

# Press Note on Poverty Estimates, 2009-10



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**POVERTY ESTIMATES FOR 2009-10**

**New Delhi, 19<sup>th</sup> March, 2012**

The Tendulkar Committee for the first time recommended use of implicit prices derived from quantity and value data collected in household consumer expenditure surveys for computing and updating the poverty lines. Tendulkar Committee developed a methodology using implicit prices for estimating state wise poverty lines for the year 2004-05. Using these poverty lines and distribution of monthly per capita consumption expenditure based on mixed reference period (MRP), the Tendulkar Committee estimated poverty ratios for the year 2004-05. In its Report, Tendulkar Committee recommended a methodology for updating 2004-05 poverty lines derived by it.

2. Accordingly, implicit price indices (Fisher Price Index) have been computed from the 66<sup>th</sup> Round NSS (2009-10) data on Household Consumer Expenditure Survey. As per Tendulkar Committee recommendations, the state wise urban poverty lines of 2004-05 are updated for 2009-10 based on price rise during this period using Fisher price indices. The state wise rural-urban price differential in 2009-10 has been applied on state specific urban poverty lines to get state specific rural poverty lines.

3. The head count ratio (HCR) is obtained using urban and rural poverty lines which are applied on the MPCE distribution of the states. The aggregated BPL population of the states is used to obtain the final all-India HCR and poverty lines in rural and urban areas. Some of the key results are:

- The all-India HCR has declined by 7.3 percentage points from 37.2% in 2004-05 to 29.8% in 2009-10, with rural poverty declining by 8.0 percentage points from 41.8% to 33.8% and urban poverty declining by 4.8 percentage points from 25.7% to 20.9%.

- Poverty ratio in Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Sikkim, Tamil Nadu, Karnataka and Uttarakhand has declined by about 10 percentage points and more.
  - In Assam, Meghalaya, Manipur, Mizoram and Nagaland, poverty in 2009-10 has increased.
  - Some of the bigger states such as Bihar, Chhattisgarh and Uttar Pradesh have shown only marginal decline in poverty ratio, particularly in rural areas.
- Poverty ratio for Social Groups:
    - In rural areas, Scheduled Tribes exhibit the highest level of poverty (47.4%), followed by Scheduled Castes (SCs), (42.3%), and Other Backward Castes (OBC), (31.9%), against 33.8% for all classes.
    - In urban areas, SCs have HCR of 34.1% followed by STs (30.4%) and OBC (24.3%) against 20.9% for all classes.
    - In rural Bihar and Chhattisgarh, nearly two-third of SCs and STs are poor, whereas in states such as Manipur, Orissa and Uttar Pradesh the poverty ratio for these groups is more than half.
- Among religious groups:
    - Sikhs have lowest HCR in rural areas (11.9%) whereas in urban areas, Christians have the lowest proportion (12.9%) of poor.
    - In rural areas, the HCR for Muslims is very high in states such as Assam (53.6%), Uttar Pradesh (44.4%), West Bengal (34.4%) and Gujarat (31.4%).
    - In urban areas poverty ratio at all India level is highest for Muslims (33.9%). Similarly, for urban areas the poverty ratio is high for Muslims in states such as Rajasthan (29.5%), Uttar Pradesh (49.5%), Gujarat (42.4%), Bihar (56.5%) and West Bengal (34.9%).
- For occupational categories:
    - Nearly 50% of agricultural labourers and 40% of other labourers are below the poverty line in rural areas, whereas in urban areas, the poverty ratio for casual labourers is 47.1%.
    - As expected, those in regular wage/ salaried employment have the lowest proportion of poor. In the agriculturally prosperous state of Haryana, 55.9% agricultural labourers are poor, whereas in Punjab it is 35.6%.
    - The HCR of casual laborers in urban areas is very high in Bihar (86%), Assam (89%), Orissa (58.8%), Punjab (56.3%), Uttar Pradesh (67.6%) and West Bengal (53.7%).

- Based on the Education level of head of the household:
  - In rural areas, as expected, households with 'primary level and lower' education have the highest poverty ratio, whereas the reverse is true for households with 'secondary and higher' education. Nearly two third households with 'primary level & lower' education in rural areas of Bihar and Chhattisgarh are poor, whereas it is 46.8% for UP and 47.5% for Orissa.
  - The trend is similar in urban areas.
- For categories by age and sex of head of the household<sup>1</sup>:
  - In rural areas, it is seen that households headed by minors have poverty ratio of 16.7% and households headed by female and senior citizen have poverty ratio of 29.4% and 30.3% respectively.
  - In urban areas, households headed by minors have poverty ratio of 15.7% and households headed by female and senior citizen have poverty ratio of 22.1% and 20.0% respectively against overall poverty ratio of 20.9%.

4. State wise details of poverty lines for 2009-10, poverty ratios for 2009-10 and poverty ratios for 2004-05 are given in Table 1, Table 2 and Table 3 respectively.

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<sup>1</sup> It is to be noted that the sample size for the minor and female headed household is very small to draw a larger conclusion about poverty in these groups.

Table 1: State specific Poverty Lines for 2009-10			
S. No.	States	Monthly per capita (Rs)	
		RURAL	Urban
1	Andhra Pradesh	693.8	926.4
2	Arunachal Pradesh	773.7	925.2
3	Assam	691.7	871
4	Bihar	655.6	775.3
5	Chhattisgarh	617.3	806.7
6	Delhi	747.8	1040.3
7	Goa	931	1025.4
8	Gujarat	725.9	951.4
9	Haryana	791.6	975.4
10	Himachal Pradesh	708	888.3
11	Jammu & Kashmir	722.9	845.4
12	Jharkhand	616.3	831.2
13	Karnataka	629.4	908
14	Kerala	775.3	830.7
15	Madhya Pradesh	631.9	771.7
16	Maharashtra	743.7	961.1
17	Manipur	871	955
18	Meghalaya	686.9	989.8
19	Mizoram	850	939.3
20	Nagaland	1016.8	1147.6
21	Orissa	567.1	736
22	Puducherry	641	777.7
23	Punjab	830	960.8
24	Rajasthan	755	846
25	Sikkim	728.9	1035.2
26	Tamil Nadu	639	800.8
27	Tripura	663.4	782.7
28	Uttar Pradesh	663.7	799.9
29	Uttarakhand	719.5	898.6
30	West Bengal	643.2	830.6
	All India	672.8	859.6

**Table 2: Number and Percentage of Population below poverty line by states - 2009-10**

**(Tendulkar Methodology)**

S. No.	States	RURAL		Urban		Total	
		% age of Persons	No. of Persons (lakhs)	% age of Persons	No. of Persons (lakhs)	% age of Persons	No. of Persons (lakhs)
1	Andhra Pradesh	22.8	127.9	17.7	48.7	21.1	176.6
2	Arunachal Pradesh	26.2	2.7	24.9	0.8	25.9	3.5
3	Assam	39.9	105.3	26.1	11.2	37.9	116.4
4	Bihar	55.3	498.7	39.4	44.8	53.5	543.5
5	Chhattisgarh	56.1	108.3	23.8	13.6	48.7	121.9
6	Delhi	7.7	0.3	14.4	22.9	14.2	23.3
7	Goa	11.5	0.6	6.9	0.6	8.7	1.3
8	Gujarat	26.7	91.6	17.9	44.6	23.0	136.2
9	Haryana	18.6	30.4	23.0	19.6	20.1	50.0
10	Himachal Pradesh	9.1	5.6	12.6	0.9	9.5	6.4
11	Jammu & Kashmir	8.1	7.3	12.8	4.2	9.4	11.5
12	Jharkhand	41.6	102.2	31.1	24.0	39.1	126.2
13	Karnataka	26.1	97.4	19.6	44.9	23.6	142.3
14	Kerala	12.0	21.6	12.1	18.0	12.0	39.6
15	Madhya Pradesh	42.0	216.9	22.9	44.9	36.7	261.8
16	Maharashtra	29.5	179.8	18.3	90.9	24.5	270.8
17	Manipur	47.4	8.8	46.4	3.7	47.1	12.5
18	Meghalaya	15.3	3.5	24.1	1.4	17.1	4.9
19	Mizoram	31.1	1.6	11.5	0.6	21.1	2.3
20	Nagaland	19.3	2.8	25.0	1.4	20.9	4.1
21	Orissa	39.2	135.5	25.9	17.7	37.0	153.2
22	Puducherry	0.2	0.0	1.6	0.1	1.2	0.1
23	Punjab	14.6	25.1	18.1	18.4	15.9	43.5
24	Rajasthan	26.4	133.8	19.9	33.2	24.8	167.0
25	Sikkim	15.5	0.7	5.0	0.1	13.1	0.8
26	Tamil Nadu	21.2	78.3	12.8	43.5	17.1	121.8
27	Tripura	19.8	5.4	10.0	0.9	17.4	6.3
28	Uttar Pradesh	39.4	600.6	31.7	137.3	37.7	737.9
29	Uttarakhand	14.9	10.3	25.2	7.5	18.0	17.9
30	West Bengal	28.8	177.8	22.0	62.5	26.7	240.3
31	Andaman & Nicobar Islands	0.4	0.01	0.3	0.004	0.4	0.01
32	Chandigarh	10.3	0.03	9.2	0.92	9.2	0.95
33	Dadra and Nagar Haveli	55.9	1.02	17.7	0.25	39.1	1.27
34	Daman and Diu	34.2	0.22	33.0	0.54	33.3	0.75
35	Lakshadweep	22.2	0.03	1.7	0.01	6.8	0.04
	All India	33.8	2782.1	20.9	764.7	29.8	3546.8

**Notes:**

1. Population as on 1st March 2010 has been used for estimating number of persons below poverty line. (interpolated between 2001 and 2011 population census)
2. Poverty line of Tamil Nadu is used for Andaman and Nicobar Island.
3. Urban Poverty Line of Punjab is used for both rural and urban areas of Chandigarh.
4. Poverty Line of Maharashtra is used for Dadra & Nagar Haveli
5. Poverty line of Goa is used for Daman & Diu.
6. Poverty Line of Kerala is used for Lakshadweep.

**Table 3: Number and Percentage of Population below poverty line by states - 2004-05**

<b>(Tendulkar Methodology)</b>							
S. No.	States	RURAL		Urban		Total	
		% age of Persons	No. of Persons (lakhs)	% age of Persons	No. of Persons (lakhs)	% age of Persons	No. of Persons (lakhs)
1	Andhra Pradesh	32.3	180	23.4	55	29.6	235.1
2	Arunachal Pradesh	33.6	3.2	23.5	0.6	31.4	3.8
3	Assam	36.4	89.4	21.8	8.3	34.4	97.7
4	Bihar	55.7	451	43.7	42.8	54.4	493.8
5	Chhattisgarh	55.1	97.8	28.4	13.7	49.4	111.5
6	Delhi	15.6	1.1	12.9	18.3	13	19.3
7	Goa	28.1	1.8	22.2	1.7	24.9	3.4
8	Gujarat	39.1	128.5	20.1	42.9	31.6	171.4
9	Haryana	24.8	38.8	22.4	15.9	24.1	54.6
10	Himachal Pradesh	25	14.3	4.6	0.3	22.9	14.6
11	Jammu & Kashmir	14.1	11.6	10.4	2.9	13.1	14.5
12	Jharkhand	51.6	116.2	23.8	16	45.3	132.1
13	Karnataka	37.5	134.7	25.9	51.8	33.3	186.5
14	Kerala	20.2	42.2	18.4	19.8	19.6	62
15	Madhya Pradesh	53.6	254.4	35.1	61.3	48.6	315.7
16	Maharashtra	47.9	277.8	25.6	114.6	38.2	392.4
17	Manipur	39.3	6.7	34.5	2.3	37.9	9
18	Meghalaya	14	2.9	24.7	1.2	16.1	4.1
19	Mizoram	23	1.1	7.9	0.4	15.4	1.5
20	Nagaland	10	1.5	4.3	0.2	8.8	1.7
21	Orissa	60.8	198.8	37.6	22.8	57.2	221.6
22	Puducherry	22.9	0.8	9.9	0.7	14.2	1.5
23	Punjab	22.1	36.7	18.7	16.9	20.9	53.6
24	Rajasthan	35.8	166.4	29.7	43.5	34.4	209.8
25	Sikkim	31.8	1.5	25.9	0.2	30.9	1.7
26	Tamil Nadu	37.5	134.4	19.7	59.7	29.4	194.1
27	Tripura	44.5	11.9	22.5	1.5	40	13.4
28	Uttar Pradesh	42.7	600.5	34.1	130.1	40.9	730.7
29	Uttarakhand	35.1	23.1	26.2	6.6	32.7	29.7
30	West Bengal	38.2	227.5	24.4	60.8	34.2	288.3
31	Andaman & Nicobar Island	4.1	0.1	0.8	0.01	3	0.11
32	Chandigarh	34.7	0.2	10.1	0.9	11.6	1.1
33	Dadra and Nagar	63.6	1.11	17.8	0.14	49.3	1.26
34	Daman and Diu	2.6	0.02	14.4	0.13	8.8	0.15
35	Lakshwadeep	0.4	0.001	10.5	0.04	6.4	0.04
	All India	42	3258.1	25.5	814.1	37.2	4072.2

Note: Population as on 1st March 2005 has been used for estimating number of persons

below poverty line. (Revised on the basis of 2011 population census)