PREFACE

Alleviation of poverty and successive improvement in the living standard of people has been one of the important objectives of our five year plans. However, special efforts made in this direction since the Fifth Five Year Plan. Thereafter, the problem of poverty has consistently been figuring in various plan exercise. Based on the conclusion drawn from various studies that the problem of poverty arises on account of inadequate growth in income and its mal-distribution among different segments of society, various poverty alleviation programmes were launched to economically strengthen such segments and bring them above the poverty line. However, reduction in the incidence of poverty in Uttar Pradesh has not been very encouraging which may largely be attributed to the slow and sluggish growth performance of the State's economy in recent years. Besides, the State government has also been faced with high and rising fiscal deficit in recent years, which, in turn, have led to a mounting debt burden.
Recognizing that the current fiscal situation is untenable, and that it may soon assume serious proportions, the Government of U.P. embarked upon a comprehensive reform programme known as "UP Fiscal and Public Sector Restructuring Programme" (UPFPSRP) with the World Bank assistance. Fiscal governance and sectoral reforms have been initiated since then. While the primary objective of the reform programme has been to address the present fiscal crisis, the reform programme is also expected to have a significant impact in terms of raising incomes and reducing poverty in the State. However, the actual impacts of sectoral and macro reform measures on the poor are complex and often difficult to anticipate. Slashing down in government expenditure, labour retrenchment, increased taxes and user-charges could have adverse short-run impact on the poor. Thus, there is an imperative need of carefully designing monitoring system to track changes both in outcomes (e.g. incomes, poverty levels, mortality and morbidity) and in key intermediate variables (e.g. access to services and basic infrastructure), which have impact on living standards.
Considering the constraints, on the basis of suggestion given by the World Bank, "Poverty and Social monitoring System" project aided by World Bank was designed and conducted by the Economic and Statistics Division of the Planning Department, which has tremendous experience in conducting socio-economic surveys. Under the project, a set of monitoring indicators was developed and baseline survey was conducted during five year plan.

The Planning Commission Task Force recommended in 1979 minimum calorie norms for demarcating poverty line in the rural and urban areas separately. The task force further defined the poverty line as the per capita expenditure level at which the calorie norms were met on the basis of all India consumption basket for 1973-74. The poverty line so defined needs updating over time to take care of changes in the price levels. This was done by the use of a price index appropriately weighted by the consumption basket of the poor as an index for reflecting price changes relevant to the poor.

In view of the importance of poverty eradication as a social objective, wide ranging references to the incidence of poverty in
discussion relating to social problems as also their use in the allocation of funds for poverty alleviation programmes, it was decided by the Planning Commission of India that all the issues relating to the estimates of poverty could be considered afresh by an expert group. The Expert Group was constituted during 1989, which submitted its report during 1993. Accordingly recommendations of the Expert Group were accepted and implemented by the Planning Commission with slight simplification.

From time to time there have been shifts in the basic concepts underlying poverty and the methodology for estimating it. The recommendations of the Expert Group regarding the use of deflators for updating the poverty line for rural and urban areas have been adopted and the factors responsible for the incidence of poverty have also been taken into consideration in the state. The following part presents a brief account of different official methodologies used from time to time for poverty estimation from initial period till date.