

LOK SABHA DEBATES

LOK SABHA

Wednesday, September 4, 1991 / Bhadra
13, 1913 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Population below poverty Line

*671 SHRI ANADI CHARAN DAS: Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether according to National Sample Survey, 48 per cent of the people in rural areas and 30 per cent in urban areas lived below the poverty line in 1987-88 as against the Planning Commission's projections of 32 per cent and 19 per cent respectively;

(b) if so, the reasons for such a difference in calculating the rural/ urban poverty ratio;

(c) the basis on which the Planning Commission and the National Sample Survey have calculated the rural/urban poverty ratio; and

(d) the steps proposed to have a uniform methodology for calculating the rural/urban poverty ratio?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI H.R.BHARDWAJ): (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) to (d). The National Sample Survey Collects the data on House hold consumption expenditure. Using these data, and on the basis of the methodology recommended by the Task Force on Projections of Minimum Needs and Effective Consumption Demand, planning Commission estimates the number and proportion of poor in the country . The revised estimates of poverty ratios for rural and urban areas in the year 1987-88 are 33.4% and 20.1% respectively. This is the only official estimate of poverty available at present and is based on only one methodology.

[Translation]

SHRI ANADI CHARAN DAS: Sir, from the hon. Minister's reply to my question it seems that the figures given by the Planning Commission are correct. My question was prompted by the book on the Indian Economy brought out by the Government. According to the book, in 1987-88, 48% of the people in rural areas and 38% in urban areas lived below the poverty line. But according to the Planning Commission the figures in 33.4% for rural areas and 20.1% for urban areas. I would like to know which of the figures are correct?

MR. SPEAKER: You have asked a good question.

SHRI H.R. BHARDWAJ: Sir, my reply is based on facts. Based on the data collected

by the National Sample Survey and the Methodological Task Force formed by the Planning Commission in 1979, the correct figures are 33.4% and 20.1% and this is what I have said in my reply.

SHRI ANADI CHARAN DAS: Sir, his reply is misleading because the figures quoted in the book are correct.

MR. SPEAKER: But this is what is written in his book.

SHRI ANADI CHARAN DAS: Sir, other departments give different figures. With regard to the poverty line.....

[*English*]

The Planning Commission as a different poverty-line, with monthly per capita income of Rs. 65 in rural areas and Rs. 75 in urban areas in the year 1977-78.

[*Translation*]

Have these figures been given on the basis of the recent devaluation? Or are these figures based on the recent increase in per capita expenditure? What is the basis of these figures?

SHRI H.R. BHARDWAJ: According to these figures, people living below the poverty line were 49.9% in rural areas and 56.64 in urban areas in 1973-74. These figures kept increasing and in 1977-78, this percentage had one up to 60.60% in rural areas and 69.19% in urban areas, In 1983-84, the figures and risen to 101% in rural areas and 117.50% in urban areas and in 1984-85, 109.24% in rural areas and 126.9% in urban areas. These figures kept increasing with the rise in prices.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: Sir, the Chairman of the National Sample Survey Organisation has criticised the Planning Commission's figures. I do not know whether you are competent to answer the

question; but even then let me put it. They say that their calculation has been upgraded by 1.30 per cent. What is the reason? The Planning Commission's calculations should be transparent. It should not be retained as a secret. You consult the economic journals which have already published them. They say that even calculating on the basis of whatever Planning Commission has indicated, it would arrive at different figures. Those who are collecting the data are also intelligent people and they know your norms and on that basis they have arrived at a figure. They say that the Planning Commission's figures are defective. There are two reasons for this. I can tell you about their argument. One is that the State-wise break-down is not there and the other is that you are up grading the expenditure of the poor people by 1.30 per cent. And thirdly the calculation of poverty line itself is defective. That is the argument going on. It is argued by no less than by the people who are heading the National Sample Survey Organisation and other economists.

Can you give us the details of how you have arrived at that calculation? If you can, we all will be thankful to you.

SHRI H.R. BHARDWAJ: Sir, if you permit me for two minutes I will explain. So far as the Planning Commission is concerned, I have described in clear terms that we get the data from National Sample Survey Organisation and on the methodology of the task force constituted in 1979. With the help of that data, we determine the poverty line. The norms are well-known. But, I quite see the point that there are differences of opinion among the scholars and experts on the nutrition needs and the concept of measuring poverty. Scholars differ among themselves. But, we do not take cognizance of their differences of opinion. We go by a set proforma. The National Sample Survey Organisation is not a new organisation. It is a well-established organisation. The Planning Commission gives the real statistics on the basis of whatever data they give. But, of late, there has been a controversy and a special task force is again being constituted

to examine it, whether we can have another norm for determining poverty. Differences of opinion might have arisen on that issue. I do not know who is the expert the hon. Member is referring to. (*Interruptions*) Will you kindly listen to my answer please? There are various scholars. I do not know which expert he is referring to. But, our National Sample Survey data is the only data that is used. I submit that I myself have seen a few books on this and I found that there is a chance to go into it again. If there can be another line of determining the poverty line on other basis, then we will definitely consider it. That aspect is still under consideration. Once the report is available, we can adopt it if a better method is available. But, so far there is nothing else.

SHRI NIRMAL KANTI CHATTERJEE: You have to make the methodology more transparent.

DR. KARTIKESWARPATRA: Sir, I want to know whether a reply was given in the Rajya Sabha in March, 1989 regarding the poverty line which was

MR. SPEAKER: How will he know about the reply in the Rajya Sabha in 1989?

(*Interruptions*)

MR. SPEAKER: How do you expect him to know it?

DR. KARTIKESWARPATRA: Sir, I want to know categorically whether in March 1989 a sample survey was conducted and it was reported that the per capita income in the rural area is Rs. 131 and in urban area it was Rs. 153. I want to know whether this is a fact or not.

SHRI H.R. BHARADWAJ: Sir, I have the figures. Perhaps the year is wrong. In 1987-88 in rural areas it was Rs. 131.80 as I stated earlier, and in urban areas it was Rs. 152.13. This was the figure which is available with me. I do not know who replied in 1989.

[*Translation*]

SHRI GEORGE FERNANDES: Sir, the hon. Minister has not clarified the matter. We expected from him a categorical reply. The hon. Prime Minister is present here. If he cannot do so, the hon. Prime Minister could make the clarification.

Sir, we know that in India the meaning of the term 'poverty line' can be found in the political dictionary and not in the economic dictionary. A political decision was taken in 1980 to uplift the people below the poverty line. The work was started in the right earnest but only on paper. According to the Economic Survey of India presented in the House some weeks ago, 51.5% people lived below the poverty line in 1972-73 whereas in 1988 this figure brought down to 29.9%. But this is different from reality. I would like to ask the hon. Minister if he is aware that as compared to the figure of 29.9% given by him, a recent report on human development by the United Nations states that in 1990, 48% of the people in India lived below the poverty line. This is a report of the United Nations where our country is represented. According to the report 9 crore people in urban areas and 32 crore people in rural areas live below the poverty line. This comes to a total of 41 crores. So, the figure of United Nations is 48% whereas the figure given by the Government is 30%. The Operations Research Group conducts a survey and the Government undertakes the National Sample Survey. The findings of the survey conducted by the Operations Research Group is sent to the Planning Commission and Ministries. They have said that

[*English*]

"As of March 1990 those below the poverty line in the country were 52.9% per cent."

[*Translation*]

61.8% of these are in rural areas and 25% in urban areas. The number of the poorest of the poor in India is 20 crores. These are the

people who are not in a position to spend even Rs.2/- on themselves every day. Will the hon. Minister please reconcile the figures received from three sources?

SHRI H.R. BHARDWAJ: Sir, from what the hon. Member has said, I get the feeling that he has more faith in a foreign agency-Operation Research Group than our own agency National Sample Survey.

SHRI GEORGE FERNANDES: Sir, I have an objection. It is the country's representative who is stationed at the U.N.O., not my personal representative.

SHRI H.R. BHARDWAJ: I am talking of India. I have related the figures relevant to our country.

[*English*]

MR. SPEAKER: Maybe the United Nations is applying a different criteria.

SHRI H.R. BHARDWAJ: Maybe. There also, what the United Nations is applying today, everybody knows and internationally what the United Nations are doing is (*Interruptions*)

MR. SPEAKER: The calories required in our country and calories required in other countries are different. (*Interruptions*)

SHRI H.R. BHARDWAJ: That would be the explanation. I am not arguing anything against the United Nations, but what the United Nations is doing, everybody knows.

MR. SPEAKER: He says, 'Don't argue against me.'

SHRI H.R. BHARDWAJ: No, no. He takes more interest in the United Nations than India. (*Interruptions*)

SHRI GEORGE FERNANDES: Sir, this man is not answering my question. (*Interruptions*). You should protect me, you should protect the dignity of the House. (*Interruptions*)

SHRI H.R. BHARDWAJ: Sir, I submit that the combined percentage is 29.9 and I maintain that this is the figure available with me. What the UNO and other agencies indicate about India, I am not going to answer that, because I do not have the details. I have mentioned about our criteria very clearly. Unfortunately, we are letting down our own system. Our criteria is the Caloric intake and the rupee expenditure. That determine the poverty line. If it is defective, it is for us to correct it. But, if he says that let us go by the norms of the United Nations in India, we can certainly consider it if there is a better norm suggested by the United Nations. But I have my own organisation under my Ministry. The officers are working hard and they are very efficient. I have no reason to differ with them.

SHRI GEORGE FERNANDES: Sir, the Operations Research Group is an Indian organisation.

MR. SPEAKER: Is it a Government organisation?

SHRI GEORGE FERNANDES: It is an organisation with which the Government of India is associated; all the Ministries of the Government of India and all the State Governments in the country are associated; the Planning Commission is taking the report of the Operations Research Group. He does not even know the existence of the organisation which is providing the data to the Government. How will they fight poverty if they do not know what poverty is?

SHRI NIRMAL KANTI CHATTERJEE: Sir, the salary in intake is not relevant in this case. (*Interruptions*)

MR. SPEAKER: Let us not be confused. Consistently we can follow the report given by one organisation or the other organisation.

[*Translation*]

SHRI RAM VILAS PASWAN: Sir, the hon. Minister just said that a person is considered to be living below the poverty line if he earns Rs. 5/- per day on an average. Will the hon. Minister tell us the percentage of

people who cannot earn even Rs.2/- per day?

SHRI H.R. BHARDWAJ: I cannot furnish this type of information (*Interruptions*) There is one criteria for this purpose. Who can keep an account of amounts as small as Rs.2/- or Rs.3/-? (*Interruptions*) Those who live below the poverty line (*Interruptions*)

[*English*]

SHRI RAM VILAS PASWAN: Sir, what is your ruling?

SHRI NIRMAL KANTI CHATTERJEE: Sir, they have some criteria for the poorest of the poor, very poor people and more or less poor people. (*Interruptions*)

MR. SPEAKER: If you have the information, you can give it.

SHRI H.R. BHARDWAJ: Sir, I have only information about below the poverty line norms. I have already submitted that the per capita income of the people below the poverty line in rural areas is Rs. 131.80 and in urban areas, it is Rs. 152.30 and these people are considered as people below the poverty line.

[*Translation*]

SHRI RAM VILAS PASWAN: Sir, I seek your protection. Hon. Prime Minister, Sir, I think your Minister should not be so insensitive in such matters. It is not a question of Rs. 2/- or Rs.4/-. The point is that there is a Research Group which has found that even today there are 20 crore people living below the poverty line. Even in that group there is one set which can somehow survive while the other set is fighting for survival. And the hon. Minister says that it is difficult to account for Rs.2/- or Rs.4/-. Will the hon. Minister tell us the number of people who earn less than Rs. 2/- per day? It is a different matter that the hon. Minister does not have the information now but may I know from the hon. Prime Minister whether such information is available with the Ministry?

[*English*]

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO): Mr. Speaker, Sir, it is a fact that we have a large number of poor people in this country. We are trying to find out how poor they are. Now, according to criteria, it is obvious that the number would change. The point is that we have an unconscionably large number of poor people. Whatever criteria you adopt, you start somewhere, start with a lowest figure; it does not matter. We do not have to controvert the higher figure; only when you come to the stage where you reach between 30 and 32, we will resolve it then. I agree that this figure, this number of poor people in this country is not acceptable.

I have also had some experiences of this. Sometimes we read articles and magazines which baffle us. I read an article recently by one of the academics saying that there are villages where 80 per cent of the population do not have 10 paise per day. I happened to be in Hyderabad. I called him immediately. He is an old friend of mine. I said, "Will you kindly come with me? I will depute someone because I am worried; I am concerned that there should be a village where 80 per cent of the people do not earn even 10 paise per day." Then he said, he is a little busy for the next one week. After that, I have not found him responding to my suggestion. I do not say that he was writing something which was not true according to his information. But the point is that when such things are written, we have to go into it in greater details rather than making a comment just on what has been written there.

Without any comment whether it is true or not, the fact remains that we have to tackle poverty on a war footing, on as much a big scale as we can and that has to be the interest of all sections of the House.

I assure the House that if there is a better method of calculating poverty, and the degree of poverty and what degree of poverty needs our first attention, naturally the poorest of the poor would need our first

attention. If we could really categorise them, identify them properly by methods which have not been found so far-if there are any new methods-I am prepared to take them.

In many of our statistical calculations, I find that the basis on which the calculations are made-I do not say they are wrong they could be improved. I make this concession right now. I am prepared to respond to any of the suggestions from any hon. Member on this. I am equally interested in finding out the truth, the true number because it is to nobody's credit to say that it is 52 per cent and no great credit is added to us by calling it 48 per cent. The figure whether it is 48 per cent or 52 per cent or even 20 per cent, I would say, it is not a matter of credit to this country. The spirit should be wherever poverty exists, we should try to eliminate it with all our might, with all that is possible for the Government and the people to do. This should be the approach.

There could be some differences in the figures but we should always either try to reconcile or go ahead with whatever figure is possible even without making any attempt to reconcile because that would really lead to so many blind allies. But if the hon. Members want to tell me something which is better than the present method, I am prepared to accept it.

SHRI NIRMAL KANTI CHATTERJEE: As the Chairman of the Planning Commission, you can make their calculations available to us.

SHRI P.V. NARASIMHARAO: We know it. For the last 40 years, we have had the planning process in this country. The figures given by one body do not completely tally with the figures given by another body. We do not have to go on indulging in the reconciliation of facts. The big fact is so evident to us-whether it is 48 per cent or 52 per cent-there is a phenomenon which needs to be tackled. That is where our attention has to be directed.

[Translation]

SHRI GEORGE FERNANDES: A survey in the Adivasi or tribal areas alone will indicate the daily income. Such people should not be treated like this. What we want is that there should be no tampering with figures for political gain.

[English]

SHRI NIRMAL KANTI CHATTERJEE: I have a simple request to make. Will the Planning Commission make it available to the country how they have calculated the figures? That is enough for us.

SHRI P.V. NARASIMHARAO: You see, these criteria are no great State secrets. It is possible to find out the criteria-whether it is on prices, whether it is on poverty, whether it is on the level of poverty. All these should be transparent and they are transparent according to what I know. But if there is any difficulty in getting any of the figures or any of the criteria, details about the criteria, I am very well prepared to share them with the House or share them with the Members.

[Translation]

SHRI ARVIND NETAM: Sir, I would like to know the income limit that determines the poverty line in urban areas and rural areas? Has the Government fixed a new income limit subsequent to the devaluation of the rupee

SHRI H.R. BHARDWAJ: Sir, I have explained how the poverty line is fixed on an annual basis.

[English]

That is adjusted.

	1987-88
Rural	131.80
Urban	152.30

[*Translation*]

SHRI RABI RAY: Sir, I was listening intently to what the hon. Prime Minister was saying. Before asking him anything I would like to draw attention to the very first discussion on the poverty line held in this House 28 years ago. Participating in that discussion, Dr. Lohia had said that at that time the daily income of 27 crore people was 3 annas whereas Pt. Jawaharlal Nehru said it was 15 annas. A sample survey used to be conducted at that time also. So I want to know if there is any foolproof method to determine the correct number of people living below the poverty line. We don't know how the Planning Commission can arrive at any conclusion about the poverty situation in the country. If the Government does not have any fool proof method for this purpose, is there any proposal to arrange a meeting of economists to laydown the norms for determining the level of poverty in India?

[*English*]

SHRI P.V. NARASIMHA RAO: I suggest that we have a discussion in the House for a day. (*Interruptions*)

SHRI GEORGE FERNANDES: Let the House discuss the poverty in India. (*Interruptions*)

SHRI P.V. NARASIMHA RAO: I am prepared for a detailed discussion of the subject in all its ramifications. There is no problem.

[*Translation*]

SHRI RABI RAY: It would be better if this happened under his chairmanship.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: The Planning Commission has stopped giving unemployment figures in its report. There were no more unemployment. Up to the Five Year Plan, the unemployment figures were

given. They have been dispensed with thereafter. (*Interruptions*)

MR. SPEAKER: Only one person can speak.

SHRI NIRMAL KANTI CHATTERJEE: Why the figures are not given? (*Interruptions*)

SHRI A. CHARLES: When the Prime Minister has agreed to categorically discuss this matter, I feel that there is no need for further discussion at this point of time. (*Interruptions*)

MR. SPEAKER: If you have any supplementary, you can ask!

[*Translation*]

SHRI UPENDRA NATH VERMA: Mr. Speaker, Sir, is the Government aware that the daily wages of the persons working in jails like the sweeper, the barber and the washerman is merely two rupees per day?

[*English*]

SHRI H.R. BHARDWAJ: I am not aware of the facts.

[*Translation*]

SHRI KARIYA MUNDA: Mr. Speaker, Sir Hon Minister is speaking on the basis of the information provided by his officers. We come from those areas where there is a lot of poverty. We know as to how much poverty is there. Despite the fact that Government has spent huge amount of money to remove poverty and to bring the poor above the poverty line and to raise their standard of living, their standard of living has not risen and their poverty could not be removed. Will the hon. Minister try to find out the reasons as to why the financial assistance which was given to bring the poor above the poverty line could not be spent properly?

MR. SPEAKER: No now you are going into the details. I do not allow that.

[English]

SHRI SHANKAR RAO KALE: I am on a point of order.

MR. SPEAKER: No Point of Order can be raised during question hour.

SHRI SHANKAR RAO KALE: It is a very important matter.

MR. SPEAKER: It is a very important question.

I am disallowing this question.

[Translation]

SHRI RAJNATH SONKAR SHASTRI: The same question has been continuing for quite a long time and the Prime Minister has also answered it seriously. As Mr. George Fernandes has said that there are three different figures of poverty line at three places. Through you, I would like to know as to what criteria has been prescribed by the Government for fixing the poverty line. What are the standards by which you assess the poverty line? As another hon. Member has also asked, I would like to know if this data furnished by you is after the devaluation of Rupees or something else?

MR. SPEAKER: This question has been asked earlier also, you have not perhaps heard.

[English]

SHRI SRIKANTA JENA: Sir, I think some information has been given by the hon. Minister. I would like to know whether he has got the State-wise break-up figures of the poverty-stricken people. Of the total figures, do you have the State-wise figures?

SHRI H.R. BHARDWAJ: I have the figures and I can supply if the hon. Member wants.

MR. SPEAKER: You can give it in writing.

SHRI H.R. BHARDWAJ: Yes, Sir, I can give it in writing.

SHRI SHRAVAN KUMAR PATEL: Sir, the hon. Minister, while giving the statistics, has cited the year 1987-88. I would like to know whether census figures have not been available as to the actual number and percentage of people living below poverty-line. If not available, why it is so? Are the figures likely to be available, on a reliable basis, for determining the Eighth Plan targets and programmes?

SHRI H.R. BHARDWAJ: These figures are given not on the basis of census. They are given on the basis of the National Sample Survey's survey which is conducted after five years. Yearly, there are smaller surveys conducted in which the State-wise break-up is not given. This is an accepted norm, not devised recently. This is followed by every Government. Even, in 1989, when the Janata Dal Government was in power, they did not find a separate methodology. They adopted this and constituted a Special Task Force which is working on this issue now.

SHRI A. CHARLES: It is a known fact that a large number of people in this county are living below the poverty-line. The whole House has unanimously agreed that something has to be done to improve the lot of the people. In view of the assurance given by the hon. Prime Minister that there will be a full-fledged discussion, I would like to know from the hon. Minister whether he will make available the guidelines followed in other countries especially the Soviet Union in fixing the guidelines for determining the poverty-line?

MR. SPEAKER: We shall have to find time for this issue. I think, you are all enlightened Member. You know that it is the food consumed and the income earned which are taken into account. These are the two criteria which are taken into account. Sometimes, depending on the climate the food is consumed either more or less. So also the income.

SHRI CHANDRA JEET YADAV: Pointedly, the attention of the Prime Minister was drawn to a specific point that even in the case of those who are living below the poverty condition there are people who are living in almost inhuman poverty-stage. The Prime Minister is the Chairman of the Planning Commission. So, while the Eighth Five Year Plan is going to be formulated, will the Prime Minister take into account that greater attention will be paid to uplift those category of people who are living in almost inhuman poverty-stage? Will that thing to taken into account while farming the Eighth Five Year Plan?

SHRI P.V. NARASIMHA RAO: Sir, the House is aware that for the first time in Shrimati Indira-ji's time, the methodology of mounting a direct attack on poverty was adopted. The IRDP and other programmes were meant for that. Now, it so happens that among the poor there are gradations. Naturally, the logic demands, the need of the hour demands that we should go to the poorest. But then, sometimes in this society it becomes so difficult to distinguish and single out the poorest to the exclusion of poor. These are logistic matters. But I can assure the House that how that we have these different gradations of poverty also, the Planning Commission could have to give first priority to the poorest of the poor. And, I think, it is being done. We can double check and see that specific attention is paid to this aspect.

[*Translation*]

SHRI MADAN LAL KHURANA: Hon. Prime Minister has right now about spoken of the poorest of the poor. I want to know if any survey has been conducted to find out the number of people living below the poverty line who get suppose Rs. 5 as daily wages. But if the man at the lowest rung of the ladder i.e the poorest of the poor gets Re. one as daily wages and whom you want to bring above the poverty line in next five years, then I would like to know the proposed rate at which such persons would be brought above the poverty line? At the same time I would like to know as to what is the number

of people getting one rupee and fifty paise daily... (*Interruptions*)...

SHRI P.V. NARASIMHA RAO: The problem lies in the fact that we are getting lost in data alone. To get involved in figures alone is not correct. If a worker gets Rupees five today, the next day he gets none, then that would be the average. Should he be categorised under the workers getting Rs. five or getting nothing at all? We need not go into these things. We know that the poverty is there. You go to villages. We all come from villages. We know that there is the real poverty. Underemployment is also too much. It is even more than unemployment. Whatever employment is there, we cannot call it employment in the real sense. Those people do only that work as they do not have something better than that to do. Whatever the Planning Commission has to do, that shall be got done. A question has just been asked about the figures, no absolutely clear, distinct and unambiguous reply could be given regarding that. The number of the poor in our country is very large and the layers of poverty are different at various places. We have to go to the lowest ebb. This is our objective and I think everyone will agree at that point... (*Interruptions*)...

MR. SPEAKER: We have discussed this question for the last thirty five minutes so we would more to next question now.

(*Interruptions*)

[*English*]

MR. SPEAKER: I called out your name. But you did not get up.

(*Interruptions*)

Turnover of M/s Pepsi Foods Private Ltd.

*673. **SHRI PHOOL CHAND VERMA:** Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Pepsi Foods soft drink con-