# India's Poverty Profile

**SNAPSHOT 2012**

## 270,000,000
Indians are poor

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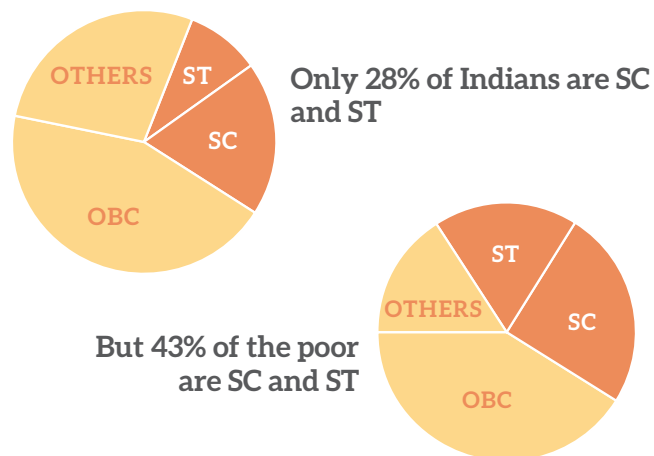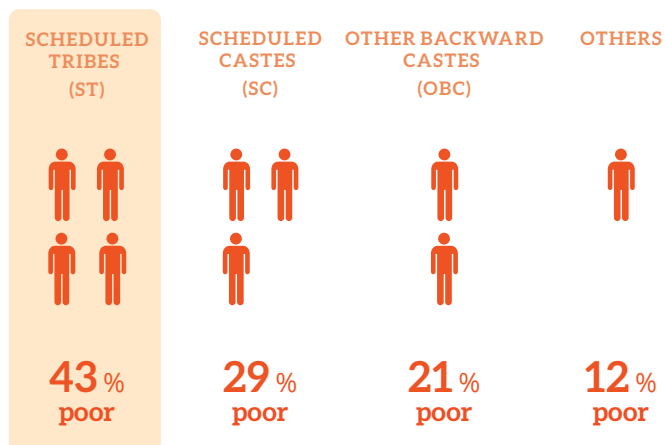1 in 5 Indians is poor

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**THE 7 LOW-INCOME STATES HOUSE**

## 62%
OF INDIA'S POOR

**THE LOW-INCOME STATES ARE HOME TO**

## 45%
OF INDIA'S POPULATION

**80%** of India's poor live in rural areas

Number of poor in low-income states (Millions)

**60** UTTAR PRADESH

**24** MADHYA PRADESH

**36** BIHAR

**10** RAJASTHAN

**13** JHARKHAND

**10** CHHATTISGARH

**14** ODISHA

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**Poverty Rate 25%** in rural areas

**Poverty Rate 14%** in urban areas

**27%** poor
Small Villages
pop: **0-4999**

**19%** poor
Big Villages
pop: **5000+**

**17%** poor
Small Towns
pop: **0-1mn**

**6%** poor
Big Cities
pop: **1mn+**

● POOR  ● NON-POOR

WORLD BANK GROUP

## Poverty is highest among scheduled tribes

| SCHEDULED TRIBES (ST) | SCHEDULED CASTES (SC) | OTHER BACKWARD CASTES (OBC) | OTHERS |
|---|---|---|---|
| **43**% poor | **29**% poor | **21**% poor | **12**% poor |

**Only 28% of Indians are SC and ST**

OTHERS · ST · SC · OBC

**But 43% of the poor are SC and ST**

OTHERS · ST · SC · OBC

## Casual labor is the main source of income for the rural poor

| | POOR | NON-POOR |
|---|---|---|
| CASUAL LABOR NON-FARM | **17**% | **12**% |
| CASUAL LABOR FARM | **34**% | **18**% |
| SELF-EMPLOYED NON FARM | **12**% | **17**% |
| SELF-EMPLOYED FARM | **30**% | **36**% |
| SALARIED | **4**% | **10**% |
| OTHERS | **5**% | **6**% |
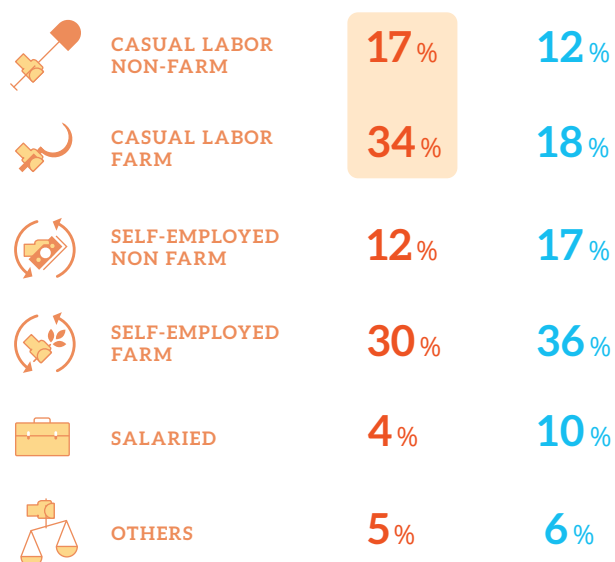
## Self employment and casual labor is the main source of income for the urban poor

| | POOR | NON-POOR |
|---|---|---|
| CASUAL LABOR NON-FARM | **34**% | **10**% |
| SELF EMPLOYED NON-FARM | **40**% | **34**% |
| SALARIED | **20**% | **44**% |
| OTHERS | **7**% | **12**% |
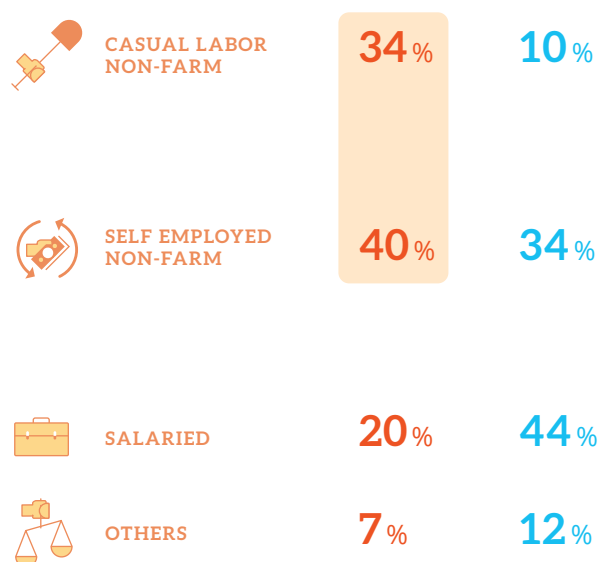
## The poor spend more on food, fuel and light

● POOR ● NON-POOR

**POOR**
EDUCATION & HEALTH — 6%
FUEL & LIGHT — 13%
OTHERS — 25%
FOOD — 56%

**NON-POOR**
EDUCATION & HEALTH — 11%
FUEL & LIGHT — 9%
OTHERS — 33%
FOOD — 47%

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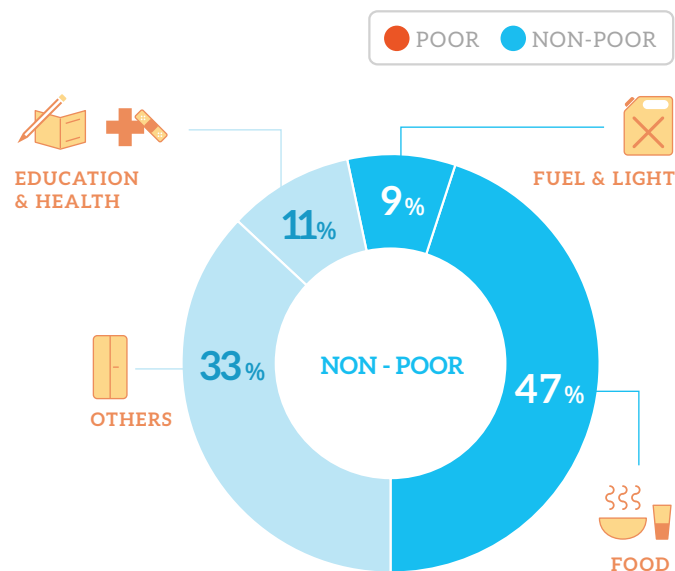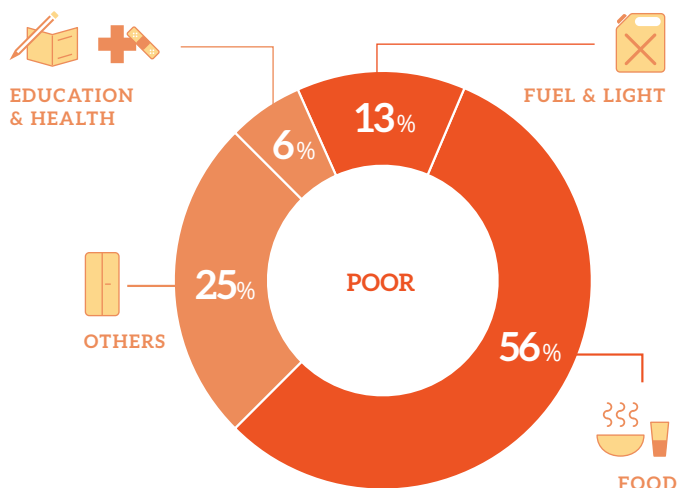
## The poor own fewer assets

| | MOBILE PHONE | TV | STOVE | TWO WHEELER | REFRIGERATOR | WASHING MACHINE | PC / LAPTOP | MOTOR CAR / JEEP |
|---|---|---|---|---|---|---|---|---|
| POOR | 61% | 29% | 27% | 5% | 2% | 0% | 0% | 0% |
| NON-POOR | 86% | 65% | 61% | 29% | 24% | 11% | 7% | 5% |
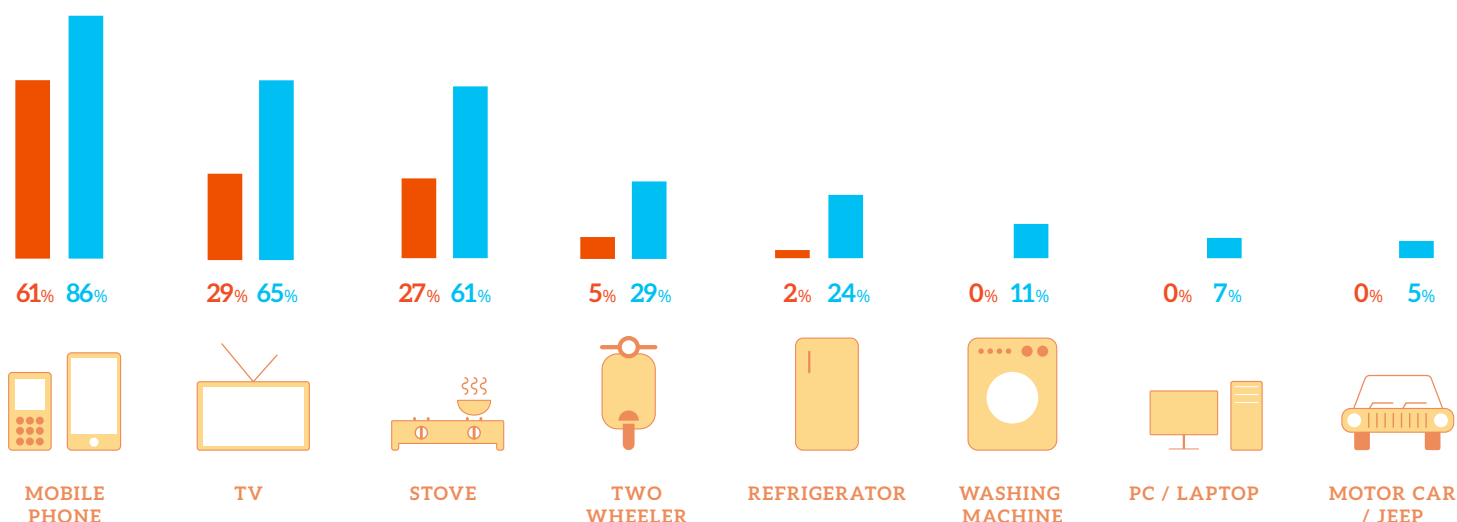
## Secondary school completion is low among the poor

**POOR**

- 15% SECONDARY & ABOVE
- 15% MIDDLE
- 25% LITERATE OR PRIMARY
- 45% ILLITERATE

**NON-POOR**

- 37% SECONDARY & ABOVE
- 17% MIDDLE
- 20% LITERATE OR PRIMARY
- 26% ILLITERATE
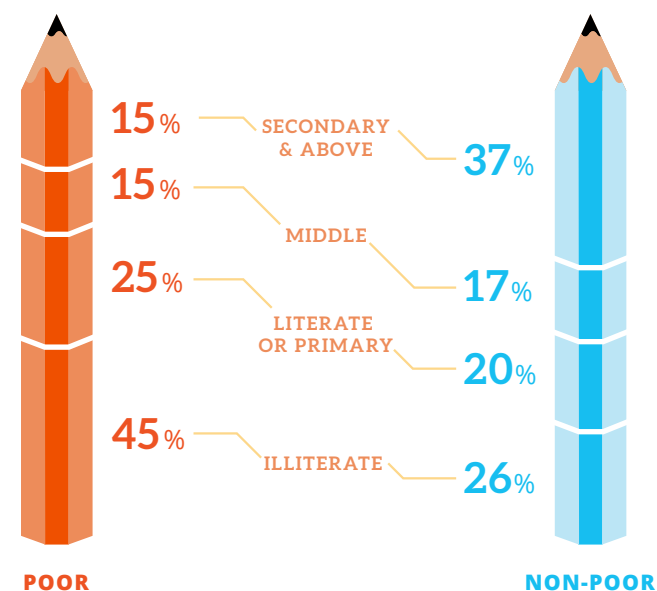
## In rural areas, more marginal land owners among the poor

| | POOR | NON-POOR |
|---|---|---|
| LANDLESS | 5% | 6% |
| MARGINAL ( <1 HA ) | 82% | 72% |
| SMALL ( 1-2 HA ) | 9% | 11% |
| MEDIUM & LARGE ( >2 HA ) | 5% | 10% |
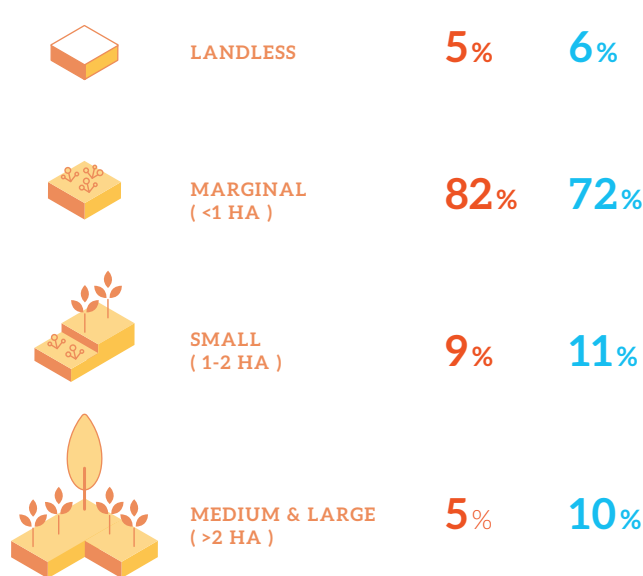
## The poor have lower access to basic services

| | LATRINES | ELECTRICITY | TAP WATER |
|---|---|---|---|
| POOR | 21% | 61% | 6% |
| NON-POOR | 62% | 85% | 33% |

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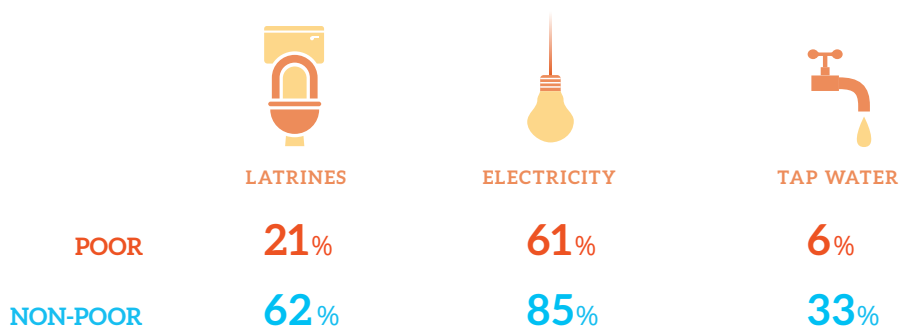
# TECHNICAL APPENDIX

| INDICATORS | DATA SOURCE | REMARKS |
|---|---|---|
| **POVERTY** | | |
| Poor<br>Poverty rate | Poverty lines based on 'Tendulkar' poverty lines published by the former Planning Commission of India.<br>Consumption expenditure survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | • Households whose monthly per capita consumption expenditure is below the poverty line are classified as 'poor'.<br>• Poverty rate is the proportion of population that is counted as poor. |
| **DEMOGRAPHICS** | | |
| Number of poor and distribution of poor: all India, low income states, rural and urban areas | Population Census, Registrar General & Census Commissioner, India.<br>World Bank (2013). India - Country partnership strategy for the period FY13-FY17. Washington, DC: World Bank. | • Poverty rates, estimated using NSS data, are applied to Census population estimates to arrive at the number of poor in 2011-12. Population has been estimated by extrapolating 2011 Census data to January 1st 2012, using Compounded Annual Growth Rate (CAGR).<br>• Following World Bank (2013), low income states refer to a group consisting of the following seven states: Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Uttar Pradesh, Odisha and Rajasthan. |
| Small villages (0-4999, Rural)<br>Big villages (5000+, Rural)<br>Small towns (0-1 million, Urban)<br>Big cities (1 million+, Urban) | Population Census, Registrar General & Census Commissioner, India 2001.<br>Consumption expenditure survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | • Rural areas: They are reclassified below the district level into small and big villages by linking the Census 2001 (sampling frame of the NSS 2011-12 round) to the NSS on basis of the average village size of the NSS substratum.<br>• Urban areas: Using the NSS, towns with a population of less than a million in a district are treated as "small" and those with a population of million or more are treated as "big". |
| **MAIN SOURCES OF INCOME** | | |
| Households by sector-wage | Employment and unemployment survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | Households are classified into wage-sector type based on the main source of household's income during the 365 days preceding the date of the survey. |
| **HOUSEHOLD CONSUMPTION EXPENDITURE** | | |
| Share of monthly budget | Consumption expenditure survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | Some budget items explained:<br>• 'Education and Health'-includes monthly expenditures on education and both medical (institutional) and medical (non-institutional).<br>• 'Others'-includes monthly expenditures on pan, tobacco, intoxicants, entertainment, minor durable-type goods, toilet articles, other household consumables, consumer services, conveyance, rent, consumer taxes and cess, clothing, footwear, bedding and durable goods. |
| **ASSETS AND EDUCATION** | | |
| Asset ownership | Consumption expenditure survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | Asset Ownership is defined as possession of the asset at the time of the survey. |
| Land ownership | | • Land owners are defined as those households that own either homestead or other land.<br>• The category 'Landless' includes all households reporting less than 0.001 hectares of land as owned. |
| Adult | Employment and unemployment survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | Adult household member is defined as those 15 years and older. |
| Literacy<br>Educational attainment | | Some education levels explained:<br>• 'Literate or primary school completed' – includes individuals who have completed primary school as well as those who are literate but have not completed primary school.<br>• 'Secondary or above completed' – includes individuals who have completed secondary, higher secondary, diploma/certificate course, graduate, post-graduate or other higher degree. |
| **SERVICES** | | |
| Access to electricity | Consumption expenditure survey conducted by the National Sample Survey Office (NSSO) in 2011-12. | Access to electricity is defined as the proportion of households using electricity as primary source of energy for lighting. |
| Poor and non-poor | | Poor and non-poor are defined based on consumption expenditure quintiles. Expenditure is adjusted for price differences between states and between rural and urban areas using the Tendulkar poverty lines. 'Poor' refers to the first quintile and 'Non-poor' refers to the top four quintiles. In 2011-12, 90% of India's poor were in the first quintile. |
| Access to piped water<br>Access to latrine | Survey of drinking water, sanitation, hygiene and housing condition conducted by the National Sample Survey Office (NSSO) in 2012. | Access to latrine is defined as the proportion of households that have access to latrine and use it. |
| Poor and non-poor | | Poor and non-poor are defined based on consumption expenditure quintiles. Expenditure is adjusted for price differences between states and between rural and urban areas using the Tendulkar poverty lines. 'Poor' refers to the first quintile and 'Non-poor' refers to the top four quintiles. In 2011-12, 90% of India's poor were in the first quintile. |

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