



POVERTY MEASUREMENT DEBATE: ITS RELEVANCE AND POLICY ISSUES FOR INDIA

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ABSTRACT

The differences of view on what poverty means in conceptual terms and on how to measure it span a broad spectrum of normative and ideological positions. It raises a number of technical issues surrounding the statistical measurement of poverty. However, any poverty measure includes key ingredients of poverty –that the resources are inadequate to meet basic needs and the needs can only be defined relative to prevailing community attitudes and standards. Hence, all societies share a concern to ensure that their citizens are able to attain a minimum standard of living. Poverty alleviation is important among developing countries, where reducing the poverty rate is an explicit goal of the development process. Although identifying and measuring poverty are key dimensions of poverty alleviation concerns of the government of India, aspects of understanding the causes and consequences of poverty involves looking beyond the statistics to examine the processes and events that expose people to poverty. While any poverty measurement methodology have a degree of acceptance by government and as it reflect the best available expert knowledge, India's poverty measurement criteria considered to be the most stringent in the world. Although the task for government to decide how much effort to be put into reducing poverty in the light of its priorities, its policies towards reduction of poverty derived relevance in the best light of recent Tendulkar Committee findings. Further, although the Tendulkar Committee has pitched for a policy position that is stranded between the harsh realities of poverty and a fiscally conservative neo-liberal framework, currently there has been growing contention around poverty estimates and needed steps to incorporate its policy relevance within India. However, the persistent disagreements among economists on whether the rate of poverty decline after economic reforms was slower than in the preceding period, the shift to targeted, rather than universal, welfare schemes has witnessed the use of poverty estimates to decide on the number of households eligible to access these schemes etc. are well captured as the reasons