Statistics of Poverty, or Poverty of Statistics:
A Reference to 55th Round of NSS

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Abstract: The concept of poverty no doubt relates to those who are gradually losing, or have lost, the means of subsistence and have nothing to sell but their labour in the market, which does not work perfectly for them. This is a minimal hypothesis within the givens of the principle of modern economy. The first premise with which this paper starts off is that the essence of poverty of the poor lies not in statistics (for example, income poverty as measured by headcount ratio) excepting the fact that it holds the image of poverty in terms of mediated numbers. The site of the poor, if represented in abstract numbers, is always lost sight of. As a preliminary methodological approach, an attempt is made to put different but related sets of data that have something to do with the poverty to see that how they reflect upon each other in so far as one set of numbers associated with one characteristic of the people in distress is not sufficient unto itself. Contrary to what is expected in the habitual mode of thought, the sets of data related to employment, unemployment, the incidence of debt, cost of living indices, foodgrains production, its per capita availability reveal a somewhat different story from that of the headcount ratio as arrived at, as concerns the 55th round of NSS results for household consumption expenditure.

This paper has not drawn any settled conclusions, but has modestly striven to problematize the issue of poverty hurled into the fiery debate around the question of whether it has increased or declined since 90's

Introduction:

The image of the poor in the camera of statistics: One of the questions that concern us all is that there are in fact no vivid portraits of the poor. In saying this we ar concerned with men and women immersed in structural poverty, which denotes that the poor are those who have lost their traditional rights of land and means of subsistence and have no other means than the sale of their labour. When they are structurally incapacitated to sell their labour, the poor are left with the mercy of others to provide for them. "The last decade of eighteenth century nearly everywhere in the world", as Mitchel notes[1]", "was a peculiar combination of outpouring of literature on poverty on the one hand, and legislative inaction and absence of reform on the other". India has witnessed such agrarian crises and widespread rural distress not only in the past in the form of famines but also is experiencing in the present in the form of massive influx of uprooted village poor into the cities. We also see from the lens of historical perspective the unprecedented intellectual fecundity in theories, schemes, and practical solutions to such distress and, more generally in matters of provision for, and relief of, the poor. Most of the texts concerned with the poor deployed a politics of landscape, which distanced the reader and spectator from the actual and living poor by holding a picture of poverty in numbers. The poet Crabbe deplores in his poem, "The Village":

Then shall I dare these real ills to hide
In tinsel trappings of poetic pride?
Can poets soothe you, when you pine for bread,
By winding myrtles round your ruined bed?

By the end of eighteenth century, the poor were visible but denatured, and shunted to the sidelines of their society. Their individuality faded into pale images of want and deprivation. The story of objectifying the poor does not end here: the iconic imagery about them as evil or idle legitimated negative sentiments that enable many to turn a blind eye to poverty all around them. Readers inculcated in such culture of texts and historical tradition wished the poor away and denied them a sense of character and history. The real answer as to why there was a retreat from the poor has to be sought in the impersonal modalities of rendering statistics of the poverty in terms of certain abstract figures. The late eighteenth – century representation of the poor, compelled by new industrial revolution, changed the face of poverty in statistical reports, economic treaties, which blanked out pain and diluted individuals in impersonal statistical averages. The texts written since then and being written now do not provide transparent pictures of suffering individuals.

They imagined the poor by reconstructing their reality through quantifying protocols that submerged the individuals—their subjectivity--- in statistics, input-output ratios. The poor were abstracted, homogenized, put at a distance by an avalanche of printed numbers that replaced human being in readers' minds. The cognitive consequences of such texts were so profound that they changed the means of understanding the poor. Readers were encouraged to imagine the poor as a uniform cohort configured by numbers. The poor were reduced to this condition of poverty—a discourse. Coached we have been ideologically to imagine the poor as uniform cohort configured by a matrix of numbers.

The quantifying protocols of representing the poor did at least one thing, which mollified the smouldering guilt of the society in regard to the poor by rationalizing the diversion of resources towards war and private investment. Therefore, it became possible to alter old ethical protocols of relief in favour of market-oriented bargain for what they claim to need and deserve. The statistics (trans) mute raw evidence (hunger in the streets for example) into artifacts that silence the poor as they seem to register them. In the first edition of 'An Essay on the Principle of Population' (1798), Malthus[2] argues that the growth in manufactures will not help the poor, since the poor only consume provisions--- non-manufactured products related to basic subsistence. If their incomes go up, Malthus suggests, they spend the increase on food. This essay reinforces a commonplace: the poor work to eat. They lack the finer emotions that distinguish those who are not poor. Yet, Malthus' attitude towards the poor's consumption changed over the Essay's five editions (1798 to 1817). He made the case that the poor were potential purchasers of manufactures, and that a desire for conveniences/amenities—which could delay the age of marriage--- offered a preventive check on population (as opposed to the dire "positive" checks, misery, vice). He states for example that the comforts of the lower classes of society do not depend solely on food, or upon strict necessaries, and that they can not be considered as in a good state unless they have command of some conveniences and even luxuries. The crucial conclusion was that " with a small family (the labourer) may be better lodged and clothed, and better able to command the decencies of life". Such astute observations signified Malthus' shift toward the idea that the labourers have sensibilities, and in that sense, share experiences with higher classes. Are we far away or at least close to Malthus in regard to approaching the question of poverty?

Formulation of problems and issues:

> "Those that get their living by their daily labour have nothing to stir them up to be serviceable but their wants which it is prudence to relieve, but folly to cure… From what has been said, it is manifest that in a free nation, where slaves are not allowed of, the surest wealth consists in a multitudes of laborious poor" (Bernard de Mandeville, The Fable of Bees, 5th edition, London, 1728, p.328, cited in K.Marx, Capital, vol.1, London, 1976, ch.25, p.765).

Modern Economy makes poverty work! : The World Bank[4] has as its stated goal the aim to reduce the proportion of the world's population living in extreme poverty (defined as having an income of less than $1 per day) by half over the period from 1990 to 2015. On the estimates published in the 2000/2001 Report, this would mean a decline from 1.2 billion to 0.8 billion over the period. First, then, this is not a policy to abolish extreme poverty, but to reduce it slowly over time.The Bank may dream of a world free from poverty, but it is not going to bring it about. Second, however, the target appears to be unrealistically high. According to the Report itself, between 1987 and 1998, the share of the population of the developing and transitional countries living on less than $1 a day fell from 28 percent to 24 percent, but as a consequence of population growth " the number of people in poverty hardly changed". To put it in another way, a reduction in the number of extremely poor of 2.7% per year is needed to reach the target, and the current level recorded by the Bank is 1.7 percent per year--- just about enough to keep the number of extremely poor constant if it were to continue. Third, the dismal record of poverty reduction over the last decade or so has been accompanied by spiraling inequality, on a global scale. Again, the Bank reports that per capita GDP in the richest twenty countries is 37 times higher than in the poorest, and that the gap has doubled over the last 40 years. It accepts, too, that income inequality between individuals, on a clearly upward trend for two centuries, has increased sharply over the same forty year period, and especially sharply in the very recent past. Having selected an income level of one dollar a day to define poverty, the World Bank coins the term 'non poor' to describe individuals above the level of austerity. This arbitrary and indefensible dividing line between the poor and the nonpoor then plays a crucial strategic role in its analysis and policy prescriptions, making it clear that its principal intention is not to reduce poverty at all, but to subject the majority of the poor as commonly understood to dependence upon the market. The Report accepts the need to build coalitions between the poor and the non-poor in order to secure public acceptance of targeted poverty reduction programmes and recognizes that whatever the system of targeting employed, some benefits regrettably leak to the nonpoor[5]. At the same time, it is alive to the consequences, and vigilant to guard against them.

Changes in the incentive system embedded in targeted programmes could also facilitate cuts for nonpoor beneficiaries during periods of austerity. The argument is this: it is often said that for political economy reasons some of the benefits of targeted programmes have to go to the non-poor—through leakage—to ensure continuing support for programmes. The same forces will presumably act to limit the welfare loss to the nonpoor from cuts. One way to avoid this political economy constraint is to design programmes with low marginal benefits or high marginal costs for the nonpoor"[6].The explicit logic of the programmes it proposes, then, is to make labour markets work efficiently by keeping income levels for those supported by public provision below market rates, and support programmes sufficiently unattractive to deter all but the most desperate. In the topsy-turvy world of Bank, this approach goes under the benevolent heading of 'Helping Poor People Manage Risk", overlooking the fact that this risk is what the Bank is seeking to create in the first place. Accepting that even sound macro-economic policies and efficient labour markets will not eliminate the risk of unemployment or underemployment, the Bank calls for unemployment benefits to protect the workers from large income losses and poverty. The logic of workfare programmes is two-fold. First, they are structured to attract only those who can not find work at the bottom end of the labour market. Second, they incorporate initiatives intended to maximize the likelihood that those who are employed will remain available to re-enter the labour market in the future. In principle therefore, they both preserve a reserve army of labour in times of recurrent crisis, and keep the total labour force at its maximum size over time.

Against this backdrop, we would like to shift our focus to the scale and magnitude of poverty in India as it has expressed its trends in headcount ratio since 1990s. However this has been so much debated around the question of whether it has declined or increased since then compared to the past trends, that the warring camps on both sides of the debate have been engaged in a battle of polemics on the NSS results of household consumption expenditure. Why the 1990s? The answer is obvious and clear: it was only during the beginning of 1990s that India went ahead with major economic reforms in the wake up of world – wide liberalization and opened the way to the free play of market forces, and removed both tariff and non-tariff barriers to trade with outside world. The question that is being posed is: how far, and to what extent the somewhat increasing GDP growth rate during this period triggered by liberal economic policy reforms has contributed to the decline of poverty, and more so, the rural poverty. There is no denying the fact that the NSS results on household consumption expenditure have evoked both euphoria and pessimism in both academic and political circles in so far as it relates to the estimates of poverty. Those who propound the adverse impact of the economic policy reforms have advanced the thesis that over the decade of 90's both the developed and developing countries alike have spearheaded the neo-liberal mass income deflating policies in the contemporary order of global finance capital. And this as a result affects the livelihood of the millions of people, mainly in the rural areas of developing economies. It is said that India is no exception to this. It is further argued by them that an agrarian crisis is currently being unleashed in India and in most of the developing economies of Asia. In India the current agrarian crisis has a plethora of causes, the prominent of them being the perceptible huge cut in government's development expenditure in the nineties, particularly in rural areas. First, this has given rise to falling growth rates of income and employment. Second, trade-liberalizing policies of removal of quantitative restriction have exposed our producers to global recessionary forces. Therefore agrarian economy of India in such a situation is thrown open to the unfair trade of global market (By unfair trade is meant, as is understood in the parlance of economists apposed to WTO led negotiations, exposing developing countries to unfair competition with advanced countries' highly subsidized products). Critical of reform package, they direct the terms of the debate to say that the 90's is a period of reduced employment opportunities in rural areas and hence the incidence of stark poverty.

Diagnosis of problems and issues:

A figural montage of India's poverty: A fleeting view of Table1 showing gross capital formation in agriculture at 1993-94 prices underscores the fact that the investment in agriculture as percent of GDP has declined from 1.6-percentage point in 1993-94 to 1.3 percentage point in 2000-01. Analogously the investment in agriculture as percentage of current expenditure has registered a fall from 3.4-percentage point to 1.4 percentage point during the period from 1993-94 to 1999-00. We would take up this falling investment in agriculture as percentage of GDP to forge linkage to its effect in the employment situation in the rural India later on.

Table1
Gross Capital Formation in Agriculture
(At 1993-94 Prices)

(Rs. Crore)

Year	Total	Public	Private	Percentage share		Investment in agriculture	
				Public	Private	Percent of GDP	Percent current expenditure
1993-94	13523	4467	9056	33.0	67.0	1.6	3.4
1994-95	14969	4947	10022	33.0	67.0	1.6	3.3
1995-96	15690	4848	10842	30.9	69.1	1.6	2.8
1996-97	16176	4668	11508	28.9	71.1	1.5	2.3
1997-98	15953	3979	11974	24.9	75.1	1.4	1.7
1998-99	14895	3869	11026	26.0	74.0	1.4	1.4
1999-00	16582	4112	12470	24.8	75.2	1.5	1.4
2000-01*	16545	4007	12538	24.2	75.8	1.3	

Source: Economic Survey ,2000-01
* Quick Estimates

On the other side of the polemical divide the proponents of economic policy reforms have strongly pointed out that the very causal nexus between Economic liberalization, and public expenditure cuts and the lower growth of rural consumption is theoretically suspect. Now how the question of whether the incidence of poverty has abated in the nineties is to be resolved is certainly linked to the question of the integrity and responsiveness of the NSS results of consumption expenditure, brought out in different rounds viz, 51st, 52nd, 53rd, 54th, 55th rounds. In such a battle of minds among policy makers, critical critics, economists, the NSS results have perforce been thrown into a fiery ordeal of speaking for itself at its scientific best in so far as its database starts speaking in different, and sometimes contradictory, tones.

It is needless to mention that a few politico-economic debates have been as much ideologically loaded and over-determined as the one that tries to answer the question as concerns India's income poverty . The question of causation that squarely blames the declining rural consumption on the reforms package introduced vigorously in the nineties can not be addressed in any scientifically integrated manner in view of the fact that the last NSS large sample survey in 1993-94 was too proximate to the beginning of the reform period. The observers in support of economic reforms could not bring themselves to believe that income-specific poverty may likely increase in the phase of GDP growth in temporal terms, and conclusively held at their dogmatic best the view that the economic growth necessarily led to poverty reduction. This view is not only the groundless assumption but also a travesty of reason. The problem however lies unaddressed when arrive at a decision in economic thinking in a close-ended manner. If NSSO results do not vouchsafe for substantial reduction of poverty in the nineties, in a period of GDP growth, though at a diminishing rate, then it is an irredeemable failure of

Table2

India's Poverty Trends (1951-1997)

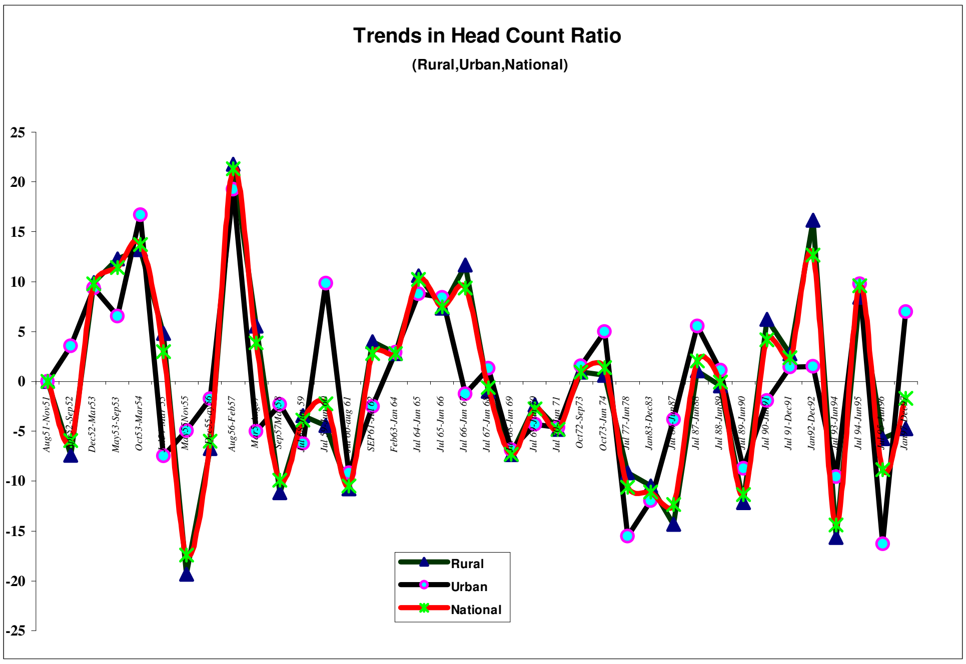
Corrected for CPIAL(Consumer Price Index for Agricultural Labourers) Changes (Poverty line = Rs. 49 per capita per month at Oct 73 – Jun 74 rural prices)and corrected for consumer price for industrial workers changes(For urban sector Rs. 57 per capita per month at 1973-74 prices)

NSS Round	Survey	Headcount index			Poverty gap index			Squared poverty gap index		
		Rural	Urban	National	Rural	Urban	National	Rural	Urban	National
3	*Aug51-Nov51*	47.37	35.46	45.31	16.05	11.14	15.20	7.53	4.82	7.06
4	*Apr52-Sep52*	43.87	36.71	42.63	14.64	10.91	13.99	6.71	4.41	6.31
5	*Dec52-Mar53*	48.21	40.14	46.80	16.29	13.25	15.76	7.56	5.96	7.28
6	*May53-Sep53*	54.13	42.77	52.15	19.03	13.83	18.12	9.12	6.29	8.62
7	*Oct53-Mar54*	61.29	49.92	59.30	21.95	17.24	21.12	10.26	7.74	9.82
8	*Jul54-Mar 55*	64.24	46.19	61.07	25.04	15.76	23.41	12.50	7.02	11.54
9	*May55Nov55*	51.83	43.92	50.44	18.44	14.65	17.78	8.80	6.40	8.38
10	*Dec55-May56*	48.34	43.15	47.43	15.65	13.34	15.24	6.71	5.41	6.48
11	*Aug56-Feb57*	58.86	51.45	57.55	19.45	18.16	19.22	8.50	8.51	8.50
12	*Mar5-Aug57*	62.11	48.88	59.77	21.69	16.31	20.73	10.01	7.25	9.52
13	*Sep57May58*	55.16	47.75	53.84	19.01	15.95	18.47	8.78	7.00	8.46
14	*Jul 58-Jun 59*	53.26	44.76	51.75	17.74	13.75	17.03	7.88	5.87	7.52
15	*Jul 59-Jun 60*	50.89	49.17	50.58	15.29	15.83	15.39	6.13	6.75	6.24
16	*Jul 60-Aug 61*	45.40	44.65	45.27	13.60	13.84	13.64	5.53	5.83	5.59
17	*SEP61-Jul 62*	47.20	43.55	46.54	13.60	13.79	13.64	5.31	6.05	5.45
18	*Feb63-Jan 64*	48.53	44.83	47.85	13.88	13.29	13.77	5.49	5.17	5.43
19	*Jul 64-Jun 65*	53.66	48.78	52.75	16.08	15.24	15.93	6.60	6.38	6.56
20	*Jul 65-Jun 66*	57.60	52.90	56.71	17.97	16.82	17.75	7.60	6.98	7.49
21	*Jul 66-Jun 67*	64.30	52.24	62.00	22.01	16.81	21.02	10.01	7.19	9.47
22	*Jul 67-Jun 68*	63.67	52.91	61.60	21.80	16.93	20.86	9.85	7.22	9.35
23	*Jul 68-Jun 69*	59.00	49.29	57.11	18.96	15.54	18.29	8.17	6.54	7.85
24	*Jul 69-Jun 70*	57.61	47.16	55.56	18.24	14.32	17.47	7.73	5.86	7.36
25	*Jul 70-Jun 71*	54.84	44.98	52.88	16.55	13.35	15.91	6.80	5.35	6.51
27	*Oct72-Sep73*	55.36	45.67	53.37	17.35	13.46	16.55	7.33	5.26	6.90
28	*Oct73-Jun 74*	55.72	47.96	54.10	17.18	13.60	16.43	7.13	5.22	6.73
32	*Jul 77-Jun78*	50.60	40.50	48.36	15.03	11.69	14.28	6.06	4.53	5.72
38	*Jan83-Dec83*	45.31	35.65	43.00	12.65	9.52	11.90	4.84	3.56	4.53
42	*Jul 86-Jun87*	38.81	34.29	37.69	10.01	9.10	9.79	3.70	3.40	3.63
43	*Jul 87-Jun88*	39.23	36.20	38.47	9.28	9.12	9.24	2.98	3.06	3.00
44	*Jul 88-Jun89*	39.06	36.60	38.44	9.50	9.54	9.51	3.29	3.29	3.29
45	*Jul 89-Jun90*	34.30	33.40	34.07	7.80	8.51	7.98	2.58	3.04	2.69
46	*Jul 90-Jun91*	36.43	32.76	35.49	8.64	8.51	8.61	2.93	3.12	2.98
47	*Jul 91-Dec91*	37.42	33.23	36.34	8.29	8.24	8.28	2.68	2.90	2.74
48	*Jan92-Dec92*	43.47	33.73	40.93	10.88	8.82	10.35	3.81	3.19	3.65
50	*Jul 93-Jun94*	36.66	30.51	35.04	8.39	7.41	8.13	2.79	2.42	2.69
51	*Jul 94-Jun95*	39.75	33.50	38.40	8.89	8.38	…	2.90	2.80	…
52	*Jul 95-Jun96*	37.46	28.04	35.00	8.31	6.78	…	2.64	2.22	…
53	*Jan97-Dec97*	35.69	29.99	34.40	8.39	7.77	…	2.83	2.73	…

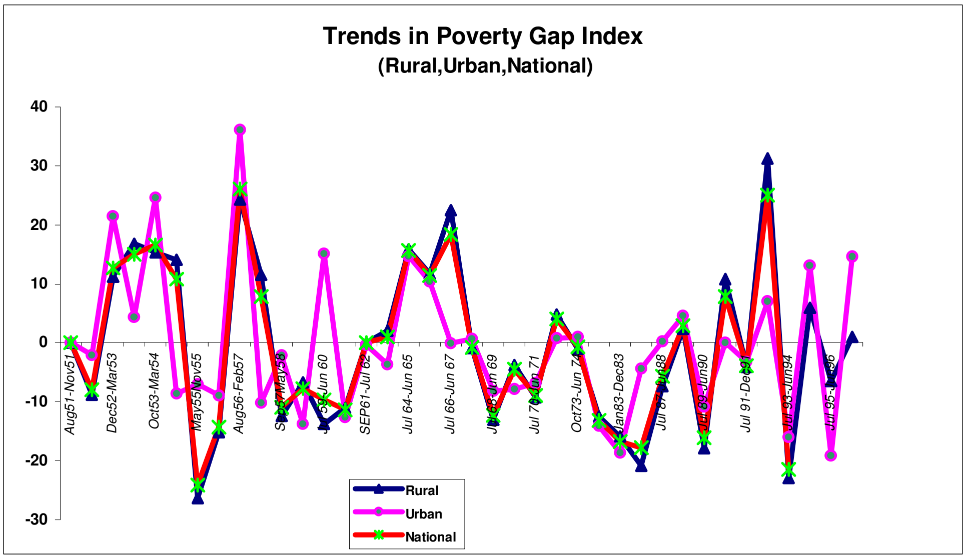
Source Datt,G "Has poverty in India Declined since the Reforms?"; Economic and Political weekly, vol 34, Dec 11-17 the statistical system to capture the actual consumption increase in rural areas. That is what is drummed up in the writings of these observers in the recent past. The measure of poverty by virtue of which the Table2 is presented is a well-known Foster-Greer-Thorbecke class of functions symbolically represented as

$$Y_\alpha = (1/n) \sum_{Y_i<Z} [(Z-Y_i)/Z]^\alpha$$

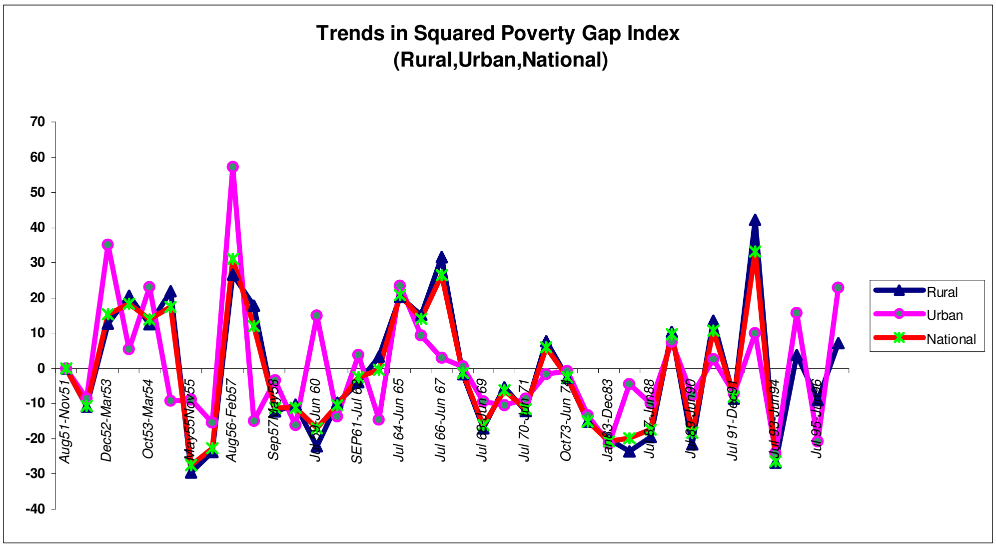
Where Y is the measure of poverty, Y_i is the consumption of ith household or ith class of household, Z is the poverty line (the poverty line is defined as per capita monthly expenditure of Rs. 49 (Rs. 57) at 1973-74 prices for the rural (urban sector)), n is the population size, and α is a non-negative constant. The headcount ratio, HC, as given by the proportion of people below the poverty line is obtained when α is set equal to zero. However one shortcoming of this measure is its failure to capture the extent to which individual income (or expenditure) falls below the poverty line. Another measure of importance is the poverty gap index (PG), which is calculated by setting α equal to 1. It is aggregate income (expenditure) shortfall of the poor (as a portion of the poverty line and normalized by population size) and perceives the acuteness of poverty since it measures the total shortfall of the poor from poverty line. This measure has the pitfall that it does not consider the importance of number of people who fall below poverty line. It will be of significance to resort to both measures of poverty to assess the extent of poverty. A third measure is the square of PG, abbreviated as SPG, obtained by setting α=2.



Graph1



Graph2



Graph3

In 50th round of NSS which was the last large sample survey (1993-94), the headcount index is pegged at 36.66 percentage point for the rural sector, and at 30.51 percentage point for the urban sector. The 50th round survey of 1993-94 marshalled the poverty rate that was only a little lower than the preceding quinquennial survey, the 43rd Round, carried out in 1987-88. The four thin survey rounds, after the 50th round had smaller samples and were not essentially devised to collect household consumption. These showed in their results little evidence of a reduction of poverty up to 1998. It is to point out that there have always been conflicting views on their preciseness and reliability in that their sample design differs from that of the quinquennial rounds. How far they would remain a guiding force in the evolution of consumers' expenditure and poverty estimates still remains an interrogation mark. In such an intellectual impasse not showing any sign of decisive resolution, it was to be expected that the results of the 55th round quinquennial survey of 1999-00 were anxiously awaited. The results, brought out in February 2001 corroborate the fact there is a notable reduction in proportion of people in poverty. Of the rural households the fraction estimated to be in poverty fell to 27.1% in 1999-00 compared to 36.7% in 1993-94, whereas among urban households, the fraction was 23.6% in 1999-00, compared to 30.5 % in 1993-94. Because of the change in the method of data collection in respect of 55th Round of NSS, one is called upon to exercise considerable ingenuity to extract a clear answer from NSS statistics. If one looks at the 55th Round NSS result, it is conspicuous that even though poverty rate was virtually stagnant during the first five or six years following the reforms, it fell sharply during the last two years of the 1990's.In fact, the fall is so sharp that not only has the p ercentage below the poverty line fallen, but also there has been a drop in the absolute number of people who languish below poverty line. The controversy over poverty alleviation began with the 50th round large NSS survey conducted in 1993–94. This survey being just following the economic reforms raised a lot of expectations among policy makers that poverty would have declined considerably. But by a stroke of what was unanticipated poverty rate turned out to be 36.7% for rural India and 30.5% for urban India, which were approximately the same as poverty rates in the 1980s. The so-called thin rounds based on small samples insinuated that atleast upto 1998 average per capita expenditure almost more or less stagnated during period from 1993-94 to 1997-98--- the period of economic growth. The widely relayed official estimates of headcount ratio plummeted at all-India level, from 36 to 27 percent over the period between 1993-94 and 1999-00. This story of poverty reduction in 1999-00 as against 1993-94 is conditionally acceptable if the 55th round is directly comparable to 50th round in methodology and questionnaire design. Again it is relevant to hold out the fact that from the 51st to 54th(thin) rounds NSS toyed with the idea of recall/reference periods during which the respondents were asked to report their consumption. As was the time- honoured practice followed since the time of Mahalanobis, NSS had adopted a 30-day recall period for all consumption goods. A complete departure was made in the experimentation of recall period in 51st through 54th rounds vis-a vis a traditional a 30-day recall (schedule-1), the experimental questionnaire with three different reporting periods, 7-, 30-, and 365- days, which are applied to different classes of goods, as in schedule-2. As is well documented, the experimental schedule (schedule-2) showed more reported expenditures, and hence a drop in poverty rates. For instance, the seven-day recall in schedule-2 produced higher average consumption than thirty-day recall in schedule-1. The 365-day recall in schedule-2 produced lower average consumption, with this caveat that it had the effect of pulling up the bottom tail of the distribution of expenditures on less frequently purchased items. The 55th round was a blatant departure from both earlier rounds and from either of the schedules in experimental rounds. This is seen in a switch to respondents having been asked about their consumption in the previous thirty days and in the previous seven days, for even high frequency items. It is no doubt evident that different reference periods do affect the reported consumption expenditure according to what recall mode is used. Therefore 55th round may not generate any authentic trend in poverty estimates. The comparability gets lost in the different reference periods being used. At least theoretically the results of 55th round pose difficulty of comparison to all preceding officially released estimates from NSS. Now if one is entitled to make valid comparison of 55th round results of one-week recall with that of one-week recall of 51st through 54th rounds, it is amply clear on this basis that 55th round portrays higher incidence of poverty than what it was during each of the previous four thin sample NSS rounds. Table 3 signals a clear demonstration of this.

Table3
Headcount ratios from Type-1 and Type-2 Schedules of Rounds 51 to 54 and by 30-day and 7-day recalls of 55th Round

Round	Year	Rural		Urban	
		30-day recall (Schedule-1)	7-day recall (Schedule-2)	30-day recall (Schedule-1)	7-day recall (Schedule-2)
51	**July94-June95**	41.2	22.8	35.5	18.3
52	**July95-June96**	37.6	19.1	29.9	15.2
53	**Jan97-Dec97**	35.9	20.7	32.3	17.8
54	**Jan98-June98**	42.6	23.6	32.9	20.0
55	**July99-Dec99**	27.6	24.8	25.2	23.4

Source: Visaria, Business Standard, October 30th, 2000

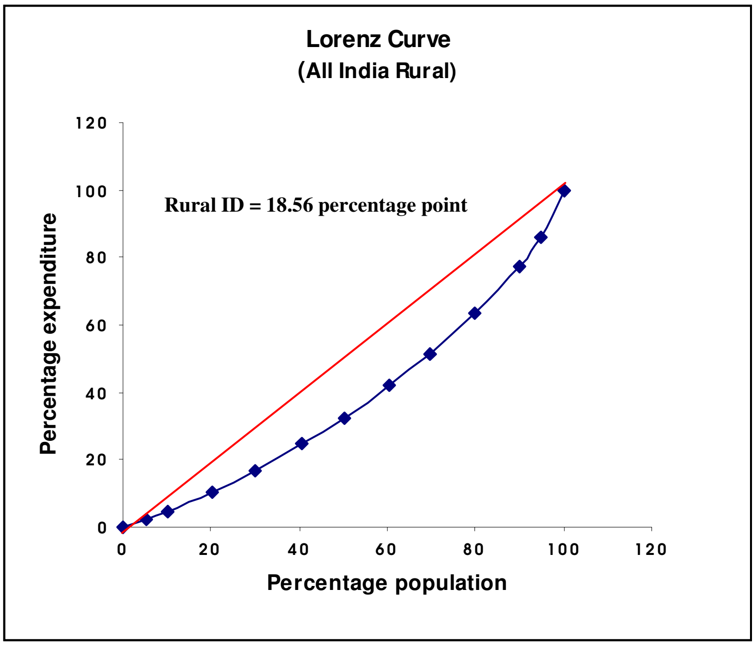
Since reference periods used for NSS surveys tend to affect the estimates of consumption and its distribution across expenditure classes, this is an issue of momentous significance at a time when this country is faced with the situation of large excess of stocks of food grains coupled with the diminishing growth in output in agriculture and for the economy as a whole. There is a need to assess why the current demand is sluggish, and this can be addressed if the consumer expenditure data thrown up in different quinquennial rounds make it possible for comparison over time and space and is not going to be unrepresentative following changes in survey methodology.

With the official estimates of poverty for 55th round, the critics sprang to crying aloud that a switch to seven-day recall mode juxtaposed with thirty-day question was a conjuring trick by which the respondents were surreptiously coaxed to just blow-up 7-day recall consumption proportionately to 30-day recall consumption through a sort of exercise of mental checks. It is therefore obvious that the consumption figure of 30-day recall is contaminated by that of 7-day recall and the discrete charms of the consumption figures are that we know not the extent of contamination. Leaving aside the question of methodological import, and excepting the refinements that might be introduced to arrive at the approximately better headcount ratios, it is somehow gratifying to know that we have been able to make a dent in India's unrelenting poverty statistics, and alas , not in the poverty of the poor! Let us have a glance at Table4 figuring the size distribution of per capita total monthly expenditure (pcte), mean pcte, and shares in total expenditures for rural and urban population in respect of 55th Round . As can be seen from all-India rural and urban Lorenz curves (Graph4 and Graph5), the degree of inequality as measured by Index of Dissimilarity (ID) is more in urban India than it is in rural India.

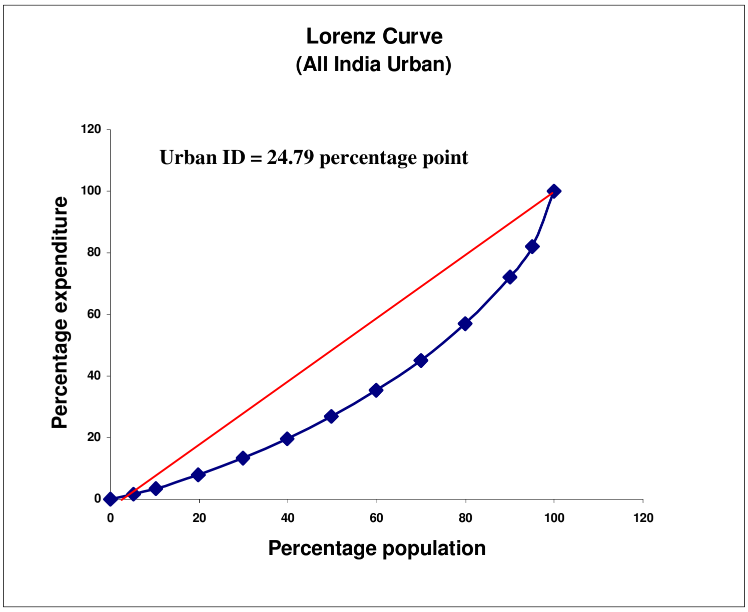
Table4
Size Distribution of Per Capita Total Monthly Expenditure (pcte) Mean pcte and shares in total expenditures for Rural and Urban Population

	Rural Population			Urban Population			
Income Size Class (Rs. Per month)	Share of Popn(%)	Mean pcte (Rs)	Share of expenditure (%)	Income Size Class (Rs. Per month)	Share of Popn(%)	Mean pcte (Rs)	Share of expenditure (%)
0-225	5.20	190.98	2.05	***0-300***	5.20	235.77	1.56
225-255	5.00	241.82	2.49	***300-350***	5.00	327.13	1.92
255-300	10.00	278.69	5.74	***350-425***	9.60	389.14	4.37
300-340	10.00	321.04	6.61	***425-500***	10.10	463.02	5.48
340-380	10.30	360.83	7.65	***500-575***	9.90	537.22	6.22
380-420	9.70	399.9	7.99	***575-665***	10.00	618.61	7.24
420-470	10.20	445.49	9.36	***665-775***	10.10	718.61	8.49
470-525	9.30	496.74	9.51	***775-915***	10.00	840.53	9.83
525-615	10.30	566.62	12.02	***915-1120***	10.00	1009.67	11.81
615-775	9.90	686	13.98	***1120-1500***	10.10	1286.10	15.20
775-950	5.00	851.5	8.77	***1500-1925***	5.00	1692.16	9.90
>950	5.00	1354.35	13.83	***>1925***	5.00	3074.27	17.98
All	100.00	486.16	100.00	***All***	100.00	854.92	100.00

Source: 55th Round of N.S.S. Report No. 457, May 2001



Graph4



Graph5

The Urban ID is 24.79 percentage point as against 18.56 percentage point for rural India.

However, the N.S.S.O in its Report No.457 adduces higher errors for estimates of 7-day recall as against based on30-day recall with the self-consolatory remarks that 'the substantial and systematic differences between the week– and month- based estimates indicate that one or both methods are not depicting the real life situation". On the contrary, it has a tendency to announce its support for type 2 schedule for its closeness to NAS (National Accounts Statistics) in consumption estimates. Is not the apparent proximity between the NSS estimates from type 2 schedule and that of NAS a sort of sleight-of-hand artifactuality when the week-based results not only still continue to fall far short of the corresponding NAS estimates for sugar, edible oils, milk and milk products, and meat, fish and eggs but also further double the estimate for "other food items" The item wise (for both food and non-food items) comparison with NAS estimates leads us further afield from the crucial question of consumption estimates of 55th round of N.S.S in so far as it seeks comparability justification in the NAS estimates of private final consumption expenditure(PFCE).

The credibility, or for that matter validity, of N.S.S data on consumption expenditure may not find acceptance if it is not at the same time demonstrated that there is locatable prevalence of inequality. Is it plausible that the magnitude of inequality increased in the movement upward of relative food prices and through skewed distribution of nominal consumption between the rural and urban areas and within each of the areas? And it is an incontestable fact that the rural-urban differential characterizes an important aspect of structural changes of distribution. Now many in the official circles do come out with the claim that there has not been of necessity any increase in inequality of income within and between the rural and urban sector for the presupposed close correlation as it does between income growth and poverty reduction. Even if one allows for at least provisionally the primacy of economic growth for poverty reduction, could they cling to the idea that the incidence of poverty is likely to decline in the conditions of stagnating rural per capita income? If the indices of agricultural output per capita of rural population during the nineties are any indication, they suggest a phenomenal deceleration of the growth of per capita income, because a good measure of non-agricultural income growth did not spill over to the rural areas. The following table bears testimony to this.

Table5
Indices of agricultural output per capita of rural population

Year	Indices
1990-91	100.0
1991-92	96.5
1992-93	99.0
1993-94	100.8
1994-95	105.0
1995-96	100.6
1996-97	107.9
1997-98	101.0
1998-99	107.6
1999-00	104.6

Source: Economic Survey , Government of India

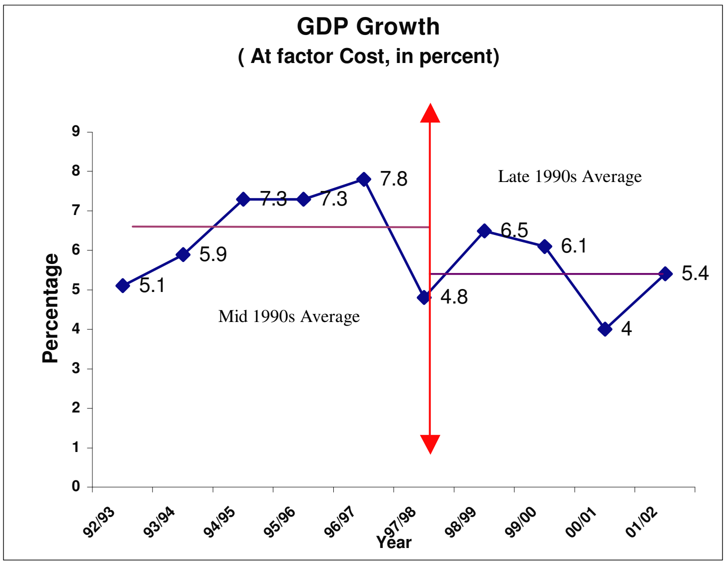
The total food grains production has more or less stagnated, or put the other way has recorded a fall from 199.4 million tonnes in 1996-97 to 196.1 million tonnes in 2001. This is illustrated in Table6. Other agricultural products like oilseeds, cotton and jute

Table6
Agricultural Production
(in million tones)

	1996-97	1997-98	1998-99	1999-00	2000-01
Rice	81.7	82.5	86.1	89.5	86.3
Wheat	69.4	66.3	71.3	75.6	68.5
Coarse Cereals	34.1	30.4	31.3	30.5	30.2
Pulses	14.3	13.0	14.9	13.4	11.1
Total food grains	199.4	192.3	203.6	208.9	196.1
Oilseeds	24.4	21.3	24.8	20.9	18.2
Cotton	14.2	10.9	12.3	11.6	9.4
Sugar	277.6	279.5	288.7	299.2	300.3
Jute	11.1	11.0	9.8	10.5	10.4

Source: Economic Survey , Government of India 2001-02.

have experienced a slump in production during the same period. The diminishing investment in agriculture both as percentage of GDP and as percentage of current expenditure together with falling growth of output in agriculture may not be a causative factor of the situation of large excess of stocks of foodgrains, if one does not take account of the sluggish demand for it. The circumstance of overflowing stocks does not link backward in an unmediated way to that of overproduction if one does not bring in other mediating links like global recessionary trends, and corresponding thereto, the demand recession in India. The graph6 showing the point-to-point GDP growth for the period from 1992-93 to 2001-02 represents the somewhat cyclical downturn in the growth of GDP for the late 1990s. In what the graph hints at, it is evident that the GDP growth in the late 90's did not have as good performance as that in the mid



Source: Central Statistical Organisation, India

Graph-6

90's, with the former oscillating around 5.5 percentage point and the latter around 6.5 percentage point. If we cross-read India's GDP performance with the decadal trends in GDP for developing and developed economies (Table7), we stumble upon the fact that the overall GDP for the world economy as a whole for the period from 70's to 90's has declined from 4.0 percent in 1970s through 3.1 percent in 1980s to 2.1 percent in 1990s.

It is not overproduction explained by neo-liberalists as the growth of output in excess of that population, that postulates the huge accretion of stocks and fall of prices. On the contrary, the major striking event of snowballing effects of global recessionary tendencies highlights the stagnation of growth of output coupled with the build-up of stocks and falling prices. In India too the foodgrains growth rate has diminished twice as much and per head output has fallen, which is solely explicable in terms of decelerating demand growth. Table7 shows trends in GDP growth per annum in advanced and developing countries. There is recorded a declining trend in GDP growth by agriculture in 90's compared to 80's in sharp contrast to the trend in 80's as compared to the 70's.

Table7
Decade Trends in GDP growth per annum
in respect of advanced and developing economies

(in percent)

	1970s	1980s	1990s
ADVANCED ECONOMIES			
Over all GDP	**3.5**	**3.1**	**1.9**
Agriculture	3.7	1.9	0.0
Industry	3.4	0.9	2.3
Services	3.6	4.5	1.8
Per Capita GDP	2.7	2.4	1.5
Population	0.8	0.7	0.5
DEVELOPING ECONOMIES			
Over all GDP	**5.3**	**3.1**	**2.9**
Agriculture	2.8	3.4	1.5
Industry	5.6	2.9	3.4
Services	6.0	3.1	3.1
Per Capita GDP	3.0	1.0	1.2
Population	2.3	2.1	1.7
WORLD			
Over all GDP	**4.0**	**3.1**	**2.1**
Agriculture	3.1	2.9	1.1
Industry	4.1	1.5	2.5
Services	4.0	4.2	2.0
Per Capita GDP	2.1	1.4	0.6
Population	1.9	1.7	1.5

Source: J.Mohan Rao and Servaas Storm (2000) "Agricultureal Globalization in Developing Countries: Rules, Rationales and Results".

With the decreasing fall in the output growth of agricultural produce during the nineties and the attendant accretion of stocks, it is with a little stringency of imagination hypostatised that the consumption of foodgrains by the poor masses has fallen. Moreover, the rising exports of foodgrains from India in the 1990's in a condition of decelerating output growth has at the same time been made possible owing to internal demand deflation. The phenomenon of poverty if at least minimally understood as the declining consumption of foodgrains, then it has a causal linkage with the sharp fall in state development expenditure in rural areas and declining non-farm and other employment. This is attested to by the findings of the Census of India 2001 and the 55th round of the N.S.S, which show the dramatic slowdown of employment in agriculture. The employment elasticity of agricultural output (the rate of change of employment per unit change of GDP in agriculture) has registered a fall from 0.7 during 1987-88 to 1993-94 to 0.1 during 1993-94 to 1999-2000. This bears out the fact that employment elasticity is among the lowest in agriculture. Even there is evidence of significant fall in employment growth if we go by the stock concept of the usual status approach. The flow concept of weekly and daily status approach, to say the least, presents a grimmer picture of employment growth. The absolute decline has been experienced in the number of those grouped under the rubric, "self-employed" in agriculture, thus indicating that the numbers engaged in household-operated holdings have gone down. Could we not lampoon those who in a bid to explain the dynamics of fall in employment growth in agriculture puts forward the thesis of the expansion of non-agricultural sector in rural areas. In such a facile argument is the implicit belief that the labour is siphoned off the agriculture without in any way affecting its productivity when it is the instance of prevalence of disguised unemployment in agriculture. The questionability of this argument consists in the fact that the increase in non-agricultural employment as proportion of labour force is nowhere compensated for by the rate of decline in agricultural employment. And what emerges as the resultant in the midst of this pervasive demand deflation is the growing incidence of landlessness and casualization of agricultural labour. If one closely surveys the pattern of land relations over the last few years since 90's, one can not escape the notice of the extent to which the operated holdings have been concentrated in progressively fewer hands, reflecting changes both in ownership and tenancy patterns. Many small and marginal farmers have been dispossesed of their land and have in turn been forced to look for work as landless labourers. This is evident in the increased leasing-in by large farmers from small farmers. On all India level, there has been a steep increase in landless households as percentage of total rural households from around 35% in 1987-88 to as much as 41% in 1999-2000.

By head count ratio, and based on the poverty line being formulated by Planning Commission from year to year, the dimension of rural poverty has registered an upward momentum in absolute numbers. Excepting the years 1983, 1987-88 and 1993-94, all the NSS survey years refer to consumer expenditure data derived from 'thin samples'. It is now held in consensus that the 'thin samples" data may serve as indicators of movement of poverty ratio at all-India level and may not reflect it adequately for individual states. One may with a certain imagination venture forth the hypothesis that underlying the rise in rural poverty in absolute numbers is the sharp increase in the cost of living of the working class in general and agricultural workers in particular.

Table8
Increases in the cost of living indices

	Agricultural Labourers	Industrial Workers
1985-86 to 1990-91	47.1	53.5
1990-91 to 1995-96	71.6	62.2
March 1996 to Dec1998	40.5	34.5

Source: Various issues of Economic Survey, Govt. of India

Table8 testifies to this. India is experiencing a paradoxical situation in which there has taken place as said earlier an involuntary build up of large public food grains stocks so much so that the inventory cost of these stocks amounts to 40% of the total food subsidy expenditure, even as poorer groups were deprived of access due to lack of purchasing powers. The decline in wage goods availability is an unavoidable consequence of undeterred market forces. The level of rural poverty is linked in India not only to the level of food prices relative to that of wages, but even more pronouncedly to the magnitude of employment opportunities. One of the major failures of adjustment strategy in India has been the inadequate generation of employment. The rate of employment generation has been below both the rate of growth of output and the increase in labour force. During the period 1991-97 even though the industrial output has nearly tripled, the total organized sector employment increased by a paltry 5.6 percent . According to NSS data, the rate of growth of overall employment has been continually decelerating, and for the period 1987-88 to 1993-94 it was estimated to be only 2.3 percent per annum.

However, since 1991 government economic strategy has implied further reductions in employment generation capacity of the organized sector as well as adversely affected rural non-agricultural employment. Actual decline in Govt. spending on rural infrastructure development in the central budgets, and cuts in social expenditure such as on education, health, sanitation have further aggravated the conditions of distress among the rural poor. It is not the least to say that the worldwide financial liberalization has adversely affected the availability of rural credit. Table9 and Table10 present the credit availability by purpose for the rural households. A sharp fall in loans for productive purposes is observed for cultivators between 1981 and 1991.

Table9
Cash Debt by Rural Households Classified by Purpose of Loan, 1971-1991 (%)

	Rural Households								
Purpose	**Cultivators**			**Non-Cultivators**			**All Households**		
	1971	**1981**	**1991**	**1971**	**1981**	**1991**	**1971**	**1981**	**1991**
1.In farm business									
Capital Expense	34.7	45.3	14.4	5.0	8.4	2.4	31.2	42.4	12.0
Current Expense	15.0	18.5	3.2	2.5	5.9	0.7	13.5	17.6	2.7
2.In non-farm business									
Capital Expense	3.2	6.3	4.7	8.0	18.8	9.8	3.7	7.2	5.8
Current Expense	1.1	1.5	1.5	5.7	4.5	3.8	1.7	1.7	2.0
3.Household Expense									
Residential	37.8	20.0	5.1	63.3	51.0	11.8	40.9	22.4	6.5
Current expense	N.A.	N.A.	0.5	N.A.	N.A.	0.4	N.A.	N.A.	0.5
4. Productive expense(1+2)	54.0	71.6	23.8	21.2	37.8	16.7	50.1	69.2	22.5
5. Other Purposes*	7.9	8.2	45.4	15.5	11.4	57.6	8.7	8.5	48.0
6.Unspecified	0.3	0.2	25.2	0.4	-	13.5	0.3	0.2	22.8
7.All Purposes	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0

N.B. (i) " Other purposes" relate to repayment of debt, expenditure on litigation, financi al investment and other expenditures of households for 1971 and 1981" and also include ' other purposes' of farm and non -farm business for 1991
(ii) The use of the term" productive purposes" is consistent with the definition used by NSS.
(iii) N.A.= not available
Source: All India Debt and Investment Survey (1991-92) reported in *RBI Bulletin* February 2000

The credit situation in rural India invariably tends in the direction of non-productive purposes, and this has grave implications for private capital formation in the rural sector. A little probe of Table10 will suggest itself that there is a strong association between the share of non-institutional agencies in advancing loans and the size of the asset group. The majority of the poor in the countryside being relatively in the smallest asset size class they have hardly any good share of access to the institutional credit. The share of non-institutional credit for small asset size classes looms large, with banks and other financial institutions not having

Table10

Proportion of Households Reporting Debt and Share in Total Amount Outstanding According to Credit Agency and Asset Group, 1991

Asset Group(Rs. 000)	Rural					
	Institutional		Non Institutional		Total	
	P	S	P	S	P	S
Less than 5	5.3	37.1	14.2	62.0	18.9	100.0
5-10	9.8	38.4	22.2	56.8	30.7	100.0
10-20	10.7	35.2	21.3	52.0	30.2	100.0
20-30	15.5	55.7	19.4	38.0	32.2	100.0
30-50	15.3	46.9	20.3	50.4	32.6	100.0
50-70	15.8	47.6	19.7	49.2	31.9	100.0
70-100	16.8	49.8	20.7	46.3	33.1	100.0
100-150	19.4	52.2	21.5	41.3	35.3	100.0
150-250	20.2	58.8	19.6	27.8	38.2	100.0
250 and above	25.5	56.6	20.0	39.6	32.0	100.0
Total	15.6	56.6	20.0	39.6	32.0	100.0

N.B (i) Debt comprises cash loans and current liabilities. (ii) Total includes unspecified.
P= proportion of households reporting (percent), S= Percentage share in total
Source: All India Debt and Investment Survey (1991-92) reported in RBI Bulletin February,2000

reached them to any substantial extent. The rural poor to say the least are still in the scourge of usury as they rely largely on non-institutional credit--- particularly from moneylenders. All these factors have snowballed, among many other things, into an absolute decline in rural non-agricultural employment since 1991. This has been accompanied by a large relative shift towards agricultural work, particularly among women. Is it not the distress shift into agriculture in the form of disguised unemployment, given the lack of alternative income opportunities?

Table11

Indicators of rural non-farm employment

Year	Rural Non-Agricultural Employment	
	Male	Female
1972-73	16.8	10.3
1977-78	19.4	11.9
1983	22.5	12.5
1987-88	25.5	15.3
1989-90	28.3	18.6
1990-91	29	15.1
1991-92	25.1	13.7
1992	24.3	13.8
1993-94	25.9	13.8

Source: various issues of Sarvekshana

Since the marketist reforms in the 1990's, what stands out in bold relief is the reversal of long run tendency towards the decline of poverty, as if every poor down to the last man, woman and child has to feed himself or herself in the 'just' play of the marketised economy. This unprecedented process of proletarianization of the masses of the labour force is marked spectacularly for rural areas. In urban areas, casualization of labour employment has recorded an increasing trend, with regular employment falling for both men and women. The overall tendency is towards casualization of wage

Table12
Number and percentage share by category of workers

(in lakhs)

	1993-94*			1999-2000**		
	Self Employed	**Regular/Salaried**	**Casual**	**Self Employed**	**Regular/Salaried**	**Casual**
Rural Male	47.55 *(41.4)*	14.36 *(12.5)*	52.95 *(46.1)*	42.05 *(35.8)*	17.97 *(15.3)*	57.55 *(48.9)*
Rural Female	37.41 *(41.9)*	4.64 (5.2)	47.2 (52.9)	31.73 (38.0)	5.76 (6.9)	46.0 (55.1)
Rural Persons	**84.96** ***(41.6)***	**19.00** ***(9.3)***	**100.18** ***(49.1)***	**73.78** ***(36.7)***	**23.73** ***(11.8)***	**103.46** ***(51.5)***
Urban Male	20.28 *(34.5)*	23.68 *(40.3)*	14.81 *(25.2)*	21.48 *(33.0)*	29.55 *(45.4)*	14.06 *(21.6)*
Urban Female	8.98 *(39.7)*	6.81 *(30.1)*	6.83 *(30.2)*	9.35 *(39.4)*	9.66 *(40.77)*	4.72 *(19.9)*
Urban Persons	**29.25** ***(35.9)***	**30.49** ***(37.5)***	**21.64** ***(26.6)***	**30.83** ***(34.7)***	**39.21** ***(44.1)***	**18.78** ***(21.1)***
All Males	67.83 *(39.1)*	38.04 *(21.9)*	67.76 *(39.0)*	63.53 *(34.8)*	47.52 *(26.0)*	71.50 *(39.2)*
All Females	46.39 *(41.5)*	11.45 *(10.2)*	54.06 *(48.3)*	41.09 *(38.3)*	15.42 *(14.4)*	50.74 *(47.3)*
All Persons	**114.22** ***(48.0)***	**49.49** ***(17.3)***	**121.82** ***(42.7)***	**104.62** ***(36.1)***	**62.95** ***(21.7)***	**122.24** ***(42.2)***

*Estimated total No. of workers—285.53 lakhs ** Estimated total Number of workers-289.81 lakhs
Figures in brackets indicate percentage share to total workers, Source: NSS 50th and 55th Rounds

employment coupled with the slight decline of agricultural wages in real terms over the 1990s in several of the most populous states such as UP, Bihar, and the marginal rise in others. The drop in rural non-agricultural employment since 1991 has been, as has been said a little earlier, accompanied by a relative shift towards agricultural work, especially of women. And since the agricultural output growth has considerably slowed down following the reforms, it coupled with the overcrowding of distress labour in the agriculture leads to the accentuation of poverty in the rural India. One may read Table11 and Table12 to infer that the increase in regular employment in the rural sector in absolute terms is not compensated for by decrease in self-employment during the period from 1993-94 to 1999-2000. And this has given rise to the progressive casualization of labour in the rural areas. If one goes by worker population ratio (i.e., the number of workers per thousand persons) as in Table13, it is noted with certain acuteness that it shows a declining trend for usual-, weekly- and daily-status of the workers.

Table13
Worker Population Ratio

(per '000') persons

	Usual Status		Weekly Status		Daily Status	
	1993-94	**1999-00**	**1993-94**	**1999-00**	**1993-94**	**1999-00**
Rural Male	602	594	567	566	500	493
Rural Female	478	430	410	381	324	304
Rural Persons	539	513	486	474	411	399
Urban Male	575	563	564	552	535	518
Urban Female	230	215	212	201	184	178
Urban Persons	402	393	388	381	359	353

Source: NSS 50th and 55th Round Results

Table14
Percentage distribution of workers by sector in rural India

	Total Percentage					PercentDifferece	
Sectors	**1977/8**	**1983**	**1987/8**	**1993/4**	**1999/00**	**1977-93**	**1994-00**
Agriculture and allied activities	83.4	81.5	78.3	78.4	76.3	-5.0	-2.1
Mininng and quarrying	0.4	0.5	0.6	0.6	0.5	0.2	-0.1
Manufacturing	6.2	6.8	7.2	7	7.4	0.8	0.4
Electricity, gas and water	0.1	0.1	0.2	0.2	0.2	0.1	0.0
Construction	1.3	1.6	3.3	2.4	3.3	1.1	0.9
Trade, hotels and restaurants	3.3	3.4	4	4.3	5.1	1.0	0.8
Transport,storage, communications	0.8	1.1	1.3	1.4	2.1	0.6	0.7
Services	4.5	4.9	5.1	5.7	5.2	1.2	-0.5
All	100	100	100	100	100		
Male							
Agriculture and allied activities	80.7	77.8	74.6	74	71.4	-6.7	-2.6
Mininng and quarrying	0.5	0.6	0.7	0.7	0.6	0.2	-0.1
Manufacturing	6.4	7.0	7.4	7.0	7.3	0.6	0.3
Electricity, gas and water	0.2	0.2	0.3	0.3	0.2	0.1	-0.1
Construction	1.7	2.2	3.7	3.2	4.5	1.5	1.3
Trade, hotels and restaurants	4.0	4.4	5.1	5.5	6.8	1.5	1.3
Transport,storage, communications	1.2	1.7	2.0	2.2	3.2	1.0	1.0
Services	5.3	6.1	6.2	7.1	6.1	1.8	-1.0
All	100	100	100	100	100		
Female							
Agriculture and allied activities	88.2	87.5	84.7	86.2	85.4	-2.0	-0.8
Mininng and quarrying	0.2	0.3	0.4	0.4	0.7	0.2	0.3
Manufacturing	5.9	6.4	6.9	7.1	7.6	1.2	0.5
Electricity, gas and water	-	-	-	-	-	-	-
Construction	0.6	0.7	2.7	0.8	1.1	0.2	0.3
Trade, hotels and restaurants	2.0	1.9	2.1	2.1	2.1	0.1	-0.1
Transport,storage, communications	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Services	3.0	2.8	3.0	3.4	3.7	0.4	0.3
All	100	100	100	100	100		

NSSO, 1999,2000.

Conclusions:

The inherent limitation of this paper is that the regional/local differential in the experience of poverty has not been dwelt upon . On the contrary, whatever relative fall in the proportion of people below the poverty line, at all-India level as well as in both rural and urban areas, has been established by the estimates of poverty derived from 55th round of NSS results is not enough of its vindication even if one discounts methodological issues of comparability, recall mode associated with different rounds of NSS, i.e, from 50th-to-55th rounds. Other indicators like indices of agricultural output per capita of rural population, agricultural production of foodgrains, cost of living indices for agricultural labourers and industrial workers, worker population ratio by usual-, weekly-, daily-status, the incidence of rural indebtedness etc. portray in contradistinction a situation of glaring poverty, especially in the rural India. We have assembled a few related, but different, data sets that have bearing, however indirect, on poverty and seen that they in reflecting upon each other discover the limits of headcount ratio as the only measure of poverty. This approach, we assert, contrary to habitual apprehensions, rather makes the statistics of headcount ratio, as arrived at self-reflective further. Apart from how methodology of data collection (as gounded in questionnaire and survey designs) affects the estimates of poverty count, we still hold the principle that the number, though held sacrosanct at least in official phraseology, is a representational strategy that both conceals and reveals the socio-economic phenomenon it represents.

The credibility of household consumption expenditure data based on which the official estimates of poverty for 55th round are relayed can be relied upon if it is demonstrated that there is a certain prevalence of inequality in the skewed distribution of consumption between rural and urban areas. But the fact that comes upon the scene tells a story of the stagnating rural per capita income. The indices of agricultural output per capita of rural population during 90's establish that there h as been a phenomenal deceleration of the growth of per capita income, coupled with stagnating food grains production. The recessionary demand factor in the rural India is a case in point where the foodgrains stocks have been burgeoning in the conditions of stagnating output growth in agriculture. If one goes by the decadal trends in GDP growth per annum in respect of advanced and developing economies, there is observed a declining trend in GDP growth by agriculture in 90's. Compared to 80's in sharp contra st to the trend in 80's compared to 70's. The phenomenon of poverty, if at least minimally understood in terms of declining consumption of foodgrains, then this is symptomatized in the conditions of sharp fall in state development expenditure in rural areas and declining non-farm and other employment opportunities.

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