# Poverty – Methodologies Adopted in Determining Poverty & Inclusive Growth

Poverty is the state of one who lacks a certain amount of material possessions or money. Absolute poverty or **destitution** refers to the deprivation of basic human needs, which commonly includes food, water, sanitation, clothing, shelter, health care and education. Relative poverty is defined contextually as economic inequality in the location or society in which people live.

For most of history poverty had been mostly accepted as inevitable as traditional modes of production were insufficient to give an entire population a comfortable standard of living. After the industrial revolution, mass production in factories made wealth more accessible. Of more importance is the modernization of agriculture, such as fertilizers , mechanization and bio-technology in order to provide not only enough yield to feed the population of a country but also to export to other countries. The supply of basic needs can be restricted by constraints on government services such as corruption, debt and loan conditionalities and by the brain drain of educational professionals. Strategies of increasing income to make basic needs more affordable typically include welfare, economic freedom, and providing financial services.

Poverty reduction is a major goal and issue for many international organizations such as the United Nations and the World Bank. The World Bank estimated 1.29 billion people were living in absolute poverty in 2008. Of these, about 400 million people in absolute poverty lived in India and 173 million people in China. In terms of percentage of regional populations, sub-Saharan Africa at 47% had the highest incidence rate of absolute poverty in 2008. Between 1990 and 2010, about 663 million people moved above the absolute poverty level. Still, extreme poverty is a global challenge; it is observed in all parts of the world, including the developed economies.
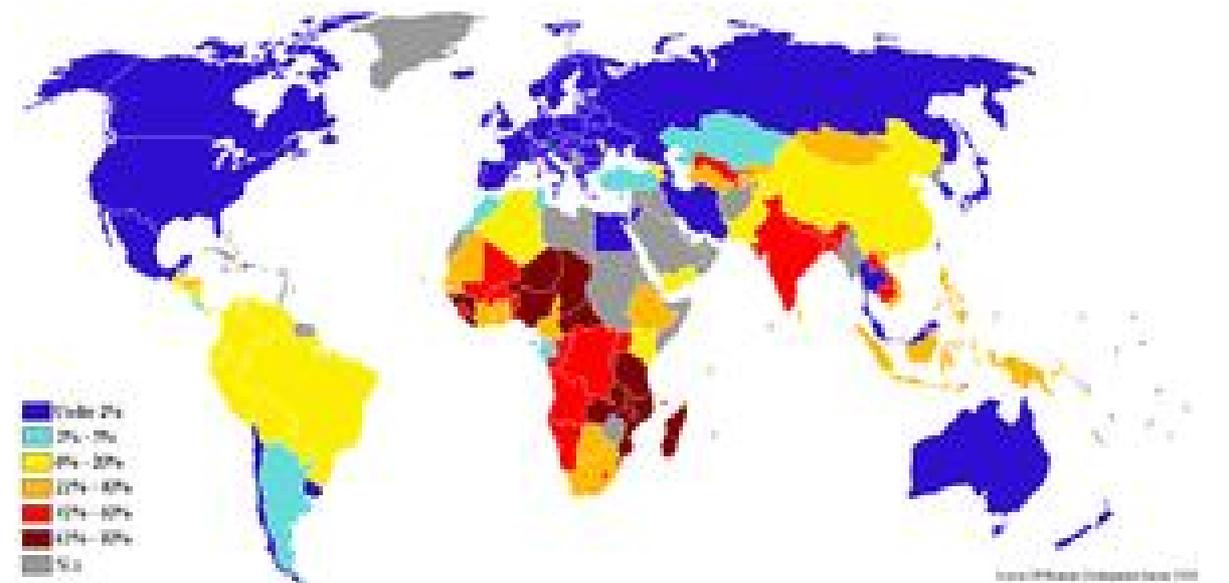
Char 1: Percentage of population living on less than $1.25 per day. UN estimates 2000–2006.

According to the United Nations, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to food and clothing a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation.

World Bank defined Poverty as deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life.

Poverty is usually measured as either absolute or relative (the latter being actually an index of income inequality). Absolute poverty refers to a set standard which is consistent over time and between countries.

1.1 Absolute poverty

Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services. The term 'absolute poverty' is sometimes synonymously referred to as 'extreme poverty.

For a few years starting 1990, The World Bank anchored absolute poverty line as $1 per day. This was revised in 1993, and through 2005, absolute poverty was $1.08 a day for all countries on a purchasing power parity basis, after adjusting for inflation to the 1993 U.S. dollar. In 2005, after extensive studies of cost of living across the world, The World Bank raised the measure for global poverty line to reflect the observed higher cost of living. Now, the World Bank defines extreme poverty as living on less than US$1.25 (PPP) per day, and *moderate poverty* as less than $2 or $5 a day (but note that a person or family with access to subsistence resources, e.g.subsistence farmers, may have a low cash income without a correspondingly low standard of living – they are not living "on" their cash income but using it as a top up). It estimates that "in 2001, 1.1 billion people had consumption levels below $1 a day and 2.7 billion lived on less than $2 a day. A *dollar a day*, in nations that do not use the U.S. dollar as currency, does not translate to living a day on the amount of local currency as determined by the exchange rate. Rather, it is determined by the purchasing power parity(PPP), which would look at how much local currency is needed to buy the same things that a dollar could buy in the United States. Usually, this would translate to less local currency than the exchange rate in poorer countries as the United States is a more expensive country.

The poverty line threshold of $1.25 per day, as set by The World Bank, is controversial. Each nation has its own threshold for absolute poverty line; in the

United States, for example, the absolute poverty line was US$15.15 per day in 2010 (US$22,000 per year for a family of four), while in India it was US$ 1.0 per day and in China the absolute poverty ne was US$ 0.55 per day, each on PPP basis in 2010. These different poverty lines make data comparison between each nation's official reports qualitatively difficult. Some scholars argue that The World Bank method sets the bar too high, others argue it is low. Still others suggest that poverty line misleads as it measures everyone below the poverty line the same, when in reality someone living on $1.2 per day is in a different state of poverty than someone living on $0.2 per day. In other words, the depth and intensity of poverty varies across the world and in any regional populations, and $1.25 per day poverty line and head counts are inadequate measures.

The proportion of the developing world's population living in extreme economic poverty fell from 28 percent in 1990 to 21 percent in 2001. Most of this improvement has occurred in East and South Asia. In East Asia the World Bank reported that "The poverty headcount rate at the $2-a-day level is estimated to have fallen to about 27 percent in 2007], down from 29.5 percent in 2006 and 69 percent in 1990." In Sub-Saharan Africa extreme poverty went up from 41 percent in 1981 to 46 percent in 2001, which combined with growing population increased the number of people living in extreme poverty from 231 million to 318 million.

World Bank data shows that the percentage of the population living in households with consumption or income per person below the poverty line has decreased in each region of the world since 1990:

Table 1:Percentage of Population Below Poverty Line in Different Regions of the World

Region	$1 per day			$1.25 per day	
	1990	2002	2004	1981	2008
East Asia and Pacific	15.40%	12.33%	9.07%	77.2%	14.3%
Europe and Central Asia	3.60%	1.28%	0.95%	1.9%	0.5%
Latin America and the Caribbean	9.62%	9.08%	8.64%	11.9%	6.5%
Middle East and North Africa	2.08%	1.69%	1.47%	9.6%	2.7%
South Asia	35.04%	33.44%	30.84%	61.1%	36%

Sub-Saharan Africa	46.07%	42.63%	41.09%	51.5%	47.5%
World				**52.2%**	**22.4%**

The absolute poverty measure trends noted above are supported by human development indicators, which have also been improving. Life expectancyhas greatly increased in the developing world since World War II and is starting to close the gap to the developed world. mortality has decreased in every developing region of the world.[33] The proportion of the world's population living in countries where per-capita food supplies are less than 2,200 calories per day decreased from 56% in the mid-1960s to below 10% by the 1990s. Similar trends can be observed for literacy, access to clean water and electricity and basic consumer items.

1.2 Relative poverty

Relative poverty views poverty as socially defined and dependent on social context, hence relative poverty is a measure of income inequality. Usually, relative poverty is measured as the percentage of population with income less than some fixed proportion of median income. There are several other different income inequality metrics, for example the Gini coefficient or the Theil Index

Chart 2: World Population in Extreme Poverty 1981-2008
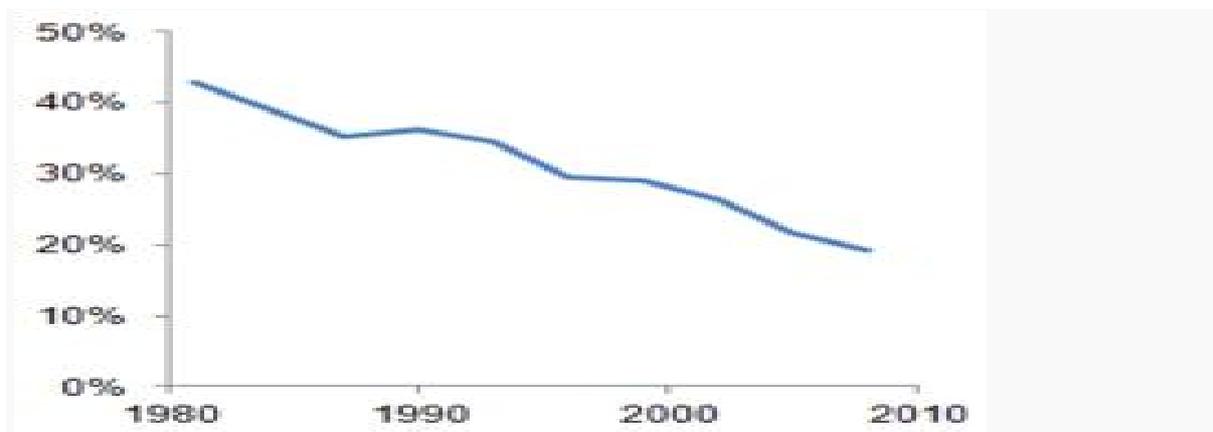
This graph shows the proportion of world population in extreme poverty 1981–2008 according to the World Bank.

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Relative poverty measures are used as official poverty rates in several developed countries. As such these poverty statistics measure inequality rather than material deprivation or hardship. The measurements are usually based on a person's yearly income and frequently take no account of total wealth. The main poverty line used in

the OECD and the European Union is based on "economic distance", a level of income set at 60% of the median household income.

1.3 Poverty in India

The poverty in India is very high in absolute numbers, even though there is reduction percentage wise during the last few decades. The Planning Commission of India is the nodal agency for estimating the number of and proportion of people who are living below the poverty line at national and state levels separately for rural and urban areas. NSSO 's poverty estimates are based on a large sample of household survey of consumption expenditure, conducted once in five years.

The Planning Commission has provided the estimates of poverty since 1970's.According to 1973-74 survey report the poverty level was estimated at 54.9 per cent. In the earlier surveys, the figures of poverty-norm was adopted in terms of daily intake of 2400 k. Cals in rural areas and 2100 k.cals in urban areas. The consumption basket rep-resenting this calorie intake is then converted into a monetary equivalent by using the price indices, separately for rural and urban areas. Those who do not incur this much consumption expenditure are identified as poor. According to 61st round of NSSO the poverty ratio for the country as a whole in 2004-05 were 27.5 per cent on the basis of **URP (Uniform Recall Period**) and 21.8 per cent on the basis of **MRP (Mixed Recall Period).**

In view of the confusion generated by various claims and counter claims regarding the incidence of poverty and whether the poverty has been declining or not , the Planning Commission constituted an expert committee under the chairmanship of Suresh Tendulkar to examine the issue in entirety and suggest a new poverty line and estimates.Tendulkar's committee suggested a new methodology for estimating the poverty. The main recommendations of the committee are:

- To move away from anchoring the poverty lines to a calorie intake norm
- To adopt the MRP based estimates of consumption expenditure as the basis for future poverty lines as against the previous practice of using URP estimates.

The Tendulkar committee estimated the new all India poverty line for the year 2004-05 for rural areas at Rs 446.68 per capita per month and for urban areas at Rs 578.80 per capita per month. On this basis, 41.8 per cent of the rural population and 25.7 per cent of the urban population was below the poverty line in 2004-05. For the country as a whole 37.2 per cent of the people were below the poverty line in 2004-05.

1.4 Problem of Poverty in India

The Poverty in India is a problem with some grave dimensions. It is on one hand quantitatively a very big problem as the number of the poor is indeed a massive one.Another problem is that it is a problem of very low productivity of the poor.These people are resource poor in terms of assets, skills, credit availabilityetc. This makes their earnings dismally small. Equally serious is the fact that the poor, mostly belonging to socially deprived, have no means, political or social to uplift themselves

on their own. As per estimates, as many as 35.46 crores of people in the country live below the poverty line according to Tendulkar committee's methodology in 2009-10, which constitutes 29.8 per cent.

While this is over all figures, the poverty is widespread in some states. In Bihar 53.5 per cent of its people fall below the poverty line, followed bt Chattisghar (48.7%), Manipur (47.1%), Jharkhand (39.1%), Assam(37.9%), Uttarpardesh (37.7%), Orissa (37%). Comparatively better off states are Goa(8.7), J&K(9.4), Himachal Pradesh(9.5), Kerala12), Sikkim(13.1), Delhi(14.2), Punjab 15.9),Tamilnadu(17.1).

In Andhra Pradesh, according to Tendulkar's methodology(2009-100), there are 176.6 lakh persons, with 21.1 per cent, live below the poverty line.

2. Methodologies:

2.1 Concepts of Poverty Line and BPL Census

To estimate the poverty, the first step is to define a poverty line. A poverty line divides the poor from the non-poor. In India, the estimation of poverty is done by the Planning Commission based on the Quinquennial Consumer Expenditure Surveys conducted by the National Sample Survey Organization (NSSO). The Planning Commission has been estimating the incidence of poverty (since the 6th Five Year Plan) and estimates of poverty have been made at National and State levels for the years 1973-74,1977-78,1983-84, 1987-88, 1993-94 and 1999-2000. The latest available data from such surveys is from NSS 55th Round, which was conducted in 1999-2000. The next estimates of poverty will be based on the 61st round of NSSO, (July 2004 to June 2005), the results of which are likely to be released.

The national poverty lines are worked out from the national level expenditure distribution obtained from the NSS data on consumer expenditure and the national level poverty ratio. The national level poverty ratio, on the other hand, is estimated as a weighted average of state-specific poverty ratios. For 1999-2000, the Poverty Line is defined in terms of Monthly per capita income of Rs.327.56 for Rural areas and Rs.454.11 for Urban areas.

The present method used by the Planning Commission for estimation of poverty is based on the methodology recommended by the Expert Group on 'Estimation of Proportion and Number of Poor'(Lakdawala Committee). The expert group, which was constituted in September, 1989 submitted its report to the Planning Commission in July, 1993. A full Planning Commission meeting chaired by the Prime Minister in March, 1997 accepted the recommendations of the Expert Group with minor modifications. Since then the estimates of poverty at National and State level are being made using the Expert Group methodology. After the Expert Group submitted its Report in July 1993, the poverty line defined by the Task Force at National level was retained. However, as recommended by the Expert Group, the disaggregation of the national poverty line into State-specific poverty lines was done in order to reflect the state-wise price differential. Accordingly, the poverty lines and the incidence of poverty were re-computed for the previous

years. The important points of departure between the Expert Group methodology and the Task Force methodology are the following:

- In the new method, the NSS consumption expenditure data are not adjusted in any way and it is used as it is.
- The new method uses state-specific poverty lines as against a national level poverty line for rural and urban areas.
- The new method suggested use of state-specific cost of living indices for updating the poverty line separately in rural and urban areas. The old method used only one National Index, which was also used for rural and urban areas.

However, the assumption of the same consumption basket and the same calorie norm for all the States, while estimating poverty is retained. The details of the Expert Group Methodology are given below.

2.2 Rural Poverty Lines

The Expert Group disaggregated the national rural poverty line of Task Force, which is monthly per capita consumption expenditure of Rs.49.09 in 1973-74, into state-specific poverty lines on the basis of state-specific Consumer Price Indices for Agricultural Labourers(CPIAL), adjusted by interstate price differential. These state-specific poverty lines in 1973-74 are updated for later years using state-specific price indices constructed by averaging the CPIAL for (a) food, (b) fuel and light, (c) clothing and foot wear, and (miscellaneous items with their respective weights in the consumption basket in 1973-74.

2.3 Urban Poverty Lines

The Expert Group disaggregated the national urban poverty line of Rs.56.64 as was estimated by Task Force in 1973-74, into state-specific poverty lines on the basis of state-specific Consumer Price Indices for Industrial Workers (CPIIW), adjusted for interstate price differential. These state-specific poverty lines of 1973-74 are updated for later years using especially constructed state-specific price indices by averaging the CPIIW for (a) food; (b) fuel and light; (c) housing (d)clothing, bedding and footwear and (e)miscellaneous with their respective weights in the consumption basket at national level in 1973-74

2.4 National Poverty Lines

The national poverty lines are worked out from the national level expenditure distribution obtained from the NSS data on consumer expenditure and the national level poverty ratio. The national level poverty ratio, on the other hand, is estimated as a weighted average of state-specific poverty ratios. These are given below in the table Using these poverty lines as the cut off level, the Planning Commission estimates poverty at national and state level from the large sample surveys on household consumption expenditure

conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years

Table 2: NSSO,s Quinqennial Ratios of Poverty Line of Urban and Rural for India

Year	Rural	Urban	Combined
1973-74	56.4	49.0	54.9
1977-78	53.1	45.2	51.3
1983	45.7	40.8	44.5
1987-88	39.1	38.2	38.9
1993-94	37.3	32.4	36.0
1999-2000	27.1	23.6	26.1

2.5 Methodology of Planning Commission:

Planning Commission estimates poverty at national and state level from the large sample survey on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years. The latest such survey was conducted in 1999-2000(NSS 55th Round). The Planning Commission follows a uniform methodology for estimation of poverty across all the states. The present method used by the Planning Commission for estimation of poverty is based on the methodology recommended by the Expert Group on 'Estimation of Proportion and Number of Poor'(Lakdawala Committee). The Expert Group, which was constituted in September, 1989 submitted its Report to the Planning Commission in July, 1993. A full Planning Commission meeting chaired by the Prime Minister in March 1977 accepted the recommendations of the Expert group with minor modifications. Since then the estimates of poverty at national and state level are being made using the Expert Group methodology. The per capita consumption expenditure norm has been fixed at Rs. 49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capital/ daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. The state-specific poverty lines are derived from the national level poverty lines, using inter-state price differentials, according to the Expert Group Methodology. The state-specific poverty lines are updated using state-specific consumer price indices.

2.6   Poverty   Estimates   for   2004-05
On the basis of consumer expenditure data of 61st Round of the National Sample Survey(NSS), as reported in the Approach to the Eleventh Plan, the poverty ratio in 2004-05 is estimated as 27.8 percent using Uniform Recall Period(URP) in which the consumer expenditure data for all the items are collected from 30-day recall period) and about 22 percent using Mixed Recall Period(MRP, in which the consumer expenditure data for five non-food items, namely, clothing, footwear, durable goods, education and institutional

medical expenses are collected from 365 –day recall period). The poverty estimates in 2004-05 based on URP consumption (27.8percent) is comparable with the poverty estimates of 1993-94, which was 36 percent. The poverty estimates in 2004-05 based on MRP consumption (22 percent) is roughly (but not strictly) comparable with the poverty estimates of 1999-2000, which is 26.1 percent.

2.7 BPL Census by the Ministry of Rural Development In beginning of every Five Year Plan, the Ministry of Rural Development conducts the BPL Census to identify the rural poor families who could be assisted under various programmes of the Ministry. First BPL Survey was conducted in 1992 for the 8th Five Year Plan and BPL Census were conducted in 1997 and 2002 with methodologies different from each other.

2.8   BPL   Census   for   the   10th   Plan   (2002-07)

While the BPL Census 1992 had adopted Rs.11,000 as the income level of the rural household, the 1997 BPL Census adopted Rs.20,000 per annum as the limit for exclusion of a family from the BPL list. For the 9th Plan Consumption Expenditure was included as one of the main parameters for identification of BPL families in the rural areas.Both the income and expenditure criteria adopted during the BPL survey of 1992 and 1997 had their won limitations in the sense both the approaches suffered from the criticism of having subjectivity. In a situation when the rural household and the enumerator know the limit of income or expenditure to qualify as a BPL family, there is a temptation to hide the information. Secondly, the 1992 and 1997 BPL Survey results were inconsistent with the official Poverty Estimates made by the Planning Commission. The exclusion criteria adopted for the BPL Census 1997 was also subject to a lot of criticism as sometimes it may be a misleading to decide the poverty status of the rural household. Another criticism of earlier BPL Survey was Governments to prepare the BPL list by taking into account the local factors and incidence of poverty in a particular area.In the above background, the Ministry of Rural Development decided to set up an Expert Group under the chairmanship of Dr. P. L. Sanjeeva Reddy former Secretary, Department of Rural Development, Government of India to look into the issues relating to identification of BPL families in the rural areas and to suggest a more appropriate methodology for the BPL Census 2002. The Expert group comprised of professionals, academicians and bureaucrats. The Expert Group had a wide range of discussions with the stakeholders and also sought the views of the State Governments. After a wide range of discussions, the Expert Group recommended the methodology of Score Based Ranking of each household indicating their quality of life. For this purpose, 13 socio-economic parameters which included size of land holding, type of houses, food security, sanitation, ownership of consumer durables, literacy status, means of livelihood, indebtedness and migration etc. were adopted besides, collecting information under some non-scorable parameters.

One of the important features of the guidelines issued for BPL Census 2002 was to put a ceiling on the number of BPL households to be identified in conformity with the poverty estimates of Planning Commission. Originally, the States were asked to identify the number of BPL families in such a manner that it should be equal to the Poverty Estimates of 1999-2000 of Planning Commission. However, subsequently the States were given the option of deciding the total number of BPL households equal to the Poverty Estimates of 1999-2000 or the Adjusted Share as worked out by the Planning Commission whichever is higher. In addition to this, the States were also given the flexibility of another 10 percent to account for the transient poor. This option was given to the states because the poverty estimates of 1999-2000 of Planning Commission were disputed by a number of states moreover for inter-state allocation of resources the Adjusted Share was being used as the basis.

BPL Survey in Andhra Pradesh

So far as AP is concerned field level surveys have indicated varying levels of adherence to the guidelines for the various Centrally Sponsored Schemes and in the recent past, the requirement of approval by the Gram Sabha, appears to have been diluted in favour of what has been indicated as Janma Bhoomi approach. The guideline of the APSCCFC, that a list of constituency wise, uncovered and least covered mandal to be prepared seems to lead to the political element of influence. It may be more desirable to keep the unit for implementation of the scheme corresponding to the administrative units of a mandal or a panchayat samiti The schedule prescribed for the census which covers 5 parameters to draw the profile of the household (Educational Status, Average monthly income, types of operational holding, drinking water facility and social groups) and following 13 parameters for score based ranking of each household.

1. Size group of land holding
2. Housing status
3. Clothing
4. Food Security
5. Sanitation
6. Ownership of consumer durables
7. Literacy status
8. Existence of casual labourers
9. Main occupation
10. Type of indebtedness
11. Migration
12. Preference for development assistance
13. Status of children

As per the schedule the total score for Household can vary between 0 and 52. It is open to the authorities to decide the cut off point on the relative positioning of each household in the village on the basis of the scores. The

states were also been allowed the flexibility to decide the cut off score for sub categorizing the households into very poor, poor, not so poor and non poor. The score could be uniform or vary from district to district. This methodology was expected to place the states in a position to reconcile the difference emerging out of identification of BPL households for RD schemes and the number of persons living below poverty line in that state by the Planning Commission with a margin of 10% variation.

As far as Andhra Pradesh is concerned the Department of Panchayati Raj and Rural Development have completed the BPL census and results have been finalized-According to this census covering 30,399 villages, the total number of rural households are placed at 1,24,33,000.

While finalizing the methodology for BPL Census2002, it was acknowledged that identification of poor is a much more complex and sensitive process as compared to poverty estimation. There are many factors such as geographical position, climatic conditions, and cultures etc., which influence the poverty level and quality of life of the people. Broadly, the methodology suggested for the BPL Census 2002 was appreciated and was considered to be an improvement over the methodologies followed and was considered to be an improve over the methodologies followed during the previous BPL Surveys mainly on account of the fact that it was more objective, transparent and provided flexibility to the States to decide the number of BPL households after taking into account the local factors. However, the States had some reservations on adoption of uniform criteria throughout the country and also on the idea of fixing a ceiling on the number of poor to be identified. The methodology adopted for BPL Census 2002 has been certainly an improvement over the previous methodologies, however, there is always a scope for further improvement survey methodology in a socio-economic survey.

The results of the BPL Census 2002 have been delayed because the matter was pending before the Supreme Court in the context of Writ Petition (Civil) 196/2001 in which a stay order was passed on 5-5-2003. The Hon'ble Supreme Court has now vacated the stay on 14.2.2006 after persuasion of the matter by the Ministry. The new BPL lists on the basis of results of BPL Census 2002 have been finalized by some States and UTs. It may also be stated that the Hon'ble Supreme Court in its order has mentioned as under: "….. The survey methodology for the next BPL Census will be designed by the Ministry of Rural Development in consultation with the Supreme Court Commissioners in the right to food matter Case No. 196/2001 along with other sections of the society latest by the beginning of the XI Five Year Plan".

3. Improvement in Economic Status And Income Levels of SCs in A.P.

Poverty   level

Poverty has been defined by Planning Commission "As inability to secure a minimum level of economic welfare" and poverty line defined in terms of income required to buy nutritional food packet with a total caloric value of 2300 in rural areas and 2120 in urban areas. The Rupee equivalent was computed at specific prices to determine the Poverty Line from time to time. The Task Force on Minimum Needs and Effective Consumption Demand constituted by the Planning Commission in 1979 calculated the monetary equivalent for calories intake taking into account the data thrown up by the National Sample Survey 27th Round and estimated poverty line on the basis of per capita, per month consumption expenditure. An Expert Group which was constituted in Sept. 1989 to review the methodology adopted by the Task Force came up with its report, in July 1993 suggesting an alternate methodology and providing estimates of poverty at the national and State level using states specific poverty line data. Estimates of people below poverty line have been made for 1973-74, 1977-78, 1983-84, 1987-88, 1993-94 and 1999-2000. Table shows that the percentage of population living below poverty line has declined both for AP and All India.

The district-wise data of BPL Census 2002, presented in **Table** shown below may enable the SC Corporation to sharpen the focus of its coverage.

Table 3 .-District Wise BPL Census 2002 of Andhra Pradesh

SL.	District	No.of HHs in the category of				
		STs	SCs	OBCs	Others	Total
1	Srikakulam	41,813	55,916	424,383	56,147	578,259
2	Vizianagaram	52,805	45,158	307,936	40,925	446,824
3	Visakhapatnam	107,403	113,289	307,489	154,305	682,486
4	East Godavari	12,024	69,333	148,211	120,187	349,755
5	West Godavari	182,703	31,234	301,279	263,195	778,411
6	Krishna	203,597	42,457	242,139	249,499	737,692
7	Guntur	56,273	209,649	196,738	328,718	791,378
8	Prakasam	42,845	205,244	193,867	255,972	697,928
9	Nellore	76,150	154,893	207,111	130,639	568,793
10	Chittoor	27,680	115,677	212,677	178,105	534,139
11	Cuddapah	30,222	21,523	158,376	222,188	432,309
12	Anantapur	39,588	164,914	214,383	153,887	572,772

13	Kurnool	20,640	99,459	304,107	106,866	531,072
14	Mahbubnagar	130,323	59,009	248,329	87,028	524,689
15	Ranga Reddy	28,388	77,646	165,849	68,305	340,188
16	Medak	28,211	89,920	218,440	139,010	475,581
17	Nizamabad	38,666	83,286	241,634	81,651	445,237
18	Adilabad	97,298	127,496	168,256	47,832	440,882
19	Karimnagar	28,960	144,954	441,067	83,814	698,795
20	Warangal	38,105	125,132	172,590	297,393	633,220
21	Khammam	167,986	106,751	179,684	96,952	551,373
22	Nalgonda	139,617	77,418	315,760	88,422	621,217
	Grand totals	1,591,297	2,220,358	5,370,305	3,251,040	12,433,000

While the 1997 BPL Census indicated that out of the identified BPL families 26.70% belonged to the SC Community, 2002 BPL Census has shown that out of the identified BPL families, 17.86% belonged to S.C community. The criteria adopted for the two Censuses no doubt differ significantly but the fact is that out of identified BPL families the SCs account for relatively lower percentage in 2002. However inter-district variations in the number of BPL S.C households continues as before. The district-wise and community wise break up of BPL households shown in the above Table should be a guide for allocation of funds for different schemes of poverty alleviation. There appears to be a concentration of BPL SCs in the adjacent districts of Khammam, Warangal, Karimnagar, and Adilabad. In Telangana Region and Anantapur, chitoor, Nellore, Ongole and Krishna in the Andhra Region. The challenge of poverty remains, even after all that has been done in the last 60 years, with a deepening caste competition in claiming developmental funds.It may be remembered that the BPL survey was designed and prescribed for implementing RD Schemes and these schemes have as part of their coverage prescribed specific shares for SC household.It should be open to APSCCFC district societies to decide whether the schemes to be taken up with APSCCFC funds should be integrated with the Rural Development schemes or implemented separately. Impact studies conducted by the IIE in Tamil Nadu and Andhra Pradesh and by other organization in several other states indicate that during the Ninth Five Year Plan period, the coverage of Rural Development Schemes got some what slightly distorted by the attempts of State Governments to adjust the results of BPL survey 1997 to either the funds available or to the estimate of BPL population indicated by the Planning Commission. This adjustment done in various offices meant at the field level exclusion of genuine SC and other beneficiaries who belonged to the eligible categories. BPL 2002 survey provides a scoring system and flexibility in determining the cut off point, from district to district. This in a way facilitates the identification of beneficiaries and linkages to various schemes depending on the resource endowment and other factors relevant to schemes for income generation. For states like AP which is marked by serious differences in resource endowment such as the chronically drought prone districts of Rayalaseema some of the backward districts of Telengana and the relatively better off Coastal Andhra, it should be open to the

APSCCFC to choose appropriate district specific schemes and strategies of development .Since the BPL 2002 survey also brings out the nature of assistance preferred by the various categories of households, it may be useful if a preliminary district wise exercise is conducted by APSCCFC before schemes are finalized and funds are allotted for various schemes.

There is a need to shift the APSCCFC schemes from allocation based to need based approach and some of the steps suggested and the preference emerging from Table 5.2 above may help the Corporation more in that direction. Over a period both the Planning and implementation capability of APSCCFC and its district units will improve.

4. EXTRACTS FROM THE REPORT OF THE XI PLAN WORKING GROUP ON POVERTY ELIMINATION PROGRAMMES

4.1 Leads /Strategies for Poverty Alleviation

Government has been adopting several poverty alleviation strategies over the last five decades. These could be classified into four broad groups: Institutional Reforms, Empowerment of the poor, Development of Resource Deficient Areas, Special Employment Programmes and Safety Nets. The non-government organizations (NGOs) have also been evolving several different innovative schemes with the participation of the poor to address some of the specific disadvantages/ deprivations of the poor. Some of the projects undertaken under the public- public and public- private partnerships hold promise for scaling up and replication. Some of these development initiatives have been assessed and lessons learnt have been detailed elsewhere in the report.

It is well recognized that SHGs are appropriate grass-root level institutions for attacking multiple deprivation. The number of SHGs which is about 4 million – is increasing at an encouraging pace drawing support from the central and state governments, NABARD, banks and NGOs. The groups can be supported for taking up income generating activities. A series of confidence building measures should precede their integration with the markets. There should be regular and steady training in banking and marketing. Promotion of federations around industrial / commodity clusters is a promising approach for involving the SHGs in productive income generating activities.

4.2 Identification of the Poor

The objective of poverty elimination makes it imperative to identify the poor by their priority needs rather than only counting the number of poor and treating them as a homogeneous group. For the hardcore poor, the priority need is for safety nets to remove their deprivations. In fact, this part of the poverty programmes needs top priority in the Eleventh Five Year Plan as the safety nets are in a very poor state weakening the very foundations of the strategy for elimination of poverty. The poor who are better off than the

hardcore poor but are not yet economically productive and viable would have to be provided new livelihoods and supported with measures for credit, extension, marketing and insurance. The new livelihoods would need carefully designed training and capacity building programmes and adequate protective measures during the period required for their stabilisation. The poor who have assimilated these inputs would need information, guidance and expert advice to effectively participate in the mainstream processes and institutions. It is important to note that the identification of poor at the ground level needs to be by categories distinguished by the priority requirements of each category. It is obvious that identification by poverty line and categorisation by purely statistical norm would not be adequate for this purpose. Further the deprivations of the hardcore poor and the initial support needed by the new livelihoods would have to be assessed by yardsticks appropriate to the locality/community/region. Uniform norms for the entire nation (e.g. the calorie norm used to draw the poverty line) would not work and the identification exercise would have to involve the ground level organisations like PRIs and SHGs.

The BPL survey conducted in 2002 according to the methodology and procedures suggested by The Expert Group on Identification of Households Below Poverty Line (BPL Census 2002), substantially meets the requirements of identification noted above. It provides data for all the households on deprivations suffered by them. Not only are these data useful for formulating programmes and priorities at the ground level but also through aggregation they can generate data bases needed at the higher levels including states and centre to monitor the performance of safety nets and to prepare annual plans and medium-term targets. Attention may be drawn to the innovative use of BPL survey data and their computerisation and presentation on the web in Gujarat to make the data available to all those interested in them, particularly the stakeholders in programmes for the poor .
Since the BPL survey data cover all the households and the deprivations selected for the survey, there is no need for prior identification of the poor for formulating the programmes to improve the safety nets. They do permit categorisation of the poor allowing considerable flexibility in defining the categories according to the purpose for which categorisation is being done. For example, a combination of BPL survey data and data on present and past occupations, skills possessed and preferences of the household could be of considerable help in formulating programmes for self-employment, formation of SHGs and promotion in the village of occupations and professions having good links with the mainstream. Gujarat and Kerala have used BPL survey data for categorisation of the poor. This working group considers it important to bring such uses to the notice of all states and PRIs/SHGs. The states should be encouraged to modify the methodology and procedures for the BPL survey to improve their content and usefulness. The Ministry of Rural Development should keep itself informed of these modifications and ensure that the data permit aggregation across states and comparability over time.

To judge from a recent press release of the Ministry of Rural Development, the initial experiences with the new methodology for the BPL survey seem to be encouraging: "The new BPL survey in 2007 will be taken up in consultation with the state governments…The Ministry has issued guidelines for placing the draft BPL list before the gram sabha. A two-stage appeal mechanism has been introduced. States have been advised that the final BPL list should be displayed on their website (and) also printed and kept in the form of a booklet at the Panchayat headquarters…. a provision has also been made to allow new names to be added and ineligible names deleted on a continuous basis during the period to which the list applies… for bringing more transparency, a permanent waitlist (prepared) on the basis of ranking of the BPL families is to be painted on the wall of the Panchayat Headquarters"

Since there is a separate Expert Group dealing with the issues relating to measurement of poverty, we only make here three points about measurement of poverty. First, if the focus in the Eleventh Five Year Plan shifts to multiple-deprivation concept of poverty and categorisation of the poor rather than the familiar Head Count Ratio, the measurement of poverty at the level of NSS zones, states and all-India would have to be compatible with the changed focus though the measures now in vogue could also remain in use. Second, time has come to seriously ponder the adequacy of linking the measurement of poverty with the calorie norm or with an income norm related to it. If the growth has picked up and the Planning Commission is serious about pursuing the objective of poverty elimination, the measurement of poverty at the aggregate level would have to reflect the growing concern felt in the country regarding persistence of deprivations and the serious lag in employment growth. Third, The Expert Group on BPL Survey has pointed out the possibility of conflict between the magnitude of poverty as revealed by the BPL surveys and as estimated on the basis of NSS surveys. This need not be a major issue if the prioritisation and allocation of funds is done not on the basis of a single measure of poverty but on the basis of targets fixed for removal of deprivations and generation of wage and self-employment. It also needs to be remembered that the present methodology of BPL surveys would insulate to a large extent the measurement of poverty from the politician's itch to inflate poverty numbers for reasons not difficult to guess. The best course in future would be to rely increasingly on the aggregation of BPL survey data for the policy decisions at the state and central level and for monitoring the progress of poverty elimination. Measures like HCR based on NSS surveys could be used as cross checks and for validation of policy implications suggested by the BPL data.

5. Some Observations:

1. There are vast differences in the poverty levels among different districts of Andhra Pradesh Poverty is concentrated in a few geographical locations and among specific socially disadvantaged groups. Sample socio-economic survey has to adopt a suitable methodology for proper identification of eligible beneficiaries. Attempts

such as the one made after 2002 BPL Census, to adjust target orientation to available funds need to be avoided. Better methods need to be considered.

2. Instructions have been issued by GOI to earmark 50 percent of allocations for coverage of SC families among the total BPL families assisted under poverty alleviation programmes. This is not fully observed in all the programmes. Programme specific guidelines and earmarking of funds could be considered for enhancing flow of benefits to SCs.

3. There are noticeable differences in the levels of resource endowment, social technical and credit infrastructure in the districts and among the socio-economic parameters like literacy levels and technical skills among S.C, Occupational groups. Programme coverage and targeting as also allocations of funds moved be preceded by a policy decision on the priority to be assigned by the relative backwardness and degree of concentration of SCs. Can this be done?

4. Programme implementations which were earlier marked by identification of eligible individual beneficiaries have been supported by the group approach. This has definite and different implications for rural and urban areas. Should there be flexibility in approach to ensure that eligible individual beneficiaries are not denied, opportunities to avail credit and other assistance to improve themselves

6. Poverty Estimates Based on 66th Round of NSSO:

The Planning Commission released the estimates of poverty for the year 2009-10 computed from the 66th Round NSS(2009-10) data on Household Consumption Expenditure Survey. The poverty line was defined as Rs 22.40 per capita per day in rural areas and Rs 28.60 per capita per day in urban areas(which works out to Rs 672.8 per capita per month in rural areas and Rs 859.6 per capita per month for urban areas). On this basis, 29.8 per cent of the population was below the poverty line in 2009-10(33.8% in rural and 20.9 % in urban). This shows a 7.4 per cent fall in all India poverty ratio over the five year period i.e 2004-05 to 2009-10m(8 per cent fall in rural and 4.8 per cent in urban). However, critics have pointed out that poverty lines have been deliberately defined at a low level. The estimates of poverty released by the Planning Commission are not comparable with the earlier estimates because the methodologies adopted at different surveys have been different. Some critics have shown that if Govt expenditure on mid-day meal programme and PDS purchases is excluded to make poverty ratios comparable the 2009-10 poverty ratios increase from 29.8 to 31.5 per cent that means increase of another 18 million poor to

the total poor estimated.in 2009-10.Some criticise Tendulkar for delinking poverty from calorific value and indeed per capita consumption of calories fell significantly. The average consumption of cereals by the people decreased with simultaneous increase inn consuming of protein foods like pulses, meat and poultry which is also evident from the higher inflationary tendencies of these commodities.

The Tendulkar Committee has specifically noted that *"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 incomparable percentage point decline between1993-94 and 2004-05 is not different from that inferred using the oldmethodology."*

7. The Socio Economic and Caste Census (SECC), 2011:

The caste based socio-economic census is being carried out by the Government of India, Ministry of Rural Development to generate information on a large number of social and economic indicators relating to households across the country. It will have three important outcomes: Firstly, the SECC, 2011 will rank households based on their socioeconomic status, so that State/Union Territory Governments can objectively prepare a list of families living below the poverty line in rural and urban areas Secondly, it will make available authentic information on the caste-wise breakup of population in the country. Thirdly, it will provide the socio-economic profit le of various castes The SECC, 2011 is being conducted simultaneously for rural and urban areas, by the respective State Government and Union Territory Administration, with technical and if financial support from the Government of India.

The SECC, 2011 will objectively rank households based on their socio-economic status, which would be the basis for identify households living below the poverty line. This exercise will help to better target government schemes to the right beneficiaries, and ensure that all eligible beneficiaries are covered, while all ineligible beneficiaries are excluded Households identified as highly deprived will have the highest inclusion priority under Government welfare schemes. The last exercise to identify people living below the poverty line was conducted in 2002. Based on the learning from this exercise the methodology has been comprehensively revised to ensure complete coverage, transparency and objective identification of households based on socio economic parameters.

7.1 When will the SECC, 2011 take place?

The SECC, 2011 is being conducted between June 2011 and 31st December 2011

It was launched on 29th June 2011 in Hazemora Block in West Tripura. **The difference between SECC, 2011 and the Planning Commission estimates of poverty is that** the Planning Commission provides estimates of the percentage of the rural and urban population living below the poverty line in different States/UTs. That is, it estimates the "how much" of poverty.The SECC, 2011 on the other hand, will provide information on the "who" of the population living below the poverty line. Thus, for example, the Planning Commission estimate for a State could be that say 55% of the rural population and say 30% of the urban population is living below the poverty line. SECC, 2011 will enable that particular State to identify the households who comprise this55% and 30% respectively.

7.2 The SECC, 2011 methodology been pilot Tested.

Rural areas: The methodology for rural areas has benefitted after field testing several methodologies; and using the recommendations of the Saxena Expert Group as the reference point. The field testing was carried out in two stages. First, a socio-economic census of 254 villages was conducted using a structured questionnaire. Second, a participatory rural appraisal(PRA) technique was used to rank households in the same village according to several well-being criteria. The results of 161 villages spread over 29 states, covering 43,000 rural households have been used to finalize the criteria used in the SECC, 2011 for rural areas.

Urban areas: The Planning Commission appointed the Hashim Committee Expert Group to identify the methodology to conduct the SECC in urban areas. The data generated will be analyzed, and on the basis of this, the Committee will determine the methodology for identification of poor households in urban areas.

7.3 The process of conducting the SECC, 2011 in rural areas:

The SECC, 2011 will be conducted through a comprehensive programme involving the Ministry of Rural Development, Ministryof Housing and Urban Poverty Alleviation, The Office of the Registrar General and Census Commissioner, India and the State Governments. The process is as follows: Each Collector/District Magistrate will formulate a District/ Town Plan and a Communication Plan24 lakh Enumeration Blocks will be used for the SECC, 2011- each Enumeration Block has roughly 125 households. These are the same Enumeration Blocks that were formed during the Census 2011. The enumerators will be provided copies of the layout maps and Abridged House List prepared during Census 2011. This will ensure complete coverage of the area. Enumerators will be trained to conduct the SECC, 2011 Each Enumerator will be assigned 4 Enumeration Blocks, and every 6 Enumerators will be assigned to one Supervisor Enumerators will visit every household identified in the Enumeration Block and canvas the questionnaire. They will also reach out to homeless populations (eg. people living in railway stations, roadsides etc) A data entry operator will accompany each Enumerator.The data will be captured directly on an electronic handheld device (a tablet PC). The hand held device will have the scanned images of the forms filled up for National Population Register (NPR). This will also ensure complete and accurate coverage the information (held in the tablet PC) will be read out to the respondent, who will verify it. A printed acknowledgement slip, signed by the Enumerator and Data Entry Operator will be given to the respondent Collected data will be verified in the Panchayat. After all the information is collected from an Enumeration Block, a draft publication list will be prepared for verification. Within a week of publication of the draft list, the list will be read
out at the Gram Sabha in all rural areas. Any person can file claims/objections and information furnished before designated officers for this purpose. The draft list will
be made available at the Gram Panchayat, Block Development. Office, Charge Centre and District Collector's Offices. The list will also be uploaded on the NIC/State Government/

Enumerator will canvass questions in each household in an Enumeration Block Aggregation of Enumeration Block data Based on the socio economic parameters, households that will be **automatically excluded** will be identified Based on the socio economic parameters, households that will be **automatically included** will be identify d

Assess deprivation of remaining households Rank households on the basis of automatic inclusion and deprivation indicators Preparation of State Level Ranking list to be handed over to State Governments State Governments to use Planning Commission poverty estimates as a cap

A household with any of the following will be excluded automatically:

- Motorized two/three/four wheeler/ fishing boat/
- Mechanized three/four wheeler agricultural equipment
- Kisan Credit Card with credit limit of Rs. 50,000 and above
- Household with any member as a Government employee
- Households with non-agricultural enterprises registered with the Government
- Any member of the family earning more than Rs. 10,000 per month
- Paying income tax & Paying professional tax
- Three or more rooms with all rooms having pucca walls and roof
- Own a refrigerator
- Own Landline phone
- Own 2.5 acres or more of irrigated land with at least 1 irrigation equipment

A household with any of the following will be included automatically:

- Households without shelter
- Destitute/ living on alms
- Manual scavengers
- Primitive tribal groups
- Legally released bonded labourers

and tribe data will be made available in the public domain. **The households be ranked in rural areas** Households will be ranked through a three-step process. It must be noted that the services of primary school teachers cannot be utilized for this purpose due to the ban imposed by the Right to Education Act, 2009.

7.4 The following are the deprivation indicators:

Households with only one room, kucha walls and kucha roof No adult member between the ages of 16 and Female headed households with no adult male member between 16

and Households with disabled member and no able bodied adult member SC/ST households Households with no literate adult above 25 years Landless households deriving a major part of their income from manual casual labour

The information be collected by the Enumerators who will ask respondents questions from the questionnaire they have with them. The data entry operator will enter the responses into the electronic handheld device (Tablet PC) Respondents need not show document proof in support of the information they are providing.

However, respondents will be expected to provide correct and authentic information, which
can be verified by the Enumerator After the data collection is complete, the Enumerator will give the respondent an acknowledgement slip duly signed by the Enumerator and the Data Entry Operator. The Enumerator will paste a sticker on the outside wall of the
respondent's house

The following information will be collected at the level of the individual and household, including:
- Occupation
- Education
- Disability
- Religion
- SC/ST Status Name of Caste/Tribe
- Employment
- Income and source of income
- Assets
- Housing
- Consumer Durables and Non-Durables
- Land

In rural areas, data will be made available
All data will be read out in the Gram Sabha and Panchayat following the draft publication list being printed. Subsequently, individual information except for religion, caste

7.5 Checks and balances

The Ministry says that It will be will ensure that there is no misreporting or errors? What mechanisms are being put in place for public scrutiny**?**
A series of measures are being put in place to ensure that there is no
misreporting, and to build transparency: All data will be entered into a hand-held device – reducing the chances of data entry errors, and no possibility of interpolation or falsification of information. It will also greatly reduce the time and resources required for such an exercise.
Enumerators will read out the information entered after the respondent has answered all questions Enumerators may be accompanied by representatives of the Gram Panchayat, Gram Sabha and other citizens to ensure that data collection is done in a fair and transparent manner, with
no scope for individual discretion After the questionnaire is filled in, the Enumerator will read out the information, and give the respondent a signed
acknowledgement slip. If the respondent disagrees, he will have the opportunity to plead his case. The Enumerator will conduct a summary enquiry, verify the facts and change the data if found correct. The Enumerator will also report the same to the Supervisor, who will visit the household where such differences are arising

The draft list will be made available at the Gram Panchayat, Block Development Office , Charge Centre and District Collector's Offices. The list will also be uploaded on the NIC/ State Government/MoRD/MoHUPA websites Within a week of

publication of the draft list, a Gram Sabha will be convened. At the Gram Sabha meeting, the names and answers of each household will be read out. All claims and objections raised in this meeting will be recorded and dealt with Data will be uploaded directly from the Electronic Handheld Devices to the database, removing the possibility of errors and manipulation that can creep in through a manual data entry process A list of supervisory bodies (institutions of high standing) is being empanelled to provide overall guidance and supervision to ensure that the data is collected accurately and fairly

8. Re-Examination of Poverty Estimates:

There has been much discussion recently as to whether the poverty-lines presently in use need to be redefined. The official poverty lines at present are based on per capita consumption level. The original link with calories was broken over time, because oflate, the consumtion patterns have changed. Some argue that the poverty line should be redrawn to return to a calorie basket estimate, but this is not compelling since with the rising living standards and accelerated growth, a purely calorie based norm is no longer regarded as appropriate. The others have argued that for the purpose of determining the eligibility for certain benefits, we should move away from targeting the population below a fixed poverty line, and simply designate a certain per centage of the population as the target group that is eligible for the benefits.

A final view on the methodology for measuring poverty in future will be taken on the basis of the results obtained from the 2009-10 survey. At that stage the Commission will consider whether some entirely new approach to poverty measurement is needed, or whether the Tendulkar Committee methodology, with some modification could continue to be the basis of poverty estimate for some time.

The conclusion emerges from analysis of poverty line that the procedure of upgrading poverty line on the basis of price index needs a review. The multi dimensional poverty should be dealt with, by adopting an approach to deal with multiple intervention with emphasis on providing better education, Health care and skills improvement.