



# No Poverty: How Much, How Far

# 1

Anindya Bhukta

## 1.1 Introduction

The Earth Summit of 1992 brought a path-breaking change in any discussion on economy and environment. The world since then has learnt to believe in sustainable development, instead of only present development. Beforehand, there was a contradiction between development and distress. In Indian economy, for example, our planners emphasized on development measured in terms of per-capita income. With regard to poverty alleviation, they believed in trickle-down theory. Eventually, they learnt that growth does not automatically translate into betterment of the standard of living of the poor unless and until it ensures elimination of inequality in all its forms from the society. So long this cannot be ensured, development can be earned only at the cost of distress to a section of people. At this juncture, the concept of sustainable development keeps its eye to an end to this contradiction and teaches us to think of development in a wider perspective. The process of development will be sustainable only when it raises income, lowers poverty and inequality, eliminates hunger, ensures healthy life, establishes gender equality, and conserves energy and environment. In the year 2000, the

UNDP set a global agenda toward achieving such a development. It was termed Millennium Development Goals (MDGs).

The Millennium Declaration was a major departure from the previous efforts of global development in the sense that instead of monolithic focus on macroeconomic growth the MDGs emphasized on social development like health and sanitation, poverty and hunger, education and empowerment, etc. (Mickey Chopra 2015). The MDGs also set different monitorable targets to achieve their goals over a 15-year time frame, ranging from 2000 to 2015. In terms of these monitorable targets, the MDG achieved considerable success which prompted the world leaders to step out for the second round of this programme. The sustainable development goals (SDGs) are, in fact, set to launch this second-round world development programme.

## 1.2 Poverty and Development

Poverty is basically an abstract concept at least in the perception of the person concerned. Initially, when it is believed that poverty is alleviated automatically as a result of economic growth, there was no problem with this perception, although attempts were made to measure poverty in numerical terms. In fact, when we like to view poverty from macroeconomic angle, measurement of poverty becomes essential. It becomes a

---

A. Bhukta (✉)  
Netaji Mahavidyalaya,  
Arambagh, Hooghly, West Bengal, India

necessity when it is realized that benefits of development do not automatically translate into benefitting the poor and a direct government intervention is required to pass on the benefits of development to the poor as well. This realization, in fact, led to the declaration of MDGs.

Development cannot be sustainable until and unless initiatives are taken to alleviate poverty. The poor always drag development initiatives backward, and development always leads to inequality. To phase out this contradiction between development and distress, governments must take initiatives to redistribute with justice the benefits of development among the poor and those who already enjoy the benefits. In a globalized world, these initiatives should be taken on international basis. Otherwise, the poor countries will stand in the way of the development of developing countries. Primarily, the MDGs and then the SDGs were set by the UNDP from this very realization.

---

### 1.3 Toward Poverty Eradication

To reach at the objective of complete removal of poverty, what is essential first is to define poverty. However, this is quite a difficult task. Who is a poor and who is not depends to a great extent on the socio-economic character of a country. Based on the socio-economic needs, a threshold level of income is first set to identify the poor. Who are unable to earn even this threshold level of income are identified as poor. This threshold level of income varies from one country to another depending on their perception of poverty. For example, in major part of Europe, a family with a net income, net of taxes, of less than 60 percent of the 'median net disposable income' of the country is considered as 'poor'. In USA, on the other hand, the basic cost of food required by a family is multiplied by three to get this threshold income level (Choudhury and Chauhan 2013).

In contrast, in India, only the amount of money which is required to purchase the minimum necessity of life is identified as the poverty line. The head count of population who, with their income, cannot purchase even this subsistence

requirement, in relation to total population, gives us the poverty ratio of the country. By the minimum necessity only, the requirement of food was considered for a considerable period of time. However, since 2009, with the launching of Multidimensional Poverty Index (MPI), the concept of minimum necessity is being defined alternatively.

With this brief introduction on the definition of poverty, we can now turn to the first and also the foremost goal of SDG, which is complete eradication of extreme poverty in all its forms by 2030. This goal is the foremost, because the UNDP submitted that without eliminating poverty completely the other goals cannot be reached in its true sense.

The first among the 17 goals of the SDG reads as 'end poverty in all its forms everywhere'. There are five targets under this goal, in addition to two subtargets referred to as resources and cooperation policies. All these targets and subtargets try to cover different dimensions of poverty. Unlike MDGs, the SDGs emphasize on maximization of local participation. It asks for 'each government to set its own national SDG targets, guided by global ambitions and national circumstances'. Accordingly, NITI Aayog prepared baseline report 2019 in which 19 indicators were developed to achieve these targets. In the present section, our discussion will be centred around these indicators, and suggestions will be given for some other indicators, if it is felt.

The first two targets of Goal 1 are to reduce poverty as it is defined in terms of national and international definition. The measure of poverty, \$1.25 per person per day, is an internationally defined measure of poverty. This poverty line is set by the World Bank in 2008 and is based on the poverty lines of 75 countries which were adjusted on the 2005 Purchasing Power Parity (PPP) dollars. The set of data had shown that the average poverty line of 15 poor countries were \$1.25 a day, which was then accepted as the international poverty line by the World Bank and the United Nations Development Programme (UNDP). In a similar fashion, a poverty line of \$1 a day was set in the year 1990, and on the basis of that particular line, the Millennium Development Goal

**Table 1.1** Poverty in India by International Definition (percent of population)

Poverty standard	Poverty estimates					
	1981	2005	2009	2010	2011	2015
\$1.25 (2005 PPP)	60	41.6	–	32.7	–	–
\$1.90 (2011 PPP)	–	–	31.1	–	21.2	13.4

Source: <http://povertydata.worldbank.org/poverty/country/IND>

(MDG) sets the target to halve the number of people below the target line by 2015 (Qian-Qian 2015).

A question may arise at this point. By the time when SDGs were declared, the World Bank already updated the international poverty line on the basis of 2011 PPP dollars. According to the new estimate, the poverty line was set at \$1.90 per day. If so, then why the target was set on the basis of a line which was determined by the use of a decade-old price line? It is, therefore, being prescribed from different corner to set the poverty line at \$1.90 a day. Otherwise, comparable figure will not be available in the future. This fact would be clear from Table 1.1.

The data represented in Table 1.1 clearly demonstrate a declining trend of poverty in India over time by the international poverty standard. If this trend continues, we can at least approximate to the goal of eradicating extreme poverty from our country, if not completely be reached, by 2030.

The national poverty indicator of India, on the other hand, was basically based on calorie norm. By this norm, the minimum monetary requirement of a person is set on the basis of the minimum nutritional requirement of the person. This minimum monetary requirement is then called the poverty line, and this line is considered as the cut-off line between the poor and the non-poor.

Planning Commission of India started estimating poverty line since the early 1960s. In 1962, a study group appointed by the Commission defined a consumption basket worth Rs. 20 per capita per month as the poverty line, without mentioning any logic behind the magic number. A poverty line, supported by a definite logic, was first constituted by the ‘Task Force on Projections of Minimum Needs and Effective Consumption Demand’ in 1977. This poverty line, which was monetarily equivalent to a consumption basket

providing 2400 calories per capita per day in rural areas and 2100 calories per capita per day in urban areas, was based on the recommendation by the Indian Council of Medical Research. The monetary equivalence of this calorie intake standard, based on 1973–1974 prices, was Rs.49.09 in rural areas and Rs. 56.64 in urban areas. The Task Force suggested updating this line time to time by adjusting for price changes, keeping the consumption basket unaltered (Table 1.2).

In 1993, another expert group under the chairmanship of D. T. Lakdawala recommended certain changes in the estimation of poverty, although it did not opine against calorie-based norm of poverty estimation. It was Tendulkar Committee (2009) who first recommended a shift away from calorie-based norm to a consumption expenditure-based norm in order to emphasize on expenditure on health and education.<sup>1</sup> Moreover, this expert group recommended a uniform poverty line basket for both the rural and urban areas. Another major recommendation was to estimate the number of poor on the basis of Mixed Reference Period<sup>2</sup> (MRP) (Table 1.3).

On the basis of Tendulkar Committee report, the Planning Commission computed a new pov-

<sup>1</sup>Prior to this period, expenditure on health and education was not considered for inclusion in poverty line calculation because it was assumed that expenditure on these two would be borne by the State.

<sup>2</sup>The consumer expenditure data collected by the NSSO, on which poverty ratios are estimated, was based on 30 days recall period prior to the 61st round survey. In contrast to this practice of Uniform Recall Period (URP), the NSSO, in their 61st round survey, introduced another method, called Mixed Recall Period (MRP). Under the MRP method for five infrequently used items (clothing, footwear, durables, education, and institutional health expenditure), consumers are surveyed on the basis of 365 days recall period, and for all other items, the 30 days recall period is used as usual.

**Table 1.2** Incidence of poverty by national definition

Reference year	Poverty ratio (by Lakdawala methodology)			Poverty ratio (by Tendulkar methodology)			Poverty ratio (by Rangarajan methodology)		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1973–1974	56.4	49.0	54.9						
1977–1978	53.1	45.2	51.3						
1983–1984	45.7	40.8	44.5						
1987–1988	39.1	38.2	38.9						
1993–1994	37.3	32.4	36.0	50.1	31.8	45.3			
1999–2000 <sup>a</sup>	27.1	23.6	26.1	33.8	20.9	29.8			
2004–2005	28.7	25.9	27.9	41.8	25.7	37.2			
2009–2010	–	–	–	33.8	20.9	29.8	39.6	35.1	38.2
2011–2012	–	–	–	25.7	13.7	21.9	30.9	26.4	29.5

Source: Planning Commission (2012, 2013), Expert Group Report (2014)

<sup>a</sup>Lakdawala estimates for 1999–2000 are based on the mixed recall period (MRP) method and are not comparable with his estimates for other years, which are based on the uniform recall period (URP) method. In Tendulkar methodology, MRP method is used all through

**Table 1.3** Poverty line

Reference year	Rural	Urban
1973–1974	49.63	56.76
1977–1978	56.84	70.33
1983–1984	89.50	115.65
1987–1988	115.2	162.16
1993–1994	205.84	281.35
1999–2000	327.56	454.11
2004–2005	446.68	578.80
2009–2010	672.80	859.60
2011–2012	816	1000

Source: Planning Commission (1997, 2013); Press Information Bureau (2001, 2007)

erty line which was Rs. 446.68 per capita per month in the rural areas and Rs. 578.80 in the urban areas in 2004–2005. On the basis of this poverty line, poverty ratio came to be 41.8% for rural areas, 25.7% for urban areas, and 37.2% for the country as a whole. However, these figures for 2004–2005 are, in fact, revised estimates. Beforehand, on the basis of Lakdawala methodology, the Planning Commission published the numbers of below-the-poverty-line (BPL) people for 2004–2005 which were 28.3%, 25.7%, and 27.5% for rural, urban, and the country as a whole, respectively. A movement was started after the publication of these figures by a civil society organization, the Right to Food Campaign, against the statistical manipulation that produced

such low figures (Jain 2015). The organization even dragged the Government up to the Supreme Court on this issue. In response, the Tendulkar Committee was constituted by the Government. Later on, poverty figures based on Tendulkar methodology, however, also raised severe debates, and the government constituted another committee, the Rangarajan Committee, to review the recommendations of Tendulkar Committee. In fact, the lack of reliability of government data is a major drawback in measuring the progress of poverty alleviation in our country. The success or failure of the SDGs with regard to poverty eradication in terms of national indicator on poverty has to be judged in the light of these debates and statistical juggleries.

With regard to national indicator of poverty, the target of the SDG is to halve the proportion of men, women, and children of all ages living in poverty in all its dimensions by 2030. As per the latest data available with regard to proportion of population living below the national poverty line, the base value for the reference period of the SDG is set at 21.92%. The poverty line in India is revised every occasion on the basis of National Sample Survey Organization (NSSO) data. Since no such data become available after 2015, progress toward poverty eradication cannot be measured. However, if we take into account the rate

at which poverty in India has declined during the last two decades,<sup>3</sup> it can well be expected that India can reach the goal set by the SDG in due course of time.

Let us now turn to the most pertinent question at this point. Does eradication of poverty mean mere achievement of a minimum level of income? If a government wishes to eradicate poverty to gain some political mileage, it can reach its goal by simply providing some financial doles on a short-term basis to the poor who lie in close approximation to the poverty line. In fact, this is a common practice in India as well as in many other developing countries. But to reach at a permanent solution to this problem, what is essential is to arrange for employment to all. Employment to all, however, has some prerequisites like education for all, health for all, etc. In fact, the international poverty line is a Multidimensional Poverty Index (MPI) which covers various dimension of poverty. The MPI<sup>4</sup> defines that a 'poor' is one who is deprived of basic necessities of life like health and education and led a poor standard of living (Table 1.4).

In fact, similar outlook can be found in measuring Human Poverty Index (HPI). This index also views poverty as deprivations in three basic dimensions of human life, namely, health, education, and a decent standard of living. This simply

<sup>3</sup>The MDG targeted the population that was under BPL in 1990 to be halved by 2015. In 1990, the estimated BPL population of India was 47.8 per cent to its total population. India managed to reduce the number to 21.9 by 2011–2012. The corresponding figures for rural and urban areas were 52.6 and 30.5 in 1990 and 25.7 and 13.7 in 2011–2012 (Ahmed 2016).

<sup>4</sup>The Multidimensional Poverty Index (MPI) is an international index of poverty which, while defining poverty, considers its multidimensional facets. A 'poor' is one who is deprived of two basic necessities of life, namely, health and education, and led a poor standard of living owing to poor earning. To capture the poor earning, poor health, and poor education status of a poor, the MPI depends on ten indicators, namely, years of schooling, school attendance, child mortality, nutritional status, asset ownership, access to electricity, access to improved sanitation, access to safe drinking water, flooring, and cooking fuel. The concept of MPI was developed by the Oxford Poverty and Human Development Initiative and the United Nations Development Programme.

implies that the world of today does not see poverty from the view point of income only. Rather, the availability and access to health and education facilities are being emphasized on. Although India has made considerable progress in these two fields also, the achievement is not sufficient. As a result, while the number of population below the poverty line as per national indicator is 21.9% to total population in 2011–2012, as per MPI it was 41.3% in the same year. Thus, if we have to have an idea of India's success in eradicating poverty by international standard, we have to take into account of her achievement in the expansion of public health service, success in the extension of educational opportunity, etc. In fact, in 2018 the UNDP has released a new, revised estimation procedure for calculating MPI. In this revision, the UNDP sets ten indicators to cover three dimensions of poverty. They are nutrition and child mortality for health, years of schooling and school attendance for education, and for standard of living the six other indicators are cooking fuel, sanitation, drinking water, electricity, housing, and assets. In the remaining part of this section, we shall try to explore the importance of education and good health in removing poverty in its every form.

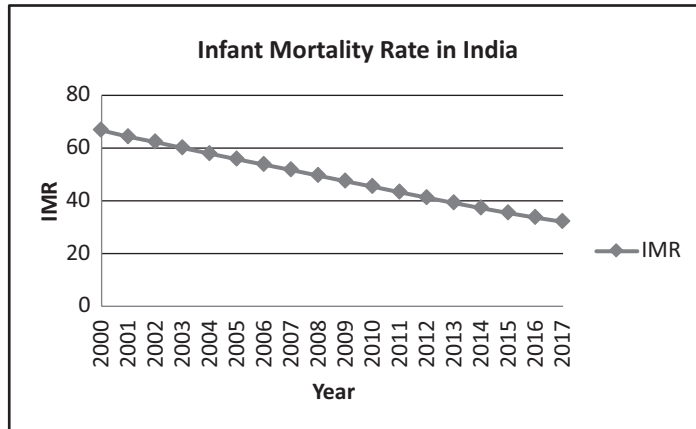
The relationship between poverty and health is a cyclical relation, where poverty leads to ill health and ill health ensures deepening of poverty (Peters and Garg 2008). Financial constraints restrict poor from accessing health services, if not provided by the government at free of cost or at a minimal cost. Inability to accessing health-care services often directly affects the productivity of poor, because it is seen that they often suffer from communicable diseases which are mainly associated with poor environment, malnutrition, and genetic problems. These diseases have long-run effects on their health and thereby affect their productivity. Moreover, ill health of the earning members of the family may have some intergenerational impact since loss of income opportunity stands on the way of creating educational opportunity of their offspring.

The most unfortunate reality is that in spite of these well-known facts and figures government expenditure on public health services is very low

**Table 1.4** Multidimensional poverty picture in India

Year of survey	Headcount ratio: population in multidimensional poverty	Percentage of people who are poor and deprived in...										
		Health			Education			Living standard				
		Nutrition	Child mortality	Years of schooling	School attendance	Cooking fuel	Sanitation	Drinking water	Electricity	Housing	Assets	
2015–2016	27.5	20.53	2.39	11.59	5.50	25.75	24.25	6.14	8.52	23.27	9.42	
2011–2012	41.3	35.44	15.45	9.41	5.75	39.72	36.95	6.92	14.23	30.70	17.31	
2005–2006	53.7	38.20	22.50	17.60	19.50	51.10	48.20	11.90	28.30	39.40	37.50	

Source: Compiled from various reports on MPI



Source: Global Health Observatory data repository, WHO, updated as on 05.02.2019

in all the poor and developing countries in comparison to rich and developed countries. The Indian scenario is much more abysmal. Against the world average of 6%, the public health expenditure (sum of central and state governments) as a percentage of GDP in India was 1.4% in 2016–2017. It hovered around 1.3% during the period 2008–2015. Moreover, what is alarming is that centre’s share in total health expenditure has shown steady declining trend over the years in recent time, except 2017–2018 (CBHI 2018). However, even with this meagre amount of public health expenditure, India managed to achieve some success in the betterment of various health indicators, although these successes are far away from some of the best performers in this area.

Infant mortality rate levelled down more than half during the period 2000–2017. In 2000, the IMR was 66.7%, while it is only 32% in 2017. However, if we remember that the first 10 countries in the world have reduced this figure below 3 only,<sup>5</sup> we find no reason to be contended.

Another major health indicator is maternal mortality rate. In the context of poverty eradication, this indicator is much more important in the sense that this rate cannot be made better off without improving the overall health infrastructure and solving the basic nutritional problem of the poor. The reduction of maternal mortality drew special

attention in the list of MDGs, but is somehow neglected in the SDGs. The target of the MDG was to reduce maternal mortality ratio by three quarters from the 1990 level. In 1990, India’s MMR was 560 per 100,000 live births. The target was, therefore, to reduce it to 140. However, the rate of decline in MMR between 2006 and 2012 was only around 16%. In 2013, the MMR was 190 (WHO 2014). It was then expected that India will certainly miss the MDG target. Then, the Union health minister asserted Rajya Sabha members that India will hit the MDG target in due course of time (Pandey 2015). The final country report on MDG, published by the CSO, Government of India, however, acknowledged that success could not finally be achieved in reducing MMR as per MDG target. Thereafter, in May 2018, Office of the Registrar General of India published a ‘Special Bulletin on Maternal Mortality 2014-16’, in which surprisingly we discovered that India made magical performance in this field and the MMR came down to 130 in 2016 (Office of Registrar General 2018). In response, by a press release, Regional office of WHO for South-East Asia acclaimed India for its ground-breaking progress in reducing the maternal mortality ratio. Yet, this claim and counterclaim by the different offices of the Government of India reveal that somewhere and somehow in these statistics there is some statistical manipulation. However, the practice of resorting to statistical manipulation may be a good practice for achieving political mileage, but in ultimate

<sup>5</sup>In 2017, the top three countries in this regard were Monaco (1.8), Japan (2.0), and Iceland (2.1).

course, such a practice of self-deception may be a suicidal effort for future course of development.

The health status of the poor and the vulnerable, as we have already argued, cannot be improved without government assistance. For the target of implementation of nationally appropriate social protection systems for the poor and the vulnerable, an indicator that has been set by the NITI Aayog is the percentage of households covered by any health insurance scheme. One such scheme, Rashtriya Swasthya Bima Yojana, was launched in 2007 to bring BPL families under health insurance coverage. However, government expenditure in this scheme has decreased continuously since 2012–2013. In 2018, however, this Yojana was subsumed to a new scheme, Ayushman Bharat. The new scheme has been targeted to bring ten crore poor and deprived rural families under the health insurance net. The success of SDG target in extending social protection in the form of health insurance will depend a lot on the success of this scheme.

In the educational front, success of India is not negligible. Attendance in the school, measured both in terms of mean years of schooling and expected years of schooling, has increased significantly particularly due to the introduction of mid-day meal programme. Poor parents regularly send their children to schools just to ensure a major meal at least once in a day. Mid-day meal programme at present covers students up to class eight. It should be extended to the students up to class 10, and compulsory skill development curriculum should be tied up with this extension. This will help not only to pull some people out of poverty level but also to enable them to get rid of poverty permanently after completion of their education. Bangladesh, for example, has adopted one such programme of education and training for the enhancement of skill of her labour force.

Along with better education and improved health, living a decent standard of living requires something more like improved sanitation facilities, roof over the head, adequate and safe drinking water, etc. Presently, almost all of these are considered to be the basic necessities of life. The government also has taken different initiatives at different times. However, in some cases, progress is remarkable and in some cases not.

India's achievement in improving sanitation facility, especially in terms of a toilet for each household, is quite astonishing during the last 5 years after the launch of Swachh Bharat Mission (SBM) in October 2014. Swachh Bharat Mission (SBM) was started to make India open defecation free by October 2019. In October 2014, only 38.7% household was reported to be a toilet at home. This percentile figure has reached 99.09% as displayed in the Ministry of Drinking Water and Sanitation (MDWS) website on April 18, 2019. Complete success in this programme is expected to be achieved well before the targeted date. However, it should also be noted here that this statistics is based entirely on the self-declaration by the local bodies. The real picture is not so bright. First of all, a part of this statistics has either been manufactured or has been exaggerated at the local bodies. For example, Gujarat declared her to be open defecation free under SBM. On the contrary, a Comptroller and Auditor General of India (CAG) report categorically described this claim as false (Sengupta and Verma 2018). The report said data had been fudged. The audit report of CAG covering eight districts of the state pointed out that toilets had not been constructed at all for 30% of the households. The second reality is that in some cases where toilets were built up finally, the toilets are not being used due to various reasons including lack of water supply.

A similar doubt can be raised against the government demand regarding electrification. To reach electricity connection to every villages and towns, two schemes were launched by the government, namely, Deendayal Upadhyaya Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana. The government is now claiming that electrification has been completed in 99.25% villages and towns (Central Electricity Authority 2018). However, a bare eye observation does not support this claim if we do not accept the view that electrifying a village or town does mean reaching an area by establishing only an electric pole there.

It can now be drawn from the above discussion that India's prospect toward achieving the goal of 'no poverty' on the basis of past experience, especially on the basis of experience regarding the achievement of MDGs, is more or less satisfactory. It is very likely that India can hit



the target in due course of time. However, it should also be noted here that we can reach at this conclusion, given that government- figures are reliable in most of the cases.

#### 1.4 A State-Level Picture

In the state level also poverty ratios have declined steadily over time. But what is most alarming is that there are wide disparities among the states in reducing poverty ratio. The range of variation between the states with the highest and lowest poverty ratio was 48.20 in 2004–2005. However, this range value came down to 34.84 in 2011–2012. The standard deviation of all the states and union territories taken together shows a similar declining trend. This means that although significantly higher till now, disparities among the states in alleviating poverty is becoming narrowing down (Table 1.5).

The states that were able to reduce the poverty ratio well below the national level as per 2011–2012 estimates are Andhra Pradesh, Goa, Himachal Pradesh, Jammu & Kashmir, Kerala, Punjab, and Sikkim. The reasons behind their success may not definitely be the same. However, some of these states have achieved considerable success in achieving the target of different base level indicators mentioned in Table 1.6.

#### 1.5 Concluding Remarks

The success of India in eradicating poverty over the last two decades is not insignificant. Even if we admit that much of her success is statistically manipulated, this success cannot be denied altogether. However, the target of the UNDP is not only to remove poverty by mere numbers but also to remove it from every sphere of life and in its every form. Moreover, removal of poverty must be permanent. This all-round removal of poverty requires three ‘e’ to be ensured. These three ‘e’ are employment, equality, and empowerment.

With regard to combat against poverty, NITI Aayog acknowledged that a holistic anti-poverty strategy must be growth oriented, because growth

**Table 1.5** Percentage of population below poverty line in Indian states

States/union territories	2004–2005	2009–2010	2011–2012
Andhra Pradesh	29.90	21.10	9.20
Arunachal Pradesh	31.10	25.90	34.67
Assam	34.40	37.90	31.98
Bihar	54.40	53.50	33.74
Chhattisgarh	49.40	48.70	39.93
Goa	25.00	8.70	5.09
Gujarat	31.80	23.00	16.63
Haryana	24.10	20.10	11.16
Himachal Pradesh	22.90	9.50	8.06
Jammu and Kashmir	13.20	9.40	10.35
Jharkhand	45.30	39.10	36.96
Karnataka	33.40	23.60	20.91
Kerala	19.70	12.00	7.05
Madhya Pradesh	48.60	36.70	31.65
Maharashtra	38.10	24.50	17.35
Manipur	38.00	47.10	36.89
Meghalaya	16.10	17.10	11.87
Mizoram	15.30	21.10	20.40
Nagaland	9.00	20.90	18.88
Odisha	57.20	37.00	32.59
Punjab	20.90	15.90	8.26
Rajasthan	34.40	24.80	14.71
Sikkim	31.10	13.10	8.19
Tamil Nadu	28.90	17.10	11.28
Tripura	40.60	17.40	14.05
Uttarakhand	32.70	18.00	11.26
Uttar Pradesh	40.90	37.70	29.43
West Bengal	34.30	26.70	19.98
Andaman and Nicobar Islands	3.00	0.40	1.00
Chandigarh	11.60	9.20	21.81
Dadra and Nagar Haveli	49.30	39.10	39.31
Delhi	13.10	14.20	9.91
Daman and Diu	8.80	33.30	9.86
Lakshadweep	6.40	6.80	2.77
Puducherry	14.10	1.20	9.69
Standard Deviation	14.45	13.48	12.24

Source: Handbook of Statistics on Indian States, 2019 (Table 14), RBI

Note: Computed as per Tendulkar method on Mixed Reference Period (MRP)

creates job (NITI Aayog 2016). The Aayog also prescribed for an employment-intensive growth strategy by drawing the example of South Korea and China. Unfortunately, the same NITI Aayog did not consider, while constructing the SDG index for India, any indicator directly relating to employment.

**Table 1.6** Achievements of different base level indicators at the subnational level

Indicators	Base value (2015–2016)	Target value (2030)	Lowest achiever	Highest achiever
Households with at least one member covered under any health scheme	28.70	100	3.60 (Manipur)	74.60 (Andhra Pradesh)
Infant mortality rate (2016)	34 (2015)	Not set	44 (Assam, Odisha)	8 (Goa)
Maternal mortality ratio (2014–2016)	139 (2015)	Not set	237 (Assam)	46 (Kerala)
4. Proportion of the population (out of total eligible population) receiving social protection benefits under maternity benefit	36.40	100	No data available	No data available
Percentage of rural household with access to electricity (2017)		Not set	39.89 (Jharkhand)	100 (Andhra Pradesh, Goa, Gujrat, Punjab, Tamil Nadu)
Proportion of homeless population to total population	0.15	Not set	No data available	No data available
Person days generated (in lakhs) under MGNREGA (2017–2018)	23513.13	Not set	0.99 (Goa)	3125.57 (West Bengal)

Source: Compiled

Notes: (1) Figures corresponding to highest and lowest achievements are based on latest available data (corresponding year is mentioned in the first column within parentheses) from various sources. (2) Target values are mentioned where it is set by the NITI Aayog

In the last few decades, India's GDP growth rate is moderately high. However, this growth rate is scanty employment generating. It has achieved a good shape mainly due to better performance of the service sector. The service sector generates high income, but only with a few employments. On the other hand, the growth rate of agriculture, on which most of our poor people depend on, is abysmally low, hovers around 1–2% per annum. As a result, agricultural sector continuously generated surplus labour over this entire period. However, the manufacturing sector, growth rate of which was more or less stagnant over a long period of time,<sup>6</sup> could not absorb this

surplus labour. This labour force, therefore, moved mainly to the construction sector, as unskilled labour with a very poor wage rate. This nature of employment, in turn, has deepened the problem of poverty in the country. These low wage earners might not scale the number of poor up, but with a scanty income, they live just above the BPL level. Owing to this reason when Rangarajan Committee revised the poverty line to set it a little bit upper, the head-count ratio of poverty increased up to several points.

Reduction of inequality is another major criterion of complete and permanent alleviation of poverty. It is widely accepted that growth will be pro-poor only if it is backed by appropriate redistributive policy. A study on poverty and inequality in India asserted that sharp increase in economic inequality during the 1990s resulted in deteriorated poverty picture despite higher growth (Sen and Himanshu 2004). However, India is no exception. Similar outcome has been found in case of other countries also with higher degree of unequal-

<sup>6</sup>A report on employment strategy for India was jointly prepared by the International Labour Organization (ILO) and Ministry of Labour and Employment, Government of India in 2009. In this report, it was acknowledged that although since the 1980s India achieved remarkable success in accelerating GDP growth, its performance in employment generation is disappointing. Agriculture, till the first half of the first decade of the present millennium contributed less than a quarter of GDP. However, more than half of the total employed labour force rests on agriculture. The share of manufacturing sector, on the other hand, rose marginally from 11:24 per cent in 1983 to only 12–20 per cent in 2004–2005. Growth in employment concentrated mainly in construction and other services

(ILO 2009). This trend in employment pattern also reveals how inequality is gradually increasing in India. When more than half of the people earn less than one fourth of the GDP, the inequality is bound to increase.

ity. In India, adequate attention was not given to the aspect of inequality mainly out of the belief that inequality is an obvious by-product of rapid growth. This misbelief, along with another misconception that inequality in India is comparatively lower than other developing countries, prevented the government to take any sincere initiative to reduce inequality. In 2017, Oxfam International and Development Finance International developed a 'Commitment to Reducing Inequality Index' to measure commitments of the government toward reducing inequality.<sup>7</sup> Out of 152 countries, India ranked 132 in this index. This poor commitment of the government placed India among the most unequal countries in the world. Now, evidences from both primary and secondary sources are also asserting that this inequality has been rising over the last three decades (Ibid, 2018). If this trend continues, achievement of the SDG regarding poverty elimination will bound to fail. However, recent shifting of government policies towards inclusive growth is expected to make the government much more committed in reducing inequality and thereby sustaining development in an uninterrupted manner.

Political empowerment of the poor is also essential for the removal of poverty at the root. Poverty is seen to be prominent in case of marginalized groups. These people know the root cause of poverty and problems relating to poverty better than the others by the experience of their own lives. If these people can be brought into the arena of policy-making framework, then poverty alleviation programmes may give better outcomes. What is required for this is to make space for them in the political arena. Political empowerment of the poor is thus an important issue, at least in Indian context, in any discussion on poverty alleviation. The poor should not only be involved in the policy-making process, but they should also be involved in the implementation of the poverty eradication programmes. This can be made possible by the reservation of some adminis-

trative posts in the local bodies for the representatives from economically backward classes, not only from socially backward classes as it is presently arranged by the constitutional amendments. An index with regard to political empowerment of representatives of BPL people may give us a better idea of removal of poverty in its every form.

---

## References

- Ahmed S (2016) End poverty in all its forms everywhere. In: India and sustainable development goals: the way; research and information system for developing countries, UN
- Central Bureau of Health Intelligence, GOI (2018) National Health Profile 2018
- Central Electricity Authority (2018) All India electricity statistics: general review 2018, Government of India
- Choudhury G, Chauhan C (2013) Measuring poverty: how the world counts its poor. Hindustan Times, 28 July 2013
- Peters DH, Garg A (2008) Poverty and access to health care in developing countries. *Ann N Y Acad Sci* 1136:161–171
- ILO (2009) Towards an employment strategy for India, ILO
- Jain SK (2015) Reading between poverty lines. <https://www.downtoearth.org.in/blog/reading-between-poverty-lines-361>
- Mickey Chopra EM (2015) Millennium development goals: background. *Arch Dis Child* 100(suppl 1):s2–s4
- NITI Aayog (2016) Eliminating poverty: creating jobs and strengthening social programs, Government of India
- Office of Registrar General (2018) Special bulletin on maternal mortality in India 2014-16, Government of India
- Pandey K (2015) Maternal mortality: India likely to miss MDG target. <https://www.downtoearth.org.in/news/maternal-mortality-india-likely-to-miss-mdg-target%2D%2D49036>
- Qian-Qian LY (2015) Poverty reduction within the framework of SDGs and post-2015 development agenda, Ke Ai
- Sen A, Himanshu H (2004) Poverty and inequality in India: II: widening disparities during the 1990s. *Economic and Political Weekly*, vol 39, no. 39
- Sengupta S, Verma R (2018) Sanitation will remain a mirage even after India stops defecting in the open. <https://www.downtoearth.org.in/news/maternal-mortality-india-likely-to-miss-mdg-target%2D%2D49036>. Last updated 1 Oct 2018
- WHO (2014) Trends in maternal mortality: 1990 to 2013, WHO

---

<sup>7</sup>This index measures government commitment in reducing the gap between the rich and the poor on the basis of three indicators, namely, social spending, tax, and labour rights.