

## CHAPTER 20

### POVERTY LINE IN DELHI

Poverty is a situation where the individual or communities lack the resources, ability and environment to meet the basic needs of life. Poverty is one of the issues, attracting the attention of sociologists, economists, governments, civil society organizations and almost all other organizations related to human welfare and development. It indicates a status wherein a person fails to maintain a living standard adequate for a comfortable lifestyle.

1. On the basis of the National Sample Survey Organisation's 68<sup>th</sup> Round (June 2011 - July 2012), the Planning Commission published the State Specific poverty line for rural and urban. The poverty line was estimated at ₹ 1145 for rural and ₹ 1134 for urban Delhi as against the national level of ₹ 816 for rural and ₹ 1000 for urban India respectively. The specific poverty line of Delhi is presented in Statement 20.1.

#### STATEMENT 20.1 LEVEL OF POVERTY LINE OF DELHI

(₹ Per Capita per Month)

S. No.	Years	Rural	Urban
1.	1973-74	49.95	67.95
2.	1977-78	59.37	80.17
3.	1983	88.57	123.29
4.	1987-88	122.90	176.91
5.	1993-94	233.79	309.48
6.	1996-97	289.31	404.96
7.	1999-2000	362.68	454.11
8.	2004-2005	541.39	642.47
9.	2009-10	747.80	1040.3
10.	2011-12	1145.00	1134.00

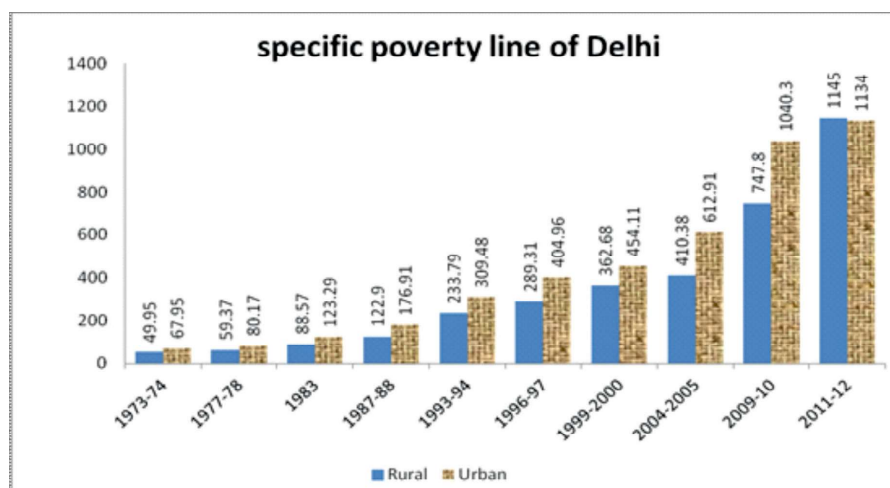
Source: Planning Commission (Now NITI Aayog) Govt. of India

2. It may be observed from Statement 20.1 that the ₹ 1134 was the minimum monetary requirement of a person per month in urban Delhi for maintaining a minimum standard of living as prescribed by the Planning Commission during the year 2011-12. In a rural area, it was estimated at ₹ 1145 per month per person. The above statement clearly indicates that in every year the amount required per persons per month increased considerably both in rural and urban areas. The information regarding the specific poverty line of Delhi is depicted in Chart 20.1.

CHART 20.1

## SPECIFIC POVERTY LINE OF DELHI

(₹ Per Capita per Month)



3. The information regarding the number of persons below the poverty line in Delhi during 1973-2012 is presented in Statement 20.2.

STATEMENT 20.2

## PERSONS BELOW THE POVERTY LINE IN DELHI-URBAN AND RURAL

(Number in Lakhs)

S. No.	Years	Urban		Rural		Total	
		Number	Per Cent	Number	Per Cent	Number	Per Cent
1.	1973-74	21.78	95.36	1.06	4.64	22.84	100.0 (49.61)
2.	1977-78	16.81	92.57	1.35	7.43	18.16	100.0 (33.23)
3.	1983	17.95	97.61	0.44	2.39	18.39	100.0 (26.22)
4.	1987-88	10.15	99.02	0.10	0.98	10.25	100.0 (12.41)
5.	1993-94	15.32	98.78	0.19	1.22	15.51	100.0 (14.69)
6.	1999-2000	11.42	99.39	0.07	0.61	11.49	100.0 (8.23)
7.	2004-2005	18.9	93.10	1.4	6.90	20.3	100.0 (13.1)
8.	2009-10	22.9	98.28	0.30	1.29	23.3	100.0 (14.2)
9.	2011-12	16.46	97.05	0.50	2.95	16.96	100.0 (9.91)

Source: Delhi Statistical Handbook

Note: Figures in brackets relate to a percentage of the total population.

4. It is evident from the above statement 20.2 & 20.3, that during 1973-74 near about one half of the population of Delhi was below the poverty line. The number of persons below the poverty line in Delhi during 2011-12 was estimated at 16.96 lakh and it worked out to 9.91 per cent of the total population of Delhi. Persons below poverty level in Delhi fell to the single digit at 8 per cent of the total population of Delhi in 1999-2000. Due to various poverty alleviation programmes initiated by the Government of India

and Government of National Capital Territory of Delhi the poverty level in India and Delhi has decreased considerably. The reduction of the poverty level in Delhi and at National level may be due to various reasons such as higher growth in the service sector. The information regarding the poverty level in India and Delhi during the period covered the study is presented in Statement 20.3.

**STATEMENT 20.3**

**PERSONS BELOW THE POVERTY LINE IN DELHI AND INDIA**

(Per cent)

S. No.	Years	India	Delhi
1.	1973-74	54.88	49.61
2.	1977-78	51.32	33.23
3.	1983	44.48	26.22
4.	1987-88	38.26	12.41
5.	1993-94	35.97	14.69
6.	1999-2000	26.10	8.23
7.	2004-2005	37.2	13.1
8	2009-2010	29.8	14.2
9	2011-2012	21.92	9.91

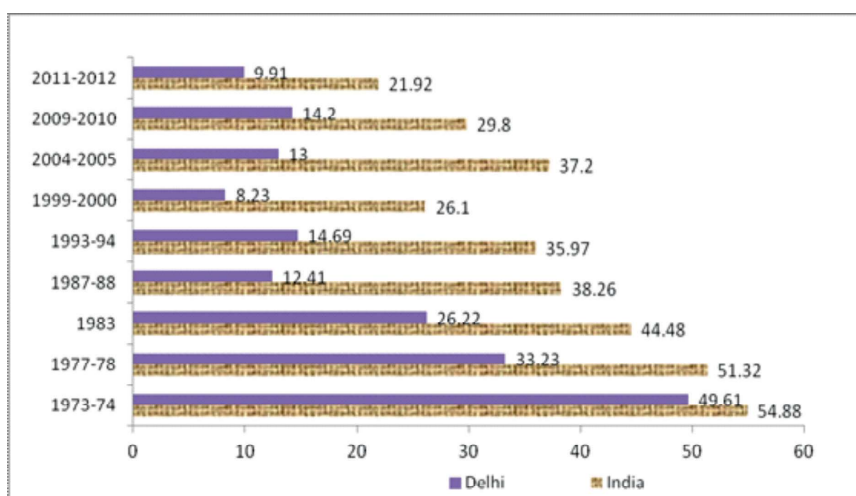
Source: Delhi Statistical Handbook.

- It may be observed from Statement 20.3 that the percent of the population below the poverty in Delhi was less than the national level in all period covered under the study. During 2011-12, 21.92 per cent of the population of India was under below poverty; while it was 9.91 per cent in Delhi. The information regarding the population below the poverty line in India and Delhi during 1973-74 to 2011-12 is depicted in Chart 20.2.

**CHART 20.2**

**PERSONS BELOW THE POVERTY LINE IN DELHI AND INDIA**

(Per cent)



## 6. Level and Pattern of Household Consumer Expenditure

The household consumer expenditure refers to the expenditure incurred by a household on domestic consumption during the reference period. It is the total monetary value of consumption of various groups of items i.e. food, fuel, light, clothing, footwear, miscellaneous goods & services and durable articles. The information gathered covers the sum of monetary value of all the items (i.e. goods & services) consumed by the household on domestic account during the reference period. It is not only useful to decide the status living condition of the household but also helpful to provide necessary data to the researchers for conducting further studies on poverty line, nutritional status, sufficiency of food etc. These are primary source of data on various levels of different segments of population at state level. The household consumer expenditure collects information on quantity and value of household consumption. Monthly Per Capita Expenditure for food and non food items for a household is its total consumption expenditure divided by its size and expressed on a per month (30 days) basis.

- 6.1 Directorate of Economics and Statistics is publishing a report titled “Level and Pattern of Household Consumer Expenditure in Delhi” on the basis of sample surveys conducted under National Sample Survey Office Rounds from time to time. The information regarding per capita expenditure on food and non-food items as per 63<sup>rd</sup> Round (July 2006–June 2007), 64<sup>th</sup> round (July 2007-June 2008), 66<sup>th</sup> Round (July 2009- June 2010) and 68<sup>th</sup> Round (July 2011-June 2012) is presented in Statement 20.4.

### TATEMENT 20.4

#### PER CAPITA MONTHLY EXPENDITURE ON FOOD & NON-FOOD IN DELHI

S. No.	Rounds / Area	Food	Non-Food	Total
1.	<b>63<sup>rd</sup> Round (July 2006 - June 2007)</b>			
	a. Urban	733.53	1238.66	1972.19
	b. Rural	553.05	751.22	1304.27
	c. Total	697.40	1141.07	1838.47
2	<b>64<sup>th</sup> Round (July 2007 - June 2008)</b>			
	a. Urban	770.21	1307.83	2078.04
	b. Rural	740.72	962.58	1703.30
	c. Total	767.72	1278.71	2046.43
3	<b>66<sup>th</sup> Round (July 2009 - June 2010)</b>			
	a. Urban	1036.21	1868.66	2904.87
	b. Rural	771.28	989.75	1761.03
	c. Total	1014.48	1796.57	2811.05
4	<b>68<sup>th</sup> Round (July 2011 - June 2012)</b>			
	a. Urban	1489.02	2352.52	3841.54
	b. Rural	1182.74	1378.41	2561.16
	c. Total	1461.54	2265.12	3726.66

Source: Directorate of Economics and Statistics, GNCTD

- 6.2 It may be inferred from Statement 20.4 that the per capita expenditure on non-food items was higher than the food items in all the NSS rounds. Total per capita expenditure during 68<sup>th</sup> round has increased by 32.57 percent over 66<sup>th</sup> NSS round. The per capita expenditure on food items constituted at 39.22 per cent and the remaining 60.78 per cent on non-food items as per 68<sup>th</sup> round of National Sample Survey.
- 6.3 The information regarding average monthly household expenditure (with an average family size of 4.06) of food and non-food items during the last four rounds of the National Sample Survey is presented in Statement 20.5.

**STATEMENT 20.5**  
**AVERAGE MONTHLY HOUSEHOLD EXPENDITURE IN DELHI**

S. No.	Rounds / Area	Food	Non-Food	Total
1.	<b>63<sup>rd</sup> Round (July 2006 - June 2007)</b>			
	a. Urban	3312.26	5593.14	8905.40
	b. Rural	2929.21	3978.85	6908.06
	c. Total	3244.89	5309.22	8554.11
2.	<b>64<sup>th</sup> Round (July 2007- June 2008)</b>			
	a. Urban	3445.38	5850.37	9295.75
	b. Rural	3308.01	4298.86	7606.87
	c. Total	3433.78	5719.28	9153.06
3.	<b>66<sup>th</sup> Round (July 2009 - June 2010)</b>			
	a. Urban	4407.12	7947.66	12354.78
	b. Rural	3647.99	4681.26	8329.25
	c. Total	4350.66	7704.73	12055.40
4.	<b>68<sup>th</sup> Round (July 2011- June 2012)</b>			
	a. Urban	6055.23	9566.70	15621.93
	b. Rural	4696.16	5473.08	10169.24
	c. Total	5930.61	9191.34	15121.95

Source: Directorate of Economics and Statistics, GNCTD.

- 6.4 It may be seen from Statement 20.5 that in 68<sup>th</sup> Round average monthly household expenditure on food and non-food items has increased by 25.44 percent over 66<sup>th</sup> NSS Round in Delhi. The percentage of average monthly household expenditure on non-food items was 60.78 per cent in the 68<sup>th</sup> round and it was the same as that per capita monthly expenditure on non-food items in the 68<sup>th</sup> round.
- 6.5 Percentage distribution of monthly per capita consumer expenditure for food and non-food items in urban Delhi and urban India is presented in Statement 20.6.

## STATEMENT 20.6

## PERCENTAGE DISTRIBUTION OF MPCE FOR FOOD AND NON-FOOD ITEMS IN URBAN DELHI AND URBAN INDIA IN 2011-12

S. No.	Items	Urban	
		Delhi	India
	<b>Food Items</b>		
1.	Cereal	4.59	6.61
2.	Gram	0.12	0.11
3.	Cereal substitutes	0.00	0.05
4.	Pulses and Pulse Products	1.21	1.93
5.	Milk and Milk Products	10.69	7.01
6.	Sugar	0.97	1.04
7.	Salt	0.07	0.10
8.	Edible Oil	1.95	2.66
9.	Egg, fish & Meat	1.47	3.65
10.	Vegetables	4.59	4.63
11.	Fruits (Fresh)	2.40	2.64
12.	Fruits (Dry)	0.66	0.78
13.	Spices	1.53	2.42
14.	Beverages, refreshments, etc.	8.50	8.98
<b>15.</b>	<b>Food: total(1-14)</b>	<b>38.76</b>	<b>42.62</b>
	<b>Non-food Items</b>		
16.	Pan, Tobacco & Intoxicants	1.02	1.61
17.	Fuel and Light	6.30	6.69
18.	Clothing & Bedding	6.29	5.37
19.	Footwear	1.26	1.00
20.	Education	7.65	6.90
21.	Medical (institutional)	1.23	1.96
22.	Medical (non institutional)	1.92	3.58
23.	Entertainment	1.77	1.61
24.	Minor durable type goods	0.59	0.30
25.	Toilet articles	2.14	2.11
26.	Other household consumables	1.96	1.78
27.	Consumer services excl. conveyance	6.97	5.60
28.	Conveyance	8.86	6.52
29.	Rent	5.80	6.24
30.	Taxes & cesses	1.48	0.82
31.	Durable goods	6.01	5.30
<b>32.</b>	<b>Non-food: total (16-31)</b>	<b>61.24</b>	<b>57.38</b>
<b>33.</b>	<b>Total expenditure (15+32)</b>	<b>100.00</b>	<b>100.00</b>

Source: For Urban Delhi- Directorate of Economics and Statistics, Government of National Capital Territory of Delhi and For Urban India: MoSPI, GOI (National Sample Survey 68<sup>th</sup> Round of Socio-Economic Survey 2011-12).

6.6 It may be inferred from Statement 20.6 that every hundred rupees spent by households in urban Delhi about ₹ 38.76 were on food items and the remaining ₹ 61.24 on non-food items. In India, it was ₹ 42.62 and ₹ 57.38 for food and non-food items respectively.

## 7. Initiatives for Poverty alleviation

7.1 The Delhi Government since 2015 has provided subsidies to the citizens of Delhi in the domains of healthcare, education, access to clean drinking water, electricity and women safety. Various welfare Scheme/ Programmes are being run by the Govt. for upliftment of poor people. Main schemes/ programmes are as under:-

- Financial Assistance to Senior Citizens
- Financial Assistance to Differently-abled Persons
- National Family Benefit Scheme
- Financial Assistance to Women in Distress
- Ladli Yojana
- Financial Assistance to Poor Widows for Performing Marriage of their Daughters and to Orphan Girls for their Marriage
- Reimbursement of Tuition Fee to the Students belonging to SC/ST/OBC studying in Public Schools
- Financial Assistance for Purchase of Stationery and Merit Scholarship for SC/ST/OBC/Minority category students for Class I – XII
- Mukhyamantri Vidhyarathi Pratibha Yojana
- Merit Scholarship to College/Professional Institutions Students belonging to SC/ST/OBC/Minority
- Free supply of text books
- Chief ministers scholarship for meritorious students – scholarship & stipend
- Mid day meal Programme
- PDS
- Subsidy to Consumers through Delhi Jal Board
- Subsidy to Consumers through DISCOMS
- Various welfare schemes run by Delhi Building & Other Construction Welfare Board
- Free/reduced cost treatment in govt. hospitals & Aam Admi Mohalla Clinics
- Free bus services in DTC/Cluster buses for women commuters

7.2 Further, during the year 2017 the Govt of NCT of Delhi has also revised and enhanced the considerable amount of Minimum Wages for the different class of workmen/ employees i.e. Unskilled, semi-skilled, Skilled and Clerical and Supervisory staff. This step would reduce the poverty and also enhance the standard of living of the

benefitted group of people.

### 7.3 Impact of Subsidies

- To study the cumulative effect of all subsidies on the socio-economic life of the citizens of Delhi as well as on the local economy, a study of 3450 samples of households was undertaken during March, 2020 by the Centre for Market Research & Social Development Pvt. Ltd. with the help of Planning Department, GNCTD.
- The study observed that in last three months, all the surveyed households have been benefitted for reduced or zero electricity bill, while 76.1% have been benefitted for reduced or zero water bill, 64.7% have been benefitted for free/reduced cost treatment in govt. hospitals, 58% have been benefitted for free bus ride for women and 43.7% households have been benefitted for free public education.
- Due to all the above subsidies provided to the citizens of Delhi, a household is now saving an average amount of ₹ 2464/- per month. Each month, a household is saving ₹ 715/- for reduced or zero electricity bill, ₹693/- for free/reduced cost treatment in govt. hospitals, ₹ 554/- for free public education, ₹ 255/- for reduced or zero water bill and ₹ 247/- for free bus ride.
- The study further observed that though more number of households are benefitted due to reduced or zero electricity bill, but highest amount in a month is saved by a household for free public education (₹1267/-), followed by for free/reduced cost treatment in govt. hospitals (₹1071/-), reduced or zero electricity bill (₹ 715/-), free bus ride for women (₹ 426/-) and reduced or zero water bill (₹ 325/-).
- Majority (61.6%) of the households informed that they have already spent the extra money saved due to subsidies; 28.4% have invested the money in FD, Post Office, Insurance, Savings in Bank, property, etc.; 7.2% will going to spend the money in near future and 2.8% have lent the extra money saved due to subsidies.
- The households which have already spent the extra money saved due to subsidies, 50.7% have spent for food and beverages (fruits, vegetable, dal, rice, flour, tea, coffee, snack items etc.), 13.1% have spent for education related purchases (books, stationary, project materials, tuitions), 10.1% have spent/ going to spend for medical treatment and medicines, 7.9% have spent for clothing and accessories (clothes, cosmetics, shoes, goggles, jewellery etc.), 7.3% have spent for appliances/ assets (cell phone, TV, Fridge, Mixie, stove, microwave, cycle, motorcycle etc.), 6.7% for entertainment (movies, concerts, picnic, trips), and 4.5% households have spent for other purposes.

## 8. Conclusion

The results of the “Study on impact of subsidies of the Delhi Government on the socio-economic status of citizens and the local economy” assessed the various aspects of the impact of the subsidies given under various government services in Delhi and revealed that the subsidies have a significant impact on the savings and expenditure of benefitted households. The benefitted households emphasized that there is nothing inherently bad in providing subsidies under various government services in Delhi. These benefits are provided for the welfare of the society by maintaining the income



and providing basic services for low-income groups. Thus, it is suggested in the study that the subsidies provided for various government services in Delhi may be continued for the socio-economic development of the people living at the bottom of the pyramid.

### CHAPTER AT A GLANCE

➤	The poverty line was estimated at ₹ 1145 for rural and ₹ 1134 for urban Delhi as against the national level of ₹ 816 for rural and ₹ 1000 for urban India respectively.
➤	Persons below poverty level in Delhi fell to the single digit at 8 per cent of the total population in 1999-2000.
➤	During 2011-12, 21.92 per cent of the population of India was under below poverty; while it was 9.91 per cent in Delhi.
➤	Every hundred rupees spent by households in urban Delhi about ₹ 38.76 were on food items and the remaining ₹ 61.24 on non-food items. In India, it was ₹ 42.62 and ₹ 57.38 for food and non-food items respectively as per National Sample Survey 68th Round of Socio-Economic Survey 2011-12