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INEQUALITY AMONG STATES OF INDIA: HUMAN DEVELOPMENT ASPECT

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ABSTRACT

During the last two decades Indian economy has been growing at fairly impressive growth rate of 6 – 7 percent annually. Many research studies indicate increasing regional disparity in both infrastructure and income in India after economic liberalisation (1991). This paper investigates the trend of inequality among fifteen major states of India on the basis four economic indicators: Human Development Index, Per Capita Consumption Expenditure, Population below Poverty Line and Literacy rate. The study draws its conclusion by using a regression model. Results indicate increasing inequality on the basis of per capita consumption expenditure and population below poverty line but not on the basis of human development index. States can be clearly grouped on the basis of literacy rate and significant difference was found among two groups of states having literacy below the national average and literacy above the national average.

KEYWORDS

Economic Growth, Human Development, Inequality, Literacy, Population below Poverty Line.

INTRODUCTION

During the last two decades Indian economy has been growing at a notable pace of 6 – 7 percent annually. This growth is fairly impressive than the growth rate of 3.5 percent per annum in the preceding three decades (see Appendix, Table i). Indian economy has witnessed a growth of 5.4 percent per annum (at 1999 – 2000 Price) during the Sixth Five Year Plan (1980 – 85) and Seventh Five Year Plan (1985-90) where as the growth rate was 5.69 percent (at 1999 – 2000 Price) during the Eighth Plan (1992-97). Meanwhile in the wake of international payment crisis and economic reforms there was a drop in growth rate to the level of 3.1 percent per annum during the period of 1990-92. In subsequent years the annual growth rate picked up and finally during the Tenth Five Year Plan it recorded 7.7 percent, which is impressive by any standards.

Growth in the economy resulted in the improvement of per capita income which was expected to trim down the level of poverty. Considerable fall in the level of poverty is observed by the Planning Commission of India; percentage of population Below Poverty Line¹ (BPL) declined from 36.0 percent to 27.5 percent at national level during the period of 1993 – 94 to 2004 – 05 (see Appendix, Table ii). In the rural area the down fall is much significant from 37.3 percent to 28.3 percent than the urban area where it dropped from 32.4 percent to 25.7 percent during 1993 – 94 to 2004 – 05.

The growth story of Indian economy invites a critical review. New economic policy has favored some groups where as others are yet to be benefitted from it. There is a rising trend in regional disparity in both infrastructure and income (Ghosh & Prabir 2005). From the very beginning of planning phase Government of India (GOI) has been trying to eliminate economic disparity among different sections of the society as well as regions of the country. In the pre economic reform period (before 1991) government had heavy control upon industrial expansion; the clear goal was helping the lagging regions (Sachs et al., 2002). But in the later phase we observe a change in the ideology from government initiative to market mechanisms. Mixed economic structure has inclined towards market led capitalist structure. Confidence has been shifted from strong socially liable public sector to the efficiency of market mechanisms. Proponents of this shift argue that market forces will adjust automatically to deliver goods. Finally we witness a drastic change in the economic policy from closed economic set-up to a highly liberalized economy. Since relatively long period of two decades has been passed after economic reforms (1991) it seems timely to assess its impact on the socio-economic disparity among states of India.

RATIONALE FOR THE STUDY

Many researchers have attempted to analyze the trends of economic growth and inequality in different states of India (Nair 1982, Nair 1993a, Malhotra 1998, Cassen 2002, Planning Commission 2002). Datt and Ravilion (2002) have attempted to establish the relationship between poverty and economic growth at the regional level. In a remarkable exploratory study confined to only one state – Orissa, Nair (1993b) attempted to link the regional development with regional policy. Kurian (2000) has done a detail study on the major states of India. But a comparative inter-state study on the data taken before and after liberalisation to the recent years is uncommon. Present study stretches its scope from pre-liberalisation (1981) to the recent years (2007-08) and analyzes the nation wide data of fifteen major states.

LITERATURE REVIEW

After the period of economic reforms (1991) major states like Gujarat, West Bengal, Karnataka, Maharashtra, Kerala and Tamil Nadu were the major contributors to the growth acceleration in India (Dholakia, 2009). Research findings show increase in regional disparity in the 1990s (Deaton & Dreze, 2002). They concluded that southern and western states are performing better than the northern and eastern states. Divide between urban and rural areas is visible and also within urban areas. Research findings do not support the claim that the intensities have been a period of 'unprecedented improvement'. Research indicates that the policy of economic liberalisation started in 1991 has significantly intensified growth differentials between the states of India (Baddeley et al. 2006). In the early phase of economic reforms poorer states grew slower as compared to wealthier ones but in the later phase there are some evidences of dispersion of income levels across the states (Baddeley et al. 2006). Chakravorty (2003) found solid evidence of inter – regional divergence in his study on the industrial location in post-reform India. There are not enough evidences to show the income convergence in poorer states (Jayanthakumaran 2010). Babu (2002) found uneven growth among states and he suggested a policy framework for overcoming it. As the poor are regionally concentrated Ghosh & Prabir (2005) questioned on the success of poverty removal programs under the new economic policy. The policy of globalisation is widening the regional disparities; Bihar and Orissa are still standing far behind (Economist 2004).

Though we observe massive public investment in the backward regions, disparity has widened (Twari, 2008). Rural India is still deprived from the benefits of country's recent economic growth (Solomon, Bellman 2004). Country's economic achievements have not produced better results in reducing poverty (Roy, 2005). But there are also some contradictory findings. Das et al. (2010) found a convergence of inequality and poverty indicators at both rural and urban levels. They have observed a convergence in the per capita consumption expenditure at urban level but the same is not true at rural level. In his study on regional disparities in economic and human development Dholakia (2003) has noticed a decline in disparity. Cashin and Sahay (1996) have also noted a decline in economic disparity among state of India. Agarwalla & Pangotra (2006) has found that the convergence among states has been faster during the period of 1992 – 2006.

Conclusions on economic disparity are sensitive to what indicators of economic growth are taken into consideration. Singh et al. (2003) found that study of human development indices does not support the increase in regional disparity. Their findings are sensitive to economic performance indicators taken as measures of attainment. Human development indices and consumption & credit indicators do not show increase in the regional disparity (Singh et al. 2003).

¹People who are not able to intake 2100 calories per day in urban area and 2400 calories per day in the rural area are treated as below poverty line (Gaurav Datt as quoted by Datt Sundaram – 2009)

RESEARCH OBJECTIVE

Present study is intended to examine the trend of inequality among major states of India on the basis of economic and human development.

The study aims to analyze the inequality among fifteen major states of India by comparing respective figures for selected economic indicators before and after economic liberalisation.

ECONOMIC INDICATORS UNDER STUDY AND SOURCES OF DATA

For analyzing the convergence or divergence among states of India this study is based on economic indicators like: Human Development Index (HDI), Per Capita Consumption Expenditure (PCCE), Population below Poverty Line (BPL) and Literacy Rate.

Availability of data is a major problem (Dholakia, 2005) and this is the biggest barrier in the way of significant research dealing with the problems of regional development. Even if data is available with various sources, they are collected by different methods and hence are incomparable in true sense. Planning Commission of India has come up with data on Human Development Index and Per Capita Consumption Expenditure (National Human Development Report - 2001). Economic Survey of Delhi 2007 - 08 has brought out data on Percentage of Population below Poverty Line. We have taken data on literacy rates from census of India 2001.

RESEARCH METHODOLOGY AND HYPOTHESIS

Trend of convergence or divergence in economic development is measured by using a regression model. Many researchers have based their study on major states only (Rao et. al 1999; Kurian 2000). We have confined our study to fifteen major states of India; these are Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

Let us consider an economic indicator X_i at a particular time period t , X_i denotes its value for the i^{th} state for that period, and the value of national average of the same indicator is denoted by X_t at the point of time t . We have calculated the 'state relatives' for all the indicators taken in this study at any point of time by $(X_i / X_t) * 100$ for $i=1$ to 15. We can make two different series of 'state relatives' for two different points of time – initial point t and the terminal point T . To study the disparity among states we can consider cross section regression between 'state relatives' (Dholakia 2005), let us consider Y_i as the value of same indicator for i^{th} state at the terminal point T :

$$Y_i = a + b X_i + u_i$$

To test the cross section regression between X_i^T and X_i^t we require testing following hypotheses:

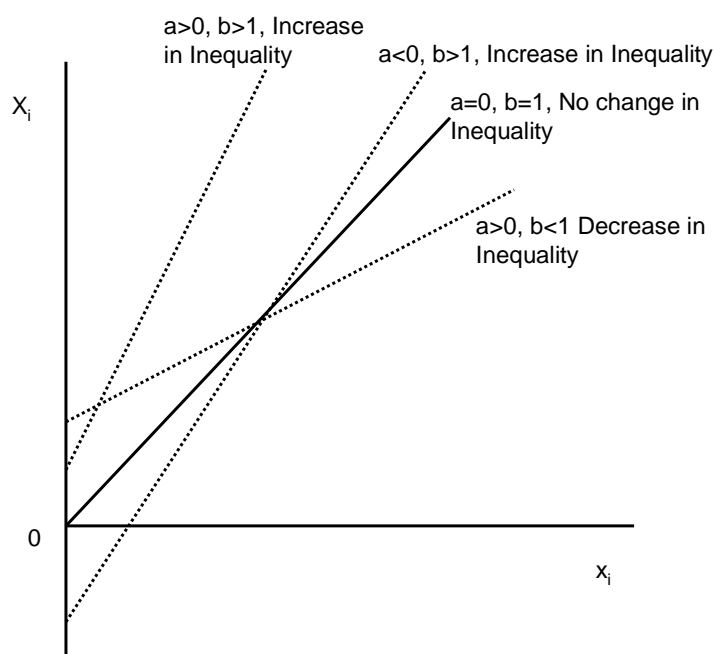
H_0 : $a=0$ and $b=1$ for no change in inequality

H_1 : $a>0$ and $b<1$ for reduced inequality

$a<0$ and $b>1$ for increased inequality

$a>0$ and $b>1$ for increased inequality

A limitation of inter-state analysis is the fact that it ignores the intra – State economic inequalities which are much prevalent these days. Availability of current data is also a major restrain over findings.

FIG. 1**COMPARISON OF HDI**

We have calculated state relatives of Human Development Index (SR – HDI) at four points of time 1981, 1991, 2001 & 2007 (see Table 1a). There are eight states having SR – HDI more than 100 (for the national average), rest other seven have SR – HDI lower than the national average for all the points of time taken in the study. States which have high SR – HDI are West Bengal, Tamil Nadu, Karnataka, Gujarat, Haryana, Maharashtra, Punjab and Kerala. For the ease of understanding we call this set of states as 'Leading States' and rest others as 'Backward States'. Kerala has been consistently having the highest state relative HDI and Bihar the lowest at all four points of time taken for the comparison; interestingly order of states on the basis of state relatives of HDI remains almost same in a relatively long period of 27 years, except a minor change in the position of Andhra Pradesh, Assam and Rajasthan.

The regression analysis indicates a decrease in disparity on the basis of SR – HDI (see Table 1b). The calculated value of regression intercept and regression coefficient is positive and less than 1 respectively for all the four sets of initial and terminal years and hence we conclude a convergence in states of India.

COMPARISON OF STATE RELATIVES OF PER CAPITA CONSUMPTION EXPENDITURE IN URBAN AND RURAL AREA

For comparing states on the basis of per capita consumption expenditure we analyzed data taken at four points of time 1983, 1993-94, 1999-2000 and 2007-08. We have taken figures for rural and urban consumption separately and calculated state relatives for all fifteen states so that we could get a clear picture of convergence or divergence in the rural or urban India. Our effort was to explore out of urban or rural India which segment is benefited more by the economic reforms. A general observation of Table 2a reveals that Maharashtra has the highest state relative of per capita consumption expenditure in the urban area on

initial three points of time taken in this study but not in the year 2007-08, Kerala leads the series. Punjab has the highest state relative in the rural India in the initial years 1983, 1993-94 but in the later phase Kerala shows the highest figure in the years 1999 – 2000 and 2007 - 08. Interestingly none of the states show the highest state relative in both the segments, it means some states are performing better in urban area and others are performing in the rural area, but not in both.

In the regression equation we find that regression coefficient is more than 1 and the value of regression intercept is negative at all four points of time for the per capita consumption expenditure in the rural area (see Table 2b). This indicates increase in disparity among states; a clear divergence is visible on the basis of state relatives of PCCE in the rural area. Moreover in the urban area the study indicates similar trend of increase in disparity except during the initial year 1999-2000 and terminal year 2007 – 08 when we get a positive value for the regression intercept (21.072) and value of regression coefficient less than 1 (0.817).

COMPARISON OF POPULATION BELOW POVERTY LINE (BPL)

We observe a fall in the population below poverty line from 44.5 percent in 1983 – 84 to 27.5 percent in 2004 – 05 (Planning Commission of India). In the present study we have considered percentage of population below poverty line as an economic indicator to analyze whether this improvement is equally spread all over India or concentrated in some specific regions. Orissa has the highest state relatives for BPL (SR – BPL) at three points of time 1983, 1999-2000 and 2004-05, but in the year 1993-94 Bihar has the highest figure (Table 3a). These two states have significantly high percentage of population below poverty line consistently for the twenty years long period of time taken into this study. On the other hand Punjab and Haryana are the states which have the lowest and the second lowest value for the SR – BPL. It indicates that there is no change in the positions of the states with highest and the lowest percentage of population below poverty line. On the other hand Assam and Kerala have considerably improved their positions during this period of study.

Table 3b indicates convergence among states in the pre reform period of 1983-84 to 1993-94 (regression intercept 'a' = 9.751, regression coefficient 'b' = 0.891) but in the first decade (1993-94 to 1999-2000) of economic reforms the disparity among states of India increased significantly (regression intercept 'a' = -44.777, regression coefficient 'b' = 1.463). In the later phase (1999 – 2000 to 2004 – 05) there is improvement in the situation and states again show a convergence, the value of regression intercept (a = 21.839) and regression coefficient (b = 0.747) help us to conclude the decrease in disparity among states of India. However the overall picture after economic reforms shows increase in inequality. The value of regression intercept 'a' and regression coefficient 'b' calculated for the initial year 1993 – 94 and 2004 – 05 is -18.123 and 1.162 respectively, which shows an increase in disparity among states.

INEQUALITY IN LITERACY RATE

Table 4a shows State wise literacy rate based on 2001 Census in 15 states taken for this study. Kerala has the highest 90.86 percent literacy rate and Bihar is on the bottom of series with 47 percent of literacy rate. States like Uttar Pradesh, Rajasthan, Andhra Pradesh, Orissa, Assam and Madhya Pradesh have literacy rate below than the national average of 64.84 percent. 94.24 percent male population is literate in Kerala where as 59.68 percent in Bihar. In the case of females situation is much poor. Two third of the women are illiterate in Bihar. But in the case of Kerala there is only a difference of 6.52 percent in the literacy rate of males and females. Tamil Nadu, Maharashtra, Punjab, Gujarat, Karnataka, Haryana and West Bengal are states having high literacy against the national average. As far as women literacy is concerned throughout the nation it is less than that of males. This is very common phenomena of Indian social system.

We tested the difference in the level of literacy among two groups of leading and backward states by using Mann-Whitney U test for testing the equality of locations of two populations. Test statistics (see Table 4b) show significant difference in the literacy rate of males across states under study, it is high in the leading states than the backward states ($Z = -2.89$, Sig. at 0.01 levels). Similar difference was found in the literacy rate of females among backward and leading states ($Z = -3.24$, Sig. at 0.01 levels). Taking data on total literacy for both males and females together Mann-Whitney U test shows that literacy rate is significantly high in the leading states ($Z = -3.24$, Sig. at 0.01 levels). It is evident from above findings that on the ground of literacy rate leading states are doing better than backward states. Inequality among states on the basis of literacy rate is visible.

CONCLUSION

India is a country with high level of diversity, no two states or regions have similar socio – economic set ups. Level of economic development also differs in states throughout the nation. There is a wide difference on the basis of Human Development Index (HDI) among 15 major states of India covered in this study. Kerala shows the highest point in the index 0.827 where as Bihar has only 0.476 in the year 2007. It shows a big chasm in economic development of states. Against our objective to measure the convergence or divergence in the economic and human development across major states of the country our findings are different for various indicators of economic development.

While comparing the state relatives of HDI we find decrease in disparity among states of India. A divergence among states is visible on the basis of Per Capita Consumption Expenditure in rural area during the entire period of study. In the urban area the study indicates the similar trend of increase in disparity except during the initial year 1999-2000 and terminal year 2007 – 08 when we noticed a convergence among states of India. Analysis of population BPL indicates convergence among states in the pre reform period of 1983-84 to 1993-94 but in the first decade (1993-94 to 1999-2000) of economic reforms the disparity among states of India increased significantly. In the later phase (1999 – 2000 to 2004 – 05) there is improvement in the situation and states again show a convergence. However the overall picture after economic reforms shows an increase in disparity. Findings indicate inequality on the basis of literacy rate; it is high in leading states than backward states.

The increasing inequality among states of India may cause several social and political problems. Economic divide can accelerate mobility and migration of people from one place to another for earning livelihood, and it can increase pressure of population in some geographic spots. There is a need to generate employment at origin of migration in order to check the migration effectively (Kumar et. al. 2003). The government of India should take it into serious consideration otherwise situations may get worse in coming future.

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TABLES

TABLE 1a: STATE RELATIVES OF HUMAN DEVELOPMENT INDEX (SR – HDI)

| S.N. | States | 1981* | 1991* | 2001* | 2007** |
|------|----------------|--------|--------|--------|--------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | Bihar | 78.47 | 80.83 | 77.75 | 77.77 |
| 2 | Madhya Pradesh | 81.12 | 86.08 | 83.47 | 83.49 |
| 3 | Uttar Pradesh | 84.43 | 82.41 | 82.2 | 82.18 |
| 4 | Rajasthan | 84.76 | 91.07 | 89.83 | 89.86 |
| 5 | Orissa | 88.41 | 90.55 | 85.59 | 85.62 |
| 6 | Assam | 90.06 | 91.33 | 81.77 | 81.69 |
| 7 | Andhra Pradesh | 98.67 | 98.95 | 88.13 | 88.07 |
| 8 | West Bengal | 100.99 | 106.03 | 100 | 100 |
| 9 | Tamil Nadu | 113.57 | 122.3 | 112.5 | 112.41 |
| 10 | Karnataka | 114.56 | 108.13 | 101.27 | 101.14 |
| 11 | Gujarat | 119.2 | 113.12 | 101.48 | 101.47 |
| 12 | Haryana | 119.2 | 116.27 | 107.83 | 107.84 |
| 13 | Maharashtra | 120.19 | 118.63 | 110.8 | 110.78 |
| 14 | Punjab | 136.09 | 124.67 | 113.77 | 113.72 |
| 15 | Kerala | 165.56 | 155.11 | 135.16 | 135.13 |

*Calculated from National Human Development Report, 2001, Planning Commission of India; Available at <http://socialjustice.nic.in/pdf/tab16.pdf> Accessed on Feb 09, 2011

**Calculated from Publius Quintilius Varus, Available at <http://pqvarus.wordpress.com/2010/03/15/indian-statistics-by-hdi>

TABLE 1b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

| Initial Year | Terminal Year | Regression Intercept 'a' | Regression Coefficient 'b' | Conclusion |
|--------------|---------------|--------------------------|----------------------------|---------------------|
| 1981 | 1991 | 18.55 | 0.819 | Decreased Disparity |
| 1991 | 2001 | 15.091 | 0.785 | Decreased Disparity |
| 2001 | 2007 | 0.054 | 0.999 | Decreased Disparity |
| 1991 | 2007 | 15.144 | 0.785 | Decreased Disparity |

TABLE 2a: STATE RELATIVES OF PER CAPITA CONSUMPTION EXPENDITURE (SR – PCCE)

| S.N. | State | 1983* | | 1993-94* | | 1999-2000* | | 2007-08** | |
|------|----------------|--------|--------|----------|--------|------------|--------|-----------|--------|
| | | Rural | Urban | Rural | Urban | Rural | Urban | Rural | Urban |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
| 1 | Bihar | 83.49 | 84.13 | 77.6 | 77.07 | 79.14 | 70.39 | 77.46 | 73.36 |
| 2 | Orissa | 86.8 | 91.28 | 78.1 | 87.88 | 76.77 | 72.34 | 72.41 | 97.69 |
| 3 | Madhya Pradesh | 90.63 | 89.49 | 89.6 | 89.1 | 82.59 | 81.12 | 82.12 | 80.84 |
| 4 | Uttar Pradesh | 92.83 | 83.13 | 97.3 | 84.93 | 96.01 | 80.78 | 88.08 | 76.15 |
| 5 | West Bengal | 93.14 | 102.49 | 99.1 | 103.53 | 93.5 | 101.36 | 90.93 | 98.64 |
| 6 | Maharashtra | 98.82 | 113.12 | 96.9 | 115.67 | 102.2 | 113.84 | 112.4 | 116.1 |
| 7 | Tamil Nadu | 99.9 | 99 | 104 | 95.69 | 105.7 | 113.64 | 108 | 95.78 |
| 8 | Assam | 100.65 | 96.79 | 91.7 | 100.13 | 87.66 | 95.22 | 103.5 | 98.64 |
| 9 | Andhra Pradesh | 102.92 | 96.23 | 103 | 89.21 | 93.32 | 90.47 | 105.7 | 105.29 |
| 10 | Karnataka | 105.18 | 101.39 | 95.7 | 92.37 | 102.8 | 106.55 | 106.1 | 113.31 |
| 11 | Gujarat | 106.18 | 98.95 | 108 | 99.17 | 113.4 | 104.29 | 113.3 | 99.93 |
| 12 | Rajasthan | 113.55 | 96.47 | 115 | 92.72 | 112.9 | 93.08 | 103.8 | 85.93 |
| 13 | Kerala | 129.33 | 107.54 | 139 | 107.81 | 157.5 | 109.08 | 179.1 | 132.33 |
| 14 | Haryana | 132.8 | 110.95 | 137 | 103.47 | 147 | 106.67 | 133.9 | 110.59 |
| 15 | Punjab | 151.64 | 111.2 | 154 | 111.5 | 152.7 | 105.13 | 164.9 | 110.93 |

*Calculated from National Human Development Report 2001, Indicators of Economic Attainment, Page 147.

**NSS Report No.530: Household Consumer Expenditure in India, 2007-08, Page No. 13. Available at: http://mospi.nic.in/rept%20_%pubn/ftest.asp?rept_id=505&type=NSSO. Accessed on Feb 10, 2011

TABLE 2b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

| Initial Year | Terminal Year | RURAL | | Conclusion | URBAN | | Conclusion |
|--------------|---------------|--------------------------|----------------------------|---------------------|--------------------------|----------------------------|---------------------|
| | | Regression Intercept 'a' | Regression Coefficient 'b' | | Regression Intercept 'a' | Regression Coefficient 'b' | |
| 1983 | 1993-94 | -14.599 | 1.137 | Increased Disparity | -6.694 | 1.046 | Increased Disparity |
| 1993-94 | 1999-2000 | -13.964 | 1.143 | Increased Disparity | -11.236 | 1.112 | Increased Disparity |
| 1999-2000 | 2007-08 | -6.933 | 1.089 | Increased Disparity | 21.072 | 0.817 | Decreased Disparity |
| 1993-94 | 2007-08 | -22.079 | 1.244 | Increased Disparity | -12.606 | 1.162 | Increased Disparity |

TABLE 3a: STATE RELATIVES OF PERCENTAGE OF POPULATION BELOW POVERTY LINE (SR – BPL)

| S.N. | States | 1983 - 84 | 1993 - 94 | 1999 - 2000 | 2004 - 05 |
|------|----------------|-----------|-----------|-------------|-----------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | Orissa | 146.76 | 135 | 180.65 | 168.72 |
| 2 | Bihar | 139.88 | 152.79 | 163.21 | 150.54 |
| 3 | West Bengal | 123.31 | 99.13 | 103.52 | 89.81 |
| 4 | Tamil Nadu | 116.14 | 97.38 | 80.91 | 81.81 |
| 5 | Madhya Pradesh | 111.91 | 118.2 | 143.41 | 139.27 |
| 6 | Uttar Pradesh | 105.82 | 113.56 | 119.34 | 119.27 |
| 7 | Maharashtra | 97.66 | 102.47 | 95.86 | 111.63 |
| 8 | Assam | 91.65 | 113.59 | 138.27 | 71.63 |
| 9 | Kerala | 90.87 | 70.69 | 48.73 | 54.54 |
| 10 | Karnataka | 85.97 | 92.18 | 76.78 | 90.9 |
| 11 | Rajasthan | 77.47 | 76.2 | 58.54 | 80.36 |
| 12 | Gujarat | 73.71 | 67.3 | 53.9 | 61.09 |
| 13 | Andhra Pradesh | 64.99 | 61.69 | 60.42 | 57.45 |
| 14 | Haryana | 48.04 | 69.64 | 33.48 | 50.9 |
| 15 | Punjab | 36.37 | 32.72 | 23.6 | 30.54 |

Source: Calculated from Economic Survey of Delhi, 2007 - 08, page 343

TABLE 3b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

| Initial Year | Terminal Year | Regression Intercept 'a' | Regression Coefficient 'b' | Conclusion |
|--------------|---------------|--------------------------|----------------------------|---------------------|
| 1983-84 | 1993-94 | 9.751 | 0.891 | Decreased Disparity |
| 1993-94 | 1999-2000 | -44.777 | 1.463 | Increased Disparity |
| 1999-2000 | 2004-05 | 21.839 | 0.747 | Decreased Disparity |
| 1993-94 | 2004-05 | -18.123 | 1.162 | Increased Disparity |

TABLE 4a: STATE WISE LITERACY RATE BASED ON 2001 CENSUS

| Name of the State | Male | Female | Total |
|-------------------|-------|--------|-------|
| Bihar | 59.68 | 33.12 | 47.00 |
| Uttar Pradesh | 68.82 | 42.22 | 56.27 |
| Rajasthan | 75.7 | 43.85 | 60.41 |
| Andhra Pradesh | 70.32 | 50.43 | 60.47 |
| Orissa | 75.35 | 50.51 | 63.08 |
| Assam | 71.28 | 54.61 | 63.25 |
| Mandhya Pradesh | 76.06 | 50.29 | 63.74 |
| Karnataka | 76.1 | 56.87 | 66.64 |
| Haryana | 78.49 | 55.73 | 67.91 |
| West Bengal | 77.02 | 59.61 | 68.64 |
| Gujarat | 79.66 | 57.8 | 69.14 |
| Punjab | 75.23 | 63.36 | 69.65 |
| Tamil Nadu | 82.42 | 64.43 | 73.45 |
| Maharashtra | 85.97 | 67.03 | 76.88 |
| Kerala | 94.24 | 87.72 | 90.86 |
| India | 75.26 | 53.67 | 64.84 |

Source: Census of India 2001

TABLE 4b: TESTING THE INEQUALITY OF LITERACY AMONG BACKWARD AND LEADING STATES

| Category | States | Number | Mean Rank | Sum of Ranks | Mann-Whitney U | Wilcoxon W | Z | Sig |
|----------|----------|--------|-----------|--------------|----------------|------------|-------|------|
| Male | Backward | 7 | 4.43 | 31.00 | 3.00 | 31 | -2.89 | 0.01 |
| | Leading | 8 | 11.13 | 89.00 | | | | |
| Female | Backward | 7 | 4.00 | 28.00 | 0.00 | 28 | -3.24 | 0.01 |
| | Leading | 8 | 11.50 | 92.00 | | | | |
| Total | Backward | 7 | 4.00 | 28.00 | 0.00 | 28 | -3.24 | 0.01 |
| | Leading | 8 | 11.50 | 92.00 | | | | |

TABLE i: AVERAGE GDP GROWTH RATES (% PER YEAR AT 1999 – 2000 PRICE)

| S.N. | Period | Growth Rate |
|------|---|-------------|
| 1 | 1951 – 52 to 1967 – 68 | 3.69 |
| 2 | 1968 – 69 to 1980 – 81 | 3.52 |
| 3 | 1981 – 82 to 1990 – 91 | 5.40 |
| 4 | 1991 – 92 to 1996 – 97 | 5.69 |
| 5 | Ninth Five Year Plan 1997 – 98 to 2001 – 02 | 5.52 |
| 6 | Tenth Five Year Plan 2002 – 03 to 2006 – 07 | 7.77 |

Source: National Accounts Statistics 2008 (New Series), Central Statistical Organization, Ministry of Statistics and Program Implementation, New Delhi; as quoted the Eleventh Five Year Plan (2007–2012) Agriculture, Rural Development, Industry, Services and Physical Infrastructure, Volume III, Planning Commission, pp (4).

TABLE ii: PERCENTAGE AND NUMBER OF POOR

| Year | Poverty Ratio | | | Number of Poor | | |
|---|---------------|-----------|-----------|-----------------|-----------------|-----------------|
| | Rural (%) | Urban (%) | Total (%) | Rural (million) | Urban (million) | Total (million) |
| 1973 – 74 | 56.4 | 49.0 | 54.9 | 261.3 | 60.0 | 321.3 |
| 1977 – 78 | 53.1 | 45.2 | 51.3 | 264.3 | 64.6 | 328.9 |
| 1983 | 45.6 | 40.8 | 44.5 | 252.0 | 70.9 | 322.9 |
| 1987 – 88 | 39.1 | 38.2 | 38.9 | 231.9 | 75.2 | 307.0 |
| 1993 – 94 | 37.3 | 32.4 | 36.0 | 244.0 | 76.3 | 320.4 |
| 1999 – 2000 | 27.1 | 23.6 | 26.1 | 193.2 | 67.0 | 260.2 |
| 2004 – 05 ¹ (Uniform Reference Period) | 28.3 | 25.7 | 27.5 | 220.9 | 80.8 | 301.7 |
| 2004 – 05 ² (Mixed Reference Period) | 21.8 | 21.7 | 21.8 | 170.3 | 68.2 | 238.5 |

1 – Comparable with 1993 – 94 Estimates; 2 – Comparable with 1999 – 2000 Estimates

Source: Planning Commission Estimates, published in Databook for DCH; 1st November 2011, page 38

TABLE iii: STATE WISE HUMAN DEVELOPMENT INDEX (HDI)

| S.N. | States | 1981* | 1991* | 2001* | 2007** |
|------|----------------|-------|-------|-------|--------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Andhra Pradesh | 0.298 | 0.377 | 0.416 | 0.539 |
| 2 | Assam | 0.272 | 0.348 | 0.386 | 0.500 |
| 3 | Bihar | 0.237 | 0.308 | 0.367 | 0.476 |
| 4 | Gujarat | 0.360 | 0.431 | 0.479 | 0.621 |
| 5 | Haryana | 0.360 | 0.443 | 0.509 | 0.660 |
| 6 | Karnataka | 0.346 | 0.412 | 0.478 | 0.619 |
| 7 | Kerala | 0.500 | 0.591 | 0.638 | 0.827 |
| 8 | Madhya Pradesh | 0.245 | 0.328 | 0.394 | 0.511 |
| 9 | Maharashtra | 0.363 | 0.452 | 0.523 | 0.678 |
| 10 | Orissa | 0.267 | 0.345 | 0.404 | 0.524 |
| 11 | Punjab | 0.411 | 0.475 | 0.537 | 0.696 |
| 12 | Rajasthan | 0.256 | 0.347 | 0.424 | 0.550 |
| 13 | Tamil Nadu | 0.343 | 0.466 | 0.531 | 0.688 |
| 14 | Uttar Pradesh | 0.255 | 0.314 | 0.388 | 0.503 |
| 15 | West Bengal | 0.305 | 0.404 | 0.472 | 0.612 |
| | India | 0.302 | 0.381 | 0.472 | 0.612 |

*Source: National Human Development Report, 2001, Planning Commission of India, as printed in Handbook on Social Welfare Statistics 2007, Taken from <http://socialjustice.nic.in/pdf/tab16.pdf> Accessed on Feb 09, 2011

**Source: Publius Quinctilius Varus, available at <http://pqvarus.wordpress.com/2010/03/15/indian-states-by-hdi>

TABLE iv: STATE WISE PER CAPITA CONSUMPTION EXPENDITURE (Figures in Rupees per month)

| S.N. | State | 1983* | | 1993-94* | | 1999-2000* | | 2007-08** | |
|------|--------------------------|-------|--------|----------|-------|------------|--------|-----------|-------|
| | | Rural | Urban | Rural | Urban | Rural | Urban | Rural | Urban |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Bihar | 93.76 | 139.5 | 218.3 | 353 | 384.72 | 601.89 | 598 | 1080 |
| 2 | Orissa | 97.48 | 151.35 | 219.8 | 402.5 | 373.17 | 618.48 | 559 | 1438 |
| 3 | Madhya Pradesh | 101.8 | 148.39 | 252 | 408.1 | 401.5 | 693.56 | 634 | 1190 |
| 4 | Uttar Pradesh | 104.3 | 137.84 | 273.8 | 389 | 466.68 | 690.68 | 680 | 1121 |
| 5 | West Bengal | 104.6 | 169.94 | 278.8 | 474.2 | 454.49 | 866.6 | 702 | 1452 |
| 6 | Maharashtra | 111 | 187.56 | 272.7 | 529.8 | 496.77 | 973.33 | 868 | 1709 |
| 7 | Tamil Nadu | 112.2 | 164.15 | 293.6 | 438.3 | 513.97 | 971.61 | 834 | 1410 |
| 8 | Assam | 113 | 160.48 | 258.11 | 458.6 | 426.12 | 814.12 | 799 | 1452 |
| 9 | Andhra Pradesh | 115.6 | 159.55 | 288.7 | 408.6 | 453.61 | 773.52 | 816 | 1550 |
| 10 | Karnataka | 118.1 | 168.11 | 269.4 | 423.1 | 499.78 | 910.99 | 819 | 1668 |
| 11 | Gujarat | 119.3 | 164.06 | 303.3 | 454.2 | 551.33 | 891.68 | 875 | 1471 |
| 12 | Rajasthan | 127.5 | 159.96 | 322.4 | 424.7 | 548.88 | 795.81 | 801 | 1265 |
| 13 | Kerala | 145.2 | 178.31 | 390.4 | 493.8 | 765.7 | 932.61 | 1383 | 1948 |
| 14 | Haryana | 149.1 | 183.97 | 385 | 473.9 | 714.37 | 912.07 | 1034 | 1628 |
| 15 | Punjab | 170.3 | 184.38 | 433 | 510.7 | 742.43 | 898.82 | 1273 | 1633 |
| | All-India Per Capita NNP | 112.3 | 165.8 | 281.4 | 458 | 486.08 | 854.96 | 772 | 1472 |

*Source: National Human Development Report 2001, Indicators of Economic Attainment, Page 147.

**NSS Report No.530: Household Consumer Expenditure in India, 2007-08, Page No. 13. Available at: http://mospi.nic.in/rept%20_%pubn/ftest.asp?rept_id=505&type=NSSO. Accessed on Feb 10, 2011

TABLE v: STATE WISE PERCENTAGE OF POPULATION BELOW POVERTY LINE (BPL)

| S.N. | States | 1983 - 84 | 1993 - 94 | 1999 - 2000 | 2004 - 05 |
|------|----------------|-----------|-----------|-------------|-----------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Andhra Pradesh | 28.91 | 22.19 | 15.77 | 15.8 |
| 2 | Assam | 40.77 | 40.86 | 36.09 | 19.7 |
| 3 | Bihar | 62.22 | 54.96 | 42.6 | 41.4 |
| 4 | Gujarat | 32.79 | 24.21 | 14.07 | 16.8 |
| 5 | Haryana | 21.37 | 25.05 | 8.74 | 14 |
| 6 | Karnataka | 38.24 | 33.16 | 20.04 | 25 |
| 7 | Kerala | 40.42 | 25.43 | 12.72 | 15 |
| 8 | Madhya Pradesh | 49.78 | 42.52 | 37.43 | 38.3 |
| 9 | Maharashtra | 43.44 | 36.86 | 25.02 | 30.7 |
| 10 | Orissa | 65.28 | 48.56 | 47.15 | 46.4 |
| 11 | Punjab | 16.18 | 11.77 | 6.16 | 8.4 |
| 12 | Rajasthan | 34.46 | 27.41 | 15.28 | 22.1 |
| 13 | Tamil Nadu | 51.66 | 35.03 | 21.12 | 22.5 |
| 14 | Uttar Pradesh | 47.07 | 40.85 | 31.15 | 32.8 |
| 15 | West Bengal | 54.85 | 35.66 | 27.02 | 24.7 |
| | India | 44.48 | 35.97 | 26.1 | 27.5 |

Source: Economic Survey of Delhi, 2007 - 08, page 343

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