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A Comprehensive Analysis of Poverty in India

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Abstract

This paper offers a comprehensive analysis of poverty in India. It shows that no matter which of the two official poverty lines is used, poverty has declined steadily in all states and for all social and religious groups. Accelerated growth between fiscal years 2004–2005 and 2009–2010 led to an accelerated decline in poverty rates. Moreover, the decline in poverty rates during these years was sharper for the socially disadvantaged groups relative to upper caste groups, so that a narrowing of the gap in the poverty rates is observed between the two sets of social groups. The paper also provides a discussion of the recent controversies in India regarding the choice of poverty lines.

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A Comprehensive Analysis of Poverty in India

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1. Introduction

This paper provides comprehensive up-to-date estimates of poverty by social and religious groups in the rural and urban areas of the largest 17seventeen states in India. The specific measure of poverty reported in the paper is the poverty rate or head-count-ratio (HCR), which is the proportion of the population with expenditure or income below a pre-specified level referred to as the poverty line. In the context of most developing countries, the poverty line usually relates to a pre-specified basket of goods presumed to be necessary for above-subsistence existence.

In so far as prices vary across states and between rural and urban regions within the same state, the poverty line varies in nominal rupees across states and between urban and rural regions within the same state.¹ Similarly, since prices rise over time due to inflation, the poverty line in nominal rupees in a given location is also adjusted upwards over time.

The original official poverty estimates in India, provided by the Planning Commission, were based on the Lakdawala poverty lines so named after Professor D. T. Lakdawala who headed a 1993 expert group that recommended these lines. Recommendations of a 2009 expert committee headed by Professor Suresh Tendulkar led to an upward adjustment in the rural poverty line relative to its Lakdawala counterpart. Therefore, whereas the official estimates for earlier years are based on the lines and methodology recommended by the expert group headed by Lakdawala, those for more recent years have been based on the line and methodology recommended by the Tendulkar Committee. Official estimates based on both lines and methodologies exist for only two years, 1993-94 and 2004-05. These estimates are provided for the overall population, for rural and urban regions of each state and for the country as a whole. The Planning Commission does not provide estimates by social or religious groups.

In this paper, we provide estimates using both Lakdawala and Tendulkar lines for different social and religious groups in rural and urban areas in all major states and at the national level. Our estimates based on Lakdawala lines are computed for all years beginning in 1983 for which large or "thick" expenditure surveys have been conducted. Estimates based on the Tendulkar line and methodology are provided for the three latest large expenditure surveys, 1993-94, 2004-05 and 2009- 10^2 .

Our objective in writing the paper is twofold. First, much confusion has arisen in the policy debates in India around issues such as whether or not growth has helped the poor; if yes, how much and over which time period; and whether growth is leaving certain social or religious groups behind. We hope that by providing poverty estimates for various time periods, social groups, religious groups, states and urban and rural areas in one place this paper will help ensure that future policy debates are based on fact. Second, researchers interested in explaining how various policy measures impact poverty

¹ Prices could vary not just between urban and rural regions within a state but also across sub-regions within rural and sub-regions within urban regions of a state. Therefore, in principle, we could envision many different poverty lines within rural and within urban regions in each state. To keep the analysis manageable, we do not make such finer distinctions in the paper.

² Panagariya and More (2013) use data from the 68th Round of the national Sample Survey and provide results for 2011-2012.

might find it useful to have readily available in one place the poverty lines and associated poverty estimates for various social and religious groups over a long period and across India's largest states in rural and urban areas.

The literature on poverty in India is vast and many of the contributions or references to the contributions can be found in Srinivasan and Bardhan (1974, 1988), Fields (1980), Tendulkar (1998), Deaton and Dreze (2002), Bhalla (2002) and Deaton and Kozel (2005). Panagariya (2008) provides a comprehensive treatment of the subject until the mid-2000s including the debates on whether or not poverty had declined in the post-reform era and whether or not reforms had been behind the acceleration in growth rates and the decline in poverty. Finally, several of the contributions in Bhagwati and Panagariya (2012a, 2012b) analyze various aspects of poverty in India using the expenditures surveys up to 2004-05. In particular, Cain, Hasan and Rana (2012) study the impact of openness on poverty, Mukim and Panagariya (2012) document the decline in poverty across social groups, Dehejia and Panagariya (2012) provide evidence on the growth in entrepreneurship in services sectors among the socially disadvantaged groups and Hnatkovska and Lahiri (2012) provide evidence on and reasons for narrowing wage inequality between the socially disadvantaged groups and the upper castes.

To our knowledge, this is the first paper to systematically and comprehensively exploit the expenditure survey conducted in 2009-10. This is important because growth was 2 to 3 percentage points higher between the 2004-05 and 2009-10 surveys than between any other prior surveys. As such we are able to study the differential impact accelerated growth has had on poverty alleviation both directly, through improved employment and wage prospects for the poor, and indirectly, through the large-scale redistribution program known as the National Rural Employment Guarantee Scheme, which enhanced revenues made possible. In addition, ours is the first paper to comprehensively analyze poverty across religious groups. In studying the progress in combating poverty across social groups, the paper complements our previous work, Mukim and Panagariya (2012).

The paper is organized as follows. In Section 2, we discuss the history and design of the expenditure surveys conducted by the National Sample Survey office (NSSO), which form the backbone of all poverty analysis in India. In Section 3, we discuss the rising discrepancy between average expenditures as reported by the NSSO surveys and by the National Accounts Statistics (NAS) of the Central Statistical Office (CSO). In Section 4, we describe in detail the evolution of official poverty lines in India while in Section 5 we discuss some recent controversies regarding the level of the official poverty line. In Sections 6-9, we present the poverty estimates. In Section 6, we provide estimates by social and religious groups in rural and urban areas at the national level. In Section 7, we report the estimates for the total population in rural and urban areas of the largest 17 states, which account for 95 percent of India's population. In Section 8, we offer state-level poverty estimates by social groups and in Section 9 by religious groups in the 17 states. In Section 10, we discuss inequality over time in rural and urban areas of the 17 states. In Section 11, we conclude.

2. The Expenditure Surveys

The main source of data for estimating poverty in India is the expenditure survey conducted by the National Sample Survey Office. India is perhaps the only developing country that began conducting such surveys on a regular basis as early as 1950-51. The surveys have been conducted at least once a year since 1950-51 though the sample was too small to permit reliable estimates of poverty at the level of the state until 1973-74. A decision was made in the early 1970s to replace the smaller annual surveys by large-size expenditure (and employment-unemployment) surveys to be conducted every five years.

This decision led to the birth of "thick" quinquennial (five-yearly) surveys. Accordingly, the following eight rounds of large-size surveys have been conducted: 27 (1973-74), 32 (1978), 38 (1983), 43 (1987-88), 50 (1993-94), 55 (1999-2000), 61 (2004-05), 66 (2009-10) and 68 (2011-12). Starting from the 42^{nd} round in 1986-87, a smaller annual expenditure survey was reintroduced except in the years in which the quinquennial survey was to take place. Therefore, with the exception of the 65^{th} and 67^{th} rounds in 2008-09 and 2010-11, respectively, an expenditure survey exists for each year beginning in 1986-87.

While the NSSO collects the data and produces reports providing information on monthly per-capita expenditures and their distribution in rural and urban areas of different states and at the national level, it is the Planning Commission that computes the poverty lines and provides official estimates of poverty. The official estimates are strictly limited to quinquennial surveys and to rural, urban and total populations in different states and at the national level. The official estimates are not provided for specific social or religious groups. These can be calculated selectively for specific groups or specific years by researchers. With rare exceptions, discussions and debates on poverty have been framed around the quinquennial surveys even though the non-quinquennial survey samples are large enough to allow reliable estimates at the national level.

For each household interviewed, the survey collects data on the quantity of and expenditure on a large number of items purchased. For items such as education and health services for which the quantity cannot be meaningfully defined, only expenditure data are collected. The list of items is elaborate. For example, the 66th round collected data on 142 items of food, 15 items of energy, 28 items of clothing, bedding and footwear, 19 items of educational and medical expenses, 51 items of durable goods, and 89 other items.

It turns out that household responses vary systematically according to the length of the reference period to which the expenditures are related. For example, a household could be asked about its expenditures on durable goods during the preceding 30 days or the entire year. When the information provided in the first case is converted into annual expenditure, it is found to be systematically lower than when the survey directly asks households to report their annual expenditures. Therefore, estimates of poverty vary depending on the reference period chosen in the questionnaire.

Most quinquennial surveys have collected information on certain categories of relatively infrequently purchased items including clothing and consumer durables on the basis of both 30-days and 365-days reference periods. For other categories including all food and fuel and consumer services, they have used a 30-days reference period. The data allow us to estimate two alternative measures of monthly per-capita expenditures:

- <u>Uniform Reference Period (URP)</u>: All expenditure data used to estimate monthly per-capita expenditure are based on the 30-days reference period.
- <u>Mixed Reference Period (MRP)</u>: Expenditure data used to estimate the monthly per-capita expenditure are based on the 365-days reference period in the case of clothing and consumer durables and the 30-days reference period in the case of other items.

With rare exceptions, monthly per-capita expenditure associated with the MRP turns out to be higher than that associated with the URP. The original Planning Commission estimate of poverty, which had employed the Lakdawala poverty lines, had relied on the URP monthly per-capita expenditures. At some time prior to the Tendulkar Committee report, the Planning Commission decided, however, to shift to the MRP estimates. Therefore, while recommending revisions that led to an upward adjustment in the rural poverty line, the Tendulkar Committee also shifted to the MRP monthly per-capita expenditures in its poverty calculations. Therefore, the revised poverty estimates available for 1993-94, 2004-05 and 2009-10 are based on the Tendulkar lines and the MRP estimates of monthly per-capita expenditures.

3. The NSSO versus NAS Expenditure Estimates

We note an important feature of the NSSO expenditure surveys at the outset. The average monthly per-capita expenditure based on the surveys falls well short of the average private consumption expenditure separately available from the National Accounts Statistics (NAS) of the Central Statistical Office (CSO). Moreover, the proportionate shortfall has been progressively rising over successive surveys. These two observations hold regardless of whether we use the URP or MRP estimate of monthly per-capita expenditure available from the NSSO. Figure 1 graphically depicts this phenomenon in the case of URP monthly per-capita expenditure, which is more readily available for all quinquennial surveys since 1983.

Precisely what explains the gap between the NSSO and NAS expenditures has important implications for poverty estimates. For example, if the gap in any given year is uniformly distributed across all expenditure classes as Bhalla (2002) assumes in his work, true expenditure in 2009-10 is uniformly more than twice what the survey finds. This would imply that many individuals currently classified as below the poverty line are actually above it. Moreover, a recognition that the proportionate gap between NSSO and NAS private expenditures has been rising over time implies that the poverty ratio is being over-estimated by progressively larger margins over time. At the other extreme, if the gap between NSSO and NAS expenditures is explained entirely by under-reporting of the expenditures by households classified as non-poor, poverty levels will not be biased upwards.

There are good reasons to believe, however, that the truth lies somewhere between these two extremes. The survey underrepresents wealthy consumers. For instance, it is unlikely that any of the billionaires and most of the millionaires are covered by the survey. Likewise, the total absence of error among households below the poverty line is highly unlikely. For example, recall that the expenditures on durables are systematically under-reported for the 30-days reference period relative to that for 365days reference period. Thus, in all probability households classified as poor account for a part of the gap so that there is some over-estimation of the poverty ratio at any given poverty line.³



Figure 1: NSSO household total URP expenditure estimate as percent of NAS total private consumption expenditure

Source: Author's construction based on data from Government of India (2008) until 2004-05 and the authors' calculation for 2009-10.

4. The Official Poverty Lines

The 1993 expert group headed by Lakdawala defined all-India rural and urban poverty lines in terms of per-capita total consumption expenditure at 1973-74 market prices. The underlying poverty-line-consumption baskets were anchored in the per-capita calorie norms of 2400 and 2100 in rural and urban areas, respectively. They also provided for the consumption of all goods and services present in the rural and urban

³ We do not go into the sources of under-estimation of expenditures in NSSO surveys. These are analyzed in detail in Government of India (2008). According to the report (p. 56), "The NSS estimates suffer from difference in coverage, under-reporting, recall lapse in case of non-food items or for the items which are less frequently consumed and increase in non-response particularly from affluent section of population. It is suspected that the household expenditure on durables is not fully captured in the NSS estimates, as the expensive durables are purchased more by the relatively affluent households, which do not respond accurately to the NSS surveys." Two items, imputed rentals of owner-occupied dwellings and financial intermediation services indirectly measured, which are included in the NAS estimate are incorporated into the NSSO expenditure surveys. But these account for only 7 to 9 percentage points of the discrepancy.

poverty line baskets. The lines were based on different underlying baskets, however. This meant that the two poverty lines represented different levels of real expenditures.

State-level rural poverty lines were derived from the national rural poverty line by adjusting the latter for price differences between national and state–level consumer price indices for agricultural laborers. Likewise, state-level urban poverty lines were derived from the national urban poverty line by adjusting the latter for price differences between the national and state–level consumer price indices for industrial laborers. National and state-level rural poverty lines were adjusted over time by applying the national and state-level price indices for agricultural workers, respectively. Urban poverty lines were adjusted similarly over time.

Lakdawala lines served as the official poverty lines until 2004-05. The Planning Commission applied them to URP-based expenditures in the quinquennial surveys to calculate official poverty ratios. Criticisms of these estimates on various grounds led the Planning Commission to appoint an expert group under the chairmanship of Suresh Tendulkar in December 2005 with the charge to recommend appropriate changes in methodology to compute poverty estimates. The group submitted its report in 2009.

In its report, the Tendulkar committee (Planning Commission 2009) noted three deficiencies of the Lakdawala poverty lines. First, the poverty line baskets remained tied to consumption patterns observed in 1973-74. But more than three decades later, these baskets had shifted, even for the poor. Second, the consumer price index for agricultural workers understated the true price increase. This meant that over time, the upward adjustment in the rural poverty lines was less than necessary so that the estimated poverty ratios understated rural poverty. Finally, the assumption that health and education would be largely provided by the government, underlying Lakdawala lines, did not hold any longer. Private expenditures on these services had risen considerably, even for the poor. This change was not adequately reflected in the Lakdawala poverty lines.

To remedy these deficiencies, the Tendulkar committee began by noting that the NSSO had already decided to shift from URP-based expenditures to MRP-based expenditures to measure poverty. With this in view, the committee's first step was to situate the revised poverty lines in terms of MRP expenditures in some generally acceptable aspect of the existing practice. To this end, it observed that since the nationwide urban poverty ratio of 25.7 percent, calculated from URP-based expenditures in the 2004-05 survey, was broadly accepted as a good approximation of prevailing urban poverty, the revised urban poverty line should be anchored to yield this same estimate using MRP-based per-capita consumption expenditure from the 2004-05 survey. This decision led to the MRP-based per-capita expenditure of the individual at the 25.7 percentile in the national distribution of per-capita MRP expenditures as the national urban poverty line.

The Tendulkar committee further argued that the consumption basket associated with the national urban poverty line also be accepted as the rural poverty line consumption basket. This implied the translation of the new urban poverty line using the appropriate price index to obtain the nationwide rural poverty line. Under this approach, rural and urban poverty lines became fully aligned. Applying MRP-based expenditures, the new rural poverty line yielded a rural poverty ratio of 41.8 percent in 2004-05 compared with 28.3 percent under the old methodology. State-level rural and urban poverty lines were also to be derived from the national urban poverty line by applying the appropriate price indices derived from the price information within the sample surveys themselves. This methodology fully aligned all poverty lines.

5. Controversies Regarding Poverty Lines⁴

We address here the two rounds of controversies over the poverty line that broke out in the media in September 2011 and March 2012. The first round of controversy began with the Planning Commission filing an affidavit with the Supreme Court stating that the poverty line at the time was on average 32 and 26 rupees per person per day in urban and rural India, respectively. Being based on the Tendulkar methodology, these lines were actually higher than the Lakdawala lines on which the official poverty estimates had been based until 2004-05. However, the media and civil society groups pounced on the Planning Commission for diluting the poverty lines so as to inflate poverty reduction numbers and to deprive many potential beneficiaries of entitlements. For its part, the Planning Commission did a poor job of explaining to the public precisely what it had done and why.

The controversy resurfaced in March 2012 when the Planning Commission released the poverty estimates based on the 2009-10 expenditure survey. The Planning Commission reported that these estimates were based on average poverty lines of 28.26 and 22.2 rupees per person per day in urban and rural areas, respectively. Comparing these lines to those previously reported to the Supreme Court, the media once again accused the Planning Commission of lowering the poverty lines.⁵ The truth of the matter was that whereas the poverty lines reported to the Supreme Court were meant to reflect the price level prevailing in mid-2011, those underlying poverty estimates for 2009-10 were based on the mid-point of 2009-10. The latter poverty lines were lower because the price level at the mid-point of 2009-10 was lower than that in mid-2011. In real terms, the two sets of poverty lines were identical.

While there was no basis to the accusations that the Planning Commission had lowered the poverty lines, the issue of whether the poverty lines remain excessively low despite having been raised does require further examination. In addressing this issue, it is important to be clear about the objectives behind the poverty line.

Potentially, there are two main objectives behind poverty lines: to track the progress made in combating poverty and to identify the poor towards whom redistribution programs can be directed. The level of the poverty line must be evaluated separately against each objective. In principle, we may want separate poverty lines for the two objectives.

With regard to the first objective, the poverty line should be set at a level that allows us to track the progress made in helping the truly destitute or those living in abject poverty, often referred to as extreme poverty. Much of the media debate during the two episodes focused on what could or could not be bought with the poverty-line

⁴ This section is partially based on Panagariya (2011).

⁵ See, for example, the report by the NDTV entitled "Planning Commission further lowers poverty line to Rs. 28 per day" at <u>http://www.ndtv.com/article/india/planning-commission-further-lowers-poverty-line-to-rs-28-per-day-187729</u> (accessed December 29, 2012).

expenditure.⁶ There was no mention of the basket of goods that was used by the Tendulkar Committee to define the poverty line.

In Annexure E of its report, the Tendulkar Committee gave a detailed itemized list of the expenditures of those "around poverty line class for urban areas in all India". Unfortunately, it did not report the corresponding quantities purchased of various commodities. In this paper, we now compute these quantities from unit-level data where feasible and report them in Table 1 for a household consisting of five members.⁷ Our implicit per-person expenditures on individual items are within 3 rupees of their corresponding expenditures reported in Annexure E of the Tendulkar Committee report.

We report quantities wherever the relevant data are available. In the survey, the quantities are not always reported in weights. For example, lemons and oranges are reported in numbers and not in kilograms. In these cases, we have converted the quantities into kilograms using the appropriate conversion factors. The main point to note is that while the quantities associated with the poverty line basket may not permit a comfortable existence including a balanced diet, they allow above-subsistence existence. The consumption of cereals and pulses at 50.9 and 3.5 kilograms compare with 48 and 5.5 kilograms, respectively, for the mean consumption of the top 30 percent of the population. Likewise the consumption of edible oils and vegetables at 2.7 and 23.9 kilograms for the poor compare with 4.5 and 35.5 kilograms, respectively, for the top 30 percent of the provision of two square meals a day, the poverty line consumption basket is compatible with above-subsistence-level consumption.

We reiterate our point as follows. In 2009-10, the urban poverty line in Delhi was 1040.3 rupees per person per month (34.2 rupees per day). For a family of five, this amount would translate into 5,201.5 rupees per month. Assuming that each family member consumes ten kilograms per month of cereal and one kilogram per month of pulses and the prices of the two grains are 15 and 80 rupees per kilogram, respectively, the total expenditure on grain would be 1,150 rupees.⁹ This would leave 4,051.5 rupees for milk, edible oils, fuel, clothing, rent, education, health and other expenditures. While this amount may not allow a fully balanced diet, comfortable living and access to good education and health, it is consistent with an above-subsistence level of existence. Additionally, if we take into account access to public education and health and subsidized grain and fuel from the public distribution system, the poverty line is scarcely out of line with the one that would allow exit from extreme poverty.

But what about the role of the poverty line in identifying the poor for purposes of redistribution? Ideally, this exercise should be carried out at the local level in light of resources available for redistribution since the poor must ultimately be identified locally.

⁶ For instance, one commentator argued in a heated television debate that since bananas in Jor Bagh (an upmarket part of Delhi) cost Rupees 60 a dozen, an individual could barely afford two bananas per meal per day at poverty line expenditure of 32 rupees per person per day.

⁷ We thank Rahul Ahluwalia for supplying us with Table 1. The expenditures in the table represent the average of the urban decile class including the urban poverty line. Since the urban poverty line is at 25.7 percent of the population, the table takes the average over those between 20th and 30th percentile of the urban population.

⁸ The consumption figures for the top 30 percent of the population are from Ganesh-Kumar et al (2012).

⁹ These amounts of cereal and pulses equal or exceed their mean consumption levels according to the 2004-05 NSSO expenditure survey.

Nevertheless, if the national poverty line is used to identify the poor, could we still defend the Tendulkar line as adequate? We argue in the affirmative.

Commodity group	Consumption at poverty line class (current rupees)	Budget Shares around poverty line class(%)	Quantity consumed at poverty line class (kg)
Cereal	479.5	16.6	50.9
Pulses	97.0	3.4	3.5
Milk and milk products	223.5	7.8	16.2
Edible Oil	142.5	4.9	2.7
Eggs, Fish & Meat	99.0	3.4	6.2 eggs & 1.7 meat
Vegetables	191.0	6.6	23.9
Fresh Fruits	38.0	1.3	4.7
Dry Fruits	10.5	0.4	0.3
Sugar	66.5	2.3	3.7
Salt and spices	62.0	2.2	2.2
Intoxicants	64.0	2.2	n/a
Fuel	350.5	12.2	n/a
Other	138.0	4.8	n/a
Clothing	191.0	6.6	n/a
Footwear	30.5	1.1	n/a
Education	96.5	3.4	n/a
Medical : Institutional	21.5	0.7	n/a
Medical : Non Institutional	105.0	3.6	n/a
Entertainment	30.5	1.1	n/a
Personal items	90.0	3.1	n/a
Other goods	70.5	2.4	n/a
Other services	87.5	3.0	n/a
Durables	45.0	1.6	n/a
Rent and conveyance	149.5	5.2	n/a
Total	2880.0	100.0	n/a

Table 1: The Tendulkar poverty line basket

Source: Calculations from the NSSO expenditure survey, 2004-05, by Rahul Ahluwalia of International School of Business, Hyderabad

Going by the urban and rural population weights of 0.298 and 0.702 implicit in the population projections for January 1, 2010, the average countrywide per-capita MRP expenditure during 2009-10 works out to 40.2 rupees per person per day. Therefore,

going by the expenditure survey data, equal distribution across the entire country would allow barely 40.2 rupees per person per day in expenditures. Raising the poverty line significantly above the current level must confront this limit with regard to the scope for redistribution.

It could be argued that this discussion is based on the expenditure data in the expenditure survey, which underestimates true expenditures. The scope for redistribution might be significantly greater if we go by expenditures as measured in the National Accounts Statistics. The response to this criticism is that the surveys underestimate not just the average national expenditure, but also the expenditures of those identified as poor. Depending on the extent of this underestimation, the need for redistribution itself would be overestimated.

Even so, it is useful to test the limits of redistribution by considering the average expenditure according to the National Accounts Statistics. The total private final consumption expenditure at current prices in 2009-10 was 37,959.01 billion rupees. Applying the population figure of 1.174 billion as of January 1, 2010 in the NSSO 2009-10 expenditure survey, this total annual expenditure translates into daily expenditure of 88.58 rupees per person. This figure includes certain items such as imputed rent on owner occupied housing and expenditures other than those by households such as the expenditures of civil society groups, which would not be available for redistribution. Thus, per-capita expenditures achievable through equal distribution, even when we consider the expenditures as per the national accounts statistics, is likely to by modest.

To appreciate further the folly of setting too high a poverty line for purposes of identifying the poor, recall that the national average poverty line was 22.2 rupees per person per day in rural areas and 28.26 rupees in urban areas in 2009-10. Going by the expenditure estimates for different expenditure classes in Government of India (2011a), raising these lines to just 33.3 and 45.4 rupees, respectively, would place 70% of the rural and 50% of the urban population in poverty in 2009-10. If we went a little further and set the rural poverty line at 39 rupees per day and the urban poverty line at 81 rupees per day in 2009-10, we would place 80 percent of the population in each region below the poverty line. Will the fate of the destitute not be compromised if the meager tax revenues available for redistribution were thinly spread on this much larger population?¹⁰

6. Poverty at the National Level

Official poverty estimates are available at the national and state levels for the entire population but not by social or religious groups for all years during which the NSSO conducted quinquennial surveys. Excluding the 1999-2000 survey, which became non-comparable to other quinquennial surveys due to a change in sample design, these years consist of 1973-74, 1977-78, 1983, 1987-88, 1993-94, 2004-05 and 2009-10¹¹. The Planning Commission has published poverty ratios for the first six of these surveys at the

¹⁰ Recently, Panagariya (2013) has suggested that if political pressures necessitate shifting up the poverty line, the government should opt for two poverty lines, the Tendulkar line, which allows it to track those in extreme poverty, and a higher one that is politically more acceptable in view of the rising apsirations of the people.

¹¹ Data from the 2011-12 Survey is now available – see Panagariya and More (2013).

Lakdawala lines and for the last three at the Tendulkar lines for rural and urban areas at the national and state levels.

In this paper, we provide comparable poverty rates for all of the last five quinquennial surveys including 2009-10 at Lakdawala lines. For this purpose, we update the 2004-05 Lakdawala lines to 2009-10 using the price indices implicit in the official Tendulkar lines for 2004-05 and 2009-10 at the national and state levels. We provide estimates by both social and religious groups for all quinquennial surveys beginning in 1983 at the Lakdawala lines and for the years relating to the last three such surveys at Tendulkar lines at the national and state levels.

While we focus mainly on the evolution of poverty since 1983 in this paper, it is useful to begin with a brief look at the poverty profile in the early years. This is done in Figure 2 using the estimates in Datt (1998) for years 1951-52 to 1973-74. The key message of the graph is that the poverty ratio hovered between approximately 50 and 60 percent with a mildly rising trend. This is not surprising. India was extremely poor at independence. Subsequently, unlike countries such as Taiwan, China; South Korea; Singapore; and Hong Kong SAR, China, the country grew very slowly. Growth in percapita income during these years was a mere 1.5 percent per year. Such low growth coupled with a very low starting per-capita income meant at best limited scope for achieving poverty reduction even through redistribution. As argued above, even today, after more than two decades of almost 5 percent growth in per-capita income, the scope for redistribution remains limited.¹²



Figure 2: The poverty ratio in India, 1951-52 to 1973-74.

¹² The issue is discussed at length in Bhagwati and Panagariya (2012).

We are now in a position to provide the poverty rates for the major social groups based on the quinquennial expenditure surveys beginning in 1983. The social groups identified in the surveys are Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Castes (OBC) and the rest, which we refer to as forward castes (FC). In addition, we define the non-scheduled castes as consisting of the OBC and FC. The NSSO began identifying the OBC beginning in 1999-2000. Since we are excluding this survey due to its lack of comparability with other surveys, the OBC as a separate group begins appearing in our estimates from 2004-05 only.

In Table 2, we provide the poverty rates at the Lakdawala lines in rural and urban areas and the two regions combined at the national level. Four features of this table are worthy of note. First and foremost, the poverty rates have declined between every pair of successive surveys for every single social group in each rural and urban area. Contrary to common claims, growth has been steadily helping the poor from every broad social group rather than leaving the socially disadvantaged behind.

Social group	1983	1987-88	1993-94	2004-05	2009-10
-			Rural		
ST	64.9	57.8	51.6	47.0	30.5
SC	59.0	50.1	48.4	37.2	27.8
OBC				25.9	18.7
FC				17.5	11.6
NS	41.0	32.8	31.3	22.8	16.2
All groups	46.6	38.7	37.0	28.2	20.2
			Urban		
ST	58.3	56.2	46.6	39.0	31.7
SC	56.2	54.6	51.2	41.1	31.5
OBC				31.3	25.1
FC				16.2	12.1
NS	40.1	36.6	29.6	22.8	18.2
All groups	42.5	39.4	33.1	26.1	20.7
		I	Rural + Urbar	า	
ST	64.4	57.6	51.2	46.3	30.7
SC	58.5	50.9	48.9	38.0	28.6
OBC				27.1	20.3
FC				17.0	11.8
NS	40.8	33.9	30.8	22.8	16.8
All groups	45.7	38.9	36.0	27.7	20.3

Table 2: National rural and urban poverty rates by social groups at Lakdawala lines

Second, predictably, the poverty rates in rural India are consistently the highest for the ST followed by the SC, OBC and FC in that order. This pattern also holds in urban areas though with some exceptions. In particular, in some years, the ST poverty rates are lower than the SC rates but this is not of great significance since more than 90 percent of the ST population lives in rural areas.

Third, with growth accelerating to above 8 percent beginning in 2003-04, poverty reduction between 2004-05 and 2009-10 also accelerated. The percentage-point reduction during this period was larger than during any other five-year period. Most importantly, the acceleration was the greatest for the ST and SC in that order so that at last the gap in poverty rates between the scheduled and non-scheduled groups declined significantly.

Finally, while the rural poverty rates were slightly higher than the urban rates for all groups in 1983, the order switched for one or more groups in several of the subsequent years. Indeed, in 2009-10, the urban rates turn out to be uniformly higher for every single group. This largely reflects progressive misalignment of the rural and urban poverty lines with the former becoming lower than the latter. It was this misalignment that led the Tendulkar Committee to revise the rural poverty line to realign it to the higher, urban line.

Table 3 reports the poverty estimates based on the Tendulkar lines. Recall that the Tendulkar line holds the urban poverty ratio at 25.7 percent in 2004-05 when measuring poverty at MRP expenditures. Our urban poverty ratio in Table 3 reproduces this estimate within 0.1 percentage point.

The decline in poverty rates between every two successive surveys for every social group in rural as well as urban areas, which we noted at the Lakdawala lines in Table 2, remains valid at the Tendulkar lines. Moreover, rural poverty ratios now turn out to be higher than their urban counterparts for each group in each year. As in Table 2, the decline is the sharpest during the high-growth period between 2004-05 and 2009-10. Finally and most importantly, the largest percentage-point decline between these years in rural and urban areas combined is for the ST followed by the SC, OBC and FC in that order. Given that the ST also had the highest poverty rates followed by SC, OBC and ST in that order in 2004-05, this pattern implies that the socially disadvantaged groups have done significant catching up with the better off groups. This is a major break with past trends¹³.

Social group	1993-94	2004-05	2009-10
		Rural	
ST	65.7	64.5	47.4
SC	62.1	53.6	42.3
OBC		39.9	31.9
FC		27.1	21.0
NS	43.8	35.1	28.0
All groups	50.1	41.9	33.3
		Urban	
ST	40.9	38.7	30.4
SC	51.4	40.6	34.1

Table 3: National rural and urban poverty rates by social groups at the Tendulkar line

¹³ Panagariya and More (2013) find further evidence of this trend - the poverty ratio for each social group, in rural as well as urban areas in 2011-12, is lower than in 2009-10.

OBC		30.8	24.3
FC		16.2	12.4
NS	28.1	22.6	18.0
All groups	31.7	25.8	20.9
		Rural + Urban	
ST	63.5	62.4	45.6
SC	60.2	51.0	40.6
OBC		37.9	30.0
FC		23.0	17.6
NS	39.3	31.5	24.9
All groups	45.5	37.9	29.9

Next, we report the national poverty rates by religious groups. In Table 4, we show the poverty rates at Lakdawala lines in rural and urban India and the country taken as a whole. Three observations follow. First, at the aggregate level (rural plus urban), poverty rates show a decline between every pair of successive surveys in the case of Hindus, Muslims, Christians, Jains and Sikhs. Poverty among the Buddhists also declines steadily with the exception of between 1983 and 1987-88. With one exception (Muslims in rural India between 1987-88 and 1993-94), the pattern of declining poverty rates between any two successive surveys also extends to the rural and urban poverty rates in the case of the two largest religious communities, Hindus and Muslims.

Second, going by the poverty rates in 2009-10 in rural and urban areas combined, Jains have the lowest poverty rates followed by Sikhs, Christians, Hindus, Muslims and Buddhists in that order. Prosperity among Jains and Sikhs is well known but the lower level of poverty among Christians relative to Hindus is less well known. Also interesting is the relatively small gap of 5.8 percentage points between poverty rates among Hindus and Muslims.

Finally, the impact of accelerated growth on poverty between 2004-05 and 2009-10 that we observed across social groups can also be seen across religious groups. Once again, we see a sharper decline in the poverty rate for the largest minority, Muslims, relative to Hindus who form the majority of the population.

This broad pattern holds when we consider poverty rates by religious groups at the Tendulkar line, as seen in Table 5. Jains have the lowest poverty rates followed by Sikhs, Christians, Hindus, Muslims and Buddhists in that order. With one exception (Sikhs in rural India between 1993-94 and 2004-05), poverty declines between every pair of successive surveys for every religious group in rural as well as urban India. The only difference is that the decline in poverty among Muslims in rural and urban areas combined between 2004-05 and 2009-10 is not as sharp as at the Lakdawala lines¹⁴. As a result, we do not see a narrowing of the difference in poverty between Hindus and Muslims when taking rural and urban regions together. We do see a narrowing of the difference in urban poverty but this gain is neutralized by the opposite movement in the

¹⁴ Panagariya and More (2013) find that the poverty rates for all religious groups, with the exception of Jains, in rural as well as urban areas declines steadily between 2009-10 and 2011-12.

rural areas due to a very sharp decline in poverty among Hindus, perhaps due to the rapid decline in poverty among the SC and the ST.

Religion	1983	1987-88	1993-94	2004-05	2009-10
			Rural		
Buddhism	59.4	57.7	53.8	43.4	33.6
Christianity	38.3	33.2	34.9	19.6	12.9
Hinduism	47.0	40.0	36.6	28.0	20.4
Islam	51.3	44.1	45.1	33.0	21.7
Jainism	12.9	7.8	14.1	2.6	0.0
Sikhism	12.0	10.1	11.7	10.4	3.7
Others	46.1	46.9	41.5	51.4	24.2
Total	46.5	39.8	37.0	28.2	20.2
			Urban		
Buddhism	51.1	62.1	51.9	42.2	39.3
Christianity	30.7	30.1	24.5	15.3	13.0
Hinduism	38.8	37.5	31.0	23.8	18.5
Islam	55.1	55.1	47.8	40.7	33.7
Jainism	18.5	17.7	6.4	4.5	2.1
Sikhism	19.7	11.3	11.1	3.2	5.5
Others	35.9	45.5	34.2	18.1	7.9
Total	40.4	39.8	33.1	26.1	20.7
		R	ural + Urba	n	
Buddhism	57.5	58.9	53.2	43.0	36.0
Christianity	36.3	32.3	31.6	18.2	13.0
Hinduism	45.5	39.5	35.3	27.0	20.0
Islam	52.2	47.5	46.0	35.5	25.8
Jainism	16.8	14.2	8.3	4.1	1.9
Sikhism	13.4	10.4	11.6	8.8	4.2
Others	42.7	45.7	39.4	47.0	20.1
Total	45.4	39.8	36.0	27.7	20.4

 Table 4: National rural and urban poverty rates by religious groups at Lakdawala lines

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Religion	1993-94	2004-05	2009-10
		Rural	
Buddhism	73.2	65.8	44.1
Christianity	44.9	29.8	23.8
Hinduism	50.3	42.0	33.5
Islam	53.5	44.6	36.2
Jainism	24.3	10.6	0.0
Sikhism	19.6	21.8	11.8
Others	57.3	57.8	35.3
Total	50.1	41.9	33.3
		Urban	
Buddhism	47.2	40.4	31.2
Christianity	22.6	14.4	12.9
Hinduism	29.5	23.1	18.7
Islam	46.4	41.9	34.0
Jainism	5.5	2.7	1.7
Sikhism	18.8	9.5	14.5
Others	31.5	18.8	13.6
Total	31.7	25.8	20.9
	R	Rural + Urba	n
Buddhism	64.9	56.0	39.0
Christianity	38.4	25.0	20.5
Hinduism	45.4	37.5	29.7
Islam	51.1	43.7	35.5
Jainism	10.2	4.6	1.5
Sikhism	19.4	19.0	12.5
Others	51.2	52.5	29.9
Total	45.5	37.8	29.9

Table 5: National rural and urban poverty rates by religious groups at Tendulkar lines

7. Poverty in the States: Rural and Urban

We now turn to the progress made in poverty alleviation in different states. Though our focus in the paper is on poverty by social and religious groups, we first consider it at the aggregate level in rural and urban areas. India has 28 states and 7 union territories. To keep the analysis manageable, we limit ourselves to the 17 largest states.¹⁵ Together, these states account for 95 percent of the total population. We exclude all seven union territories including Delhi; the smallest six of the seven northeastern states (retaining only Assam); and the states of Sikkim, Goa, Himachal Pradesh and Uttaranchal. Going by the expenditure survey of 2009-10, each of the included states has a population exceeding 20 million while each of the excluded states has a population less than 10 million. Among the union territories, only Delhi has a population exceeding 10 million.

7.1. Rural and Urban Populations

We begin by presenting, in Table 6, the total population in each of the 17 largest states and its distribution between rural and urban areas as revealed by the NSSO expenditure survey of 2009-10.¹⁶ The population totals in the expenditure survey are lower than the corresponding population projections by the Registrar General and Census Commissioner of India (2006) as well as those implied by Census 2011.¹⁷ Our choice is dictated by the fact that poverty estimates should be evaluated with reference to the population underlying the survey design instead of those suggested by external sources. For example, the urban poverty estimate in Kerala in 2009-10 must be related to the urban population in the state underlying the expenditure survey in 2009-10 instead of projections based on the Census 2001 and Census 2011.¹⁸

According to Table 6, 27 percent of the national population lived in urban areas and the remaining 73 percent in the rural areas in 2009-10. This composition understates the true share of the urban population, which was revealed to be 31.2 percent in the Census 2011. The table shows ten states having populations of more than 50 million (60 million according to the Census 2011). We will refer to these ten states as the **large**

¹⁵ Although Delhi has its own elected legislature and Chief Minister, it remains a union territory. For example, central home ministry has the effective control of the Delhi police through lieutenant governor who is the de jure head of the Delhi government and appointed by the Government of India.

¹⁶ Our absolute totals for rural and urban areas of the states and India in Table 6 match those in Tables 1A-R and 1A-U, respectively, in Government of India (2011b).

¹⁷ The Planning Commission derives the absolute number of poor from poverty ratios using census-based population projections. Therefore, the population figure underlying the absolute number of poor estimated by the Planning Commission are higher than those in Table 6, which are based on the expenditure survey of 2009-10.

¹⁸ This distinction is a substantive in the case of states in which the Censuses reveal the degree of urbanization to be very different than that underlying the design of the expenditure surveys. For example, the expenditure survey of 2009-10 places the urban population in Kerala at 26 percent of the total in 2009-10. But the Census 2011 finds the rate of urbanization in the state to be 47.7 percent.

states. They account for a little more than three-fourths of the total population of India. At the other extreme, eleven **small** states (excluded from our analysis and therefore not shown in Table 6) have populations of less than ten million (13 million according to the Census 2011) each. The remaining seven states, which we call **medium**-size states, have populations ranging from 36 million in Orissa to 22 million in Chhattisgarh (42 million in Orissa to 25.4 million in Chhattisgarh, according to the Census 2011).

	Percent	Percent	Total
State	Rural	Urban	Million)
Uttar Pradesh	80	20	175
Maharashtra	58	42	97
Bihar	90	10	84
Andhra Pradesh	72	28	77
West Bengal	76	24	75
Tamil Nadu	55	45	64
Madhya Pradesh	76	24	62
Rajasthan	76	24	62
Gujarat	62	38	54
Karnataka	65	35	53
Orissa	86	14	36
Kerala	74	26	31
Assam	90	10	28
Jharkhand	80	20	26
Haryana	70	30	23
Punjab	65	35	23
Chhattisgarh	82	18	22
Total (17 largest states)	74	26	993
Total (all India)	73	27	1,043

Table 6: Rural and urban population in the largest 17 states of India, 2009-10

Among the large states, Tamil Nadu, Maharashtra, Gujarat and Karnataka, in that order, are the most urbanized with 35 percent or higher rate of urbanization. Bihar is the least urbanized among the large states and has an urbanization rate of just 10 percent. Among the medium-size states, only Punjab has 35 percent urban population, with the rest having urbanization rates of 30 percent or less. Assam and Orissa, with just 10 and 14 percent urban populations, respectively, are the least urbanized medium-size states.

7.2. Rural and Urban Poverty

We now turn to the estimates of rural and urban poverty in the 17 largest states. To conserve space, throughout the text of the paper, we confine ourselves to presenting the estimates at the Tendulkar line. In the appendix, we report the estimates at the Lakdawala lines. Recall that the estimates at the Tendulkar line are available for three years: 1993-94, 2004-05 and 2009-10. Disregarding 1973-74 and 1977-78, which are

outside the cope of our paper, estimates at Lakdawala lines are available for two additional years: 1983 and 1987-88.

Table 7 reports the poverty estimates with the states arranged in descending order of their populations. Several observations follow. First, taken as a whole, poverty fell in each of the 17 states between 1993-94 and 2009-10. When we disaggregate rural and urban areas within each state, we still find a decline in poverty in all states in each region over this period. Indeed, if we take the ten largest states, which account for three-fourths of India's population, every state except Madhya Pradesh experienced a decline in both rural and urban poverty between every two successive surveys. The reduction in poverty with rising incomes is a steady and nationwide phenomenon and not driven by the gains made in a few specific states or just rural or just urban areas of a given state.

Second, acceleration in percentage points per year poverty reduction during the highest growth period of 2004-05 to 2009-10 over that during 1993-94 to 2004-05 can be observed in 13 out of the 17 states. The exceptions are Uttar Pradesh and Bihar among large states and Assam and Haryana among medium-size states. Of these, Uttar Pradesh and Assam had experienced at best modest acceleration in the Gross State Domestic Product (GSDP) during the second period while Haryana had already achieved a relatively low level of poverty by 2004-05. The most surprising is the negligible decline in poverty in Bihar between 2004-05 and 2009-10 since its GSDP had grown at a double-digit rate during this period.

		Rural			Urban			Total	
	1993-	2004-	2009-	1993-	2004-	2009-	1993-	2004-	2009-
State	94	05	10	94	05	10	94	05	10
Uttar Pradesh	50.9	42.7	39.4	38.2	34.1	31.7	48.4	41.0	37.9
Maharashtra	59.2	47.8	29.5	30.2	25.6	18.3	48.4	38.9	24.8
Bihar	62.3	55.7	55.2	44.6	43.7	39.4	60.6	54.6	53.6
Andhra Pradesh	48.0	32.3	22.7	35.1	23.4	17.7	44.7	30.0	21.3
West Bengal	42.4	38.3	28.8	31.2	24.4	21.9	39.8	34.9	27.1
Tamil Nadu	51.0	37.6	21.2	33.5	19.8	12.7	44.8	30.7	17.4
Madhya Pradesh	48.8	53.6	42.0	31.7	35.1	22.8	44.4	49.3	37.3
Rajasthan	40.7	35.9	26.4	29.9	29.7	19.9	38.2	34.5	24.8
Gujarat	43.1	39.1	26.6	28.0	20.1	17.6	38.2	32.5	23.2
Karnataka	56.4	37.4	26.2	34.2	25.9	19.5	50.1	33.9	23.8
Orissa	63.0	60.7	39.2	34.3	37.6	25.9	59.4	57.5	37.3
Kerala	33.8	20.2	12.0	23.7	18.4	12.1	31.4	19.8	12.0
Assam	55.0	36.3	39.9	27.7	21.8	25.9	52.2	35.0	38.5
Jharkhand	65.7	51.6	41.4	41.8	23.8	31.0	61.1	47.2	39.3
Haryana	39.9	24.8	18.6	24.2	22.4	23.0	35.8	24.2	19.9
Punjab	20.1	22.1	14.6	27.2	18.7	18.0	22.2	21.0	15.8
Chhattisgarh	55.9	55.1	56.1	28.1	28.4	23.6	51.1	51.0	50.3
India	50.1	41.9	33.3	31.7	25.8	20.9	45.5	37.9	29.9

Table 7: Rural and urban poverty in Indian states (percent)

Finally, among the large states, Tamil Nadu has the lowest poverty ratio followed by Andhra Pradesh and Gujarat in that order. Tamil Nadu, Karnataka and Andhra Pradesh—all of them from the south—have made the largest percentage-point gains in poverty reduction among the large states between 1993-94 and 2009-10. Among the medium-size states, Kerala and Haryana in that order have the lowest poverty rates while Orissa and Jharkhand have made the largest percentage-point gains during 1993-94 to 2009-10.

It is useful to relate the poverty levels to per-capita expenditures. In Table 8, we present per-capita expenditures in current rupees in the 17 states in the three years for which we have the poverty ratios, with the states ranked in descending order of population. Ideally, we should have the MRP expenditures for all three years but since they are available for only the last two years, we report the URP expenditures for 1993-94. Several observations follow from a comparison of Tables 7 and 8.

1 1	1993-94 (URP) 2004-05 (MRP)				2009-10 (MRP)	
State	Rural	Urban	Rural	Urban	Rural	Urban
Uttar Pradesh	274	389	539	880	832	1512
Maharashtra	273	530	597	1229	1048	2251
Bihar	218	353	445	730	689	1097
Andhra Pradesh	289	409	604	1091	1090	2015
West Bengal	279	474	576	1159	858	1801
Tamil Nadu	294	438	602	1166	1017	1795
Madhya Pradesh	252	408	461	893	803	1530
Rajasthan	322	425	598	945	1035	1577
Gujarat	303	454	645	1206	1065	1914
Karnataka	269	423	543	1138	888	2060
Orissa	220	403	422	790	716	1469
Kerala	390	494	1031	1354	1763	2267
Assam	258	459	577	1130	867	1604
Jharkhand			439	1017	724	1442
Haryana	385	474	905	1184	1423	2008
Punjab	433	511	905	1306	1566	2072
Chhattisgarh			445	963	686	1370
All-India	281	458	579	1105	953	1856

Table 8: Per-capita expenditures in current rupees in rural and urban areas in the states

First, high per-capita expenditures are associated with low poverty ratios. For example consider rural poverty in 2009-10. Kerala, Punjab and Haryana in that order have the highest rural per-capita expenditures. They also have the lowest poverty ratios in the same order. At the other extreme, Chhattisgarh and Bihar in that order have the lowest rural per-capita expenditures and also the highest rural poverty ratios. More broadly, the top nine states by rural per-capita expenditure are also the top nine states in terms of low poverty ratios. A similar pattern can also be found for urban per-capita expenditures and urban poverty. Once again, Kerala ranks at the top and Bihar at the bottom in terms of each indicator. Figure 3 offers a graphical representation of the relationship in rural and urban India in 2009-10 using state level data.



Figure 3: Poverty and per-capita MRP expenditure in rural and urban areas in Indian states, 2009-10

Second, one state, which stands out in terms of low poverty ratios despite a relatively modest ranking in terms of per-capita expenditure, is Tamil Nadu. It ranked eighth in terms of rural per-capita expenditure but fourth in terms of rural poverty in 2009-10. In terms of urban poverty it did even better, ranking a close second despite its ninth rank in terms of urban per-capita expenditure. Gujarat also did very well in terms of urban poverty, ranking third in spite of the seventh rank in terms of urban per-capita expenditure.

Finally, there is widespread belief that Kerala has achieved the lowest rate of poverty despite its low per-capita income through more effective redistribution. Table 8 entirely repudiates this thesis. In 1993-94, Kerala already had the lowest rural and urban poverty ratios and it enjoyed the second highest rural per-capita expenditure and third highest urban per-capita expenditure among the 17 states. Moreover, in terms of percentage-point reduction in poverty, all other southern states dominate Kerala. For example, between 1993-94 and 2004-05, Tamil Nadu achieved 27.4-percentage points reduction in poverty compared to 19.3 percentage points by Kerala. We may also add that Kerala has had very high inequality of expenditures. In 2009-10, the Gini coefficient associated with expenditures in the state was by far the highest among all states in rural as well as urban areas.

8. Poverty in the States by Social Groups

In this section we decompose population and poverty by social groups. As previously mentioned, traditionally, the expenditure surveys have identified the social group of the households using a three-way classification: Scheduled Castes, Scheduled Tribes and non-scheduled castes. But beginning with the 1999-2000 survey, the last category was further subdivided into Other Backward Castes and the rest. The latter is sometimes called forward castes, a label we use in this paper.

We begin by describing the shares of the four social groups in the total population of the 17 states.

8.1. Population Distribution by Social Groups within the States

Table 9 reports the shares of various social groups in the 17 largest states according to the expenditure survey of 2009-10. We continue to rank the states according to population from the largest to the smallest.

						Total
State	ST	SC	OBC	FC	NS	(million)
Uttar Pradesh	1	25	51	23	74	175
Maharashtra	10	15	33	43	75	97
Bihar	2	23	57	18	75	84
Andhra Pradesh	5	19	49	27	76	77
West Bengal	6	27	7	60	67	75
Tamil Nadu	1	19	76	4	79	64
Madhya Pradesh	20	20	41	19	60	62
Rajasthan	14	21	46	19	65	62
Gujarat	17	11	37	35	72	54
Karnataka	9	18	45	28	73	53
Orissa	22	21	32	25	57	36
Kerala	1	9	62	27	90	31
Assam	15	12	26	47	73	28
Jharkhand	29	18	38	15	53	26
Haryana	1	29	30	40	70	23
Punjab	1	39	16	44	61	23
Chhattisgarh	30	15	41	14	55	22
India (17 states)	8	21	43	28	71	993
India (all states)	9	20	42	29	71	1043

Table 9: Shares of different social groups in the state population, 2009-10

Source: Authors' calculations from the NSSO expenditure survey, 2009-10

Nationally, the Scheduled Tribes constitute 9 percent of the total population of India according to the expenditure survey of 2009-10. In past surveys and the Census 2001, this proportion was 8 percent. The Scheduled Castes form 20 percent of the total population according to the NSSO expenditure surveys, though the Census 2001 placed this proportion at 16 percent. The OBC are not identified as a separate group in the censuses so that their proportion is available from the NSSO surveys only. The figure has varied from 36 to 42 percent across the three quinquennial expenditure surveys since the OBC began to be recorded as a separate group.

The Scheduled Tribes are more unevenly divided across states than the remaining social groups. In so far as the ST were very poor at independence and they happen to be outside the mainstream of the economy, ceteris paribus, states with high proportions of ST population are at a disadvantage in combating poverty relative to the other states. From this perspective, the four southern states enjoy a clear advantage: Kerala and Tamil Nadu have virtually no tribal populations while Andhra Pradesh and Karnataka have proportionately smaller tribal populations (5 and 9 percent of the total, respectively) than some of the northern states with high concentrations.

Among the large states, Madhya Pradesh, Gujarat and Rajasthan in that order have proportionately the largest concentrations of ST populations. The ST constitute 20, 17 and 14 percent of their respective populations. Some of the medium-size states, of course, have proportionately even larger concentrations of the ST populations. These include Chhattisgarh, Jharkhand and Orissa with the ST forming 30, 29 and 22 percent of their populations, respectively.

Since the traditional exclusion of the SC has meant that they began with a very high incidence of abject poverty and low levels of literacy, states with high proportions of them also face an uphill task in combating poverty. Even so, since the SC populations are not physically isolated from the mainstream of the economy, there is greater potential for the benefits of growth reaching them than the ST. This is illustrated, for example, by the emergence of some rupee millionaires among the SC but not the ST during the recent high-growth phase (Dehejia and Panagariya 2012).

Once again, at 9 percent, Kerala happens to have proportionately the smallest SC population among the 17 states listed in Table 9. Among the largest 10 states, West Bengal, Uttar Pradesh, Bihar, Rajasthan and Madhya Pradesh in that order have the highest concentrations of the SC populations. Among the medium-size states, Punjab, Haryana and Orissa in that order have proportionately the largest SC populations.

The SC and ST populations together account for as much as 40 and 35 percent of the total state population in Madhya Pradesh and Rajasthan, respectively. At the other extreme, in Kerala these groups together account for only 10 percent of the population. These differences mean that ceteris paribus, Madhya Pradesh and Rajasthan face a significantly more uphill battle in combating poverty than Kerala.

The ST populations also differ from the SC in that they are far more heavily concentrated in rural than urban areas. Table 10 illustrates this point. In 2009-10, 89 percent of the ST population was classified as rural. The corresponding figure was 80 for the SC, 75 for the OBC and 60 for FC.

Region	ST	SC	OBC	FC	NS	Total (million)
Rural	89	80	75	60	69	761
Urban	11	20	25	40	31	282
Total	100	100	100	100	100	1043

Table 10: Distribution of national population across social groups and regions (percent)

An implication of the small ST population in the urban areas in all states and in both rural and urban areas in a large number of states is that the random selection of households results in a relatively small number of ST households being sampled in urban areas nearly everywhere and in both rural and urban areas in many states. The problem is especially severe in many of the smallest states in which the total sample size is small in the first place. A small ST sample translates into a large error in the associated estimate of the poverty ratio. We will present the poverty estimates in all states and regions as long as positive group is sampled. Nevertheless, we caution the reader to the possibility of errors in Table 11 associated with the number of ST households in the 2009-10 survey.

State	Rural	Urban	Rural + Urban
Littar Dradesh	<u>16</u>	30	76
	40	30	70
Maharashtra	468	150	618
Bihar	66	21	87
Andhra Pradesh	312	76	388
West Bengal	230	74	304
Tamil Nadu	38	33	71
Madhya Pradesh	569	127	696
Rajasthan	407	75	482
Gujarat	467	81	548
Karnataka	153	107	260
Orissa	669	149	818
Kerala	31	13	44
Assam	488	84	572
Jharkhand	610	136	746
Haryana	13	9	22
Punjab	7	12	19
Chhattisgarh	520	98	618
India (all states)	5359	1323	6682

Table 11: Number of ST households in the 2009-10 expenditure survey

8.2. Poverty by Social Groups

We now turn to poverty estimates by social groups. We present statewide poverty ratios at the Tendulkar line for the ST, SC and non-scheduled castes in Table 12 and for the OBC and FC in Table 13. Separate rural and urban poverty estimates at both the Tendulkar and Lakdawala lines for each group are relegated to the appendix. As before, we arrange the states from the largest to the smallest according to population in Tables 12 and 13.

With one exception, Chhattisgarh, the poverty ratio declines for each group in each state between 1993-93 and 2009-10. There is little doubt that rising incomes have helped all social groups nearly everywhere. In the vast majority of the states, we also observe acceleration in the decline in poverty between 2004-05 and 2009-10 compared to between 1993-93 and 2004-05. Reassuringly, the decline in ST and SC poverty has accelerated recently with the gap in poverty rates between them and the non-scheduled castes narrowing.

		ST	8 1		SC	U		NS	
	1993-	2004-	2009-	1993-	2004-	2009-	1993-	2004-	2009-
State	94	05	10	94	05	10	94	05	10
Uttar Pradesh	45.7	41.7	40.1	68.1	55.2	52.4	42.8	36.7	32.9
Maharashtra	71.5	68.1	48.5	65.0	52.9	34.7	41.9	32.3	19.8
Bihar	72.1	59.1	62.0	75.4	77.0	67.7	56.0	48.2	49.2
Andhra Pradesh	56.7	59.3	37.6	61.7	40.3	24.5	39.8	24.7	19.4
West Bengal	64.2	54.0	31.6	48.5	37.9	32.6	33.5	31.9	24.5
Tamil Nadu	47.4	41.9	14.1	64.0	48.6	28.8	39.4	25.5	14.7
Madhya Pradesh	68.3	77.4	61.0	55.6	62.0	41.9	33.0	35.9	27.9
Rajasthan	62.1	57.9	35.4	54.0	49.0	37.1	29.6	25.2	18.7
Gujarat	51.2	54.7	47.6	54.1	40.1	21.8	32.6	27.1	17.6
Karnataka	68.6	51.2	24.2	69.1	53.8	34.4	43.6	27.6	21.2
Orissa	80.4	82.8	62.7	60.6	67.4	47.1	50.6	44.8	24.0
Kerala	35.2	54.4	21.2	50.3	31.2	27.4	29.4	17.8	10.4
Assam	54.1	28.8	31.9	57.8	44.3	36.6	51.3	35.2	40.2
Jharkhand	71.2	59.8	50.9	72.5	59.7	43.5	53.3	38.9	31.5
Haryana	65.7	6.7	57.4	59.1	47.4	37.8	27.4	16.3	12.1
Punjab	36.8	18.7	15.5	37.7	37.9	29.2	13.9	11.5	7.3
Chhattisgarh	64.0	62.9	65.0	52.6	48.0	60.1	42.1	44.5	39.6
Total (India)	63.5	62.4	45.6	60.2	51.0	40.6	39.3	31.5	24.9

Table 12: Poverty in the states by social groups at the Tendulkar Line (percent)

The negative relationship between poverty ratios and per-capita expenditures we depicted in Figure 3 can also be observed for the social groups taken separately. Using the rural poverty estimates by social groups from the appendix, we show this relationship between SC poverty and per capita rural expenditures in the left panel and that between the ST poverty and per capita rural expenditures in the right panel of in Figure 4. Figure 4 closely resembles Figure 3. The fit in the right panel is poorer than that in the left panel as well as those in Figure 3. This is partially because the ST are often outside the mainstream of the economy and less responsive to rising per-capita incomes. This factor is presumably exacerbated by the fact that the number of observations in the case of the ST has been reduced to 11 due to the number of ST households in the sample dropping below 100 in six of the 17 states.





For years 2004-05 and 2009-10, we disaggregate the non-scheduled castes into the OBC and FC. The resulting poverty estimates are provided in Table 13. Taking the estimates in Tables 12 and 13 together, it can be seen that on average, poverty rates are the highest for the ST followed by SC, OBC and FC in that order. At the level of the individual states, the ranking between SC and ST poverty rates is not clear-cut but with rare exceptions the poverty rates for these two groups exceed systematically those for the OBC, which in turn exceed the rates for the FC.

	OI	BC	F	С
	2004-	2009-	2004-	2009-
State	05	10	05	10
Uttar Pradesh	42.2	38.7	24.4	20.3
Maharashtra	39.1	25.2	27.5	15.6
Bihar	52.5	55.0	33.9	30.2
Andhra Pradesh	29.7	23.3	16.3	12.3
West Bengal	27.5	27.0	32.3	24.2
Tamil Nadu	26.6	15.1	10.1	6.9
Madhya Pradesh	45.3	31.1	19.2	21.1
Rajasthan	28.0	22.1	19.4	10.5
Gujarat	40.5	28.1	12.4	6.3
Karnataka	34.6	23.9	20.1	16.7
Orissa	51.3	25.6	33.2	21.9
Kerala	21.3	12.3	10.1	5.9
Assam	31.4	30.2	36.5	45.8
Jharkhand	43.0	36.6	27.0	18.8
Haryana	28.1	19.5	8.1	6.5
Punjab	21.3	16.5	6.9	3.9
Chhattisgarh	48.4	43.3	26.3	28.6
Total (India)	37.9	30.0	23.0	17.6

 Table 13: Poverty at Tendulkar line among non-scheduled castes (percent)

An interesting feature of the FC poverty rates is their low level in all but a handful of the states. For example, in 2009-10, the FC poverty rate is just 3.9 percent in Punjab, 5.9 percent in Kerala, 6.5 percent in Haryana, 6.9 percent in Tamil Nadu and 10.5 percent even in Rajasthan. In 14 of the largest 17 states, the FC poverty rate is below 25 percent. The states with low FC poverty rates generally also have low OBC poverty rates making the proportion of the SC and ST population the key determinant of the state-wide rate.

This point is best illustrated by a comparison of poverty rates between Punjab and Kerala. Poverty rates for the non-scheduled caste population in 2009-10 is 7.3 percent in Punjab and 10.4 percent in Kerala while those for scheduled castes are 29.2 and 27.4 percent, respectively, in the two states. Yet, since the SC constitute 39 percent of the population in Punjab but only 9 percent in Kerala, the statewide poverty rate turns out to be 15.8 percent in the former and 12 percent for the latter.

The caste composition also partially helps explain the differences in the poverty rates between Maharashtra and Gujarat on the one hand and Kerala on the other. Statewide poverty rates in the former states were 24.8 and 23.2 percent, respectively, and 12 percent in 2009-10 in the latter (Table 10). In part, the differences follow from the significantly higher per-capita expenditures in Kerala, as seen from Table 11¹⁹. But Maharashtra and Gujarat also face a more uphill task of combating poverty on account of significantly higher proportions of the ST and SC populations. These groups respectively account for 17 and 11 percent of the total population in Gujarat and 10 and 15 percent in Maharashtra. In comparison, only 1 percent of the population is ST and 9 percent SC in Kerala (Table 9).

9. Poverty in the States by Religious Groups

We finally turn to poverty estimates by religious groups in the states. India is home to many different religious communities including Hindus, Muslims, Christians, Sikhism, Jains and Zoroastrians. Additionally, tribes follow their own religious practices. Though tribal religions often have some affinity with Hinduism, many are independent in their own rights.

Table 14 provides the composition of population by religious groups and the rural-urban split of each religious group as per the expenditure survey of 2009-10. Hindus comprise 82 percent of the population, Muslims 12.8 percent, Christians 2.3 percent, Sikhs 1.7 percent, Jains 0.3 percent and Zoroastrians and others the remaining 0.3 percent.

Together, Hindus and Muslims account for almost 95 percent of India's total population. With 34 percent of the population in urban areas compared to 26 percent in the case of Hindus, Muslims are more urbanized than Hindus. Among the other communities, Jains and Zoroastrians are largely an urban phenomenon. Moreover, whereas Muslims can be found in virtually all parts of India, other smaller minority communities are geographically concentrated. Sikhs are principally in Punjab; Christians in Kerala and adjoining southern states; Zoroastrians in Maharashtra and Gujarat; and Jains in Gujarat, Rajasthan, Karnataka and Tamil Nadu.

¹⁹ This is true in spite of significantly higher per-capita GSDP in Maharashtra presumably due to large remittances flowing into Kerala. According to the NSSO (2010), one in every three households in both rural and urban Kerala reports at least one member of the household living abroad.

			Population
Religion	Rural	Urban	(million)
Hinduism	74	26	856
Islam	66	34	133
Christianity	70	30	24
Sikhism	75	25	18
Buddhism	60	40	7
Jainism	13	87	3
Zoroastrianism	3	97	0.16
Others	79	21	3
Total	73	27	1043

Table 14: Composition of population by religion and rural-urban division of each group, 2009-10 (percent)

Given their small shares in the total population and geographical concentration, random sampling of households in the expenditure surveys yields less than 100 observations for minority religious communities, other than Muslims, in the vast majority of the states. Indeed, as Table 15 indicates, only 13 of the 17 largest states had a sufficiently large number of households even for Muslims to allow poverty to be reliably estimated. Each of Orissa, Haryana, Punjab and Chhattisgarh had fewer than 100 Muslim households in the survey. Thus, we attempt poverty estimates by religious groups in the states separately for Hindus and Muslims only. We do provide estimates for the catch-all "other" category, but caution that in many cases these estimates are based on fewer than 100 observations and therefore subject to large statistical errors.

Table 15: Number of households sampled by religious groups in the states, 2009-10

				0			/		
		Hindus		Muslims			Others		
State	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Uttar Pradesh	5079	2155	7234	812	894	1706	15	38	53
Maharashtra	3599	2971	6570	188	600	788	228	409	637
Bihar	2789	1098	3887	498	164	662	12	9	21
Andhra Pradesh	3540	2380	5920	254	468	722	134	116	250
West Bengal	2425	2405	4830	1102	322	1424	49	22	71
Tamil Nadu	3068	2817	5885	83	271	354	169	230	399
Madhya Pradesh	2611	1662	4273	92	248	340	28	56	84
Rajasthan	2395	1205	3600	129	267	396	59	81	140
Gujarat	1584	1406	2990	130	251	381	5	48	53
Karnataka	1825	1648	3473	189	304	493	22	82	104
Orissa	2880	991	3871	39	44	83	56	20	76
Kerala	1389	1078	2467	614	423	1037	603	345	948
Assam	1749	719	2468	779	97	876	88	15	103

Jharkhand	1388	799	2187	165	94	259	205	96	301
Haryana	1311	1105	2416	51	35	86	78	40	118
Punjab	360	951	1311	30	36	66	1170	568	1738
Chhattisgarh	1458	659	2117	6	45	51	32	32	64
Total	39450	26049	65499	5161	4563	9724	2953	2207	5160

As before, we present the estimates for the statewide poverty among the religious groups at the Tendulkar line, leaving more detailed estimates for rural and urban areas and estimates at the Lakdawala lines for the appendix. Table 16 reports the estimates for Hindus, Muslims and "other" minority religion groups for years 1993-94, 2004-05 and 2009-10.

	Hindus				Muslims		Others		
	1993-	2004-	2009-	1993-	2004-	2009-	1993-	2004-	2009-
State	94	05	10	94	05	10	94	05	10
Uttar Pradesh	48.3	39.7	36.2	50.5	47.4	46.1	9.3	26.0	4.3
Maharashtra	47.7	37.4	23.7	49.9	45.6	28.5	55.4	47.7	33.6
Bihar	59.0	53.5	54.0	69.0	61.0	52.4	56.6	35.1	26.8
Andhra Pradesh	44.5	30.0	21.2	44.3	30.3	22.6	49.9	32.8	22.1
West Bengal	36.2	29.7	23.9	51.2	48.6	34.5	59.2	47.3	43.4
Tamil Nadu	45.2	31.6	17.8	35.5	18.8	12.7	50.5	29.7	15.1
Madhya Pradesh	45.1	49.9	38.2	38.9	46.7	27.6	26.4	4.7	5.0
Rajasthan	37.9	34.8	24.6	48.1	36.9	31.6	22.8	19.2	9.3
Gujarat	38.0	32.7	21.9	42.3	36.5	37.6	35.9	11.5	1.4
Karnataka	50.8	33.9	24.5	51.5	38.3	20.6	26.7	8.4	7.5
Orissa	59.4	57.5	36.9	52.6	38.6	38.0	74.8	80.6	69.6
Kerala	30.8	20.3	12.1	38.8	25.9	15.2	25.1	10.1	7.9
Assam	48.0	27.1	30.8	62.6	50.3	53.6	66.4	43.9	42.3
Jharkhand	59.9	45.1	37.8	68.3	51.4	49.0	65.4	58.8	43.8
Haryana	34.0	24.1	19.4	62.3	44.6	33.8	41.0	15.0	16.9
Punjab	23.6	21.6	18.1	40.4	32.3	11.6	20.4	20.8	14.6
Chhattisgarh	52.8	51.3	51.3	11.5	48.6	15.7	11.3	35.2	21.6
Total	45.5	37.6	29.7	51.0	43.7	35.4	34.3	26.3	19.4

Table 16: Poverty by religious groups (percent)

Religious groups replicate the broad pattern seen in the context of poverty by social groups. Poverty has fallen in every single state between 1993-94 and 2009-10 for Hindus as well as Muslims though the change is not always monotonic. While the level of poverty in 2009-10 is higher for Muslims than Hindus in the majority of the states, the reverse is true in Bihar, Tamil Nadu, Madhya Pradesh and Karnataka. An anomaly is the marginal increase in the poverty rate between 2004-05 and 2009-10 in Bihar for Hindus and in Gujarat for Muslims. The observation is particularly surprising since we simultaneously observe a significant decline in poverty during the same period for

Muslims in Bihar and for Hindus in Gujarat²⁰. Interestingly, as the appendix documents, poverty rates for both Hindus and Muslims decline in both states at Lakdawala between 2004-05 and 2009-10.

10. Inequality

Although the focus of this paper is on poverty, we find it useful to briefly report the evolution of inequality at the state and national levels in rural and urban areas. At the outset it is important to note that the issue of inequality is complex in part because it can be measured in numerous ways.²¹ The potential list of measures is almost endless and there is no guarantee that these different measures will move in the same direction. Therefore, it is quite easy to show simultaneously that inequality has risen as well as fallen depending on the choice of measure.

In this paper, we use one measure of overall inequality based on the same expenditure survey data we have used to report the poverty measures in the previous sections: the Gini coefficient of household expenditures in rural and urban areas in the 17 states and in India as a whole using URP expenditures in 1983, 1993-94, 1999-2000, 2004-05 and 2009-10. Table 17 and Table 18 report the Gini coefficient in rural and urban areas, respectively. As before, we arrange the states in descending order of population.

An immediate observation from Tables 17 and 18 is that with rare exceptions, rural inequality is lower than urban inequality. At the national level the Gini in 2009-10 was 0.291 in rural areas and 0.382 in urban areas. These values reflect a difference of 9 percentage points. This is not surprising. The vast majority of the villagers are small farmers or wage laborers. As a result, variation in their incomes and therefore expenditures are not large. In contrast, cities serve as home to much of the industry and formal sector services as well as to a large informal sector, which attracts migrant workers. This results in greater variation in incomes and expenditures.

The tables show no clear trend in the Gini in rural areas but a tendency for it to rise in urban areas. At the national level, the rural Gini fell between 1983 and 1999-2000, rose between 1999-2000 and 2004-05 and fell again by 2009-10 with a small net decline over the entire period. In contrast, the urban Gini has climbed up steadily. This is hardly surprising since rapid growth, which can produce increased inequality, is concentrated in urban areas. In the Indian case, a dualism of sorts exists within urban areas. Output growth has been concentrated in the formal sector while employment has been disproportionately concentrated in the informal sector. Unlike South Korea and Taiwan, China in the 1960s and 1970s and China more recently, employment in the formal sector has not grown in India due to the poor performance of labor-intensive sectors. Growth in India has concentrated in skilled-labor- and capital-intensive sectors.

²⁰ Panagariya and More (2013) show that these unexpected trends were reversed in 2011-12, netting a large net decline in poverty between 2004-05 and 2011-12.

²¹ For instance it could be measured as the ratio of the top 10 to bottom 10 percent of the population, the ratio of rural to urban per-capita incomes, the ratio of skilled to unskilled wages (or formal and informal sector wages), the Gini coefficient (nationally or across states).

State	1983	1993-94	1999-00	2004-05	2009-10
Uttar Pradesh	0.29	0.278	0.246	0.286	0.356
Maharashtra	0.283	0.302	0.258	0.308	0.268
Bihar	0.255	0.222	0.207	0.205	0.226
Andhra Pradesh	0.292	0.285	0.235	0.289	0.278
West Bengal	0.284	0.251	0.224	0.27	0.239
Tamil Nadu	0.324	0.307	0.279	0.316	0.264
Madhya Pradesh	0.292	0.277	0.242	0.265	0.292
Rajasthan	0.34	0.26	0.209	0.246	0.225
Gujarat	0.252	0.236	0.234	0.269	0.253
Karnataka	0.299	0.266	0.241	0.263	0.235
Orissa	0.266	0.243	0.244	0.281	0.262
Kerala	0.33	0.288	0.27	0.341	0.417
Assam	0.192	0.176	0.201	0.195	0.244
Jharkhand				0.225	0.24
Haryana	0.271	0.301	0.239	0.322	0.301
Punjab	0.279	0.265	0.239	0.279	0.288
Chhattisgarh				0.295	0.276
India	0.297	0.282	0.26	0.3	0.291

 Table 17: The Gini coefficient in rural areas

Source: Planning Commission website (accessed on February 4, 2013)

		a a cus			
State	1983	1993-94	1999-00	2004-05	2009-10
Uttar Pradesh	0.312	0.323	0.328	0.366	0.329
Maharashtra	0.329	0.351	0.348	0.372	0.41
Bihar	0.297	0.307	0.319	0.33	0.332
Andhra Pradesh	0.306	0.32	0.313	0.37	0.382
West Bengal	0.328	0.334	0.341	0.378	0.384
Tamil Nadu	0.347	0.344	0.381	0.356	0.332
Madhya Pradesh	0.29	0.327	0.315	0.393	0.364
Rajasthan	0.301	0.29	0.282	0.367	0.378
Gujarat	0.264	0.287	0.286	0.305	0.328
Karnataka	0.33	0.315	0.323	0.364	0.334
Orissa	0.294	0.304	0.292	0.35	0.389
Kerala	0.371	0.338	0.321	0.4	0.498
Assam	0.248	0.286	0.309	0.316	0.324
Jharkhand				0.351	0.358
Haryana	0.304	0.28	0.287	0.36	0.36
Punjab	0.321	0.276	0.29	0.393	0.371
Chhattisgarh				0.434	0.326
India	0.325	0.34	0.342	0.371	0.382

Ta	able	18 :	The	Gini	coefficient	in	urban are	as
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Source: Planning Commission website (accessed on February 4, 2013)

The data do not support the hypothesis that high levels of poverty reflect high levels of inequality. At least in the Indian case, the two outcomes are at best unrelated and at worst negatively associated. For example, at the national level, rural inequality has remained more or less unchanged and urban inequality has risen while both rural and urban poverty have steadily and significantly declined over time.

Looking at a cross-section of the data, Kerala offers the most dramatic example. In 2009-10, it had the lowest levels of rural and urban poverty and by far the highest rural and urban Gini coefficients. At the other extreme, Bihar had the second-lowest rural Gini but the highest rural poverty ratio in 2009-10.

At a more aggregate level, the left panel in Figure 5 plots the rural Gini against the rural poverty ratio and the right panel plots the urban Gini against the urban poverty ratio. The exponential trend line has a negative slope in each case though the fit is poor. In other words, there is no evidence of a positive relationship between poverty and inequality, but there is some evidence of a negative relationship.

Figure 5: Gini coefficients and poverty ratios in rural and urban areas in Indian states, 2009-10



11. Concluding Remarks

In this paper, we have provided a comprehensive analysis of poverty in India along six different dimensions: time, states, rural versus urban, social groups, religious groups and poverty lines (Lakdawala and Tendulkar). To keep the exposition manageable, we have concentrated on estimates based on the Tendulkar line except when we discuss poverty at the national level. In the latter case, we report estimates in rural and urban India at both the Lakdawala and Tendulkar lines. Our detailed estimates by social and religious groups, by rural and urban areas, and by states at both the Lakdawala and Tendulkar lines are provided in the appendix.

The following are some of the key conclusions of the paper. <u>First</u>, poverty has declined between 1993-94 and 2009-10 along every dimension. Indeed, poverty has fallen for every social and religious group in every state in rural and urban areas separately as well as taken jointly. Estimates at the Lakdawala line, presented in the appendix, show that the decline can be observed steadily since 1983 for all social and religious groups in all 17 large states.

<u>Second</u>, acceleration in growth rates between 2004-05 and 2009-10 has been accompanied by acceleration in poverty reduction. Poverty rates have fallen rapidly for all major social and religious groups at the national level. This phenomenon also holds true for most states across various social and religious groups.

<u>Third</u>, for the first time, poverty reduction between 2004-05 and 2009-10 has been larger for the Scheduled Castes and Scheduled Tribes than the upper caste groups. Thus, the gap in poverty rates between the socially disadvantaged and upper caste groups has narrowed over time. This pattern provides clear evidence to refute the claim that reforms and growth have failed to help the socially disadvantaged or that they are leaving these groups behind. A continuation of this trend, helped along by further reforms and higher growth rates, would help eliminate the difference in poverty rates between the historically disadvantaged and the privileged.

Fourth, inter-state comparisons reveal that the states with large Scheduled Caste and Scheduled Tribe populations face a more uphill task with regards to combating poverty. The point is most forcefully brought out by a comparison of Punjab and Kerala. When we compare poverty rates in 2009-10 by social groups, the two states have very similar poverty rates. But because the poverty rates for the Scheduled Castes are higher than those for non-scheduled castes in both states and the Scheduled Castes account for a much larger proportion of its population, the aggregate poverty rate in Punjab turns out to be significantly higher.

<u>Finally</u>, we find that in the Indian case, there is no robust relationship between inequality and poverty. Indeed, to the extent that such a relationship exists, it suggests that more unequal states enjoy lower levels of poverty. Kerala offers the most dramatic example in this respect. It has had one of the highest Gini coefficients in rural as well as urban areas and also one of the lowest poverty ratios in both regions. In 2009-10, its Gini coefficients were by far the highest among the large states in both rural and urban areas and poverty ratios the smallest.

In our discussion on redistribution, we make references to differentiating between those who are poor and those who live in extreme poverty. In this paper, we provide comprehensive data on the distribution of the poor across various dimensions, but we do not disaggregate the poor according to the extent of their poverty. This remains important, especially with regard to debates around redistribution, and we aim to delve deeper into these and other issues in the future.

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Appendix Tables

	19	83	1987	7-88	1993	3-94	1999-	2000	2004	4-05	2009	9-10*
State	Rural	Urban										
Andhra Pradesh	72.66	106.43	91.94	151.88	163.02	278.14	262.94	457.40	292.95	542.89	468.93	893.06
Assam	98.32	97.51	127.44	126.60	232.05	212.42	365.43	343.99	387.64	378.84	560.94	549.92
Bihar	97.48	111.80	120.36	150.25	212.16	238.49	333.07	379.78	354.36	435	536.00	640.95
Chhattisgarh									322.41	560	498.91	879.41
Delhi	88.57	123.29	122.90	176.91	233.79	309.48	362.68	505.45	410.38	612.91	566.84	992.44
Gujarat	83.29	123.22	115.00	173.18	202.11	297.22	318.94	474.41	353.93	541.16	512.22	781.06
Haryana	88.57	103.48	122.90	143.22	233.79	258.23	362.81	420.20	414.76	504.49	620.16	785.56
Himachal Pradesh	88.57	102.26	122.90	144.10	233.79	253.61	367.45	420.20	394.28	504.49	536.41	739.82
Jharkhand									366.56	451.24	558.09	705.88
Karnataka	83.31	120.19	104.46	171.18	186.63	302.89	309.59	511.44	324.17	599.66	488.30	925.91
Kerala	99.35	122.64	130.61	163.29	243.84	280.54	374.79	477.06	430.12	559.39	620.63	794.74
Madhya Pradesh	83.59	122.82	107.00	178.35	193.10	317.16	311.34	481.65	327.78	570.15	507.15	826.64
Maharashtra	88.24	126.47	115.61	189.17	194.94	328.56	318.63	539.71	362.25	665.90	555.60	1012.89
Orissa	106.28	124.81	121.42	165.40	194.03	298.22	323.92	473.12	325.79	528.49	453.08	782.15
Punjab	88.57	101.03	122.90	144.98	233.79	253.61	362.68	388.15	410.38	466.16	626.70	697.09
Rajasthan	80.24	113.55	117.52	165.38	215.89	280.85	344.03	465.92	374.57	559.63	591.63	833.31
Tamil Nadu	96.15	120.30	118.23	165.82	196.53	296.63	307.64	475.60	351.86	547.42	509.04	783.13
Uttar Pradesh	83.85	110.23	114.57	154.15	213.01	258.65	336.88	416.29	365.84	483.26	558.00	726.45
Uttaranchal									478.02	637.67	707.34	951.23
West Bengal	105.55	105.91	129.21	149.96	220.74	247.53	350.17	409.22	382.82	449.32	552.85	651.88
ALL-INDIA	89.50	115.65	115.20	162.16	205.84	281.35	327.56	454.11	356.30	538.60		

 Table A1: Lakdawala Poverty Lines

*Calculated by adjusting 2004-05 lines using the index implicit in the official Tendulkar lines for 2004-05 and 2009-10.

	199	93-94	2004	4-05	2009-10		
State	Rural	Urban	Rural	Urban	Rural	Urban	
Andhra Pradesh	244.1	282	433.43	563.16	693.8	926.4	
Assam	266.3	306.8	478	600.03	691.7	871	
Bihar	236.1	266.9	433.43	526.18	655.6	775.3	
Chhattisgarh	229.1	283.5	398.92	513.7	617.3	806.7	
Delhi	315.4	320.3	541.39	642.47	747.8	1040.3	
Gujarat	279.4	320.7	501.58	659.18	725.9	951.4	
Haryana	294.1	312.1	529.42	626.41	791.6	975.4	
Himachal Pradesh	272.7	316	520.4	605.74	708	888.3	
Jammu & Kashmir	289.1	281.1	522.3	602.89	722.9	845.4	
Jharkhand	227.7	304.1	404.79	531.35	616.3	831.2	
Karnataka	266.9	294.8	417.84	588.06	629.4	908	
Kerala	286.5	289.2	537.31	584.7	775.3	830.7	
Madhya Pradesh	232.5	274.5	408.41	532.26	631.9	771.7	
Maharashtra	268.6	329	484.89	631.85	743.7	961.1	
Orissa	224.2	279.3	407.78	497.31	567.1	736	
Punjab	286.9	342.3	543.51	642.51	830	960.8	
Rajasthan	271.9	300.5	478	568.15	755	846	
Tamil Nadu	252.6	288.2	441.69	559.77	639	800.8	
Uttar Pradesh	244.3	281.3	435.14	532.12	663.7	799.9	
Uttaranchal	249.5	306.7	486.24	602.39	719.5	898.6	
West Bengal	235.5	295.2	445.38	572.51	643.2	830.6	
All India			446.68	578.8	672.8	859.6	

 Table A2: Tendulkar Poverty Lines

		Sch	eduled T	ribes			Sche	eduled C	astes			A	All Group	os	
		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-
State	1983	88	94	05	10	1983	88	94	05	10	1983	88	94	05	10
Andhra Pradesh	35.73	39.56	26.4	28.3	19.5	36.72	28.49	26.0	15.5	9.0	26.77	21.03	15.9	10.5	7.8
Assam	48.60	45.66	41.9	12.6	16.0	43.86	34.71	45.3	25.7	20.1	43.32	39.42	45.2	22.1	20.2
Bihar	74.61	61.44	69.3	56.2	39.9	81.56	70.57	70.6	64.2	53.0	64.94	53.91	58.0	42.6	36.4
Chhattisgarh				54.8	42.0				32.0	46.8				40.8	37.9
Delhi*						9.32	7.68	12.4	0.0	0.0	6.99	1.28	2.0	6.9	0.0
Gujarat	56.59	43.52	30.5	34.3	17.4	37.07	35.91	32.9	22.8	11.4	29.41	28.32	22.2	18.9	8.4
Haryana	0.00	3.31	41.5	0.0	6.2	37.40	30.72	46.3	26.0	21.6	22.42	15.34	28.3	13.2	9.8
Himachal Prad.	11.00	10.94	64.9	15.7	15.3	28.57	20.39	37.1	19.9	5.2	17.79	16.68	30.4	10.5	3.4
Jammu & Kashmir	10.17	38.84	66.3	0.0	0.0	44.33	37.89	19.4	4.5	4.3	27.36	25.92	18.2	4.3	2.1
Jharkhand				54.1	43.4				57.5	40.1				46.2	35.6
Karnataka	56.93	37.31	38.7	21.4	13.7	54.20	54.80	46.1	31.3	17.1	36.21	32.63	30.1	20.7	13.5
Kerala	42.80	35.38	37.4	40.1	22.2	63.51	38.01	37.6	21.6	17.7	39.75	29.27	25.4	13.2	7.1
Madhya Pradesh	66.98	61.81	57.0	58.4	43.5	58.80	47.97	45.3	43.3	25.7	49.68	42.02	40.7	36.8	27.6
Maharashtra	62.55	54.22	51.8	56.3	23.6	60.19	54.33	51.4	44.8	20.6	45.95	40.91	37.9	29.6	14.1
Orissa	87.08	83.82	71.3	75.8	54.4	76.08	65.53	49.8	49.9	29.5	68.43	58.63	49.8	46.9	27.5
Punjab	16.18	22.92	25.9	30.7	0.0	27.50	26.37	22.1	14.5	7.1	14.38	12.80	11.7	9.0	3.8
Rajasthan	63.46	57.10	45.7	32.5	16.1	44.98	35.80	38.1	28.3	22.9	38.58	33.30	26.4	18.3	11.7
Tamil Nadu	70.98	56.14	45.9	27.2	8.6	69.14	63.88	44.4	30.4	15.0	56.73	44.50	32.9	23.0	10.7
Uttar Pradesh	44.34	40.98	35.6	32.2	44.0	58.15	57.82	59.4	44.7	38.9	47.15	40.27	42.3	33.3	27.5
Uttarakhand				44.5	39.6				53.3	24.7				40.6	18.2
West Bengal	76.71	63.21	62.1	42.7	22.6	73.30	58.06	46.3	28.9	21.6	63.80	48.83	41.2	28.4	19.7
Total	64.88	57.77	51.6	47.0	30.5	58.97	50.07	48.4	37.2	27.8	46.60	38.70	37.0	28.2	20.2

Table B1: Rural poverty by states by social groups at Lakdawala lines using URP expenditures: SC, ST and all groups

*Delhi is 95 percent urban. The SC and ST estimates in this case are based on too few households and therefore subject to substantial sampling errors.

	No	n-schedule	d castes ()	(ZV		Other Ba	ackward (OBC)	Forwar (F	d castes
	1401	1987-	1993-	2004-	2009-	2004-	2009-	2004-	2009-
State	1983	88	94	05	10	05	10	05	10
Andhra Pradesh	23.51	17.63	11.7	7.0	6.5	8.6	8.0	3.8	2.6
Assam	42.02	38.68	45.9	24.1	21.2	18.1	12.7	18.9	26.1
Bihar	59.90	49.13	52.7	36.0	30.9	38.5	35.8	49.1	14.3
Chhattisgarh				33.5	32.4	34.1	30.3	28.3	42.3
Delhi*	6.68	0.00	0.0	8.1	0.0	0.0	0.0	10.6	0.0
Gujarat	19.96	22.61	17.3	13.6	4.2	18.5	5.9	4.5	0.9
Haryana	17.70	10.47	21.0	8.3	4.8	13.7	7.5	3.9	2.6
Himachal Pradesh	14.33	15.62	26.1	6.4	1.6	8.8	3.1	5.7	1.1
Jammu & Kashmir	25.49	24.09	16.2	4.3	1.9	9.8	3.9	3.0	1.5
Jharkhand				39.4	28.4	40.0	30.7	36.9	19.5
Karnataka	31.06	27.76	24.4	17.6	12.3	20.8	15.4	13.7	5.9
Kerala	36.47	27.91	23.8	11.5	5.6	13.6	7.1	7.1	2.3
Madhya Pradesh	36.67	29.43	30.1	24.7	20.8	29.3	22.1	13.2	16.7
Maharashtra	41.27	36.96	32.1	21.3	10.7	24.1	12.5	18.6	8.7
Orissa	58.50	47.42	40.2	32.9	15.7	37.1	15.2	11.8	16.5
Punjab	9.02	5.56	4.8	5.2	1.1	10.5	2.8	2.3	0.4
Rajasthan	31.63	26.54	18.2	11.4	6.5	12.6	7.4	8.0	3.2
Tamil Nadu	52.79	37.99	28.5	20.2	9.3	20.2	9.5	18.8	0.0
Uttar Pradesh	44.04	34.82	36.9	29.4	22.8	32.9	26.6	32.4	12.5
Uttarakhand				36.2	14.9	44.4	13.9	33.5	15.1
West Bengal	58.27	42.69	35.6	26.3	18.5	17.7	17.7	32.6	18.6
Total	40.96	32.78	31.3	22.8	16.2	25.9	18.7	17.5	11.6

Table B2: Rural poverty by states by social groups at Lakdawala lines using URP expenditures: Non-scheduled castes, Other Backward Castes and forward castes

*Only 5% of Delhi by population Is rural. The SC and ST estimates in this case are based on too few households and therefore subject to substantial sampling errors.

		Sch	eduled T	ribes			Sch	eduled C	astes				All Grou	ns	
		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-
State	1983	88	94	05	10	1983	88	94	05	10	1983	88	94	05	10
Andhra Pradesh	43.0	51.8	45.6	51.9	24.9	52.1	49.7	45.8	37.4	20.7	38.0	41.1	38.8	27.4	19.7
Assam	18.7	4.4	8.3	2.9	15.1	43.7	20.9	16.5	5.1	5.4	22.1	11.3	7.9	3.6	6.7
Bihar	51.2	54.6	35.0	57.2	11.4	64.6	62.5	57.0	66.9	45.2	48.9	51.9	34.8	36.1	29.3
Chhattisgarh				42.1	32.5				52.7	43.3				42.2	34.1
Delhi	5.4	11.0	9.1	0.0	68.9	53.0	47.6	48.9	40.5	36.4	28.6	15.5	16.1	16.3	17.7
Gujarat	83.2	64.0	35.6	21.0	13.4	43.8	50.0	45.9	17.8	23.3	41.3	38.5	28.3	13.3	11.4
Haryana	20.1	20.1	0.0	0.0	66.2	48.5	41.2	25.3	33.3	19.9	28.1	18.4	16.5	14.5	11.6
Himachal Prad.	20.4	0.0	0.0	2.4	18.6	23.7	18.4	20.1	5.0	15.0	12.6	7.2	9.3	3.2	7.9
Jammu & Kashmir	0.0	18.1	0.0	0.0	15.0	22.6	31.1	6.7	10.8	17.6	17.5	15.0	5.1	7.4	9.4
Jharkhand				42.5	36.9				48.8	37.8				20.3	25.2
Karnataka	51.6	69.9	62.7	61.9	36.9	50.6	62.6	62.8	50.3	36.9	43.0	49.2	39.9	32.6	25.7
Kerala	59.5	30.6	0.0	21.8	18.3	60.1	58.0	33.4	33.4	26.1	45.5	40.0	24.3	20.0	14.1
Madhya Pradesh	54.8	66.8	66.4	44.7	45.8	68.4	69.9	63.9	68.4	47.3	53.7	47.2	48.1	42.7	30.5
Maharashtra	67.0	64.1	60.5	40.9	35.7	66.0	61.2	53.8	42.8	38.2	41.0	40.3	35.0	32.1	23.7
Orissa	73.7	61.4	62.8	64.6	51.2	69.8	59.5	45.5	74.5	51.8	49.7	42.6	40.6	44.7	33.3
Punjab	56.3	18.7	0.0	2.4	0.7	36.1	26.2	26.9	14.3	13.8	23.5	13.7	10.9	6.3	7.3
Rajasthan	50.6	27.9	8.4	24.9	24.4	49.1	54.6	49.7	55.1	34.0	38.4	37.9	31.0	32.3	21.9
Tamil Nadu	74.8	51.8	25.0	33.1	20.5	69.6	63.3	61.5	41.2	28.4	50.8	40.2	39.9	22.5	15.3
Uttar Pradesh	33.4	49.8	27.9	37.6	18.7	57.8	57.1	59.0	43.5	36.4	51.1	44.9	35.1	30.1	27.8
Uttarakhand				69.0	0.0				70.1	38.0				36.5	32.9
West Bengal	42.4	43.3	23.5	22.2	12.1	48.9	49.8	38.7	25.5	21.8	33.4	33.8	22.9	13.5	11.4
Total	58.3	56.2	46.6	39.0	31.7	56.2	54.6	51.2	41.1	31.5	42.5	39.4	33.1	26.1	20.7

 Table B3: Urban poverty by states by social groups at Lakdawala lines using URP expenditures: SC, ST and all groups

	No	n-schedu	led castes	(NS)		Other B Castes	ackward (OBC)	Forwar (F	d castes
	110	1987-	1993-	2004-	2009-	2004-	2009-	2004-	2009-
State	1983	88	94	05	10	05	10	05	10
Andhra Pradesh	36.4	39.7	37.9	24.8	19.4	28.7	22.7	20.2	16.1
Assam	19.0	10.2	7.3	3.5	6.4	5.4	3.8	1.4	7.1
Bihar	46.4	50.1	31.4	32.1	27.0	40.3	34.1	8.6	8.9
Chhattisgarh				40.3	32.3	53.9	41.9	22.3	22.3
Delhi	21.2	9.1	8.3	8.3	11.9	20.3	22.1	6.3	8.2
Gujarat	39.1	34.9	25.6	12.5	10.0	23.8	19.3	6.9	5.0
Haryana	24.7	13.2	14.6	10.3	8.0	20.5	14.2	5.7	4.1
Himachal Pradesh	9.4	3.2	6.9	2.8	5.0	9.8	22.0	1.8	3.2
Jammu & Kashmir	17.4	13.7	5.0	7.2	8.6	3.1	17.0	7.4	8.3
Jharkhand				13.0	20.9	17.4	33.6	8.2	7.0
Karnataka	41.8	47.0	35.7	29.0	23.7	38.2	23.9	21.0	23.4
Kerala	44.3	39.0	23.9	18.8	13.3	24.0	16.6	7.2	5.0
Madhya Pradesh	50.9	42.0	42.8	37.7	26.3	56.2	37.3	21.3	14.5
Maharashtra	37.5	36.9	30.6	29.5	20.5	35.6	29.7	63.4	16.3
Orissa	41.8	37.9	36.3	37.1	23.7	48.6	30.0	29.7	20.5
Punjab	19.6	10.6	6.3	3.3	4.9	5.7	10.8	2.5	2.9
Rajasthan	36.3	34.7	27.9	26.4	18.9	32.1	30.0	20.9	7.5
Tamil Nadu	48.4	37.1	36.6	19.2	13.1	20.8	14.2	7.0	1.0
Uttar Pradesh	50.2	43.2	31.3	28.0	26.5	36.0	36.6	19.0	15.5
Uttarakhand				29.3	32.5	43.9	55.8	25.1	19.3
West Bengal	30.6	31.1	19.7	10.3	8.6	7.4	11.7	5.2	8.3
Total	40.1	36.6	29.6	22.8	18.2	31.3	25.1	16.2	12.1

 Table B4: Urban poverty by states by social groups at Lakdawala lines using URP expenditures: Non-scheduled castes, Other Backward Castes and forward castes

		Sch	eduled T	ribes			Sch	eduled C	Castes				All Grou	ps	
		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-
State	1983	88	94	05	10	1983	88	94	05	10	1983	88	94	05	10
Andhra Pradesh	36.4	40.5	28.3	30.5	20.2	38.6	31.8	28.6	20.1	11.3	29.2	25.4	21.9	14.8	11.1
Assam	48.5	44.7	40.9	12.3	15.9	43.8	32.9	43.1	23.2	17.8	41.5	37.1	41.4	20.4	18.8
Bihar	73.2	61.0	66.6	56.3	38.5	79.9	69.7	69.5	64.3	52.7	62.9	53.7	55.2	42.0	35.7
Chhattisgarh				53.8	41.5				34.7	46.1				41.0	37.2
Delhi	3.7	9.5	8.1	0.0	67.1	49.5	42.8	45.5	38.9	32.5	27.5	13.8	14.6	15.7	16.8
Gujarat	58.4	45.7	30.9	33.1	17.1	39.3	39.7	36.9	21.3	15.4	32.9	31.1	24.1	17.0	9.6
Haryana	6.8	6.9	39.2	0.0	19.4	39.0	32.5	42.4	27.4	21.1	23.7	16.0	25.2	13.6	10.3
Himachal Pradesh	11.7	10.6	62.3	15.0	15.4	28.3	20.3	35.9	18.9	6.0	17.4	16.0	28.6	9.8	3.8
Jammu & Kashmir	6.8	33.8	54.8	0.0	1.0	43.2	37.2	18.0	5.4	7.0	25.4	24.0	15.2	5.1	3.8
Jharkhand				53.4	42.9				56.2	39.7				42.0	33.5
Karnataka	56.4	43.4	41.8	26.5	18.3	53.3	56.3	49.3	35.5	21.0	38.1	37.4	32.9	24.3	17.8
Kerala	44.2	34.8	32.3	38.8	21.5	63.1	39.8	37.0	23.8	19.1	40.8	31.1	25.1	14.8	8.9
Madhya Pradesh	66.5	62.1	57.6	57.5	43.7	60.7	51.2	49.7	48.3	30.0	50.4	43.0	42.4	38.2	28.3
Maharashtra	63.1	55.8	53.1	54.3	25.6	61.9	56.4	52.3	43.9	27.6	44.3	40.7	36.8	30.6	18.1
Orissa	86.2	82.3	70.8	75.2	54.0	75.5	65.2	49.4	52.6	32.3	66.2	56.8	48.6	46.6	28.3
Punjab	26.1	21.5	22.3	18.7	0.4	29.2	26.3	23.1	14.4	8.8	16.7	13.0	11.5	8.1	5.0
Rajasthan	63.0	55.6	44.5	32.2	16.8	45.6	39.1	40.5	34.2	25.4	38.6	34.2	27.5	21.4	14.2
Tamil Nadu	72.6	54.8	39.6	29.7	13.6	69.2	63.7	48.4	33.1	19.2	54.7	42.3	35.4	22.8	12.7
Uttar Pradesh	43.3	44.7	34.5	33.2	35.7	58.1	57.7	59.3	44.6	38.7	47.8	41.6	40.9	32.7	27.5
Uttarakhand				46.0	36.7				56.3	27.2				39.7	22.0
West Bengal	73.9	61.6	59.8	41.7	21.5	70.0	57.0	45.3	28.2	21.6	56.6	45.2	36.9	24.7	17.7
Total	64.4	57.6	51.2	46.3	30.7	58.5	50.9	48.9	38.0	28.6	45.7	38.9	36.0	27.7	20.3

 Table B5: Rural + urban poverty by states by social groups at Lakdawala lines using URP expenditures: SC, ST and all groups

						Other B	ackward	Forwar	d castes
	No	n-schedul	led castes	(NS)		Castes	(OBC)	(F	C)
		1987-	1993-	2004-	2009-	2004-	2009-	2004-	2009-
State	1983	88	94	05	10	05	10	05	10
Andhra Pradesh	26.7	23.0	19.7	12.0	10.5	13.5	11.5	9.5	8.6
Assam	39.8	36.2	41.3	22.0	19.6	16.9	12.1	23.6	23.8
Bihar	58.0	49.3	49.7	35.6	30.5	38.7	35.7	25.2	13.6
Chhattisgarh				34.9	32.3	36.9	32.2	25.3	32.6
Delhi	20.7	8.0	7.4	8.3	11.4	17.8	20.7	6.6	8.0
Gujarat	26.5	26.4	20.5	13.2	6.9	19.8	10.1	5.8	3.5
Haryana	19.4	11.1	19.2	8.9	5.8	15.2	9.4	4.5	3.1
Himachal Pradesh	14.0	14.8	24.3	6.0	1.9	8.8	3.9	5.2	1.3
Jammu & Kashmir	23.8	22.2	13.1	5.0	3.6	9.2	4.6	4.3	3.4
Jharkhand				33.9	26.3	36.7	31.3	25.9	13.6
Karnataka	34.3	33.8	28.1	21.5	16.9	26.2	18.4	16.5	14.6
Kerala	37.9	29.9	23.8	13.3	7.7	16.1	9.7	7.1	3.0
Madhya Pradesh	40.3	32.7	33.9	28.7	22.5	35.3	25.8	16.8	15.6
Maharashtra	39.9	36.9	31.5	24.8	15.2	27.7	18.1	22.8	12.9
Orissa	56.1	46.0	39.6	33.7	17.0	38.3	16.7	25.3	17.5
Punjab	11.9	7.1	5.3	4.5	2.7	9.1	5.9	2.4	1.5
Rajasthan	32.7	28.5	20.8	15.3	10.0	16.2	12.1	13.2	5.2
Tamil Nadu	51.1	37.5	31.6	19.8	11.1	20.5	11.6	9.7	0.9
Uttar Pradesh	45.3	37.5	35.7	29.1	23.6	33.4	28.3	19.4	13.6
Uttarakhand				34.4	19.9	44.3	32.2	31.3	16.1
West Bengal	50.3	39.2	30.9	21.7	15.8	15.9	16.5	22.3	15.7
Total	40.8	33.9	30.8	22.8	16.8	27.1	20.3	17.0	11.8

 Table B6: Rural + urban poverty by states by social groups at Lakdawala lines using URP expenditures: Non-scheduled castes, Other Backward Castes and forward castes

	Sch	eduled tribes (ST)	Sche	eduled Castes ((SC)		All Groups	
State	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
Andhra Pradesh	58.1	60.3	40.2	64.2	41.8	25.7	48.0	32.3	22.7
Assam	55.3	28.8	32.0	58.4	45.3	36.9	55.0	36.3	39.9
Bihar	73.3	59.3	64.4	76.0	77.6	68.1	62.3	55.7	55.2
Chhattisgarh	65.9	65.5	66.8	53.4	48.6	67.6	55.9	55.1	56.1
Delhi	0.0		0.0	27.9	0.0	0.0	16.2	15.6	7.6
Gujarat	53.1	57.1	48.6	56.3	49.3	17.9	43.1	39.1	26.6
Haryana	69.7	0.0	49.6	63.1	47.5	33.6	39.9	24.8	18.6
Himachal Pradesh	62.4	35.4	22.0	43.6	39.4	14.4	36.7	25.0	9.1
Jammu & Kashmir	74.5	26.5	3.1	34.4	14.7	8.5	32.5	14.1	8.1
Jharkhand	72.6	60.6	51.0	73.7	61.0	44.1	65.7	51.6	41.4
Karnataka	70.3	50.5	21.3	72.4	57.4	35.6	56.4	37.4	26.2
Kerala	40.9	56.9	24.4	53.3	30.8	27.7	33.8	20.2	12.0
Madhya Pradesh	69.8	80.0	61.9	59.3	62.5	42.4	48.8	53.6	42.0
Maharashtra	74.2	73.2	51.7	73.8	66.1	37.6	59.2	47.8	29.5
Orissa	82.1	84.4	66.0	62.8	67.9	47.1	63.0	60.7	39.2
Punjab	35.9	30.7	16.1	34.6	38.4	27.2	20.1	22.1	14.6
Rajasthan	63.7	59.3	35.9	55.3	48.5	38.6	40.7	35.9	26.4
Tamil Nadu	57.0	47.3	11.5	66.3	51.2	31.2	51.0	37.6	21.2
Uttar Pradesh	49.6	42.0	49.8	68.6	56.6	53.6	50.9	42.7	39.4
Uttarakhand	54.9	32.4	20.0	43.5	46.2	20.0	36.7	35.1	13.7
West Bengal	66.5	54.3	32.9	48.2	37.1	31.5	42.4	38.3	28.8
Total	65.7	64.5	47.4	62.1	53.6	42.3	50.1	41.9	33.3

 Table B7:
 Rural poverty by states by social groups at the Tendulkar line using MRP expenditures:
 SC, ST and all groups

				Other Back	ward Castes		
	Non-s	cheduled caste	s (NS)	(OI	BC)	Forward c	astes (FC)
State	1993-94	2004-05	2009-10	2004-05	2009-10	2004-05	2009-10
Andhra Pradesh	42.4	26.4	20.4	31.6	24.3	16.1	10.3
Assam	54.5	37.1	42.2	31.9	31.0	38.9	48.7
Bihar	57.7	49.1	50.8	52.6	56.4	36.1	32.3
Chhattisgarh	48.2	49.6	45.4	51.0	45.6	38.7	44.3
Delhi	14.4	18.3	13.7	27.0	28.5	15.5	0.0
Gujarat	37.2	32.1	19.1	41.7	27.2	13.7	3.1
Haryana	30.1	16.1	11.8	25.7	19.0	8.2	5.9
Himachal Pradesh	33.0	18.4	5.7	19.0	8.3	18.3	4.9
Jammu and Kashmir	30.3	13.9	8.3	23.5	11.7	11.8	7.5
Jharkhand	59.6	44.8	33.6	46.7	35.7	37.4	25.3
Karnataka	50.0	30.3	23.8	35.8	27.2	23.7	16.5
Kerala	31.5	18.0	10.0	21.3	11.6	10.8	6.5
Madhya Pradesh	35.9	38.5	32.4	44.7	32.9	22.9	30.9
Maharashtra	53.0	39.3	23.4	44.6	26.6	34.0	19.7
Orissa	54.6	47.8	25.2	52.6	25.6	37.3	24.5
Punjab	10.7	11.1	4.3	21.7	11.4	5.1	1.5
Rajasthan	30.7	25.7	19.5	27.2	21.1	21.1	13.7
Tamil Nadu	45.4	32.4	18.1	32.6	17.9	22.2	32.9
Uttar Pradesh	45.2	37.9	33.7	42.2	38.2	26.1	21.5
Uttarakhand	33.4	31.8	11.5	43.5	8.0	27.9	12.3
West Bengal	36.0	36.8	27.1	28.3	26.3	37.7	27.3
Total	43.8	35.1	28.0	39.9	31.9	27.1	21.0

 Table B8: Rural poverty by states by social groups at the Tendulkar line using MRP expenditures: Non-scheduled castes, Other Backward Castes and forward castes

	Sch	eduled tribes (ST)	Sche	eduled Castes ((SC)		All Groups	
State	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
Andhra Pradesh	43.9	50.1	21.2	45.6	35.0	19.8	35.1	23.4	17.7
Assam	17.0	29.8	29.2	49.7	37.2	34.9	27.7	21.8	25.9
Bihar	43.1	57.2	16.5	66.5	71.2	61.0	44.6	43.7	39.4
Chhattisgarh	18.6	32.7	28.6	48.5	44.6	29.7	28.1	28.4	23.6
Delhi	9.1	0.0	67.9	48.8	26.2	33.7	15.7	12.9	14.3
Gujarat	31.0	31.2	32.2	49.3	18.7	29.4	28.0	20.1	17.6
Haryana	0.0	22.2	85.0	41.8	46.9	48.3	24.2	22.4	23.0
Himachal Pradesh	0.0	2.4	19.6	26.9	9.2	20.4	13.6	4.6	12.5
Jammu & Kashmir	0.0	0.0	15.0	19.5	13.8	19.1	6.9	10.4	12.7
Jharkhand	56.1	47.2	49.5	67.9	52.6	40.5	41.8	23.8	31.0
Karnataka	56.9	55.7	35.6	55.4	41.2	29.5	34.2	25.9	19.5
Kerala	0.0	21.8	5.0	34.7	33.0	25.8	23.7	18.4	12.1
Madhya Pradesh	51.2	42.6	41.6	45.1	59.6	39.2	31.7	35.1	22.8
Maharashtra	56.1	34.8	32.4	48.2	36.0	30.4	30.2	25.6	18.3
Orissa	56.5	53.4	34.1	39.0	63.7	47.1	34.3	37.6	25.9
Punjab	42.1	2.4	15.0	50.6	36.2	35.3	27.2	18.7	18.0
Rajasthan	12.6	26.8	28.9	49.1	51.0	31.6	29.9	29.7	19.9
Tamil Nadu	25.4	34.7	17.6	56.5	40.7	23.4	33.5	19.8	12.7
Uttar Pradesh	27.9	40.3	20.2	63.8	44.2	42.2	38.2	34.1	31.7
Uttaranchal		39.0	0.0	0.0	47.5	28.1	18.7	26.2	25.0
West Bengal	28.1	48.0	20.6	50.1	40.9	38.2	31.2	24.4	21.9
Total	40.9	38.7	30.4	51.4	40.6	34.1	31.7	25.8	20.9

Table B9: Urban poverty by states by social groups at the Tendulkar line using MRP expenditures: SC, ST and all groups

				Other Back	ward Castes		
	Non-se	cheduled caste	s (NS)	(OI	BC)	Forward c	astes (FC)
State	1993-94	2004-05	2009-10	2004-05	2009-10	2004-05	2009-10
Andhra Pradesh	33.9	20.4	17.2	23.8	19.7	16.5	14.7
Assam	26.5	18.5	23.5	26.7	19.7	15.9	24.6
Bihar	42.1	40.2	36.3	49.6	43.9	22.6	16.8
Chhattisgarh	25.5	24.5	21.8	32.5	31.3	14.0	12.0
Delhi	7.9	8.6	8.3	22.7	17.8	6.1	4.9
Gujarat	25.1	19.7	15.9	36.5	30.3	11.4	8.2
Haryana	20.5	16.8	12.8	36.5	20.9	8.1	7.7
Himachal Pradesh	10.7	3.5	9.5	10.8	22.0	2.5	8.2
Jammu & Kashmir	5.1	10.2	12.1	3.1	17.5	10.5	11.9
Jharkhand	33.2	16.5	26.3	22.0	39.9	10.3	11.4
Karnataka	30.3	22.6	17.4	32.1	17.8	14.3	16.9
Kerala	23.2	17.0	11.3	21.2	14.0	7.9	4.3
Madhya Pradesh	26.7	29.8	18.5	46.9	25.8	14.6	10.7
Maharashtra	25.9	23.0	15.5	26.8	22.4	21.4	12.3
Orissa	29.9	31.1	18.0	42.4	26.0	23.8	14.0
Punjab	20.2	12.3	11.5	20.2	24.7	9.6	7.1
Rajasthan	26.6	24.0	16.5	31.3	25.9	17.0	7.0
Tamil Nadu	29.8	16.0	11.0	17.3	11.8	6.5	1.3
Uttar Pradesh	34.1	32.5	30.1	42.7	41.1	20.9	18.1
Uttaranchal	19.8	21.8	24.8	35.0	40.4	17.9	16.0
West Bengal	27.4	19.7	17.6	23.6	29.9	19.5	16.6
Total	28.1	22.6	18.0	30.8	24.3	16.2	12.4

 Table B10:
 Urban poverty by states by social groups at the Tendulkar line using MRP expenditures: Non-scheduled castes, Other

 Backward Castes and forward castes

				Hindus					Muslims					Others	
		1987-	1993-	2004-	2009-		1987-	1993-		2009-		1987-	1993-	2004-	2009-
State	1983	88	94	05	10	1983	88	94	2004-05	10	1983	88	94	05	10
Andhra Pradesh	26.6	21.5	15.8	10.5	7.8	27.0	26.7	12.4	10.2	7.0	32.7	20.1	23.9	50.0	8.2
Assam	41.3	36.0	40.7	15.0	17.0	46.0	44.7	54.9	35.3	26.9	61.6	58.3	61.4	7.7	3.3
Bihar	65.2	53.8	56.3	41.0	37.3	64.2	57.3	67.0	52.1	32.1	53.1	55.3	64.9	39.0	12.1
Chhattisgarh				40.9	38.4				41.8	52.5				12.0	0.7
Delhi	4.2	2.0	2.2	7.2	0.0	19.4	0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Gujarat	29.6	28.8	22.2	19.5	8.9	20.6	18.2	15.8	12.5	2.9	31.9	22.5	37.2	4.1	0.0
Haryana	23.3	15.5	26.3	12.8	9.6	15.6	28.2	52.8	29.9	12.2	15.0	5.7	32.6	9.1	3.8
Himachal Pradesh	18.0	17.5	30.7	10.6	3.4	6.6	4.4	35.7	7.5	0.0	23.8	12.5	11.0	23.1	7.0
Jammu & Kashmir	35.4	26.4	16.2	4.0	1.3	24.1	28.2	47.5	4.2	2.7	21.7	12.4	4.7	40.9	0.0
Jharkhand				44.9	35.2				46.4	39.4				53.3	38.7
Karnataka	36.6	33.1	29.9	20.7	13.6	33.7	30.9	34.4	25.0	13.1	34.1	32.9	23.6	1.8	34.3
Kerala	40.3	28.5	24.5	13.6	6.7	49.2	41.3	32.0	17.1	10.6	30.5	16.3	20.7	2.4	2.9
Madhya Pradesh	50.1	43.6	41.2	37.0	28.5	37.7	38.3	27.8	35.0	4.4	25.5	42.2	26.6	1.2	24.2
Maharashtra	44.8	40.0	36.4	28.8	12.6	53.9	38.1	43.1	26.4	14.3	53.5	55.0	50.9	11.0	7.1
Orissa	68.6	58.6	49.6	46.4	26.9	62.9	38.6	40.7	26.3	21.0	65.2	81.7	67.6	37.4	62.3
Punjab	21.4	22.4	12.0	6.8	4.1	32.4	30.9	20.5	4.2	0.0	11.4	10.7	11.4	10.0	6.2
Rajasthan	38.8	34.5	26.3	18.5	11.2	45.6	33.9	32.2	16.1	26.4	15.9	5.1	15.4	8.2	0.3
Tamil Nadu	57.1	46.6	32.7	23.4	11.0	52.0	41.8	24.7	10.0	7.6	54.6	52.8	40.7	10.5	2.6
Uttar Pradesh	46.3	42.1	42.5	32.7	27.7	52.5	46.2	42.9	36.5	26.1	33.3	34.2	6.3	38.3	0.0
Uttarakhand				40.5	19.0				44.2	17.1				25.6	3.0
West Bengal	63.2	48.5	38.4	24.4	16.7	65.2	49.6	48.5	36.9	25.1	67.7	45.9	57.6	35.7	17.2
Total	47.0	40.0	36.6	28.0	20.4	51.3	44.1	45.1	33.0	21.7	30.3	26.6	27.9	19.4	11.7

 Table B11: Rural poverty by states by religious groups at Lakdawala lines using URP expenditures: Hindus, Muslims and all groups

				Hinduism					Islam					Others	
		1987-	1993-		2009-		1987-	1993-	2004-	2009-		1987-	1993-	2004-	2009-
State	1983	88	94	2004-05	10	1983	88	94	05	10	1983	88	94	05	10
Andhra Pradesh	37.0	39.1	37.2	25.9	17.9	41.1	53.8	49.7	39.5	27.8	21.9	29.0	26.3	11.1	3.4
Assam	22.0	13.2	6.2	3.1	4.5	24.0	12.2	22.2	6.1	20.0	24.9	17.2	0.0	20.0	2.3
Bihar	50.3	50.9	31.6	33.0	26.2	73.8	56.9	47.8	50.6	44.4	40.8	35.9	28.9	2.5	6.3
Chhattisgarh				42.6	33.2				61.1	48.7				7.3	23.5
Delhi	29.5	19.1	15.3	16.8	17.4	29.9	27.7	30.2	23.0	26.3	18.7	3.8	6.2	0.0	1.5
Gujarat	39.0	36.5	25.4	11.6	8.7	56.1	51.8	46.8	29.4	28.5	15.3	24.5	24.4	20.7	0.8
Haryana	29.4	20.7	15.6	15.0	10.3	28.8	0.0	39.8	9.5	35.6	14.7	9.6	23.2	0.4	20.0
Himachal Pradesh	12.1	9.1	9.9	3.6	8.5	0.0	0.0	0.0	1.3	0.0	20.5	0.0	0.0	0.0	0.0
Jammu & Kashmir	17.8	15.2	4.9	4.8	7.5	18.2	15.6	22.8	9.1	12.0	2.5	16.4	0.0	0.0	25.5
Jharkhand				18.4	25.5				40.1	32.6				27.4	7.6
Karnataka	41.5	46.0	35.9	29.1	24.8	53.5	64.2	57.8	48.5	34.5	18.9	35.8	22.7	7.9	4.6
Kerala	42.0	37.3	24.6	20.0	15.0	62.1	49.8	26.8	28.2	20.6	37.0	33.0	21.3	9.5	2.0
Madhya Pradesh	50.2	47.0	47.2	40.1	30.3	69.5	58.8	59.7	61.3	36.6	51.0	44.2	31.3	6.3	0.8
Maharashtra	33.5	38.0	32.4	27.0	20.0	55.4	55.2	49.6	54.7	39.6	27.0	36.7	31.9	14.1	11.9
Orissa	49.7	42.5	39.6	44.2	31.9	49.3	69.0	64.1	47.0	61.6	62.6	38.3	24.4	42.8	0.0
Punjab	23.0	14.2	10.9	7.4	8.0	35.2	34.7	22.5	13.7	15.3	22.2	11.6	10.6	5.5	2.0
Rajasthan	37.4	36.9	27.7	31.2	20.3	47.4	49.1	55.7	44.2	30.7	21.8	23.4	13.9	3.8	15.9
Tamil Nadu	48.2	41.2	39.5	23.0	15.1	60.7	45.3	46.0	21.7	11.7	43.8	30.0	34.3	29.6	5.6
Uttar Pradesh	50.5	37.9	31.0	25.6	21.6	69.5	63.5	46.4	40.5	43.5	19.1	36.5	7.1	10.6	8.6
Uttarakhand				35.2	23.7				51.3	61.4				0.0	26.1
West Bengal	31.0	30.0	19.9	11.1	9.8	53.5	57.8	42.5	28.8	22.0	28.8	16.7	27.3	16.7	15.9
Total	38.8	37.5	31.0	23.8	18.5	55.1	55.0	47.8	40.7	33.7	28.6	27.9	23.4	12.6	10.9

Table B12: Urban poverty by states by religious groups at Lakdawala lines using URP expenditures: Hindus, Muslims and all groups

State	Hinduism			Islam			Others		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
Andhra Pradesh	48.0	32.4	22.9	44.2	28.4	20.3	65.2	63.4	22.7
Assam	51.2	27.8	32.3	63.1	51.6	53.6	46.3	33.0	48.1
Bihar	60.7	54.8	56.0	71.1	61.1	51.6	45.5	46.9	51.7
Chhattisgarh	57.0	55.4	56.5	0.0	41.8	49.3	12.0	14.8	14.9
Delhi	17.7	16.3	7.6	0.0	0.0	0.0	0.0	0.0	
Gujarat	43.1	39.9	26.4	36.4	31.0	31.4	39.3	9.4	0.0
Haryana	38.0	24.7	18.1	63.6	44.2	29.7	64.0	15.8	30.0
Himachal Pradesh	36.6	24.8	9.1	46.6	34.3	15.7	50.8	26.2	7.0
Jammu & Kashmir	31.3	12.3	6.0	57.6	15.2	9.7	16.6	40.9	0.0
Jharkhand	64.6	50.3	39.6	70.6	51.5	50.7	23.8	59.4	49.5
Karnataka	57.5	38.1	26.7	52.5	35.8	20.9	29.4	9.4	67.7
Kerala	33.2	20.8	11.9	41.8	26.5	14.6	15.6	22.6	8.5
Madhya Pradesh	49.1	54.1	42.8	42.4	44.2	22.0	38.9	25.1	34.6
Maharashtra	57.8	47.1	28.7	61.0	40.0	23.3	45.1	18.5	9.6
Orissa	62.8	60.4	38.4	52.5	27.9	45.1	58.7	43.8	73.2
Punjab	20.1	23.2	19.0	36.9	23.0	3.5	18.5	18.6	13.1
Rajasthan	40.8	36.3	26.4	45.2	31.3	34.6	10.1	12.8	9.9
Tamil Nadu	51.2	38.0	21.8	35.7	18.0	15.8	36.8	18.1	4.7
Uttar Pradesh	51.2	42.0	38.6	50.4	46.9	44.4	30.4	38.3	0.0
Uttarakhand	37.9	34.3	14.7	51.5	43.5	8.2	5.1	32.7	3.0
West Bengal	39.4	33.2	25.6	50.3	49.1	34.4	39.8	45.5	31.3
Total	50.3	42.1	33.5	53.4	44.6	36.1	37.8	30.7	21.4

 Table B13: Rural poverty by states by religious groups at the Tendulkar line using MRP expenditures: Hindus, Muslims and all groups

	Hinduism			Islam			Others		
State	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
Andhra Pradesh	33.8	22.1	16.0	44.5	32.7	24.7	19.4	11.6	3.2
Assam	25.2	21.5	21.4	50.4	24.2	52.7	0.0	22.7	13.1
Bihar	38.7	40.1	35.9	59.2	60.8	56.5	14.6	2.5	6.3
Chhattisgarh	30.4	28.1	25.2	16.7	54.4	10.4	5.6	4.4	3.0
Delhi	15.2	12.8	14.9	33.1	21.7	14.1	0.0	2.7	1.5
Gujarat	25.7	17.7	13.8	45.6	42.3	42.4	12.4	20.8	2.1
Haryana	23.3	22.5	22.2	51.7	46.5	42.4	38.5	0.4	20.0
Himachal Pradesh	13.7	5.2	11.7	0.0	1.7	51.4	20.7	0.0	0.0
Jammu and Kashmir	6.9	5.5	8.4	22.8	13.0	17.6	0.0	11.2	25.5
Jharkhand	40.4	21.7	30.6	55.0	49.8	44.3	18.5	29.5	9.8
Karnataka	30.7	23.0	19.9	50.6	40.3	20.4	13.1	2.2	6.5
Kerala	23.7	19.0	12.6	27.6	23.7	17.1	18.2	9.6	2.4
Madhya Pradesh	31.5	33.5	22.0	36.4	48.3	31.7	34.5	2.7	0.8
Maharashtra	27.5	20.1	15.2	44.0	47.9	30.9	14.5	12.0	10.2
Orissa	33.5	36.4	26.3	52.8	44.2	27.6	10.5	41.7	0.0
Punjab	27.5	20.5	17.3	50.8	40.5	23.7	23.7	20.9	7.6
Rajasthan	26.7	28.0	18.0	52.5	42.4	29.5	22.4	7.0	16.2
Tamil Nadu	33.3	20.1	12.6	35.4	19.1	11.2	29.6	29.3	4.3
Uttar Pradesh	33.4	27.5	24.7	50.7	48.4	49.5	23.1	32.3	8.5
Uttarakhand	18.5	24.2	17.1	32.5	44.3	49.4	0.0	0.0	26.1
West Bengal	27.3	20.9	20.0	56.1	45.7	34.9	20.6	22.1	15.9
Total	29.5	23.1	18.7	46.4	41.9	33.9	22.8	13.5	12.9

Table B14: Urban poverty by states by religious groups at the Tendulkar line using MRP expenditures: Hindus, Muslims and all groups