

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

STARRED QUESTION NO:152
ANSWERED ON:29.11.2000
WORLD DEVELOPMENT REPORT
GADDE RAMAMOCHAN;SHIVAJI MANE

Will the Minister of PLANNING be pleased to state:

- (a) whether India's pace of poverty reduction had slowed down in the past decade particularly in the rural areas despite economic growth as per the World Development Report 2000-2001;
- (b) if so, the facts thereof;
- (c) the reaction of the Government thereto; and
- (d) the corrective measures taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN THE DEPARTMENTS OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENTS OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a to d): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 152 FOR 29.11.2000 REGARDING WORLD DEVELOPMENT REPORT 2000-2001

(a and b) : World Development Report 2000/2001 Attacking Poverty, published by the World Bank in September, 2000 has stated that Recent data from India's National Sample Surveys (NSS) suggest that the pace of poverty reduction slowed in the 1990s, particularly in rural areas. This occurred against a backdrop of strong economic growth (GDP growth of 6.1 per cent a year during 1990-98), according to the national accounts (NAS). However, while noting factors that may explain the slow down, in another report (Report No. 19471-IN, India Policies to Reduce Poverty and Accelerate Sustainable Development, January 31, 2000) by the World Bank, it has been stated that the slowing of poverty reduction may be partly a statistical artifact—the National Accounts suggests a faster growth of consumption and cereal availability than the household surveys (i.e. NSS). Further, in the World Development Report 2000-01 it has also been stated that, But comparing NSS and NAS data is a complex matter, involving differences in coverage, recall biases in the NSS, price imputations (for example, for home-produced consumption and in-kind wages in the NSS and for non-marketed output in the NAS), and sampling and non-sampling errors in both. In addition, it has been mentioned that, There is also evidence that part of the observed trend in rural poverty in the earlier part of the 1990s may result from using inadequate price deflators for rural areas. At the end it has been stated that, It is plausible that the NSS based poverty numbers are underestimating the rate of poverty reduction in India. (Box 1.8 Tracking poverty in India during the 1990s, page-26).

(c) : The Planning Commission estimates poverty at national and state level from the large sample surveys on consumer expenditure conducted by the National Sample Survey Organisation (NSSO) at an interval of approximately five years. The latest estimates of poverty are available for the year 1993-94 based on the National Sample Survey data on consumer expenditure of the 50th Round. The full data from next large survey on consumer expenditure conducted during the period July, 1999 to June, 2000 are not available. As such, the estimate of poverty during the 1990s is available only for year 1993-94. Hence, it is not possible to ascertain the change in poverty during the 1990s. However, comparing two latest estimates, 1987-88 and 1993-94, it is observed that the percentage of people living below the poverty line declined by 1.82 percentage point in rural areas, 5.84 percentage point in urban areas and 2.89 percentage point for the country as a whole.

(d) : The strategy for Poverty Alleviation includes acceleration of economic growth with a focus on employment intensive sectors, access to basic minimum services for improving the quality of life of the people, and direct State intervention in the form of targeted anti poverty programmes. Anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes, and social insecurity. The specifically designed anti poverty programmes for generation of both self employment and wage employment in rural areas have been redesigned and restructured in 1999-2000 in order to enhance their efficacy/impact on the poor and improve their sustainability. Self and Wage Employment Schemes in the urban areas were also restructured w.e.f. 01.12.1997 under Swarnjayanti Shahri Rozgar Yojana. In order to improve the efficacy of the programmes there is greater people's participation in the planning and implementation of the programmes through the Panchayati Raj Institutions (PRIs), Self-help and user groups and Non Governmental Organisations (NGOs).

