

Social exclusion and poverty in India: the case for a more decentralised approach

Veronica Pala

Assistant Professor, Department of Economics, North-Eastern Hill University, Shillong, Meghalaya
veronicapala@gmail.com

Abstract

Objectives: The study is to highlight the disparities in the incidence of poverty across scheduled castes, scheduled tribes and other castes in different states of India and further in different regions of large states.

Methods/Statistical analysis: The social groups that are considered are the Scheduled Tribes (STs), Scheduled Castes (SCs) and Others. The incidence of poverty is measured in terms of the Head Count Ratio (HCR). We have used the unit record data on consumer expenditure collected by the National Sample Survey Organisation (NSSO) in 1983 (38th round) and 2011-12 (68th round, schedule Type 1). We have carried out the analysis at the state level and the National Sample Survey (NSS) region level.

Findings: The HCR at the all India level masks the diversity in the country. The state level estimates also obscure the intra state variations. We find that which population sub group suffers the most deprivation varies from state to state and from region to region. Even among the more developed states there are certain groups in certain regions which suffer from extreme poverty.

Application/Improvements: Policy interventions for poverty alleviations have to be targeted at specific groups in specific regions. A more decentralised and targeted approach is required to eliminate poverty since the social structure of population cannot be ignored.

Keywords: Social exclusion, poverty, scheduled castes, scheduled tribes, India, NSS regions

1. Introduction

The notion of social exclusion was developed originally in France by Richard Lenoir in 1974. He is considered to be the pioneer in the use of the term 'social exclusion' [1]. To him, the excluded are those who have no access to the fruit of economic growth. Historically, the Indian society evolved around certain identities such as social origin, ethnicity or religion. This has resulted in the exclusion of groups, perceived as 'others' or 'different', by dominant groups. There are several groups that have been identified in the literature as those that have traditionally suffered from exclusion. Out of these, two are identified on the basis of their caste, the untouchables or *scheduled castes* (SCs) and *tribes* (STs). These two groups possess several similarities as well as differences in terms of their exclusion. The most important characteristic of exclusion is its multidimensionality involving exclusion in economic, social and political spheres. The non-homogeneity of the Indian social structure has manifested itself in segmented markets and differential level of development for different communities. The impressive economic growth that the country has achieved never got evenly distributed. In other words, a large number of the poor could not take advantage of the growth. In particular, Scheduled Tribes (STs) and Scheduled Castes (SCs) have not been able to fully partake of the benefits of growth experienced by the country in general in terms of reduction in poverty and improvement in the standard of living. This is so despite the fact that poverty in India has declined over the years. It is also well recognised that across the states the incidence of poverty is not uniform and the performance in poverty reduction has been very uneven. A number of factors responsible for this varying performance has been reported in the existing literature. Researchers have tried to relate spatial variation in poverty to uneven investment and infrastructure in lagging regions, uneven productivity of agriculture, etc.

Our approach in this paper is to look into the social structure of the Indian population and argue that it plays a very important role in determining the poverty status of households and the performance of a state in poverty reduction. Therefore, it is imperative to study the disparities across social groups and more importantly to identify where are the marginalised ones located. For convergence in growth, poverty reduction and overall development, it is of utmost importance that every section of the society experiences the development. For policy measures, we must not focus at a given state at the aggregate but a more decentralised approach is called for. This is because the poverty ratio at the all India level masks the diversity in the country. The state level figures also obscures the intra-state variations. Which population sub group suffers the most deprivation varies from state to state and from region to region within a state. Even among the more developed states there are certain groups which suffer from extreme poverty. In this study, we will look at the disparities in poverty incidence among the three social groups, namely, the STs, SCs and Others across the states in rural and urban sectors. Then we extend the analysis to the region level in order to get a sense of the extent of intra-state variations. This is certainly not the first study that have looked at intra-state disparities in poverty. In [2] studied the incidence of poverty and hunger at the district level. In [3] has analysed inter-district disparities for five states of Gujarat, Haryana, Kerala, Orissa and Punjab. However, they have not included social groups in their analyses. The structure of Indian population is categorised into several social groups. Further, states are at different levels of development and within a particular state there are pockets of prosperity and deprivation. Therefore, it is relevant to investigate how do different social groups fare in different states and in different regions of a state. This paper is an attempt to provide some insights in this regard. The rest of the study is organised in the following fashion. The next section 2 outlines the data and methodology used in the paper. In section 3 we look into the disparities in the incidence of poverty. The discussion has been done at three levels - all India level, state level and NSS region level. That is, we go beyond the inter-state analysis and discuss the intra-state variations in poverty across social groups. Section 4 concludes the paper.

2. Data and Methodology

The main source of data used for the purpose of this paper is the unit record data on consumer expenditure collected by the National Sample Survey Organisation (NSSO) in 1983 (38th round) and 2011-12 (68th round, schedule Type 1). The survey covers almost the entire territory of India except some inaccessible areas that are less than 0.01 percent of the Indian territory and even lower proportion of population. There are 36 states and union territories in India. We are treating all states and Union Territories as states. Three states of Chhattishgarh, Jharkhand and Uttarakhand were created in 2000. We could identify the districts of Madhya Pradesh, Bihar and Uttar Pradesh respectively that fall under the three new states. Therefore the estimates for these six states are as per the political boundaries in 2001 for all the four rounds of survey that we present in this paper. The figures for Andhra Pradesh, however, refer to the pre-divided state and Telangana is not considered separately in this study. Furthermore, there have been some minor changes in the number of states and union territories that are there in the data.

Therefore, direct comparability in the areas covered during the two rounds of survey does not exist in a few cases. In case data are not available for 1983, estimates from the 50th round (1993-94) are reported. The literature suggests that even within the same state huge variations exist as far as poverty incidence is concerned. Therefore, we have tried to extend the analysis to the National Sample Survey (NSS) region level. Regions are hierarchical domains of study below the level of State/Union Territory in the NSS. In a large state, several contiguous districts 'having similar geographical features and population densities' form one region [4]. It may be noted that the composition of the NSS regions has changed over the years due to the creation of new districts as well as the reorganisation of the regions by the NSSO in a few states for recent rounds of surveys. In 2011-12 there are 88 NSS regions while until the 62nd round (2005-06) there were only 78 NSS regions. Further, the composition of regions in certain states has totally changed. For instance, in Gujarat the earlier composition was such that different parts of the same district fell under several regions. The current organisation is such that one district falls under one region only.

We organise our data of 2011-12 according to the latest composition in Gujarat while in other states where new regions have been created, data is being organised as per the region composition in 2004-05. By using district identifier, we could establish the concordance of the NSS regions over various survey rounds. But in 1983, districts were not given in the datasets and we could not use any other identifier. Hence the composition of NSS regions in 1983 presented in this paper is as it was in that year and could not be made comparable in case of Gujarat. The focus of this paper is the social groups. We are taking into consideration the Scheduled Tribes (STs), Scheduled Castes (SCs) and Others. Other Backward Castes (OBCs) are merged with Others due to lack of information in 1983. In 1983, Neo-Buddhists have been merged with SCs. For results from sample surveys, the reliability of estimates is crucially dependent on the sample size. While at the aggregate level the sample size for all social groups is fairly large, it is not so for all the states especially for STs and SCs since the sampling is done on a PPS (probability proportional to size) basis. Therefore, caution is required while interpreting results relating to some groups in certain states where the sample size is too low.

In this study we focus on the disparities in poverty incidence. For calculating poverty levels, a suitable poverty norm is required. Given that there is controversy surrounding the specification of the poverty line and updating it for price changes over time, we have tried to keep clear off this controversial issue and adopted the poverty lines earlier used by the Planning Commission, Government of India for estimating poverty incidence. The incidence of poverty is measured in terms of the Head Count Ratio (HCR), which is the proportion of people whose monthly per capita total expenditure falls short of the poverty line. The poverty lines are those estimated by the Lakdawala Committee [5] and have been updated for price changes for later years using the state-specific Consumer Price Indices for Agricultural Labourers (CPIAL) for the rural areas and the Consumer Price Indices for Industrial Workers (CPIIW) for the urban areas. Different states in the country have different spending patterns and face vastly different market prices. Thus poverty lines are different for different states.

Poverty lines have been re-estimated by the Planning Commission using what is known as the Tendulkar methodology and given in [6]. But these are not available for 1983. Hence for comparability, we use the Lakdawala poverty lines and the per capita expenditure based on the Uniform Recall Period (URP) for arriving at the incidence of poverty. In [7] have studied the sensitivity of the *poverty lines* (PLs) to poverty incidence and shown that the choice of a particular poverty norm does not make any qualitative difference in the measurement of poverty. Thus, any poverty line would suffice, as the relative position of the population groups is what we are interested in. Further, “even though the suggested new methodology gives a higher estimate of rural headcount ratio at the all-India level for 2004-05, the extent of poverty reduction in comparable percentage point decline between 1993-94 and 2004-05 is not different from that inferred using the old methodology”

3. Disparities in Poverty incidence

In this section, we discuss poverty incidence in India based on what is termed as consumption poverty. The measure of poverty used is the head count index or ratio (HCR) of poverty that is simply the proportion of population that lives below the Indian poverty line. The main purpose of this paper is to highlight the substantial disparities that exist among the different social groups across the Indian states and across different regions within the same state. Therefore, this section is further divided into two sub-sections – section 3.1 in which we discuss the disparities at the all India and state levels and section 3.2 in which we discuss the same at the NSS region level.

1. Incidence of poverty at the all india level and state level

Tables 1 and 2 report poverty incidence at the all India level among the social groups by state and place of residence in 1983 and 2011-12 respectively. There is a clear hierarchy in the incidence of poverty across social groups. It is apparent that STs in the rural sector are most vulnerable to poverty. In 1983, close to 64% of STs were below poverty line. For the SCs, the poverty incidence was 59% and for Others it was about 41%. Over the years, there is decline in poverty incidence. For example, for STs, poverty ratio was about 26% in 2011-12. Similarly for SCs and OTHERS, it is about 16% and 8% respectively.

Thus, between 1983 and 2011-12, rural poverty head count index declined by about 38% points for STs, over 43% points for SCs and about 32% points for Others. In case of urban areas, the STs had marginally lower poverty incidence than the SCs but significantly higher than Others at the initial time point, 1983 and this gap widened in 1993-94 and 2004-05 (though we have not reported the estimates here due to space constraint). However, in 2011-12 STs had higher HCR than SCs. It is to be noted that the rate of decline of urban poverty is the lowest for the STs. This indicates that the STs have not been able to take advantage of faster economic growth. The possible explanation could be the share of STs in the urban population, which is stagnant. It is quite likely that recent increase in urban population is favouring Others more than STs and SCs. Since economic growth in the post-reform period has an urban bias, these groups appear to be bypassed by the boom in the economy.

The incidence of poverty for a particular social group varies widely across the states. Taking the rural and urban sectors together, HCR ranges from over 12% in Himachal Pradesh to 36 percent in Andhra Pradesh to over 86% in Orissa among the STs in 1983. For SCs it varies from 38.5 percent in Andhra Pradesh to 75% in Orissa. Similarly, for the Others, the HCR figure is minimum at 14% in Himachal Pradesh and about 56 percent in Orissa. Between 1983 and 2011-12, there has been a decline in poverty incidence among all the states and also among all social groups. But decline in HCR has taken place at different rates and the relative position of STs and SCs has not changed much. These groups continue to be more vulnerable even in 2011-12. The highest level of disparity between STs and Others is in Madhya Pradesh and Gujarat in 1983. That declined significantly in Gujarat in 2011-12 but it remained substantial in Madhya Pradesh. In Andhra Pradesh, and Odisha the relative position of STs has worsened in 2011-12 compared to 1983 in the sense that disparities have increased. In some states like Maharashtra and Chhattishgarh, there was hardly any reduction in the level of disparities. SCs were relatively worse off than STs in Andhra Pradesh, Himachal Pradesh, Jammu & Kashmir and Tripura in 1983. Out of these states, by 2011-12, the HCR for SCs was lower than that for STs in Andhra Pradesh and Tripura. In Jammu & Kashmir, SCs continue to be worse than STs. The disparities between SCs and Others have increased during the period 1983 to 2011-12 in two big states, namely, Chhattishgarh and Odisha. This is a matter of concern. In Rajasthan, the disparities between STs and Others has declined a little but remain significant in 2011-12. On the other hand, the disparities between SCs and Others has declined significantly. In West Bengal, the disparities between STs and Others have shown little reduction but the relative condition of SCs has improved significantly. In sum, all states exhibit wide disparities in terms of poverty incidence among the three social groups. In most of them, STs remain the most deprived group.

Table 1. Poverty incidence (Head Count Ratio) by State, Sector and Social Group in 1983

State	Rural				Urban				Total			
	ST	SC	OTH	ALL	ST	SC	OTH	All	ST	SC	OTH	ALL
AP	35.73	36.63	23.53	26.77	42.96	51.69	36.37	37.94	36.35	38.46	26.72	29.21
ARP*	43.13	29.11	31.76	41.41	12.63	8.48	3.66	6.05	42.02	17.95	20.59	37.22
ASM	48.60	43.77	42.02	43.32	18.68	43.54	19.01	22.14	48.46	43.73	39.84	41.53
BIH	72.98	83.00	60.42	64.72	40.77	73.44	56.87	58.65	70.26	82.42	60.06	64.15
CHT	58.98	50.35	41.69	50.66	51.60	49.80	48.84	49.26	58.71	50.27	43.29	50.47
GOA*	0.00	0.00	5.40	4.98	21.02	0.00	29.33	28.26	10.39	0.00	15.64	14.81
GUJ	56.67	37.07	19.96	29.44	83.22	43.76	38.73	40.98	58.48	39.31	26.31	32.84
HAR	0.00	37.60	17.62	22.42	20.12	47.66	24.74	28.13	6.80	39.07	19.32	23.67
HP	11.00	28.53	14.30	17.76	20.42	23.71	9.36	12.63	11.67	28.25	13.93	17.39
J&K	10.16	44.31	25.51	27.38	0.00	22.13	17.42	17.47	6.79	43.11	23.83	25.46
JHA	74.73	74.83	57.46	65.59	52.36	56.23	32.28	37.29	73.46	70.56	50.35	59.61
KAR	56.93	54.30	31.01	36.21	51.65	50.71	41.77	43.02	56.39	53.44	34.23	38.11
KER	42.80	62.55	36.53	39.73	59.55	59.65	44.69	45.82	44.18	62.24	38.04	40.80
MP	72.31	62.21	35.16	49.28	56.64	72.23	51.37	54.76	71.69	64.45	39.46	50.42

MAH	62.55	60.57	39.52	45.95	66.99	61.62	36.68	40.94	63.10	60.86	38.47	44.30
MAN	39.00	0.00	16.61	25.61	17.22	0.00	12.88	13.27	37.05	0.00	15.30	22.41
MEG	37.69	28.09	60.11	39.09	10.50	44.22	0.74	7.67	35.20	32.89	27.79	34.15
MIZ	28.71	0.00	4.39	27.85	2.05	22.07	0.00	2.44	23.60	7.64	3.93	22.99
NAG*	2.43	NA	0.00	2.30	0.00	0.00	0.00	NA	1.94	0.00	0.00	1.69
ODI	87.08	75.99	58.52	68.43	73.73	69.54	41.86	49.66	86.22	75.38	56.16	66.24
PUN	16.18	27.44	9.05	14.41	56.32	35.71	19.46	23.30	26.12	29.07	11.91	16.67
RAJ	63.46	44.86	31.66	38.58	50.64	48.83	35.95	38.14	63.00	45.48	32.62	38.50
SIK	18.80	100.00	32.70	28.42	0.00	9.38	9.96	8.36	17.41	51.21	28.06	25.03
TN	70.98	69.09	52.79	56.73	74.76	69.70	48.45	50.89	72.65	69.20	51.13	54.70
TRI	47.06	60.48	31.74	39.32	0.00	35.42	21.76	22.01	44.65	58.78	30.16	37.09
UTT	0.00	44.15	23.62	25.11	0.00	25.12	22.75	23.06	0.00	39.16	23.45	24.71
UP	50.49	58.49	45.02	48.11	34.44	59.91	51.48	52.42	48.85	58.64	46.28	48.87
WB	76.71	73.31	58.27	63.80	42.41	48.23	30.43	33.19	73.93	69.89	50.31	56.55
ANI	33.84	29.94	24.92	26.85	23.93	50.22	15.24	17.05	32.95	32.90	22.31	24.55
CHA	NA	6.01	5.04	5.26	0.00	33.03	9.40	13.15	0.00	29.56	8.99	12.37
DNH*	57.98	1.23	0.00	51.67	72.45	0.00	11.62	38.83	58.54	1.18	6.56	50.74
D&D*	24.12	NA	0.00	4.71	54.55	NA	20.80	21.66	26.52	NA	9.20	11.42
DEL	0.00	9.32	6.68	6.99	5.38	52.97	21.19	28.61	3.70	49.52	20.66	27.49
LAK*	0.00	0.00	0.00	0.00	16.41	NA	0.00	15.93	9.31	0.00	0.00	8.06
PUD	NA	76.57	52.32	61.01	NA	91.14	60.24	63.59	NA	80.28	57.16	62.38
TOTAL	63.92	58.97	40.76	46.51	55.29	55.78	39.79	42.25	63.29	58.44	40.51	45.55

Note: * indicates that the figures relate to 1993-94

Source: Special tabulation by the author using unit record data on Consumer Expenditure collected by the National Sample Survey Organisation during the 38th and 50th rounds

HCRs in the rural sector among all the population groups in general were higher. Others were better-off than STs or SCs in all states except in Himachal Pradesh where STs were better off than Others in 1983 although absolute poverty has been wiped out in Himachal Pradesh by 2011-12. The range of disparities between STs and Others in 1983 was 6% points in Assam to 37% points in Madhya Pradesh and Gujarat. By 2011-12 the STs became worse off in Andhra Pradesh, Maharashtra, Odisha and West Bengal where disparity went up. Contrary to this, in Gujarat it declined to about 6 percentage points. In several large states like Chhattishgarh, Madhya Pradesh, Maharashtra, Jharkhand and Rajasthan the level of disparity has shown very little reduction and remains at high levels. Thus in many states where STs' population is substantial, disparities in poverty reduction in the rural areas between them and Others have not declined significantly and have even increased in certain states. On the other hand, the disparity between SCs and Others in the rural sector has shown substantial reduction as is apparent from Table 2. However, in Chhattishgarh and Odisha the relative position of SCs deteriorated. Substantial disparities remain in Madhya Pradesh, Karnataka and Uttar Pradesh.

In the urban areas too, we see there is large variation in poverty ratios across the states. This would also be reflected among social groups. A word of caution is required while looking at the urban poverty incidences by social groups. The share of STs and SCs in urban population is relatively lower. Given that the sampling methodology adopted by the NSSO is PPS, the number of sampled households may not be sufficient to provide robust estimates. Therefore, these are to be considered as indicative only. The general trend is that Others have experienced a faster average rate of decline while STs and SCs are slightly worse off as far as rate of decline in poverty incidence is concerned. Thus disparities are persistent. But there is evidence that almost all the groups have improved.

Table 2. Poverty Incidence (Head Count Ratio) by State, Sector and Social Group in 2011-12

State	Rural				Urban				Total			
	ST	SC	OTH	ALL	ST	SC	OTH	All	ST	SC	OTH	ALL
AP	16.57	9.28	3.47	5.91	12.73	12.54	4.90	5.88	16.23	9.92	4.02	5.90
ARP	12.38	1.53	22.49	14.88	7.48	0.00	9.98	8.43	11.61	1.19	18.91	13.62
ASM	10.27	10.25	13.12	12.40	10.35	12.79	5.52	7.21	10.27	10.73	12.33	11.86
BIH	13.86	15.80	9.65	10.84	10.32	42.16	30.11	31.67	13.59	17.95	11.70	12.85
CHT	46.64	45.37	31.39	39.55	53.87	63.61	36.89	42.52	47.28	48.46	33.08	40.18
GOA	0.00	0.00	0.00	0.00	0.00	0.00	1.35	1.29	0.00	0.00	0.74	0.66
GUJ	8.09	6.55	1.88	3.90	22.24	4.68	3.15	4.01	9.36	5.78	2.49	3.95
HAR	0.00	6.51	2.86	3.79	9.74	13.71	4.05	5.69	5.06	8.06	3.25	4.37
HP	0.00	0.00	0.00	0.00	0.00	4.96	2.16	2.61	0.00	0.44	0.26	0.28
J&K	6.79	13.83	4.46	5.83	3.03	14.32	3.02	4.25	6.49	13.93	4.11	5.48
JHA	27.44	15.72	13.12	17.63	28.88	42.69	20.99	24.49	27.56	20.33	15.21	19.04
KAR	5.14	14.02	6.75	7.93	29.48	20.42	11.08	13.17	10.99	16.07	8.40	9.83
KER	8.86	4.61	0.47	1.06	13.63	5.07	4.54	4.60	9.14	4.68	1.60	1.99
MP	37.33	29.98	13.42	23.21	37.08	38.13	21.77	25.25	37.31	31.68	16.21	23.73
MAH	33.36	8.77	6.19	10.19	24.67	16.66	8.52	10.51	31.72	12.78	7.30	10.34
MAN	5.30	10.06	2.32	3.84	8.28	5.83	5.72	5.81	5.37	7.58	3.61	4.36
MEG	3.69	NA	0.00	3.50	0.10	0.00	0.98	0.29	3.06	0.00	0.52	2.82
MIZ	2.99	0.00	42.29	6.13	0.21	0.00	0.68	0.22	1.67	0.00	33.85	3.40
NAG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ODI	46.64	34.82	12.07	25.35	45.53	36.17	14.97	21.60	46.59	35.03	12.62	24.78
PUN	0.00	2.70	0.28	1.39	3.94	8.00	2.01	3.56	3.38	3.97	1.03	2.17
RAJ	26.76	7.07	2.41	7.90	22.85	16.05	8.28	10.16	26.53	8.98	4.08	8.44
SIK	0.11	0.00	0.71	0.40	0.00	0.00	1.48	1.05	0.10	0.00	0.89	0.51
TN	17.47	5.95	2.44	3.58	2.80	7.80	6.21	6.41	12.73	6.52	4.27	4.84
TRI	9.88	3.81	5.03	6.85	0.00	11.72	2.15	4.10	9.44	5.23	4.34	6.42
UTT	0.00	0.25	0.08	0.12	25.73	8.71	6.75	7.35	2.92	1.55	2.01	1.95
UP	14.91	24.58	14.12	16.91	20.32	42.58	30.39	31.96	15.63	26.76	18.09	20.12
WB	26.30	9.71	7.17	9.10	57.16	27.31	19.31	21.57	30.27	12.58	11.03	12.41
ANI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHA	0.00	0.00	1.84	1.64	0.00	14.56	4.60	7.03	0.00	14.09	4.37	6.64
DNH	49.03	NA	0.00	45.96	39.51	100.00	2.43	12.76	47.45	100.00	2.17	32.11
D&D	0.00	0.00	0.00	0.00	32.74	0.00	11.75	12.62	13.08	0.00	4.76	4.89
DEL	0.00	0.00	0.35	0.28	0.00	23.98	4.40	8.50	0.00	22.65	4.06	7.85
LAK	0.00	NA	0.00	0.00	0.58	0.00	0.00	0.53	0.28	0.00	0.00	0.27
PUD	NA	0.00	2.18	1.89	25.49	1.19	0.46	0.81	25.49	0.77	1.05	1.18
TOTAL	25.98	15.69	8.30	11.80	24.55	22.19	12.62	14.43	25.82	17.12	9.70	12.55

Source: Special tabulation by the author using unit record data on Consumer Expenditure collected by the National Sample Survey Organisation during the 68th round

A peculiar case is Chhattishgarh where we see in the urban areas that the aggregate HCR has declined but the STs and SCs experienced increase in poverty. Poverty has shown reduction only in case of Others. Chhattishgarh had an aggregate HCR in 1983 of about 50% which has been reduced to 40% in 2011-12 which is a reduction by 10% points only. Chhattishgarh stands alone as the state in which little development has taken place. Out of the total population, 32% are STs and 47% of them are poor. SCs constitute 12% of the population and 48% of them are poor. SCs are the most deprived group in this state although there is not much difference between STs and SCs. In three decades, about half of SCs continued to be poor in 2011-12 which was the same as in 1983. Among the STs, there has been a reduction in their HCRs by 11 percentage points and among Others by 10% points. The little development that is there has not reached the SCs. We should note that Chhattishgarh is beset with serious problems of Maoist insurgency and this is directly related with the lack of development although, which is the cause and which is the effect in this relationship is still debatable.

2. Intra-state and inter-group disparities in the incidence of poverty

The general picture that emerged from the analysis in the preceding sub-section reflects the diversity and regional inequalities that characterize India. There are wide variations across the states in terms of poverty incidence and consumption. Different states showed different levels of performance as far as reduction of poverty incidence is concerned. However, even within the same state, there are huge variations in various outcomes [3] [7]. We have reported the HCRs by NSS regions and social groups in 1983 and 2011-12 in Table 3.

In Andhra Pradesh we note that the state level aggregate HCR was only 5.9% in 2011-12 which declined from 29% in 1983. Lower poverty ratios were found mainly in the Coastal and Inland Northern regions. HCR was 9.5% in Inland Southern region and almost 14 percent in South Western region in 2011-12. The Coastal region had very low poverty ratio of just about 5 percent and yet 30.6% of STs who comprise 6% of the population were poor in this region. SCs comprised 17.5% of the population in the Inland Southern region and 25% of them were found to be poor. More than 20% of SCs were poor in the South Western region. Andhra Pradesh is one of the best performing states as far as poverty reduction is concerned. However our analysis found that not all regions have benefitted equally. South Western region had higher poverty ratio than the all India average of 12.5% in 2011-12. STs and SCs still continue to have significantly higher incidence of poverty.

Poverty in Assam has reduced from 41.5% in 1983 to 12% in 2011-12. However reduction is not the same in all the three regions of the state. Starting at the same level of poverty in 1983, HCR in the Hills region reduced by 26% points and in the Plains Western region by 33 percentage points by 2011-12. Plains Eastern region on the other hand had an HCR of less than 10% in 2011-12. In both the Plain regions of Assam, STs and SCs had lower poverty ratios than Others. A totally different picture can be observed in the Hills region where STs who constitute 58% of the population are found to be poorer than Others who constitute only 39% of the population. STs had the highest HCR at 21% while Others had 14%. Thus the population sub-group that suffers from the highest deprivation differs from region to region. Bihar has done very well in reducing poverty from 64% in 1983 to 13% in 2011-12. Of the two regions in Bihar, HCR in Northern region is half of that in the Central region in 2011-12. When we look at social groups, SCs are poorer than Others. In the Central region one fourth of SCs are poor. Gujarat has experienced reduction in poverty from 33% in 1983 to about 4% in 2011-12. In the South Eastern region, 38% are STs and 7% of them are poor. This HCR is higher than that of any other group in this region. In the Plains Northern, 4% of the population are STs and one-fourth of them are poor. This is higher than the poverty ratios of SCs which is just 12 percent and that of Others which is less than 5%. Thus in Gujarat, STs and SCs in Plains Northern need specific attention to alleviate their relatively higher poverty ratio.

Haryana has two regions, Eastern and Western. About one-fifth of the population are SCs and Others constitute the rest of them. The HCR declined from 24% in 1983, to a little more than 4% in 2011-12. SCs had a much higher HCR of 14% in Western region in 2011-12. In Jammu & Kashmir, the HCR was about 5.5% in 2011-12. However it was more than 14% in the Outer Hills regions. This region comprises of 22% STs and 11% SCs. Among social groups, SCs had the highest HCR of 29.4%. In Jhelum valley, STs had the highest HCR of 9% compared to less than 2% for Others. Karnataka experienced a reduction in its HCR from 38% in 1983 to 10% in 2011-12.

Table 3. Poverty Incidence (Head Count Ratio) by NSS Regions and Social Groups in 1983 and 2011-12

State	Region Description	1983				2011-12			
		ST	SC	OTH	ALL	ST	SC	OTH	ALL
AP	Coastal	47.55	33.17	22.92	25.46	30.60	4.74	3.31	5.26
AP	Inland Northern	27.00	33.73	24.67	26.52	8.14	8.00	3.02	4.16
AP	South Western	49.08	56.94	37.29	41.15	0.00	20.59	12.03	13.67
AP	Inland Southern	60.93	61.67	41.52	45.43	5.10	25.37	4.17	9.54
ASS	Plains Eastern	30.79	28.88	34.55	33.81	6.81	8.20	9.86	9.37
ASS	Plains Western	53.97	55.93	43.61	46.39	6.57	12.74	14.44	13.21
ASS	Hills	47.02	16.15	45.98	46.05	20.74	16.48	13.85	20.20
BIH	Northern	74.14	82.09	62.52	65.89	19.23	13.24	8.21	9.28
BIH	Central	65.54	82.85	56.31	61.59	4.65	24.55	16.88	18.10
GUJ	Eastern	61.11	32.16	27.29	51.57	7.39	0.00	1.63	3.97
GUJ	Plains Northern	32.73	37.33	25.68	27.54	24.70	11.71	4.74	7.08
GUJ	Plains Southern	51.16	38.10	33.50	36.95	0.86	2.44	3.01	2.76
GUJ	Dry Areas	65.67	52.07	34.38	40.46	0.00	0.00	1.19	1.11
GUJ	Saurashtra	40.43	40.06	19.97	22.49	0.00	0.57	0.97	0.94
HAR	Eastern	11.52	39.42	18.74	23.18	4.17	5.53	3.03	3.67
HAR	Western	0.57	38.61	20.20	24.39	9.73	14.00	3.62	5.64
J&K	Mountainous	0.00	43.88	28.41	32.52	0.00	6.22	0.41	2.12
J&K	Outer Hills	15.42	44.42	29.67	31.02	6.59	29.40	12.97	14.22
J&K	Jhelam Valley	0.00	0.00	19.94	19.85	9.00	4.86	1.81	2.33
KAR	Coastal & Ghats	2.09	63.92	19.44	20.94	0.00	3.93	3.43	3.20
KAR	Inland Eastern	36.50	43.53	28.77	31.37	54.90	7.69	7.18	8.74
KAR	Inland Southern	56.93	49.79	28.07	33.86	0.00	2.93	0.28	0.69
KAR	Inland Northern	64.65	60.47	43.86	47.07	13.52	28.20	16.24	18.12
KER	Northern	35.29	71.22	45.24	47.40	13.71	5.28	2.16	2.66
KER	Southern	53.10	57.81	33.13	36.43	0.00	4.28	1.16	1.46
MP	Vindhya	78.84	83.76	48.22	61.82	44.13	37.17	21.16	30.60
MP	Central	67.49	65.88	40.01	47.54	28.36	15.04	16.65	17.41
MP	Malwa	68.46	58.38	40.42	49.36	17.54	14.66	5.11	9.45
MP	South	70.85	47.18	40.42	50.57	51.40	51.49	31.05	39.56
MP	South Western	78.81	71.97	42.06	60.00	49.03	50.26	20.21	36.72
MP	Northern	40.66	53.16	27.06	32.08	24.87	27.99	11.32	16.77
MAH	Coastal	48.81	38.41	19.14	22.31	53.32	3.31	2.82	7.37
MAH	Inland Western	50.36	60.70	36.60	40.69	4.05	9.01	3.09	4.10
MAH	Inland Northern	70.86	75.70	49.13	56.26	34.06	21.64	13.02	18.22
MAH	Inland Central	58.89	68.39	49.26	53.31	21.32	10.67	9.62	10.36
MAH	Inland Eastern	69.23	65.68	54.51	59.35	17.48	26.03	13.76	16.22
MAH	Eastern	56.66	55.52	40.60	47.33	30.34	21.92	16.43	20.15
MAN	Plains	4.48	0.00	11.72	11.31	10.99	7.00	3.17	3.66
MAN	Hills	37.94	0.00	17.09	25.67	4.98	52.18	12.29	5.67
ODI	Coastal	79.78	76.39	50.20	56.49	32.93	28.95	7.88	15.01
ODI	Southern	89.74	77.31	70.42	79.08	59.90	55.00	29.92	48.27

Table 3. Poverty Incidence (Head Count Ratio) by NSS Regions and Social Groups in 1983 and 2011-12

State	Region Description	1983				2011-12			
		ST	SC	OTH	ALL	ST	SC	OTH	ALL
ODI	Northern	85.94	73.05	61.86	72.28	43.76	37.06	16.60	28.93
PUN	Northern	26.42	30.98	12.88	18.37	5.78	4.49	1.29	2.51
PUN	Southern	25.15	25.83	10.71	14.34	0.00	3.33	0.66	1.73
RAJ	Western	64.91	37.73	29.64	33.01	43.73	5.13	2.28	6.07
RAJ	North-Eastern	24.23	49.08	31.48	34.29	3.36	12.06	4.76	6.27
RAJ	Southern	82.75	49.41	35.09	60.59	31.59	17.60	6.60	22.53
RAJ	South-Eastern	58.57	54.82	43.93	48.09	22.23	4.37	6.93	10.79
TND	Coastal Northern	73.25	73.77	53.12	58.26	28.78	8.51	6.48	7.29
TND	Coastal	60.07	63.01	54.90	56.35	0.00	4.86	1.18	2.05
TND	Southern	85.95	64.68	54.42	56.41	0.00	3.56	4.57	4.37
TND	Inland	63.12	69.94	41.76	46.34	0.00	6.79	2.85	3.61
UP	Western	15.66	44.38	37.32	38.38	7.82	14.43	11.91	12.40
UP	Central	62.79	57.74	50.24	52.37	34.51	35.98	26.07	28.64
UP	Eastern	66.69	66.27	51.32	54.56	29.26	31.97	19.78	22.67
UP	Southern	22.82	79.43	65.90	69.09	49.95	37.83	21.30	26.17
WB	Himalayan	73.59	77.01	61.69	70.06	15.61	8.94	9.64	10.33
WB	Eastern Plains	75.06	63.38	60.23	61.88	30.69	13.80	16.07	15.89
WB	Central Plains	61.42	62.29	43.26	48.08	46.22	9.17	8.79	9.83
WB	Western Plains	84.51	87.83	54.19	64.83	30.57	22.13	10.12	14.66

Note: (a) The composition of regions in Gujarat is different between 1983 and 2011-12. (b) Regions that are composed of entire states are not reported here since the information is same as at the state level

Source: Special tabulation by the author using unit record data on Consumer Expenditure collected by the National Sample Survey Organisation during the 38th and 68th rounds

There are wide variations across its four regions, that is, 18.12% of people in Inland Northern Region are poor in 2011-12, it was 8.74% in Inland Eastern region, 3% in Coastal and Ghats region and it was less than 1% in Inland Southern region. There are wide variations across social groups too. The percentage of poor among STs in Inland Eastern Region is a staggering 55% compared to a little more than 7% for SCs and STs. In the Inland Northern region on the other hand SCs had the highest HCR of 28%, Others had 16% and the STs had 13.5%. Kerala is the most cited example in terms of social indicators development. From 41% HCR in 1983, it reduced to only 2% in 2011-12. Nevertheless, the STs in Northern region with a small population of less than 2% have a poverty ratio of almost 14% in 2011-12. Besides per capita expenditure, on the basis of which poverty ratios have been estimated, another summary indicator of consumption that may be taken is the condition of residential houses. The condition of living space has implications for health and well being, and it is correlated with poverty and educational attainment.

The Census of India reports the general observation regarding the residential houses by Census enumerators. Houses are categorised into 'good', 'liveable' and 'dilapidated'. The highest proportion of ST households with dilapidated houses in the whole of India is observed in Kerala at 17.17% in 2001 and 16.32% in 2011. In case of SCs, Kerala comes in the same class as Assam, Bihar, Odisha, Punjab and West Bengal where more than 10% of houses are dilapidated. Clearly the well known high level of social development in Kerala does not encompass all sections, particularly the SCs and the small minority of STs. Madhya Pradesh has managed to reduce its poverty ratio from 50% in 1983 to 24% in 2011-12. But there are large intra state variations. There are six regions in the state.

In 2011-12 the South region had an HCR close to 40%, the South Western region had about 37%, the Vindhya region about 31%, the Northern region 17%, the Central region 17.4% and the Malwa region less than 10%. The Vindhya, Malwa, South and South Western regions has sizeable ST populations and they suffer from the highest level of deprivation. The disparities between Others and STs/SCs are huge. Maharashtra brought down its HCR from 44% in 1983 to 10% in 2011-12. The Eastern region has HCR of 20 percent, double that of the state aggregate in 2011-12. The Inland Northern region too had HCR of 18%, Inland Eastern had 16%, Inland Central had 10%, the Coastal region had 7% while the Inland Western region had the least HCR of 4%. STs in Maharashtra suffer from the highest incidence of poverty amongst the three social groups. 53% of STs in coastal regions are poor in 2011-12 compared to about 3% of SCs and Others. This is a huge contrast indeed. In Inland Northern, 25% of the population are STs and 34% of them are poor compared to 21.6% of SCs and 13% of Others. A similar pattern is observed in Inland Central and Eastern regions. In the two regions of Inland Eastern and Inland Western, the SCs had the highest HCR. Manipur has two regions, namely, Plains and Hills with diametrically opposite composition of population. Poverty in the state has declined from 22.4% in 1983 to 4.4% in 2011-12. The HCR of STs is higher in the Plains region. The opposite is true in case of the Hills region. Odisha brought down its poverty ratio from 66% in 1983 to 25% in 2011-12. There are three regions, namely, Coastal, Southern and Northern. In 2011-12 the Coastal region had a poverty ratio of 15%, the Southern region had 48% and the Northern region had 29%. More than 44% of the population in the Southern region are STs and 60% of them live below the poverty line. The proportion of STs in the Northern region is 34% and 44% of them are poor. The Coastal region had less than 6% of its population as STs but 33% of them are poor. Clearly STs in Odisha have not seen much of development in terms of reduction of extreme poverty.

The situation of SCs is also disheartening. Rajasthan reduced its poverty from 38.5% in 1983 to 8.4% in 2011-12. The Western and North Eastern regions had reduced poverty to just 6% in 2011-12. But the HCR in the Southern region is 22.5% and in the South Eastern region it is 11%. STs constitute 3.7% of the population in the Western region and 44% of them were living below the poverty line in 2011-12. Therefore, just looking at the aggregate HCR of 6 percent for this region would obscure the extreme deprivation of this group. In the Southern region, 51% of the population is constituted by STs and almost 32% of them are poor compared to 17.6% in case of SCs and 6.6% in case of Others. STs in the South Eastern region also had a much higher HCR of 22%. SCs in the North Eastern and Southern regions also have substantial levels of poverty. The HCR in Tamil Nadu declined from almost 55% in 1983 to less than 5% in 2011-12. Disparities are significantly lower across the four regions compared to intra state disparities in other states. Inter group disparities still exist though very much subdued. For instance, in the Coastal Northern region, 8.5% of SCs are poor compared to 6.5% of Others. In the Southern region, 3.5% of SCs compared to 4.5% of Others are poor. Uttar Pradesh has four regions, namely, Western, Central, Eastern and Southern. The state level HCR declined from 49% in 1983 to 20% in 2011-12. The Western region had a poverty ratio of 12% in 2011-12 while the other regions have even much higher HCR. The disparities between the HCR of SCs and that of Others was 10% points in Central region, 12% points in Eastern region and almost 17 percentage points in the Southern region. West Bengal reduced its poverty ratio from 56.5% in 1983 to 12.4% in 2011-12. There are four regions with the Himalayan and Central Plains having HCRs of about 10% in 2011-12 and the other two regions, namely, Eastern and Western Plains have HCR of 15 to 16%. Inter group disparities are wide in each region.

For instance in 2011-12, 31% of STs in Western Plains are poor compared to 22% of SCs and 10% of Others. 46% of STs are poor in the Central Plains region compared to 9% of SCs and Others. In the Eastern Plains region 31% of STs compared to 14% of SCs and 16% of Others are poor. The Himalayan region has 11.5% of the population belonging to STs and 16% of them are poor. Thus in West Bengal STs are the most deprived group and their level of poverty is still acute even in 2011-12 despite the overall decline in poverty.

4. Conclusion

Summing up, we note that the HCR at the all India level masks the diversity in the country. The state level HCR also obscures the intra state variations. Which population sub group suffers the most deprivation varies from state to state and from region to region. Even among the more developed states there are certain groups which suffer from extreme poverty. Therefore, policy interventions for poverty alleviations have to be targeted at specific groups in specific regions. A more decentralised and targeted approach is required to eliminate poverty since the social structure of population cannot be ignored. If convergence in elimination of poverty among states is to be achieved, there has to be convergence of all population groups and all regions.

5. References

1. A.S. Bhalla, F. Lapeyre. Poverty and exclusion in a global world. Macmillan Press, London. 1999.
2. L. Bhandari, A. Dubey. Incidence of poverty and hunger in the districts of India. RGICS Working Paper, Rajiv Gandhi Institute for Contemporary Studies, New Delhi. 2003.
3. A. Dubey. Intra-state disparities in Gujarat, Haryana, Kerala, Orissa and Punjab. *Economic and Political Weekly*. 2009; 44 (26-27), 224-230.
4. National Sample Survey Organisation. Concepts and Definitions used in NSS, Golden Jubilee Publication, New Delhi. 2001.
5. Government of India. Report of the Expert Group on Estimation of Proportion and Number of Poor. Planning Commission, Perspective Planning Division, New Delhi. 1993; 1-77.
6. Government of India. Report of the Expert Group to Review the Methodology for Estimation of Poverty, Planning Commission, New Delhi. 2009; 1-39.
7. A. Dubey, S. Gangopadhyay. Counting the poor: where are the poor in India?, Sarvekshana Analytical Report No. 1, Department of Statistics, MOSPI, Government of India, New Delhi. 1988; 37(4), 1081-1102.

The Publication fee is defrayed by Indian Society for Education and Environment (www.iseeadyar.org)

Cite this article as:

Veronica Pala. Social exclusion and poverty in India: the case for a more decentralised approach. Indian Journal of Economics and Development. April 2019, Vol 7 (4), 1-11.

Received on: 19/02/2019

Accepted on: 05/04/2019