UNIT 7 STRUCTURE AND GROWTH OF ECONOMY (POVERTY, SURPLUS AND UNEVENNESS)

Structure

7.1 INTRODUCTION

There has been a marked structural transformation of the Indian economy in the 1990s *vis-á-vis* that of the 1980s. The intersectoral composition of Gross Domestic Product (GDP) underwent a significant change after the initiation of reform process in 1991. The services sector has come to occupy a place of prominence in terms of relative contribution to GDP.

The relative share of agriculture and allied activities in GDP during the period 1992-93 to 1997-98 declined to 27.5 per cent from 34.5 per cent in 1980-81 to 1990-91. On the other hand the share of industry increased from 23.2 per cent to 25.9 per cent and that of the services sector moved up substantially from 42.2 per cent to 46.6 per cent in the same period. This compositional shift in favour of the services sector has been brought by accelerated expansion in the service sector output at a rate of 8.4 per cent in the period 1992-93 to 1997-98 compared with 6.5 per cent during 1980-81 to 1990-91.

There has been a relative deceleration in the performance of agriculture during the 1990s despite favourable monsoons. increase in net irrigated area and positive terms of trade. The decline in public investment and the limited infusion of new technologies may have contributed to the poor performance of agriculture.

However the Indian economy attained and maintained a high GDP growth in the 1990s despite substantial deceleration in agriculture growth. For example in 1995-96 when the economy achieved a record of 8.6 per cent in GDP, the agriculture sector witnessed a negligible 0.2 per cent growth over the previous year. In fact, as the RBI Report of Currency and Finance (1998-99) states that the recent years experience shows that the growth of services sector has imparted much of resilience to the economy, particularly in terms of adverse agriculture shocks.

Thus economic growth is becoming less vulnerable to agricultural performance and to vagaries of monsoon. While the improvement in growth has emerged from both the industrial and services sectors, there is a marked difference in the sectoral composition of growth as between these two major sectors. Within the industrial sector the major impetus to growth has come from manufacturing, while both 'mining and quarrying' and electricity, gas and water supply registered lower rates of growth. The services sector on the other hand, experienced higher growth in a more uniform and consistent manner with sectors like trade, hotels, restaurants, storage and communication, whereas financing, insurance, real estate and business services are experiencing high trend growth rates. A possible interpretation of this phenomenon could be an upsurge of industry-related services sector in recent years.

7.2 GROWTH PERFORMANCE OF THE STATES

There is considerable variation in the performance of individual States, with some states growing faster than the average and others slower. (Table1) The degree of dispersion in growth rates across states increased very significantly in the 1990s. The range of variation in the growth rate of State Domestic Product (SDP) in the 1980s was from a low of 3.6 per cent per year in Kerala to a high of 6.6 per cent in Rajasthan, a factor of less than 2. In the 1990s the variation was much larger from a low of 2.7 per cent per year for Bihar to a high of 9.6 per cent per year for Gujarat, a factor exceeding 3.5.

The differences in performance across States become even more marked when we allow for the differences in the rates of growth of population and evaluate the performance in terms of growth rates of per capita SDP (Table 2). The variation in growth rates in the 1980s ranged from a low of 2.1 per cent for Madhya Pradesh to a high of 4.0 for Rajasthan, a factor of 1:2. In the 1990s it ranged from a low of 1.1per cent year in Bihar and 1.2 per cent in Uttar Pradesh to a high of 7.6 per cent per year in Gujarat, with Maharashtra coming next at 6.1per cent. The ratio between the lowest (Bihar) and the highest (Gujarat) is as much as 1:7.

The increased variation in growth performance across States in the 1990s reflects the fact that whereas growth accelerated for the economy as a whole it actually decelerated sharply in Bihar, Uttar Pradesh and Orissa, all of which had relatively low rates of growth to begin with and were also the poorest States. There was also a deceleration in Haryana and Punjab, but the deceleration was from relatively higher levels of growth in the 1980s and these states were also the richest.

Six states showed acceleration in the growth of SDP in the 1990s. The acceleration was particularly marked in Maharashtra and Gujarat, both of which were among the richer states, but there was also acceleration in West Bengal, Kerala, Tamil Nadu and Madhya Pradesh all belonging to the middle group of states in terms of per capita SDP.

It is important to note that the high growth performers in the 1990s were not concentrated in one part of the country. The six states with growth rates of SDP in the 1990s above 6.0 per cent year are fairly well distributed regionally i.e., Gujarat (9.6 per cent) and Maharashtra (8.0 per cent) in the west, West Bengal (6.9 per cent) in the East, Tamil Nadu (6.2 per cent) in the South and Madhya Pradesh (6.2 per cent) and Rajasthan (6.5 per cent) in the North.

7.3 DEFINING POVERTY AND POVERTY LINE

Primarily influenced by research work on India, the World Bank defined absolute poverty as the bottom 40 per cent of the population in developing countries. The first absolute definition of poverty was that of Dandekar- Rath, who defined it as an expenditure of Rs.15 per capita per month for the Indian rural population at 1960-61 prices and Rs.18 per capita per month for the urban population.

The Government of India set up an Expert Group to suggest a methodology to measure poverty. The group submitted its report in 1993 and suggested a new poverty line of Rs.49 and Rs.56 for rural and urban areas at 1973-74 prices.

The availability of an absolute poverty line allows comparisons across countries. Over the last decade, most comparisons of international poverty line have been made by the World Bank and the definition used is a purchasing power poverty line of US$1.08 per day at 1993 prices.

The most widely used measure of poverty in India is the 'Head Count Ratio' (HCR). This is a measure of income poverty. In the early 1960s, the GOI appointed a special working group of eminent economists to assess the level of poverty in India. The experts came up with a definition of the poverty line. This was based on a nationally desirable minimum standard balanced diet prescribed by the Nutrition Advisory Committee. In other words any family who could not afford to buy a rudimentary food basket, which when consumed yielded a minimum level of calories, was considered poor. They declared that 50 per cent of Indians lived below the poverty line.

However a poverty line thus defined is something of a destitution line since it takes into account only the expenditure required for subsistence food, leaving out everything else needed for a minimally decent living such as basic housing, clothing, education and health services.

Differences in methodology and assumptions can lead to quite different estimates. Until recently for example, there were two sets of poverty line estimates for India using the same criteria of minimum calories requirements. In 1993-94, according to Planning Commission, only 19 per cent of India's population was below the poverty line. This was the official estimate. Estimates based on consumer expenditure surveys carried out regularly by the National Sample Survey (NSS), however, placed the proportion of India's population below the poverty line at 36 per cent. In February 1997, the Government of India accepted the recommendations of the Expert Group on Estimation of Proportion and Number of Poor (1993), which rejected the adjustments made by the Planning Commission to arrive at estimates of poverty. As a result the official estimate of India's population below the poverty line was 35 per cent in 1993-94.

The head count ratio is computed on the basis of NSS data on consumption expenditure. People with an income below the poverty line are poor and the proportion of the poor to the aggregate population is the Head Count Ratio. Because of the alarming population rise, the absolute numbers continue to spiral even while per centages reflect a downward trend. So the poor doubled from 170 Million in 1957 to an estimated 320 Million in 1994.

7.4 TRENDS IN POVERTY RATIO

The overreaching objective of India's development strategy has been the eradication of mass poverty. The proportion of poor in India has fluctuated widely in the past, but the trend is downward. Trends in income poverty are far from uniform. They can be roughly divided into three periods.

Between 1951 and the mid 1970s: Income poverty reduction shows no discernible trend. In 1951, 47 per cent of India's rural population was below the poverty line. The proportion went up to 64 per cent in 1954-55, it came down to 45 per cent in 1960-61, but in 1977-78, it went up again to 51 per cent.

Between mid 1970s to end 1980s: The decline was more pronounced between 1977-78 and 1987-88 with rural income poverty declining from 53 per cent to 39 per cent. It went down further to 34 per cent by 1989-90. Urban income poverty went down from 45 per cent in 1977-78 to 38 per cent in 1982-83 and further to 33 per cent in 1989-90.

After 1991: The post-economic reform period after 1991 witnessed progress and setbacks. Rural income poverty increased from 34 per cent in 1989-90 to 43 per cent in 1992-93 and then fell to 37 per cent in 1993-94. Urban income poverty declined from 36 per cent in 1988-89 to 34 per cent in 1992-93 and further to 30 per cent in 1993-94. (Table 1)

The differences in growth performance of the individual states (Table 2) have important implications for poverty reduction; which is a critical objective of national policy. The only available estimates of poverty in individual states are those derived from the so-called large sample surveys covering about 120,000 households, which are conducted by the NSS every five years. The NSS also conducts annual surveys but the sample size is too small to provide reliable estimates of poverty for individual states. Large sample surveys were conducted in 1983, 1987-88 and in 1993-94 and state specific poverty estimates made by the Planning Commission using these surveys are presented in the Table 4. They show that for the 14 major states as a whole, (which together account for 95 per cent of the total population) the percentage of the population below the poverty line declined from 43.8 per cent in 1983 to 36.3 per cent in 1993-94.

The state level shows that all the states experienced a decline in poverty over the ten year period with only two exceptions—Bihar and Haryana, both of which showed an increase. The increase in poverty in Bihar can be explained by the fact that per capita SDP in the state grew at less than 0.8 per cent per year between 1983-84 and 1993-94 (Table 5) However it is observed that the deterioration in poverty in Haryana is difficult to explain since the per capita SDP grew at 3.4 per cent per year over the same period. It is of course possible for poverty to increase despite an increase in per capita income if the distribution worsens sufficiently, but it is difficult to believe that distribution in Haryana could have worsened sufficiently to offset an increase of 40 per cent in the per capita SDP over the period. This is especially so since trends in Haryana could be similar to those in Punjab which shows a steady decline in poverty in the same period.

Estimates of poverty in individual states beyond 1993-94 will only become available when data from the 60th Round of the NSS for 1999-2000 becomes available. In the absence of estimates based on a comparable survey, we can only speculate about what might have happened to poverty in individual states, on the basis of what we know about economic growth in these states after 1993-94. The all India experience in the 1960s and most of the 1970s showed that poverty reduction was negligible when per capita GDP growth was below 2 per cent, but it began to decline when per capita growth accelerated to 3 per cent and more in the late 1970s and 1980s. Generalising from this experience one should expect that some poverty reduction should have occurred in all states where per capita growth exceeds 3 per cent or so after 1993-94 unless the nature of growth has changed significantly compared to the earlier years.

In India no one has done more to bring objectivity to this debate than Dr. Surjit Bhalla of Oxus Research. According to him economic reforms initiated in 1991 have led to a radical transformation in the well being of the bottom half of the population.

It is instructive to see in the following Table, how the rate of decline in poverty has accelerated since reforms began in 1990.

Between	**All India per cent**	**Rural per cent**	**Urban per cent**
1973 & 78	3.6	3.1	4.2
1978 & 83	6.8	7.4	4.4
1983 & 88	5.6	6.6	2.6
1988 & 93	2.9	1.8	5.8
1993 & 99	9.9	9.4	8.78

Source: Economic Survey 2000 – 2001

Growth helps to reduce poverty because of three central reasons:

- It creates jobs that pull up the poor into gainful employment by providing more economic opportunity;
- It provides the revenues with which we can build more schools and provide more health activities for the poor; and
- It creates the incentives that enable the poor to access these facilities and also for the advancement of progressive social agendas generally.

The Indian experience has been that our policies produced an annual growth rate of nearly 3.5 per cent for almost a quarter of a century up to the early 1980s. The economist Raj Krishna described this as the Hindu growth rate. The low growth rate according to economists was as a result of four sets of policies.

- Anti-globalisation policies that meant that India failed to take advantage of the opportunities provided by the growing world economy regarding trade and inward flow of direct foreign investment;

- Reliance on public sector enterprises afflicted by inevitable overstaffing and lack of incentives that steadily led to losses that meant serious inefficiencies and also a serious strain on revenues;
- Defence of capital intensive choice of technologies in the public sector enterprises which intensified the sorry performance of these enterprises; and
- Our overwhelming expansion of direct controls that hindered sustained development.

Datt and Ravallion, in their papers, have analysed the determinants of and factors that influence the trends in poverty in India. As per their findings poverty ratio goes down by 1 per cent for every 1 per cent increase in NDP (Net Domestic Product) per capita. Second, a decomposition of the changes in the poverty ratio into a growth component (i.e. growth in mean consumption) and a redistribution component shows that nearly 87 per cent of the observed decline in poverty ratio was accounted by the growth component. Third, the sectoral composition of growth matters in that rural economic growth contributes far more to poverty reduction than urban economic growth. Fourth, initial conditions relating to human resources and infrastructure development accounted for a sizable share of the differences between states in reducing rural poverty.

As Datt and Ravallion point out the non-farm economic growth was less effective in reducing poverty in states with poor initial conditions in terms of rural development and human resources. Low farm productivity, low rural living standards relative to urban areas and poor basic education all inhibited the prospects of the poor participating in the growth of the non-farm sector. Given that the threat of reforms thus far has been to liberalise foreign trade in non-agri commodities and removal of industrial licensing that constrained capacity creation, the effect of reforms on poverty has to come from its effect primarily on non-farm output. To the extent this effect is diluted by poor initial conditions in the populous interior states, in which a large majority of India's rural poor live, one can only see relatively modest reductions in poverty from reforms.

The association between rapid growth and poverty alleviation is clear since the 1980s. However the growth of the 1980s was not due to any systemic reforms of the development strategy pursued since the 1950s. The acceleration in growth was largely due to growth in the domestic demand following the abandonment of macro economic prudence of the earlier three decades and the adoption of an expansionary fiscal policy. This reckless macro economic expansionism with no fundamental reform of severe micro economic distortions led to growing fiscal deficit that were financed by increasingly costly domestic and external debt. Clearly the fiscal situation was unsustainable and led to macro economic and balance of payments crisis of 1991. Thus stabilisation and systemic reforms were unavoidable given the economic situation India faced in 1991. But the question was not whether reforms could have been avoided but one of ensuring that the poor share in the benefits. The reforms have made substantial progress in some but not all sectors of the economy. Given that poverty is largely a rural phenomenon (more than 80 per cent of India's poor live in rural areas) and that casual labourers (in agriculture and in non-farm activities) and marginal farmers constitute a large part of the poor, for reform to have a substantial impact on poverty, the growth it generates has to be labour-intensive and it has to extend to rural areas. Unfortunately the reform process so far has not adequately met this desideration.

1) First, the reform process has hardly touched agriculture. Not only Indian agriculture is largely insulated from world markets but also there are restrictions on domestic trade in agricultural commodities such as monopoly procurement by the government in Maharashtra and export restrictions on cotton, restrictions on inter-state movement of certain commodities on private account and so on.

2) Second, there have been no reforms of the labour market regulations. A small part, less than 10 per cent of the labour force that is employed in organised manufacturing and the public sector enjoys job security, relatively high wages and other perquisites. The rest of the labour force has no protection.

3) Third, there is a crippling regulation that reserves certain commodities for production by the small-scale industries. This has led to inefficient and sub-optimal capacity of firms. Moreover certain dynamic export commodities such as garments, leather products, shoes and toys are reserved for the small scale sector which has led to countries like China out-performing India in gaining export shares.

4) Fourth, the benefits of foreign trade and investment licensing reforms would depend also on other conditions such as availability of adequate power, efficient and inexpensive transport and telecommunications, particularly rural road and telephones and improvements in the educational attainment of the labour force. As the study of Ravallion and Datt suggests the poverty alleviation potential of the growth induced by reforms would have been much higher had these factors been more favourable than they have. In conclusion it can be said that there is some evidence that the decline in poverty has slowed down after the initiation of reforms of 1991, since the reforms were unavoidable, the real question is how to make the growth induced by reforms more effective in alleviating poverty. With extension of reforms to the agricultural and rural sector, introduction of reforms to labour and product markets so that growth is more labour intensive and improvement in the quantity and quality of infrastructure services as well as the educational attainment and deepening the reforms, the decline in poverty would be considerably accelerated.

7.5 POVERTY REDUCTION NOT BY INCOME ALONE

The overwhelming attention paid to measuring and monitoring income poverty has resulted in a gross neglect of other serious forms of human deprivation. Some of these deprivations are loud and visible—child labour, illiteracy, damaged environment. Others are largely silent but visible—caste discrimination, discrimination against women and girls and child prostitution. Many other forms of deprivations are to this day, silent and invisible. These include for instance, issues of women's health, domestic violence, and child malnutrition. These deprivations are not related to income poverty levels in any predictable manner. Haryana is one of the richest and fastest growing states in terms of per capita income. Yet infant mortality at 68 per 1000 live births is four times higher than in income-poorer Kerala. And women in Haryana suffer systematic deprivation that gives them one of the lowest female to male ratios in the country—865 per 1000 males.

Income levels often fail to capture deprivations along other dimensions of human life. Rural Andhra Pradesh and rural Madhya Pradesh, for example, suffer from similar levels of educational deprivation – an illiteracy rate of 64 per cent, but the proportion of income poor is 22 per cent in Andhra Pradesh and 42 per cent in Madhya Pradesh. Again the extent of urban illiteracy is the same in Punjab and Orissa (28 per cent) and yet the proportion of urban income poor is 11 per cent in Punjab and 41 per cent in Orissa. Similarly, Kerala, Tamil Nadu and Andhra Pradesh that report the lowest levels of child malnutrition do so despite having relatively low levels of per capita income. Madhya Pradesh and Maharashtra report the same levels of child malnutrition even though Maharashtra's per capita income is more than double that of Madhya Pradesh.

Levels of affluence or the lack of incomes also fail to measure the richness – or poverty of human lives. Urban poverty rates for instance, have been consistently lower than rural poverty rates nationwide and across all states. Also, urban income levels are typically higher than rural incomes. Yet visitors to India's major cities will observe that traffic congestion has increased dramatically and so has air pollution. Respiratory problems have gone up and there is a severe shortage of water and electricity. The poor, especially those living in urban slums, estimated to be around 30 per cent in metropolitan cities, experience the decay even more: clogged drainage pipes, stagnant water, filthy public latrines, un-cleared garbage piles, and an increasingly unhealthy environment around them. Most significantly, infant mortality in urban areas has remained stagnant in recent years for the country as a whole, and has gone up in several states. The declining trend in urban income poverty does not capture such dangerously deteriorating living conditions.

All this is not to say that income does not matter. It does, but people often value other things in life much more than income. Even to the very poor, self-respect and a good reputation means a lot. They often articulate their immediate needs as a good education for their children, access to good health care facilities, and a safe environment. They detest exploitation and discrimination. To most people, to be treated with dignity and respect matter much more than incomes.

There is a long way to go in ending human deprivations. Access to quality health care, basic education and other essential services have to improve dramatically. Caste, class and gender barriers have to breakdown. Physical provisioning has to be expanded considerably. Less than a third of India's nearly 600,000 villages have a primary health care centre or sub-centre located within the village. For Madhya Pradesh with nearly 72,000 villages, the coverage is 13.5 per cent and in Uttar Pradesh with 113,000 villages it is only 20 per cent. Only around 25 per cent of all deliveries take place in institutions, and trained birth attendants attend to only a little over a third of all deliveries. More than 95 per cent of rural households do not have access to proper sanitation facilities. Only around 40 per cent of households have access to electricity.

If living conditions have to improve. what then needs to be done differently? First, India has to recognise and capitalise on the strong complementarities that exist between economic expansion and the improvements in the quality of people's lives.

In 1960, the levels of income in Botswana and Indonesia were lower than in India. But by 1993, the situation was reversed. During this period, Botswana and Indonesia also recorded significantly rapid advances in health and education than India did. Again, in 1960, South Korea and India had similar levels of per capita income. By 1993, South Korea's income was nearly 8 times higher than India's. This increase in income between 1960-93 coincided with a period when life expectancy in South Korea went up from 54 years to 71 years, and adult illiteracy fell from 46 per cent to 2 per cent. Similarly, China, Indonesia and Thailand have all achieved and sustained higher levels of per capita incomes than India because they have done much better in terms of expanding human capabilities. These countries recognised the strong complementarities between income expansion and social development. If human poverty has to be eradicated, India must, as a priority, invest in its people – in their health and education.

Second, India needs to strike a balance in its development. This balance is not on the economic front alone—between receipts and expenditures, between imports and exports, between savings and investments. A balance is needed between economic growth and an expansion of social opportunities. A balance is needed between the assurance of economic rights and political rights. A balance is needed between expansion of physical infrastructure and basic social infrastructure. The priority has to shift to basic education, to preventive and promotive health care, to assuring basic economic security and livelihood. At the same time, several imbalances need to be corrected: between men and women, between rural and urban areas, between socially disadvantaged communities and the rest of the society.

Third, there is the issue of resources clearly, more financial resources are required if all children have to attend school, if all villages must have access to a primary health care centre, if all communities must have access to safe water, if all pregnant mothers have to be assured of safe motherhood. Additional resources could be mobilised by reducing defence spending. But there is also need for getting the priorities right. Expenditures must be utilised for improving the quality and efficacy of services, for correcting imbalances in public expenditures, for plugging leaks and reducing wastage, and for ensuring greater efficiency in spending.

Fourth, the State, instead of abdicating its responsibility for expanding social opportunities, needs to play a more proactive role rather than it has in the past. The state in India often achieves what it sets out to do. If something has not been done, it usually reflects unwillingness rather than an inability to act. For example, the state has shown dynamism in reducing controls, liberalising the economy, and opening up the economy. The recent Constitutional Amendment to ensure women's participation in local governments displays an extremely progressive and proactive face. On the other hand, the state's effort at abolishing child labour, preventing child prostitution, and until recently, addressing the problem of AIDS reveals shocking recalcitrance. Similarly, its unwillingness to make primary education compulsory, despite the affirmation in the Constitution of India, reveals inexplicable reluctance. For many of these matters, sustained advocacy, open debates, concerted pressure and public action are urgently needed to provoke a positive response from the state.

Fifth, opportunities must be created and expanded for women to participate more fully in economic and political decision-making. The human development experience from

Kerala and Manipur suggest that society's well-being improves when women enjoy greater freedoms—economic, social and political. But ensuring greater freedom for women is not easy. Unfortunately, many see it as usurping of power from men with no net gains. Quite the contrary, the overall gains to society increase many times when men and women contribute equally. However, to achieve this, changes are required in the way people think and behave, in the way society perceives the role and contribution of women.

Finally, economic growth has to be participatory; it must be planned and managed locally by people whose lives it affects. Communities must participate actively to shape programmes, ensure that opportunities are expanded, and that the benefits are shared equitably. For this, structures of local self-governance must be strengthened; and people's participation has to become a way of public life.

Is there then hope for optimism? Yes. First, the official stated policies for poverty eradication reflect human development priorities. Second, following the post-1991 reforms, economic conditions are more favourable. Third, democratic participation is opening up. This is not just through local governments but through people's organisations, and in particular women's groups that are frequently organised around credit, economic activities and social empowerment. At the same time, there are some causes for concern. The focus on reducing fiscal deficits is forcing major cuts in social sector spending. The pressure to pursue state minimalism is leading to an abdication of state responsibilities—as the pressure to privatise is beginning to affect people's access to basic health and education.

What does India need to do? Mahatma Gandhi had once remarked: "India's salvation consists in unlearning what she has learned during the past fifty years". Similar changes are now required in thinking, in living, and in cultivating a genuine public spirit. India needs to get its development priorities right. We need to undo and unlearn. At the same time, we also need to learn and act. If human poverty has to be eradicated, attention must shift from income poverty to the poverty and inequality of opportunities—economic, social and political. India needs sustained public action to be guided by strong human development priorities.

7.6 SUMMARY

The Indian economy has seen marked structural transformation in the 1990s with the services sector occupying a place of prominence and agriculture seeing a decline. The economy maintained a high GDP growth, the major impetus coming from the manufacturing and services sector. The states in India show increased variation in growth performance. Whereas it accelerated for the economy particularly for Maharashtra and Gujarat, it decelerated sharply in Bihar, Uttar Pradesh and Orissa.

The objective of India's development strategy is the eradication of mass poverty. But while the percentages show a decline in poverty, absolute numbers of poor has increased because of the alarming population rise. There is a clear association between rapid growth and poverty alleviation. Poverty in India is largely a rural phenomenon as more than 80 per cent of India's poor live in rural areas. Thus for reform to have a substantial impact it has to extend to rural areas. Income levels alone should not be a measure of poverty as they often fail to capture other dimensions of human life. Other deprivations like child labour, malnutrition, illiteracy, prostitution, caste discrimination are not related to income poverty levels in any predictable manner. Levels of affluence are not a measure of the poverty of human lives. Thus India needs to strike a balance in its development—in its economic and social front, with the state playing a more proactive role.

7.7 EXERCISES

1) Has acceleration in GDP of India resulted in a uniform increase in the growth rate of SDP?

2) What is meant by poverty line? Explain with reference to India.

3) How has India fared in poverty alleviation? What steps do you think India should take to improve the quality of its peoples' lives?

Appendix

Table 1 : All India Trends in Poverty (Per cent of population below poverty line)

	Rural per cent	Urban per cent	National per cent
1983	45.31	35.65	43.00
1986-87	38.81	34.29	37.69
1987-88	39.23	36.20	38.47
1988-89	39.06	36.60	38.44
1989-90	34.30	33.40	34.07
1990-91	36.43	32.76	35.49
1991-92	37.42	33.23	36.34
1992-93	43.47	33.73	40.93
1993-94	36.66	30.51	35.04
1994-95	41.02	33.50	38.40
1995-96	37.15	28.04	35.00
1996-97	35.78	29.99	34.40

Source: Datt (1997) and (1999)

Table 2 : Annual Rates of Growth of Gross State Domestic Product (SDP)

	1980-81 1990-91 percent Pa	1991-92 1997-98 percent Pa
Bihar	4.66	2.69
Rajasthan	6.60	6.54
Uttar Pradesh	4.95	3.58
Orissa	4.29	3.25
Madhya Pradesh	4.56	6.17
Andhra Pradesh	5.65	5.03
Tamil Madu	5.38	6.22
Kerala	3.57	5.81
Karnataka	5.29	5.29
West Bengal	4.71	6.91
Gujarat	5.08	9.57
Haryana	6.43	5.02
Maharashtra	6.02	8.01
Punjab	5.32	4.71
All 14 states	5.24	5.94
GDP	5.55	6.89

Source: CSO and National Accounts

Table 3 : Annual Rates of Growth of Per Capita Gross State Domestic Product

		1980-81 1990-91 percent Pa	1991-92 1997-98 percent Pa
1	Bihar	2.45	1.12
2	Rajasthan	3.96	3.96
3	Uttar Pradesh	2.60	1.24
4	Orissa	2.38	1.64
5	Madhya Pradesh	2.08	3.87
6	Andhra Pradesh	3.34	3.45
7	Tamil Nadu	3.87	4.95
8	Kerala	2.19	4.52
9	Karnataka	3.28	3.45
10	West Bengal	2.39	5.04
11	Gujarat	3.08	7.57
12	Haryana	3.86	2.66
13	Maharashtra	3.58	6.13
14	Punjab	3.33	2.80
15	Combined SDP of all states	3.03	4.02

Source: CSO

Table-4 : Per centage of Population in Poverty

		1983	1987-88	1993-94
1	Bihar	52.22	52.13	54.96
2	Rajasthan	34.46	35.15	27.41
3	Uttar Pradesh	47.07	41.46	40.85
4	Orissa	65.29	55.58	48.56
5	Madhya Pradesh	49.78	43.07	42.52
6	Andhra Pradesh	28.91	25.86	22.19
7	Tamil Madu	51.66	43.39	35.03
8	Kerala	40.42	31.79	25.43
9	Karnataka	38.24	37.53	33.16
10	West Bengal	54.85	44.72	35.66
11	Gujarat	32.79	31.54	24.21
12	Haryana	21.37	16.64	25.05
13	Maharashtra	43.44	40.41	36.86
14	Punjab	16.18	13.20	11.77
	All 14 states	**43.80**	**39.92**	**36.25**
	All India	**44.48**	**38.86**	**35.97**

Source: Planning Commission

Table 5 : Annual Rates of Growth of Per Capita Between 1993-94 and 1997-98

	1983-84 1993-94	**1993-94 1997-98**
Bihar	0.78	2.14
Rajasthan	1.79	5.94
Uttar Pradesh	1.76	1.69
Orissa	1.37	2.61
Madhya Pradesh	2.38	2.71
Andhra Pradesh	3.49	2.40
Tamil Madu	4.69	4.47
Kerala	4.11	3.79
Karnataka	3.76	3.42
West Bengal	2.69	5.45
Gujarat	2.50	7.62
Haryana	3.39	3.16
Maharashtra	4.96	3.90
Punjab	3.30	2.60
All 14 states	**3.16**	**3.87**

Source: CSO and National Accounts