

A Study on Poverty and Hunger in India

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Abstract

Poverty is not only a lack of adequate income but also an misery for life long suffering. It is a social phenomenon in which a part of a society is unable to complete even its basic requirement of life. What can we do but can't alleviate poverty, the level of poverty has not decline up to a certain mark in the world. India is continuing to face this issue though its development in many areas of operation. Article 25 (1) of the Universal Declaration of Human Rights of United Nations¹ states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services". This right is further supported in the International Covenant on Economics, Social and Cultural Rights and other things.. But this basic right is not conferred on many people.

The HDI shows that India stands in the 145th position among 193 countries with an index of 0.554 and is in the lowest ebb of the Medium Human Development. Hence this paper intends to study the intensity of poverty and hunger in India by appraising the indices like Global Hunger Index, BPL Index and Multidimensional Poverty Index calculated by various reputed institutions. The Human Poverty Index (HPI) uses indicators of the most basic dimensions of destitute of human life already reflected in the HDI like longevity, survival, knowledge and a good standard of living. Hence this study studies the Multidimensional Poverty Index, which also reflects the HDI.

1. Poverty in the World

Poverty is wide spread in this world with over 2.8 billion people living on less than \$3 a day' The inequacy can be emphasized from the fact that the GDP (Gross Domestic Product) of the 41 Heavily Indebted Poor Countries (567 million people) is less than the wealth of the world's top 9 richest people combined. Due to severe hunger and malnutrition, 10.6 million died in 2003 before they reached the age of 5 (or roughly 30,000 children per day). Almost half the world – over 3 billion people live on less than

\$ 3 a day and at least 80% of humanity lives on less than \$10 a day.

2. Poverty in South Asian countries

South Asia is the developing continent with the largest number of poor people. 38 percent of the world's 1.4 billion poor people live in South Asian countries. The absolute number of people living in extreme poverty increased from 548.3 million to 595.6 million between 1981 and 2005¹

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¹⁷ Country Briefing India, Multidimensional Poverty Index (MPI) At a Glance July 2010 Oxford Poverty and Human.

Those above are the statements of reputed organization about the increasing poverty and it's results in near future.

Poverty in India

India ranked 143th GNI PerCapita with 1410 US Dollars in 2011 and is named as lower middle income country under atlas method and is ranked 156 with under People Purchasing Price method an GNI Per Capita of 3590 International Dollars in 2011. Poverty in India is widespread, with the nation estimated to have a third of the world's poor. In 2010, the World Bank reported that 35% of the total Indian people falls below the international poverty line of US\$ 1.5\$ per day while 68.7% live on less than US\$ 2 per day.⁵

Poverty in India is mainly due to lack of government care and concern and the weaker section lack of knowledge by the rich. The main result of poverty is hunger. Hunger's seriousness can be understood easily from the fact that every year, 5 million children die from hunger related-causes around the world. (That is, 16,000 children die each day)

Estimates by NCAER (National Council of Applied Economic Research) show that 80 million households in India are in income levels of Rs. 45,000– 90,000 per year. These numbers also are more or less in line with the latest World Bank's estimates of the "below-the-poverty-line" households that may total about 456 million individuals.

In 1947, the average annual income in India was US\$ 620, compared with US\$ 469 for China, US\$ 750\$ for South Korea, and US \$936 for Taiwan. But, by 1999, the average annual income became US\$ 1,818 for India; US\$ 3,259 for China; US\$ 13,317 for South Korea and US\$ 15,720 for Taiwan

Poverty Line

Poverty is normally defined with respect to poverty line. Poverty line is a cut-off point on the line of distribution which divides the population as poor and non-poor. There is a huge discrepancy in fixing the poverty line in our country. The World Bank has fixed the international poverty line as US\$1.25 per day while the World Health Organization considers people living below US \$2 a day as poor. According to the latest data, the number of people living below the international poverty line in 2005 was 1.5 billion, or

close to 500 million⁹.

The ‘dollar-a-day poverty line’ has its roots in the (PPP) exchange rates generated by the International Comparison Program project, undertaken jointly by the United Nations Statistics Division, the World Bank and the University of Pennsylvania. The PPPs were used first to construct an “average” poverty line for a group of countries for which the International Comparison Program provided information and then to convert this common line into national currencies in order to estimate the incidence of poverty using national distributional data. The Program has produced three rounds of estimates: in 1985, when the Program covered 22 countries, with a poverty line of \$1 per person per day; in 2000-2001, when the estimates were revised using the PPP exchange rates of the Program’s 1993 round with a poverty line of \$1.08 per person per day; and in 2005, when the Program produced new estimates using its 2005 PPPs, with the poverty line raised to \$1.25 per person per day.

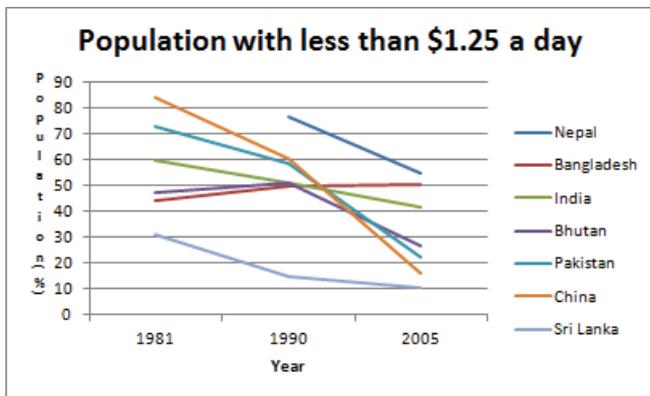
The poverty line in India was originally fixed in terms of income/food requirements in 1980. It was stipulated that the calorie standard for a typical individual in rural areas was 2500 calorie and was 2150 calorie in urban areas. Then the cost of the grains (about 650 gms) that fulfil this normative standard was calculated.

This cost was the poverty line. In 1978, it was Rs.61.80 per person per month for rural areas and Rs.74 for urban areas. Since then the Planning Commission calculates the poverty line every year adjusting for inflation. The Indian Planning Commission has taken efforts to mitigate the number of people living below poverty line by reducing the standards from the international \$1.25 per day to \$0.50 a day instead of improving their standard of living.

However, recently, after a lot of criticism, the poverty line had been increased to about a dollar per day (Rs. 73) in urban areas and a little lesser (Rs. 50) in the rural areas’ This income is the bare minimum to support the food requirements and does not provide much for the other basic essential items like health, education etc. That is why some times the poverty lines have been described as starvation lines.

Proportion of the population living on less than \$1.25 a day in countries of South Asia (%)			
Country	1981	1990	2005
Nepal	No data	77	54.7
Bangladesh	44.2	49.9	50.5
India	59.8	51.3	41.6
Bhutan	47.4	51	26.8
Pakistan	72.9	58.5	22.6
China	84.0	60.2	15.9
Sri Lanka	31	15	10.

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Source: World Bank, Development Research Group (2009)			



The above table shows the Percentage of the population living on less than \$1.25 a day in countries of South Asia. The reduction in poverty is extremely significant in China followed by Bhutan and Nepal. Poverty has increased in Nepal while very less decrease in poverty is seen in the other countries including India.

3. The Global Hunger Index of India

The Global Hunger Index is calculated by the International Food Policy Research Institute (IFPRI), The Food and Agriculture Organization (FAO) of the United Nations. The GHI ranks countries on a 100-point scale. Zero is the best score (no hunger), while 100 is the worst, although neither of these extremes has been reached practically.

The Global Hunger Index (GHI) combines three equally weighted indicators into an index number to reflect the multidimensional nature of hunger. The indicators are:

- Undernourishment: The proportion of undernourished as a percentage of the population (reflecting the share of the population with insufficient calorie intake);
- 1. Child underweight: The proportion of children younger than the age of five who are underweight (low weight for age reflecting wasting, stunted growth, or both), which is one indicator of child under nutrition; the prevalence of underweight children under the age of five.
- 2. Child mortality: The mortality rate of children younger than the age of five (partially reflecting the fatal synergy of inadequate dietary intake and unhealthy environments).

The Global hunger index is calculated as follows:

$$\text{Global Hunger Index GHI} = (\text{PUN} + \text{CUW} + \text{CM}) / 3$$

- PUN: proportion of the population that is undernourished (in %)
- CUW: prevalence of underweight in children younger than five (in %)
- CM: proportion of children dying before the age of five (in %)

Values less than 4.9 reflect "low hunger", values between 5 and 9.9 reflect "moderate hunger", values between 10 and 19.9 indicate a "serious" hunger problem, values between 20 and 29.9 indicate an "alarming" hunger problem, and values

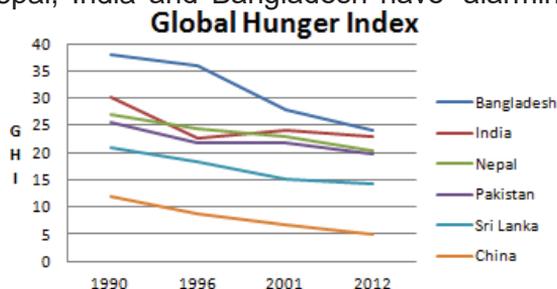
exceeding 30 indicate "extremely alarming" hunger problem.¹¹

To know the status of India in the regional level, an inter-country study has been attempted here. India and its few neighbours' hunger index are studied. The countries taken into consideration are Bangladesh, India, Nepal, Pakistan, Sri Lanka and China.

Global Hunger Index of India and Neighbouring Countries				
	1990	1996	2001	2012
	(with data from 1988-92)	(with data from 1994-98)	(with data from 1999-2003)	(with data from 2005-2010)
Bangladesh	37.9	36.1	27.8	24
India	30.3	22.6	24.2	22.9
Nepal	26.9	24.4	23	20.3
Pakistan	25.5	21.8	21.7	19.7
Sri Lanka	20.8	18.4	15.2	14.4
China	11.8	8.9	6.7	5.1

Source: Global hunger Index 2012 International Food Policy and Research Institute and Welthungerhilfe and Green Scenery and Concern Worldwide

There is a considerable reduction of hunger rate in all the countries on the whole. However, no country has come under the extreme categories of 'low' hunger problems and 'extremely alarming' hunger problems. China is the only country in the region with 'moderate' hunger problems. Sri Lanka and Pakistan have 'serious' hunger problems. Nepal, India and Bangladesh have 'alarming' hunger problems.



India stands in the 14th position from the last out of the 130 countries under the GHI.

From the above table and line chart, it is clear that Bangladesh ranks the lowest among the countries taken into consideration based on the hunger index even though it shows good improvement. India's record shows unsteady trend and has not shown much improvement. Nepal, Pakistan and Sri Lanka also show decrease in hunger index. The hunger level in China is remarkably low compared to the other countries

taken into consideration.

4. Multidimensional Poverty Index of India

The Multidimensional Poverty Index or MPI is an international poverty measure developed by the Oxford Poverty and Human Development Initiative (OPHI) for the United Nations Development Programme’s flagship Human Development Report in 2010.

The MPI is calculated using the formula,¹² $MPI = H \times A$

H - Percentage of people who are MPI poor (incidence of poverty) A - Average intensity of MPI poverty across the poor (%) Multidimensional

Poverty Index in India¹³

- Multidimensional Poverty Index – 0.296
- Number of MPI Poor People (in millions) – 650
- Total Population (in millions) – 1164.7
- Percentage of people with Income less than \$1.25 a day – 45%
- Percentage of people with Income less than \$2 a day – 76%
- Percentage of people with Income less than National Poverty Line – 30%
- Human Development Index – 0.554¹⁴
- HDI rank (193 countries) 145

Multidimensional Poverty across Indian States ¹⁵		
	MPI	Proportion of Poor
Kerala	0.06	15.5%
Goa	0.09	23.7%
Punjab	0.12	24.2%
Himachal Pradesh	0.13	30.0%
Tamil Nadu	0.14	35.4%
Uttaranchal	0.18	43.3%
Maharashtra	0.19	42.1%
Haryana	0.19	41.6%
Gujarat	0.20	41.5%
Jammu And Kashmir	0.20	43.8%
Andhra Pradesh	0.21	44.7%
Karnataka	0.22	46.1%
Eastern Indian States	0.30	57.6%
West Bengal	0.31	58.3%
Orissa	0.34	64.0%
Rajasthan	0.35	64.2%
Uttar Pradesh	0.38	68.9%
Chhattisgarh	0.38	71.5%
MP	0.38	70%

Jharkhand	0.46 3	77.0%
Bihar	0.49 9	81.4%
	0.29 6	55.4%

82 percent of the population in Bihar are multidimensional poor. Uttar Pradesh is the home of largest number of poor people – 23 percent of India’s poor people live here. The multidimensional poverty is lowest for Kerala. The top five states home only 4.5 percent of the poor, whereas, the five poorest states home more than 46 percent of the poor people.

5. Deprivation of each Indicator of MPI in India

The MPI uses 10 indicators to measure poverty in three dimensions. The percentages given represent the level of deprivation of that indicator in India.

Education

1. Schooling – 18% (no household member has completed five years of schooling)
2. Enrolment - 25.0% (any school-aged child is not attending school up to class 8)

Health

1. Child Mortality - 23% (any child has died in the family)
2. Nutrition – 40% (any adult or child is malnourished)

Living Standard

3. Electricity – 30% (the household has no electricity)
4. Sanitation – 50% (the household’s sanitation is not acc. to MDG guidelines or the facility is shared with other houses)
5. Drink. Water - 12% (the household does not have access to safe drinking water or it is available at more than a 30-minute walk roundtrip)
6. Floor – 40% (the household has a dirt, sand or dung floor)
7. Cooking Fuel – 52% (the household cooks with dung, wood or charcoal)
8. Assets – 38% (the household does not own more than one radio, TV, telephone, bike, motorbike or refrigerator and does not own a car or truck)

A person is considered poor if he is deprived in at least 33.33% of the weighted indicators. The intensity of poverty denotes the proportion of indicators in which they are deprived.

8. Conclusion

All the poverty indicators show that India is in a difficult situation. In fact, the entire South Asian region has to improve a lot. The reduction in poverty, especially in Bangladesh and India, from the data analysed under the WHO's poverty line is very slow. The Global Hunger Index and the Multidimensional Poverty Index ranking coupled together shows that India is very backward compared to the other western and Far East countries. Unless strong and immediate measures are taken in large and small scale, the poverty in India will become unrestrained. So, the government has to bring about valuable changes in its policy structures and its implementation.

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