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Some 'poor Indians' live it up with 2-wheelers, TVs, fridges

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New Delhi A significant proportion of the country's official below poverty line (BPL) population cannot be termed 'poor'. Fathom this: around a fourth of the 14 million odd BPL households in urban India own a two-wheeler, a third of them a colour TV and almost two-third a pressure cooker. Almost one in five urban BPL households has at least one well-educated, graduate or above, member.

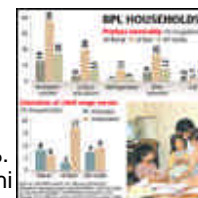
The 56 million-strong rural BPL population too exhibits varying degrees of consumption. Whilst every one in ten here have a two-wheeler, every fifth BPL village kitchen has a pressure cooker, and around 6% a CTV, according to a recent study done exclusively for FE by the National Council of Applied Economic Research's Centre for Macro Consumer Research (NCAER-CMCR).

Early this year, the government — the Planning Commission to be specific — for the purpose of the proposed Food Security Act, upped its estimate of poverty from 27.5% to 37.2% of India's total population as BPL according to the methodology recommended by the Suresh Tendulkar committee. However, little has been known on the relative deprivation — or for that matter, affluence — of this humongous mass of 400 million people. The government will be undertaking a BPL census in April 2011 to better target its food and fuel subsidies and social sector initiatives like the Indira Awaas Yojana at the most vulnerable and poor section of Indians.

NCAER-CMCR director Rajesh Shukla, who spearheaded the analysis, applied the official poverty ratio (25.7% for urban and 41.8% for rural India) to its National Survey of Household Income and Expenditure data to bring out the shades of official poor in India.

The research reveals that over 13% of urban BPL households are led by a salaried chief wage earner (CWE) with a stable monthly income and under a tenth of rural BPL households have an illiterate CWE.

BIMARU — a grouping of relatively low-income states like Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Chhattisgarh and Jharkhand — accounts for around 60% of all 400-million odd BPL population in the country. The southern states (Andhra Pradesh, Karnataka, Kerala and Tamil Nadu) along with West Bengal make up another 25%. The country's economically most-advanced states of Goa, Gujarat, Haryana, Maharashtra, Punjab, Pondicherry, Delhi and the Union Territory of Chandigarh account for just 15% of the BPL population.



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The NCAER-CMCR analysis also highlights the huge diversity in Indian disparity. BPL households in South and Advance grouping of states are relatively better off than their counterparts in BIMARU and Hilly states (Assam, Meghalaya, Utrakhnad and Himachal Pradesh).

Take household product ownership for instance. While a fourth of all BPL households in the five states that make up the South blocking own a two-wheeler, fewer than 7% in BIMARU have one. Ditto for CTV ownership. Amongst BPL households, South and Advance states have double the number compared to BIMARU. And whilst 58% of poor BIMARU households stay in kuccha houses, just one in four in Advance states dwell in one such.

Till now there have been three BPL censuses — in 1992, 1997 and 2002. As the pilot for the 2011 BPL census gets underway next month, it is instructive to dwell on research like the current one by NCAER-CMCR to better equip the process to pick the multi-dimensionality of poverty in India — rural, urban, regional, etc — as it will have a strong bearing on the political economy of the country while governments, both at the Centre and state, go about implementing their inclusive development mandate.

Says Rajesh Shukla, Director, NCAER-CMCR: "Our attempt here is to present the multi-dimensionality of poverty in India. We're putting this analysis in the public domain with the hope that it may make for a nuanced and more informed debate on BPL population, which has a bearing on the government's subsidies directed at the vulnerable sections of our society. We also hope that our analysis will add to the already vibrant debate around the methodology to be adopted for the upcoming BPL Census 2011."