

Trends and Dimensions of Poverty in India

Poverty is a particular issue that affects many countries around the world. There can not be a universally acknowledged definition of poverty. Broadly it can be said that Poverty refers to a state in which an individual is unable to fulfil even the basic necessities of life. The minimum requirements include food, clothing, shelter, education, and health facilities.

Number of people living below the Poverty Line: Over 320 million people were living below the poverty line in 1973-74. This figure declined to around 270 million in 2011-12.

Proportion of the population living below the Poverty Line: In terms of percentage, in the years 1973-1974, about 55% of the entire population was living below the poverty line. It decreased to 22% in 2011-12.

The number of poor people and their proportion of the population have significantly decreased from 1973-1974 to 2011-2012, but the nature of a decrease in the two parameters is not encouraging. The ratio is decreasing much more slowly than the absolute number of poor people in the nation.

Extent of Urban-Rural Poverty

In 1973-74, more than 80% of the poor lived in rural areas, and this situation remains unchanged even in 2011-12. This indicates that one-fourth of poor people in India still live in villages. Additionally, poverty, which once predominated mainly in rural areas, has shifted to urban areas.

The absolute number of poor people in rural areas had decreased in the 1990s, while the number of poor people in urban areas had slightly increased. Both in urban and rural areas, the poverty ratio has been continually decreasing.

The difference between the absolute number of poor in rural and urban areas decreased, but in the case of the ratio, the gap remained constant until 1999-2000 and increased in 2011-12. In rural areas, there were 25.7% poor persons as compared to just 13.7% in urban areas in 2011-12.

State-Level Trends in Poverty

About 70% of India's poor live in five states: Odisha, Bihar, Madhya Pradesh, West Bengal, and Uttar Pradesh. During 1973-74, approximately half of the population in most of these large states lived below the poverty level.

The diagram shows that a large portion of the poor lived in six states in 1973-1974: Tamil Nadu, Uttar Pradesh, Bihar, Madhya Pradesh, West Bengal, and Orissa.

During the period 1973-2012, many Indian states (including Andhra Pradesh, Rajasthan, West Bengal, and Tamil Nadu) significantly reduced poverty levels.

Yet, the poverty rates in four states (Odisha, Madhya Pradesh, Bihar, and Uttar Pradesh), are still significantly higher than the national level of poverty.