



Dimensions of Urban Poverty in U.P. (India)

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Since independence, Indian policy makers focused on rural development in response to Gandhi ji's call that "India lives in its villages". As a result of it the problem of urban poverty was sidelined because the urban poors were seen as people who had greater access to opportunities in dynamic urban system. This neglect of problem of urban poverty caused a number of serious problems in urban areas like slums, widening income & wealth disparities, unhealthy environment, low literacy rate, health and nutrition problems etc.. With the passage of time the dimensions of urban poverty became alarming in India.

My research paper highlights the prevailing dimensions of urban poverty in (U.P.) India (the most populated province of India). This study is helpful in analyzing poverty comparisons or in the statistical terms the 'poverty gaps'. My whole paper is divided into four major segments. The first part of it deals with the nature of urban poverty and the utility of this specific study while the second part discusses the statistical tools to measure the dimensions of urban poverty whereas the third part analyses the existing dimensions of urban poverty in (U.P.) India based on data obtained form NSSO and the fourth part focuses on some problems related with urban poverty and few policy implications.

Part-1 Nature of Urban Poverty

Poverty in India has been the focus of many debates and policies for the last few decades. The curse of poverty is visible in both the rural and urban sectors of the Indian Economy. The nature of poverty in both the sector differs hence demands different policy framework to solve

the problem. In the rural sector the poors are in the form of small farmers, marginal farmers, landless labours and rural artisans whereas in the urban sector most of the poors are unemployed or underemployed or slum dwellers or daily wage earners, rickshaw pullers or migrated from rural centers to urban centers

Urban Poverty is a result of lack of job opportunities, low level of assets coupled with low returns and migration of people from rural areas to urban areas. This urban poverty is a multi-dimensional phenomenon. These urban poors have low earning capacities so they live with many deprivations even their basic amenities are not fulfilled. Their daily challenges may include:

- a- Limited access to employment opportunities and income*
- b- Inadequate and insecure land, housing and urban services*
- c- Violent and unhealthy environment*
- d- No social protection mechanism*
- e- Insufficient health and education opportunities*
- f- Social, economic and political disempowerment.*

This urban poverty poses several problems like low consumption level or standard of living, housing and shelter, drinking water, sanitation, health, education, social security etc. The study of urban poverty is helpful in the assessment of country's progress in the real terms as it encompasses in itself the growth with social justice or growth with poverty reduction strategies. These poor or downtrodden classes have been deprived of certain basic amenities so they demand for certain rights, such as:

- a- Right to livelihood*
- b- Right to Education*
- c- Right to Health & Nutrition*
- d- Right to shelter*
- e- Right to empowerment etc.*

Such types of poverty specific studies are conducted to evaluate the policies or projects for welfare purposes. Here dimensions of urban poverty in (U.P.) India are analyzed based on secondary data of NSSO to discuss the region-wise or district-wise poverty profiles. A good

poverty profile can help us to reveal a number of aspects related with poverty reduction policies and determines the sectoral priorities for public spending. Poverty profiles indicate how the aggregate poverty measure can be decomposed into poverty measures for various sub-groups such as by region, nature of employment, education level or caste group. Inter-temporal and inter-spatial poverty comparisons are conducted for overall assessment of government strategies from the point of view of the poor.

Measures of poverty take into account the significant consideration of sustainable development as it emphasizes on proper resource use and equitable distribution. The eradication of poverty remains a major challenge for policy makers because with time income disparities has widened viz. poverty gap has increased. Furthermore from an integral viewpoint which simultaneously takes into account of development issues, resource use, environmental quality and human welfare must take into account growth with social justice if goal of sustainable progress is to be achieved.

Part-2 Statistical Measurement of Poverty

Measurement of poverty is necessary in order to provide essential information for all programmes that aims to reduce poverty. World Bank discussion paper regarding poverty profile remarks. "Better and up-to-date information about the poor is essential to assist the government in designing effective policies for attacking poverty. Who are the poor ? How many are there ? Where do they live ? What are their sources of income ? So policies intended to help the poor can not succeed unless the government knows who the poor are and how they are likely to respond to the public interventions. Poverty in India has been defined as a situation in which an individual fails to earn sufficient income to purchase his bare means of subsistence. Poverty is quantified either on the basis of the individual income or on his consumption values. The most common method of poverty assessment is the computation of the consumption values of the individual. For maintaining uniformity in poverty comparisons poverty line is defined and measured in terms of minimum calories intake and converted it into monetary terms form budget data of an individual. In India urban poverty is defined in terms of calories intake at 2100 calories per capita per day whereas rural poverty as 2400 calories intake per capita per day.

Once a poverty line has been set up a number of statistics describing the incidence, depth and severity of poverty may be calculated which forms the basis of poverty analysis. These includes the head-count ratio (measures the incidence of poverty), the poverty gap (measures the depth of poverty) and the squared poverty gap (measures the intensity of poverty), however, the poverty distribution describes all forms of poverty statistics in a generalized form.

Poverty Gap Distribution Function:-All types of poverty statistics can be described by a general formula which is called poverty gap distribution function. It is described by following formula:

$$p(Y, Z) = \int_0^Z P(y,Z)f(y)dy$$

Here $p(Y, Z) = 1 - Y/Z$

This function in normal cases is homogeneous of degree zero in y and z, therefore, it is invariant to scale.

The generalized form of poverty gap distribution is

$$P_\alpha = \frac{1}{N} \sum_{i=1}^q \left(\frac{z - y_i}{Z} \right)^\alpha$$

It measures in different forms the real distance of the poor from the poverty line

When $\alpha=0$ we obtain head-count ratio

The $P_0 = \frac{Q}{N}$ head -count ratio

When $\alpha=1$ we obtain poverty gap ratio

$$P_1 = \frac{1}{N} \sum_{i=1}^q \frac{z - y_i}{Z} = \frac{Q}{N} \left(\frac{z - y_i}{Z} \right)$$

When $\alpha=2$ we obtain squared poverty gap index

$$P_1 = \frac{1}{N} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)^2 = \frac{Q}{N} \left(\frac{z - y_i}{z} \right)^2$$

In practical situation where α is greater than 2 is not dealt for poverty measurement. These poverty measures have the property of additively decomposable.

The Head-count Ratio:- Head-count 'H' is the number of persons whose income falls below the absolute poverty line z. whereas head-count ratio is the ratio of population for which consumption level or standard of living is less than the poverty line. It reflects the poverty percentages. It determines the percentage number of persons below the poverty line and but it does not deal with poverty gap. So

$$HC = \frac{1}{N} \sum_{i=1}^q 1 = \frac{Q}{N}$$

Where N= Total Population

Z= Poverty line

y_i = consumption/expenditure of household

$$y_1, \dots, \dots, \dots, \dots, y_q < z < y_{q+1} \dots \dots, y_n$$

Q = number of poor in the population

This head-count ratio is most commonly used ratio for poverty measures. It measures the incidence of poverty in the region. This measure is based on mean so it does not analyse the intensity of poverty in the region or it is indifferent to the differences in the depth of poverty. So the problem of severity of poverty amongst the poor households is not dealt by it.

Advantages-

- a. Simple to construct
- b. Easy to Understand

Disadvantages-

1. The head-count index ignores differences in well-being between different poor households. It assumes all poors are in the same situation.
2. The head-count index does not take into account the intensity of poverty so it is insensitive to differences in the depth of poverty.
3. Over time, the index does not change if individuals below the poverty line become poorer or richer, as long as they remain below the line.

Income Gap Ratio:- Income gap ratio measures the average proportionate shortfall below the poverty line.

So

$$\begin{aligned} \text{Income Gap Ratio} &= \frac{PG}{H} \\ &= 1 - \frac{\text{Mean Income of the poors}}{\text{poverty line}} \\ &= 1 - \frac{\mu^p}{Z} \end{aligned}$$

Where μ_p is the mean income of the poors.

$$\begin{aligned} \mu_p &= \frac{\text{wage rate} \times \text{Employment}}{\text{Head count ratio}} \\ &= 1 - \left(\frac{W_u * L_u}{1 - L_u} \right) * \frac{1}{Z} \end{aligned}$$

Adjusted Income Gap Ratio:-

$$M^* = M + (1 - M)G$$

M^* = Adjusted Income Gap Ratio

M = Income Gap Ratio

G = Ginni Coefficient

The Poverty Gap Index:- Let y denotes the standard of living or the consumption expenditure and the Z indicates the poverty line. The poverty gap is measured by the functions $p(y, z)$ where

$$p(y, z) = 1 - \frac{y}{z}$$

This is a cumulative distribution function which illustrates that if income level is equal or higher than poverty line then there exists no poverty gap, however, if income level is less than poverty line then there exists a poverty gap. The poverty gap index depends upon the proportionate poverty gap. It reflects the intensity of poverty viz. the distances of the poor people from the poverty line as well as the number of poor. Poverty gap indicates the potential for eliminating poverty by targeting transfer to the poor. It discusses the gap by which individuals or households fall below the basic needs as compared to the population which touches the poverty line. If this gap is fulfilled their poverty will be eliminated, therefore, it describes the cost of eliminating poverty. So poverty gap index is used to analyse the depth of poverty. It is an average which reflects the proportionate poverty gap in the population.

The chief characteristics of the poverty gap index are as follows:

1. Poverty gap index expresses the poverty gap as percentage of the basic needs of the poverty line.
2. It reflects the depth of poverty as it measures the distance of the poor below the poverty line.
3. It indicates the potential for eliminating poverty by targeting direct transfers to the poor.
4. It minimizes the discontinuity at the poverty line.
5. It measures the minimum cost of eliminating poverty by direct transfers assuming no distortion effects.

$$PGI = \frac{1}{N} \sum_{i=1}^q \frac{(z - y_i)}{N}$$

$$PGI = \frac{1}{N} \sum_{i=1}^q \left(1 - \frac{y_i}{z}\right)$$

$$= \frac{M}{N} \frac{(z - y_i)}{N} = H.M.$$

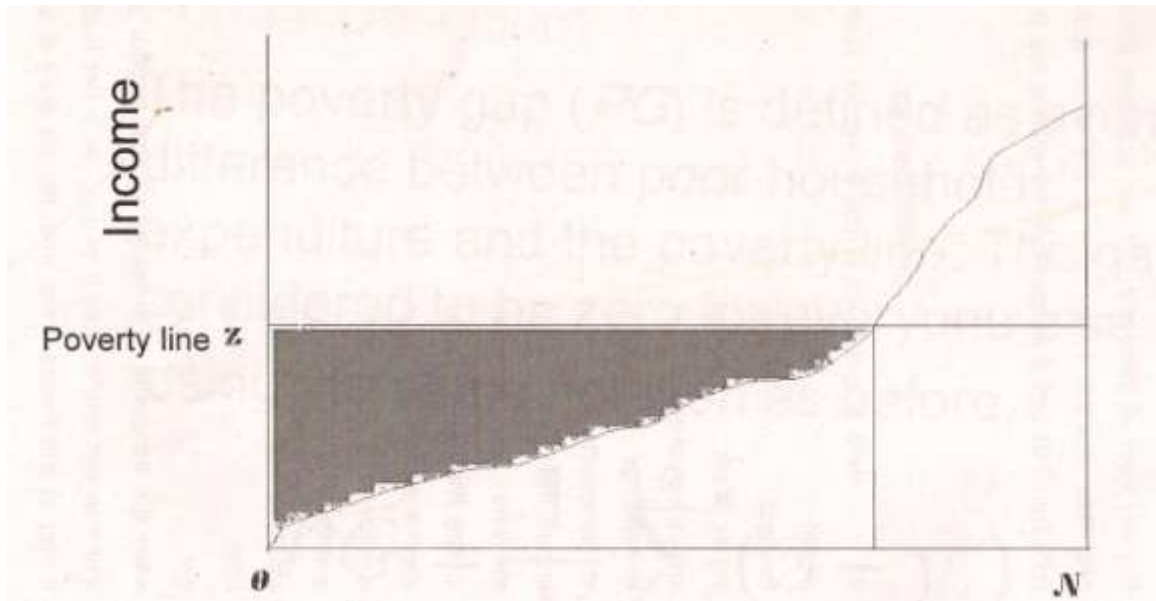
Advantages :

1. The PG or the PGI can be interpreted as the average shortfall of poor people. They show how much would have to be transferred to the poor to bring their expenditure up to the poverty line, and present it as an average (PG) or in terms of the poverty line (PGI).
2. The PG or PGI are the “minimum” cost for eliminating poverty with transfers (the cost to eliminate poverty with perfect targeting of the poor and no targeting costs or distortion effects).
3. The poverty gap has the virtue that it does not imply that there is a discontinuity (“jump”) at the poverty line.

Disadvantages:

1. PGI does not take into account the problem of inequality amongst the poor i.e. it does not discuss the problem of severity among themselves.
2. The money transfer amongst the poor will not change the P.G. or PGI if money transferred from a poor person to some one who is less poor.
3. The poverty gap is only weakly convex.

Graph Indicating Poverty gap (PG) and PG index.



Squared Poverty Gap Index:- Squared poverty gap index is the measure of severity of poverty or the measure of the degree of inequality amongst the poor which is sensitive to the distribution of living standards amongst the poor. In it the poverty gaps are squared. It is the average of the weighted sum to the individual poverty gap where the weights are the proportionate poverty gaps themselves (i.e. the squares). It gives greater weight-age to the poverty gap amongst the poorest households.

$$\text{Squared Poverty Gap} = \sum_{i=1}^q \left(\frac{z-y_i}{Z} \right)^2$$

$$\begin{aligned} Sq\ PGI &= \frac{1}{N} \sum_{i=1}^q \left(\frac{z-y_i}{N} \right)^2 \\ &= \frac{M}{N} \left(\frac{z-y_i}{Z} \right)^2 \end{aligned}$$

Advantages:-

1. It takes into account the severity of problem of inequality amongst the poor.
2. A transfer from a poor household to an even poor household would reduce the index.
3. It gives more weights to the poorest of the poor.
4. Two populations with same head count ratio can have similar levels of depth but severity of poverty can be different.

Disadvantages:-

1. It is difficult to interpret.

Part-III Dimensions of Urban Poverty in U.P.

Despite more than fifty years of planned efforts to establish poverty, India is still suffering from high incidence of poverty. During 1993-94 about 37% individuals in rural India were poor and the corresponding figures for urban areas was 32% however, during 2004-05 these poverty figures declined to 28% in rural area and 25% in urban areas. A sizeable portion of India's poverty belongs to U.P. with a massive poverty. An estimate by World Bank shows that 8% of

world's poor people belonged to U.P. during year 1998. Uttar Pradesh is the most populated state of India and all round development of the state is essential to sustainable high growth rate of the country as a whole. Challenge of poverty alleviation is, however, critical as high proportion of poor (20%) of the country resides in U.P. Despite impressive strides being made in the field of poverty alleviation a lot of people (48.8 million) still remain below the poverty line. U.P. hosts over 18 crores of population comprising of various heterogeneous regions and groups. U.P. is rich in natural and human resources and have a high potential of growth but lack of development coupled with deep rooted high poverty percentage and a large share in India population, U.P. acts as an obstacle in economic growth of country. Economic development of U.P. is slow and is lagging behind rest of India. The loss of effectiveness of public sector, discouragement of private investment and poor delivery of social and infrastructural services were the basic reasons for slow economic development of the state. The per capita net domestic product in U.P. in current prices doubled from Rs. 5066 in 1993-94 to Rs.10289 in 2002-03. In absolute terms the number of poors in U.P. declined from 59.3 millions in 1993-94 to 38.4 millions in 2002-03. The poverty rate in rural areas went down from 42.3 percent or 28.5 percent while in urban areas it declined from 35.1 to 32.3 percent. In this way the urban poverty rate in U.P. is now higher than other states. The estimated average income to cross the poverty line was 19884 for rural areas and 25546 for urban areas in the year 1993-94 which increased slightly to rupees 21950 for rural areas and 28996 for urban areas in the year 2002-03. Other poverty measures such as poverty gap and squared poverty gap reduced significantly form 1993-94 to 2002-03. Few poverty and income trends of U.P. are depicted in the following table no-01:

Table-01**Poverty Estimates for Uttar Pradesh : 1993-94 and 2002-03**

Poverty Measure	Poverty Estimates					
	1993-94(50 th Round)			2002-03(PSMS-II)		
	Overall	Rural	Urban	Overall	Rural	Urban
Number of Poors (in millions)	59.3	49.5	9.9	48.8	38.4	10.3
Poverty Line (in normal rupees)	-	213.01	258.65	-	346.37	460.21
Estimated average income to cross poverty line		19884	25546		21950	28996
Head-count Poverty Rate (%)	40.9	42.3	35.1	29.2	28.5	32.3
Poverty Gap	10.1	10.4	9.0	5.1	4.7	6.5
Squared Poverty Gap	3.5	3.5	3.3	1.3	1.2	1.9

Source: NSS 50th round Central sample & PSMS-II

Following table describes the inter-state variation of poverty in all its dimensions in rural India. The position of U.P. in the dimensions of poverty is in the middle with incidence (.432), intensity (.106) and severity (.036) in the year 1993-94. In this year the highest incidence (.582), intensity (.147) and severity (.005) was in Punjab followed by Andhra Pradesh. However in the year 2004-05 the lowest figures with incidence (.469), intensity (.121) and severity (.042) were for Orissa followed by Bihar and highest for Punjab with incidence (.100), intensity (.013) and severity (.002). The figures for U.P. for this year were incidence (.341), intensity (.067) and severity (.019). These figures show a remarkable decline in head-count ratio, poverty gap, and squared poverty gap of U.P. This indicates that rural U.P. has made good progress in reducing depth and severity of poverty.

Table-2**Incidence (H), Depth(PGI) and Severity (FGT) Measures of Poverty in India and fifteen major States (1993-94 to 2004-2005) : Rural**

States	1993-94			1999-2000			2004-05		
	H	PGI	FGT	H	PGI	FGT	H	PGI	FGT
A. Pradesh	0.159	0.029	0.008	0.111	0.018	0.005	0.108	0.20	0.006
Karnataka	0.299	0.063	0.020	0.174	0.032	0.008	0.200	0.027	0.006
T. Nadu	0.326	0.073	0.024	0.205	0.038	0.010	0.227	0.037	0.001
Kerala	0.258	0.057	0.019	0.094	0.015	0.004	0.132	0.028	0.009
W. Bengal	0.408	0.082	0.024	0.318	0.065	0.019	0.285	0.054	0.014
Bihar	0.582	0.147	0.050	0.442	0.087	0.024	0.431	0.083	0.023
Gujarat	0.222	0.040	0.011	0.132	0.023	0.006	0.194	0.034	0.009
Harayana	0.280	0.055	0.017	0.083	0.013	0.004	0.136	0.022	0.006
M.P.	0.406	0.094	0.031	0.371	0.075	0.022	0.382	0.078	0.023
Maharashtra	0.379	0.093	0.032	0.238	0.044	0.012	0.300	0.064	0.019
Orissa	0.497	0.119	0.039	0.481	0.108	0.035	0.469	0.121	0.042
Punjab	0.118	0.021	0.005	0.064	0.008	0.002	0.100	0.013	0.002
Rajasthan	0.265	0.052	0.015	0.136	0.020	0.005	0.190	0.029	0.007
Assam	0.450	0.083	0.022	0.401	0.084	0.026	0.217	0.035	0.009
U.P.	0.432	0.106	0.036	0.312	0.058	0.016	0.341	0.067	0.019
India	0.373	0.085	0.028	0.271	0.053	0.015	0.287	0.058	0.018
U.P.	0.353	0.090	0.032	0.309	0.049	0.013	0.303	0.072	0.023
India	0.324	0.081	0.028	0.237	0.052	0.016	0.259	0.062	0.020

Source: Unit level data from NSS 50th and 61st Rounds

Following table presents data on incidence, depth and severity of urban poverty in the major states of India. These figures show inter-state disparity with declining trend. In the year 1993-94 the incidence (.497), intensity (.137) and severity (.047) of poverty was in Orissa which decreased to incidence (.437), intensity (.141) and severity (.058) in the year 2004-05. Urban All India poverty figures in 1993-94 were incidence (.34), intensity (.081) and severity (.028) which declined to incidence (.259), intensity (.062) and severity (.020) in the year 2004-05. Lowest

poverty was in Punjab with incidence (.114), intensity (.017) and severity (.004) in 1993-94 which reduced to incidence (.050), intensity (.006) and severity (.001) in the year 2004-05. For urban U.P. the poverty figures were incidence (.303), intensity (.0901) and severity (.032) in 1993-94 which also shows a diminishing trend incidence (.287), intensity (.058) and severity (.018) in the year 2004-05. Thus during the study period overall decline in urban poverty was incidence (.086%), intensity (.027%) and severity (.010%) in urban U.P. Urban U.P. has registered a slower poverty reduction than urban all India average. Urban U.P. also exhibits slower reduction in poverty than rural U.P. Though urban area has less head-count ratio than rural U.P. but intensity and severity of poverty is higher in urban areas of U.P.

Table-no.3

Incidence (H), Depth (PGI) and Severity (FGT) Measures of Poverty in India and fifteen major States (1993-94 to 2004-2005) : Urban

States	1993-94			1999-2000			2004-05		
	H	PGI	FGT	H	PGI	FGT	H	PGI	FGT
A. Pradesh	0.382	0.092	0.031	0.265	0.055	0.016	0.271	0.061	0.019
Karnataka	0.402	0.113	0.043	0.252	0.056	0.018	0.333	0.089	0.031
T. Nadu	0.398	0.102	0.038	0.222	0.048	0.015	0.241	0.053	0.016
Kerala	0.245	0.056	0.019	0.203	0.039	0.011	0.206	0.047	0.016
W. Bengal	0.224	0.045	0.014	0.149	0.025	0.007	0.154	0.026	0.006
Bihar	0.346	0.079	0.025	0.330	0.067	0.019	0.317	0.093	0.003
Gujarat	0.279	0.062	0.019	0.156	0.024	0.006	0.142	0.025	0.007
Haryana	0.164	0.029	0.008	0.101	0.021	0.008	0.156	0.032	0.001
M.P.	0.484	0.135	0.050	0.385	0.096	0.032	0.334	0.034	0.048
Maharashtra	0.350	0.101	0.041	0.269	0.068	0.024	0.328	0.092	0.035
Orissa	0.497	0.137	0.043	0.428	0.110	0.038	0.437	0.141	0.058
Punjab	0.114	0.017	0.004	0.058	0.007	0.001	0.050	0.006	0.001
Rajasthan	0.305	0.070	0.022	0.197	0.035	0.009	0.285	0.062	0.019
Assam	0.077	0.010	0.002	0.076	0.015	0.004	0.037	0.005	0.001
U.P.	0.353	0.090	0.032	0.309	0.049	0.013	0.303	0.072	0.023
India	0.324	0.081	0.028	0.237	0.052	0.016	0.259	0.062	0.020

Source: Unit level data from NSS 50th and 61st Rounds

The NSSO data of U.P. shows that the pattern of growth between 1993-94 to 2000-03 was pro-poor, meaning that per capita expenditure of the poorest one tenth of the population increased faster in nominal terms (than that of the richest one tenth) which increased by lesser percent in nominal terms. The details of average monthly real per capita expenditure in U.P. by deciles groups are presented in table no-4.

Table-4

Average Monthly Real Per Capita Expenditures in U.P. by Deciles Group

Year/ Deciles	Mean MPCE (Rs./person per month) by Deciles Groups								
	Rural			Urban			Overall		
	93/94	02/03	Increase (%)	93/94	02/03	Increase (%)	93/94	02/03	Increase (%)
Poorest	118	152	29	118	138	17	118	151	28
2	154	190	24	154	174	13	154	188	23
3	179	212	19	180	196	9	179	210	18
4	204	236	16	204	215	5	204	234	15
5	231	257	11	231	234	1	231	253	10
6	260	282	9	261	258	-1	260	279	7
7	296	313	6	295	286	-3	295	308	4
8	345	360	4	345	331	-4	345	353	2
9	429	437	2	432	403	-7	430	428	0
Richest	717	672	-6	787	735	-7	746	705	-5
Average	429	289	5	389	404	4	296	311	5

Source: NSS 50th round Central sample & PSMS-II

Regionwise and Categorywise Poverty Scenario in UP:

U.P. is divided into four regions Western, Central, Eastern and Southern. The Southern region is the poorest region with high poverty dimensions and Western region is most industrialized and developed region with low poverty dimensions. The Central region has done very well in reducing poverty percentage now its head-count ratio is 24.64% which is lowest in the state. Eastern region also suffers from high incidence of poverty though rate of reduction of urban poverty is very low. Southern region is the poorest region with 74.36% poverty percentage in 1993-94 but poverty percentage reduced to 43.01 in 2004-05. The intensity and severity of poverty is also highest in this region through these indicators are declining overtime following picture depicts changes in poverty indices for various region during 1993-94 to 2004-05.

Table No.5. Poverty Indices region wise (Urban UP)

	Poverty: 1993-94			Poverty: 2004-05		
	$\alpha=0$	$\alpha=1$	$\alpha=2$	$\alpha=0$	$\alpha=1$	$\alpha=2$
Western	31.13	7.74	2.80	28.31	6.35	1.96
Central	33.85	9.52	3.60	24.64	6.16	2.25
Eastern	38.62	9.36	3.18	37.68	8.71	2.81
Southern	74.36	21.06	8.16	43.01	12.03	4.82

Source: Unit level data from NSS 50th and 61st Rounds

Occupationwise distribution of urban poverty was conducted in four categories Self-employed, (SE), Regular wage/Salary earners (RWSE), Casual labour (CL) and other .Casual labours have highest poverty percentage 66.66 % followed by self-employed 40.89%, other 27.65% and regular wage/salary earners 17.59% in 1993-94 whereas the poverty percentage reduced in the year 2004-05 but the poverty rank of different categories remains the same. Casual labours with 52.40% poverty was highest followed by self-employed 32.68%, others 21.51% and regular wage/salary earners 20.59% in 2004-05. It is good to note that the incidence of poverty has reduced in all occupation classes except RWSE where HCR has increased but the depth and severity of poverty in this category also declined.

Table No.5.: Poverty Indices Occupation wise (Urban UP)

	Poverty: 1993-94			Poverty: 2004-05		
	$\alpha=0$	$\alpha=1$	$\alpha=2$	$\alpha=0$	$\alpha=1$	$\alpha=2$
FGT						
SE	40.89	9.61	3.25	32.68	7.85	2.64
RWSE	17.59	3.94	1.28	20.59	3.54	0.92
CL	66.66	22.75	9.64	52.40	15.63	5.92
Others	27.65	8.44	3.67	21.51	5.83	2.04

Source: Unit level data from NSS 50th and 61st Rounds

Sen index of measure of intensity of poverty in the major state of India are presented in the following table. It describes the relative number of poors indicating (the incidence of poverty), the average income shortfall of the poor indicating their deprivation (intensity of poverty) and the distribution of income among the poor indicating their relative deprivation (severity of poverty). The advantage of it is that is very useful for policy purposes. It provides almost the same scenario of severity of poverty as provided by the squared poverty gap index.

Sen's measure of intensity of poverty in India and its major fifteen states are calculated for both rural and urban are as for the years 1993-94 and 1999-2000. The results obtained are presented in table no-6.

Table No.6

Sen's Measure of intensity (IP) of poverty in India and its fifteen major States (1993-94 to 2004-2005)

States	1993-94		1999-2000	
	Rural	Urban	Rural	Urban
A. Pradesh	0.183	0.242	0.163	0.208
Karnataka	0.212	0.264	0.183	0.221
T. Nadu	0.224	0.257	0.186	0.214
Kerala	0.219	0.227	0.156	0.195
W. Bengal	0.222	0.201	0.203	0.169

Bihar	0.252	0.227	0.196	0.203
Gujarat	0.182	0.222	0.171	0.151
Harayana	0.198	0.180	0.152	0.211
M.P.	0.232	0.278	0.206	0.248
Maharastra	0.244	0.288	0.184	0.251
Orissa	0.240	0.281	0.244	0.256
Punjab	0.274	0.152	0.130	0.119
Rajsthan	0.196	0.229	0.150	0.177
Assam	0.184	0.129	0.210	0.194
U.P.	0.245	0.256	0.186	0.195
India	0.228	0.249	0.194	0.218

Source: Unit level data from NSS 50th and 61st Rounds

The data obtained from computation indicates that the Sen's intensity of poverty in India has declining trend in both rural and urban areas of the country. In the year 1993-94 the intensity ratio for average rural India was .228 with highest ratio of .252 for Bihar lowest .174 for Punjab and .245 for U.P. however, these figures in 1999-2000 was highest for Orissa (.224), Lowest for Punjab (.130) and .186 for U.P. Sen's measure of intensity of poverty for urban areas was highest for Maharashtra (.288), lowest for Assam (.129) and .256 for U.P. in the year 1993-94. These figures for the year 1999-2000 was highest for Orissa (.256), lowest for Punjab (.119) and .195 for U.P. The value of this index has declined in all the states with highest severity of Poverty in Orissa followed by Bihar and lowest in Punjab. U.P. stands in the middle. The problem of severity of poverty in U.P. has also reduced remarkably as Sen Index declined from .256 to .195.

Problems with poverty alleviation and policy implications:-

Urban poverty in India before implementation of Ninth Five Year Plan was considered as an extension of rural poverty or part of general urban development issues. In this plan a separate section of urban poverty was introduced which focused on urban poverty and development. In this plan Planning Commission addressed urban poverty as result of unchecked poverty in the rural areas. Following flaws are noticed in the strategy of urban poverty alleviations in India:

1. The present urban poverty alleviation strategy pays attention on income generation and employment creation in the form of bank credit and subsidy. The present provision of providing single dose of assistance and assuming that urban poor have crossed the poverty line is faulty and baseless as it helps in urban poverty alleviation for short term only. Moreover the benefits of the urban poverty alleviation programmes are also filtered away through various leakages. The strategy of urban poverty alleviation does not take into consideration daily requirement facilities of the poor like food, healthcare, housing and sanitation, education, drinking water etc. The strategy of urban poverty alleviation fails to deal with multidimensional nature of poverty. It also fails to deal with the sociological, anthropological and political perspective of poverty. So there is need to change the strategy of urban poverty from merely delivery approach to empowerment approach.
2. Although the problem of urban poverty is no less serious than rural poverty, the priority accorded to alleviation of urban poverty is low which is a matter of concern. Upto Eighth Five Year Plan no emphasis was paid into urban areas. The reason behind it was neglect of problem of urban poverty. Indian Planners relied on trickle down theory. They were of the opinion that from growth process urban areas will be benefitted more in the form of higher income and employment generation. As a result of it the poverty problems in urban areas will be automatically solved. But in practice with increasing rate of urbanization the problem of urban poverty became larger, higher and dense. The local administration with problem of bad governance failed to tackle the problem of urban poverty. Therefore, the strategy of urban poverty should keep emphasis on empowerment approach. It should involve the urban poor and the implementing agencies in such a way which concentrates on creation of employment of permanent nature along with provision of training and capacity building. For it supply of assets through bank credit and government subsidy is essential wherein credit is the key element and subsidy as an enabling component.
3. Since there are many differences in the nature of urban poverty in the form of incidence, depth and severity of poverty so deficit amount needed to fill the poverty gap differs. Though per capita investment under poverty alleviation schemes is gradually increasing which has resulted in reduction of poverty percentage but it is still well below the desired

investment level to uplift all the urban poors above the poverty line. The deficit analysis and poverty gap analysis shows the amount needed to uplift all the poors above the calories consumption poverty line. Moreover urban poverty alleviation programmes are uniformly implemented throughout the whole country. Since there are many differences in the nature of urban poverty, climatic conditions, cultures, resources, goods and services so it is futile to have uniform programmes throughout the country. Also the deficit amount or poverty gap differs from region to region so there is need to frame different types of urban poverty strategies/programmes.

4. One of the major weakness in the strategy of urban poverty alleviation programmes is that the operational guidelines issued do not suggest as how to plan for sub-schemes under urban poverty alleviation programmes systematically i.e. the guidelines issued do not show the way as how to identify and fill the infrastructural gaps and how to plan to fulfill them, how to assess the extent and nature of problem of unemployment and how to maintain a proper balance of demand and supply of laboures. The administrative constraints and weakness of implementing agencies are also obstacles. For the success of the urban poverty alleviation programme the poverty gaps must be filled up. However the economic betterment of the poorer section of the society can not be achieved without social transformation involving structural changes like educational development, change in awareness, scientific outlook, motivation and attitudes.

5. The incidence of migration from rural areas to the urban areas has shown a tendency to increase from the year 2001 onwards whereas in the previous period it was either declining consistently or was constant. The main reason for migration was to earn more income whereas other reasons were more education, employment, health etc. Economically backward states keep losing people to developed states. Poverty incidence was found less amongst migrants as compared to non-migrants. It was higher among urban migrants. Middle and higher income groups have higher migration percentage. The most successful group of migrants is to urban to urban migrants in terms of types of occupation they have. The increasing number of migrants to metropolitan cities indicate that the development effort have not been able to create much more employment opportunities in small towns. It has increased the problem of slum dwellers in metropolitan cities. In the present strategy of urban poverty alleviation migration problem

along with slums has not been studied seriously. Urban poverty alleviation programmes have not paid special attention on poorest of poor in rural areas like slum dwellers. They are not benefited by urban development schemes. The problem of reallocation of slum dwellers is also significant while formulating strategy of poverty alleviation the problem of slum dwellers must also be studied and special attention should be paid on their problems. The migration of rural poors to urban areas increases the intensity of problem of poverty. So government should pay attention to the intensity and severity of problem of urban poverty while formulating the strategy of poverty alleviation.

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