

***Poverty Among Social and Economic Groups
In India in the Nineteen Nineties***

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Abstract

This paper examines the levels and changes in poverty indicators of the rural and urban population in India disaggregated by social and economic groups. The analysis is based on the comparable estimates of poverty on the mixed reference period computed from the unit record data for the 50th (1993-94) and the 55th (1999-2000) rounds of the Consumer Expenditure Surveys conducted by the National Sample Survey Organisation. The issue is how far different social and economic groups shared the overall decline in poverty in the 1990s. Four poverty indicators are considered, namely, headcount ratio, the depth and severity measures (PGI and FGT*) as also the absolute size of the poor population. The social groups most vulnerable to poverty have been identified to be the scheduled caste households and the scheduled tribe households with both these groups having above average levels of poverty indicators in the rural and the urban population. Among the economic groups, the most vulnerable groups are the agricultural labour households (rural) and the casual labour households (urban) each having the highest levels of the poverty indicators in their respective population segments. In terms of changes in poverty in the 1990s, it is found that while the scheduled caste and the agricultural labour (rural) and the casual labour (urban) households experienced declines in poverty on par with the total population, the scheduled tribe households fared badly in both the segments. A further disaggregated analysis brings out the consequences for poverty of combined social and economic vulnerabilities. The paper also presents poverty indicators adjusted for between-(economic and social) group disparity and discusses the implications of the empirical results for the design of a strategy for poverty reduction.

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1. Introduction

In this paper, we examine the levels and changes in poverty indicators in the 1990s for the rural and the urban population disaggregated by (a) social groups and (b) household types distinguished according to major source of livelihood of a household during the 365 days preceding the date of interview. This is carried out on the basis of comparable estimates on the mixed-reference period (MRP) computed from the Unit Record Data for the 50th (1993-94) and 55th (1999-2000) Round Consumer Expenditure Surveys (CES) carried out by the National Sample Survey Organisation (NSSO). The key issue here is how far the different social and economic groups shared the overall decline in poverty over the 1990s noted earlier (Sundaram and Tendulkar (2003))¹.

1.1 Social Groups

The 50th round of the NSS distinguished two socially disadvantaged groups of scheduled castes (SC) and scheduled tribes (ST) which have been specifically mentioned in the Constitution of India for affirmative state action. SC have been at the lowest end of the Hindu (social) caste hierarchy based on birth. Over long periods in the past, the social system ascribed occupations to this group which were not only low in social ordering but were also characterised by very low productivity. With ascription on the basis of birth, the system did not permit occupational mobility. Consequently, this group remained at the lowest end of the economic hierarchy as well. While the intensity of caste-based discriminatory social practices varied in different parts of the country and was partially moderated with the penetration of the impersonal market forces in varying degrees, this group remained on the fringe of the traditional village society and

¹ Since the publication of our paper in EPW (Jan. 25, 2003), an inadvertent but key error (the missing out of the non-institutional medical expenses of the surveyed households in our mixed reference period based poverty estimates for 1993-94) has been brought to our notice by Professor Abhijit Sen and his co-author (Sen and Himanshu (2003)). Our EPW paper has now been revised correcting for this error: an error that had resulted in an understatement the poverty levels in 1993-94 and a consequent overstatement of the poverty decline between 1994 and 2000 (Sundaram and Tendulkar (2003a)). In this paper all the results for 1993-94 are free from this error and the non-institutional medical expenses of the surveyed households have been taken into account.

rural economy practising lowly occupations with little exposure to educational opportunities.

ST in contrast, had not been part of the Hindu social hierarchy. Their social and economic backwardness was derived from their long time habitation in geographically isolated areas with difficult terrain and practicing shifting cultivation. Lack of exposure to education and isolation from the social mainstream made them vulnerable to exploitation by the non-tribals and uprooting from their traditional habitation and occupations so that they were relegated to the lowest end of the economic hierarchy. The residual omnibus social group of "others" consisted of castes other than SC in the Hindu social hierarchy and non-ST members of other religious communities. In the 55th round this residual (non-SC/ST) group has been further sub-divided into "other backward castes" (OBC) in the Hindu Social hierarchy announced by the state governments as being socially "backward" for eligibility to state-initiated programs of affirmative action and the remaining "others"². Comparable poverty indicators for both the 50th (1993-94) and the 55th (1999-2000) round can be computed for three social groups: SC, ST and others. We have aggregated (by computing population-weighted averages) OBC and others in the 55th round to make it comparable with "others" in the 50th round.

1.2 Economic Groups or Household Types

In addition to social groups, NSS also makes possible disaggregation of the surveyed households according to economic groups, what the NSS reports describe as "household types". These are classified on the basis of the reported major source of income or livelihood during the last year for the household as a whole.

Five household types are distinguished for the rural households on the

² The foregoing social groups derive relevance for state action in the traditional rural social structure where social interaction is mostly face-to-face and where the age-old attitudes and belief systems stubbornly persist. The intensity of social discrimination associated with these social groupings goes down considerably in large and impersonal urban settlements although their self reported social identities have been recorded in the urban areas as well.

basis of ownership or lack of physical or human capital, namely,

- i. Self-employed in agriculture;
- ii. Self-employed in non-agriculture;
- iii. Rural agricultural labour;
- iv. Other (than agricultural) rural labour;
- v. (residual) others.

In the first two categories, deployment of land (category (i)) and non-agricultural physical or human capital assets (category (ii)) in the production process provide the major source of livelihood. The next two categories of households possess virtually no physical or human capital assets but subsist on the basis of their endowments of abundant manual labour which they supply to agricultural activities (category (iii)) or non-agricultural manufacturing or service activities on non-contractual casual basis (category (iv)). After accounting for self-employment (household types (i) and (ii)) and non-contractual casual employment (types (iii) and (iv)), the fifth residual category of "others" covers two types of earnings, namely (a) those households whose major source of income arises mostly from contractual employment with regular wages and salaries and (b) those who earn their living from non-labour assets without direct participation in gainful economic activity. The latter category of non-participatory earnings (as distinct from participatory earnings in (a) as well as in types (i) to (iv)) may include current returns from ownership of immovable assets (land or real estate) or from past financial investments, or receipts from public or private transfers (including pension and remittances).

For the urban households, four categories of household types are distinguished, namely,

1. self employed households;
2. wage and salaried income households;
3. casual labour households
4. (residual) others.

In this classification, the second and the third categories are well-defined and distinguished on the basis of (contractual or non-contractual casual) nature of

hired employment and the major source of income earned therefrom by supplying labour. The first category is a heterogeneous aggregate ranging from high income professionals earning their incomes from high skills and education to the unskilled low productivity trading and personal services with meagre physical or human capital. In the urban context, after accounting for self-employment and contractual as well as non-contractual paid employment in the first three categories, the fourth residual category of "others" is taken to include those households whose major source of income is derived from non-participatory earnings as described under (v)(b) for rural household type.

With these prefatory background comments, we start by providing an overview across social groups and across household types on the basis of all-India size distribution and a uniform all-India poverty line applicable to all the social and economic categories of households.

2. Composition of Total and Poor Population Across Social and Economic Groups

Tables 1R and 1U provide the composition of rural and urban total as well as poor population located in households classified alternatively according to social groups and household types discussed above along with the widely used headcount ratio (HCR) measure of poverty. Also indicated is the absolute size of the total population as well as poor population whose percentage composition is presented. **In the subsequent discussion, whenever we refer to the share or poverty indicator of a given household type, it refers to the share or poverty indicator for the population located in that household type.** The purpose is to avoid tedious repetition of the phrase 'population located in'. For instance, the share of self-employed households in total or poor rural population indicates the share of total or poor population located in self-employed households. In addition, unless otherwise indicated, level comparisons of poverty indicators across social, economic or social-cum-economic groups in the immediately following discussion are by reference to the estimates for 1999-2000.

The composition of the **total rural population** indicates that in 1999-2000, **scheduled castes (SC) and scheduled tribe (ST)** population accounted for a little over **one fifth and one-tenth of the total rural population respectively**. The social disadvantage of these groups is reflected in their above average HCRs: 38 percent (SC) and 48 percent (ST) in comparison with 29 percent average HCR for all rural households. Consequently, they are over-represented in the poor population with the two socially disadvantaged groups together accounting for nearly 45 percent of the rural poor population.

As between SC and ST, the latter are worse-off with a higher a headcount ratio than the former. Also, the share of ST in rural poor population has increased by 2.0 percentage points over the six-year period. This is *despite* a slight reduction in the share of ST in the total rural population-reflecting a lower-than-average growth in ST population (Table 1R). In the large and impersonal urban settlements, SCs and STs have much lower share of urban total as well as poor population while sharing with their rural counterparts the characteristic of a higher than average HCR. However, **urban STs register lower HCR than urban SCs, thereby reversing the rural ordering between these two social groups.** These rural-urban comparisons and contrasts at the all-India level are also repeated in most of the fifteen major states as well. The state-level results would be presented in a separate paper.

Turning to rural household types, **population located in self-employed (agricultural as well as non-agricultural) households accounted for nearly 52 percent of the total rural population in 1999-2000 whereas the share of the population located in the rural (agricultural as well as non-agricultural) manual labour households was over 38 percent.** Residual (non-manual, non-self-employed) households were less than a tenth of total rural population. Within each of the two major groups of the self-employed and rural labour households, agricultural ones predictably dominated over the non-agricultural. With a rate of growth of population well above the average for the total rural population, three household types, namely, agricultural labour households, households self-employed in non-agricultural activities, and, the residual means

of livelihood (MoL) category of 'other' households (See Table 3R) record a rise in their share in the total rural population between 1993-94 and 1999-2000.

This rise in population share is particularly marked (close to 4 percentage points) in the case of population in agricultural labour households. In the rural context, this is mainly a reflection of the demographic pressure on land resulting in fragmentation of agricultural holdings and the consequent burgeoning of the virtually assetless agricultural labour population. These households record the highest headcount ratio (across Means of Livelihood (MoL) categories) of nearly 45 per cent which is nearly 30 percentage points higher than the lowest HCR (14.9%) recorded by the residual MoL category "others", and about 16 percentage points higher than the HCR for the total rural population. These households possess little, if any, physical or human capital assets and depend for their livelihood on the irregular, fluctuating and uncertain casual labour employment tied mainly to seasonal agricultural activities and dependent on the vagaries of weather³.

The agricultural labour households forming 31 percent of the total rural population but accounting for an overwhelming 48 percent of the rural poor, clearly, represent the most vulnerable segment of the rural economy.

In Urban India, two dominant household types of wage-and-salaried households and self-employed households, each with a share of 40 percent, accounted for around four-fifths of the total population. Population located in casual labour households formed 14 percent of the total with the residual category of "Others" accounting for the balance 6 percent.

With the highest urban headcount ratio of nearly 50 percent in 1999-2000 (which was more than twice the average of 23 percent for the urban population) the population in casual labour households accounted for 31

³ Population in all the remaining other household types, namely, other rural labour, self-employed (agricultural and non-agricultural) and (residual) other households are marked by below-average HCRs, the lowest one by the (residual) other households in 1999-2000. In 1993-94, along with the agricultural labour households, the other rural labour households also had a headcount ratio above the average for the total rural population.

percent of the urban poor population. The self-employed urban population reported the second highest (and above-average) headcount ratio of 26 percent. But with a share of nearly 40 percent in total population, **the self-employed constituted the numerically dominant (at 45 percent) section of the urban poor population.** As noted earlier, the households engaged in low skilled, low-productivity commodity production, personal services and petty trading services in the urban informal sector are most likely to account for the urban poor population among the self-employed households. **The lowest urban headcount ratio of a little over 11 percent was recorded by the regular wage-and-salaried population.** So that, despite a 40 percent share in the total urban population, **their share in the poor population in urban India was less than 20 percent.**

To recapitulate the overview on social and economic groups in the society, population located in Scheduled Caste (SC) and Scheduled Tribe (ST) households record above-average headcount ratios among both the rural and the urban population. As between the two socially disadvantaged groups, SCs recorded a higher HCR than STs in the rural population but the ordering was reversed in the urban population. Rural agricultural labour and urban casual labour households constitute the most vulnerable economically disadvantaged segments with the highest HCRs across household types in the rural and the urban population respectively. The former, i.e. the agricultural labour households, also account for the numerically dominant share of the rural poor population. In the urban poor population, the self-employed poor are numerically dominant. The lowest HCR is recorded by the (residual non-self-employed, non-casual labour) other households in rural India and, by the regular wage-and-salaried households in the urban population. In 1999-2000 (but not in 1993-94) the HCR for the urban self-employed is higher than that for the self-employed (both agricultural and non-agricultural) in rural India. Further, in both years the HCR for the urban casual labour households were higher than those for the agricultural and other rural labour households.

3. Poverty Indicators by Social Groups and Household Types

Tables 2R (rural) and 2U (urban) present four poverty indicators across social groups and household types. We have already commented on the headcount ratio (HCR) indicator (or proportional headcount) in the previous section. Three more poverty indicators are presented along with HCR which is repeated for the sake of completeness. They are

1. estimated size of the poor population or absolute headcount;
2. Poverty Gap Index (PGI) indicating the depth of poverty;
3. Squared Poverty Gap (FGT*) reflecting the severity dimension of poverty which we have interpreted as the most comprehensive poverty measure.

PGI as well as FGT* usually (though not necessarily), move in line with HCR which enters as a component in both. Across social or economic groups, higher levels of HCR are usually (but not always) associated with higher levels of PGI and FGT* as well. It may also be noted that a change in the estimated absolute headcount between two time points has two components: (a) the base year HCR multiplied by the change in the absolute size of total population which is almost always positive; and (b) change in HCR times the absolute size of the current year total population which is positive or negative depending on whether HCR rises or declines between the two time points. The absolute headcount of the poor in Tables 2R and 2U reflects the net effect of the sum of these two components. Finally, we may also take note of a usually observed (though not a necessary) regularity: The (algebraic) absolute value of the rate of change (positive or negative) is the lowest for HCR, higher for PGI and the highest for FGT* for the same social group or household type. In the subsequent discussion we would specifically mention occasional exceptions when some of these regularities are not observed.

In terms of levels in 1999-2000, across social groups as well as across economic groups, there are no surprises. Highest levels of HCR among SC/ST as also among agricultural labour (rural) and casual labour (urban) population, go with the highest depth as well severity of poverty. One exception: despite a

somewhat lower level of HCR among urban STs than SCs, the former report higher depth as well as severity of poverty. In other words, in urban India a larger number of STs are located farther away from poverty line than SCs and are marked by higher levels of within group relative inequality than SCs. **In general, levels of poverty indicators for urban households are typically lower than those for their rural counterparts. Two important exceptions may be noted. The HCR for urban casual labour population is higher than that for the comparable rural agricultural or non-agricultural rural labour population. Secondly, in terms of depth and severity measures, the urban self-employed households are worse off than their rural counterparts.**

An additional point relates to the *inter se* comparison between SC, ST and the newly introduced category of socially disadvantaged, Other Backward Classes (OBCs) distinguished in the 55th round. In absolute size, the OBC poor outnumber SC as well as ST poor population and account for more than half the poor population in the category of (residual non-SC, non-ST) others in both the rural and the urban areas and 31.5 percent (rural) and 38.2 percent (urban) of entire poor population. While headcount ratios among OBCs are above average in both the rural and the urban area, they are much lower than the comparable HCRs for the Scheduled Castes and Scheduled Tribes population. The same is also true for the depth and severity measures of poverty.

In terms of change over the six-year period, while almost all the social and economic groups experience significant reductions in the levels of the poverty indicators, those for STs in both the rural and the urban population prove most stubborn. The Scheduled Tribe populations experience only a marginal reduction in HCR in rural India and a rise in HCR in urban India. Consequently, the absolute size of the ST poor population increased in both the rural (by 5%) and the urban areas (by 30%). The absolute headcount of the urban poor SC population also records a 7.8 per cent rise over the six years despite a 5 percentage point reduction in HCR. Contributing to the substantial rise in the number of poor in the Urban ST households, and the more modest but definite rise for the urban SC households is the growth in population in these two social

groups at rates (22% for the SC and 25% for the ST populations) substantially higher than that for the total urban population (17.6 per cent). (See Table 3U).

Finally, an interesting question relates to the relative rates of decline over the six year period of the various poverty indicators across social and economic groups. In particular, do the most vulnerable social/economic groups keep up with the average rate of change for the entire population? If they do, their relative poverty status across other groups would remain unchanged. If they do not, their relative poverty status would show a deterioration. We attempt to answer this question by calculating the rates of change between 1993-94 and 1999-2000 with the help of Tables 3R (rural) and 3U (urban), but abstain from giving separate tables.

The most vulnerable social groups has been identified to be the Scheduled Tribes in the rural areas and the Scheduled Castes in urban India.

In terms of change in HCR, SC fared marginally better than the total rural population, while in urban India, the rate of decline (11.7%) was marginally below that for the urban population as a whole. In respect of depth and severity measures, the rate of decline was higher than average in both the rural and the urban segments.

Both in rural and urban India, the Scheduled Tribe households fared uniformly worse than average in terms of poverty reduction. In rural India, these households experienced declines in HCR, PGI and FGT* at rates (1.7; 2.8; and 5.7 percent respectively) that were a fraction of the decline experienced by the entire rural population. The number of poor in the rural ST households rose by 5 percent, while their number declined by 6.6 per cent for the entire rural population. In urban India, the ST households experienced an increase in HCR, PGI and FGT* while the urban population as a whole experienced sizeable declines in all these indicators. Also, as noted earlier, the number of poor in urban ST households rose by over 30 per cent due to a combination of a rise in HCR (by 4.5% over the 1993-94 level) and a 25% per cent growth in the population in these households. Clearly, therefore, the poverty situation of the ST households worsened relative to both the SC households and the average population in the rural and the urban areas of the country.

Among the economic groups, population located in agricultural labour households (rural) and casual labour households (urban) have been noted to register the highest levels of poverty indicators. These two groups experienced significant declines in poverty indicators and the rate of reduction matched the average in their respective areas in respect of all the poverty indicators in both segments. In terms of absolute headcount, the 16 per cent reduction in rural HCR was more than offset by the rise in the size of agricultural labour-dependent population so that the absolute size of poor population in the group increased by 5 per cent. For the population in urban casual labour households, the reduction in HCR of close to 13 percent was more than offset by the expansion in the size of the total population in the group thereby raising the size of urban poor population in the group by over 11 percent.

In rural India, the MoL categories, the self-employed in agriculture (aided by a 2 per cent decline in the population in these households) and the residual category of “others” (despite a faster than average growth in population) recorded a near 20% decline in the absolute headcount. Aided by a 22 percent decline in HCR and a slightly less than average growth in population, the non-agricultural rural labour households recorded an over 15 per cent decline an absolute headcount. **In urban India**, only one economic group - of regular wage/salaried workers - experienced a decline in absolute headcount. A near 20 per cent decline in the number of poor in the urban regular wage/salaried worker households was made possible by a 27 per cent decline in HCR and a rate of growth of population (10.3 per cent) that was substantially below that for the total urban population (17.6 per cent).

As noted earlier, the self-employed are numerically dominant among the urban poor. For this group, the percentage reduction in HCR was over 4 points lower than that for the total urban population. This, coupled with a higher than average growth in population, resulted in an over 9 per cent rise in the number of poor in urban self-employed households – compared to a less than 3 per cent rise in the number of poor in the urban population as a whole.

4. Poverty Among Social Groups by Means of Livelihood

In this section, we carry out a more disaggregated analysis of poverty among the social and economic groups at the all India level by cross-classifying the population in each social group by reference to the principal means of livelihood of the households. So that, with three Social Groups (SC, ST and Others) and five economic groups (four in the case of the urban population), we will have fifteen (twelve for urban areas) mutually exclusive and exhaustive categories into which the rural (urban) population can be classified and for which one can analyse the poverty situation and the changes therein over the 1990s. Note that while the classification of social and economic groups is on the basis of household characteristics, our analysis of shares, headcount ratio etc. are in terms of persons or the population located in households with the described characteristics.

4.1 Composition of the Total and the Poor Population in Social Groups by Means of Livelihood.

Tables 4R presents a cross-classification of the all-India total and poor population in rural India by social groups and means of livelihood (MoL for short) categories, for 1993-94 and 1999-2000. Parallel estimates for all-India urban population are presented in Table 4U. Given the cross-classification, one could examine the MoL composition of the population in each social group as well as the social group composition of the population in a given MoL category. However, our primary focus is on the former. The reasoning is that while the birth-based social disadvantage of being SC or ST remains unchanged, mobility across economic categories can take place with expanding employment opportunities in the process of economic growth with this process being facilitated by affirmative state action and a reduced intensity of social stratification with modernisation.

Consider the rural population first.

Overall, as was noted in section II, the Scheduled Castes accounted for a little over 21% of the total population and 28% of the rural poor population in 1993-94. These proportions fell marginally to 20.5% and 27.2% respectively in 1999-2000.

In both years, the single largest economic group among the Scheduled Castes was also the most disadvantaged group economically: namely, the agricultural labour households who accounted for 47% of the Scheduled Caste population (and close to 10% of the total rural population) in 1993-94. This share rose to 51% of the Scheduled Caste (and 10.5% of the total) rural population in 1999-2000. With a sharply higher head count ratio than the average for the entire Scheduled Caste population (57.0% against 45.7% in 1993-94, See Table 5RHCR) and in fact the highest HCR across all household types (for the SC population) the agricultural labour households accounted for nearly 59% of the poor population in Scheduled Caste households and about one-sixth of the total rural poor in 1993-94. The share of the agricultural labour population in the poor among the Scheduled Castes went up to 62% in 1999-2000.

Among the total rural Scheduled Caste population, with a 23 percent share in 1993-94, those self-employed in agriculture were the next largest category. However, with a lower-than-average (for the Scheduled Caste population as a whole) HCR because of their access to cultivable land, they had a 17.5% share in the poor among the Scheduled Castes in 1993-94. Their share in the total and the poor population in Scheduled Caste households fell to 19% and 15%, respectively, in 1999-2000. Together, the agriculture – dependent households (both self-employed and casual labour) accounted for more than three-fourths (77 per cent) of the poor among rural scheduled caste population, and close to 21 per cent of the poor in the entire rural population in 2000.

Among the **Scheduled Tribes** in rural India, those self-employed in agriculture formed the numerically dominant economic group in 1993-94 and accounted for close to 42% of the rural Scheduled Tribe population, and with a lower-than-average HCR, a little over 37% of the poor among them. In 1999-2000, with a reduced (39 per cent) share in total ST population in rural India, the

self-employed among them accounted for a little under one third of the poor in rural ST households.

In 1993-94, with 35 percent share the agriculture labour households formed the second largest economic group in the rural Scheduled Tribe population. However, with the highest HCR (across all social groups and all households types, Table 5R.HCR) of close to 60% (against 49% for the entire rural Scheduled Tribes population), **Scheduled Tribe households with agriculture labour as the principal means of livelihood accounted for 43% of the poor population in rural Scheduled Tribe households. This share of agriculture labour households rose sharply to a little under 52% in 1999-2000.** In 1999-2000, the agriculture labour households also became the numerically based single economic group in the total rural Scheduled Tribe population with a 41% share – an increase of 6 points from the 35 per cent share in 1993-94. As we shall see presently, this combination of a sharp rise in the share of the agricultural labour households in the total Scheduled Tribe population and a small (2%) rise in HCR among such households is at the heart of the virtual absence of progress in poverty reduction over the 1990s among the rural Schedule Tribe population taken as a whole. Taken together, the self-employed in agriculture and the agriculture labour households accounted for 85 per cent of the poor in ST households in rural India in 1999-2000.

Among the rural Non-Scheduled Caste, Non-Scheduled Tribe population **(the Social Group categorised as “OTHERS”)**, the self-employed in agriculture dominated both the total and the poor population in 1993-94 with a share, respectively, of nearly 49% (in total population in the Non-Scheduled Caste/Scheduled Tribe households) and 38.5% (in the poor population in this social group). In 1999-2000, though their share in the (Non-SC, Non-ST) population declined to 43%, they still remain the single largest group. However, with a share of 33 percent (relative to the 40 percent share of the agricultural labour households) they yield first place to the agricultural labour population in terms of their share of the poor among the Non-Scheduled Caste/Scheduled Tribe population. The latter, i.e. the agricultural labour households, raise their

share in the total rural Non-SC/ST population from 20% in 1993-94 to a little under 24% in 1999-2000, while their share in the poor population in the Non-SC/ST households went up from 34 to 40% over the same period.

Shifting the focus, briefly, to the distribution across social groups of the total population in the livelihood categories, note that, in the total rural population the omnibus residual social group of "others" (i.e. the non-SC, non-ST population) had a share of more than two-thirds in both the years: 68 percent in 1993-94 rising to 69 percent in 1999-2000. (Table 4R, last row). As against this, in 1999-2000, the non-SC, non-ST households accounted for 79 percent of the rural population self-employed in Agriculture. With shares of 74 and 72 percent of the population in the respective MoL categories, the non-SC, non-ST households are also over-represented in the MoL categories of self-employed in non-agriculture and the residual category of "others" on the livelihood criterion. (Table 4R).

In respect of the rural population in the agricultural labour households, the Scheduled Caste and the Scheduled Tribe households are over represented. Thus, as against a share of a little under 21 percent in the total rural population in 1999-2000, the share of the SC households in the rural agricultural labour population was a little over 33 percent. Similarly, the share of ST households in the total rural population and the rural population located in agricultural labour households were, respectively, 10.5 percent and 14 percent. Thus, the only MoL category where the SC/ST households are over-represented is that of agricultural labour households which also report headcount ratios well above the average for total rural population. Thus, these social groups suffer from the double disadvantage of social and economic vulnerability.

We turn now to a discussion of the composition of the total and the poor population in social groups-each sub-classified on the means of livelihood criteria **in urban India.** (Table 4U)

A key feature of the distribution of the total all-India urban population across the 12 sub-categories (3 Social Groups and 4 household types on the means of livelihood criteria) is that, for each and all of the three social groups and

in both years (with one exception) the numerically dominant economic group is the “regular wage/salaried workers”, with the self-employed coming a close second. The exception is provided by the omnibus social group “others” where the self-employed had a one percentage point edge in 1999-2000. **In terms of the poor population**, however, the self-employed remain the numerically dominant group among the residual (Non-SC, Non-ST) social group of “others”. For this residual social group of “others”, with a 26 per cent share, the casual labour households formed the second largest group of poor among them. In the case of the Scheduled Castes and the Scheduled Tribes, however, it is the casual labour households that dominate and this is so in both 1993-94 and 1999-2000.

A second common feature across the three social groups is the decline between 1993-94 and 1999-2000 in the share of the population in households with regular wage/salaried work as the principal means of livelihood (RWS households for short). Among the Scheduled Castes, the share of RWS households went down from 42% in 1994 to 39% in 2000. It declined from 47% to 42% among the Scheduled Tribes and, more moderately, from 43% to 40% for the Non-SC, Non-ST population. Significantly, among the Scheduled Castes, in 1993-94 (but not in 1999-2000), the head count ratio for the RWS households was higher than the average for the entire urban population, so that their share in the total urban poor was higher (6.0%) than their share in total urban population (5.8%).

As regards the casual labour households, their share in the respective urban population rose in all the three social groups. Further, with the highest HCR across all household type in each social group and significantly higher than the all-households average, they are over-represented among the urban poor. The extent of over representation has increased further between 1993-94 and 1999-2000 for the casual labour households among the urban ST population. This is attributable to a sharp rise in HCR (from 57 percent to 64 percent) in these households (Table 5U.HCR) in a situation where all other household types among ST population (and all household types in all other social groups and,

therefore, also the urban population as a whole), has experienced a decline in their respective headcount ratios over the same period. This combination of an increased share of casual labour households in the total ST population and a rise in HCR in such households has been a major factor underlying the rise in the HCR for the entire urban Scheduled Tribe population in India from 33.6 percent in 1993-94 to a little over 35 percent.

4.2 Poverty Indicators for Social Groups & Means of Livelihood Categories.

In this section, we present and analyse the estimates of head count ratio (HCR), poverty gap index (PGI) and the squared poverty gap (FGT*) measures of poverty for the 15 rural and 12 urban mutually exclusive and exhaustive categories on the social group cum livelihood criteria for the rural (urban) population at the all India level for 1993-94 and 1999-2000. These estimates are presented in Tables 5R HCR (5U HCR); 5R PGI (5U PGI); and 5R FGT* (5U FGT*).

In rural India, in respect of all the social groups, and, both in 1993-94 and in 1999-2000, the household types on means of livelihood (MoL for short) criterion were ranked, in ascending order on the HCR measure, as follows: "Others" (with the lowest HCR); self-employed in agriculture; self-employed in non-agriculture; other rural labour; and the agricultural labour households with the highest HCR. This was also the rank-ordering on the PGI and FGT* measures in 1999-2000 for the SC households and on the PGI measure for the residual (non-SC, non-ST) social group of "others" in both 1993-94 and in 1999-2000. For this residual social group of "Others", in both years, the rank-ordering on FGT* was broadly similar except that the MoL category self-employed in agriculture reported a lower level of deprivation than the "Others" on the MoL categorisation.

For the Scheduled Tribe population in rural India, the rank-ordering on the PGI measure for both years and on the FGT* measure for 1999-2000 was such that the lowest level of deprivation was reported by the MoL category "others",

followed, in ascending order of deprivation, by: other (non-agricultural) labour; the self-employed in agriculture; the self-employed in non-agriculture; and the agricultural labour households. In 1993-94, however, among the rural ST population, the MoL category “other labour” reports a lower level of FGT* than the “others”, which latter, in turn, was lower than the FGT* for the self-employed in agriculture.

In all the three social groups and in both the years, the agricultural labour households experienced the highest level of poverty (across MoL categories) on all the three poverty measures of HCR, PGI and FGT*. Across social groups, the agricultural labour households in the rural ST population record the highest levels of poverty in terms of HCR, PGI and FGT*, followed by the agricultural labour households among the Scheduled Castes. The lowest HCR (and PGI and FGT*) among the agricultural labour households is recorded by such households belonging to the residual, non-ST, non-SC social group “others”. Even though the levels of HCR (and PGI and FGT*) for the agricultural labour households belonging to the social group “others” is the lowest across social groups, their levels of deprivation on all the three measures of poverty are greater than that recorded by any other MoL category in any social group. And this is true for both 1993-94 and 1999-2000.

In examining the changes between 1993-94 and 1999-2000 in respect of the prevalence, depth and severity measures of poverty for the three social groups each further differentiated by household types on the MoL category (Table 6R), it would be useful to recollect that, while the Scheduled Caste households matched the performance of the total rural population in terms of poverty reduction on all the three measures, poverty-reduction was very sluggish for the ST population in terms of all the three measures.

Focusing first on the sluggish performance in poverty-reduction for the Scheduled Tribe population, further disaggregation by MoL categories (See Table 6R) shows that, except in respect of the MoL category “others” where the percentage reduction in HCR (but less so in respect of PGI and FGT*) matches that recorded by this MoL category in the entire rural population, in all the other

MoL categories, **the performance of Scheduled Tribe households has been worse than the average reduction in poverty in the comparator MoL category in the total rural population. Within the ST population, agriculture labour households have fared the worst on all three measures: a 2 percent rise in HCR, a 1 percent rise in PGI, and a small, 1.5 percent decline in FGT***. In contrast, in the total rural population, agricultural labour households recorded declines of 16, 23 and 28 percent respectively, in HCR, PGI and FGT*. The performance of the other rural labour households in the rural ST population, though better than that of the agricultural labour households, is seen to be substantially below that for the total rural population as a whole as well as the poverty-reduction achieved by the other labour households in the total rural population. The poor performance of the labour households (especially the agricultural labour households) together with the rise in the share of such households in the total rural ST population has been a major factor underlying the relatively poor performance in poverty reduction of the ST population in rural India.

Except for those of them located in the ST population, agricultural labour households- whether among the SC population or in the social group “others” – have recorded reduction in poverty (on all the three measures) that are on par with or better than that recorded by the total rural population.

For the Scheduled Castes, two MoL categories, namely, the self-employed in non-agriculture and the other (than-agricultural) rural labour households have experienced smaller (percentage) reduction in poverty than the SC population as a whole. In respect of HCR (but not PGI and FGT*) the SC households self-employed in agriculture also experienced a smaller (percentage) decline than that for the rural SC population and that for the total rural population.

In respect of the omnibus group of “others” on the social group affiliation, all household types on the MoL categorisation are seen to have experienced larger percentage declines (over the 1993-94 levels) in respect of HCR, PGI and FGT* than that experienced by the entire rural population. In fact, in comparison

with the percentage reduction experienced by a comparator MoL categories in the total rural population, the comparable household type in the social groups “others” have experienced (in all but one MoL category) greater percentage reduction in all three measures of poverty: HCR, PGI and FGT*. The exception, surprisingly, is the residual MoL category “Others”.

We turn now to a consideration of the levels of and the changes in poverty indicators for each social group cross-classified by the principal means of livelihood in the **Urban areas of all-India** (See Tables 5U HCR, 5U PGI, 5U FGT* for the level and 6U for rates of change).

On all the three indicators, in both years, and in all the three social groups, the lowest level of poverty is recorded by the Regular Wage/Salaried worker households and the highest levels by the casual labour households. And, except in respect of PGI and FGT* for the urban SC households in 1993-94 and in respect of FGT* for the urban ST households in 1999-2000, poverty levels were lower for the MoL category “Others” than for the urban self-employed.

In terms of changes in poverty levels between 1994 and 2000, we had noted earlier that, taken as a group, the urban Scheduled Caste households had experienced reductions in poverty (on all the three indicators) of an order broadly similar to or better than the total urban population. This was made possible by the fact that, in respect of each and all the three indicators, the Regular Wage /Salaried earner households in the SC population experienced much higher percentage-reduction – not only relative to the total urban population but also relative to that experienced by the regular wage/salaried earner households in the total urban population. (See Table 6U). Also, while the poverty-reduction experienced by the casual labour households in the SC population was smaller than that experienced by casual labour households in the total urban population, it was close to or above the percentage declines experienced by the total urban population in respect of PGI and FGT* (but not HCR). Significantly, among the scheduled caste population, the self-employed experienced the smallest percentage reduction in HCR, PGI and FGT* across households types.

We had noted earlier that, while the total urban population experienced fairly sizeable declines in poverty (on all the three indicators) between 1993-94 - 1999-2000, the Scheduled Tribe households, as a group, had experienced a rise in poverty on all the three indicators. A disaggregation by MoL categories reveals an interesting result: even among the urban ST population, two groups, namely the self-employed (on all these indicators) and the regular wage/salaried earner households (on HCR and PGI but not on FGT*) do experience a reduction in poverty over the same period. Even the residual MoL category of “others” experienced a small (3%) reduction in HCR. However, for reasons not clear, the MoL category of “others” in the ST population experienced a very large percentage rise in PGI and an even larger (percentage) rise in FGT*. Clearly, therefore, the overall increase in poverty in terms of HCR and PGI for the urban ST population (taken as a group) is driven by the sizeable rise in HCR and PGI for the casual labour households and the increase in the share of such households in the urban ST population. The 13 per cent rise in FGT* for the total ST population in the urban area, on the other hand, is primarily driven by the (somewhat inexplicable) rise in FGT* for the regular wage/salaried worker households in the urban ST population.

As noted earlier for the rural population, in the residual (non-SC, non-ST) social group of “others”, all the MoL categories experience a greater reduction in poverty (in all the three indicators) than that experienced by the comparator household types in the total urban population. However, for the self-employed in this omnibus social group of “others”, the percentage reduction in HCR (as well as in PGI and in FGT*) has been less than that experienced by the total urban population. So that, relative to the total urban population, the poverty reduction of the urban self-employed in the social group, “others” - as also the self-employed in the SC and those in the ST population and therefore also the self-employed in the total urban population – has worsened relative to the total urban population.

5. Inter-Group Disparities in Poverty and Disparity-Adjusted Measures of Poverty

In the previous section we had presented and analysed disaggregated estimates of poverty for 15 rural (and 12 urban) socio-economic groups obtained by subclassifying the population in each of the three social groups (SC, ST and Others) by reference to their principle means of livelihood. Besides bringing to the foreground the high levels of poverty of the economically weak in the non-SC, non-ST social group of 'Others', our disaggregated analysis also helped sharpen the focus on the severe poverty of the doubly disadvantaged: the assetless households dependent on uncertain and fluctuating daily wage labour (the agricultural labour households in rural India and the casual labour households in urban India) who are located in the socially disadvantaged groups of the Scheduled Castes and the Scheduled Tribes. It was also shown that an increase in poverty in these doubly disadvantaged groups was the principal factor underlying the sluggishness of poverty-reduction among the rural Scheduled Tribe population and a non-negligible rise in poverty for the urban ST population.

In this section we focus on the issue of between-group disparities in group-specific poverty indicators among the 15 (12 in urban India) socio-economic groups. More specifically, for each of the three poverty indicators (HCR, PGI and FGT*), we construct, separately for rural and urban India and for the two time points – 1993-94 and 1999-2000 – a summary indicator of inter-group disparity analogous to the Gini Coefficient that has been suggested (and implemented in a related but different context) by Majumdar and Subramanian (2001).

Let us consider first some broad dimensions of inter-group disparity in poverty indicators.

In terms of the prevalence measure of poverty (i.e. the headcount ratio), **in rural India**, in 1993-94, the disparity ratio of the highest HCR (of 59.5 percent for the agricultural labour households in the Scheduled Tribe population) to the lowest HCR (of 17.4 percent for the MoL category "others" in the social group "others") was 3.4:1. In 1999-2000, this ratio increased to 4.7:1. In terms of PGI,

this ratio (of the highest to the lowest) was 4.0:1 in 1993-94 and this rose sharply to 6.3:1 in 1999-2000. This ratio was even higher for FGT* at 4.6:1 in 1993-94 and it rose further to 7.1:1 in 1999-2000. (See Table 5R HCR, 5R PGI and 5R FGT*).

In urban India, the disparity ratio of the highest to the lowest value of the poverty indicator(s) are even higher than in rural India. Thus, in 1993-94, the highest HCR (of 64.4 percent for the casual labour households in the Scheduled Caste population) was roughly 4½ times the lowest HCR (13.4 percent recorded by the regular wage/salary earner households in the residual social group of “others”). In 1999-2000, the ratio of the highest HCR (63.9 percent for ST casual labour households) to the lowest (9.8 percent for the regular wage/salary earner households in the social group “others”) was 6.5:1.

For PGI and FGT*, in urban India, as in rural India, this ratio (of the highest to the lowest value) were even larger than those in respect of HCR. Thus, for the depth measure of poverty (PGI), this ratio was 7.4:1 in 1993-94 and it rose further to 10:1 in 1999-2000. In terms of the severity measure (squared poverty gap or FGT*), in 1993-94 itself, the highest value was 9½ times the lowest value and this ratio became 14:1 in 1999-2000. (See Table 5U HCR, 5U PGI and 5U FGT*).

The simple binary disparity ratios mentioned above do not take account of the poverty indicators in other groups nor the population shares of the socio-economic groups affected by the stated levels of poverty. The Majumdar-Subramaniam between-group disparity measure (M-S measure for short) offers a rank-order weighted aggregation of group-specific poverty indicators while taking account of the population shares in different groups.

The Gini-like M-S measure of between socio-economic group disparity ranks the socio-economic groups in descending (maximum to minimum) order of deprivation. The weight attached to a poverty indicator in a given socio-economic group (say, i) is inversely proportional to the rank-order of that group ranked in descending order so that the group with the highest value of poverty-indicator gets a weight proportional to its maximum rank and so on down the

order⁴. In the M-S measure, the rank-order weight of group *i* is multiplied by the population share of the group and to this product is added the cumulative share of population in groups whose deprivation levels do not exceed that in a given group *i*. This combined sum is then multiplied by the poverty indicator for that group relative to the population-share-weighted average poverty indicator. A simple transform of the (normalised) summation of the last mentioned product represents the M-S measure of between-group disparity in a given poverty indicator. (See p.108, Majumdar and Subramanian (2001)).

Majumdar and Subramanian also offer a simple formula for computing (inter-group) disparity-adjusted measure of deprivation. If *P* is the population-share weighted average poverty indicator across socio-economic groups, the disparity-adjusted value of the poverty indicator (call it *P**) is given by, $P^* = P(1+kG^*)$, where $k = \left(\frac{K+1}{K-1} \right)$, with *K* being the number of groups – in our case 15 for rural India and 12 for urban India.

Table 7 presents for the two time points and separately for the all-India rural and urban population, and for the three poverty measures of prevalence (HCR), depth (PGI) and severity (the squared poverty gap or FGT*), estimates of the (population-weighted average) poverty indicator, *P*, *G** the relative disparity index, *k* the adjustment-factor by which poverty gets accentuated due to inter-group disparity, and, *P**, the disparity-adjusted measure of poverty.

The following major findings emerge from Table 7.

One, the relative between-group inequality index is the lowest for the headcount ratio, higher for the depth indicator PGI and is the highest for the severity indicator FGT*. This is true for both the population segments and in both years.

⁴ The rank-order based weighting scheme is analogous to that underlying the well-known Gini coefficient except that the Gini coefficient aggregates welfare indicators like per capita income or consumption whereas the M-S measure seeks to aggregate group-specific indicators of deprivation or illfare.

Two, the relative between-group disparity for each of the three poverty indicators and in both 1993-94 and in 1999-2000, is higher in urban India than in rural India.

Three, over the six-year period, the relative between-group disparity index has increased for all the three indicators in both population segments. And, in both rural and urban India, the percentage increase in the disparity index is the least for HCR, higher for PGI and is the highest for FGT*. In respect of all the three poverty indicators, the percentage increase has been lower (from higher initial values) in urban India than in rural India.

Four, the adjustment for between-group disparity raises the levels of poverty indicators in both years and in both segments but, significantly, all the three (adjusted) indicators show a clear reduction over the six year period and this is true for both rural and urban India. However, as one would expect in the context of a rise in the disparity index, the percentage reduction in poverty (over 1993-94 levels) is lower with adjusted indicators relative to the (percentage) decline in the corresponding unadjusted indicator(s). However, the pattern of (percentage) reduction across the three indicators, namely, the least for HCR, higher for PGI and the highest for FGT* observed with respect to the unadjusted poverty indicators is also seen to hold for the adjusted indicators. And, this is so for both rural and urban India.

Without any adjustment for between-group disparity, on all the three indicators, the level of rural poverty is greater than that in urban India. However, in what is perhaps the most significant impact, **the adjustment for relative between-group disparity significantly reduces the rural-urban gap in headcount ratio (from about 8 percentage points to under 3 percentage points) and reverses the rural-urban ranking in terms of PGI and FGT*.**

The rank-reversal in respect of PGI and FGT* is, of course, a consequence, of the sharply higher values of the disparity index (for PGI and FGT*) in urban India relative the rural India and the (associated) higher values of the inflation-factor.

This last point brings us to our final comment on the between-group disparity index.

As outlined above, the Majumdar-Subramanian relative between-group disparity (in deprivation) index reflects the combined effect of the (inverse) rank-order weighting and the population-share of the reference (I^{th}) group in the total population operating on the underlying dispersion across groups in the deprivation indicator. In other words, it is affected by the presence of groups, each with a substantially above average equiproportionate population-share, with significant inter-group disparity. Thus, in rural India, SC agricultural labour households with a 10 percent share in rural population reported HCR of 57.0 percent in 1993-94 while the residual non SC/ST social group “others” had over 33 percent share in rural population with a HCR of 22.4 percent – a disparity ratio of 2.5 to 1 in HCR. This disparity ratio was 3.5:1 for PGI and 4.4:1 for FGT*. In urban India, self-employed in the residual (non SC/ST) social group “others” with a 34 percent urban population share report an HCR (in 1993-94) of 26.3 percent that was nearly twice as large as that for regular wage salary earning households in the same social group with an urban population share of over 35 percent (Tables 4R and 4U). In order to isolate the effect of the actual structure of population distribution across socio-economic groups we constructed a hypothetical between-group disparity index (call it G^{**}) for a situation where, all the 15 groups in rural India (12 in urban India) had equiproportionate share (of $1/15^{\text{th}}$ in rural India and $1/12^{\text{th}}$ in urban India) of the total rural (urban) population. Table 7A presents a comparison of G^* (drawn from Table 7) and G^{**} (constructed as above). We have a striking reduction in the values of the relative inter-group disparity with equal population shares. This is most striking for urban India and, within urban India, for PGI and FGT*. Thus, in 1999-2000, G^{**} for urban PGI was 60 percent lower than G^* , while for FGT* it was lower by more than 66 percent.

So that, while the Majumdar-Subramanian index of between-group disparity in deprivation does offer additional perspective on inter-temporal and rural-urban comparisons of poverty, some care would appear to be in order in

interpreting the very high values of the disparity index for PGI and FGT* for urban India and allow for the play of very uneven population shares in generating these very high values of G*.

6. Conclusions and Implications

In this section we bring together some of the key conclusions of our detailed analysis of poverty among social and economic groups in the all-India rural and urban population for 1993-94 and 1999-2000 and sketch a few policy implications.

Among the social groups, the Scheduled Caste (SC) and Scheduled Tribe (ST) population report levels of poverty well above average on all the three indicators of prevalence, depth and severity of poverty in both years and in both the rural and the urban areas of the country. The Other Backward Castes (OBCs) too suffer from above average levels of poverty which are, nevertheless, lower than the poverty levels among the SC and the ST population.

Among the economic groups, those dependent on casual daily wage labour in an environment of uncertain and fluctuating employment (the agricultural labour households in rural India and the casual labour households in urban India) report the highest levels of poverty in rural India where the regular wage/salary earner households in urban India and the residual means of livelihood category of 'others' (which includes rural wage and salaried households besides those sustaining on non-participatory income, see Section I.2) report the lowest levels of poverty.

The double disadvantage, of being an assetless casual wage labour household in the socially disadvantaged social groups of the Scheduled Caste or the Scheduled Tribe population, accentuates the prevalence, depth and severity of poverty. Thus, the agricultural labour households in the ST population have the highest headcount ratio (close to or above 60 percent) in both years in rural India. Similarly the casual labour households in the SC population in 1993-94 (and the ST population in 1999-2000) reported the highest HCR of 64 percent in urban India.

Given the rural and the urban poverty lines, rural poverty rates are, in general, higher than their comparable urban counterparts. Exceptions to this pattern are provided by the casual labour households in all the social groups and the self-employed among the Scheduled Castes and in the (residual non SC/ST) social group of “others”.

In terms of the composition of the poor population, in rural India, the agricultural labour households accounted for 48 percent of the rural poor, with such households among the Scheduled Caste and Scheduled Tribe population accounting for more than a quarter of the total poor population in rural India in 1999-2000. In the same year, the casual labour households accounted for 31 percent of the poor population in urban India.

Both in rural India and among the urban population, the households with self-employment (in agricultural or non-agricultural activities) as the principal means of livelihood, accounted for close to or above 40 percent of the poor and are easily the (numerically) dominant group among the poor in urban India.

In terms of rates of reduction of poverty indicators between 1993-94 and 1999-2000, among the social groups, they were the lowest for the Scheduled Tribe population in rural India, while in urban India this social group experienced a rise in all the three poverty indicators. Our more disaggregated analysis by MoL categories within each social group helped us pinpoint the rise in poverty in the assetless (casual) wage-labour dependent households among the Scheduled Tribe population as the principal factor underlying a clearly “worse-than-average” performance (in terms of poverty-reduction) and, therefore, also a clear worsening of the relative poverty situation of the Scheduled Tribe population in rural India, and, even more so, in urban India.

In contrast to the ST population, the Scheduled Caste households generally matched or even bettered the average rural/urban household in terms of percentage reduction in (all the three) poverty indicators between 1993-94 and 1999-2000. In a large measure, this was facilitated by a better-than-average performance of the agricultural labour households among them in rural India and of the regular wage/salary earner households among them in urban India.

As regards relative between- (social-cum-economic) group disparity, it is considerably higher for the urban than the rural population. However, the very high values of the disparity index for the urban population reflect, to a considerable degree (as our estimates with a hypothetical equal-share exercise have shown), the effect of the very uneven distribution of the population across the 12 socio-economic groups. The most striking result to emerge from the previous section is that for the disparity-adjusted poverty indicators, while the rural-urban gap is narrowed in the case of headcount ratio, the disparity-adjusted estimates of PGI and FGT* are higher for the urban than the rural population thus reversing the rural-urban ranking on the depth and severity measures of poverty.

What implications do the foregoing results have for the design of a strategy for poverty reduction?

One heartening feature of the above-stated results is that, notwithstanding their social and economic disadvantages, the Scheduled Caste households and the agricultural labour households and the double-disadvantaged group of agricultural labour households located among the Scheduled Caste population have experienced rates of reduction in all the three poverty indicators that have matched or bettered the poverty reduction experienced by the rural population on the average. The same is true for the urban Scheduled Castes, the casual labour households and the casual labour households in the SC population in urban India. This fact holds the important message that the benefits of growth have indeed been accessed by the socially and economically disadvantaged groups in India. So that one can and should pursue a growth-centred strategy for poverty reduction in India. The failure of the Scheduled Tribe population and in particular the casual-wage-labour dependent households among them to experience commensurate rates of reduction in poverty would appear to be, in part at least, a reflection of the poverty outcomes in specific States, namely, Assam, Madhya Pradesh and Orissa (where poverty has increased between 1994 and 2000) where the ST population is concentrated.

The second feature relevant to the design of anti-poverty policies and programmes is the sizeable share of the self-employed in the poor in India: 40

percent in rural India and 44 percent in urban India where the self-employed are easily the (numerically) dominant group among the urban poor. At this point it is worth emphasizing a feature of the employment situation of the usual status (principal plus subsidiary status) workforce in self-employed households that tends to get submerged in general discussions about under-employment in the country. Male workers in these households are at work, on the average, for 344 days in a year in rural India and for 349 days in the year in urban India. Even allowing for the fact that women workers work fewer days in the year (260 days in rural India and 282 days in urban India), usual status workers (males plus females) in self-employed households are at work for between 315 (in the case of self-employed in agricultural activities) and 321 days (for self-employed in non-agricultural) in a year in rural India, while in urban India they are at work for 337 days out of the 365 days in the year. Characterisation of this situation as one of under-employment is a serious misrepresentation of the problem: Do we or should we, expect them to be at work on all 365 days in the year?⁵ **More importantly, such a characterisation shifts the focus away from quality of employment in general and productivity in particular towards quantity of employment in terms of number of days of employment.** The central problem of poverty in the self-employed households is **not** that they are at work for only a few days in the year but that the returns to their labour input are too low. So that, the focus of policy should be more on raising the returns from the asset-base of the self-employed - chiefly land in rural India – and raising their skill profile – especially in urban India.

⁵ Admittedly, the participation in economic activity on current daily status (on which are based the number of days at work in a year reported in the text) reflect the self-perceived employment situation on the time-criterion as reported by the respondents. In principle, therefore, the reported number of days at work could conceal a measure of work-sharing and work-spreading in the self-employed households. Inherently, this cannot be quantified. Note however that, in the Survey, for each of the 7-days in the reference week, a further classification of the reported activity status by intensity (in terms of half intensity and full intensity) is possible, with work on half-intensity on any given day treated as half-a-day's work. And, the reported daily-status situation represents an aggregation (across calendar days) of such half-days and full-days of work. If this situation still reflects a measure of underemployment arising from work-sharing and work-spreading, it cannot be captured in measures based on the current daily status. More importantly, as argued in the text, the solution to the problem of poverty among the self-employed lies **not** in raising the number of days they are at work in a year – again measured by reference to the Current Daily Status reporting – but by raising the returns to this labour input.

In the rural context, this requires a strong push for growth in public investment in rural infrastructure including but not limited to irrigation, water conservation and management. In particular, it must be extended to cover rural roads, telecommunication network, and facilities for storage; preservation and transportation of perishable commodities like vegetables, fruits and flowers which have a considerable market both domestically and internationally. Given the parlous fiscal situation in virtually all States and the drain on the exchequer – both in the centre and the states – arising from “remunerative” procurement prices and a host of non-transparent input subsidies, the desired push for public investment in rural infrastructure will not be possible without a conscious effort at fiscal stabilisation alongwith a shift in government spending from revenue to capital expenditures. From a longer-term perspective, expansion of social services in education, health, water and sanitation – would help improve the quality of rural human resources. This, in turn, would complement and contribute to rising productivity in, what would still remain, a largely agriculture-centered rural growth strategy.

In the urban context, a central component of a strategy to combat poverty among the self-employed would be a conscious effort to raise their skill-profile so that they move up the productivity chain. Skill-development programmes have the further advantage that they can be consciously targeted towards the socially disadvantaged groups of the Scheduled Castes and the Scheduled Tribes. Equally important, if not more so, we need to expand rapidly the market – both domestic and international – for the goods and services produced in the urban information sector. And hurdles, such as exclusive reservation for the small scale sector, would need to be removed.

In the urban context, there is also the need to reduce the dichotomy between the formal and the informal sector by the alleviation of labour market inflexibility generated by labour laws that emphasize – perhaps overemphasize – job security, often at the expense of other facets of working conditions.

What about the (casual) wage-labour-dependent households who are numerically the dominant group among the rural poor and account for close to a third of the urban poor?

Admittedly, with work for 278 days (294 days in urban India) in the year, the (casual) wage-labour households are better candidates for policies and programmes aimed at raising their number of days in employment during the year. Further, safety nets, in the form of special employment programmes must continue. And, if, along with raising the number of days at work in a year the real wage rates can be held firm it would certainly reduce poverty among such households. However, as the experience of the labour households over the 1990s has shown, growth in real wages is a strong force for reducing poverty in such households. Greater demand for wage labour at rising real wage rates would require rapid growth with rising labour productivity. **For individual sectors, raising labour productivity requires a slower growth in the number of workers than the growth in value-added.** Greater demand for labour would then have to come about by a faster growth of more labour-intensive sectors (apart from faster overall growth) rather than seeking to enhance the labour-intensity of individual sectors. (See Sundaram and Tendulkar (2002)).

Overall, therefore, rapid growth must occupy centre-stage in any strategy for poverty reduction in India. And, as exemplified by the performance of the Scheduled Castes and the agricultural labour households over the 1990s, it works

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Table 1R: Composition of Total and Poor Population Located in Households Classified by Means of Livelihood Categories and Social-Group Affiliation: All-India Rural 1993-94 - 1999-2000

Category	1993-94			1999-2000		
	Percentage Share of the Household Type in		HCR	Percentage Share of the Household Type in		HCR
	Total Rural Population	Rural Poor Population		Total Rural Population	Rural Poor Population	
I. Social Groups						
Scheduled Castes	21.10	28.19	45.69	20.43	27.10	38.38
Scheduled Tribes	10.83	15.46	48.81	10.49	17.41	48.02
Others	68.07	56.35	28.30	69.08	55.49	23.23
All Households	100.01 (659,025)	100.00 (225,392)	34.20	100.00 (727,611)	100.00 (210,498)	28.93
II. Means of Livelihood						
Self-employed in Agriculture	42.40	32.33	29.58	37.78	28.25	21.62
Self-employed in Non-Agriculture	13.08	11.16	32.55	13.84	11.53	24.09
Agricultural Labour	27.51	42.62	57.46	31.10	48.01	44.64
Other Labour	7.49	7.84	39.10	7.40	7.12	27.79
Others	9.52	6.04	24.32	9.87	5.09	14.93

Table 1U: Composition of Total and Poor Population Located in Households Classified by Means of Livelihood Categories and Social-Group Affiliation: All-India Urban 1993-94 - 1999-2000

Category	1993-94			1999-2000		
	Percentage Share of the Household Type in			Percentage Share of the Household Type in		
	Total Urban Population	Urban Poor Population	HCR	Total Urban Population	Urban Poor Population	HCR
I. Social Groups						
Scheduled Castes	13.85	22.48	42.85	14.38	23.57	37.84
Scheduled Tribes	3.21	4.09	33.63	3.40	5.18	35.15
Others	82.94	73.43	23.39	82.22	71.26	20.01
All Households	100.00 (234,981)	100.00 (67,675)	26.41	100.00 (276,425)	100.00 (63,827)	23.09
II. Means of Livelihood						
Self-employed	38.77	41.86	28.50	39.23	44.48	26.11
Regular Wage / Salaried workers	42.66	25.24	15.62	40.00	19.73	11.36
Casual Labour	13.18	28.60	57.25	14.33	31.08	49.95
Others	5.39	4.30	21.05	6.44	4.71	16.85

Table 2R: Poverty Measures by Household Type and Social Group, All India: Rural: 1993-94 - 1999-2000.

Category	1993-94				1999-2000			
	HCR (%)	No. of Poor (000)	PGI	FGT*	HCR (%)	No. of Poor (000)	PGI	FGT*
Scheduled Castes	45.69	63,558	0.10369	0.03435	38.38	57,036	0.07920	0.02407
Scheduled Tribes	48.81	34,883	0.117.80	0.04072	48.02	36.651	0.11451	0.03842
Others	28.30	126,941	0.05603	0.01692	23.23	116,762	0.04298	0.01211
(OBCs in others)	(NA)	(NA)	(NA)	(NA)	(29.04)	(66.369)	(0.05475)	(0.01560)
Self-employed in Agriculture	26.08	73,867	0.04943	0.01446	21.62	59,438	0.03807	0.01030
Self-employed in Non-agriculture	29.18	25,151	0.05667	0.01722	24.09	24,260	0.04533	0.01270
Agricultural Labour	52.97	96,059	0.12516	0.04229	44.64	101,028	0.09680	0.03045
Other Labour	35.82	17,679	0.07079	0.02156	27.79	14,973	0.05696	0.01705
Others	21.69	13,607	0.04910	0.01623	14.93	10,718	0.02922	0.00936

**Table 2U: Poverty Measures by Household Type and Social Group, All India: Urban:
1993-94 - 1999-2000.**

Category	1993-94				1999-2000			
	HCR (%)	No. of Poor (000)	PGI	FGT*	HCR (%)	No. of Poor (000)	PGI	FGT*
Scheduled Castes	42.85	13,956	0.10778	0.03876	37.84	15,041	0.08766	0.02894
Scheduled Tribes	33.63	2,537	0.08353	0.02975	35.15	3,304	0.08980	0.03350
Others	23.39	45,580	0.05110	0.01673	20.01	45,482	0.04209	0.01298
(OBCs in others)	(NA)	(NA)	(NA)	(NA)	(28.99)	(24,385)	(0.06245)	(0.01952)
Self-employed in Agriculture	28.50	25,968	0.06285	0.02022	26.11	28,316	0.05472	0.01671
Regular Wage/Salaried Employees	15.62	15,653	0.02969	0.00886	11.36	12,558	0.02095	0.00573
Casual Labour	57.25	17,742	0.15200	0.05572	49.95	19,781	0.12490	0.04336
Others	21.05	2,666	0.05300	0.02234	16.85	2,999	0.03769	0.01364

Table 3R: Percentage Change between 1994 and 2000 in Total Population, Poor Population and Other Poverty Indicators for All-India Rural Population by Household Type and Social Group

Percentage Change between 1993-94 and 1999-2000

Household Category	Total Rural Population	Rural Poor Population	HCR	PGI	FGT*
I. Social Groups					
Scheduled Castes	6.83	-10.26	-16.07	-23.62	-29.93
Scheduled Tribes	6.99	5.06	-1.68	-2.79	-5.65
Others	12.05	-7.98	-17.92	-23.29	-28.43
All Households	10.41	-6.57	-15.38	-20.47	-25.43
II. Means of Livelihood Category					
Self-employed in Agriculture	-1.62	-19.53	-17.10	-22.98	-28.77
Self-employed in Non-Agriculture	16.87	-3.54	-17.44	-20.01	-26.25
Agricultural Labour	24.84	5.17	-15.73	-22.66	-28.00
Other Labour	9.15	-15.31	-22.42	-19.54	-20.92
Others	14.39	-21.23	-31.17	-40.49	-42.33

Table 3U: Percentage Change between 1994 and 2000 in Total Population, Poor Population and Other Poverty Indicators for All-India Urban Population by Household Type and Social Group

Percentage Change between 1993-94 and 1999-2000

Household Category	Total Urban Population	Urban Poor Population	HCR	PGI	FGT*
I. Social Groups					
Scheduled Castes	22.12	7.77	-11.69	-18.67	-25.34
Scheduled Tribes	24.59	30.23	4.52	7.51	12.61
Others	16.62	-0.22	-14.45	-17.63	-22.41
All Households	17.64	2.85	-12.57	-16.00	-20.79
II. Means of Livelihood Category					
Self-Employed	19.05	9.04	-8.39	-12.94	-17.36
Regular Wage / Salaried Workers	10.28	-19.77	-27.27	-29.43	-35.33
Casual Labour	27.85	11.49	-12.75	-17.94	-22.18
Others	40.58	12.49	-19.95	-28.89	-38.94

Table 4R: Percentage Distribution of Rural Population and (Rural Poor Population) by Social Groups Cross Classified by Means of Livelihood: All-India 1993-94 - 1999-2000

Social Group/Household Type	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed Agriculture	4.77 (4.93)	4.52 (5.72)	33.12 (21.69)	42.40 (32.34)	3.91 (4.07)	4.13 (5.70)	29.75 (18.48)	37.79 (28.25)
Self-employed Non-agriculture	2.35 (2.45)	0.68 (0.91)	10.04 (7.80)	13.08 (11.16)	2.62 (2.97)	0.58 (0.82)	10.62 (7.73)	13.82 (11.52)
Agricultural labour	9.96 (16.61)	3.82 (6.65)	13.74 (19.36)	27.52 (42.62)	10.47 (16.72)	4.34 (9.10)	16.30 (22.20)	31.11 (48.02)
Other Labour	2.16 (2.42)	1.06 (1.43)	4.27 (3.99)	7.49 (7.84)	1.97 (2.23)	0.85 (1.30)	4.59 (3.59)	7.41 (7.12)
Others	1.86 (1.79)	0.75 (0.74)	6.90 (3.50)	9.52 (6.03)	1.50 (1.16)	0.60 (0.49)	7.77 (3.44)	9.87 (5.09)
All MoL Categories	21.11 (28.19)	10.83 (15.45)	68.07 (56.35)	100.00 (100.00)	20.47 (27.15)	10.49 (17.41)	69.04 (55.44)	100.00 (100.00)

Table 4U: Percentage Distribution of All India Urban Population and (Rural Poor population) by Social Groups x Means of Livelihood Categories 1993-94 – 1999-2000

Social Group/ MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed	3.66 (6.44)	0.86 (1.29)	34.26 (34.14)	38.78 (41.87)	4.02 (7.92)	0.86 (1.38)	34.36 (35.21)	39.24 (44.51)
Regular Wage Salaried Workers	5.82 (5.98)	1.50 (1.25)	35.33 (17.99)	42.65 (25.22)	5.63 (4.43)	1.41 (1.23)	32.97 (14.07)	40.01 (19.73)
Casual Labour	3.76 (9.18)	0.61 (1.31)	8.82 (18.12)	13.19 (28.61)	4.02 (10.22)	0.82 (2.29)	9.47 (18.54)	14.31 (31.05)
Others	0.62 (0.90)	0.25 (0.24)	4.52 (3.16)	5.39 (4.30)	0.71 (1.04)	0.28 (0.30)	5.45 (3.38)	6.44 (4.72)
All MoL Categories	13.86 (22.50)	3.21 (4.09)	82.93 (73.41)	100.00 (100.00)	14.38 (23.60)	3.37 (5.20)	82.25 (71.20)	100.00 (100.00)

**Table 5R HCR: Head Count Ratio for All-India Rural Population by Social Groups
Cross Classified by Means of Livelihood: 1993-94 – 1999-2000**

(Percent)

Social Group/Household Type	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed in Agriculture	35.34	43.30	22.40	26.08	30.11	39.97	17.97	21.62
Self-employed Non-agriculture	35.59	45.82	26.57	29.18	32.76	40.87	21.06	24.09
Agricultural labour	57.02	59.51	48.19	52.97	46.20	60.69	39.39	44.64
Other Labour	38.34	46.25	31.99	35.82	32.82	44.22	22.59	27.79
Others	32.98	33.88	17.36	21.69	22.45	23.55	12.81	14.93
All	45.69	48.81	28.30	34.19	38.38	48.02	23.23	28.93

Table 5R PGI: Poverty Gap Index for All-India Rural Population by Social Groups Cross Classified by Means of Livelihood Categories: 1993-94 - 1999-2000

Social Group / MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed Agriculture	0.07223	0.10105	0.03911	0.04943	0.05347	0.08999	0.02889	0.03807
Self-employed Non-agriculture	0.07184	0.10792	0.04959	0.05667	0.06338	0.09430	0.03826	0.04533
Agricultural labour	0.13735	0.15121	0.10902	0.12516	0.09958	0.15263	0.08021	0.09680
Other Labour	0.07586	0.09597	0.06203	0.07079	0.07139	0.08951	0.04475	0.05696
Others	0.07670	0.08834	0.03746	0.04910	0.04226	0.06118	0.02424	0.02922
All MoL Categories	0.10369	0.11780	0.05603	0.0728	0.07920	0.11451	0.04298	0.0579

Table 5R FGT*: The FGT* Poverty Measure for All-India Rural Population by Social Groups Cross Classified by Means of Livelihood Categories: 1993-94 - 1999-2000

Social Group/ MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed Agriculture	0.02220	0.03372	0.01072	0.01446	0.01441	0.02850	0.00725	0.01030
Self-employed Non-agriculture	0.02207	0.03851	0.01460	0.01722	0.01838	0.03007	0.01037	0.01270
Agricultural labour	0.04700	0.05401	0.03561	0.04229	0.03100	0.05317	0.02407	0.03045
Other Labour	0.02347	0.02958	0.01862	0.02156	0.02272	0.02613	0.01295	0.01705
Others	0.02583	0.03301	0.01184	0.01623	0.01274	0.02551	0.00747	0.00936
All MoL Categories	0.03435	0.04072	0.01692	0.0232	0.02407	0.03842	0.01211	0.0173

Table 5U HCR: Head Count Ratios for All-India Urban Population by Social Groups Cross Classified by Means of Livelihood Categories: 1993-94 - 1999-2000

(Percent)

Social Group/ MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed	46.44	39.71	26.30	28.50	45.28	36.95	23.59	26.11
Regular wage/salaried workers	27.11	22.07	13.44	15.62	18.12	20.16	9.83	11.36
Casual Labour	64.44	56.85	54.21	57.25	58.49	63.89	45.08	49.95
Others	38.14	25.74	18.45	21.05	33.89	24.91	14.26	16.85
All MoL Categories	42.85	33.63	23.39	26.41	37.84	35.15	19.98	23.09

**Table 5U PGI: Poverty Gap Index for All-India Urban Population by Social Groups
Cross Classified by Means of Livelihood Categories: 1993-94 – 1999- 2000**

Social Group / MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed	0.11334	0.09626	0.05660	0.06285	0.09975	0.08711	0.04864	0.05472
Regular wage/salaried workers	0.05513	0.04906	0.02466	0.02969	0.03432	0.04589	0.01762	0.02095
Casual Labour	0.18176	0.16352	0.13852	0.1520	0.15094	0.17606	0.10951	0.12490
Others	0.12035	0.05242	0.04383	0.0530	0.08088	0.07719	0.03014	0.03769
All MoL Categories	0.10778	0.08353	0.05110	0.0600	0.08766	0.08980	0.04209	0.0504

Table 5U FGT*: The FGT* Poverty Measure for All-India Urban Population by Social Groups Cross Classified by Means of Livelihood Categories: 1993-94 - 1999-2000

Social Group / MoL Categories	1993-94				1999-2000			
	Scheduled Castes	Scheduled Tribes	Others	All Social Groups	Scheduled Castes	Scheduled Tribes	Others	All Social Groups
Self-employed	0.03840	0.03366	0.01793	0.02022	0.03232	0.03058	0.01454	0.01671
Regular wage /salaried workers	0.01686	0.01513	0.00727	0.00886	0.00909	0.01616	0.00471	0.00573
Casual Labour	0.06928	0.06636	0.04920	0.05572	0.05277	0.06596	0.03746	0.04336
Others	0.06151	0.01507	0.01739	0.02234	0.03170	0.03896	0.01003	0.01364
All MoL Categories	0.03876	0.02975	0.01673	0.0202	0.02894	0.03350	0.01298	0.0160

Table 6R: Percentage Change (1993-94 and 1999-2000) in Poverty Indicators by Socio-Economic Categories of All-India Rural Population

Socio-Economic Category	HCR	PGI	FGT*
Scheduled Castes			
1. Self-Employed Agricultural	-14.80	-25.97	-35.09
2. Self-Employed Non-Agricultural	-7.95	-11.78	-16.72
3. Agricultural Labour	-18.98	-27.50	-34.04
4. Other Labour	-14.40	-5.89	-3.20
5. Others	-31.93	-44.90	-50.68
All Scheduled Castes	-16.00	-23.62	-29.93
Scheduled Tribes			
1. Self-Employed Agricultural	-7.69	-10.95	-15.48
2. Self-Employed Non-Agricultural	-10.80	-12.62	-21.92
3. Agricultural Labour	1.98	0.94	-1.56
4. Other Labour	-4.39	-6.73	-11.66
5. Others	-30.49	-30.74	-22.72
All Scheduled Tribes	-1.62	-2.79	-5.64
Others			
1. Self-Employed Agricultural	-19.78	-26.13	-32.37
2. Self-Employed Non-Agricultural	-20.74	-22.85	-28.97
3. Agricultural Labour	-18.26	-26.43	-32.41
4. Other labour	-29.38	-27.86	-30.45
5. Others	-26.20	-35.29	-36.91
Social Groups Others	-17.92	-23.29	-28.42
MoL Category, All Social Groups			
MoL Categories, All Social Group	-17.10	-22.98	-28.77
Self-Employed Non-Agricultural	-17.44	-20.01	-26.25
Agricultural Labour	-15.73	-22.66	-28.00
Other Labour	-22.42	-19.54	-20.92
Others	-31.17	-40.49	-42.33
All Households	-15.38	-20.47	-25.43

Table 6U: Percentage Change (1993-94 – 1999-2000) in Poverty Indicators by Socio-Economic Categories of All- India Urban Population

Socio-Economic Category	HCR	PGI	FGT*
Scheduled Castes			
Self-Employed	-2.50	-11.99	-15.83
Wage/Salaried Earner	-33.16	-37.75	-46.09
Casual Labour	-9.23	-16.96	-23.83
Others	-11.14	-32.80	-48.46
All Scheduled Castes	-11.69	-13.67	-25.34
Scheduled Tribes			
Self-Employed	-6.95	-9.51	-9.15
Wage/Salary Earner	-8.65	-6.46	6.81
Casual Labour	12.38	7.67	-0.60
Others	-3.22	47.25	158.53
All Scheduled Tribes	4.52	7.51	12.61
Others			
Self-Employed	-10.30	-12.52	-18.91
Wage/Salary Earner	-26.86	-28.55	-35.21
Casual Labour	-16.84	-20.94	-23.86
Others	-22.71	-31.23	-42.50
Social Groups Others	-14.45	-17.63	-22.41
MoL Category, All Social Groups			
Self-Employed	-8.39	-12.94	-17.36
Wage/Salary Earner	-27.27	-29.43	-35.33
Casual Labour	-12.75	-17.94	-22.18
Others	-19.95	-28.89	-38.94
All Households	-12.57	-16.00	-20.79

Table 7: Poverty Across Social and Economics in India: A Measure of Between- group Disparity and Disparity-Adjusted Measures of Poverty: All-India, 1993-94 – 1999-2000 Panel A: Rural India

Item	Head Count Ratio (%)		Poverty Gap Index		Squared Poverty Gap (FGT*)	
	1993-94	1999-2000	1993-94	1999-2000	1993-94	1999-2000
Unadjusted Poverty Measure: P	34.20	28.93 (-15.4)	0.0728	0.0579 (-20.5)	0.0232	0.0173 (-25.4)
Disparity Measure: G*	0.2610	0.2933 (12.4)	0.3438	0.3915 (13.9)	0.4088	0.4663 (14.1)
Inflation Factor: k (%)	29.8	33.5	39.3	44.7	46.7	53.3
Adjusted Measure of Poverty: P*	44.40	38.63 (-13.0)	0.1014	0.0838 (-17.4)	0.0340	0.0266 (-21.6)

Panel B: Urban India

Item	Head Count Ratio (%)		Poverty Gap Index		Squared Poverty Gap (FGT*)	
	1993-94	1999-2000	1993-94	1999-2000	1993-94	1999-2000
Unadjusted Measure: P	26.39	21.69 (-17.8)	0.0599	0.0502 (-16.2)	0.0202	0.0160 (-20.8)
Disparity Measure: G*	0.4930	0.5313 (7.8)	0.6715	0.7496 (11.6)	0.8398	0.9502 (13.2)
Inflation Factor: k (%)	58.3	62.8	79.4	88.6	99.2	112.3
Adjusted Measure of Poverty: P*	41.77	35.31 (-15.5)	0.1074	0.0947 (-11.9)	0.0402	0.0340 (-15.5)

Notes

- 1: Figures in brackets indicates percentage change over base year (1993-94) values.
- 2: k, the inflation-factor = $\left(\frac{K+1}{K-1}\right) \times G^*$, where K = the number of mutually-exclusive and exhaustive socio-economic groups into which the population is divided. For Rural India, K = 15 and for Urban India, K = 12.
- 3: $P^* = (1+kG^*)P$

Table 7A: Estimates of Index of Relative Between-Group Disparity in Poverty with Actual and Uniform Population Shares for the Prevalence, Depth and Severity Measures of Poverty for All-India Rural and Urban Population 1993-94 and 1999-2000

Population Segment/item	Headcount Ratio		PGI		Squares Poverty Gap (FGT*)	
	1993-94	1999-2000	1993-94	1999-2000	1993-94	1999-2000
All-India Rural						
Disparity-Index with Actual Population Share: G*	0.2610	0.2933	0.3438	0.3915	0.4088	0.4663
Disparity Index with Equal Population Shares: G**	0.1584	0.2002	0.2002	0.2408	0.2268	0.2667
All-India Urban						
Disparity-Index with Actual Population Shares: G*	0.4930	0.5313	0.6715	0.7476	0.8398	0.9502
Disparity-Index with Equal Population Shares: G**	0.2286	0.2378	0.2798	0.3006	0.3218	0.3203S

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