

# THE STATE OF INDIA'S POOR MUST BE ACKNOWLEDGED

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

The son of a corn merchant-turned sociologist, Charles Booth had little patience for Charles Dickens and others in his time, who used lyrical prose to describe the desperation of the poor in working class London. Booth was also angry, in 1885, over the claims made by F.D. Hyndman, the leader of the Social Democratic Federation, which after an enquiry into the working classes of London had concluded that a quarter of the [population of London lived in abject poverty](#). Confident of showing up the claims as sensational, he set about drawing his poverty map of the city and getting people to do door-to-door surveys. Much to his horror, his own landmark 'Life and Labour of the People in London' survey concluded that the numbers were much higher and a third of London lived in abject poverty. He had, unintentionally, nailed the importance of getting the numbers right, which settled the question of which class needed maximum attention.

In India, there is now, rightly, a consensus difficult for the Government to beat down that to be able to battle COVID-19 and secure India from successive waves, the exact numbers of the dead must be carefully documented. Something else that needs equal attention, if the state of the decrepit Indian economy is to be repaired, is to be able to meticulously count the number of the poor and to prioritise them. The World Bank \$2-a-day (poverty line) might be inadequate but it would be a start and higher than the last line proposed by the C. Rangarajan committee.

There has been hesitation for a variety of reasons to wrestle with the rising numbers of the poor in India. Not least, the pursuit of becoming 'Vishwaguru', has hampered this as that pitch works only if the leadership is able to mask the dramatic rise in poverty. Coming to terms with how low India's median income is would disrupt the carefully constructed ride about being the biggest/largest in the world. A survey in 2013 had said India stood at 99 among 131 countries, and with a median income of \$616 per annum, it was the lowest among BRICS and fell in the lower middle-income country bracket.

Since then — and we are still not talking of the [novel coronavirus pandemic](#) — three important data points have made it clear that the state of India's poor needs to be acknowledged if India is to be lifted. The first being, the fall in the monthly per capita consumption expenditure of 2017-18 for the first time since 1972-73, which the Government withheld citing concerns with the quality of data collected, then the fall of India in the Global Hunger Index to 'serious hunger' category and India's own health census data or the recently concluded National Family Health Survey or NFHS-5, which had worrying markers of increased malnutrition, infant mortality and maternal health. A fourth statistic earlier this year, of Bangladesh bettering India's average income statistics, must also be a reason for Indians to introspect. What kind of growth path has led to India sliding in the sustainable development goals index (by at least two ranks last month) as well as in the per capita income rankings? If we do not bother to know of the increased numbers sliding into poverty, there would be little possibility of moving toward a solution.

The precarious situation after the demonetisation in 2016 was rendered calamitous with the novel coronavirus pandemic and the shrinking of the economy. In 2019, the global Multidimensional Poverty Index reported that India lifted 271 million citizens out of poverty between 2006 and 2016. Since then, the International Monetary Fund, Hunger Watch, SWAN and several other surveys show a decided slide. In March, the Pew Research Center with the World Bank data estimated that 'the number of poor in India, on the basis of an income of \$2 per

day or less in purchasing power parity, has more than doubled to 134 million from 60 million in just a year due to the pandemic-induced recession'. In 2020, India contributed 57.3% of the growth of the global poor. India contributed to 59.3% of the global middle class that slid into poverty. The last time that 'India reported an increase in poverty was in the first 25 years after Independence, when from 1951 to 1974, the population of the poor increased from 47% to 56%'. So, India is again a "country of mass poverty" after 45 years. This has thrown a spanner in the so far uninterrupted battle against poverty since the 1970s. Urgent solutions are needed within, and the starting point of that would be only when we know how many are poor.

In India, the poverty line debate became very fraught in 2011, as the Suresh Tendulkar Committee report at a 'line' of 816 per capita per month for rural India and 1,000 per capita per month for urban India, calculated the poor at 25.7% of the population. The anger over the 2011 conclusions, led to the setting up of the C. Rangarajan Committee, which in 2014 estimated that the number of poor were 29.6%, based on persons spending below 47 a day in cities and 32 in villages.

Numbers matter for many reasons. The first is because knowing the numbers and making them public makes it possible to get public opinion to support massive and urgent cash transfers. The world outside India has moved onto propose high fiscal support, as economic rationale and not charity; it is debating a higher level of minimum wages than it has in the past. Spain has accorded security to its gig workers by giving delivery boys the status of workers. In India too, a dramatic reorientation would get support only once numbers are honestly laid out.

The second argument for recording the data is so that all policies can be honestly evaluated on the basis of whether they meet the needs of the majority. Is a policy such as bank write-offs of loans amounting to 1.53-lakh crore last year, which helped corporates overwhelmingly, beneficial to the vast majority? Or has it been just beneficial to a thin sliver of the super rich? This would be possible to transparently evaluate only when the numbers of the poor are known and established.

Third, if government data were to honestly account for the exact numbers of the poor, it may be more realistic to expect the public debate to be conducted on the concerns of the real majority and create a climate that demands accountability from public representatives.

Fourth, India has clocked a massive rise in the market capitalisation and the fortunes of the richest Indian corporates, whose wealth has grown manifold in the past few years, even as millions of Indians have experienced a massive tumble into poverty. The stories of billionaires get reported regularly and prominently. To say that the stock market and the Indian economy are 'not related' is ingenuous. Indians must have the right to question whether there is a connection and if the massive rise in riches is not coincidental, but at the back of the misery of millions of the poor, whose ranks are swelling. If billionaire lists are evaluated in detail and reported upon, the country cannot shy away from counting its poor.

The late Arjun Sengupta, as Chairman of the National Commission for Enterprises in the Unorganised Sector in 2004, had concluded that 836 million Indians still remained marginalised. He spoke of the poorest of poor and the commission's recommendations on social security resulted in the enactment of the [Unorganised Sector Workers Social Security Act](#). At the time his conclusion was ignored — that 77% of India was marginalised — emphasising that it was a problem of a much bigger magnitude, than the figure of 25.7% conveyed.

The 'bread line' ostensibly owes its origins to the economic depression in the United States in the 1890s and charity by New York restaurants which organised soup kitchens. The queue or line of bread seekers would be distressingly long. A physical queue on the roads needed a

policy response. It could not be wished away by simply looking away. The massive slide into poverty in India that is clear in domestic and international surveys and anecdotal evidence must meet with an institutional response. The Government must girdle up and unflinchingly quantify the slide from the 'fastest growing economy' to the country with the largest rise in the number of poor people. It must be accepted, to go back to the debate Charles Booth had with the Social Democratic Federation that it is "abject poverty" we are talking about; almost a sub-human level of existence of the majority of fellow Indians we cannot continue to be blasé about. Counting them would be a much-needed start to convey that each life matters.

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