disparity is not removed, it would create in future an explosive situation would not be tolerated by the society committed to bringing about economic revolution.

Sixth Five Year Plan has been completed, still one person's house is full of wealth while in other one's house poverty stares. Therefore, this question has assumed utmost importance.”

[Translation]

This was my idea. I had asked as to what was the per capita income of the poor and what was the per capita income of the rich and what is the objective of planning by the officers in Yojana Bhawan. I have said it a number of times and I repeat it once again—it is the statement of Shri Malcolm Adiseshaiya who had been a Member—“Are we prepared to abandon such process of planning which multiplies the wealth and income of those who are already rich.” He is of the view that it further increases the wealth and income. He has said, “Are we prepared to adopt such plan which could bring about equality among all so that nobody remains poor in the country during the Eighth Plan.”

Sir, Shrimati Indira Gandhi had given a slogan of “Garibi hatao” in 1971 but you cannot build faith on the basis of slogan alone. If economic disparity is not removed, you should see the writing on the wall, there will be a revolution and that revolution will certainly come. I do not say so, I am reading the draft paper of the Fourth Five Year Plan brought out by the Government. I want to read out what they have said :

[English]

“Another area where our effort has so far been feeble and halting, is in

narrowing the disparities in income and property ownership."

[Translation]

They have admitted it, if you go against it Panjaji, you should keep in mind that this is the statement of your own Department :

[English]

"Another area where our effort has so far been feeble and halting, is in narrowing the disparities in income and property ownership."

It is further said here :

"A study conducted by the National Council of Applied Economic Research observes that the bottom 50 per cent of the households in India accounted for a mere 21 per cent of income in 1975-76. In the same year the top 10 per cent of the households received as much as 34 per cent of the income."

This is a World Bank study on the data collected from 66 countries during the period 1950-71, comparing the shares of income accruing to the bottom 50 per cent and the top 5 per cent of the households. In India, it was 19 per cent and 25 per cent respectively. The corresponding figures Pakistan were 28 per cent and 18 per cent. In India, 50 per cent of the people get 19 per cent of the accruing income and 5 per cent of the people get 25 per cent of the total income. Similarly, for Bangladesh, these figures were 27 per cent and 17 per cent; Sri Lanka 25 per cent and 19 per cent. Hence it appears that income inequality in India is more acute than in the neighbouring countries and the imbalance within the country has perhaps steeply deteriorated during the last few years, besides, earlier firm commitment made by the Government regarding justice—social, economic and political—and equality of status and opportunities are not only conveniently forgotten but even the honest protestations about redistributive intentions are hardly made. I think, the Hon. Minister Mr. Panja will not forget these commitments because he is a youth. Old people may forget. This is mentioned in the paper

Yojana. This is the issue of 15th April 1985. It is a recent Publication.

[Translation]

The Members of the Planning Commission are very honest.

SHRI VIRDHI CHANDER JAIN (Barmer) : The Hon. Minister is very honest.

SHRI MOOL CHAND DAGA : Nobody can stigmatise the Minister.

[English]

It is not a question of Minister.

PROF. N.G. RANGA (Guntur) : What about population growth ?

SHRI MOOL CHAND DAGA : I will give you the answer. Please wait. Don't be in a hurry.

[Translation]

I shall just read it out to you. "There is hoarding, profiteering, smuggling, adulteration black-marketing, corruption" all around in the country. Due to this, the houses of big industrial tycoons, corrupt officers and politician have unabashedly turned into pleasure—houses... (Interruptions) This is 1-15 March issue of Yojana." Further it says : "This section swallows a lion's share of the scarce resources of Indian economy. This is the section which plays havoc with the lives of the poorest people. This section is becoming richer day by day and that is why of this that the means of subsistence of the lower strata of the people are depleting." They have also said : "Disparity in poverty is like a pimple upon an ulcer." In the January Special Issue it has been said, "Are we prepared to abandon that process of planning which enhances the income and property of the richer sections of the people ? Are we prepared to accept such a plan as may ensure equality for all so that none remains poor in the country during the Eighth Plan."

They have told how the rich became richer.

[Shri Mool Chand Daga]

[English]

It is your own book. I am quoting from that book. Tata's capital was Rs. 32 crores in 1972. Today, this group has got the capital of Rs. 1,789 crores. The percentage increase is 278.7 per cent. Birla's group was having a capital of Rs. 70 crores in 1972. Today, it has Rs. 1416 crores.

[Translation]

J.K. Singhania Group had a capital of Rs. 28 crores in 1972 and it rose to Rs. 499 crores in 1982. Sir, it shows an increase of 417.4 per cent. Therefore, my submission is that you just see by how much the capital of 20 big houses has increased. If I go on giving the figures of all of them, it will be 6 O'clock.

I am saying this so that you may see how the land has been distributed :

[English]

"According to the statistics of the 1971 agricultural census, marginal farmers with holdings of upto one hectare and small farmers with holdings between one and two hectares together accounting for about 70 per cent of the rural households owned only 20 per cent of the land. At the other extreme, about four per cent of the rural households owing more than ten hectares of land each accounted for nearly 31 per cent of the land."

[Translation]

This was how land was distributed. You may not agree with it, but you should tell what is their annual income, what do they have to eat. I tell you about this—The officials of the Planning Commission have put in hard labour and provided very good statistics—"Who eats how much." Food-grains : rural 5.06 per cent and rich 24.81 per cent. Now I tell you about edible oils—why do we become deficient, why the man is becoming poorer, this you will come to know from these figures. The poor people's intake of edible oil is 0.06 per cent whereas that of the rich is 0.77 per cent.

Shri Juhar Singh consumes 0.77 per cent whereas a poor man like me consumes 0.06 per cent only. Mr. Chairman Sir, I am giving the statistics and you have rung the bell so soon.

[English]

MR. CHAIRMAN : This is Half An Hour Discussion. The Minister has to reply. Then the other Hon. Members have to put questions. Please wind up.

[Translation]

SHRI MOOL CHAND DAGA : You are a large-hearted person, so give me some more time.

Now I am telling you about the consumption of gur and sugar—poor 0.05 per cent and rich 2.79 per cent; milk: poor 0.22 per cent and the rich 11.99 per cent. So, this is the consumption. You can see from this who eats how much. Now I want to tell you what is the distribution of consumer expenditure. I am telling you how much difference is there between the urban and the rural data.

[English]

You kindly make a distinction between the two. I said at the bottom 10 per cent and 10 per cent at the top. In urban 2.82 per cent and the total consumption was 29.13 per cent. In 1977-78 3.36 per cent and for the rich 27.48 per cent. In rural areas, there are rural poor and rural rich. So what is the distinction between the two. In 1953-54 it was 3.13 per cent for poor (10 per cent) and the rich was taking 26.16 per cent. Now for poor in 1967 3.65 and.....

[Translation]

The poor are getting less. The rich are getting more to spend. Their condition is further improving. They have got more to consume and more to spend.

I am unable to explain the whole thing due to paucity of time. This restriction of time will not allow me to explain the correct position.

[English]

I don't know why you are taking so much pains.

[Translation]

I am repeatedly saying that economic disparity is increasing. One Prof. Kamta Prasad has done a detailed analysis—

[English]

The gap between the rich and the poor is widening. That is the recent article which was published on January 5, 1985.

[Translation]

After having said this, I would like to state that the condition in India is like this—

[English]

Income distribution, 6.67 per cent in 1965. The percentage of national income received in 1970, highest is 26.30 per cent.

[Translation]

When I have given these figures, you kindly tell me whether the poor has become poorer or not and how the rich has become richer? Your reply in this regard is very interesting—

[English]

“Question does not arise.” How you have managed, I don't know!

[Translation]

My question is very simple. What is the income of a poor man and what is the income of the richest man in this country? This economic disparity should be reduced. Today, one who is standing on Qutub Minar should be brought down on the ground through taxation, and the one who is on the ground should be lifted above, that is my suggestion.

[English]

Annual per capita, All India level, current price 236 and then he said “quick estimates.” I don't know what is “quick estimates.” And then he says 226 also.

[Translation]

This is the reply I have received. My submission is that there should be full discussion on this subject besides this Half an hour discussion. The position today is that capital with a few persons is increasing and we should see to it that our liberal policy may not help the rich to become richer and the poor poorer. Since I was apprehensive about it, I had put this question—but my question has not been answered. I see all around in the villages and cities that only a few people are getting all the benefits.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : The unstarred question put by the Hon. Member, Mr. M. C. Daga, question No. 469 was :

“Whether one of the aims of the plans formulated and implemented in the country was to reduce the economic disparity.”

My answer was ‘Yes, Sir’. The (b) part of the question was : what was the minimum and maximum per capita average income at the end of the First Five Year Plan and at present.

You must have marked that the Hon. Member asked for minimum and maximum per capita average income in the First Five Year Plan and at present. You must be knowing that so far as Indian planning is concerned, we had to decide the priorities and the planners from the very beginning of the First Plan were really struggling to find out a way to calculate what is the poverty line and for such purpose and to calculate the poverty line that we should go in for ascertaining the per capita income which was in fact accepted. But that effort met with resistance. (a) Nobody wanted to

[Shri A. K. Panja]

disclose what is his annual income because the per capita average is not only of the Birlas and the income-tax payers but it is the per capita average throughout the country. (b) For that purpose such a huge infra-structure was required that it was not possible at that time for the planners to embark upon a plan of ascertaining the income. But the priorities have to be decided. We have to know where are the poor people and what is their income level, and how much food they need and that is why an inquiry into the consumption expenditure level was made. As presently advised by the doctors, in the rural areas our people need per head per day 2400 calorific intake. Their food, whatever they are having, must have 2400 calories. In the city each one must have per day 2100 calorific intake. The immediate task of the planners starting from Mr. P. C. Mahalonobis and other luminaries was to ascertain as to what would be the consumption expenditure for attaining this calorific intake. It was ascertained in the year 1971-72 to be a little over 49 for rural areas and a little over Rs 50 in the urban areas. This is what they wanted to do—that this consumption expenditure is to be taken as the line of poverty, meaning thereby that if a person does not have the ability to spend a particular amount to reach this food value of 2400 calories in rural areas and 2100 calories in urban areas, he is regarded as poor.

Now for that purpose we have made a calculation and therefore, for the answer which we have given, we wanted to know the all India annual income and not per capita i.e. per head income. That is why it has been answered as to what was the price in 1965-66 and what was the current price and in 1970-71 what was the price and what was the price in 1983-84. Therefore (c) part of the question 'Whether in fact during these years the rich have become richer while the poor became poorer' has been answered as 'Does not arise' considering (a) and (b). It is not an independent question, but considering (a) and (b), (c) does not arise. If we have no figure of the maximum per capita i.e. per head income, it is not possible to answer 'c' and, therefore, it has been said "It does not arise." As regards Hon. Member's charge that consumption level is going down, I say, that is not correct. The charge that the poverty line is going up, namely, there are more poor and the

poor people are not brought above the poverty line is not correct.

SHRI MOOL CHAND DAGA : My statement is that economic disparity is increasing. Please tell what is the per capita income of the lowest and the per capita income at the top and disparity between the two.

SHRI A.K. PANJA : Sir, the discussion has been allowed on the 'question' and, as such, I have to answer the 'question'. The figures must be known because there should not be an impression that the country is not trying to solve the problem of the poor and bring them above the poverty line. In 1979-80—the starting point of Sixth Plan—in the rural area there were 28.42 crore people below the poverty line. In the urban area, the figure was 6.36 crore below the poverty line. The total of both comes to 34.78 crores. In the year 1984-85, it has come down to 22.22 crore in the rural area and 5.05 crore in the urban area. The total of the two comes to 27.27 crore. The combined percentage of persons below the poverty line was 52.4 per cent in 1979-80 and at the end of the Sixth Plan it became 36.9 per cent. Our attempt from now on upto the end of Seventh plan is at 25.8 per cent.

SHRI MOOL CHAND DAGA : I am not asking about the number. I am simply asking the economic disparity between the rich and the poor. I am also not asking how many people have crossed the poverty line. I only say that the rich have become richer and the poor have become poorer. The Hon. Minister is very young and he knows how to mould the things.

SHRI A.K. PANJA : Sir, in my life I have not ever misled any member either in West Bengal Legislative Assembly or here. Therefore, the question of misleading the House does not arise but Mr. Daga must know the facts. It has come down. Our leaders who led the country did work hard and, therefore, it has been brought down from 52.4 per cent to 36.9 per cent. It is true that it should have been more but not that nothing has been done. Then the poverty percentage come down by 15.5 in the Sixth

Plan and now in the Seventh Plan our attempt is to bring down further by 11.1 per cent i.e. 8.38 per cent of the population of 1984-85.

Sir, the Hon. Member has said that the question has not been properly answered. I want to point out that the question has been properly answered. The question raised by the Hon. Member about distribution of income and land distribution is absolutely irrelevant so far as this question is concerned. This question when asked about the income level was attempted to. But, as I said, the resistance was there. But we have to ascertain if consumers go forward and it is not the consumption level of the expenditure for which this figure was given. Now, one point I must make clear.

SHRI MOOL CHAND DAGA : My humble submission is that when I am talking of the poor, I am talking of the...

MR. CHAIRMAN : No, no, there cannot be a discussion like this.

SHRI A. K. PANJA : Mr. Daga has got great experience, no doubt. But in spite of that I have some experience to establish what I want to say.

SHRI MOOL CHAND DAGA : The whole Yojana Bhawan is behind you.

SHRI A. K. PANJA : When the Hon. Member spoke, I did not utter a single word.

MR. CHAIRMAN : Please don't disturb the Hon. Minister now.

SHRI MOOL CHAND DAGA : It is not a question of disturbing, Sir.

SHRI A. K. PANJA : Now, the point is raised as to whether rich is becoming richer and the poor is becoming poorer. We have to go by the standard maintained by them. We can't just answer this point off hand without going into these things. Therefore, the real expenditure, that is the consumption expenditure in the Seventh Five Year Plan in the rural areas, is Rs. 107 to reach the calorie intake and in the urban areas it is Rs. 122. Therefore, taking as a whole so far as the per household consumption per annum

is concerned, it comes to Rs. 6400 and so far as urban area is concerned, it comes to Rs. 7300. Rs. 6400 per household per annum contain five members. This is at the starting of 1984-85. Therefore, coming to the question of the Hon. Member, I do not think that there is anything misleading or incomplete. The answers under (a), and (c), in my submission, have been correctly answered.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : Chairman, Sir, my first question is what is your method of computing per capita annual income and what are the agencies and departments of which you have sought the cooperation in calculating this income ?

The Hon. Minister has stated just now that the percentage of people living below the poverty line has gone down from 52 per cent to 36.9 per cent. I would like to ask the Hon. Minister as to what was the percentage of people living below the poverty line during each of the first six Five Year Plans and what is Government's target for the Seventh Five Year Plan ?

My third question is that at what number India stands among the poor countries of the world and what are the names of the countries which are poorer than India. I would like the Hon. Minister to give information about these three question.

[English]

SHRI S. G. GHOLAP (Thane) : Mr. Chairman, Sir, it is difficult to show the disparity between the rich and the poor. But at least, the Hon. Minister should say what is the income of a person in the rural areas and that of a person in the urban areas. It is mentioned that according to 1979-71 index, the income was Rs.508 while in 1984-85, it was Rs. 749. I want to know what is the per capita income in rural areas as also in the rural areas. The all-India percentage of population in 1983-84 below the poverty line in the rural areas is 40 per cent, whereas in the case of Bihar, it is 51 per cent, Maharashtra 41 per cent, and Madhya Pradesh 50 per cent. What steps are the

[Shri S. G. Gholap]

Government taking specially to improve the position in the States which are lacking ?

What was the percentage of the below poverty line people in the year 1955-56 and the year 1983-84 ?

SHRI A. K. PANJA : Seeral questions have been asked. The first question by the Hon. Member is how these figures have been arrived at. I must make it clear that the figures are not on the basis of income, because that exercise did not take place; the figures are on the basis of expenditure, that is consumption expenditure for ascertaining the number of people below the poverty line. That has been done by what was formed the task force on minimum needs and effective consumption demand. The origin is that when the country is big, and there is resistance to disclosure from persons about their income, it was found by the economist that they readily and voluntarily say what is their consumption expenditure; how much they have to spend. Finding that way, the economist thought that that was the best way to ascertain how many people were below the poverty line. The task force which was formed approached the medical men who advised that to maintain healthy standards, daily calorie requirement of 2400 per person is necessary in the rural areas.

After daily calorie intake was ascertained, an attempt was made what would be the cost. When the cost is taken as 'X', a survey was made as to how many people could spend that amount of money; or whether they have got so much money for the purpose of meeting this expenditure on food. When this is ascertained, we come to what is called 'poverty line'.

Then, inflation is there in the country and along with that, population is also rising. Therefore, we have to find out a way to come to proper calculations. The value of calorie, intake remains the same. Therefore, we used a deflated system and by using that, we increased from Rs. 49.09 per capita per month in 1973-74 in rural areas and Rs.59.64 per capita per month the urban areas in 1973-74 to the present amount of Rs. 106

and Rs. 122 respectively. The increase of population is taken care of. It is no less work done by our great leaders, who took charge of country's development. Though there is increase in population and there is inflation, still the poverty ratio is coming-down. It is coming down, of course slowly, but it is coming down definitely in each of the Plans.

The second question was with regard to what was the rate by which the poverty was coming down in the various plans. I have given the figures for the 6th and 7th Plan. I do not have the figures for the 1st, 2nd to 5th Plans. I would inform the Members about this.

So far as the questions as to what is the position of India in relation to other countries in the matter of poverty, these facts are not again with me and I require notice for that. Certainly, I will inform about that also to the concerned Member.

MR. CHAIRMAN : You have not replied Shri Gholap's question.

SHRI S.G. GHOLAP : The average income in 1955-56 was Rs. 508 and in 1983-84, it is Rs. 749. What is the average income in rural and urban areas respectively, so that the disparity can be compared ?

SHRI A. K. PANJA : I think I need notice for this. I have got the figures of annual per capita income for all-India only. In this, how much is for rural and how much for urban areas, has to be found out. I will look into this and give the necessary reply to the Hon. Member.

SHRI S. G. GHOLAP : There is another question. The percentage of the population living below the poverty line is 40 per cent for all India, while in Bihar it is 51 per cent, Madhya Pradesh 50 per cent and Maharashtra 41 per cent. The percentage is higher in all these States compared to all India level. What are the steps taken to reduce the disparity ?

SHRI A. K. PANJA : This is a very relevant question and I am happy that the Hon. Member asked it. The all-India average is not 40 per cent, it is 37.4 per cent. The average for rural areas is 40.4 per cent and here I am talking about the combined average of rural plus urban, i. e. all India, which is 37.4 per cent. Out of this, in those areas where we find a higher percentage of people below the poverty line, the IRDP schemes as also the Direct Assault on poverty by special schemes are being implemented. Along with that, the indirect approach i. e. the fiscal measures as suggested by Shri Daga are also being strengthened. Almost every day it is coming in newspapers. But the position in our country is such that just by some Alladdin's lamp, this disparity cannot be removed. People are struggling and people are working. Along with that, with the help of the mem-

bers, gradually, this percentage of population below the poverty line will go down. I can say for the benefit of this House that so far as the States are concerned, we find the lowest percentage in Manipur, which is 12 per cent. In all the other states, the percentage is generally above the average all-India level.

MR. CHAIRMAN : The discussion is over. The House stands adjourned to meet again on Monday.

18.18 hrs.

The Lok Sabha then adjourned till

Eleven of the Clock on Monday,

December 2, 1985/Agrahayana 11, 1907

(Saka)