

Beyond Poverty of Estimates

The poor need multiple approaches to better their living standards



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Political considerations of vote bank politics aside, as a substantial portion of government expenditure is allocated towards social welfare programs aimed at helping alleviating the deplorable conditions of the economically weaker sections of society, accurately identifying the poor is of paramount importance. With the massive expenditure incurred and subsidies offered by the government in the name of helping the 'Poor', it is imperative to first accurately define and then identify the number of individuals to be classified as 'Poor' or 'Below poverty line', in order to ensure better targeting and preventing leakages from the system. However, the paucity of reliable and accurate data, coupled with the lack of an acceptable universal definition of poverty has only compounded the problem.

The social view on official estimates of poverty is most often perceived as low and underestimates the actual level of poverty in the country. Additionally, even those estimates are rou-

tinely criticised as different sets of poverty pundits present different estimates of poor ranging from merely 2% to 78%. In addition to the varying estimates, the data which forms the basis of these estimates, namely the NSS consumption expenditure, has been repeatedly criticised for consistently underreporting consumption when compared to estimates obtained from national account statistics.

Furthermore, while there are many estimates of the poverty, theoretically, the Planning Commission gives only the percentage of poor in each state. It has never released figures on the number of poor families or households. While on the face of it, it may seem to be an easy exercise, it is quite complicated as households are defined differently for different purposes.

For example, while the NSSO and the census use the common kitchen criteria, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the BPL census use the definition of nuclear family. This difference between the two can be quite huge and is one of the reasons for the difference in estimates of the Planning Commission and var-

ious state governments.

Critics argue that the Planning Commission's estimates based on how much households spend are not comprehensive enough. In other words, in estimating whether a particular household should be classified as poor or not, various other basic and structural parameters such as health, education, access to clean drinking water, etc. implying that poverty pundits need to think beyond merely consumption expenditure. Seen in this context, the BPL census could have served as an alternate way of counting and identify the poor provided it should be given a proper scientific sanctity by the government and policy makers. However, since its first round, conducted in 1992, with the third one culminating in 2002, it has come under severe criticism on the methodology adopted, has turned out merely to be wastage of a huge sum of public money.

But before delving into the details of the current round, it is important to note that the current round is also collecting information on caste which might again end up with more controversies. While many believe that this will help in accurately identifying the economically backward sections of society and help in proper targeting, the political repercussions of this exercise are hard not to notice. Given the divisive nature of politics played in this country, such a move is not only

regressive; it might further deepen the problem. If in the garb of development, political battles are being fought by deeply dividing the country, then such a move is detrimental to the health of the nation.

In order to address the criticism levied on the earlier rounds and thus to rework and redraw the framework, the government appointed a panel to suggest a methodology for identifying the rural poor; only with more firm criteria. Another important deviation from the past has been the discontinuity with 'caps' imposed in the previous round to bring the figure in conformity with Planning Commission poverty estimates. Many states had argued that the Planning Commission estimates were too low and tended to exclude a significant portion of the poor. While in the present system a 'cap' can be imposed, it has been left to the discretion of the concerned authorities. This might help to ensure that the 'actual poor' are not excluded.

But the larger question, which forms the crux of the issue is, can the current BPL Census accurately identify the poor? Given the revisions and modifications will it help ensure better targeting? Will it help reduce the leakages in the system? Will it actually help in targeting social programmes towards improving the condition of poor households? Given that various programs included the highly debatable food security

Act are in the process of being finalised, it is extremely crucial to get a clearer estimate of the poor. While an error can exclude the deprived sections of society it will also impose a huge bill on the exchequer and make a deeper hole in the government's pocket.

The real problem in defining the poor population however is not the metrics but the politics surrounding the delivery of welfare schemes. While the current census will not be able to eliminate the errors of inclusion and exclusion, adopting a multidimensional approach is the right way forward. India has always had trouble with the ways and means of defining poverty and identifying the poor. But there is serious confusion among all stakeholders including the poverty pundits and even policy makers on the handling of poverty. It is almost as if the *aam aadmi's* government was telling some of its votaries: "You may be poor, but you aren't poor enough." Thus, in order to develop a more cohesive and inclusive society, governments need to ensure that the benefits of growth are also felt by the poor. More importantly the benefits should not be limited to the rise in merely consumption expenditure, but a rise in living standards, happiness, quality of life and increased chances of upward mobility.

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