**Growth Driven Poverty: Some Observations**

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***Abstract***

*In India, the poverty appears to be growth driven. Over the six decades of planning, there has been reduction in relative poverty but in absolute terms the poverty ratio has increased or kept constant. The focus of planning has been on achieving growth trajectory rather than striking the milieu of poverty of the masses. In this growth propelling mechanism, richer class stood to gain, but the poorer class reached at losing end. This iniquitous distribution of income emanate from low payment arising to the working class, which is reinforced by the larger number of people engaged in agriculture (nearly 60%). The large numbers of rural dwellers are either agricultural labor, very small or marginal farmers. Therefore, the unfair distribution of producing asset (agriculture farms in the villages and non-agriculture producing asset in the villages as well as in the urban area) has proved to be an embryo of this gigantic poverty in India.*

**Keywords:** trajectory, gigantic, peasantry, purge, skinner, dereliction, variability

**Introduction**

The total population in India at the time of independence was nearly 260 million (350 million undivided India). Out of which, nearly 192 million (74%) population was living below the poverty line. Presently, Indian population has exploded to the tune of 1210 million. Nearly 447 million populations are still living below poverty line, which is 37.2 per cent of total population (According to S. D Tendulkar Panel Report). On comparison, it was found that poverty in relative terms has dwindled from 74 per cent to just half that is 37.2 per cent, but poverty in absolute terms has grown from 192 million to 447 million which is nearly two and half times. In nutshell, the number of poor people has grown over the six decades of planning. Broadly, there could be few reasons. One reason is that there has not been fair distribution of producible capital stock both in the rural and in the urban areas. The second reason could lie in the unfair distribution of wages to be paid to the weaker sections of the society. The third and the most important reason could be the lack of thrust of the government on the village based small and cottage industries.

The Planning Commission adopted the development of basic and heavy industries as the core area in the Second Five Year Plan in the year 1955 itself, whereas the tiny, small and cottage industries were relegated to the background as it was assumed that growth percolation effect will automatically embrace the large sections of the population. The faith of the economists regarding the trickledown effect of the growth propelling mechanism has failed in ameliorating the plethora of poor people. The Government of India provided various feeder schemes to the large scale private industries to get cheap loan even more often, without any collateral security. In the event of loss or frivolous loss, the recovery of loan has posed formidable problems to the banks. The banks failing to recover the loan had to simply write-off the loans. Consequently, the written-off -loans have formed gigantic problem of non-performing asset of the banks. To overcome these non-performing assets, the Reserve Bank of India has been extending various assistances to these banks to avoid their failures leading to bankruptcy.

The unchecked growth of the money has further aggravated the problems in the forms of inflation, which in turn, impacted very badly the poorest of the poor. Government has also adopted very lenient view in granting relief packages to the industries in order to combat the recession. Even after couple of decades of liberalization process initiated in the Indian economy, the industries do not clinch on account of being competitive as profit and loss could be the two sides of the same coin. During boom period, these industries plough back heavy profit in their treasure and only small fraction of profit is distributed among the shareholders. Why these industries are not paying some extra tax to the government as the reward to the government during the boom period of the economy, to be eligible to get the relief packages during the recessionary period. Why these industries are shown only one side of the coin i.e. profit only.

The kind of distributive standards our government has introduced will go miles ahead in curbing poverty from the nation. Boom period, undoubtedly, is the blissful occasion for the industrial environment, resulting into high profit to the industrial houses. But recessionary period vitiates the entire industrial environment. The reward granted to the industries in the form of relief packages are legitimated on the ground of strengthening the industrial environment of the country. I raise couple of questions:

Question 1: Does the government have any such relief packages for the poorest of the poor such as dearness allowance to overcome the difficulties of menace of inflation which compress the burgeoning budget of this teetering class?

Question 2: Does the government have any such relief packages to bestow to those poor people who lose job due to recession? The poor people are allowed to live on the brink of disaster; no disaster management theory helps to tide-over these formidable difficulties arising out on account of recession as well as inflation.

Moral of the story 1: Private industrial houses are protected in the event of being hit from the recessionary trends and allowed to reap maximum possible profits during the inflationary period.

Moral of the story 2: Poor people are doubly impacted due to loss of job during recessionary times and by paying high prices due to inflation during the boom period. This boom period of the industrial houses becomes doom period for the poorest of the poor.

Objectives of the study are:

1. To present the changing paradigm of the poverty emanating from the morass of the poor people.
2. To examine the dereliction of the government policies to solve the problem of poor people.
3. To present the variability in the incidence of the poverty ratios of the states.

The pioneering contribution of Prof. Tendulkar on poverty and estimation of people living below poverty line (BPL) can be used to explain the complete morass of the have not class. In his report submitted in November 2009 as Chairman of an expert group on the methodology for estimation of poverty constituted by the Planning Commission, he estimated that “every third Indian is living in poverty and the number of the poor has shot up by nearly 10 per cent to over 37 per cent. The report pointed out that 41.8 per cent of the rural population spends a meager sum of Rs. 447 a month on essential necessities like food, fuel, light, clothing and footwear”. Rural poverty was projected at 41.8% and urban at 25.7% by the committee, as against official estimates of 28.3% and 25.7% for rural and urban population, respectively. Prof. S.D. Tendulkar has used a different methodology to reach at the current figure. It has taken into consideration indicators for heath, education, sanitation, nutrition and income as per National Sample Survey Organization estimate of 2004-05. Since 1972, poverty has been defined on basis of the money required to buy food worth 2100 calories in urban areas and 2400 calories in rural areas. The Tendulkar panel made four major departures from the past practices. First, it moved away from the calorie intake criteria for determining poverty line. Instead, it tests for adequacy of actual food expenditure near the poverty line to ensure aggregate nutrition, rather than just calories. Second, it has recommended adoption of uniform BPL for the urban and rural population, breaking away from the past practice of two separate baskets. This has been done to get rid of the problem of outdated BPL, a major criticism of the existing poverty line. Third, it has suggested a new price adjustment procedure based in the same data set as the one used for poverty estimation, rejecting the earlier practice of using price indices that are generated externally, specific to population segments and were outdated. And fourth, it incorporates explicit provision in the price expenditure on health and education, which in any case has been rising. The official poverty estimate, in contrast, assumes basic health care and education services would be provided by the state, and although the 1973-74 bases takes note of the private expenditure on these items, it does not take into account the increase in the proportion for total expenditure over the years. In June this year, a Government Committee headed by N.C. Saxena estimated 50% Indians were poor as against Planning Commission’s 2006 figure of 28.5%.

Recent development in the Indian planning history has created debatable controversy that the criteria for the estimation of people living below poverty line has been fixed at earning of Rs. 32 per day (Rs. 965 per month) for those living in the urban areas and Rs. 26 per day (Rs. 781 per month) for those living in the rural areas. This criterion is based on the notional price index of 2004-05, recommended by Prof. Suresh Tendulkar, Chief of Prime Minister's Economic Advisory Council (PMEAC). As per this estimate, a family of five spending less than Rs 4,824 (at June, 2011, prices) in urban areas will fall in the BPL (Below Poverty Line) category. The expenditure limit for a family in rural areas has been fixed at Rs 3,905. The number of poor entitled to BPL benefits, as per the affidavit, has been estimated at 40.74 crore, as against 37.2 crore estimated at the time of accepting the Tendulkar Committee Report. The revised poverty lines has drawn criticism from various sections of the society as the renewed figures would keep out majority of the country's population from receiving welfare benefits of the government.

But this has few intimidating impact on the amelioration of poverty.

Firstly, the wages paid to the workers under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme is already at very low level of Rs. 120 per day at 2009 prices. The Central government outlay for this scheme is Rs. 40,000 crores in the financial year 2010-11. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled unemployed workers living in rural India. Around one –third of the stipulated work force is women. Therefore, there would be skinner growth in the payment of wages to the workers falling under the ambit of MGNREGA.

Secondly, the Planning Commission would be legitimately underestimating the number of people living below poverty line.

Thirdly, it would provide little more leverage to the industrial class to mount up their profits as these industrial classes would exploit the labour to pay less in accordance with Minimum Wages Act.

Fourthly, the present scenario of funding the food security scheme entails cost of over Rs. 45,000 crore a year, but the increased number of people living below poverty line by the Tendulkar committee would increase the funding cost to about Rs. 65,000 crore. Agreeing with the estimation of the expert group, Planning Commission Deputy Chairman Montek Singh Ahluwalia said: “Personally, I think the recommendation made by the Tendulkar Report regarding higher number of people that need to be covered under BPL schemes is reasonable”.

The frivolous standards set by the Planning Commission at the price index of 2004-05 is derision of poverty programmes and complete withdrawal of sympathy from the morass of already big chunk of population living below the poverty line. Economists like Prof. Montek Singh Ahluwalia are well versed about the implications of accepting 2004-05 price indexes now as the base period for determining the people living below the poverty line. The failures of the government agencies to purge the starvation of the people, has created another milestone among the challenges of combating poverty. Poverty dimensions can be gauged from the inter-state disparity during the year 2004-05 as presented in the table 1.

**Table 1. Estimates of poverty (Head count ratio %)**

|  |  |  |  |
| --- | --- | --- | --- |
| State | Rural | Urban | Total |
| Andhra Pradesh | 32.3 | 23.4 | 28.9 |
| Bihar | 55.7 | 43.7 | 54.4 |
| Chhattisgarh | 55.1 | 28.4 | 49.4 |
| Gujarat | 39.1 | 20.1 | 31.8 |
| Haryana | 24.8 | 22.4 | 24.1 |
| Jharkhand | 51.6 | 23.8 | 45.3 |
| Karnataka | 37.5 | 25.9 | 33.4 |
| Kerala | 20.2 | 18.4 | 18.7 |
| Madhya Pradesh | 53.6 | 35.1 | 48.6 |
| Maharashtra | 47.9 | 25.6 | 38.1 |
| Orissa | 60.8 | 37.6 | 57.2 |
| Punjab | 22.1 | 18.7 | 20.8 |
| Uttar Pradesh | 42.7 | 34.1 | 40.9 |
| West Bengal | 38.2 | 24.4 | 34.3 |
| All India | 41.8 | 25.7 | 37.2 |

Source: Tendulkar Panel Report 2004-05

**Analysis of Inter-State Disparity in the Poverty Ratio**

Poverty has many dimensions changing from place to place and across time. There are two inter-related aspects of poverty - Urban and Rural poverty. The causes of urban poverty predominantly are impoverishment of rural peasantry that forces them to move out of villages to seek some subsistence living in the towns and cities, the majority fails to get two meals a day. The causes of rural poverty are manifold including inadequate and ineffective implementation of anti-poverty programs. The overdependence on monsoon with non-availability of irrigational facilities often results in crop-failure and low agricultural productivity resulting farmers to be debt ridden. The rural communities tend to spend large percentage of annual earnings on social ceremonies like marriage; feast etc.

Analysis of incidence of poverty of selected states: An aggregated view

Poverty level is not uniform across India. It can be gauged without disaggregating into rural and urban poverty. The poverty level is below 25% in states like Kerala (18.7%), Punjab (20.8%) and Haryana (24.1%). But the states persisting poverty above 25% but below all India average (37.2%) are Andhra Pradesh (28.9%), Gujarat (31.8%), Karnataka (33.4%), and West Bengal (34.3%). The states having number of poor people more than all India average but less than 50% are Maharashtra (38.1%) and Uttar Pradesh (40.9%), Jharkhand (45.3%), Madhya Pradesh (48.6%) and Chhattisgarh (49.4%). The poverty scenario in states like, Bihar (54.4%) and Orissa (57.2%) is quite deplorable.

Analysis of incidence of rural poverty of selected states:

The vulnerability of the inter-state disparity in the poverty ratio can be viewed from the analysis of the rural-urban poverty ratios. It can be inferred from the data given in the table that in all cases, the incidence of the rural poverty is more gigantic as compared to the urban poverty. But the variance is more paramount in those cases where the poverty ratio is very high at aggregate level. On the contrary, this variance is of low magnitude in those cases when the poverty ratio is of moderate level. Incidence of rural poverty in various states of India can be classified into four categories.

First Category: In this category, an analysis of disparity in rural poverty suggests that the states portraying least poverty ratio of less than 25 per cent are Kerala (20.2%), Punjab (22.1%) and Haryana (24.8%).

Second Category: The states with poverty ratio above 25 per cent but below the all India average (41.8%) are Andhra Pradesh (32.3%), Karnataka (37.5%), west Bengal (38.2%), and Gujarat (39.1%). Andhra Pradesh and West Bengal have retained their position in terms of rural poverty and poverty on the whole, but Gujarat has lost its second position (total poverty) to fourth position (rural poverty). It can be inferred from the changing scenario that in Gujarat, rural poverty has deepened as compared to the urban poverty. Notwithstanding, in Karnataka rural poverty has been demonstrating low incidence of poverty as compared to the rural poverty of Gujarat.

Third Category: In this category, the states having rural poverty ratio above all India average but below 50 per cent are Uttar Pradesh (42.7%) and Maharashtra (47.9%). Some interesting inferences can be assimilated from the states falling in the third category. The inferences are; firstly, Maharashtra which otherwise occupied first position in this category of total poverty, lost to Uttar Pradesh. Secondly, the states like Jharkhand, Madhya Pradesh and Chhattisgarh which hitherto had fallen in this category in terms of aggregate poverty, lost their position and now demonstrates higher incidence of rural poverty of more than 50 per cent of population.

Fourth category: States having rural poverty of more than 50 per cent are grouped in this category. These are Jharkhand (51.6%), Madhya Pradesh (53.6%), Chhattisgarh (55.1%), Bihar (55.7%) and Orissa (60.8%). The deviation of rural poverty from aggregate poverty has become gloomier in states like Jharkhand, Madhya Pradesh and Chhattisgarh. Nevertheless, Bihar and Orissa are the poorest of the poor states of India.

Incidence of poverty in the rural sector can also be viewed from the pie-chart diagram. Higher percentages show the higher incidence of poverty, vice versa. On the top of it, Orissa showed maximum poverty incidence (10%) followed by Bihar, Chhattisgarh, and Madhya Pradesh (each 9%); Jharkhand, Maharashtra (each 8%); Uttar Pradesh, All India (each 7%); West Bengal, Gujarat, Karnataka (each 6%); Andhra Pradesh (5%); Haryana (4%); Kerala and Punjab (3%).

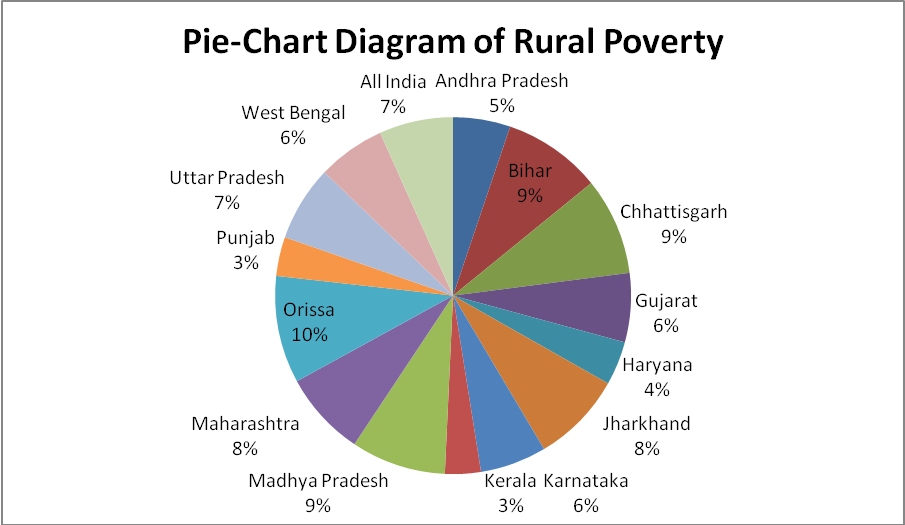


Figure 1 Pie-Chart Diagram of Rural Poverty

Analysis of incidence of urban poverty of selected states:

The topology of urban poverty can also be analyzed from the data given in the table. The selected states can be grouped into three broad categories based on the poverty ratio.

First Category:

States having poverty ratio of less than 25 per cent are Kerala (18.4%), Punjab (18.7%), Gujarat (20.1%), Haryana (22.4%), Andhra Pradesh (23.4%), Jharkhand (23.8%), and West Bengal (24.4%). An important inference can be drawn from the foregoing analysis of the poverty ratio data, is that more number of states have fallen in the first category where the incidence of poverty is seen to be moderate as compared to the analysis of rural poverty based on the same criterion.

Second Category:

In this category, the state having poverty ratio of more than 25 per cent but below all India average of (25.7%) is perhaps Maharashtra , the only state which account for poverty ratio of 25.6%.

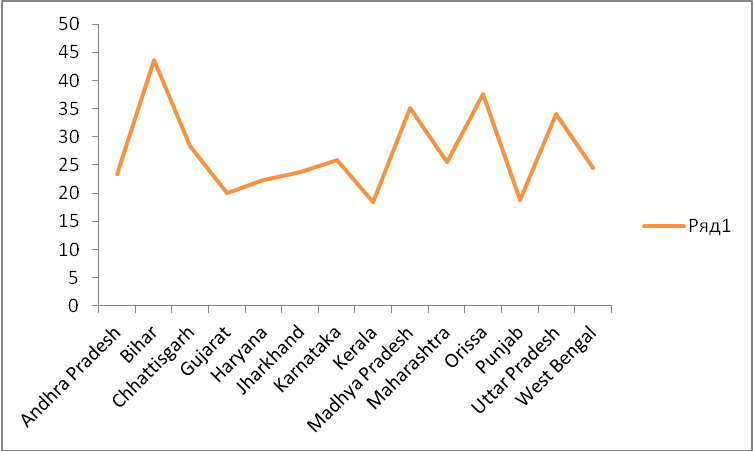
Third Category:

The states portraying poverty ratio of above all India average but below 50 per cent are: Karnataka (25.9%), Chhattisgarh (28.4%), Uttar Pradesh (34.1%), Madhya Pradesh (35.1%), Orissa (37.6%), and Bihar (43.7%).

No country falls under the fourth category as it was in the case of rural poverty.

Panoramic view of rural and urban poverty:

The rural poverty appears to be on back foot as the more number of states are conglomerated in the last categories, characterized by greater poverty ratios, whereas, in the case of urban poverty, more number of states occupy place in the early categories. This shows the greater incidence of poverty in the rural areas as compared to the urban poverty. The following diagram will corroborate this analysis.



**Figure 2. Diagram Portraying Incidence of Urban Poverty**

**Statistical testing of the Variability of Rural and Urban Poverty**

To delineate the incidence of poverty both in rural and urban areas, a more frequently used statistical technique, standard deviation and coefficient of variation techniques have been used. Standard deviation measures the absolute dispersion or variability of a distribution which is widely used in economics. It shows how much variation or dispersion there is from the average mean or expected value. A low standard deviation entails that the poverty data tend to be very close to the mean value of poverty. In other words, a small standard deviation means a high degree of uniformity of the observations as well as homogeneity of a series. In contrast, high standard deviation indicates that the data points are spread over a large range of values, and in such cases, greater will be the magnitude of the deviations of the values from their mean. The variance of a set of observations X₁, X₂,……..XN, denoted by ‘**s**’ is the sum of the squared root of the means of the squared deviations from the arithmetic mean, divided by (N-1), which can be expressed in the following form.

The variance and the standard deviation are by far the most useful and widely used measure of dispersion. Their advantages are that they use all of the data; they vary with the amount of dispersion; and, finally, they can be manipulated algebraically. In particular, the variance of two sets of data whose individual variance are known can be easily found. The measure of variation related to the standard deviation is called the coefficient of variation. It is the standard deviation expressed as a percentage of the mean, thus, the coefficient of variation represents the ratio of the standard deviation to the mean, and it is a useful statistic for comparing the degree of relative variation from one data series to another, even if the means are drastically different from each other. It can be expressed in the following form:

**C.V. =(s/\scriptstyle\overline{x}) ·100**

The coefficients of variation are comparable since they do not have any units. However, the coefficients of variation can also be used to compare the relative variability of distributions expressed in the same units. The standard deviation (**s**) computed on ungrouped data applied on coefficient of variation reveals that 32.69 per cent of population (rural-urban combined) is living below poverty line. The coefficient of variation in case of total (32.95%) is found to be less than the all India average (37.2%). The states having relatively lower incidence of poverty are Kerala, Punjab, Haryana, Andhra Pradesh and Gujarat. These are states portraying poverty ratios less than the values of coefficient of variation. States other than these are having poverty ratios more than the coefficient of variance are Maharashtra, Chhattisgarh, West Bengal, Karnataka, Jharkhand, Uttar Pradesh, Madhya Pradesh, Bihar and Orissa.

In case of rural poverty, the coefficient of variation has been found to be 31.80 per cent. The coefficient of variation is used to compare the relative variability of distributions as the ratio of the standard deviation to the mean. The coefficient of variation in the context of rural poverty (31.80%) is less than the all India average (41.8%). The states having rural poverty ratio below the value of coefficient of variation are Kerala, Punjab and Haryana. Large number of states are representing poverty ratio of more than the coefficient of variation. Greater the amount of dispersion or variability of the poverty ratio from the value of coefficient of variation, greater would be the incidence of poverty. Similar is the point in the context of rural India.

The computed values of coefficient of variation concerning to total poverty (rural-urban combined) and rural poverty taken separately have been found to be less than their respective all India average poverty ratios. But in the context of urban poverty, the coefficient of variation has been found to be 27.98 per cent which is marginally more than the all India average. The degree of dispersion can be estimated by comparing the values of two sets of data, one is the coefficient of variation and the other is poverty ratios of each state. On comparison, it was found that large number of states are having urban poverty ratios less than the coefficient of variation such as; Kerala, Punjab, Gujarat, Haryana, Andhra Pradesh, Jharkhand, West Bengal, Maharashtra and Karnataka. Only few states are found to have poverty ratios more than the coefficient of variation.

Another statistical technique of chi-square χ² statistic has been used to determine whether a frequency with which a given event has occurred, is significantly different from what we expected. In order to test the significance of χ², the calculated value of χ² is compared with the table value for the given degrees of freedom at a certain level of significance. If the calculated value of χ² is greater than the table value, the difference between the observed and the expected frequencies is considered significant. On the other hand, if the calculated value of χ² is less than the table value, the difference between the observed and expected frequencies is considered insignificant.

Formulation and Testing of Hypothesis

Hypothesis Number 1

1. There is no significant difference between poverty ratio of the rural area of each state (observed) and the average rural poverty ratio on All India basis. (Expected).

Null Hypothesis H: µ= 41.8

Alternative Hypothesis: H: µ≠41.8

1. H µ>41.8 (ii) H µ< 41.8

Test Statistic χ² =

Interpretation of the result:

The computed value of χ² for the rural area has been found to be 54.42. Since the sum of the 14 observed frequencies in the Table must equal 585.2, the expected frequency for the 14th cell can be determined as soon as the expected for the 1st 13th cells are known. Thus, the number of degrees of freedom is:

υ= k-1 (since the number of observations are 14) therefore the value of υ= 14-1=13

Using 0.05 level of significance, the value of χ²

Since the calculated χ² =54.42 is more than table value χ² therefore, the difference between the observed and the expected frequencies is considered significant. Thus, H: µ= 41.8 that the 14 states having equal incidence of poverty is rejected. The alternative hypothesis is proved to be true.

Result:

Accept H Reject H

(Using 0.05 level of significance) (Using 0.05 level of significance)

|  |  |
| --- | --- |
| Type II Error | Correct Decision |
| Correct Decision | Type I Error |

His True

H₁ is False

Hypothesis Number 2

There is significant difference between poverty ratio of the urban area of each state (observed) and the average urban poverty ratio on All India basis (Expected).

H = µ= 25.7

Alternative Hypothesis: H: µ≠25.7

1. H µ>25.7 (ii) H µ< 25.7

Test Statistic χ² =

Interpretation of the result:

The computed value for the urban area has also been attempted to delineate whether similar feature as it was witnessed in case of rural poverty has been observed. The computed value of χ² for the rural area has been found to be 30.57. Since the sum of the 14 observed frequencies in the Table must equal 359.8, the expected frequency for the 14th cell can be determined as soon as the expected for the 1st 13th cells are known. Thus, the number of degrees of freedom is:

υ= k-1 (since the number of observations are 14) therefore the value of υ= 14-1=13

Using 0.05 level of significance, the value of χ²

Since the calculated of χ²=30.57 is more than the table value χ² H = µ= 25.7 therefore, in this case reveals that the 14 states having unequal incidence of poverty is accepted. The alternative hypothesis is proved to be wrong.

Result:

Accept H Reject H

**(Using 0.05 level of significance) (Using 0.05 level of significance)**

|  |  |
| --- | --- |
| Correct Decision | Type I Error |
| Type II Error | Correct Decision |

His True

H₁ is Fals

Hypothesis Number 3

There is significant difference between total poverty ratios (urban area +rural area) of each state (observed) and the average poverty ratio (Total) on All India basis (Expected).

Null Hypothesis H: µ= 37.2

Alternative Hypothesis: H: µ≠37.2

1. H µ>37.2 (ii) H µ< 37.2

Test Statistic χ² =

Interpretation of the result:

The computed value of χ² for the total poverty has been found to be 52.58. Since the sum of the 14 observed frequencies in the Table must equal 520.8, the expected frequency for the 14th cell can be determined as soon as the expected for the 1st 13th cells are known. Thus, the number of degrees of freedom is

υ= k-1 (since the number of observations are 14) therefore the value of υ= 14-1=13

Using 0.05 level of significance, the value of χ²

Since the calculated χ²=52.58, which is more than table value χ² the null hypothesis number 3 reveals that the 14 states have equal incidence of poverty is not rejected. The alternative hypothesis is proved to be wrong.

Result:

Accept H Reject H

**(Using 0.05 level of significance) (Using 0.05 level of significance)**

|  |  |
| --- | --- |
| Correct Decision | Type I Error |
| Type II Error | Correct Decision |

His True

H₁ is False

Concluding Remarks:

After having estimated the extent of poverty by comparing the number of states with poverty ratios less than their own average on the one hand and the number of states having poverty ratios less than the value of coefficient of variation, this study culminated into some conclusive results. First of all, the degree of dispersion between the all India average and the coefficient of variation in the context of total poverty (rural- urban combined) resulted into identification of lesser number of states having least incidence of poverty using the technique of coefficient of variation. In contrast, the numbers of states having least poverty ratios were in large number, poverty ratios being compared with the all India average.

Alarming situations were observed in the context of rural poverty. There appeared to be significant deviations between two sets of data: one is the poverty ratio of all India average (41.8%) and the other is the coefficient of variation (31.8%). On comparing these two sets of data with the poverty ratios in the rural sector, it was found that the number of states falling within this category of states having less incidence of poverty, were more when compared with their own all India average. But the states having less incidence of poverty were found in small number when it was compared with the coefficient of variation. It can be inferred from the foregoing comparisons that the coefficient of variation was found better measure of dispersion, which results into lesser number of states having least incidence of poverty. Therefore, it can be concluded that the large number of states were found to have high incidence of poverty ratios.

An examination of incidence of urban poverty was also attempted. The analyses of the dispersion level of the higher value of coefficient of variation (27.98%) and the all India average poverty (25.7%) resulted into some interesting conclusions. A comparison of coefficient of variation value with the poverty ratios of these states reveal that large number of states were found to have less degree of urban poverty as compared to the estimates of comparing the poverty ratios with the all India average.

Comparison of both rural and urban incidence of poverty reveal that the higher degree of incidence was found in the context of rural poverty as compared to the urban poverty by using the technique of coefficient of variation. In this context, there appears to have dire need for launching vigorous programs to purge the deepening poverty from this nation.

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