Poverty and Inequality: Concepts, Data, Policy and Analysis

Poverty is deprivation of basic needs that determine the quality of life- food, clothing, shelter, safe drinking water etc. It also includes the deprivation of opportunities to health, education, skills, employment etc.

Many different factors have been cited to explain why poverty occurs. No single explanation has gained universal acceptance. The factors responsible for poverty include:

- Historical factors, for example imperialism and colonialism.
- Overpopulation.
- Growth is not fast enough to eradicate poverty
- Models of growth may be unsuitable for poverty alleviation. For example, capital-intense growth in a labour surplus country
- Poverty itself, preventing investment and development.
- Widespread reliance on traditional methods of agriculture. About 60% of the population depends on agriculture whereas the contribution of agriculture to the GDP is 20%.While services and industry have grown at double digit figures, agriculture growth rate has dropped from 4.8% to 2%
- Geographic factors, for example lack of fertile land and access to natural resources.
- Anti-poverty schemes not being effective due to institutional and other inadequacies
- War, including civil war, genocide
- Lack of education and skills.
- gender discrimination
- Matthew effect— the phenomenon, widely observed across advanced welfare states, that the middle classes tend to be the main beneficiaries of social benefits and services, even if these are primarily targeted at the poor. Matthew effect refers to those already having an asset base benefiting from it while those without it continue to be denied the same.

Eradication of poverty

The strategy of the Government includes the following elements

- The main plank of anti-poverty strategy is reducing poverty through the promotion of economic growth. In India, after reforms began in 1991 when growth rates increased, poverty levels fell quite steeply.(NSSO 2005)
- Socio economic planning
- Food security through the nation wide PDS- largest in the world
- Progressive taxation to garner fiscal resources for spending on poor
- Social safety net like the, National Social Assistance Programme (NSAP)
- Open society in which poverty is recognized as a national challenge and earnest efforts are made to tackle it(Amartya Sen)
- Anti-poverty programmes – NREGA 2005
- Massive social sector expenditure for skill building
- Decentralization through PRIs and Nagarapalikas for better delivery models

Poverty concepts

Types of Poverty
Human Poverty is the lack of essential human capabilities- literacy and nutrition.
Income Poverty: The lack of sufficient income to meet minimum consumption needs. The World Bank defines extreme poverty as living on less than 1.25 US$ per day, and moderate poverty as less than $2 a day.

Poverty line
It is the level of income below which one cannot afford to purchase all the resources one requires to live. People who have an income below the poverty line have no disposable income.

When comparing poverty across countries, the purchasing power parity exchange rates are used. These are used because poverty levels otherwise would change with the normal exchange rates. Thus, 'living for under $1 a day' should be understood as having a daily total consumption of goods and services comparable to the amount of goods and services that can be bought in the U.S. for $1.

Poverty lines are defined as the per capita monetary requirements an individual needs, to afford the purchase of a basic bundle of goods- only food or food and other goods. The value of this basic basket of goods can be determined in many ways, for example: Absolute Poverty is a fixed measure in terms of a minimum calorific requirement plus essential non-food components, if any. It is used in India. Individuals are considered as poor if the per capita real income/consumption of the household to which they belong is below the benchmark poverty line. In India monetary requirement to consume 2100 calories in urban areas and 2400 calories in rural areas per day per person is the absolute poverty line.

Relative poverty lines set the line in relation to another variable: the average expenditure or income in a country, for example, the line is derived as 60 percent of the country's per capita income.
Headcount ratio

The most common standard indicator is the incidence of poverty (also called poverty rate or headcount rate). This describes the percentage of the population whose per capita incomes are below the poverty line, that is, the population that cannot afford to buy a basic basket of items. In many instances, a different poverty line--a much more austere one that generally only includes food items--is applied to derive the extreme poverty rate.

Poverty Gap (PG)
PG is a measure of the intensity of poverty among the poor: the difference between the mean income among the poor and the poverty line. This indicator measures the magnitude of poverty as well as its intensity- number of poor and how poor they are. The Poverty Gap Index is the combined measurement of incidence of poverty and depth of poverty. PG is also called the Foster-Greer-Thorbecke (FGT) index. It is the gap between the average poverty among the poor and the poverty line.

Misery index

The misery index was initiated by Chicago Economist Robert Barro in the 1970's. It is the unemployment rate added to the inflation rate. It is assumed that both a higher rate of unemployment and a worsening of inflation cause and intensify the misery. A combination of rising inflation and more people of out of work ("stagflation") implies a deterioration in economic performance and a rise in the misery index.

Agricultural wage earners, small and marginal farmers and casual workers engaged in non-agricultural activities, constitute the bulk of the rural poor. Small land holdings and their low productivity are the cause of poverty among households dependent on land-based activities for their livelihood. Poor educational base and lack of other vocational skills also perpetuate poverty. Due to the poor physical and social capital base, a large proportion of the people are forced to seek employment in vocations with extremely low levels of productivity and wages. The creation of employment opportunities for the unskilled workforce has been a major challenge for development planners and administrators.

Planning Commission and Poverty

The Planning Commission as the Nodal agency in the Government of India for estimation of poverty has been estimating the number and percentage of poor at national and state levels. Estimates of poverty are made from the large sample survey data on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) of the Ministry of Statistics and Programme Implementation.

NSSO and Poverty Estimates

National Sample Survey Organisation (NSSO) collects household consumer expenditure data every five years on a large sample. Household consumer expenditure surveys are also conducted annually but the sample size is much smaller. Every five years full surveys on 1,20,000 households are carried out. In the intervening period, "thin" samples of around 20,000 households are surveyed. The "thin" samples do not indicate trends fully.

History and methodology of Poverty estimate in India

Planning commission initially gave poverty numbers and related data ratios since 1979 based on the Alagh Committee Report of that year. This procedure was subsequently modified by the Lakdawala Committee (1993).The commission in middle of last decade appointed an expert group led by Suresh Tendulkar to suggest a new poverty line for rural areas. It submitted its report in 2009. It used the latest data to construct a new poverty line basket. It moved away from the calorie intake as anchor for poverty estimation and included price indices for health and education. The all-India rural poverty line adopted by the Tendulkar Committee was 446.68 for 2004-05. Tendulkar committee did not deal with the urban poverty as the line was not controversial at that time.

New NSSO findings showed that poverty declined by 1.5 percentage points per annum between 2004-05 to 2009-10. It is the fastest decline of poverty compared to earlier periods. Both growth and public intervention have contributed. The poverty line in 2009-10 was 4,298 per month for a family in urban and 3,364 per month for a family in rural areas. There are questions on whether one can live with this money. 350 million lived below even this minimalist poverty line in 2009-10 in India. This is a matter of concern and the need for increase in incomes for these people is obvious.(read ahead for 2013 data)

The purpose of these estimates at the macro level is to see progress over time (these are already delinked from entitlements). For example, one can examine whether poverty declined faster in the post-reform period as compared to pre-reform period or whether anti-poverty programmes have had an impact on poverty. Which regions/states and social groups benefited during the reform period?

The rate of reduction in Bihar, Chhattisgarh and Uttar Pradesh was low while poverty declined by 20 percentage points in Orissa. Some other findings are: Scheduled Tribes have high poverty ratio (47%) in rural areas while Muslims have the highest poverty (33.9%) in urban areas. Despite the MGNREGS and increase in agriculture wages, the poverty ratio among agricultural labourers was 50%. These are the concerns regarding poverty estimates and have immense policy implications.

The government has taken a decision to appoint a technical group to revise/revisit 'the methodology for estimating poverty in a manner that is consistent with current realities'. The government is also waiting for the socio-economic and caste census, 2011, based on Saxena and Hashim committees. It may be noted that the Planning Commission poverty estimates relate to income poverty estimates based on private consumer expenditure (PCE). The Saxena and Hashim Committee recommendations on deprivation may relate more to non-income indicators.(See ahead).

Exclusive calorie method for estimating poverty can be misleading . Some studies have shown that if we use direct method of calorie deprivation, two-thirds of the population would be poor. Equally, Orissa and Bihar would be richer states than Tamil Nadu and Kerala.

Arjun Sengupta Commission on unorganised enteprises estimated 77% of the population can be categorised poor and vulnerable.

Rangarajan committee has to review, from time to time, the methodologies for measuring poverty in keeping with changing needs of the population.

Rangarajan Committee

The government in mid-2012 announced the formation of a new expert committee under C Rangarajan, to revisit the methodology for estimation of poverty and identification of the poor, months after a poverty line cut-off, based on the method proposed by Suresh Tendulkar, had created a flutter. It will give the report I inn 2013-14 and has 4 members. The panel would also look into the issue of linking poverty estimates with providing benefits under the Centre's social welfare schemes. The panel would also assess whether poverty can be determined on any criteria other than the consumption basket. The panel will also assess if the two (consumption basket and other methods) can be effectively juxtaposed for estimating poverty in rural and urban areas.

The panel would examine the divergence between consumption estimates based on the National Sample Survey Organisation (NSSO)'s methodology and those emerging from the National Account aggregates. It would also suggest a method to update the consumption poverty line, using the national, urban and rural consumer price index data being released since 2011.

The committee would study the various poverty estimation models used across the world and suggest the best alternative for India.

This committee has been appointed due to concern over estimating poverty using the Tendulkar committee's method. We need to look at how to define and measure poverty. So far, the level of consumption expenditure has been used as a way to estimate poverty. This is based on the basket of goods and services, and estimated using the least possible level to sustain someone. It is adjusted for price increases and consumption patterns every five years.

Tendulkar committee's approach is based on updating rural consumption data on prevailing prices, while not revising the urban consumption data simultaneously. Rangarajan committee has see if this is the right way to do it.

Poverty can be estimated in different ways. First, the absolute method, in which one considers how the economy has changed over time and the number of people living below a certain income level. The other is the relative method, in which you consider the current level of average income and the income distribution in the country. This has been widely used in India. So far, we have only looked at consumption expenditure. Now, we will also look at alternative ways—how to combine the current method with poverty estimation techniques used in other countries.

NC Saxena Committee

The rural development ministry in 2008 appointed a committee headed by NC Saxena to look at revising the parameters laid out by the earlier Sanjeeva Reddy committee to calculate the rural BPL figures in the states.

Officially, there are two sets of BPL estimates in India, one made by the Planning Commission using NSSO data on household consumption expenditure and the other by the rural development ministry through a state-level BPL house-to-house census. The mismatch between the two, with Planning Commission progressively lowering poverty estimates while the states push higher numbers, has been a source of controversy. The Centre allocates resources for BPL schemes based on the figures of the Planning Commission.

The committee chaired by NC Saxena recommended that 50% of India's population be given below-poverty-line cards. Thus, it suggests expansion of the social security net which means fiscal and administrative challenges.

While advocating exclusion of large number of families from the BPL lists, the committee has recommended that those families having double the land of the district average of the agricultural land or two wheeler or one running bore well or income tax payers would be deleted from the BPL lists.

While pointing out that the present poverty line which allows only 6.52 crore BPL cards is flawed, the committee has recommended a poverty line that would allow 50% of the country's population to get BPL cards as compared to the 28% at present. The panel has recommended that some disadvantaged communities be given BPL cards automatically. These include chronically vulnerable groups, such as households with members having tuberculosis, leprosy, disability, mental illnesses or HIV/AIDS and others,designated 'primitive tribe', designated dalit groups, homeless household etc.

The Centre has notified 13 new parameters for defining Below Poverty Line (BPL) category of people in the country. It has done away with the earlier definition based on food calories or annual earnings.

The revised definition is based on landholding, type of dwelling, clothing, food security, hygiene, capacity for buying commodities, literacy, minimum wages earned by the household, means of livelihood, education of children, debt, migration and priority for assistance. The matter had been stayed by the Supreme Court and has only now been vacated.

Urban poverty

The Planning Commission had constituted an expert group under S.R. Hashim in 2010 to recommend detailed methodology for identification of BPL families in urban areas in the context of the 12th Five Year Plan.The expert group submitted an interim report recommending that poverty in urban areas be identified through identification of specific vulnerabilities in residential, occupational and social categories.

It said that those who are houseless, live in temporary houses where usage of dwelling space is susceptible to insecurity of tenure and is affected by lack of access to basic services should be considered residentially vulnerable.

Houses with people unemployed for a significant proportion of time or with irregular employment or whose work is subject to unsanitary or hazardous conditions or have no stability of payment for services should be regarded occupationally vulnerable.Households headed by women or minors or where the elderly are dependent on the head of household or where the level of literacy is low or members are disabled or chronically ill should be considered socially vulnerable, it said.

The expert group is yet to finalise the detailed methodology for an ordinal ranking of the poor on the basis of vulnerability.

BPL survey will be done by staff of municipalities or urban departments in 45 major cities.

In smaller towns, district magistrate will be the nodal officer.

Questionnaire prepared for urban BPL survey will obtain information on several parameters including income, number of members, type of house and availability of amenities.

The survey will also give us information about housing shortage and deficiency in services in urban areas.

It is for the first time that such a survey is being done. This is important in the context of the proposed food security act and the Rajiv Awas Yojana (RAY) which aims to make cities free of slums besides better targeting of other schemes.An estimated 90 million of the 300 million living in India's roughly 45 cities and over 5,000 towns are poor.

JNNURM and RAY

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005. Within JNNURM, we have urban infrastructure and governance (UIG), basic services to urban poor (BSUP), urban infrastructure and development scheme for small and medium towns (UIDSSMT) and integrated housing and slum development programme (IHSDP).

What's the difference between BSUP and IHSDP? BSUP suggests basic services that may extend to more than integrated housing and slum development. But it is also about housing and slum development. BSUP is restricted to 65 JNNURM mission cities and IHSDP is meant for non-mission cities and towns. That's the only difference.

Under both BSUP and IHSDP, there is provision for infrastructure (water, sanitation, sewerage, roads and street lights).

In 2009, Rajiv Awas Yojana (RAY) was announced, and launched in 2010 to provide housing to the urban poor. Under the ministry of housing and urban poverty alleviation, RAY aims to make the country free of slums by 2014.
States are required to prepare a plan of action based on geographic information system-enabled mapping for specific cities to be made slum-free.
Unlike previous schemes, RAY seeks to provide property rights to slum dwellers.
Tthe government is likely to use the public-private partnership (PPP) model to build infrastructure under the project.

The expenditure will be shared between the beneficiary and states and the central government.

The ministry has also decided to be more inclusive in defining slums and responded positively to the suggestion of an expert committee which said a contiguous area with 20-25 households having slum-like characteristics be considered as slums.

The States would be required to include all the mission cities of JNNURM, preferably cities with more than 3 lakh population as per 2001 Census; and other smaller cities, with due consideration to the pace of growth of the city, of slums, predominance of minority population, and areas where property rights are assigned.

Mortgage Risk Guarantee Fund

The government in 2011 proposed the creation of a Mortgage Risk Guarantee Fund under Rajiv Awas Yojana. This would guarantee housing loans taken by Economically Weaker Sections and Low Income Group households and enhance their credit worthiness.

Pronab Sen Committee

The Ministry of Housing and Urban Poverty Alleviation set up a committee to look into various aspects of Slum statistics /Census and issues regarding conduct of slum census 2011. The committee submitted its report to the Ministry of Housing and Urban Poverty Alleviation in 2010 . The salient finding / recommendations of the committee are: -

- The committee has estimated Slum population in the country in 2001 as 75.26 million and the projected slum population in the country for the year 2011 at 93.06 million.
- For the slum census 2011, the committee has recommended that for policy formulation purposes it is absolutely essential to count the slum population even in cities having less than 20,000 populations. For the purpose of planning for Rajiv Awas Yojana and slum free India it would be necessary to count the population of slums in all statutory towns in the country in 2011.
- The committee has suggested a different definition for slum than the definition adopted by the census of India 2001 and the states. The committee has recommended a normative definition of slum as: "A compact settlement of at least 20 households with a collection of poorly built tenements, mostly of temporary nature, crowed together usually with inadequate sanitary and drinking water facilities in unhygienic conditions."

The committee has suggested adoption of the following as slum-like characteristics for the purpose of identification of the slum areas: -

- Predominant roof material: any material other than concrete
- Availability of drinking water source: not with premises of the census house
- Drainage facility: no drainage or open drainage

The committee has recommended that a contiguous area with 20-25 house holds having slum like characteristics be counted as slum.

NSSO 69th round (ahead)
Poverty figures of 2013 (ahead)
Socio-economic caste census (ahead)

POVERTY AND INEQUALITY: II

Inequality

When discussing poverty, inequality often refers to the income gap between the rich and poor of society. The greater the gap, the greater the inequality. It essentially refers to disparities in the distribution of economic assets and income- among individuals and groups within a nation and among nations.

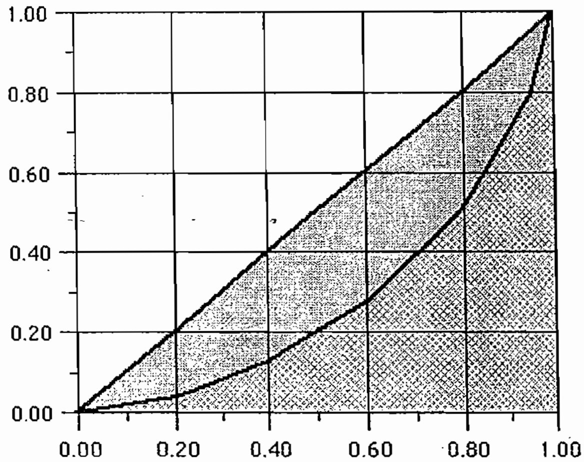
It may result from the operation of the economic system, access to assets, nature of laws, education and skills, social factors like caste and gender etc.

Lorenz Curve

The Lorenz curve was developed by Max O. Lorenz as a graphical representation of income inequality. It can also be used to measure inequality of income or assets or any other facility.

The Lorenz curve is used to calculate the Gini coefficient which is the numerical indicator of inequality in a country. Gini coefficient is derived by taking the following tow

- area between the line of perfect equality and the Lorenz curve(a)
- area between the line of perfect equality and the line of perfect inequality (b) Gini number is arrived when a is divided by b.



Gini Coefficient

To compute the Gini Coefficient, we first measure the area between the Lorenz Curve and the 45 degree equality line. This area is divided by the entire area below the 45 degree line (which is always exactly one half). The quotient is the Gini coefficient, a measure of inequality. The Gini index is the Gini coefficient expressed as a percentage, and is equal to the Gini coefficient multiplied by 100.

For a perfectly equal distribution, there would be no area between the 45 degree line and the Lorenz curve -- a Gini coefficient of zero. For complete inequality, in which only one person has any income (if that were possible) the Gini coefficient would be one. Real economies have some, but not complete inequality, so the Gini coefficients for real economic systems are between zero and one.

Gini coefficients : Sweden 0.250, Germany 0.283, India 0.325, France 0.327, Canada 0.331, Australia 0.352, UK 0.360, United States 0.408, China 0.447 and Russia 0.456.

Ahluwalia-Chenery Welfare Index

GDP may grow and the distribution of wealth may in fact worsen making the rich richer and the poor poorer. Thus, inclusive growth and not merely growth is required. An index that measures how all social groups are impacted by growth is necessary. This problem was recognized by Montek Singh Alhuwalia. Alhuwalia's solution, the Ahluwalia-Chenery Welfare Index, measures how each social group is impacted from the prosperity. It is an alternative measure of income growth, one that gave equal weight to growth of all sections of society.

Economic reforms, globalization and inequality

In India the LPG since 1991 contributed to prosperity but the rich have become richer faster than the poor improved. That is, even while poverty levels reduced impressively, inequality has grown too.

When inequality is growing, economic growth will not achieve its potential in reducing poverty. Steep inequality damages the long-term prospects for economic growth. by creating conflict or instability, and it also limits growth by restricting the number of people who can participate in markets.

To examine why growth is not reducing inequality: income growth is concentrated in certain urban centers, and those whose incomes increase are usually already above average in income and education. The reality is that those best positioned to gain from new economic opportunities are the educated urban-dwellers. On the other hand, the poor rely mainly on agriculture, and the agricultural sector has not been growing as fast as other sectors in most of Asia.

The current context of new technologies, market-oriented reforms and globalization has not favored the agricultural sector. Other causes of the agricultural sector's lackluster growth include: the decrease in transfers of new technology to farmers, and governments that invest little in agriculture and do little to encourage private investment in the sector.

Given that high levels of inequality are partly the result of government policy, government should address inequalities by introducing policies that ensure labour intensive growth; backward region development; social security; increased public investment in agriculture. Skills and training programs etc.

For millions of children, inequality means not having access to adequate nutrition, health, and basic education. Therefore, public policy has huge challenges in providing these services.

ICDS, SSA, NRHM, Mahatma Gandhi Backward Region Development Fund, Bharat Nirman etc are the initiatives in public policy by Government to bring down the divides.

In sum, main reasons for widening wealth gaps in recent years are:

- stagnation in agriculture while the economy is growing

- discrepancy in investment between urban and rural areas which favoured better-educated, better-off urban populations.
- Improvements in rural infrastructure were being held back by government policies which deterred private investment.

Unevenness in growth in incomes across urban and rural areas, leading and lagging regions in the country, for example coastal and interior, and highly educated households and the less educated are important factors associated with increases in inequality.

Adverse impact of inequality

- Growing inequalities can dampen growth due to potential instability; weaken social cohesion.
- Urban-dominated growth in India has caused social friction as a result of the high levels of migration to cities and a shortage of foreign investment in more isolated areas.
- In societies where wealth is concentrated in the hands of a few, there is danger of policy levers being captured by the rich for their own benefit and a weakening of the institutional foundations of the growth process.

According to the ADB, absolute and relative inequality have widened. Although basic poverty levels have fallen as economy expanded, the living standards of the wealthiest in society have improved at a much faster rate compared to the poor.In a region as dynamic and vibrant as India, low growth in incomes of the poor is reflective of weakness in the pattern of growth. Incomes of the rich or top 20 percent have increased much more than those of the poor or the bottom 20 percent. That is, relative inequality is increasing.

Public Policy Challenge

ADB analyses the challenges to the government as follows:
Inequalities in life start early and they begin with extreme circumstances that deny millions the opportunity to have adequate nutrition, health and basic education. Governments must ensure their health and education programmes were "targeted" and implemented well. More spending is needed on education, training and healthcare to alleviate the situation .Government should implement complementary policies to counter negative impact of market-oriented reforms, such as social protection mechanism and skills and training programmes. There is a need to step up investment through PPPs to develop new economic activities and industries that generate employment opportunities that do not bypass the poor.

Public policy should also focus on radically improving the quality of basic health care and education.The key challenge to public policy here lies on not just increasing the quantum of public expenditures, but the outcomes are satisfactory- the target group is reached.

Summary

The growing wealth and wealth gap are a byproduct of globalization, which has brought higher incomes to urban, skilled, English-speaking workers in China, India and other countries, the bank's report said. The gap could slow the spread of prosperity, because the poorest people have less access to education, health care, bank loans and other things needed to benefit from economic growth.We have to invest in creating opportunities, as well as investing in broadening access to opportunities. Relative inequality refers to proportionate differences in incomes, while absolute inequality refers to actual rupee differences in incomes.

Wealth distribution in India is uneven, with the top 10% of income groups earning 33% of the income. The 2007 report by the National Commission for Enterprises in the Unorganised Sector (NCEUS) found that 25% of Indians, or 236 million people, lived on less than 20 rupees per day.

Inequality in China and Nepal with Gini Coefficients of 47 are the highest in Asia, while India has a Coefficient of 36.

Social security

Certain social conditions need protection to prevent further distress- old age, poverty, unemployment, disability etc. Government provides social protection by way of wage employment, food grain either free or at affordable prices, old age pension etc. In some cases there is social insurance- disability etc.

In social insurance people receive benefits or services in recognition of contributions to an insurance scheme. These services include provision for retirement pensions, disability insurance, etc. Public distribution system in India is a social security example.

Social safety net is similar. It involves a collection of services provided by the state or other institutions including welfare, unemployment benefit, universal healthcare, homeless shelters etc to prevent individuals from falling into poverty beyond a certain level. For example, NREGA in India.

For many decades now, there have been laws in India that provided social security.

- **Workmen's compensation Act 1923 :** A beginning was made in social security with the passing of the Workmen's Compensation Act in 1923. The Act provides for payment of compensation to workmen and their dependents in case of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death.
- **Maternity benefit scheme:** The Maternity Benefit Act, 1961 regulates employment of women in certain establishments for a certain period before and after childbirth and provides for maternity and other benefits.
- **Gratuity scheme:** The Payment of Gratuity Act, 1972 provides for payment of gratuity at the rate of 15 days' wages for each completed year of service subject to certain maximum .
- **Employees state insurance scheme:** The Employees' State Insurance Act provides medical care in kind and cash benefits in the contingency of sickness, maternity and employment injury and pension for dependents in the event of the death of a worker because of employment injury.
- **Employees provident fund:** Retirement benefits in the form of provident fund, family pension and deposit-linked insurance are available to employees.
- Employees Pension scheme.

- Aam Admi Bima Yojana
- Rashtriya Swasthya Bima Yojana
- Unorganised Workers Social Security Act 2008

MPI

Poverty is often defined by one-dimensional measures, such as income. But no one indicator alone can capture the multiple aspects that constitute poverty. Multidimensional poverty is made up of several factors that constitute poor people's experience of deprivation – such as poor health, lack of education, inadequate living standard, lack of income (as one of several factors considered), disempowerment, poor quality of work and threat from violence. A multidimensional measure can incorporate a range of indicators to capture the complexity of poverty and better inform policies to relieve it. Different indicators can be chosen appropriate to the society and situation.

Why multidimensional approach?

- **Income alone can miss a lot.** For example, economic growth has been strong in India in recent years. In contrast, the prevalence of child malnutrition has remained at nearly 50 per cent, which is among the highest rates worldwide. HUNGaMA report 2012. Multidimensional measures can complement income.
- **Poor people** describe ill-being to include poor health, nutrition, lack of adequate sanitation and clean water, social exclusion, low education, bad housing conditions, violence, shame, disempowerment and much more.
- **The more policy-relevant information available on poverty, the better-equipped policy makers will be to reduce it.** For example, an area in which most people are deprived in education is going to require a different poverty reduction strategy to an area where most people are deprived in housing conditions.
- **Some methods for multidimensional measurement, such as the OPHI-developed Alkire Foster method, can be used for additional purposes.** In addition to measuring poverty and wellbeing, OPHI's method can be adapted to target services and conditional cash transfers or to monitor the performance of programmes.

The **Multidimensional Poverty Index** (MPI) was developed in 2010 by Oxford Poverty & Human Development Initiative and the United Nations Development Programme and uses different factors to determine poverty beyond income-based lists. It replaced the previous Human Poverty Index.

The index uses the same three dimensions as the Human Development Index: health, education, and standard of living. These are measured using ten indicators.

Dimension	Indicators
Health	▪ Child Mortality ▪ Nutrition
Education	▪ Years of school ▪ Children enrolled
Living Standards	▪ Cooking fuel ▪ Toilet ▪ Water ▪ Electricity ▪ Floor ▪ Assets

Each dimension and each indicator within a dimension is equally weighted.

The MPI is an index of acute multidimensional poverty. It shows the number of people who are multidimensionally poor (suffering deprivations in 33% of weighted indicators) and the number of deprivations with which poor households typically contend.

GII

The **Gender Inequality Index (GII)** is a new index for measurement of gender disparity that was introduced in the 2010 Human Development Report 20th anniversary edition by the United Nations Development Programme (UNDP). According to the UNDP, this index is a composite measure which captures the loss of achievement, within a country, due to gender inequality, and uses three dimensions to do so: reproductive health, empowerment, and labor market participation. The new index was introduced as an experimental measure to remedy the shortcomings of the previous, and no longer used, indicators, the Gender Development Index (GDI) and the Gender Empowerment Measure (GEM), both of which were introduced in the 1995 Human Development Report.

There are three critical dimensions to the GII: reproductive health, empowerment, and labor market participation. The dimensions are captured in one single index.

Reproductive health

GII is a pioneering index, in that it is the first index to include reproductive health indicators as a measurement for gender inequality. The GII's dimension of reproductive health have two indicators: the Maternal Mortality Ratio (MMR),the data for which come from UNICEF's State of the World's Children, and the adolescent fertility rate (AFR), the data for which is obtained through the UN Department of Economic and Social Affairs, respectively. With a low MMR, it is implied that pregnant women have access to adequate health needs, therefore the MMR is a good measure of women's access to health care. The UNDP expresses that women's health during pregnancy and childbearing is a clear sign of women's status in society. A high AFR, which measures early childbearing, results in health risks for mothers and infants as well as a lack of higher education attainment. According to the

UNDP data, reproductive health accounts for the largest loss due to gender inequality, among all regions.

Empowerment

The empowerment dimension is measured by two indicators: the share of parliamentary seats held by each sex, which is obtained from the International Parliamentary Union, and higher education attainment levels, which is obtained through United Nations Educational, Scientific and Cultural Organization(UNESCO) and some other sources. The GII index of higher education evaluates women's attainment to secondary education and above. Access to higher education expands women's freedom by increasing their ability to question and increases their access to information which expands their public involvement. There is much literature that finds women's access to education may reduce the AFR and child mortality rates within a country. Although women's representation in parliament has been increasing women have been disadvantaged in representation of parliament with a global average of only 16%.

Labor market participation

The labor market dimension is measured by women's participation in the workforce. This dimension accounts for paid work, unpaid work, and actively looking for work. The data for this dimension is obtained through the International Labour Organization databases. Due to data limitations women's income and unpaid work are not represented in the labor market dimension of GII.

The metrics of the GII are similar in calculations to the Inequality-adjusted Human Development Index (IHDI), which was also introduced in the 2010 Human Development Report, and can be interpreted as a percentage loss of human development due to shortcomings in the included dimensions. The value of GII range between 0 to 1, with 0 being 0% inequality, indicating women fare equally in comparison to men and 1 being 100% inequality, indicating women fare poorly in comparison to men. There is a correlation between GII ranks and human development distribution, according to the UNDP countries that exhibit high gender inequality also show inequality in distribution of development, and vice versa. The GII a composite index used to rank the loss of development through gender inequality within a country. (Condensed in the class)

Poverty and recent achievements

The record in recent years of the anti-poverty strategies- the heart of inclusive growth- is encouraging. The percentage of the population below the official poverty line has been falling but even as that happens, the numbers below the poverty line remain large. According to the latest official estimates of poverty based on the Tendulkar Committee poverty line, as many as 29.8 per cent of the population, that is, 350 million people were below the poverty line in 2009–10. Questions have been raised about the appropriateness of the Tendulkar poverty line which corresponds to a family consumption level of `3,900 per month in rural areas and `4,800 per month in urban areas (in both cases for a family of five). There is no doubt that the Tendulkar Committee poverty line represents a very low level of consumption and the scale of poverty even on this basis is substantial. An Expert committee under Dr. C. Rangarajan has been set up to review all issues related to the poverty line keeping in view international practices.(Read ahead for detailed examination of issues)

It is well established that the percentage of the population in poverty has been falling consistently but the rate of decline was too slow. The rate of decline in poverty in the period 2004–05 to 2009–10 was 1.5 percentage points per year, which is twice the rate of decline of 0.74 percentage points per year observed between 1993–94 and 2004–05. Normally, large sample surveys used for official estimates of poverty are conducted every five years, but because 2009–10 was a drought year, the National Sample Survey Office (NSSO) felt that it would tend to overstate poverty and it was therefore decided to advance the next large sample survey to 2011–12. The results of this survey – NSSO 68th Round details came out in 2013 June and are discussed ahead). NSSO 68th Round findings on poverty, consumption and inequality in consumption are: Poorest of poor in the country survive on barely Rs 17 per day in villages and Rs 23 a day in cities. According to the data, which relates to 2011-12 (July-June), five per cent population on the bottom rung had an average monthly per capita expenditure (MCPE) of Rs 521.44 in rural areas and Rs 700.50 in urban areas. On the other end of the spectrum, top five per cent of the population had an MPCE of Rs 4,481 in rural areas and Rs 10,282 in urban areas.

The National Sample Survey Office's (NSSO) 68th round of survey is based on samples consisting of 7,496 villages in rural India and 5,263 urban blocks except some remote areas, during July 2011-June 2012, the release said.On an average on the all-India basis, MPCE was around Rs 1,430 for rural India and about Rs 2,630 for urban India. Thus average urban MPCE was about 84 per cent higher than average rural MPCE for the country as a whole, though there were wide variations in this differential across states".

Inter-group Equality

Inclusiveness is not just about bringing those below an official fixed poverty line to a level above it. It is also about a growth process which is seen to be 'fair' by different socio-economic groups that constitute our society. The poor are certainly one target group, but inclusiveness must also embrace the concern of other groups such as the Scheduled Castes (SCs), Scheduled Tribes (STs), Other Back- ward Classes (OBCs), Minorities, the differently abled and other marginalised groups. Women can also be viewed as a disadvantaged group for this purpose. These distinct 'identity groups' are sometimes correlated with income slabs the SCs and STs, for example, are in the lower income category and all poverty alleviation strategies help them directly. Women on the other hand span the entire income spectrum, but there are gender-based issues of inclusiveness that are relevant all along the spectrum.

Inclusiveness from a group perspective goes beyond a poverty reduction perspective and includes consideration of the status of the group as a whole relative to the general population. For example, narrowing the gap between the SCs or STs and the general population must be part of any reasonable definition of inclusiveness, and this is quite distinct from the concern with poverty, or inequality, though the two are related.

Balance regional development (BRD) and Inclusive growth

Another aspect of inclusiveness relates to whether all States, and indeed all regions, are seen to benefit from the growth process. The regional dimension has grown in importance in recent years. On the positive side, as the PM mentioned in the 57th

NDC speech(See ahead), many of the erstwhile backward States have begun to show significant improvement in growth performance and the variation in growth rates across States has narrowed. However, both the better performing and other States are increasingly concerned about their backward regions, or districts, which may not share the general improvement in living standards experienced elsewhere. Many of these districts have unique characteristics including high concentration of tribal population in forested areas, or Minorities in urban areas. Some districts are also affected by left wing extremism, making the task of development much more difficult.

In the Twelfth Plan, govt aims pay special attention to the scope for accelerating growth in the States that are lagging behind. This will require strengthening of States' own capacities to plan, to implement and to bring greater synergies within their own administration and with the Central Government. As a first step, the Planning Commission is working with it's counterpart Planning Boards and Planning Departments in all State Governments to improve their capabilities. An important constraint on the growth of backward regions in the country is the poor state of infrastructure, especially road connectivity, schools and health facilities and the availability of electricity, all of which combine to hold back development. Improvement in infrastructure must therefore be an important component of any region- ally inclusive development strategy.

The efforts of the govt in this regard are

- FC criteria
- PC transfers
- special category states
- BRGF
- Green revolution in the eastern region
- North eastern region Vision 2020

Special focus on North east

Holding that infrastructure deficiency in North-East is a "major concern", Prime Minister Manmohan Singh in 2008 announced linking of all state capitals there by rail to ensure better connectivity and earmarking of Rs 31,000 crores to improve roads.
Releasing 'Vision Document 2020 for the North-Eastern Region' he said besides developing rail and air connectivity, the government is also committed to improve road facilities in the Eleventh Plan. For improving air connectivity, he announced that a green-field airport will come up at Itanagar to connect the region with the rest of the country. He said all villages on the Arunachal Pradesh border will soon be electrified at a cost of Rs 550 crore. The Vision Document, approved by the North-East Council, also lays stress on promoting education in the region. Govt is to set up a NTFT and IIT at Shillong.

Green Revolution in Eastern India -

The programme gets Rs 1,000 crore in his Budget for 2013-14.It was during Union Budget 2010-11 that for the first time, separate funds were allocated for the eastern parts of the country. The scheme, which comes under Rashtriya Krishi Vikas Yojana, includes Assam, Bihar, Jharkhand, eastern UP, Chhattisgarh, Odisha and West Bengal. Rice was a priority crop under the scheme. The other areas of focus were asset-building activities such as water management, construction of farm ponds and repair of irrigation channels. The main motive behind this project is to ensure food security. The idea is to tap the eastern region for food grains and pulses. The Centre has also allocated Rs 500 crore for encouraging crop diversification to promote technological innovation. The original Green Revolution States face the problem of stagnating yields and over-exploitation of water resources. The answer lies in crop diversification.

BRGF

The Backward Regions Grant Fund Programme (BRGF), launched in 2007, signifies a new approach to addressing persistent regional imbalances in development. The programme subsumed the Rashtriya Sama Vikas Yojana (RSVY).The BRGF Programme covers 250 districts in 27 States, of which 232 districts fall under the purview of Parts IX and IX-A of the Constitution dealing with the Panchayats and the Municipalities, respectively. The remaining 18 districts are covered by other local government structures, such as Autonomous District and Regional Councils under the Sixth Schedule of the Constitution and state specific arrangements as in the case of Nagaland and the hill areas of Manipur.

Objectives

The Backward Regions Grant Fund is designed to redress regional imbalances in development by way of providing financial resources for supplementing and converging existing developmental inflows into the identified backward districts, so as to:

- Bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows,
- Strengthen, to this end, Panchayat and Municipality level governance with more appropriate capacity building, to facilitate participatory planning, decision making, implementation and monitoring, to reflect local felt needs,
- Provide professional support to local bodies for planning, implementation and monitoring their plans,
- Improve the performance and delivery of critical functions assigned to Panchayats, and counter possible efficiency and equity losses on account of inadequate local capacity.

The BRGF programme represents a major shift in approach from top-down plans to participative plans prepared from the grassroots level upwards. The guidelines of the Programme entrust the central role in planning and implementation of the programme to Panchayats in rural areas, municipalities in urban areas and District Planning Committees at the district level constituted in accordance with Article 243 ZD of the Constitution to consolidate the plans of the Panchayats and Municipalities into the draft district plan. Special provisions have been made in the guidelines for those districts in J&K, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura which do not have Panchayats, where village level bodies and institutions mandated under other frameworks such as the Sixth Schedule are to plan and implement the programme. The conviction that drives this new locally driven approach is that grassroots level democratic institutions know best the dimensions of poverty in their areas and are, therefore, best placed to undertake individually small, but overall, significant local interventions to sustainably tackle local poverty alleviation. There are three features of BRGF that make it truly unique among central initiatives to combat backwardness. First, the approach of putting the Panchayats and the Municipalities at the centre stage of planning and implementation. Second, no Central funding stream is as 'untied' as the BRGF – the funds can be applied to any preference of the Panchayat/ Municipality, so long as it fills a development gap and the identification of the work is decided with people's participation. Third, no other programme spends as much funds, nearly 11 percent of the total allocation, for capacity building and staff provisioning.

Creation of capacity for effective planning at district and lower level is a key-pre-requisite to participative planning. Hence the BRGF contains a specific component for the capacity building of Panchayati Raj Institutions of Rs. 250 crore per year. A framework that looks upon capacity building in a very comprehensive fashion, encompassing training, handholding and providing ongoing support to Panchayat elected representatives has been developed for States to follow, while undertaking capacity building.

The planning process under BRGF is based on the guidelines for district planning issued by the Planning Commission. The process of integrated development commences with each district undertaking a diagnostic study of its backwardness and a baseline survey by enlisting professional planning support, to be followed by a well-conceived participatory district development perspective plan to address this backwardness during the period of the Eleventh Five Year Plan. Such plans would integrate multiple programmes that are in operation in the district concerned and, therefore, address backwardness through a combination of resources that flow to the district. District Plans received from the various States indicate that the untied fund allocated to the districts are generally being used for filling infrastructural gaps in drinking water, connectivity, health, education, social sectors, electrification, etc. The basket of works taken up includes construction of school buildings /class rooms, health sub-centres, drinking water facility, sanitation facilities, anganwadi buildings, Panchayat buildings, irrigation tanks/channels, street lights, link roads, culverts, soil and water conservation measures, etc. The BRGF has adopted the National Capability Building Framework (the NCBF) which envisages strengthening of institutional arrangements, including the infrastructure as well as software support for capacity building of elected representatives, the functionaries and other stakeholders of PRIs and thereby improving the vigour of grassroots level democracy.

The finance ministry in May 2013 set up an expert committee under the chairmanship of Chief Economic Adviser Raghuram Rajan to look into a composite development index of states for allocation of money under the Backward Region Grant Fund (BRGF). Rajan committee would consider criteria such as the state's positing in national per capita income and human development indicators to evolve a composite index. The panel would have five members but can invite experts as special invitees for deliberations. Finance Mnister Chidambaram in 2013-14 Budget speech said that the criteria for determining backwardness under BRGF are based on terrain, density of population and length of international borders. "It may be more relevant to use a measure like the distance of the state from the national average under criteria such as per capita income, literacy and other human development indicators."

PURA

Provision of Urban Amenities in Rural Areas (PURA) is a Central Sector scheme re-launched by Ministry of Rural Development (MoRD), Government of India during remaining period of the XI Plan with support from Department of Economic Affairs and the technical assistance of Asian Development Bank. MoRD is implementing the PURA scheme under a Public Private Partnership (PPP) framework between Gram Panchayat(s) and private sector partners with active support of the state governments.

The scheme envisages development of rural infrastructure and is the first attempt at delivering a basket of infrastructure and amenities through PPP in the rural areas.
The primary objectives of the scheme are the provision of livelihood opportunities and urban amenities in rural areas to bridge the rural – urban divide.

Core funding shall be sourced from the Central Sector scheme of PURA and complemented by additional support through convergence of different Central Government schemes. The private sector shall also bring into the project its share of investment besides operational expertise. The scheme would be implemented and managed by the private sector on considerations of economic viability but designed in a manner whereby it is fully aligned with the overall objective of rural development.

Inclusiveness and Inequality

Inclusiveness also means greater attention to income inequality. The extent of inequality is measured by indices such as the Gini coefficient, which provide a measure of the inequality in the distribution on a whole, or by measures that focus on particular segments such as the ratio of consumption of the top 10 per cent or 20 per cent of the population to that of the bottom 10 per cent or 20 per cent of the population, or in terms of rural–urban, such as the ratio of mean consumption in urban versus rural areas. An aspect of inequality that has come sharply into focus in industrialised countries, in the wake of the financial crisis, is the problem of extreme concentration of income at the very top, that is, the top 1 per cent and this concern is also reflected in the public debate in India.

Inequality must be kept within tolerable limits (Art.38, DPSP). Some increase in inequality in a developing country during a period of rapid growth and transformation may be unavoidable and it may even be tolerated if it is accompanied by sufficiently rapid improvement in the living standards of the poor. However, an increase in inequality with little or no improvement in the living standards of the poor is a recipe for social tensions. As a society, we therefore need to move as rapidly as possible to the ideal of giving every child in India a fair opportunity in life, which means assuring every child access to good health and quality education.

Inequality adjusted HDI

The HDI represents a national average of human development achievements in the three basic dimensions making up the HDI: health, education and income. Like all averages, it conceals disparities in human development across the population within the same country. Two countries with different distributions of achievements can have the same average HDI value. The IHDI takes into account not only the average achievements of a country on health, education and income, but also how those achievements are distributed among its citizens by "discounting" each dimension's average value according to its level of inequality.

The 2010 UNDP HDR focused on inequalities in human development attainments across countries. To quantify the potential loss because of such inequalities, the

Report introduced three new indices, viz., Inequality-adjusted Human Development Index (IHDI), Gender Inequality Index and Multi-dimensional Poverty Index.
According to the report, the IHDI is a "measure of the average level of human development of people in a society once inequality is taken into account. Under perfect equality, the HDI and IHDI are equal; the greater the difference between the two, the greater the inequality." In that sense, "the IHDI is the actual level of human development (taking into account inequality), while the HDI can be viewed as an index of the potential human development that could be achieved if there is no inequality."

The IHDI, estimated for 134 countries, captures the losses in human development due to inequality in health, education and income. Losses in the three dimensions vary across countries, ranging from 2.9% (Hong Kong) to 52.0% (Chad) in life expectancy, 1.3% (Czech Republic) to 49.7% (Yemen) in education and 4.5% (Azerbaijan) to 68.3% (Namibia) in income. Overall loss in all three dimensions ranges from 5.0% (Czech Republic) to 43.5% (Namibia).

India, HDI and IHDI: Human Development Report 2013
Over the past two decades, India has seen a big improvement in its human development index score, from 0.41 in 1990 to 0.554 in 2012, according to the latest report by the United Nations Development Program (2013). However, despite this improvement, India overtook only four of the countries positioned above it in 1990: Swaziland, Kenya, Cameroon and Congo. The rise in India's HDI score is partly thanks to it starting from a low base (countries with high HDI scores have limited room for improvement), and also a rapid increase in per capita gross national income.

Despite the improvement, India remains in the "medium development" category, 136th in a list of 186 countries that stretches from Norway at the top of the "very high human development" category to Niger at the bottom of the "low human development" group. In 2011, India was 134th in the list.
Since 2011, the UNDP report has included an inequality adjusted HDI, also known as IHDI, which aims to capture the effects of inequality on human development. If there is no inequality the IHDI equals the HDI, while a big difference between the readings means greater inequality. India's IHDI score was nearly 30% lower than its HDI reading.

The most glaring inequality in India is in education, the report says, even though it commends the introduction of the Right to Education Act.
Success stories, such as China, invariably show growth in investment in health and education, with a special focus on rural areas to "enable poor people to participate in growth," the UNDP report says.

India also fared poorly on life expectancy and gender equality.

NSSO 969th Round 2013
There were less numbers of slums in urban India in 2012 than three years earlier. The number came down by 32.3 per cent to 33,150 in urban parts in 2012, compared with 49,000 in 2009, official data show. However, at least 12 per cent of the urban

population still lived in slums in 2012. The figures are based on the National Sample Survey Office (NSSO) report (69th) covering the period between July and December 2012. It was done in 3,832 urban blocks, spread over all states and Union Territories. At the all-India level, 881 slums were surveyed in urban blocks. The previous survey was based on the 65th round of NSSO, covering July 2008 to June 2009. A possible reason for the decline could be that at an all-India level, 24 per cent of slums had benefited from welfare schemes such as the Jawaharlal Nehru National Urban Renewal Mission, Rajiv Awas Yojana and others from state and local governments. Slums, according to the NSSO definition, are identified by the presence of certain undesirable living conditions — overcrowding, lack of hygiene and sanitation, inadequacy of drinking water and poor construction are some. "Any compact settlement with a collection of poorly built tenements, mostly of a temporary nature, crowded together, usually with inadequate sanitary and drinking water facilities in unhygienic conditions, provided at least 20 households lived there, was considered a slum for the survey," it said. About 41 per cent of these slums were notified and 59 per cent weren't. The former category refers to slums recognised by the municipalities or development authorities concerned. Those not notified were also covered in the survey. All-India, 44 per cent of slums — 48 per cent of the notified ones and 41 per cent of non-notified slums — were located on private land. Maharashtra, with an estimated 7,723 slums, accounted for 23 per cent of all slums in urban India, followed by Andhra Pradesh, with 13.5 per cent, and West Bengal with 12 per cent. The report says an estimated 8.8 million households lived in urban slums. Considering a household to be of five members, almost 44 million lived in slums in urban areas. This is 11.7 per cent of India's total urban population of 377 mn. The percentage could be actually more, since many households would have more persons.

Safe drinking water is not within the reach of half the rural households, according to a recent National Sample Survey Office (NSSO) study. According to the NSSO study, 54 per cent of rural households had no supply of drinking water at their homes in 2012. This was, however, a slight improvement compared to 2008-09 when 60 per cent did not have such amenities. The report was based on the 69th round of surveys, which covered a period of July-December, 2012 compared to the previous report based on the 65th round covering July 2008 to June 2009. As a result, large number of people in Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan, Odisha and West Bengal had to walk at least half a kilometer to get drinking water.

Poverty levels down 2013

Poverty levels across India decreased by 15 percentage points — approximately 2 percentage year over year — between 2004-05 and 2011-12, as per the latest National Sample Survey Organisation (NSSO) figures. Many economists and government officials say the significant reductions in poverty levels can be correlated to high economic growth rates.

Between 2005 and 2010, the country's GDP grew at an average of 8.5 per cent and the poverty rate (the proportion of the population below the poverty line) registered an average annual decline of 1.48 per cent. The percentage of the country's population living below the poverty line declined from 37 per cent in 2004-05 to 22 per cent in 2011-12, according to NSSO data. The 11th Plan (2007-08 to 2011-12) had targeted reducing poverty by two percentage points by 2009-10, compared to 2004-05. Rural poverty has declined faster than urban poverty during this period.

India still counts nearly 26.89 crore poor among its citizens. According to the data, the total number of people below the poverty line in the country is 26.89 crore as against 40.73 crore in 2004-05. In rural areas, the number has reduced from 32.58 crore to 21.72 crore.

The data also indicate that the steepest decline in poverty was in India's poorer states. "While there has been a national reduction of poverty by two percentage points by 2009-10, compared to 2004-05, different states have performed differently. Bihar, Orissa, Rajasthan, Madhya Pradesh have witnessed a sharp decline. Bihar shows the biggest decline."

Bihar has experienced a substantive decline with the percentage of the population living below poverty line (BPL) coming down from 55 per cent in 2004-05 to some 35 per cent in 2011-12. The figures for Gujarat were 31 per cent in 2004-05 and 16 per cent in 2011-12. In Rajasthan, 0.6 crore were lifted out of poverty in the same period. Andhra Pradesh reveals a noteworthy decline in urban poverty from 23 per cent in 2004-05 to 6 per cent in 2011-12.

The Planning Commission has been estimating the number of people below the poverty line at both the state and national level based on consumer expenditure information collected as part of NSSO surveys since the Sixth Five Year Plan.

According to the Commission, in 2011-12 for rural areas, the national poverty line by using the Tendulkar methodology is estimated at Rs 816 per capita per month in villages and Rs 1,000 per capita per month in cities.

This would mean that the persons whose consumption of goods and services exceed Rs 33.33 in cities and Rs 27.20 per capita per day in villages are not poor.