

5. ENDEMIC POVERTY AND STARK INEQUALITIES

“One of every 3 persons in India is officially poor, and 2 of 3 are undernourished or malnourished. If you count those who are deprived of safe drinking water, adequate clothing, or shelter, the number is considerably higher. Finally, if you also include people who are ‘above’ the officially defined poverty line, but are vulnerable, in the sense of not being adequately insured against rising prices, unemployment, illiteracy, declining incomes, old age, and disease, you get a huge majority.”

- India Development Report, 1999-2000

“Poverty levels, both in urban and rural areas (in Tamilnadu), are higher than the corresponding all-India levels. Per capita levels in Tamilnadu were fairly close to those prevailing in Madhya Pradesh, Rajasthan and Uttar Pradesh (which along with Bihar form the “Bimaru” belt, the heartland of backward India)...”

- Tamilnadu Peoples’ Manifesto, 1996

Per Capita Income

Net State Domestic Product (NSDP) per capita has been a major indicator, in respect of which, Tamilnadu continued to fall below the national average for a long time, especially over the 1970’s and 1980’s.

Per capita SDP-wise, Tamilnadu held the 5th rank in 1960-61, slipped to 10th rank in 1970-71, and recovered a bit to 8th rank in 1980-81. In 1988-89, Tamilnadu ranked 7th among 14 major States, with a NSDP per capita of Rs 1,887 at constant (1980-81) prices, compared to the national average of Rs 2,078

Only in the early 1990’s, it rose slightly above the national average. It sustained the 8th rank in 1991-92 and had recaptured the 5th rank in 1993-94.

In 1996-97, Tamilnadu had a per capita NSDP (at current prices) of Rs. 11,708, just barely above the Indian average of Rs. 10,919. It held the 5th rank again, way behind Punjab (Rs 18,213), Maharashtra (Rs 17,295), Haryana (Rs 16,199), and Gujarat (Rs 13,932).

“Though the per capita income in Tamilnadu is slightly higher than that of All India per capita income, people living below the poverty line being higher, it is an indicator that there is need to improve the delivery mechanism and processes for making the benefits reach the target group.”

- Ninth Five Year Plan Tamilnadu : 1997-2002

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Poverty Levels

Poverty, especially among clearly identifiable sections, has been endemic and persistent in the State.

The percentage below poverty line declined from mid-1950's to early / mid 1960's, but went up later. In terms of nutritionally adequate diet norm, the percentage below poverty line in rural Tamilnadu went up from 33% in 1963-64 to 49% in 1969-70. And in terms of minimum levels of living, the rural percentage went up from 64% in 1962-63 to 74% in 1969-70, and, in the urban areas from 62% to 72% over the same period.

The State Planning Commission, in 1980, identified Tamilnadu as the worst in the country in this regard. The N.S.S. Round 38 (1977-78) placed Tamilnadu 2nd lowest among 22 States.

From the early 1960's to 1980's, about 50% of Tamilnadu population was always below poverty line. At no time, had it been lower than 40%.

In the 1980's, Tamilnadu had the largest percentage of all rural households in India at the level of destitution (ie., 25.54% rural households had assets of Rs 500/- each only). Tamilnadu had also the largest group of rural families (38.13 %) having assets below Rs 1000/- each

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As late as 1990-91, according to World Bank figures, 40% of the Tamilnadu population was living below poverty line. As per the India Development Report 1999-2000, 41.80% of the rural people and 31.87% of urban people in Tamilnadu were poor in the early 1990's. Even according to Tamilnadu Govt. statistics, 32.80% lived below poverty line in Tamilnadu, compared to the national average of 29.33%.

In 1993-94, as per Union Planning Commission estimates, 35.03% of Tamilnadu population (i.e. 202 lakhs of people) lived below poverty line. Nationally, Tamilnadu held a lowly 8th rank, behind Punjab (11.80%), Andhra Pradesh (22.20%), Gujarat (24.20%), Haryana (25.10%), Kerala (25.40%), Rajasthan (27.40%) and Karnataka (33.20%).

And the level of poverty in Tamilnadu has been, throughout the 1990's, highest among the four Southern States:

Population Below Poverty Line (1993-94)
(in lakhs)

	Rural	Urban	Total
Andhra Pradesh	79.49 (15.92%)	74.47 (38.33%)	153.97 (22.19%)
Karnataka	95.99 (29.88%)	60.46 (40.14%)	156.46 (33.16%)
Kerala	55.95 (25.76%)	20.46 (24.55%)	76.41 (25.43%)
Tamilnadu	121.70 (32.48%)	80.40 (39.77%)	202.10 (35.97%)

(Ninth Five Year Plan Tamilnadu : 1997-2002)

The tragic fact behind all these statistics is: As late as 1994, more than 202 lakhs of persons in Tamilnadu lived below the lowly poverty line, worked out as Rs 264 per capita per month in urban areas and Rs 228 per capita per month in rural areas. (Rf Expert group of the Union Planning Commission)

And contrary to all claims by official agencies, poverty, even going by minimal criteria like poverty line, is a harsh reality, widely prevalent in the State, among specific sections of its population, as can be seen by the following statements:

*“The caloric intake in rural India – particularly in Uttar Pradesh, Bihar, West Bengal, **Tamilnadu** and Maharastra – are of much concern as it is much below the recommended minimum requirement of 2400 k.cal/ per day”*

“Population and Reproductive Health Facts in India” by United Nations Population Fund (UNFPA), July 2000

“The incidence of poverty seems to be higher amongst landless agricultural labourers, small and marginal farmers in rural areas and construction and other workers in urban nodes.”

- Ninth Five Year Plan Tamilnadu : 1997-2002

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Meanwhile, with the false claim of having reduced poverty, allocations to anti-poverty programmes have been slashed. This has resulted in reduction in allocation of funds for rural poverty alleviation schemes to 4.9% of total allocation in 1999 as compared to 7.0% earlier

There have been studies comparing rural vs urban poverty trends in Tamilnadu. While in 1973-74, rural poverty (57%) was higher than urban poverty, in 1993-94, urban poverty (39.8%) exceeded rural poverty (32.50%). While this may not signify sizeable reduction in rural poverty, it surely reveals the relatively increased urban inequalities in Tamilnadu.

The problems of urban poor remain invisible, due to lack of clear data. The situation of urban poor in slums have steadily deteriorated, leading to serious deprivations and dire lack of basic services in slums. Almost 25% of urban people in Tamilnadu are said to be staying in slums that keep growing at about 4.5% per annum.

Meanwhile, there is a serious need for new interventions that adopt radical approaches and innovative measures to calculate real deprivation levels among the poor in Tamilnadu. One such attempt has been the formulation of the **composite risk index (CRI)**, which primarily looks at non-economic criteria for detecting poverty. High risk (poverty) is defined as the presence in a household of four or more of the 9 risk factors:

- family belonging to SC/ST
- family with children under 5 yrs old
- family having even one illiterate adult
- family with only one or no adult employed
- family living in kutcha house
- family without a household latrine
- family with no access to safe drinking water
- family consuming only 1-2 meals per day
- family with an alcoholic or drug addict

Any effort to better social development in Tamilnadu needs to focus on the needs of such families.

Meanwhile, with the false claim of having reduced poverty, allocations to anti-poverty programmes have been slashed!

“While the poverty alleviation schemes have been successful, this has resulted in reduction in allocation of funds for rural poverty alleviation schemes to 4.9% of total allocation as compared to 7% earlier”

- Governor’s address at the Budget session, 2000

“Notwithstanding the declining trend in poverty ratio over the years, its size still remains to be gigantic in the State. It calls for adoption of a multi-pronged approach on all fronts – agriculture and industry, social services and family welfare”

- Tamilnadu – An Economic Appraisal 1996-97

In terms of distribution of assets, Tamilnadu has always shown greatest inequalities

Vast Inequalities

“There are developmental disparities between different districts of the State as well as amongst various social groups: rural and urban population; workers in organized and unorganized workers; and men and women...”

Rural-Urban disparities in income are most marked. The rural-urban per capita income ratio is 1:6, signifying the pressure on the rural sector and the tendency to urbanise faster.”

- Ninth Five Year Plan Tamilnadu : 1997-2002

In terms of distribution of assets (Assets = land, buildings, livestock, farm/non-farm equipment, durable consumables, financial assets), Tamilnadu has always shown greatest inequalities. In terms of assets of the richest 1%, Tamilnadu topped the Indian list in both 1961/62 & 1971/72. In terms of assets of lowest size group, Tamilnadu, in 1971-72, was next to last (ie. Orissa).

Ownership of land is often a measure of economic security, especially for the poor.

In terms of rural households, not owning any land, Tamilnadu topped (17%) in the 1970's among all the States in India. In terms of rural households, neither owning nor operating land, too, Tamilnadu topped (14%).

“Rural-Urban disparities in income are most marked. The rural-urban per capita income ratio is 1:6, signifying the pressure on the rural sector...”

**NUMBER, AREA AND AVERAGE SIZE OF OPERATIONAL LAND HOLDINGS
IN TAMILNADU**

	No. of Ope. Holdings (lakhs)	Area operated (lakh hectares)	Average size of holdings (hectares)
Classification Of holdings	85-86 90-91	85-86 90-91	85-86 90-91
1. Marginal (Below 1 hect)	54.98 58.48 (71%) (73%)	20.18 21.18 (26%) (28%)	0.37 0.36
2. Small (1 to 2 hect.)	12.60 12.75 (16%) (16%)	17.72 17.94 (23%) (24%)	1.41 1.41
3. Semi-medium (2 to 4 hect.)	6.49 6.18 (9%) (8%)	17.78 16.87 (23%) (23%)	2.74 2.73
4. Medium (4 to 10 hect.)	2.61 2.27 (4%) (3%)	15.08 13.01 (19%) (17%)	5.78 5.72
5. Large (10 h.& above)	0.39 0.31 (neg) (neg)	7.20 5.74 (9%) (8%)	18.39 18.44
TOTAL	77.07 79.99 (100) (100)	77.96 74.74 (100) (100)	1.01 0.93 (100) (100)

(Neg) - Negligible

(Figures in bracket indicate percentage to total)
(Tamilnadu – An Economic Appraisal 1996-97)

“While 63 % of rural households in India reported some ownership of land, the lowest percentage of those that reported ownership of land was in Tamilnadu (34%)”

- India Human Development Report, 1999

“Over the years, there has been marginalisation of ownership holdings in the sense that the percentage of households owning below 1.0ha. has increased, from 64.7% in 1976-77 to 71.3% in 1985-86. There has also been a reduction in the average size of operational holding from 1.45 ha. In 1970-71 to 1.01 ha. In 1985-86”

- Ninth Five Year Plan Tamilnadu : 1997-2002

In the distribution of rural assets, Tamilnadu has shown the greatest inequality. In a highly inequitable situation, 7.15% of rural families owned 51.01% of land, while the 25.54% rural destitute families owned a meagre 0.86% of land & rural assets.

In terms of distribution of urban assets, in 1981, the poorest 10% of Tamilnadu population owned a measly 0.1% of the total assets, while the top 10% enjoyed a high 58.4% of the total assets.

“According to the National Sample Survey’s consumer expenditure data, the poorest 10% accounts for less than 4% of the total consumption expenditure in the State, while the richest 10% spends close to 30 %. In urban Tamilnadu, the poorest 10%’s per capita consumer expenditure is less than half the amount that corresponds to the poverty line, while the richest 10%’s is about 9 times the average of the poorest decile.”

- Tamilnadu Peoples’ Manifesto, 1996

“A number of poverty alleviation programmes have been introduced and steadily enlarged, but many suffer from fund leakages, poor focusing of target groups, insufficient allocation and so on.

The poverty alleviation programmes, especially in the rural areas, have been implemented without changes in the unequal agrarian structure and hence most of the benefits have gone to the not so poor....”

- Tamilnadu Peoples’ Manifesto, 1996

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