

ESTIMATING DEPRIVATION AND INEQUALITY IN HUMAN WELL BEINGS : A CASE STUDY OF INDIAN STATES

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ABSTRACT

Human concerns as deprivation in income, education, medical and public health, etc. have been focal themes before policy makers, scholars and institutions since last quarter of 20th century and it continues unabated today. This has led world-wide debate on these issues which strengthen further through publication of Human Development Report (HDR) of UNDP in 1990 and launch of the Millennium Development Goals (MDGs) at the millennium summit in New York in September 2000. India's economic growth since 1980 has been among the most rapid (World Bank Report No. 34580-IN, May 29, 2006) and Union Budget, Government of India for 2007-08 presents average growth rate in GDP in to three years of the UPA Government at 8.6% ([www.http//indiabudget.nic.in](http://indiabudget.nic.in)). Contrary to it, the World Bank in its report (May 2006) entitled "India-Inclusive Growth and Service delivery : Building on India's Success" has clearly mentioned that poorer states stayed at exactly the same level of growth since 1970 while other states have enjoyed significant gain. India can not attain the MDGs without significant progress in MD indicators in its poorest states – Bihar, Orissa, Uttar Pradesh, Madhya Pradesh and Rajasthan (Anil B. Deolalikar, 2005, The World Bank, Human Development Unit, South Asia Region) Indeed, the progress of social and economic indicators in BIMARU states has been quiet slow than other Indian states during past 25 years [(Jean Dreze & Amartya Sen, 1995, 1999), (India-Sustaining Reform, Reducing Poverty – The World Bank, 2005), Uttar Pradesh Development Report (Vol. I & II), Planning Commission, Government of India, 2007)].

Thus, apart from income, education, medical and public health are vital ingredients of quality of human life (Martha C. NUSSBAUM and Amartya Sen, 1999) and

deprivation in these human concerns is perhaps major challenge before any state and particularly in a federation like India. It is against this back drop, the present paper attempts to examine the inter-state poverty in human concerns like income, education, medical and public health in case of Indian federation for the period 1980-81 to 2001-02. Human poverty has been estimated in terms of deprivation indices as developed by UNDP in its successive HDRs. For this purpose , deprivation indices related to three major ingredients of human development i.e. per capita state domestic product (SDP), per capita expenditure of states on Education, medical and public health have been calculated for twenty major states of India for period 1980-81 – 2004-05.

The empirical findings of the present paper are quiet astonishing and shocking. For example excepting education, average deprivation in terms of per capital SDP and expenditure on medical and Public health, for twenty states has risen significantly during the period 1980-2005. Inter-state deprivation indices for per capita SDP and medical and public health stood at 0.6177 and 0.8294 respectively in 1980-81 while these indices increased further and were noted at 0.6202 and 0.8756 in 2004-2005. However, in case of education, inter state deprivation indices have shown declining trend during the period 1980-2005.

Significant to mention that deprivation indices in terms of per capita SDP, per capita expenditure on medical and public health and education for BIMARU states like UP, MP, Orissa, Rajasthan and Bihar were found higher than average deprivation indices throughout during the period 1980-2005. Deprivation indices related to per capita SDP and medical and public health were also found higher than average deprivation indices in case of hill states like Assam, Meghalaya and Tripura.

This paper also examines the impact of economic reforms, introduced by Government of India in 1991, on existing inter-state deprivations. For this purpose, the technique of slope as well as intercept dummy variables have been employed with 1991 as shift period, if any. Eventually, empirical results of the paper do not reveal any significant change in deprivation indices in aforesaid parameters during economic reform (1992-2005) than 1980-91.

Thus, in view of increasing inter state human poverty in India as obvious through surge in deprivation indices during 1981-2005, there is an urgent need to introduce the

reforms for Human Development at State level and to implement it effectively for effective redressal of inter-state poverty in human concerns like per capita SDP, education, medical and public health etc.

JEL classification : I 31, H 51, H 52.