

WORKING PAPER

**CHRONIC POVERTY AND  
SOCIALY DISADVANTAGED  
GROUPS: ANALYSIS OF  
CAUSES AND REMEDIES**

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# Chronic Poverty and Socially Disadvantaged Groups: Analysis of Causes and Remedies

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# Chronic Poverty and Socially Disadvantaged Groups: Analysis of Causes and Remedies

*Sukhadeo Thorat and Motilal Mahamallik<sup>1</sup>*

“The chronically poor are not simply a list of vulnerable groups, but people who commonly experience several forms of disadvantages and discriminations at the same time. Differing combination of structural factors-labour, and product markets, ethnicity, race, caste, gender, religion, class, disability, refugee status, geographic location ..... create and maintain the poverty of some, while giving others the chance to avoid or escape it”.

**The Chronic Poverty Report 2004-2005: 7**

## **1. The Background: Problems of the Disadvantaged Groups**

The literature explains “chronic poverty” as a situation where people remain poor for a long period of time and where it is often passed on to the next generation. Chronic poverty is therefore a longitudinal concept, referring to persistence of poverty for a relatively longer period of time, where people remain extremely poor, and are deprived multi-dimensionally. They may have little access to productive capital assets and employment, possess low human capability in terms of education and skills, and face social and political marginality that keeps

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them poor over long periods of time (The Chronic Poverty Report 2004-2005: 34).

Among various factors, low economic growth, initial inequality, social exclusion, and failure of the State are considered as important causal factors for chronic poverty (The Chronic Poverty Report 2004-2005). 'Social exclusion' and 'initial inequality' are particularly relevant for understanding persistence of chronic poverty among the excluded and the discriminated marginalized groups. Social exclusion from participation in social, political and economic processes creates conditions for the persistence of chronic poverty for the excluded and discriminated groups. Social exclusion essentially refers to the process where individuals or groups, wholly or partially get excluded from full participation, within the society (Haan 1997, 1999, 2003; Thorat 2003; Thorat and Louis 2003). Societal relations or institutions that lead to exclusion and cause deprivation are key to the understanding of the concept of exclusion and discrimination. Exclusion may occur in multiple spheres and cause diverse adverse consequences for the excluded and the discriminated minority groups. Sen (2000) draws a distinction between the situations where some people are being kept out (or left out), while others are included (may be forcibly) on deeply unfavourable terms. He described the two situations as 'unfavourable exclusion' and 'unfavourable inclusion' respectively. Unfavourable inclusion with unequal treatment may result in the same adverse effects as unfavourable exclusion.

In India, exclusion revolves around social processes and institutions that exclude, discriminate, isolate and deprive some groups on the basis of caste and ethnic identity. These include former untouchables or Scheduled Castes (SC), Scheduled Tribes (ST), nomadic, semi-nomadic and de-notified tribes (or ex-criminal tribes), etc. These groups together constitute more than 250 million in 2001 (about 167 million SCs, 86 million STs and other small minorities). These groups have historically suffered from exclusion in multiple spheres, which has led to their severe deprivation (Thorat and Deshpande 1999).

The SCs constitute the largest social group in India, accounting for 16.2 per cent (equivalent to 167 million) of the total population in 2001 (See Table 1). In the traditional framework of the caste system, exclusion and discrimination in economic spheres like occupation and labour employment was internal to the system, and a necessary outcome

of its basic features (Ambedkar 1987; Akerlof 1976; Scoville 1996; Lal 1984). In the case of the lower caste untouchables, exclusion resulted in severe deprivation and poverty, since they were historically denied access to property rights, education and civil rights and all source of livelihood (except manual labour, and certain occupations which were considered to be polluting). Caste-based exclusion of untouchables necessarily involves the failure of entitlement to economic, civil, cultural and political rights. This has been described as living mode exclusion from political participation, and exclusion from social and economic opportunities (HDR 2004).

The adivasis or the STs account for about 8 per cent of the total population (equivalent to 85 million). Their isolation and exclusion is based on their ethnic identity. Historically, the STs have had a distinct culture, language and social organization. They practiced hunting, food gathering and shifting cultivation and lived in the river valleys and forest regions. Exclusion in their case is in the form of denial of right to resources of livelihood and unintended and intended consequences of societal processes and policies of the Government which, inflicted considerable deprivation and poverty among them (Thorat 2000). This, according to Sen (2000) is 'active and passive exclusion'. Active exclusion can be through deliberate policies of the Government, or by any other willful agents who exclude others from similar opportunities, while in passive exclusion and deprivation, there is no deliberate attempt to exclude. The Scheduled Tribes also suffer from 'constitutive relevance' of exclusion, which arises because of their inability to relate to others, and to take part in the life of the community, and indirectly results in impoverishment (Sen 2000).

**Table 1: Percentage of Population by Social Groups in India (2001)**

Major States	SC	ST	Non-SC/ST	All
Andhra Pradesh	16.19	6.59	77.22	100
Assam	6.85	12.41	80.74	100
Bihar	15.72	0.91	83.36	100
Chhattisgarh	11.61	31.76	56.63	100
Gujarat	7.09	14.76	78.15	100
Haryana	19.35	0.00	80.65	100
Himachal Pradesh	24.72	4.02	71.26	100
Jammu & Kashmir	7.59	10.90	81.50	100
Jharkhand	11.84	26.30	61.86	100
Karnataka	16.20	6.55	77.24	100
Kerala	9.81	1.14	89.05	100
Madhya Pradesh	15.17	20.27	64.56	100
Maharashtra	10.20	8.85	80.95	100
Orissa	16.53	22.13	61.34	100
Punjab	28.85	0.00	71.15	100
Rajasthan	17.16	12.56	70.28	100
Tamil Nadu	19.00	1.04	79.96	100
Uttar Pradesh	21.15	0.06	78.79	100
Uttaranchal	17.87	3.02	79.11	100

West Bengal	23.02	5.50	71.49	100
Other States & UTs				
Arunachal Pradesh	0.56	64.22	35.21	100
Goa	1.77	0.04	98.19	100
Manipur (Excl. 3 Sub-divisions)	2.77	34.20	63.02	100
Meghalaya	0.48	85.94	13.58	100
Mizoram	0.03	94.46	5.51	100
Nagaland	0.00	89.15	10.85	100
Sikkim	5.02	20.60	74.38	100
Tripura	17.37	31.05	51.58	100
Andaman & Nicobar Islands	0.00	8.27	91.73	100
Chandigarh	17.50	0.00	82.50	100
Dadra & Nagar Haveli	1.86	62.24	35.90	100
Daman & Diu	3.06	8.85	88.09	100
Delhi	16.92	0.00	83.08	100
Lakshadweep	0.00	94.51	5.49	100
Pondicherry	16.19	0.00	83.81	100
India	16.20	8.20	75.60	100

*Source: Calculated from Primary Census Abstract, Census of India, 2001*

*Note : SC = Scheduled Caste, ST = Scheduled Tribe, All = All Castes (Total Population)*



## **2. Government Policy against Discrimination and for Empowerment of SCs/STs**

The Indian State had recognized the backwardness and deprivation suffered by the SCs and STs in the 1950s and developed specific policies for their economic, social, and political empowerment. The Government has been utilizing a two-fold strategy to overcome the deprivation of the SCs and STs. This includes (a) measures and safeguards against discrimination and for equal opportunity in economic, civil, education and political spheres; and (b) developmental and empowering measures particularly in economic, education and social spheres.

The remedial measures against discrimination include the enactment of the Anti-untouchability Act, 1955 (renamed as the Protection of Civil Rights Act in 1979), and the Scheduled Caste/Tribe Prevention of Atrocities Act, 1989. Under the first Act, the practice of untouchability and discrimination in public places, and community life is treated as an offence. The second Act provides legal protection to the SCs and STs against violence and atrocities by the higher castes.

In addition to the above legal safeguards against exclusion and discrimination, government has also tried to provide equal opportunity and scope for participation in the economic and political processes of the country through the 'Reservation Policy'. Under this a specific quota (based on proportion of the population) is reserved in Government and other services, educational institutions, public housing and other public spheres, and in various democratic bodies including the Parliament, State Assemblies, and Panchayat Institutions. These proactive measures are used to ensure proportional participation of the SCs and STs in various public spheres, which otherwise may not have been possible due to the residual and continuing caste and untouchability based exclusion and discrimination.

Measures against discrimination in the form of legal safeguards and reservation policy are however, confined to State run and State supported sectors. More than 90 per cent of the SC/ST workers are employed in the private sector and remain unprotected from possible discrimination. In the absence of legal safeguards and reservation in the private sector, the State has used 'general programmes' for the economic, educational, and social empowerment of the SCs and STs. The focus of these general pro-poor policies for the SCs and STs have been adopted to improve the private ownership of fixed capital assets

like agricultural land, non-land capital assets, education, skill development, and improved access to social needs like housing, health, drinking water and electricity. The strategy for improving the private ownership of capital assets and human resources capabilities has been primarily undertaken as a part of anti-poverty and other economic and social programmes for the poor, by targeting or fixing specific informal quotas for the SC/ST households in the case of divisible schemes. These measures are designed to enable them to undertake self-employed economic activities (Fan, Hazell and Thorat 1999).

The distribution of surplus land above the ceiling and Government land to landless households with supportive schemes for supply of credit and inputs at subsidised rates to the SC/ST households in rural areas falls under this category. In the non-farm self-employment sector, the schemes are developed to provide financial capital, training and information to undertake new businesses, or to improve the existing businesses. IRDP (Integrated Rural Development Programme) is the earliest self-employment programme to enable identification of poor rural families to augment their income through acquisition of credit-based productive assets. Improved access to education, combined with reservation in Government services has been initiated to increase their share in employment in regular salaried jobs (Thorat 1999).

Thus, the Government has consistently used both, general pro-poor policies, and special measures to compensate for their historical exclusion, and to bring about improvement in human development of the SC/ST and reduce the gap between them and rest of the population (Thorat *et.al.* 2004).

### **3. Objectives**

The purpose of this paper is to assess the status of the SCs and the STs with respect to persistent poverty in rural areas and disparities between them and the other sections of Indian society. The paper also tries to identify the possible economic factors associated with persistently high poverty among the SC/STs. Given the nature of historical exclusion, particularly of the SCs, from access to capital assets, agricultural land and non-land assets, quality employment and education, the paper focuses on these and other related factors to explain the reasons for chronic poverty among these groups at the all India and State levels. The paper specifically addresses the following issues:

Firstly, it studies the magnitude of rural poverty among the SCs, STs and Non-SC/STs at the all-India and State levels, and then identifies the regions with persistently high poverty over three years, namely 1983,1993-94 and 1999-2000.

Secondly, it studies the disparities in the magnitude of rural poverty between the SCs, STs and Non-SC/STs during the period of study at the all-India and State levels.

Thirdly, it studies the changes in the levels of rural poverty, and the changes in disparities between the SCs, STs and Non-SC/STs during 1983 and 1999-2000.

Fourthly, it studies the economic characteristics of the States or regions, which suffered from persistently high incidence of poverty for each of the social groups and;

Lastly, it tries to identify the factors or determinants of poverty in rural areas and estimates their impact separately on SCs, STs and Non-SC/STs.

#### **4. Data Base and Methodology**

Comparable data on rural poverty and several other indicators for the three social groups, namely SCs, STs and Non-SC/STs for the three periods (1983, 1993-94 and 1999-2000) was obtained from the Population Census, National Sample Survey on Employment and Unemployment, Consumption Expenditure Survey, Survey on Land and Livestock Holding; Rural Labour Enquiry Reports and other reports.

The data on land ownership was obtained from the decennial National Sample Survey (NSS) Report on Land and Livestock Holding for 1981 and 1991. Since the NSS Report on Land and Livestock Holding for the year 2001 is yet to be published, the land holding data from NSS Report on Employment and Unemployment for the year 1999-2000 has been used as a proxy variable.

The data on the percentage of self-employed in agriculture and non-agriculture was obtained from the Report on Employment and Unemployment of the NSS. The data was available separately for the SCs, STs and Non-SC/STs. The employment and unemployment rates are based on current weekly and daily status.

The ownership of income earning assets, namely, agricultural land and non-land has been captured by variables like percentage of self-employed cultivating rural households, percentage of cultivators, percentage of landless households and percentage of landless and near-landless households (owning less than one acre of land). These variables have been used to identify access to agricultural land by the SC, ST and Non-SC/ST households. The ownership of non-land capital assets was measured by the percentage of rural self-employed households engaged in non-agriculture business and capital assets per household in rupees. All these indicators together capture the access to agricultural land and non-farm capital assets by the SCs, STs and Non-SC/STs in rural areas. The data on capital assets per household was obtained from the NSS Report on 'Debt and Investment Survey' for the year 1991.

Employment diversification is measured in terms of ratio of workers engaged in non-agricultural sector to workers engaged in agricultural sector. Variables used to measure the size of the non-farm sector include percentage of agricultural workers to total workers (cultivators and agricultural labourers) in rural areas, and the percentage of non-agricultural workers. The data for these variables has been obtained from the Population Census of 1981, 1991 and 2001. An alternative set of data on agricultural workers and non-agricultural workers was collected from 'Employment and Unemployment Situation in India', National Sample Survey Organisation, for the years 1983, 1993-94 and 1999-2000 respectively.

Educational development was measured in terms of literacy rate and educational level. The literacy rates are in terms of the percentage of literate population to total population in the age group of 15 and above. The educational level is in terms of the share of literate in primary/middle, secondary/higher-secondary, graduate and above level. The data on literacy rate and educational levels were obtained from the NSS Reports on Employment and Unemployment.

The nature and quality of employment was captured through variables such as percentage of rural wage labour, percentage of agricultural labour and percentage of regular and salaried workers. The data on rural agricultural labour was obtained from the Rural Labour Enquiry Reports for the years 1983, 1993-94 and 1999-2000. For the rural areas, data on the proportion of regular salaried worker is not available from the Employment and Unemployment Surveys of the NSS. Therefore 'other worker' category has been used as a proxy

variable for the regular salaried workers. The 'other worker' is a residual category, which excludes all categories other than self-employed and wage labour in agricultural and non-agricultural activities. The residual category therefore includes the regular salaried persons in rural areas.

The data on daily agricultural and non-agricultural wage rates was obtained from the Rural Labour Enquiry Reports. The wage rates for rural wage labour are provided separately for the SCs and STs. However, the Rural Labour Enquiry Survey does not provide wage rates separately for the Non-SC/ST wage labour. Therefore, overall wage rate has been taken (i.e. the aggregate for all social groups), as a proxy for wage rate of the Non-SC/STs.

The data on percentage of cultivators in rural areas was obtained from the Population Census of 1981, 1991 and 2001. The level of urbanisation was measured in terms of the percentage of urban population to total population, and this data was obtained from the Population Census of 1981, 1991 and 2001. The data is available separately for SCs and STs. In the case of the Non-SC/ST (also designated as 'others'), which is defined as net of SC and ST, data for some of the indicators like employment/unemployment rate, percentage of self-employed in agriculture and non-agriculture, and those related to ownership of land, are available separately. But data for indicators such as urban population, non-farm and farm worker, cultivator, literate, and those related to different levels of education are not available separately in the case of Non-SC/ST. Such figures have been computed by deducting the figures for SC/ST from the general figures. In the case of some indicators, this method could not be used, as the data is available in the form of ratios. In such cases, the data has been used in their aggregate form for the Non-SC/ST category. These indicators were only a few in number, and included farm and non-farm wages in rural areas, and proportion of rural and agricultural wage labour. The Rural Labour Enquiry Reports do not provide data for the above indicators for Non-SC/ST.

The NSS Consumption Expenditure Surveys, which form the basis for the estimation of poverty, are available for the SCs and STs from 1983 onwards. Given the limitation of data, three periods, namely, 1983, 1993-94 and 1999-2000 have been selected for analysis. The Head Count Ratio has been used to measure poverty and is based on the improved methodology of the Planning Commission (Planning Commission 1993). The published data on monthly per capita

expenditure has been used to work out the Head Count Ratio for rural areas for the SC, ST and Non-SC/ST, for 1983, 1993-94 and 1999-2000.

Given the problems of comparing the data of NSS 1999-2000 with the earlier NSS Rounds, the findings related to the changes have to be considered with caution. Since the focus is on disparities among the social groups at a given point of time, we assume that the problem of comparison between current (1999-2000) and the earlier rounds would affect all groups uniformly.

## **5. Analysis**

### ***5.1 Level of Poverty***

The analysis is based on all-India, as well as State level data (including all major states and Union Territories (UTs)). The percentage of population in different social groups (SC, ST and Non- SC/ST) in states and UTs is presented in Table 1. Given the fact that more than 70 per cent of the SC and ST population resides in rural areas, the analysis is confined to rural poverty. The Non-SC/ST category or 'others' is defined as net of SC/ST population.

In 1983, at the all-India level, about 58 per cent of the SCs in rural areas were poor. The incidence varies considerably among the States - from about 26 per cent in Punjab to about 81 per cent in Bihar. The high poverty states include Bihar, Orissa, West Bengal and Tamil Nadu where the head count ratio exceeded 70 per cent. Poverty level was relatively low in Punjab and Himachal Pradesh, followed by Haryana, Andhra Pradesh, Gujarat and Rajasthan. In the remaining states, poverty level was around the national average of 58 per cent.

In the case of STs, at the all-India level, the incidence of poverty was around 64 per cent. The magnitude of poverty was much higher in Orissa, Bihar and West Bengal and Dadar and Nagar Haveli. The poverty level in Tamil Nadu, Maharashtra, Madhya Pradesh, Karnataka and Gujarat was around the national average, while it was relatively low in Andhra Pradesh and Assam, followed by Manipur and Mizoram respectively.

Finally, in the case of the Non-SC/ST population at all-India level, about 37 per cent of rural persons were poor. The high poverty states included Bihar, Orissa, West Bengal and Tamil Nadu and those with the lowest incidence of poverty included Punjab, Himachal Pradesh,

Haryana, Gujarat and Andhra Pradesh. In the rest of the states, poverty level for the Non-SC/ST was approximately the same as the national average (See Table 2(a)).

From the above regional analysis, it is clear that the same regions are prone to high poverty among all the three social groups, namely the SC, ST and Non-SC/ST. For each of the social groups in 1983, the actual magnitude of poverty was much higher in Bihar, Orissa and West Bengal. In case of SCs and Non-SC/STs, Tamil Nadu also appeared in the list of high poverty states. On the other hand, poverty was relatively low in Punjab, Himachal Pradesh, Haryana and Andhra Pradesh, followed by Gujarat and Rajasthan for the SCs and Non-SC/STs. The pattern was significantly different for the STs. Incidence of poverty among the STs was lowest in Andhra Pradesh, Assam, Manipur and Mizoram.

## ***5.2 Disparities in the Incidence of Poverty between Social Groups***

The disparity ratio is simply the ratio of poverty of one group i.e. SC and ST with respect to other castes or Non-SC/ST. Tables 2(b), 3(b) and 4(b) show the disparity ratio of the SCs to Non-SC/STs and STs to Non-SC/STs for 1983, 1993-94 and 1999-2000 respectively.

In 1983, the incidence of rural poverty among the SCs (58 per cent) was much higher than that of the Non-SC/STs (37 per cent). The disparity ratio between the SCs and Non-SC/STs was 1.6 at all India level in 1983, but was much higher in Punjab, Haryana, Himachal Pradesh and Gujarat. The magnitude of poverty among SCs was about two and half to three times higher than that among Non-SC/STs in Punjab and Haryana respectively and two times higher in Himachal Pradesh and Gujarat. In comparison, the disparity in the poverty levels of the SCs and Non-SC/STs was relatively low in Uttar Pradesh, West Bengal, Tamil Nadu and Assam. In the rest of the states, the disparity ratio was close to the all-India average of 1.6.

In 1983, the incidence of rural poverty among the STs was as high as 64 per cent, which was almost 70 per cent higher than that for the Non-SC/ST group. The disparity ratio between the STs and Non-SC/STs was 1.7 in 1983. The disparity between the STs and Non-SC/STs was particularly high in Mizoram (6.5), followed by Gujarat (2.8), Rajasthan (2.5) and Karnataka (1.9). The disparity was relatively low in Andhra Pradesh, West Bengal, Bihar, and Assam. In the rest of the states, it was close to the national average of 1.7.

**Table 2(a): State wise Poverty Ratio (1983, Rural)**

		Level of Poverty							
Level	SC		ST		Non-SC/ST		All		
HIGH	80.9	Bihar	86.0	Orissa	59.6	Bihar	67.5	Orissa	
	75.8	Orissa	76.0	West Bengal	56.4	Orissa	64.4	Bihar	
	72.0	West Bengal	74.9	Bihar	55.6	West Bengal	63.0	West Bengal	
	67.5	Tamil Nadu	66.4	M. P	55.6	Tamil Nadu	54.0	Tamil Nadu	
	84.4	Pondicherry	72.6	Dadra & N.H.			64.0	Dadra & N.H.	
							62.2	Pondicherry	
LOW	37.2	Andhra Pradesh	47.2	Assam	14.9	Haryana	26.0	Jammu & Kashmir	
	36.1	Haryana	40.2	Manipur	13.6	Himachal Pradesh	20.6	Haryana	
	27.6	H.P	34.9	Andhra Pradesh	8.4	Punjab	17.0	Himachal Pradesh	
	25.8	Punjab	28.0	Mizoram	4.3	Mizoram	13.2	Punjab	
	14.7	Chandigarh	33.1	A&N Islands	10.1	Delhi	14.8	Daman & Diu	
	3.7	Delhi	19.8	Daman & Diu	8.4	Daman & Diu	8.5	Chandigarh	
					8.1	Dadra & N.H.	7.7	Delhi	
					4.4	Chandigarh			
	62.3	Kerala	62.2	Maharashtra	43.4	Uttar Pradesh	48.9	Madhya Pradesh	
	59.3	Maharashtra	61.6	Rajasthan	42.1	Assam	46.4	Uttar Pradesh	
	58.4	Madhya Pradesh	57.8	Gujarat	41.0	Maharashtra	45.2	Maharashtra	
	57.2	Uttar Pradesh	57.7	Karnataka	37.7	Madhya Pradesh	42.6	Assam	
	52.7	Karnataka			35.7	Kerala	39.0	Kerala	
	43.1	Assam			30.9	Karnataka	36.3	Karnataka	
	41.4	Jammu & Kashmir			29.9	A&N Islands	33.7	Rajasthan	
	40.8	Rajasthan			25.1	Rajasthan	29.8	Gujarat	
	39.2	Gujarat			24.4	Jammu & Kashmir	27.7	A&N Islands	
					23.3	Andhra Pradesh	27.2	Mizoram	
					20.5	Gujarat	26.5	Andhra Pradesh	
	58.1		63.8		37.0		45.6		

*Source: Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th Round, 1983*

Note: SC = Scheduled Caste, ST = Scheduled Tribe, All = All Castes (Total Population)



Table 2(b): State wise Disparity Ratio (1983, Rural)

Level	Disparity Ratio			
	SC/Non-SC/ST		ST/Non-SC/ST	
HIGH	3.1	Punjab	6.5	Mizoram
	2.4	Haryana	2.8	Gujarat
	2.0	Himachal Pradesh	2.5	Rajasthan
	1.9	Gujarat	1.9	Karnataka
	3.3	Chandigarh	9.0	Dadra & N.H.
			2.3	Daman & Diu
LOW	1.3	Uttar Pradesh	1.5	Andhra Pradesh
	1.3	West Bengal	1.4	West Bengal
	1.2	Tamil Nadu	1.3	Bihar
	1.0	Assam	1.1	Assam
			1.1	A&N Islands
MEDIUM	1.7	Kerala	1.8	Madhya Pradesh
	1.7	Karnataka	1.5	Orissa
	1.7	Jammu & Kashmir	1.5	Maharashtra
	1.6	Rajasthan		
	1.6	Andhra Pradesh		
	1.6	Madhya Pradesh		
	1.4	Maharashtra		
	1.4	Bihar		
	1.3	Orissa		
All India	1.6		1.7	

*Source: Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th Round, 1983.*

**Table 3(a): State wise Poverty Ratio (1993-94, Rural)**

Level	Level of Poverty							
	SC		ST		Non-SC/ST		All	
HIGH	70.9	Bihar	71.5	Orissa	53.0	Bihar	58.3	Bihar
	59.3	Uttar Pradesh	70.0	Bihar	45.5	Assam	50.0	Orissa
	52.1	Sikkim	66.7	Jammu & Kashmir	40.7	Orissa	45.0	Assam
	51.7	Maharashtra	64.0	Himachal Pradesh	36.9	Uttar Pradesh	42.3	Uttar Pradesh
	49.1	Orissa					52.2	Dadra & N.H.
LOW	32.2	Gujarat	25.6	Andhra Pradesh	4.8	Punjab	13.2	Jammu & Kashmir
	26.7	Tripura	24.5	Meghalaya	0.7	Mizoram	11.6	Punjab
	21.8	Punjab	6.2	Mizoram	11.3	Jammu & Kashmir	6.2	Mizoram
	13.9	Jammu & Kashmir	1.8	Nagaland	11.8	Andhra Pradesh	1.6	Nagaland
	17.1	Pondicherry	23.2	Daman & Diu	5.6	Chandigarh	9.0	Chandigarh
	13.9	Chandigarh	1.2	A&N Islands	5.4	Goa	4.9	Goa
	11.8	Delhi			1.4	Dadra & N.H.	4.5	Daman & Diu
MEDIUM					1.2	A&N Islands	1.9	Delhi
	46.6	Karnataka	62.0	West Bengal	35.5	West Bengal	40.8	West Bengal
	46.5	Haryana	58.5	Dadra & N.H.	32.5	Maharashtra	40.8	Madhya Pradesh
	46.0	Madhya Pradesh	56.9	Madhya Pradesh	32.1	Arunachal Pradesh	40.4	Arunachal Pradesh
	45.3	Assam	50.8	Maharashtra	30.1	Madhya Pradesh	38.0	Maharashtra
	45.3	West Bengal	46.2	Rajasthan	28.8	Sikkim	32.4	Tamil Nadu
	44.1	Tamil Nadu	42.2	Assam	27.9	Tamil Nadu	30.8	Sikkim
	38.3	Rajasthan	41.9	Arunachal P	25.9	Himachal Pradesh	30.1	Himachal Pradesh
	36.8	Himachal Pradesh	38.3	Tripura	24.0	Kerala	29.9	Karnataka
	36.3	Kerala	37.5	Karnataka	24.0	Karnataka	27.7	Haryana
			37.0	Uttar Pradesh	22.8	Meghalaya	26.4	Rajasthan
			32.5	Sikkim	20.2	Haryana	25.5	Kerala
			31.1	Gujarat	18.7	Tripura	24.3	Meghalaya
			27.7	Manipur	17.9	Rajasthan	23.3	Tripura
			26.9	Punjab	17.6	Pondicherry	22.2	Gujarat
				17.3	Gujarat	19.9	Manipur	
				15.1	Manipur	15.8	Andhra Pradesh	
All India	48.1		52.2		31.3		37.1	

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 50th Round, 1993-94

Note: SC = Scheduled Caste, ST = Scheduled Tribe, All = All Castes (Total Population)

**Table 3 (b): State wise Disparity Ratio (1993-94, Rural)**

Level	Disparity Ratio			
	SC/Non-SC/ST		ST/Non-SC/ST	
HIGH	4.6	Punjab	9.5	Mizoram
	2.3	Haryana	5.9	Jammu & Kashmir
	2.2	Andhra Pradesh	5.6	Punjab
	2.1	Rajasthan	2.6	Rajasthan
	2.5	Chandigarh	42.7	Dadra & N.H.
			3.0	Chandigarh
LOW	1.3	West Bengal	1.1	Sikkim
	1.2	Jammu & Kashmir	1.1	Meghalaya
	1.2	Orissa	1.0	Uttar Pradesh
	1.0	Assam	0.9	Assam
	1.0	Pondicherry	1.0	A&N Islands
MEDIUM	1.9	Karnataka	2.5	Himachal Pradesh
	1.9	Gujarat	2.2	Andhra Pradesh
	1.8	Sikkim	2.1	Tripura
	1.6	Uttar Pradesh	1.9	Madhya Pradesh
	1.6	Maharashtra	1.8	Manipur
	1.6	Tamil Nadu	1.8	Gujarat
	1.5	Madhya Pradesh	1.8	Orissa
	1.5	Kerala	1.7	West Bengal
	1.4	Tripura	1.6	Maharashtra
	1.4	Himachal Pradesh	1.6	Karnataka
	1.3	Bihar	1.3	Bihar
			1.3	Arunachal Pradesh
All India	1.5		1.7	

*Source:* Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 50th Round, 1993-94

*Note:* SC = Scheduled Caste, ST = Scheduled Tribe

**Table 4(a): State wise Poverty Ratio (1999-00, Rural)**

Level	Level of Poverty							
	SC		ST		Non-SC/ST		All	
HIGH	59.8	Bihar	73.9	Orissa	39.9	Assam	48.2	Orissa
	51.8	Orissa	59.7	Bihar	38.4	Bihar	44.2	Bihar
	44	Assam	56.3	Madhya Pradesh	33.2	Orissa	40.2	Assam
	43.7	Uttar Pradesh	49.9	West Bengal	28.7	West Bengal	37.1	Madhya Pradesh
LOW	13.2	Himachal Pradesh	6.1	Meghalaya	4.8	Haryana	2.5	Jammu & Kashmir
	12.4	Punjab	5.7	Himachal Pradesh	2.3	Punjab	2.3	Mizoram
	7.1	Jammu & Kashmir	2.4	Mizoram	1.9	Jammu & Kashmir	1.4	Goa
	3.4	Delhi	2.5	Daman & Diu	1.4	Goa	1.1	Daman & Diu
	0.8	Chandigarh	1.2	A&N Islands			0.4	Delhi
							0.3	Nagaland
							0.2	A&N Islands
MEDIUM	41.3	Madhya Pradesh	43.6	Maharashtra	27.0	Uttar Pradesh	31.9	West Bengal
	35.1	West Bengal	38.7	Assam	26.9	Madhya Pradesh	31.2	Uttar Pradesh
	34.0	Sikkim	34.4	Tripura	22.2	Sikkim	23.8	Maharashtra
	33.3	Maharashtra	34.1	Uttar Pradesh	21.1	Arunachal Pradesh	22.2	Arunachal Pradesh
	32.6	Tamil Nadu	29.1	Gujarat	17.3	Maharashtra	21.4	Sikkim
	26.2	Karnataka	25.4	Karnataka	16.0	Tripura	20.5	Tamil Nadu
	19.6	Rajasthan	25.3	Rajasthan	14.7	Tamil Nadu	17.4	Tripura
	19.0	Haryana	23.8	Andhra Pradesh	14.1	Karnataka	17.4	Karnataka
	17.8	Gujarat	22.6	Arunachal P	10.3	Manipur	15.0	Manipur
	16.5	Andhra Pradesh	20.9	Manipur	8.5	Kerala	13.6	Rajasthan
	15.1	Tripura	20.1	Dadra & N.H.	8.5	Rajasthan	13.2	Gujarat
	14.6	Kerala	16.6	Sikkim	8.3	Gujarat	11.1	Andhra Pradesh
	19.5	Pondicherry	8.4	Jammu & Kashmir	8.1	Andhra Pradesh	9.4	Kerala
					7.8	Meghalaya	8.3	Haryana
					6.4	Himachal Pradesh	7.9	Himachal Pradesh
					10.2	Chandigarh	6.4	Punjab
					8.8	Pondicherry	6.2	Meghalaya
							17.5	Dadra & N.H.
						11.7	Pondicherry	
						8.0	Chandigarh	
All India	36.2		45.9		21.6		27.1	

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 55th Round, 1999-2000

**Note:** SC = Scheduled Caste, ST = Scheduled Tribe, All = All Castes (Total Population)

**Table 4 (b): State wise Disparity Ratio (1999-00, Rural)**

Level	Disparity Ratio			
	SC/Non-SC/ST		ST/Non-SC/ST	
HIGH	5.3	Punjab	4.4	Jammu & Kashmir
	4.0	Haryana	3.5	Gujarat
	3.7	Jammu & Kashmir	3.0	Rajasthan
	2.3	Rajasthan	2.9	Andhra Pradesh
LOW	1.5	Sikkim	1.0	Assam
	1.2	West Bengal	0.9	Himachal Pradesh
	1.1	Assam	0.8	Meghalaya
	1.0	Tripura	0.8	Sikkim
	0.1	Chandigarh		
MEDIUM	2.2	Pondicherry		
	2.2	Tamil Nadu	2.5	Maharashtra
	2.2	Gujarat	2.2	Orissa
	2.1	Himachal Pradesh	2.2	Tripura
	2.0	Andhra Pradesh	2.1	Madhya Pradesh
	1.9	Maharashtra	2.0	Manipur
	1.9	Karnataka	1.8	Karnataka
	1.7	Kerala	1.7	West Bengal
	1.6	Uttar Pradesh	1.6	Bihar
	1.6	Orissa	1.3	Uttar Pradesh
	1.6	Bihar	1.1	Arunachal Pradesh
	1.5	Madhya Pradesh		
	All India	1.7		2.1

*Source: Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 55th Round, 1999-2000*

*Note: SC = Scheduled Caste, ST = Scheduled Tribe*

**Table 5: Changes in Poverty (Per Annum Rate) (Rural, 1983 to 1999-2000)**

Level	SC		ST		Non-SC/ST		All	
Low Rate	-1.7	Uttar Pradesh	-0.9	Orissa	-2.1	Madhya Pradesh	-1.7	Madhya Pradesh
	-1.9	Bihar	-1.0	Madhya Pradesh	-2.7	Bihar	-2.1	Orissa
	-2.1	Madhya Pradesh	-1.4	Bihar	-2.9	Uttar Pradesh	-2.3	Bihar
	-2.3	Orissa	-1.2	Assam	-3.2	Orissa	-2.5	Uttar Pradesh
	0.1	Assam			5.4	Chandigarh	-0.4	Assam
	-0.5	Delhi			-0.3	Assam	-0.4	Chandigarh
High Rate	-4.5	Himachal Pradesh	-4.2	Gujarat	-7.7	Punjab	-5.5	Haryana
	-4.8	Gujarat	-5.0	Karnataka	-8.0	Tamil Nadu	-5.9	Tamil Nadu
	-5.0	Andhra Pradesh	-5.4	Rajasthan	-8.6	Kerala	-8.5	Kerala
	-8.7	Kerala	-14.2	Mizoram	-100.0	Mizoram	-14.4	Mizoram
	-8.8	Pondicherry	-7.7	Dadra & N.H.	-14.7	Jammu & Kashmir	-7.8	Dadra & N.H.
	-10.4	Jammu & Kashmir	-12.1	Daman & Diu	-100.0	Delhi	-9.9	Pondicherry
	-16.6	Chandigarh	-18.8	A&N Islands	-100.0	A&N Islands	-13.7	Jammu & Kashmir
					-100.0	Dadra & N.H.	-15.1	Daman & Diu
					-100.0	Daman & Diu	-17.0	Delhi
							-26.3	A&N Islands
Medium Rate	-3.5	Maharashtra	-2.2	Maharashtra	-4.0	West Bengal	-3.9	Maharashtra
	-3.9	Haryana	-2.4	Andhra Pradesh	-4.6	Himachal Pradesh	-4.2	West Bengal
	-4.3	Karnataka	-2.6	West Bengal	-4.8	Karnataka	-4.4	Punjab
	-4.4	West Bengal	-4.0	Manipur	-5.3	Maharashtra	-4.5	Karnataka
	-4.4	Tamil Nadu			-5.5	Gujarat	-4.6	Himachal P
	-4.5	Punjab			-6.4	Andhra Pradesh	-5.0	Gujarat
	-4.5	Rajasthan			-6.5	Rajasthan	-5.3	Andhra Pradesh
					-6.9	Haryana	-5.5	Rajasthan
All India	-2.9		-2.0		-3.3		-3.2	

Note: SC = Scheduled Caste, ST = Scheduled Tribe, All = All Castes (Total Population)

Table 6 shows the change in the disparity ratio between the SCs and Non-SC/STs, and the STs and Non-SC/STs from 1983 to 1993-94, 1993-94 to 1999-2000, and 1983 to 1999-2000. In 1983, the poverty disparity ratio between the SCs and Non-SC/STs was 1.57, and remained nearly the same in 1993-94 (1.54), but increased to 1.67 in 1999-2000. Thus, the gap in rural poverty between the SCs and Non-SC/STs during 1983 and 1999-2000 marginally increased. Among the 17 major states, with the exception of West Bengal, the disparity ratio seems to have increased. Most of the small states also indicate an increase in the gap in poverty between the SCs and Non-SC/STs (See Appendix Tables 1, 2 and 3). The disparity ratio between the STs and Non-SC/STs was 1.73 in 1983, which declined to 1.67 in 1993-94, but increased significantly to 2.12 in 1999-2000. With the exception of Assam and Karnataka, poverty gap increased in the remaining states between 1983 and 1999-2000.

## **6. Changes in the Level of Poverty by Social Groups 1983 to 1999-2000**

### ***6.1 Regional Variations***

At the all-India level, rural poverty for all social groups declined at a rate of 3.2 per cent per annum between 1983 and 1999-2000. A decline was also registered for all the social groups separately during the same period (Table 5). The rate of decline in the head count ratio for SCs, STs and the Non-SC/STs was 2.9, 2.0 and 3.3 per cent per annum respectively during 1983 and 1999-2000. There are significant inter-state variations in the rate of decline in rural poverty. Poverty fell at a faster rate for Scheduled Castes in states like Jammu and Kashmir, Kerala, Andhra Pradesh and Gujarat followed by Punjab and Rajasthan (varying between 4.5 per cent in Gujarat to 8.7 per cent in Kerala), and at a relatively lower rate in Uttar Pradesh, Orissa, Madhya Pradesh, Bihar and Assam (varying between 1.7 per cent in Uttar Pradesh to 2.3 per cent in Orissa). In the rest of the states, poverty declined by about 4 to 4.5 per cent per annum.

**Table 6: Net Change in Disparity Ratio (Rural)**

	Net Change in SC/Non-SC/ST			Net Change in ST/Non-SC/ST		
	83-93	93-00	83-00	83-93	93-00	83-00
Major States						
Andhra Pradesh	0.61	-0.18	0.43	0.68	0.75	1.43
Assam	-0.03	0.11	0.08	-0.20	0.04	-0.15
Bihar	-0.02	0.22	0.20	0.06	0.24	0.30
Gujarat	-0.06	0.29	0.23	-1.03	1.73	0.70
Haryana	-0.11	1.68	1.57	2.06	-2.06	0.00
Himachal Pradesh	-0.61	0.65	0.04	2.47	-1.57	0.90
Jammu & Kashmir	-0.47	2.48	2.02	5.92	-1.54	4.38
Karnataka	0.24	-0.09	0.15	-0.30	0.24	-0.07
Kerala	-0.24	0.20	-0.03	1.55	1.28	2.84
Madhya Pradesh	-0.02	0.01	-0.01	0.13	0.20	0.33
Maharashtra	0.15	0.33	0.48	0.05	0.95	1.00
Orissa	-0.14	0.36	0.21	0.23	0.47	0.70
Punjab	1.52	0.73	2.24	5.64	2.06	7.70
Rajasthan	0.51	0.16	0.68	0.13	0.39	0.52
Tamil Nadu	0.37	0.63	1.00	1.59	1.34	2.94
Uttar Pradesh	0.29	0.01	0.30	1.00	0.26	1.26
West Bengal	-0.02	-0.06	-0.07	0.38	-0.01	0.37
Other States / UTs						
Andaman Nicobar	0.00	0.00	0.00	0.00	0.00	0.00
Arunachal Pradesh	-0.88	0.00	-0.88	-0.11	-1.00	-1.11
Chandigarh	0.91	-0.91	0.00	1.30	-0.23	1.07
Dadra Nagar Haveli	-0.83	-2.43	-3.26	3.01	-3.01	0.00
Daman & Diu	0.88	-0.88	0.00	33.67	-42.69	-9.02
Delhi	0.00	0.00	0.00	-2.34	0.00	-2.34
Goa	-0.36	0.00	-0.36	0.00	0.00	0.00
Lakshadweep	0.00	0.00	0.00	0.00	0.00	0.00
Manipur	0.00	0.00	0.00	0.00	0.00	0.00
Meghalaya	0.00	0.70	0.70	1.84	0.18	2.02
Mizoram	0.00	0.00	0.00	1.07	-0.29	0.78
Nagaland	0.00	0.00	0.00	3.04	-9.54	-6.50
Pondicherry	0.00	0.00	0.00	0.00	0.00	0.00
Sikkim	0.97	1.25	2.22	0.00	0.00	0.00
Tripura	1.81	-0.28	1.53	1.13	-0.38	0.75
All India	1.43	-0.48	0.95	2.05	0.10	2.15

Note: SC = Scheduled Caste, ST = Scheduled Tribe



In the case of the STs, rural poverty declined by 2 per cent per annum at the all-India level. The rate of decline in poverty was higher in Mizoram, Rajasthan, Karnataka, Gujarat and Manipur and varied between 4.2 per cent in Gujarat to 14.2 per cent in Mizoram and between 0.9 and 1.4 per cent for Madhya Pradesh, Orissa, Bihar and Assam. In the remaining states, the rate of decline in rural poverty among the STs was close to the all-India average, and varied between 2.2 and 2.6 per cent.

The incidence of rural poverty among the Non-SC/STs declined by about 3.3 per cent per annum. Poverty declined at a faster rate in Kerala, Tamil Nadu, Punjab, Haryana, Andhra Pradesh and Rajasthan, where the annual rate varied between 6 and 8 per cent. On the other hand, the rate of decline was comparatively low in states like Assam, Uttar Pradesh, Orissa, Madhya Pradesh and Bihar. In the remaining states, poverty declined at a moderate rate, close to the national average of 3.3 per cent per annum.

Two features emerge with respect to inter-state variations in the change in rural poverty among the social groups. Firstly, some states show lower levels of decline in rural poverty during 1983 and 1999-2000 for all the social groups. These include Madhya Pradesh, Orissa, Bihar and Assam. Secondly, there are states that show a higher decline in rural poverty for the SCs and Non-SC/STs, and these include Kerala, Andhra Pradesh, Gujarat, Punjab and Rajasthan. On the other hand, states that show higher decline in rural poverty among the STs include Mizoram, Rajasthan, Karnataka, Gujarat and Manipur. Decline in rural poverty has been high for all the social groups in Gujarat and Rajasthan.

With the exception of Himachal Pradesh, Kerala and Madhya Pradesh, the remaining states show that a decline in rural poverty was lower among the SCs as compared to the STs and Non-SC/STs. The gap in the rate of decline in rural poverty between the SCs and STs was particularly high in Haryana, Punjab and Tamil Nadu. In Himachal Pradesh, Kerala and Madhya Pradesh, the rate of decline was almost the same among the SCs and Non-SC/STs. In the case of the STs also, rural poverty declined at a lower rate as compared to Non-SC/STs in most of the tribal states, the only exceptions being Assam and Karnataka, where rural poverty among the STs declined at a rate higher than the Non-SC/STs.

## **7. Persistent Poverty: Evidence for 1999-2000**

In 1999-2000, about 46 per cent of the STs and 37 per cent of the SCs were poor compared to 21 per cent of the Non-SC/STs in rural areas. The poverty disparity ratios between the SC and Non-SC/ST, and ST and Non-SC/ST were 1.67 and 2.12 respectively. The disparity ratio between the SCs and Non-SC/STs was particularly high in Punjab, Haryana and Jammu and Kashmir being 5.31, 3.98 and 3.72 respectively. Thus, poverty among the SCs was more than five times higher in Punjab, about four times higher in Haryana and Jammu & Kashmir. Incidence of poverty among the SCs was more than twice that of the Non-SC/STs in Tamil Nadu, Gujarat, Himachal Pradesh, Andhra Pradesh, Maharashtra, Rajasthan and the UT of Pondicherry. In the rest of the states, namely West Bengal, Assam, Karnataka, Kerala, Uttar Pradesh, Orissa, Bihar, Madhya Pradesh and Sikkim, the disparity ratio between the SCs and Non-SC/STs was close to the all-India average of 1.67. The difference in the incidence of poverty between the STs and Non-SC/STs in rural areas was equally high. At the all-India level, the disparity ratio between the STs and Non-SC/STs was 2.12 in 1999-2000. At the state level, the disparity ratio between the STs and Non-SC/STs was particularly high in Punjab, Jammu & Kashmir and Gujarat being 7.70, 4.38 and 3.52 respectively. Other states having disparity ratio higher than the all-India average include Andhra Pradesh, Rajasthan, Tamil Nadu, Kerala, Orissa, Maharashtra and Tripura. It needs to be emphasized, that the level of poverty among the STs was the same as that of Non-SC/STs in the north-eastern states of Meghalaya, Sikkim and Arunachal Pradesh (See Tables 4(a) and 4(b)).

### ***7.1 Regions of Persistently High Rural Poverty***

In 1999-2000, about 27 per cent of the rural population in India (taking all the groups together) was poor. The incidence of rural poverty varied considerably across the states and was high for all social groups in Bihar, Orissa and Madhya Pradesh. However the incidence of rural poverty among SCs was particularly high in Bihar, Orissa, Uttar Pradesh, Madhya Pradesh and West Bengal. Incidence of rural poverty among the STs was high in Orissa, Bihar, Madhya Pradesh and West Bengal. In the case of the Non-SC/STs, Bihar, Orissa, West Bengal, Madhya Pradesh and Uttar Pradesh had high incidence of poverty. Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and West Bengal had high incidence of poverty among all the social groups in 1983, 1993-94 and 1999-2000 (See Tables 2(a), 3(a) and 4(a)).

## ***7.2 Regions of Persistently Low Rural Poverty***

In 1999-2000, Punjab, Himachal Pradesh, Haryana, Andhra Pradesh and Kerala constituted the regions of low rural poverty, for all the social groups. In case of the SCs, incidence of poverty was low in Punjab, Himachal Pradesh, Kerala, Andhra Pradesh, Haryana and Gujarat. Incidence of poverty was low in the case of Non-SC/STs in Punjab, Haryana, Andhra Pradesh, Kerala, Gujarat and Rajasthan. In the case of STs, incidence of poverty was low in Himachal Pradesh and in the north-eastern states of Meghalaya, Mizoram, Sikkim and Manipur. All the above-mentioned states (with some exceptions) had low incidence of poverty in 1983 and 1993-94 as well (See Tables 2(a), 3(a) and 4(a)).

## **8. Economic Characteristics of Persistently High Poverty States**

In order to gain an insight into the characteristics of regions with persistently high poverty, and their variations among the social groups, an attempt has been made to compare the performance of 3 states with very high incidence of persistent poverty and with a sizeable SC/ST population with that of 3 states with low poverty.

Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and West Bengal had a very high incidence of rural poverty in 1983, 1993-94 and 1999-2000. Tables 7(a), 7(b) and 7(c) present the share of each of these states in the total rural population and their share among the total rural poor in India in all the three years. In 1999-2000, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and West Bengal together accounted for about 69 per cent of the total rural poor in India, while their share in the country's rural population was about 51 per cent. In the case of SCs, these 5 states accounted for about 70 per cent of India's rural poor, but about 56 percent of the country's rural population. . In the case of the STs, these states accounted for about 63 and 49 per cent of the rural poor and rural population respectively, while the figures were about 71 and 50 per cent respectively for the Non-SC/STs. Thus for all the social groups, these 5 states, not only accounted for the bulk of the rural poor in the country, but their share in the country's total rural poor also exceeded their share in the country's total rural population by a substantial margin. The list of the 3 high poverty states and 3 least poor states is given in Table 8.

**Table 7(a): Regional Concentration of Rural Poor (Percentage of Rural Population and Rural Poor for High Poverty States 1999-2000)**

STATES	SC		ST		Non-SC/ST		All	
	SP	SPP	SP	SPP	SP	SPP	SP	SPP
Uttar Pradesh	22.5	27.1	2.1	1.6	20	24.9	18.6	21.4
Bihar	11.8	19.5	7.9	10.2	11.9	21.1	11.5	18.7
West Bengal	11.0	10.7	5.3	5.8	7.9	10.5	8.3	9.8
Madhya Pradesh	6.1	7.0	23	28.2	7.2	8.9	8.6	11.8
Orissa	4.4	6.2	10.9	17.6	3.2	4.9	4.2	7.5
TOTAL	55.8	70.5	49.2	63.4	50.2	70.3	51.2	69.2
Share of 3 most Poor States	38.7	52.8	41.8	56.0	23.0	36.5	24.3	38.1

**Table 7(b): Regional Concentration of Rural Poor (Percentage of Rural Population and Rural Poor for High Poverty States 1993-94)**

STATES	SC		ST		Non-SC/ST		All	
	SP	SPP	SP	SPP	SP	SPP	SP	SPP
Uttar Pradesh	20.8	25.6	1.6	1.1	20.2	23.8	18.3	20.8
West Bengal	13.0	12.2	6.5	7.7	7.5	8.5	8.5	9.4
Bihar	10.9	16.1	8.2	11.0	10.8	18.3	10.5	16.6
Madhya Pradesh	6.9	6.6	22.7	24.8	6.5	6.2	8.3	9.2
Orissa	4.2	4.3	11.1	15.3	4.0	5.2	4.8	6.5
TOTAL	55.8	64.8	50.1	59.9	48.9	62.0	50.5	62.4

**Table 7(c): Regional Concentration of Rural Poor  
(Percentage of Rural Population and Rural Poor for High Poverty  
States 1983)**

STATES	SC		ST		Non-SC/ST		All	
	SP	SPP	SP	SPP	SP	SPP	SP	SPP
Uttar Pradesh	17.7	17.4	NA	NA	16.9	19.8	14.9	15.6
West Bengal	11.1	13.8	3.6	4.3	5.9	8.9	6.5	9.1
Bihar	10.5	14.7	6.9	8.0	10.7	17.2	10.2	14.9
Madhya Pradesh	6.4	6.4	19.2	20.0	5.8	5.9	7.6	8.7
Orissa	3.8	4.9	6.4	8.6	3.2	4.9	3.7	5.6
TOTAL	49.5	57.3	36.1	41.0	42.6	56.8	42.9	54.0

*Notes: (1) SP: Share of Population, SPP: Share of Poor Population*

*(2) SC: Scheduled Caste; ST: Scheduled Tribe; All: All Castes  
(Total Population); NA: Not Available*

### ***8.1 Economic Characteristics of High Poverty States in 1999-2000: An Empirical Analysis***

In 1999-2000, Bihar, Orissa and Uttar Pradesh constituted the states with high incidence of poverty, while Kerala, Himachal Pradesh and Punjab constituted the states with low incidence of poverty. The average poverty level for the SCs was 52 per cent in high poverty states as against 13 per cent in low poverty states.

A comparison of the high and low poverty states with regard to a majority of the indicators shows that with a few exceptions, the situation of Scheduled Castes and Scheduled Tribes in the high poverty states was worse as compared to the low poverty states (See Tables 10 and 11). The level of urbanisation in the case of SCs in the high poverty states was 11 per cent as compared to 16 per cent in the low poverty states. As far as diversification of workforce is concerned, 50 per cent of the SC workers were in the non-agricultural sector in low poverty states compared to only 25 per cent in high poverty states. Around 52 per cent of SC households were agricultural wage labour households in the high poverty states as against only 36 per cent in low poverty states. The situation of high poverty states with respect to employment rate based on current weekly and daily status was not favourable when compared with the low poverty states. Similarly, in high poverty states, agricultural and non-agricultural wage rates were also significantly lower. The gap in rural literacy rates between the high and low poverty states was substantial. Thus, it is clear from the above analysis of selected indicators of poverty that the SCs in high poverty states of Bihar, Orissa and Uttar Pradesh lag far behind the SCs of the low poverty states. The ownership of capital assets like agricultural land and non-land assets by SCs however, was almost same in high and low poverty states.

**Table 8: Three most Poverty Prone and Three least Poverty Prone States**

	Three Most Poor States			Three least Poor States		
	1983	1993-94	1999-2000	1983	1993-94	1999-2000
Scheduled Caste	Bihar Orissa WB	Bihar Orissa UP	Bihar Orissa UP	Haryana HP Punjab	Gujarat AP Punjab	Karnataka MP Punjab
Scheduled Tribe	Bihar Orissa WB	Bihar Orissa MP	Bihar Orissa MP	Mizoram Manipur AP	Meghalaya Mizoram	Meghalaya HP Mizoram
Non-SC/ST	Bihar Orissa WB	Bihar Orissa UP	Bihar Orissa WB	Haryana Punjab	Gujarat AP Punjab	HP Haryana Punjab
All	Bihar Orissa WB	Bihar Orissa UP	Bihar Orissa MP	Punjab HP Haryana	Nagaland Mizoram Punjab	Meghalaya Punjab/HP/Haryana

*Note: WB - West Bengal, UP - Uttar Pradesh, AP - Andhra Pradesh, HP - Himachal Pradesh*

**Table 9: Economic Indicators Reflecting the Characteristics of High Poverty Regions**

Group	Indicators
(a) Access to Capital Assets Agricultural land  Non-land Assets	Percentage of landless households, percentage of landless cum near landless households, percentage of cultivator, percentage of self-employed cultivating households.  Percentage of self-employed in non-firm business, capital assets per household.
(b) Employment Diversification	Percentage of Agricultural workers in rural area, percentage of Non-agricultural workers in rural areas.
(c) Urbanisation	Percentage of Urban population.
(d) Quality of Employment	Percentage of Rural wage labour, percentage of agricultural wage labour, percentage of regular / salaried worker.
(e) Employment Employment Rate  Unemployment Rate	Percentage of worker based on current daily status and current weekly status.  Percentage of unemployed based on current daily and current weekly status.
(f) Wage Rate	Daily wage earning in farm & rural non-farm sector.
(g) Education Literacy  Education level	Percentage of Literate (Plus 15 years).  Percentage share of literate in primary/middle, high school/ secondary, in graduate, and above.



**Table 10: Economic Characteristics of High and Low Poverty States - Scheduled Castes: 1999-2000 (Rural)**

States		High Poverty States				Low Poverty States				India
		Bihar	Orissa	U.P.	Average	Kerala	H.P.	Punjab	Average	
Poverty	% of Poor	59.8	51.8	43.7	51.8	14.6	13.2	12.4	13.4	36.2
Access to Capital Assets	% of Landless HH	23.8	1.4	5.3	10.2	4.2	0.9	12.2	5.8	10.0
	% of Landless + Near Landless household	90.9	68.5	71.8	77.1	93.8	69.3	94.7	85.9	75.0
	% of Cultivator worker	11.6	25.4	44.8	27.3	1.9	63.3	5.2	23.4	26.8
	% of Self Employed in Agricultural HH	8.7	13.9	28.0	16.9	4.7	30.3	4.1	13.0	16.4
	% of Self Employed in Non-Agricultural HH	11.0	15.5	13.1	13.2	4.1	16.9	18.2	13.1	12.0
Urbanisation (%)		9.1	11.6	12.5	11.1	18.3	6.6	24.3	16.4	20.2
Employment Diversification	% of Agricultural Workers	84.7	64.1	77.0	75.3	35.5	65.8	48.6	49.9	72.9
	% of Non-Agricultural Workers	15.3	35.9	23.0	24.7	64.6	34.2	51.4	50.1	27.1
Occupation	% of Rural Labour HH	73.0	57.4	48.4	59.6	83.8	34.5	61.7	60.0	61.4
	% of Agricultural Labour HH	67.8	49.9	39.0	52.2	57.4	7.5	43.7	36.2	51.4
	Non-Agricultural Labour HH	7.1	13.1	10.4	10.2	7.3	18.3	15.9	13.8	10.2
Employment Rate	Current Weekly Status (in %) (Male)	51.2	50.6	45.7	49.2	52.6	51.9	50.7	51.7	50.5
	Current Weekly Status (in %) (Female)	22.4	24.5	20.3	22.4	28.0	39.4	24.2	30.5	27.0
	Current Daily Status (in %) (Male)	46.4	46.5	43.2	45.4	41.5	50.8	48.5	46.9	46.2
	Current Daily Status (in %) (Female)	16.7	18.6	16.1	17.1	21.0	29.4	14.1	21.5	21.2
Unemployment	Current Weekly Status (in %) (Male)	1.8	2.0	1.8	1.9	7.7	1.6	2.8	4.0	2.5
	Current Weekly Status (in %) (Female)	0.4	0.6	0.5	0.5	6.1	0.4	0.1	2.2	1.0
	Current Daily Status (in %) (Male)	5.0	4.1	2.8	4.0	14.9	2.0	3.8	6.9	5.0
	Current Daily Status (in %) (Female)	1.8	1.1	0.8	1.2	9.0	0.4	0.2	3.2	2.1

States		High Poverty States				Low Poverty States				India
		Bihar	Orissa	U.P.	Average	Kerala	H.P.	Punjab	Average	
Wages	Agricultural Wages (in Rs.) (Male)	34.9	36.5	28.5	33.3	44.9	40.6	62.9	49.5	41.9
	Agricultural Wages (in Rs.) (Female)	31.6	28.1	23.4	27.7	38.5	27.2	72.9	46.7	29.6
	Non-Agricultural Wages (in Rs.) (Male)	47.9	52.2	36.6	45.5	62.4	44.5	70.9	59.3	61.1
	Non-Agricultural Wages (in Rs.) (Female)	29.8	43.0	27.5	33.4	41.4	34.8	43.4	39.9	36.8
Literacy	Literacy Rate (in %) (Male)	30.0	58.9	45.7	44.9	86.3	74.5	51.5	70.8	52.5
	Literacy Rate (in %) (Female)	6.4	25.6	11.6	14.5	71.7	50.6	32.3	51.5	24.5
Education Level	Primary/ Middle (in %) (Male)	12.0	24.7	25.8	20.8	42.4	43.2	24.6	36.7	27.1
	Primary/ Middle (in %) (Female)	2.7	11.8	7.2	7.2	43.6	30.3	16.2	30.0	13.6
	Secondary and High School (in %) (Male)	12.5	24.0	20.4	19.0	43.6	35.4	24.4	34.5	22.1
	Secondary and High School (in %) (Female)	2.7	9.2	4.8	5.6	38.4	20.7	12.8	24.0	9.5
	Graduate and above (in %) (Male)	1.6	1.7	2.9	2.1	2.4	1.3	1.2	1.6	2.0
	Graduate and above (in %) (Female)	0.2	0.4	0.3	0.3	1.4	0.1	0.5	0.7	0.4

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th, 50th and 55th Rounds, NSS, Land and Livestock Holdings, 1981 and 1991, Rural Labour Enquiry (Different Rounds), Census 1981, 1991 and 2001, Assets and Indebtedness Survey, 1991

**Note :** HH= Household

**Table 11: Economic Characteristics of High and Low Poverty States - Scheduled Tribes: 1999-2000 (Rural)**

States		High Poverty States				Low Poverty States				India
		Orissa	Bihar	M.P.	Average	Meghalaya	H.P.	Mizoram	Average	
Poverty	Head Count Ratio	73.9	59.7	56.3	65.3	6.1	5.7	2.4	4.7	45.9
Access to Capital Assets	% of Landless HH	0.5	2.0	7.0	3.2	NA	10.5	NA	N.A	7.2
	% of Landless + Near Landless HH	50.8	37.5	35.4	41.2	NA	60.6	NA	N.A	46.3
	% of Cultivator worker	48.4	61.5	62.1	57.3	63.7	70.4	85.1	73.0	54.3
	% of Self Employed in Agricultural HH	26.5	52.4	37.7	38.9	69.3	41.6	61.6	57.5	36.2
	% of Self Employed in Non-Agricultural HH	5.5	4.0	0.3	3.3	5.6	15.3	5.5	8.8	5.2
Urbanisation (%)		5.5	8.0	6.0	6.5	15.6	3.1	48.7	22.4	8.3
Employment Diversification	% of Agricultural Workers	80.9	85.2	91.0	85.7	78.2	71.2	87.0	78.8	84.2
	% of Non-Agricultural Workers	19.1	14.8	9.0	14.3	21.9	28.8	13.0	21.2	15.8
Occupation	% of Rural Labour HH	61.2	34.7	51.1	49.0	14.3	20.9	8.8	14.7	48.6
	% of Agricultural Labour HH	57.5	26.4	44.7	42.9	10.2	5.2	5.9	7.1	39.7
	Non-Agricultural Labour HH	6.8	8.9	7.9	7.9	10.3	22.1	24.2	18.9	10.1
Employment Rate	Current Weekly Status (in %) (Male)	55.8	54.9	53.8	54.8	56.5	50.2	55.4	54.0	53.9
	Current Weekly Status (in %) (Female)	38.7	27.3	40.3	35.4	43.2	38.6	41.1	41.0	38.1
	Current Daily Status (in %) (Male)	50.6	50.7	52.2	51.2	51.9	50.2	50.8	51.0	50.5
	Current Daily Status (in %) (Female)	31.5	20.9	36.8	29.7	38.2	27.4	35.9	33.8	32.2
Unemployment	Current Weekly Status (in %) (Male)	1.1	3.4	1.0	1.8	0.2	1.6	1.0	0.9	1.5
	Current Weekly Status (in %) (Female)	0.2	1.7	0.3	0.7	0.2	0.9	0.1	0.4	0.8
	Current Daily Status (in %) (Male)	3.5	5.8	1.5	3.6	0.3	1.6	0.9	0.9	3.0
	Current Daily Status (in %) (Female)	1.0	1.5	0.6	1.0	0.3	0.9	0.1	0.4	1.5
Wages	Agricultural Wages (in Rs.) (Male)	26.4	33.3	29.2	29.6	50.2	81.0	88.6	73.3	33.2

States		High Poverty States				Low Poverty States				India
		Orissa	Bihar	M.P.	Average	Meghalaya	H.P.	Mizoram	Average	
	Agricultural Wages (in Rs.) (Female)	22.7	31.6	25.3	26.5	35.5	62.6	114.5	70.8	26.4
	Non-Agricultural Wages (in Rs.) (Male)	34.6	NA	41.7	38.2	67.0	81.7	91.7	80.1	54.4
	Non-Agricultural Wages (in Rs.) (Female)	28.4	NA	27.8	28.1	35.7	NA	NA	NA	34.5
Literacy	Literacy Rate (in %) (Male)	37.6	45.5	40.2	41.1	71.2	79.4	93.1	81.2	47.7
	Literacy Rate (in %) (Female)	14.0	18.0	16.3	16.1	66.3	53.2	89.7	69.7	22.9
Education Level	Primary/ Middle (in %) (Male)	19.0	41.3	20.6	27.0	36.3	27.9	21.3	28.5	23.8
	Primary/ Middle (in %) (Female)	7.4	28.4	9.0	14.9	25.3	15.2	16.0	18.8	11.7
	Secondary and High School (in %) (Male)	10.8	34.9	22.5	22.7	25.4	25.4	20.8	23.9	18.9
	Secondary and High School (in %) (Female)	2.1	21.8	10.0	11.3	19.4	11.2	11.8	14.1	7.8
	Graduate and above (in %) (Male)	1.0	1.9	1.5	1.5	2.2	1.6	2.6	2.1	1.5
	Graduate and above (in %) (Female)	0.2	0.1	0.0	0.1	0.6	0.9	2.4	1.3	0.3

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th, 50th and 55th Rounds, NSS, Land and Livestock Holdings, 1981 and 1991, Rural Labour Enquiry (Different Rounds), Census 1981, 1991 and 2001, Assets and Indebtedness Survey, 1991

Note : HH = Household

In 1999-2000, in the case of STs, average poverty in the 3 high poverty states of Bihar, Orissa, and Madhya Pradesh was 65.31 per cent, as against 4.7 per cent in the 3 low poverty states of Meghalaya, Himachal Pradesh and Mizoram (See Table 11). In the case of STs, access to agricultural land in high poverty states was lower. The percentage of cultivators and the percentage of self-employed in agricultural and non-agricultural households among the high poverty states were lower than in states with low poverty. The proportion of self-employed households in agriculture, among the STs, was 38.9 per cent in the high poverty states as against 57.5 per cent in the low poverty states. The percentage of rural labour households among the STs was 49 per cent in high poverty states as compared to 14.7 per cent in low poverty states. The employment and wage rates for females, both in the agricultural and non-agricultural sectors were also much lower in the high poverty states. A wide gap was particularly noticed in the case of daily wage earners in the farm and non-farm sectors. A similar trend was noticed with regard to the unemployment rates. The performance of high poverty states with regard to employment diversification and urbanisation was poor as compared to the low poverty states. The percentage of urban population in high poverty states was 6.5 per cent and that of low poverty states was 22 per cent in case of the STs in 1999-2000. Finally, the literacy rates and enrolment rates at different levels of education were also lower in high poverty states as compared to the low poverty states (Table 11). Thus, in the case of STs, with respect to most of the indicators of rural poverty, the states with high poverty lag far behind the states with low poverty.

In the case of Non-SC/STs, the average poverty level in the 3 high poverty states of Bihar, Orissa and West Bengal was 33.43 per cent, compared to 4.50 per cent in the 3 low poverty states of Himachal Pradesh, Haryana and Punjab. The high poverty states have not performed well with respect to most of the indicators. On an average, persons in the high poverty states have less access to agricultural and non-land capital assets. The level of urbanisation as well as sectoral diversification was also less as compared to the low poverty states. The proportion of rural and agricultural wage labour was also relatively high. The employment rates based on current weekly and daily status in the high poverty states were low. Similarly, the educational attainment in terms of literacy and enrolment rate at various levels of education was also less in high poverty states in the case of Non-SC/STs (See Table 12).

## ***8.2 The Situation of the SCs and STs in Rural Areas of High Poverty Regions in 1999-2000***

With respect to all economic indicators except employment and unemployment rate, the situation in high poverty states for the SCs was deplorable as compared to the Non-SC/STs. This is evident from the higher incidence of landless and near-landless households, lower proportion of self-employed farmers or cultivators, non-farm self employed households, and higher proportion of wage labour among the SCs. The proportion of landless households was 10.2 per cent and the proportion landless and near landless was 77.1 per cent among the SCs. The figures for the above in the case of Non-SC/ST households were 4.8 and 63 per cent respectively. Similarly, the percentage of cultivators and self-employed cultivating households among the SCs were 27.3 and 16.9 per cent respectively as compared to 37.5 and 30.8 per cent among the Non-SC/ST households (See Tables 10 and 12) (Thorat 1993).

Within the high poverty states, the level of urbanisation as well as diversification of work force in non-farm activities was lower among the SCs as compared to the Non-SC/STs. The level of urbanisation among the Non-SC/STs was 22.5 per cent, and among the SCs was 11.1 per cent. About 24.7 per cent of the SCs were non-agricultural workers as compared to 35.9 per cent among the Non-SC/STs. Dependence of the SCs on agricultural sector, particularly as agricultural labour was much higher. About 75.3 per cent of the SC workers were dependent on agriculture, as compared to 64.1 per cent among the Non-SC/STs. Among the SC workers dependent on agriculture, 52.2 per cent were agricultural labourers as compared to 28.7 per cent for the Non-SC/STs.

**Table 12: Economic Characteristics of High and Low Poverty States – Non-SC/STs: 1999-2000 (Rural)**

States		High Poverty States				Low Poverty States				India
		Bihar	Orissa	W.B.	Average	H.P.	Haryana	Punjab	Average	
Poverty	Head Count Ratio	38.4	33.2	28.7	33.4	6.4	4.8	2.3	4.5	21.6
Access to Capital Assets	% of Landless HH	7.4	2.1	4.9	4.8	5.0	4.1	9.9	6.3	6.2
	% of Landless + Near Landless HH	61.0	57.5	71.5	63.3	65.9	47.5	52.3	55.2	54.3
	% of Cultivator worker	38.4	44.0	30.0	37.5	60.5	56.2	47.7	54.8	46.9
	% of Self Employed in Agricultural HH	39.5	29.8	23.2	30.8	40.1	40.7	38.6	39.8	37.9
	% of Self Employed in Non-Agricultural HH	13.8	13.5	28.0	18.4	11.8	18.0	17.7	15.8	15.2
Urbanisation (%)		14.6	19.3	33.5	22.5	11.3	30.7	37.8	26.6	31.6
Employment Diversification	% of Agricultural Workers	79.1	62.2	50.9	64.1	62.4	63.1	55.8	60.4	67.8
	% of Non-Agricultural Workers	20.9	37.8	49.1	35.9	37.6	36.9	44.2	39.6	32.2
Occupation	% of Rural LabourHH	29.6	35.8	34.2	33.2	20.0	19.4	19.2	19.5	31.2
	% of Agricultural Labour household	26.3	31.9	28.0	28.7	3.7	12.3	14.4	10.1	24.1
	Non-Agricultural Labour household	16.9	21.0	14.3	17.4	28.3	22.0	24.6	24.9	15.7
Employment Rate	Current Weekly Status (in %) (Male)	46.3	51.1	50.9	49.4	51.1	45.7	51.2	49.3	50.8
	Current Weekly Status (in %) (Female)	10.9	13.9	10.2	11.7	44.7	17.1	29.3	30.3	22.3
	Current Daily Status (in %) (Male)	43.7	48.1	46.5	46.1	49.9	44.7	50.4	48.3	48.0
	Current Daily Status (in %) (Female)	8.4	11.0	7.2	8.8	34.6	10.1	16.3	20.3	18.0
Unemployment	Current Weekly Status (in %) (Male)	1.8	3.0	4.8	3.2	1.9	1.1	1.5	1.5	2.1
	Current Weekly Status (in %) (Female)	0.3	1.4	1.9	1.2	0.3	0.1	0.5	0.3	1.0
	Current Daily Status (in %) (Male)	3.2	4.6	7.4	5.1	2.4	1.5	1.7	1.9	3.4

States		High Poverty States				Low Poverty States				India
		Bihar	Orissa	W.B.	Average	H.P.	Haryana	Punjab	Average	
	Current Daily Status (in %) (Female)	0.5	1.3	2.1	1.3	0.3	0.1	0.5	0.3	1.4
Wages	Agricultural Wages (in Rs.) (Male)	35.1	28.7	43.5	35.7	63.5	60.0	63.6	62.6	40.6
	Agricultural Wages (in Rs.) (Female)	31.0	22.3	37.0	30.1	56.8	53.3	74.0	61.4	28.6
	Non-Agricultural Wages (in Rs.) (Male)	46.3	38.5	56.4	47.1	76.6	80.0	72.6	76.4	64.9
	Non-Agricultural Wages (in Rs.) (Female)	29.1	26.7	30.0	28.6	43.6	25.8	40.9	36.7	56.1
Literacy	Literacy Rate (in %) (Male)	61.8	73.7	76.4	70.6	81.2	72.7	69.3	74.4	69.3
	Literacy Rate (in %) (Female)	29.1	26.7	30.0	28.6	43.6	25.8	40.9	36.7	56.1
Education Level	Primary/ Middle (in %) (Male)	42.7	37.0	66.2	48.6	37.6	34.3	39.3	37.0	33.5
	Primary/ Middle (in %) (Female)	30.6	18.9	44.0	31.1	23.3	29.3	30.4	27.6	21.7
	Secondary and High School (in %) (Male)	35.2	26.0	47.6	36.3	36.0	40.0	40.7	38.9	32.4
	Secondary and High School (in %) (Female)	24.8	11.2	27.1	21.0	18.9	45.6	25.6	30.0	17.8
	Graduate and above (in %) (Male)	3.0	3.9	4.9	3.9	3.4	11.0	4.6	6.3	4.2
	Graduate and above (in %) (Female)	0.9	0.5	8.5	3.3	1.1	2.0	1.2	1.4	1.2

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th, 50th and 55th Rounds, NSS, Land and Livestock Holdings, 1981 and 1991, Rural Labour Enquiry (Different Rounds), Census 1981, 1991 and 2001, Assets and Indebtedness Labour Survey, 1991

**Note:** HH = Household



The daily wage earnings of both male and female SC labourers in the agricultural sector also tended to be lower than the overall wage rate. The daily wage earnings of male SC labourers engaged in rural non-agricultural activities as compared to the overall wage rate is found to be less. Similarly, the educational level in terms of literacy rate and enrolment ratio at various levels of education was also quite low. The literacy rate of SC males and females was 44.9 and 14.5 per cent respectively, as compared to 70.6 and 28.6 per cent for the Non-SC/ST males and females respectively. The proportion of males completing primary/middle school, secondary, higher secondary, graduation and above among total SC literates was 20.8, 19 and 2.1 respectively as against 48.6, 36.3 and 3.9 per cent respectively for the Non-SC/STs males. The corresponding figures for females are 7.2, 5.6 and 0.3 percent among the SCs, while that for the Non-SC/ST females are 31.1, 21.0 and 3.3 per cent respectively.

The above indicates that the persistently high chronic poverty conditions of the SC households in high poverty states is closely associated with extremely low ownership of income earning capital assets, like agricultural land and non-land assets, lower diversification of employment in non-farm sector, lower wage earnings in farm and non-farm sectors, and lower level of literacy and education levels as compared to the Non-SC/ST groups.

In the case of the STs too, similar factors seem to have induced persistent poverty in the high poverty states, except with regard to ownership of agricultural land, when compared to the SCs and Non-SC/STs. The percentage of self-employed cultivating households and workers were high among the STs as compared to the SCs and Non-SC/STs. However, as compared to the Non-SC/STs, the level of urbanisation and percentage of workers in rural non-farm sectors were much lower in the case of the STs. Despite better access to agricultural land and better ownership of agricultural land, the STs continue to depend more on wage labour as compared to the Non-SC/STs, due to the low productivity of agricultural land. As wage labourers, the STs receive lower wages in agriculture and non-agricultural sectors as compared to the Non-SC/STs. The disparity between the two groups is particularly high in the case of literacy rate and educational level too. Thus, a comparative analysis of the SCs and STs with respect to a number of indicators of poverty indicates that in the high poverty states, the situation of the SCs and STs was worse compared to the Non-SC/STs.

## **9. Factors Governing Poverty of the Social Groups - Regression Analysis**

In this section, regression analysis has been used to estimate the impact of various factors on poverty, separately for each social group. Separate multiple regression equations containing the relevant variables have been constructed for the SCs, STs and Non-SC/STs for the years 1983, 1993-94 and 1999-2000. Results of the correlation and regression analysis have been discussed separately for the SCs, STs and Non-SC/STs (See Tables 14 to 19).

### **9.1 *Scheduled Caste***

In 1983, the variables (urbanisation, percentage of non-agricultural workers, percentage of agricultural workers, non-agriculture wage rates for male and female, and current weekly and currently daily status unemployment rates) show a relatively high correlation with rural poverty among the SCs (See Table 14). Among them higher level of urbanisation, higher employment diversification in favour of non-agriculture jobs, and higher non-agriculture wage rates, were closely associated with the low rural poverty among the SCs. On the contrary, variables like higher proportion of agricultural workers and higher unemployment rates based on current weekly and daily status were associated with high incidence of rural poverty among the SCs. However, not all of them were significant in terms of their poverty reducing impacts. The regression results for 1983 (See Equation I in Table 17) show that percentage of rural non-agricultural workers and wages have significant poverty reducing impacts. Equation II (where urbanisation has been substituted for non-farm employment because of high correlation between the two) indicates that the level of urbanisation has significant poverty reducing impacts. In both the equations, the impact of current status unemployment rate was not significant. Thus, higher urbanisation and more diversified employment containing higher share of non-agricultural workers, with higher non-agricultural wages had a significant poverty reducing impact in the case of the SCs.

**Table 13(a): Economic Characteristics - Average Values for High Poverty States (Rural)**

		1999-2000			1993-1994			1983		
		SC	ST	Non-SC/ST	SC	ST	Non-SC/ST	SC	ST	Non-SC/ST
Access to Capital Assets	% of Landless HH	10.2	3.2	4.8	12.4	7.9	10.6	11.4	23.0	NA
	% of Landless + Near Landless HH	77.1	41.2	63.3	75.8	35.0	50.2	74.0	47.7	NA
	% of Cultivator worker	27.3	57.3	37.5	28.9	62.0	50.0	24.2	48.8	42.4
	% of Self Employed in Agricultural HH	16.9	38.9	30.8	22.3	58.6	49.1	NA	NA	NA
	% of Self Employed in Non-Agricultural HH	13.2	3.3	18.4	12.6	8.0	15.3	NA	NA	NA
Urbanisation (%)		11.1	6.5	22.5	10.5	4.9	17.9	10.1	4.9	20.4
Employment Diversification	% of Agricultural Workers	75.3	85.7	64.1	81.4	84.0	70.7	78.5	84.8	63.3
	% of Non-Agricultural Workers	24.7	14.3	35.9	18.6	16.0	29.3	21.5	15.2	36.7
Occupation	% of Rural Labour HH	59.6	49.0	33.2	51.3	30.1	21.6	NA	NA	NA
	% of Agricultural Labour HH	52.2	42.9	28.7	45.9	22.4	19.0	NA	NA	NA
	Non-Agricultural Labour HH	10.2	7.9	17.4	13.9	11.4	14.1	NA	NA	NA
Employment Rate	Current Weekly Status (in %) (Male)	49.2	54.8	49.4	51.9	55.9	50.4	59.7	63.9	57.4
	Current Weekly Status (in %) (Female)	22.4	35.4	11.7	23.1	41.0	13.1	20.8	36.8	11.7
	Current Daily Status (in %) (Male)	45.4	51.2	46.1	48.2	54.0	48.5	53.8	60.1	53.8
	Current Daily Status (in %) (Female)	17.1	29.7	8.8	18.8	37.6	11.0	17.5	33.4	10.4
Unemployment	Current Weekly Status (in %) (Male)	1.9	1.8	3.2	2.1	NA	1.7	3.4	2.9	2.6
	Current Weekly Status (in %) (Female)	0.5	0.7	1.2	1.1	NA	0.5	2.3	3.3	0.9
	Current Daily Status (in %) (Male)	4.0	3.6	5.1	3.9	2.3	2.6	7.9	5.8	5.3
	Current Daily Status (in %) (Female)	1.2	1.0	1.3	1.2	NA	0.5	4.1	5.5	1.4
Wages	Agricultural Wages (in Rs.) (Male)	33.3	29.6	35.7	25.1	15.8	16.3	4.5	3.8	4.3
	Agricultural Wages (in Rs.) (Female)	27.7	26.5	30.1	14.2	13.5	14.5	4.2	3.8	3.9

		1999-2000			1993-1994			1983		
		SC	ST	Non-SC/ST	SC	ST	Non-SC/ST	SC	ST	Non-SC/ST
	Non-Agricultural Wages (in Rs.) (Male)	45.5	38.2	47.1	23.3	32.7	25.0	5.0	7.3	6.1
	Non-Agricultural Wages (in Rs.) (Female)	33.4	28.1	28.6	18.8	20.7	17.9	2.0	4.5	3.0
Literacy	Literacy Rate (in %) (Male)	44.9	41.1	70.6	39.3	38.2	62.7	34.4	28.6	55.9
	Literacy Rate (in %) (Female)	14.5	16.1	42.9	9.1	14.0	27.8	8.8	7.0	24.5
Education Level	Primary/ Middle (in %) (Male)	20.8	27.0	48.6	18.7	21.3	28.2	NA	NA	NA
	Primary/ Middle (in %) (Female)	7.2	14.9	31.1	4.2	7.2	12.7	NA	NA	NA
	Secondary and High School (in %) (Male)	19.0	22.7	36.3	15.0	14.1	27.7	NA	NA	NA
	Secondary and High School (in %) (Female)	5.6	11.3	21.0	2.5	5.7	9.9	NA	NA	NA
	Graduate and above (in %) (Male)	2.1	1.5	3.9	0.8	1.5	3.5	NA	NA	NA
	Graduate and above (in %) (Female)	0.3	0.1	3.3	NA	NA	0.6	NA	NA	NA

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th, 50th and 55th Rounds, NSS, Land and Livestock Holdings, 1981 and 1991, Rural Labour Enquiry (Different rounds), Census 1981, 1991 and 2001, Assets and Indebtedness Survey, 1991

Note: SC: Scheduled Caste; ST: Scheduled Tribe; NA: Not Available; HH : Household

**Table 13(b): Economic Characteristics - Average Values for Low Poverty States (Rural)**

		1999-2000			1993-1994			1983		
		SC	ST	Non-SC/ST	SC	ST	Non-SC/ST	SC	ST	Non-SC/ST
Access to Capital Assets	% of Landless HH	5.8	NA	6.3	12.4	NA	11.9	7.6	NA	NA
	% of Landless + Near Landless HH	85.9	NA	55.2	74.0	NA	45.2	81.9	NA	NA
	% of Cultivator worker	23.4	73.0	54.8	10.0	20.5	34.7	30.1	69.4	55.0
	% of Self Employed in Agricultural HH	13.0	57.5	39.8	8.8	61.8	41.3	NA	NA	NA
	% of Self Employed in Non-Agricultural HH	13.1	8.8	15.8	10.6	8.0	14.7	NA	NA	NA
Urbanisation (%)		16.4	22.4	26.6	25.3	23.6	34.3	13.1	13.8	21.1
Employment Diversification	% of Agricultural Workers	49.9	78.8	60.4	67.8	24.9	54.7	68.8	85.5	61.0
	% of Non-Agricultural Workers	50.1	21.2	39.6	32.2	NA	45.4	31.2	14.5	39.0
Occupation	% of Rural Labour household	60.0	14.7	19.5	68.7	10.1	31.5	NA	NA	NA
	% of Agricultural Labour household	36.2	7.1	10.1	58.4	7.4	24.2	NA	NA	NA
	Non-Agricultural Labour household	13.8	18.9	24.9	11.9	20.1	12.4	NA	NA	NA
Employment Rate	Current Weekly Status (in %) (Male)	51.7	54.0	49.3	54.6	52.4	57.3	56.3	61.7	57.5
	Current Weekly Status (in %) (Female)	30.5	41.0	30.3	31.2	34.7	31.2	24.9	41.3	19.4
	Current Daily Status (in %) (Male)	46.9	51.0	48.3	50.1	48.4	55.5	52.9	59.0	56.8
	Current Daily Status (in %) (Female)	21.5	33.8	20.3	24.4	29.9	23.8	21.0	37.8	25.3
Unemployment	Current Weekly Status (in %) (Male)	4.0	0.9	1.5	2.2	0.7	1.3	3.0	0.5	1.9
	Current Weekly Status (in %) (Female)	2.2	0.4	0.3	0.9	NA	0.6	NA	NA	0.4
	Current Daily Status (in %) (Male)	6.9	0.9	1.9	4.9	0.6	2.4	5.1	1.7	2.4
	Current Daily Status (in %) (Female)	3.2	0.4	0.3	2.1	NA	1.2	N.A	1.4	0.4
Wages	Agricultural Wages (in Rs.) (Male)	49.5	73.3	62.6	26.4	33.7	27.1	6.5	7.4	5.9
	Agricultural Wages	46.7	70.8	61.4	22.4	30.2	23.2	3.1	5.7	3.2

		1999-2000			1993-1994			1983		
		SC	ST	Non-SC/ST	SC	ST	Non-SC/ST	SC	ST	Non-SC/ST
	(in Rs.) (Female)									
	Non-Agricultural Wages (in Rs.) (Male)	59.3	80.1	76.4	30.8	35.4	34.6	7.6	10.2	8.2
	Non-Agricultural Wages (in Rs.) (Female)	39.9	NA	36.7	20.6	NA	19.8	4.0	5.8	5.2
Literacy	Literacy Rate (in %) (Male)	70.8	81.2	74.4	48.9	83.1	62.1	35.3	48.2	54.7
	Literacy Rate (in %) (Female)	51.5	69.7	51.7	23.6	69.1	36.6	11.7	31.1	28.2
Education Level	Primary/ Middle (in %) (Male)	36.7	28.5	37.0	22.5	52.4	28.5	NA	NA	NA
	Primary/ Middle (in %) (Female)	30.0	18.8	27.6	12.1	46.4	18.3	NA	NA	NA
	Secondary and High School (in %) (Male)	34.5	23.9	38.9	19.0	35.7	27.3	NA	NA	NA
	Secondary and High School (in %) (Female)	24.0	14.1	30.0	8.3	28.0	14.4	NA	NA	NA
	Graduate and above (in %) (Male)	1.6	2.1	6.3	1.5	2.1	2.9	NA	NA	NA
	Graduate and above (in %) (Female)	0.7	1.3	1.4	0.4	0.4	0.7	NA	NA	NA

**Source:** Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th, 50th and 55th Rounds, NSS, Land and Livestock Holdings, 1981 and 1991, Rural Labour Enquiry (Different Rounds), Census 1981, 1991 and 2001, Assets and Indebtedness Survey, 1991

Note: SC: Scheduled Caste; ST: Scheduled Tribe; NA: Not Available; HH : Household

**Table 14: Correlation Matrix Rural Poverty (1983)**

Variables	SC	ST	Non-SC/ST
Poverty Ratio	1.000	1.000	1.000
Percentage of Landless household	0.233	0.109	NA
Percentage of Landless + Near Landless household	0.263	0.092	NA
Percentage of Cultivators	-0.136	0.074	0.395
Percentage of Urbanisation	-0.568	-0.484	-0.447
Percentage of Agricultural Workers	0.690	0.320	0.616
Percentage of Non-Agricultural Workers	-0.690	-0.320	-0.616
Employment Rate by CWS (Male)	0.270	0.355	-0.174
Employment Rate by CWS (Female)	0.317	0.411	-0.144
Employment Rate by CDS (Male)	-0.208	0.224	-0.316
Employment Rate by CDS (Female)	0.213	0.385	-0.170
Unemployment Rate by CWS (Male)	0.214	0.619	-0.114
Unemployment Rate by CWS (Female)	0.484	0.294	0.095
Unemployment Rate by CDS (Male)	0.471	0.384	0.058
Unemployment Rate by CDS (Female)	0.572	0.471	0.002
Agricultural wage (Male)	-0.264	-0.526	-0.267
Agricultural wage (Female)	0.145	-0.260	0.129
Non-Agricultural wage (Male)	-0.498	0.163	-0.356
Non-Agricultural wage (Female)	-0.734	-0.093	-0.670
Literacy rate (Male)	-0.235	-0.720	-0.218
Literacy rate (Female)	-0.140	-0.622	-0.293

*Notes: (1) SC: Scheduled Caste; ST: Scheduled Tribe*

*(2) CWS = Current Weekly Status; CDS = Current Daily Status*

**Table 15: Correlation Matrix - Rural Poverty (1993-94)**

Variables	SC	ST	Non-SC/ST
Poverty Ratio	1.000	1.000	1.000
Capital Asset per household	-0.178	-0.222	-0.412
Percentage of Landless household	0.404	-0.024	0.378
Percentage of Landless + Near Landless household	0.140	-0.411	0.380
Percentage of Cultivators	0.010	-0.019	0.217
Percentage of Self-Employed in Agriculture	0.065	0.086	0.290
Percentage of Self-Employed in Non-Agriculture	0.137	-0.054	0.042
Percentage of Urbanisation	-0.604	-0.615	-0.583
Percentage of Agricultural Workers	0.516	0.246	0.388
Percentage of Non-Agricultural Workers	-0.516	-0.246	-0.388
Percentage of Rural Labour	0.120	0.216	-0.006
Percentage of Agricultural Labour	0.441	0.222	0.369
Other Workers	-0.312	-0.466	-0.400
Employment Rate by CWS (Male)	0.034	0.237	-0.417
Employment Rate by CWS (Female)	0.241	0.252	-0.057
Employment Rate by CDS (Male)	-0.088	0.275	-0.431
Employment Rate by CDS (Female)	0.211	0.287	0.014
Unemployment Rate by CWS (Male)	-0.428	-0.038	-0.134
Unemployment Rate by CWS (Female)	-0.409	-0.254	-0.322
Unemployment Rate by CDS (Male)	-0.064	0.153	-0.056
Unemployment Rate by CDS (Female)	-0.191	-0.175	-0.368
Agricultural wage (Male)	-0.491	-0.205	-0.556
Agricultural wage (Female)	-0.611	-0.131	-0.483
Non-Agricultural wage (Male)	-0.292	-0.360	-0.315
Non-Agricultural wage (Female)	-0.187	0.212	-0.194
Literacy rate (Male)	-0.400	-0.723	-0.292
Literacy rate (Female)	-0.478	-0.752	-0.345
Primary & Middle Level (Male)	-0.479	-0.602	0.160
Primary & Middle Level (Female)	-0.351	-0.726	-0.234
Secondary & Higher Secondary Level (Male)	-0.218	-0.719	-0.191
Secondary & Higher Secondary Level (Female)	-0.481	-0.742	-0.308
Graduate & Above Level (Male)	-0.483	-0.311	-0.387
Graduate & Above Level (Female)	-0.497	-0.106	-0.575

Notes: (1) SC: Scheduled Caste; ST: Scheduled Tribe

(2) CWS = Current Weekly Status; CDS = Current Daily Status



**Table 16: Correlation Matrix - Rural Poverty (1999-2000)**

Variables	SC	ST	Non-SC/ST
Poverty Ratio	1.000	1.000	1.000
Percentage of Landless	0.340	-0.247	-0.008
Percentage of Landless + Near Landless household	-0.007	-0.303	0.145
Percentage of Cultivators	0.135	-0.017	0.367
Percentage of Self Employed in Agriculture	-0.052	-0.193	0.316
Percentage of Self Employed in Non-Agriculture	0.080	-0.077	-0.253
Percentage of Urbanisation	-0.572	-0.399	-0.469
Percentage of Agricultural Workers	0.576	0.523	0.539
Percentage of Non-Agricultural Workers	-0.576	-0.523	-0.539
Percentage of Rural Labour	0.297	0.515	-0.007
Percentage of Agricultural Labour	0.430	0.683	0.509
Other Workers	-0.425	-0.570	-0.431
Employment Rate by CWS (Male)	-0.121	-0.048	-0.268
Employment Rate by CWS (Female)	0.106	0.111	-0.107
Employment Rate by CDS (Male)	-0.076	-0.214	-0.305
Employment Rate by CDS (Female)	0.150	0.092	-0.056
Unemployment Rate by CWS (Male)	-0.179	0.182	0.176
Unemployment Rate by CWS (Female)	-0.079	-0.079	0.178
Unemployment Rate by CDS (Male)	-0.052	0.370	0.194
Unemployment Rate by CDS (Female)	0.000	0.065	0.154
Literacy rate (Male)	-0.421	-0.576	-0.391
Literacy rate (Female)	-0.499	-0.676	-0.316
Primary & Middle Level (Male)	-0.324	-0.534	-0.006
Primary & Middle Level (Female)	-0.495	-0.108	-0.251
Secondary & Higher Secondary Level (Male)	-0.513	-0.484	-0.299
Secondary & Higher Secondary Level (Female)	-0.533	-0.086	-0.321
Graduate & Above Level (Male)	-0.350	-0.438	-0.278
Graduate & Above Level (Female)	-0.278	0.101	-0.403
Agricultural wage (Male)	-0.686	-0.727	-0.610
Agricultural wage (Female)	-0.556	-0.491	-0.481
Non-Agricultural wage (Male)	-0.402	-0.584	-0.463
Non-Agricultural wage (Female)	-0.504	-0.357	-0.490

**Table 17: Regression Results - Factors Effecting Rural Poverty  
(1983)**

	SC		ST		Non-SC/ST	
	EQ-1	EQ-2	EQ-1	EQ-2	EQ-1	EQ-2
Percentage of Cultivators					-2.279 (0.401)*	-0.641 (0.523)
Urbanisation		-1.249 (0.415)#	-1.271 (1.215)#		-0.630 (0.246)	
Percentage of Non-Agriculture Workers	-1.047 (0.346)#				-3.218 (0.359)*	-0.442 (0.647)
Employment Rate by CWS (Female)			-2.184 (0.426)***			
Employment Rate by CDS (Female)				-1.591 (0.321)#		
Unemployment Rate by CWS (Male)				1.826 (2.305)***		
Unemployment Rate by CDS (Female)	0.350 (0.278)	0.472 (0.807)				
Agricultural wage (Male)			-1.669 (4.327)#	-2.985 (3.096)*		
Non-Agricultural wage (Female)	-3.087 (1.561)*					-1.971 (3.068)***
Constant	7.023 (12089)	7.821 (10.717)*	5.002 (29.263)	4.462 (26.751)	3.855 (31.916)	2.342 (38.262)
R Square	0.589	0.603	0.58	0.664	0.493	0.475

Notes: (1) Standard Errors values are in parenthesis

\* Significant at 1 to 2 percent level of significance

\*\* Significant at 5 percent level of significance.

\*\*\* Significant at 10 percent level of significance

# Significant at more than 10 percent level of significance

(2) SC: Scheduled Caste; ST: Scheduled Tribe

(3) CWS = Current Weekly Status; CDS = Current Daily Status

**Table 18: Regression Results -Factors Effecting Rural Poverty  
(1993-94)**

	SC		ST		Non-SC/ST	
	EQ-1	EQ-2	EQ-1	EQ-2	EQ-1	EQ-2
Percentage of Landless	1.464 (0.532)#	1.415 (0.793)#				
Percentage of Landless + Near Landless				0.583 (0.344)		
Urbanisation	-2.153 (0.335)**	-2.066 (0.348)***	-2.018(0.997)***	-1.495 (1.506)***		
Percentage of Non-Agricultural Workers					-0.398 (0.371)	
Other Workers				-0.064 (1.003)		
Employment Rate by CWS (Male)					0.919 (1.754)	0.865 (1.426)
Employment Rate by CDS (Male)					-2.092 (1.817)***	-2.392 (1.409)**
Literacy rate (Male)			-1.611(0.338)***			
Literacy rate (Female)		-0.155 (0.162)		-1.382 (1.100)#		
Level of Education (Primary & Middle) (Male)			1.966(0.645)***			
Level of Education (Primary & Middle) (Female)				1.069 (2.605)#		

Table 18 Contd..

Level of Education (Secondary & Higher Secondary) (Male)					-0.057 (1.622)	
Agricultural Wage (Male)					-2.266 (0.623)**	-3.086 (0.502)*
Agricultural Wage (Female)	-2.041 (0.843)***	-1.513 (1.074)***				
Non-Agricultural Wage (Male)			-1.510(0.985)#			
Assets per household					-1.378 (.000)#	-1.472 (.000)#
Constant	5.493 (11.582)	5.063 (12.466)	4.623(17.747)	3.489 (17.892)	5.714 (28.291)	6.419 (24.391)
R Square	0.493	0.494	0.443	0.306	0.802	0.800

Notes: (1) Standard Errors values are in parenthesis  
 \* Significant at 1 to 2 percent level of significance  
 \*\* Significant at 5 percent level of significance.  
 \*\*\* Significant at 10 percent level of significance  
 # Significant at more than 10 percent level of significance  
 (2) SC: Scheduled Caste; ST: Scheduled Tribe  
 (3) CWS = Current Weekly Status; CDS = Current Daily Status

**Table 19: Regression Results - Factors Effecting Rural Poverty  
(1999-2000)**

	SC		ST		Non-SC/ST	
	EQ-1	EQ-2	EQ-1	EQ-2	EQ-1	EQ-2
Urbanisation	-2.267(0.240)*	-2.373(260)**			-3.038(.142)*	
Percentage of Agricultural Workers					0.565(0.143)	
Percentage of Non-Agricultural Workers			-1.608(.130)#	-1.515(.130)#		0.105(.130)
Percentage of Agricultural Labour			3.471(.145)*	4.431(.130)*		0.850(.225)
Other Workers	-1.509(0.437)#				-0.975(.279)	-0.626(.256)
Literacy rate (Male)					-0.439(.201)	
Literacy rate (Female)			-0.1093(.161)#			
Level of Education (Primary & Middle) (Female)		-1.299(.569)#				
Level of Education (Secondary & Higher Secondary) (Female)		1.956(.744)***				
Agricultural Wage (Male)	-4.131(0.145)*	-2.614(.228)*			-2.660(0.132)*	-2.025(.134)***
Non-agricultural Wage (Male)			-0.231(.104)	-0.934(.089)		
Non-agricultural Wage (Female)		-2.098(.246)**			-0.622(.142)	
Constant	7.349(10.459)	7.189(12.187)	3.33(8.51)	3.216(7.318)	4.056(14.48)	2.803(16.392)
R Square	0.602	0.691	0.686	0.669	0.628	0.472

*Notes: (1) Standard Errors values are in parenthesis*

*\* Significant at 1 to 2 percent level of significance*

*\*\* Significant at 5 percent level of significance.*

*\*\*\* Significant at 10 percent level of significance*

*# Significant at more than 10 percent level of significance*

*(2) SC: Scheduled Caste; ST: Scheduled Tribe*

*(3) CWS = Current Weekly Status; CDS = Current Daily Status*

In 1993-94, level of urbanisation, percentage of agricultural workers, percentage of non-agriculture workers, percentage of rural wage labour, unemployment rates based on currently weekly status, agriculture wages, literacy rates and education levels (secondary/higher secondary, graduate and above) had relatively high correlation with the incidence of poverty among the SCs in rural areas. The incidence of landlessness also had somewhat high correlation with rural poverty. The values of correlation coefficients presented in Table 16 indicate that high levels of urbanisation, employment diversification of non-agricultural worker, higher agricultural wage rates, higher literacy rate, and educational level were closely associated with low rural poverty for the SCs. On the other hand, higher proportion of agricultural labourers and high level of landlessness are closely associated with high rural poverty among the SCs. Equation I, indicates that urbanisation, agricultural wages and landlessness, are found to be significant at different level among the SCs. While urbanisation and agriculture wages had significant poverty reducing impacts, high landlessness induced high poverty among the SCs in rural areas.

In 1999-2000, of the total variables, nine of them (urbanisation, percentage of non-agricultural workers, percentage of agricultural workers, percentage of agricultural wage labourers, agriculture and non-agriculture wage rates, literacy rate and levels of education, primary/middle and high school/higher secondary) clearly indicate a relatively high correlation with poverty among SCs in rural areas (Table 16). These include higher levels of urbanisation, employment diversification of non-agriculture, particularly for the regular salaried worker, higher agricultural and non-agricultural wage rates, and higher literacy and educational levels are closely associated with low rural poverty. Contrarily, higher proportion of agricultural workers and particularly agricultural labourers tended to induce high poverty (Table 16). The correlation values indicate that high level of urbanisation coupled with greater diversification of employment in favour of the non-farm sector, higher wages, and high level of education were closely associated with low poverty among the SCs in 1999-2000.

In Equations I and II, the level of urbanisation, diversification in favour of non-farm employment - particularly the regular salaried employment, higher agricultural wages for the males and non-agricultural wages for females, higher female education at primary and middle levels have significant poverty reducing impacts. Equation I indicates that along with urbanisation, regular salaried workers and

agricultural wages are found to be significant among SCs in rural areas. Equation II indicates that urbanization, non-agricultural workers, educational levels (primary/middle and secondary/higher secondary), and agricultural and non-agricultural wages have very significant impact on poverty among the SCs in rural areas (Table 17).

The above results indicate that the SCs depend to a large extent on agriculture for livelihood, either as landless or agricultural labourers. Such dependence obviously creates conditions for persistently high poverty among the SC households. While poverty enhancing factor of higher agricultural labour in the case of the SCs has been observed during all the three periods, landlessness came into prominence in 1993-94. Higher landlessness leads to greater dependence on wage labour in the agricultural sector. Thus, severe lack of access to fixed sources of income like agricultural land arising out of the historical process of denial of right to property for a long duration and heavy dependence on low earning casual wage labour in agriculture seems to be primarily responsible for chronic poverty among the SCs.

## ***9.2 Scheduled Tribe***

In 1983, unemployment rates based on current weekly status for males, agricultural wage rate for males, and literacy rate showed high correlation with rural poverty for the STs (Table 14). Equation I indicates higher current weekly status for females, agricultural wage rates for males and urbanisation have a significant impact on rural poverty for the STs. Equation II (in which urbanisation as a variable was removed) indicates that in addition to agricultural wages and employment rates CDS female, the unemployment rates CWS male, were found to be significant variables in explaining the variation in tribal poverty across the states (Table 17).

In 1993-94, urbanisation, regular salaried workers, literacy rates and different educational levels (primary/middle, secondary/higher secondary, graduate and above), non-agricultural wage rates, and landlessness have relatively high correlation with rural poverty among the STs. The values of correlation coefficients indicate that higher level of urbanisation, higher proportion of employment in regular salaried jobs, and higher non-agricultural wages, higher literacy rates and educational levels are closely associated with the incidence of low poverty among the STs in rural areas (Table 15). Among the variables in Equation I, urbanisation, male literacy rates and level of education and

non-agricultural wages of males had significant poverty reducing impacts. Variables like regular salaried workers and education at the secondary and higher secondary levels did not have significant poverty reducing impacts (Table 18).

In the year 1999-2000, percentage of agricultural and non-agricultural workers, regular salaried workers, rural and agricultural labourers, agricultural and non-agricultural wages, literacy rates and different educational levels (secondary/higher secondary, graduate and above), had relatively high correlation with rural poverty among the STs (Table 16). The values of the coefficients indicate that higher level of employment diversification in the non-agricultural sector (particularly the regular and salaried), higher wages in agriculture and in non-farm activities, higher literary rates and education levels of STs (secondary/higher secondary, graduate and above) were closely associated with the lower incidence of poverty among the STs in rural areas.

All the variables do not indicate significant poverty reducing impacts among the STs. In Equation I, percentage of non-agricultural workers, agricultural labourers and literacy rates (female), are found to be significant in this regard (Table 19). However, only non-agricultural workers had significant and positive impact on poverty in the tribal states. The literacy rates and non-agricultural wage rates did not have expected impacts, and both were insignificant as well. Agricultural labourers had significant, but poverty aggravating consequences among the STs. In Equation II, the variable literacy rate was dropped. It was found that, variables like agricultural labour and non-agricultural workers have a significant impact on poverty.

Given the overwhelming dependence of the tribals on the rural economy (particularly on agriculture and allied sectors), higher rural employment (or lower unemployment) along with agricultural wage rates are important factors for reducing poverty. In addition to these factors, increasing urbanisation, employment diversification (particularly in favour of regular salaried), non-agricultural wages and education has become significant as far as rural poverty alleviation is concerned. However, these positive processes are not sufficiently strong to reduce the overwhelming dependence of the tribal community on agriculture in rural areas.



### 9.3 *Non-SC/ST*

In 1983, percentage of cultivators, agricultural workers and non-agricultural workers, non-agricultural wages and urbanisation indicated a relatively high correlation with rural poverty among the Non-SC/STs. Among these variables, percentage of cultivators and non-agricultural workers had very high correlation with rural poverty. Impact of urbanisation was along expected lines but was insignificant (See Equation I in Table 17). Equation II indicates that non-agricultural wage is an important factor for rural poverty reduction. But given the problem of multi-colinearity, it reduces the impact of cultivator and non-agricultural workers.

In 1993-94, variables like ownership of capital assets per household, urbanisation, employment rate, regular salaried worker, agricultural wages and educational level (i.e. graduate and above) had a relatively high correlation with rural poverty among the Non-SC/STs. Among these variables, only capital assets per household, employment rates based on current daily status and agricultural wages had a significant poverty reducing impact. In Equation I, employment rate by CDS, agricultural wage (male) and asset per household are found to be highly significant variables affecting rural poverty among the Non-SC/STs across the states. In Equation II, even after dropping non-agricultural workers as a variable, again employment rate by CDS (male), agricultural wage (male) and capital assets per households are found significant (Table 18).

In 1999-2000, urbanisation, agricultural workers, non-agricultural workers, agricultural labourers, regular salaried workers, agricultural and non-agricultural wages, and educational levels (i.e., graduate and above) had relatively high correlation with rural poverty among the Non-SC/STs. In Equation I, urbanisation and agricultural wages (male) are found to have significant impact on poverty (Table 19).

From the above results, it is clear that factors such as cultivators, capital assets per household, employment rates and agriculture wages were particularly important as far as poverty reduction is concerned among the Non-SC/STs in rural areas. Greater access to capital assets like agricultural land by the Non-SC/STs played a significant role in reducing rural poverty. In 1999-2000, the percentage of cultivators among the Non-SC/STs was 46.9 per cent as against 26.78 per cent among the SCs and 54.32 per cent among the STs. It may be mentioned that some factors such as urbanisation, diversification of employment in

non-farm jobs, non-farm wages and literacy, (which have been important in the case of the SCs and STs), have been significant poverty reducing factors for the Non-SC/STs.

## **10. Policy Implications**

Within the agricultural economy, there is a need for improvement in the access to agricultural land by the SCs, and for improvement in agricultural wages. Since three-fourths of the SCs continue to be landless and near landless, the distribution of agricultural land will definitely serve as social security. Since an overwhelming percentage of the SCs depend on wage employment in agriculture, policies concerning adequate wages in agricultural employment are essential. Availability of employment with subsistence wage in the agricultural sector is essential as is the recognition of the need for full employment throughout the year. A policy, which promotes non-agricultural employment with subsistence wage, is an absolute necessity.

The analysis in the paper brings out the poverty reducing impacts of different levels of education. This implies that the ability to take advantage of employment opportunities outside agriculture in rural and non-farm sector is critically determined by educational and skill development of the SCs. Therefore, the need for measures supporting post-primary school, higher education and skill development for the SCs, is crucial.

In the case of STs, higher rural employment and agricultural wage rates become necessary considering their overwhelming dependence on the rural economy (particularly agriculture and allied sector in rural areas). Although STs have better access to agricultural land, rural poverty among them has not shown decline, primarily because of low productivity. Therefore, there is a need for policies for increasing the productivity of the agricultural lands, cultivated by them, through introduction of better technology. Although factors like increasing urbanisation and non-farm employment have proved important for the STs, these positive processes are not sufficient to reduce the overwhelming dependence of the tribal community on agriculture in rural areas. Therefore, sustained efforts are required to increase the participation of the STs in non-agricultural economic activities, which can be brought about through policies promoting educational and skill development.

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**Appendix 1: Disparity Ratio for Social Groups - 1983 (Rural)**

States	SC/Non-SC/ST	ST/ Non-SC/ST	SC/ST
Andhra Pradesh	1.59	1.50	1.06
Assam	1.02	1.12	0.91
Bihar	1.36	1.26	1.08
Gujarat	1.92	2.82	0.68
Haryana	2.42	NA	NA
Himachal Pradesh	2.03	NA	NA
Jammu & Kashmir	1.70	NA	NA
Karnataka	1.70	1.87	0.91
Kerala	1.74	NA	NA
Madhya Pradesh	1.55	1.76	0.88
Maharashtra	1.45	1.52	0.95
Orissa	1.34	1.53	0.88
Punjab	3.07	NA	NA
Rajasthan	1.62	2.45	0.66
Tamil Nadu	1.21	NA	NA
Uttar Pradesh	1.32	NA	NA
West Bengal	1.29	1.37	0.95
Other States & UTs			
A&N Islands	0.88	1.11	0.80
Arunachal Pradesh	NA	NA	NA
Chandigarh	3.34	NA	NA
Dadra & N.H.	NA	9.02	NA
Daman & Diu	NA	2.34	NA
Delhi	0.36	NA	NA
Goa	NA	NA	NA
Lakshadweep	NA	NA	NA
Manipur	NA	NA	NA
Meghalaya	NA	NA	NA

Appendix 1 contd.

Mizoram	NA	6.50	NA
Nagaland	NA	NA	NA
Pondicherry	NA	NA	NA
Sikkim	NA	NA	NA
Tripura	NA	NA	NA
All India	1.57	1.73	0.91

**Source:** *Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 38th Round, Ministry of Statistics and Programme Implementation, Government of India.*

**Note:** *SC: Scheduled Caste; ST: Scheduled Tribe; NA: Not Available*

**Appendix 2: Disparity Ratio among Social Groups -1993-94 (Rural)**

States	SC/ Non-SC/ST	ST/ Non-SC/ST	SC/ST
Andhra Pradesh	2.21	2.17	1.02
Assam	1.00	0.93	1.07
Bihar	1.34	1.32	1.01
Gujarat	1.86	1.80	1.04
Haryana	2.31	2.06	1.12
Himachal Pradesh	1.42	2.47	0.57
Jammu & Kashmir	1.23	5.92	0.21
Karnataka	1.94	1.56	1.24
Kerala	1.51	1.55	0.97
Madhya Pradesh	1.53	1.89	0.81
Maharashtra	1.59	1.56	1.02
Orissa	1.20	1.76	0.69
Punjab	4.58	5.64	0.81
Rajasthan	2.14	2.58	0.83
Tamil Nadu	1.58	1.59	0.99
Uttar Pradesh	1.61	1.00	1.60
West Bengal	1.28	1.75	0.73



Appendix 2 Contd.

Other States & UTs			
A&N Islands	NA	1.00	NA
Arunachal Pradesh	0.91	1.30	0.70
Chandigarh	2.51	3.01	0.83
Dadra & N.H.	0.88	42.69	0.02
Daman & Diu	NA	NA	NA
Delhi	NA	NA	NA
Goa	NA	NA	NA
Lakshadweep	NA	NA	NA
Manipur	NA	1.84	NA
Meghalaya	NA	1.07	NA
Mizoram	NA	9.54	NA
Nagaland	NA	NA	NA
Pondicherry	0.97	NA	NA
Sikkim	1.81	1.13	1.60
Tripura	1.43	2.05	0.70
All India	1.54	1.67	0.92

**Source:** *Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 43rd Round, Ministry of Statistics and Programme Implementation, Government of India.*

**Note:** *SC: Scheduled Caste; ST: Scheduled Tribe; NA: Not Available*

**Appendix 3: Disparity Ratio among Social Groups -1999-2000  
(Rural)**

States	SC/ Non-SC/ST	ST/ Non-SC/ST	SC/ST
Andhra Pradesh	2.02	2.93	0.69
Assam	1.10	0.97	1.14
Bihar	1.56	1.56	1.00
Gujarat	2.15	3.52	0.61
Haryana	3.98	NA	NA
Himachal Pradesh	2.07	0.90	2.29
Jammu & Kashmir	3.72	4.38	0.85
Karnataka	1.86	1.80	1.03
Kerala	1.71	2.84	0.60
Madhya Pradesh	1.54	2.09	0.73
Maharashtra	1.92	2.52	0.76
Orissa	1.56	2.22	0.70
Punjab	5.31	7.70	0.69
Rajasthan	2.30	2.97	0.78
Tamil Nadu	2.21	2.94	0.75
Uttar Pradesh	1.62	1.26	1.28
West Bengal	1.22	1.74	0.70
Other States & UTs			
Andaman & Nicobar	NA	NA	NA
Arunachal Pradesh	NA	1.07	NA
Chandigarh	0.08	NA	NA
Dadra & Nagar Haveli	NA	NA	NA
Daman & Diu	NA	NA	NA
Delhi	NA	NA	NA
Goa	NA	NA	NA

Appendix 3 Contd.

Lakshadweep	NA	NA	NA
Manipur	0.70	2.02	0.35
Meghalaya	NA	0.78	NA
Mizoram	NA	NA	NA
Nagaland	NA	NA	NA
Pondicherry	2.22	0.00	NA
Sikkim	1.53	0.75	2.05
Tripura	0.95	2.15	0.44
All India	1.67	2.12	0.79

**Source:** *Calculated from Differences in Level of Consumption among Socio Economic Groups, NSS, 55th Round, Ministry of Statistics and Programme Implementation, Government of India.*

**Note:** *SC: Scheduled Caste; ST: Scheduled Tribe; NA: Not Available*