

Printed from

**THE TIMES OF INDIA** The Times of India -Breaking news, views, reviews, cricket from across India

---

## One-third of world's poor in India: Survey

27 Aug 2008, 0211 hrs IST,TNN

NEW DELHI: India is home to roughly one-third of all poor people in the world. It also has a higher proportion of its population living on less than \$2 per day than even sub-Saharan Africa.

That is the sobering news coming out of the World Bank's latest estimates on global poverty. The fine print of the estimates also shows that the rate of decline of poverty in India was faster between 1981 and 1990 than between 1990 and 2005. This is likely to give fresh ammunition to those who maintain that economic reforms, which started in 1991, have failed to reduce poverty at a faster rate.

India, according to the new estimates, had 456 million people or about 42% of the population living below the new international poverty line of \$1.25 per day. The number of Indian poor also constitute 33% of the global poor, which is pegged at 1.4 billion people.

India also had 828 million people, or 75.6% of the population living below \$2 a day. Sub-Saharan Africa, considered the world's poorest region, is better — it has 72.2% of its population (551m) people below the \$2 a day level.

The estimates are based on recently recalculated purchasing power parity (PPP) exchange rates, which makes comparisons across countries possible. The dollar exchange rates being referred to here, therefore, are not the ones used in normal exchange rates.

While the full report has not yet been released, a briefing note sent by the Bank had some of the data and showed that the poverty rate — those below \$1.25 per day — for India had come down from 59.8% in 1981 to 51.3% by 1990 or 8.5 percentage points over nine years. Between 1990 and 2005, it declined to 41.6%, a drop of 9.7 percentage points over 15 years, clearly a much slower rate of decline.

An FAQ on the new estimates, also provided by the Bank, however states, "India has maintained even progress against poverty since the 1980s, with the poverty rate declining at a little under one percentage point per year."

The new international poverty line of \$1.25 PPP per day has been arrived at as "the average poverty line found in the poorest 10-20 countries", according to the briefing note. In other words, more than four out of 10 Indians lives below what the world's poorest countries consider the poverty line.

The new estimates are sobering not just for India but for the developing world as a whole, as they reveal higher levels of poverty than earlier estimated.

East Asia, in fact, is the region that has recorded the sharpest reductions in poverty from about 79% of the population in 1981 to 18% in 2005. In contrast, Eastern Europe and Central Asia has seen poverty rates go up from 1.6% to 5%. What is noticeable in this region is the decline in poverty till 1987, when it was down to just 1% of the population, and the sharp rise subsequently.

The Bank also makes the point that while raising people above the poverty line is a relatively achievable task — it believes poverty levels in 1990 can be halved by 2015 — it is proving very difficult to raise them above the \$2 per day mark. The number of those in the developing world below this level has in fact gone up marginally from 2.5 billion to 2.6 billion since 1981.

---

[About Us](#) | [Advertise with Us](#) | [Careers @ TIL](#) | [Terms of Use](#) | [Privacy Policy](#) | [Feedback](#) | [Sitemap](#)

Copyright © 2008 Bennett Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)

This site is best viewed with Internet Explorer 6.0 or higher; Firefox 2.0 or higher at a minimum screen resolution of 1024x768