The great Indian poverty debate

Angus Deaton

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The book

- Wide range of views about poverty in India
- Past as well as the present: this volume is part of a long and distinguished Indian tradition
- Old issues tend to return in similar (if not the same) form
  - Example: NAS versus NSS, Minhas’ distinguished work in the past
Then and now

- Strong resemblance between where we were at the start of this process & where we are now
- Immediately prior to results from a large round
- Thin rounds giving “strange” results
- Large round was going to solve everything & tell us what was going on

- Instead everything got worse!
- We hope for better this time
Since 50\textsuperscript{th} Round

- Two more thin rounds in raw data form: one in tables

- What do they show?

  - Headcount rates, 75/25 and 90/10

  - 55\textsuperscript{th} 99-00: 26\% 1.94 3.69
  - 56\textsuperscript{th} 00-01: 23\% 1.95 3.82
  - 57\textsuperscript{th} 01-02: 27\% 2.07 3.92
  - 58\textsuperscript{th} 02 (end): 19\% 2.20 n.a.
Questions?

- Falling poverty + rising inequality
- But the 58th Round is barely credible
- Where are the 58th Round data?
- Will the 60th Round be credible?
  - When will they be available to researchers?
What have we learned?

- **Experiments**
  - Schedules in 51st through 54th: still poorly understood
  - Post 55th round replication of Mahalanobis: 30 days seems to work

- **Adjustments**
  - Ex-post adjustment is a poor substitute for good data in the first place
What else have we learned?

- NAS versus NSS discrepancy
  - Some progress, but much more remains
  - Significant issues with NAS: for food, most of discrepancy is probably on that side
  - Surveys almost certainly missing some expenditures
    - Under-reporting by the better-off: perhaps not
    - Under-reporting of non-foods: single respondent, services etc. are harder to remember and report
    - More work to be done here
The agenda ahead

- Naturally, most attention in the debate has focused on the rate of poverty decline.
- But that has meant that other important issues have received less attention:
  - Poverty lines across states and sectors
  - Updating of price indexes over time
  - Understanding the decline in cereal consumption
Why does it matter?

- Policy issues: measurement makes policy accountable
- Also affects policy design
- If the poor, particularly the rural poor are not sharing fully growth of average living standards
  - Need policies that help share growth more widely
  - Service delivery: particularly education & health
  - Protection: employment guarantee scheme?
- Unlikely that growth, *by itself*, will make these things happen
  - Certainly won’t happen *without* growth
  - Need to make sure that they do *with* growth