

# The Poverty Wars

The Planning Commission has set the poverty line impossibly low, it must go up



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Swaminathan Anklesaria Aiyar (TOI March 25 and ET March 28) has strongly defended the Planning Commission's stance that there is nothing amiss with the poverty line drawn at ₹22.40 in rural areas and ₹28.65 in urban areas (down from initial estimates of ₹32 and 26, respectively).

Let us discount the copious tears being shed by various politicians and their parties on this new line of poverty as crocodilian, because after all, it is this class that is largely responsible for some 300 million Indians earning below this pathetic line six decades after Independence.

Let us also discount the parallel drawn between the Planning Commission's poverty line and that of the World Bank, which may be in the same street at \$1.25 or ₹23.75 per day based on the PPP dollar (where ₹19 equals \$1).

This figure may be representative of poverty in sub-Saharan Africa, but is hardly becoming of an ambitious, welfare-minded emerging nation, aspiring to a permanent seat in the United Nations Security Council.

So let us apply some common sense to the problem. The poverty line cannot be dissociated from a poor man's daily needs for subsistence. Swaminomics defines key ingredients of subsistence for the poor at 400 gm (or ₹8 @ ₹20 per kg) of wheat and 100 gm of *chana dal* (or ₹4.50 @ ₹45 per kg) to ensure a daily intake of 2,000 calories and little besides. That accounts for ₹12.50 for basic food.

If accepted, this leaves about ₹10 or ₹14, for the rural or urban poor, per day for a most basic roof over his or her head; such expenses as cooking fuel; cooking oil; salt and chilly; other basic spices like turmeric, garlic, an odd onion (or is it a luxury now?); may be a cup, if not two, of tea every day; a whiff of spinach or cabbage occasionally; not to speak of two bed clothes—a sheet on the top and a coarse throw on the floor. We agree that a poor man deserves no pillow. Maybe, two *dhotis* or pyjamas or saris with two blouses or shirts each. We should remember at least one set of warm clothes for winters and utensils like a metal pot, pan and serving spoon, an occasional earthen or plastic pot to fetch and store water; a bucket, *chakla*, *belan*, *tava* and a pan for the dough to make *chapatis*. The poor will still need a bar of soap, a kerosene stove in places where firewood or coal is hard to come by and is certainly not free. She will also need a pair of plastic slippers, a blue tarpaulin and some nylon rope to reinforce



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the roof every other year and occasional access to local transportation.

What could be the cost of a very basic roof over a poor man's head? Is a 10x10 square foot abode for a family of four acceptable? If so, at a monthly rental of ₹5 to 6 per sqft (depending on rural or urban areas), such a dwelling for four must cost about or ₹500 to ₹600 per month or ₹4 to ₹5 per day per person.

And if you assume that even the most wretched deserve the dignity of a latrine, unless it is a national policy that the poor must forever defecate on streets or fields, even the cheapest public lavatory costs ₹1 per visit per person per day in rural and ₹2 in urban areas. At two visits a day, that is another ₹2 or ₹4 per person per day. So that's ₹6 or ₹8 just for shelter, leaving between ₹4 and ₹5 to the rural or urban poor for other day-to-day requirements.

Surely neither Montek Ah-

luwalia nor Swaminathan Aiyar considers any of the above as luxuries?

And we haven't even spoken of such occasional requirements as having to pay for birth, disease or death in hospitals that are supposedly free, but in practice are not. There will be health costs which will not be covered by medical insurance which does not cover the poor. For loans taken, interest will have to be paid to loan sharks. There will be expenses for a school-going child even if education under Sarva Shiksha Abhiyan is supposedly free. You get the drift.

It is because we define the poverty line below the belly-button of a worm for our poor, that we take unspeakable tragedies suffered by the likes of Imarti Bai and her family in Betul at the hands of goons like Rajesh Harore and a complicit police force, in our stride. So can there be a more humane definition of

poverty which treats the poor with some human dignity? We suggest at least one simple approach that shows the subsistence wage to be much higher than the Planning Commission's estimates.

The daily minimum wage in various states ranges between ₹80 to ₹240 for the unskilled, an average of ₹160. The Census 2011 puts the average family size around four. Thus the daily subsistence wage per person works out to about ₹40 per day — well above the Planning Commission's estimates.

One could fine tune this for urban and rural areas where the average family size varies. But the figure of ₹40 is more consistent with the mean minimum wages set by various state governments. At ₹40 per day, chances are there would be between 500 and 600 million poor people in India. This definition would at least ensure that we work towards bringing every single citizen in the country to this level of subsistence earning.

No one questions the World Bank's stance that 1.4 billion people in developing countries live on \$1.25 a day or less. But that does not define poverty. That probably only defines the wretchedness of the poor and cannot be a benchmark to define poverty in a self-respecting democracy.

Aiyar calls this line of thinking a scream of the quasi-illiterate. I have no hesitation in pleading guilty. But will the Planning Commission shift its poverty line up to the vicinity of ₹40?