

## **SDG-10: Reduce inequalities within the States**

“Empirical evidence using cross-country income data - the most recent and comprehensive covering 121 countries between 1967 and 2011- concludes that the average incomes of the bottom 40 within each country tend to grow at the same pace as the average incomes in the respective country. Countries in which growth at the mean is large also show that the largest growth in the incomes of the bottom 40. Conversely, countries with negative growth rate in the mean also show declines in the incomes of the bottom 40. Consistent with these two findings, evidence suggests that average income growth appears uncorrelated with changes in the share of the incomes of the bottom 40. Between 1967 and 2011, the Average income growth in countries was 1.5 percent a year during a typical five year period, while changes in the share of incomes of the bottom 40 were close to zero. As a result, some estimates suggest that average income growth explains as much as three-quarters of the variation in income growth of the bottom 40. As countries grow more quickly, the growth of bottom 40 may be expected to increase as well. Thus growing the economy, boosting shared prosperity, and reducing poverty are three absolutely compatible goals” (*World Bank, 2016*)<sup>1</sup>. Widening disparities call for an action that requires the adoption of sound policies for empowering the bottom percentile of income earners and promote socio-economic inclusion regardless of sex, race, religion or ethnicity.

There are several manifestations of inequalities. However, predominantly inequalities can be summarized in four categories which tend to exist generally i.e. (i) Economic inequality; which refers to difference found in various measures of economic well-being among a group or population, (ii) Social inequalities; can be defined as exclusion-linked deprivation and institutions that exclude, discriminate and isolate some groups on the basis of caste, sex, ethnicity, religion etc. (iii) Gender inequality is another form of social exclusion that is often observed within the society. It is found that women and girls are more vulnerable to deprivation of basic needs than men and boys. Decreasing sex ratio and overall sub-optimal participation of women is the result of gender discrimination, (iv) Political Inequalities can be

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<sup>1</sup> World Bank Report 2016, Poverty and Shared Prosperity 2016 (p.72); World Bank Publications, The World Bank Group, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2625; e-mail: [pubrights@worldbank.org](mailto:pubrights@worldbank.org)

observed when certain individuals or groups have greater influence over political decision-making and undermining the central democratic idea that all citizens, regardless of status, should be given equal consideration and opportunities.

### **10.1 By 2030, progressively achieve and sustain income growth of bottom 40 percent of the total population at a rate higher than the national average**

The monthly per capita consumption expenditure (MPCE) is a good indicator of income levels, as it is a direct function of the income. Historically, MPCE is being used to determine the inequalities in income distribution in India. The data on the MPCE is brought out periodically by the NSSO and the latest available data is for the year 2011-12<sup>2</sup>. The erstwhile Planning Commission has worked out the measure of inequalities in income distribution for all the states of the country. This measure of inequality is depicted in terms of the 'Gini Coefficient' of distribution of consumption, which can safely be used to have an idea about the inequalities in income distribution. The value of Gini co-efficient lies between 0 to 1 and higher values indicate to existence of greater inequalities.

The following figure clearly indicates that the inequalities in income distribution at all India level have increased since 1973-74 particularly, in urban areas. This is indicated by the Gini co-efficient for various years for which NSSO has brought out the data on consumption expenditure. At all India level, the inequalities in rural areas have increased during the initial years and have tended to remain almost at the same level. However, the situation in Himachal Pradesh was not very comfortable till 1993-94. As the income inequalities have increased upto this point of time.

The figure shows the Gini Coefficients upto 1999-2000 only as after 1999-2000, the NSSO adopted a different methodology for estimating monthly per capita consumption expenditure (MPCE) and hence the figure after 1999-2000 are not strictly comparable with the earlier figures. Nonetheless, they do indicate to the fact that the income inequalities in Himachal Pradesh have tended to increased after 1999-2000 as is evident from the following table.

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<sup>2</sup> 68<sup>th</sup> round NSS for Household Consumer Expenditure across Socio-Economic Groups, 2011-12

**Table 1: Gini Coefficient of Distribution of Consumption Expenditure**

Year	Rural		Urban	
	URP*	MRP**	URP	MRP
2004-05	0.296	0.260	0.318	0.261
2009-10	0.305	0.283	0.399	0.351

Source: Databook Planning Commission, 2014

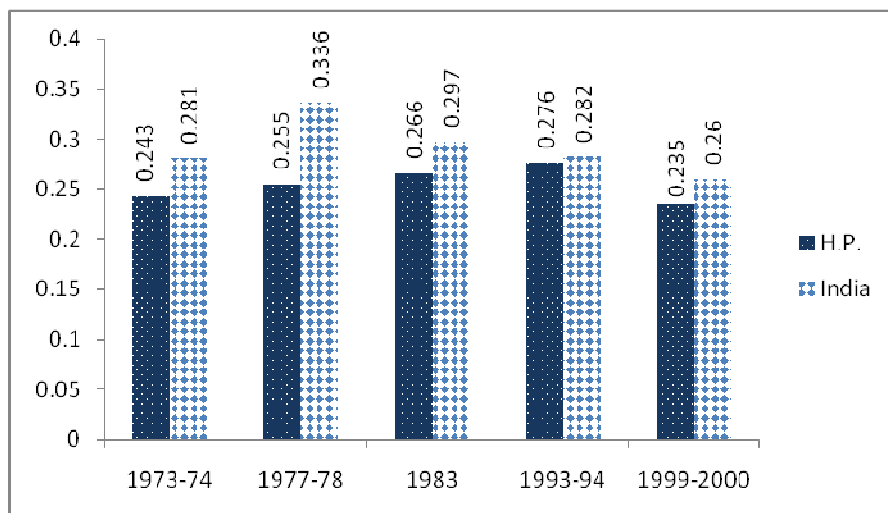
\*Uniform Reference Period (URP)

\*\*Mixed reference Period (MRP)

The data on consumption expenditure distribution has been brought at after 2009-10 just for the year 2010-11 by the NSSO and the latest data is still awaited from the NSSO. The Gini Coefficients from the consumption expenditure for 2010-11 are not available.

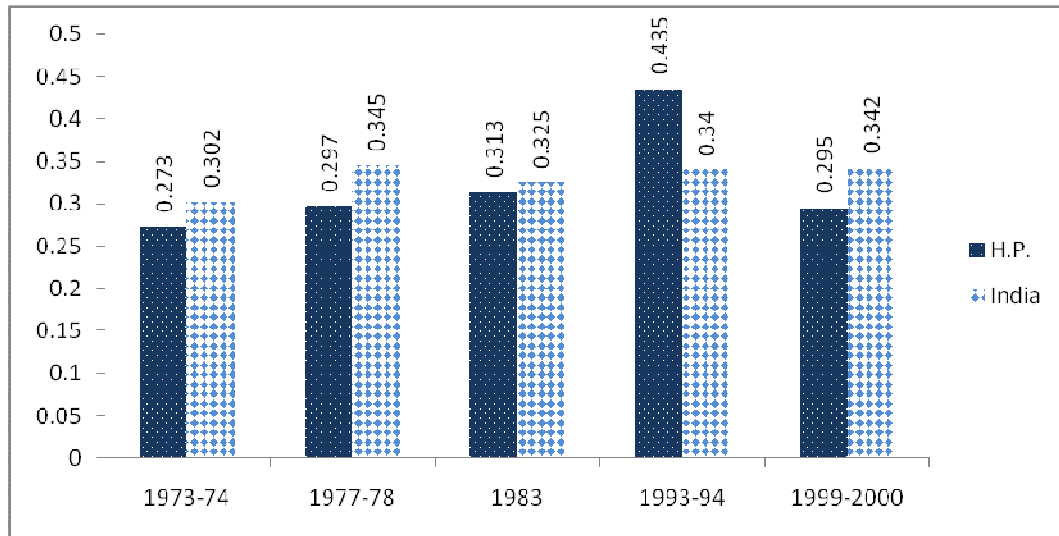
The inequalities in income distribution both in urban and rural areas, had tended to rise in Himachal Pradesh since 1973-74 as is evident from Gini co-efficient exhibited in the figure below. However, the inequalities in rural and urban areas declined after 1993-94 as indicated by a decreased value of Gini Coefficient.

**Fig. 1: Gini Coefficient of Distribution of Consumption: 1973-74 to 1999-2000 for rural area**



Source: Databook Planning Commission, 2014

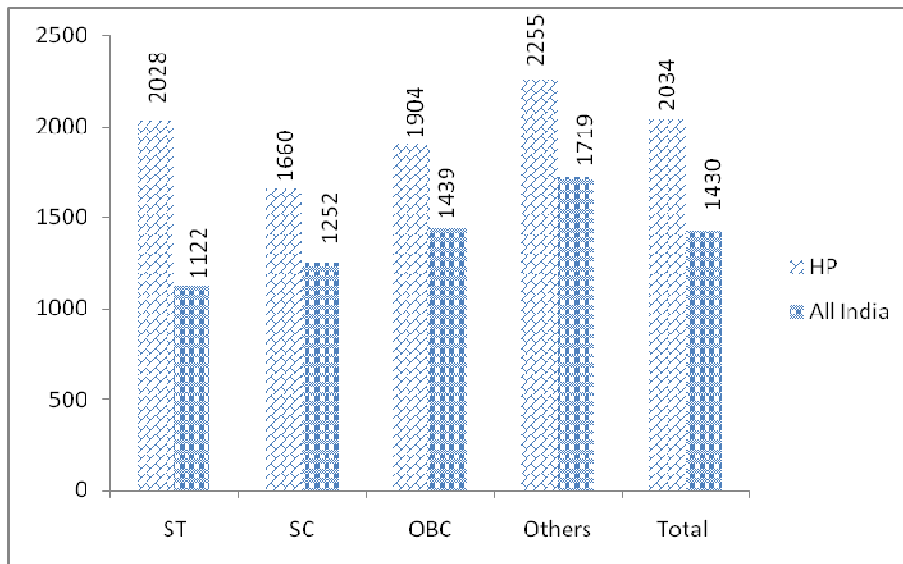
**Fig. 2: Gini Coefficient of Distribution of Consumption: 1973 -74 to 1999-2000 for urban area**



Source: Databook Planning Commission, 2014

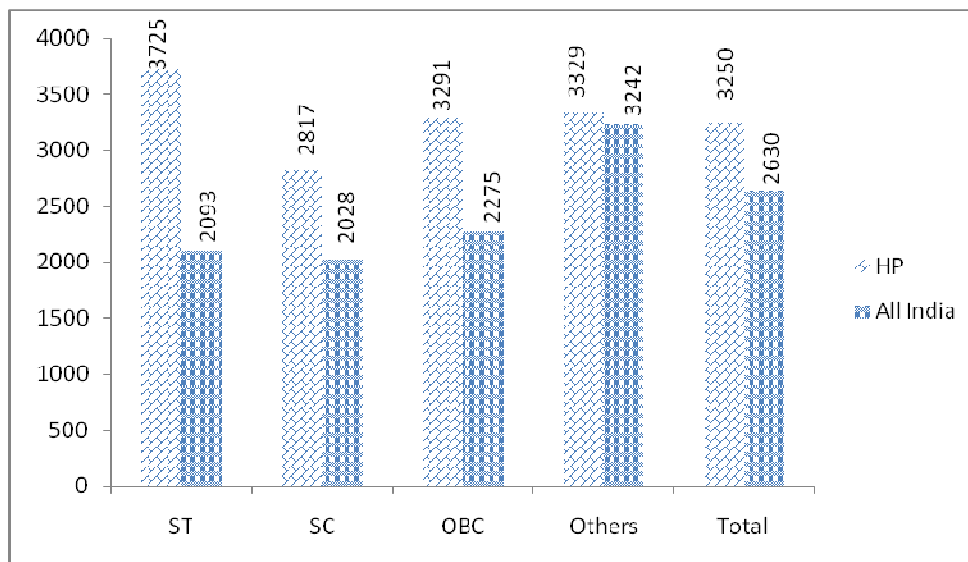
The consumption expenditure figures for the year 2011-12 have been made available by the NSSO in its 68<sup>th</sup> round report. MPCE distribution by social groups for Himachal Pradesh and India is shown in the following figure.

**Fig. 3: Monthly per Capita Expenditure (MPCE) for Social Groups (Rs.) for rural area**



Source: NSS report No. 562: Households Consumer Expenditure across Social Economic Groups 2011-12

**Fig. 4: Monthly per Capita Expenditure (MPCE) for Social Groups (Rs.) for rural area**



Source: NSS report No. 562: Households Consumer Expenditure across social economic groups 2011-12

The MPCE across all the social groups in Himachal Pradesh is higher than the all India levels which is also corroborated by the fact that per capita income of Himachal Pradesh has been higher than the national levels for quite a few years now. STs and OBCs are quite near to the 'others' with respect to the MPCE and also to the overall consumption level in rural areas indicating to more equitable distribution of income among these groups in rural areas. However, the gap between the SCs and other groups in terms of consumption expenditure is relatively wide and is a matter of concern both in rural and urban areas. This gap is wider in the rural areas. Whereas, it is a little better in the urban areas of the State. In fact, the ST population in urban areas of the State have relatively higher income concentration than other groups.

**10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.**

Inequalities can be significantly reduced by eliminating various socio-economic and political disparities irrespective of age, sex, caste, race, disability, and economic status etc. The State government is taking various initiatives for socio-economic upliftment of disadvantaged groups and vulnerable populations.

The State has been putting efforts towards achieving balanced economic growth that has actually resulted in reducing poverty with good human development outcomes.

Series of laws were enacted which led to major land reforms in the State. Successful implementation of land reforms helped in reducing inequality in the State. Land reforms in Himachal Pradesh have ensured that a majority of the agrarian population (nearly 80 percent) possesses some land. Probably, the distribution of land across social groups is more equal in Himachal Pradesh compared to many other states in the country.

For political empowerment of women, the state has a provision of 50% reservation for women candidates in the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). In 2010 PRIs elections, 1639 (50.54 percent) seats were occupied by women out of total 3243 gram panchayats. Further, in all the Gram Panchayats, 421 seats (25.68 percent) won by SCs women, 104 seats (6.34 percent) won by STs women and 127 seats (7.74 percent) occupied by the OBCs women. Similarly, out of total 77 seats for Chairperson of the Panchayati Samities, 42 seats (54.55 percent) were won by female candidates. Out of total 12 seats for Chairpersons of the Zila Parishad, 6 seats (50 percent) of the seats were won by women (2010). The above data indicates that the women representation in PRIs has significantly improved. This has not only strengthened the decision making power of women in political spheres but also has influenced their decisions related to family and household matters.

However, in the Parliament (Lok Sabha and Rajya Sabha) the situation is not that impressive. Even after six decades of independence, the representation of women in the 16<sup>th</sup> Lok Sabha was only 11.23 percent (61/543). The success rate of women candidates in the 14<sup>th</sup> State Legislative Assembly was also dismal, only three women candidates won the election, which is only 4.41 percent (3/68) of the total seats. The major political parties of the State may consider higher participation of women by providing them opportunities to contest elections. The State government may also consider appropriate reservation for women in State Legislative Assembly.

**10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.**

Often the vulnerable groups including SCs / STs and women have been discriminated in the society. It is, therefore, responsibility of the State to formulate such policies / laws that protect rights of such groups in the society. Several provisions have been made in the Constitution of India to protect rights and provide equal opportunities to the vulnerable groups. As far as Himachal Pradesh is concerned, the State has been effectively enforcing laws meant for protection of rights of the vulnerable segments of the population. There are several schemes focussing on overall development of SCs / STs and women that are being implemented in the State and have yielded desired positive results. Early policy reforms have reduced inequality in land proprietary rights and the land reforms in the State have ensured that a majority of the state's population (nearly 80 percent) possesses some land.

The proportion of SCs and STs in Himachal Pradesh is higher than that of the national average. The Scheduled Castes comprise 25.1 percent of the total population whereas, the Scheduled Tribes constitute 5.7 percent of the total population as per the Census 2011. However, various indicators suggest that the State has relatively low intergroup disparities as compared to all India figures. Data provided in the table below suggest that the rate of cognizable crimes against the SC communities in the State has been lower than the national average. However, attention is required to further mitigate the crimes being committed against SCs/STs and other vulnerable groups. The crime rate against SCs has tended to decrease in the State.

**Table 2: Cases reported and rate of crime committed against Scheduled Castes during 2014 and 2015**

Categories	Himachal Pradesh		All India	
	2014	2015	2014	2015
Cases reported	122	95	47064	45003
Percent of contribution to all India total	0.3	0.2	-	-
Rate of total cognizable crimes <sup>3</sup>	7.1	5.5	23.4	22.3
Population of SCs (in percent)	25.1	25.1	16.6	16.6

Source: National Crime Records Bureau, Ministry of Home Affairs, GoI.

<sup>3</sup> Rate of total cognizable crimes = (Total case reported under crimes against SCs/total population of SCs)\*1000000 i.e. incidence of crime per one lakh population of SCs

The following table indicates that inequalities, on ground of maternal and child health (MCH) indicators, prevail among SCs and STs. Several MCH indicators were dismal in SC and ST population in comparison to the State average. Only 12.7 percent ST women received full ANC in comparison to State average of 26.3 percent, whereas 25.5 percent SC women have received ANC, which was close to the State average. Rate of the institutional delivery was 61.4 percent among SCs in comparison to State average of 68.7 percent, whereas the same in STs it was 68.4 percent. Similarly, full immunization (12-23 months children) was 75.1 percent and 67.9 percent respectively, in SCs and STs against the State average of 80.2 percent. Keeping in view the above situation, the State needs to develop appropriate strategies to ensure reach of health services among vulnerable population.

**Table 3: Status of women & children of SCs/STs availing health service**

Indicators	Category				
	Total	SC	ST	OBC	Others
Women received full ANC	26.3	25.5	12.7	22.0	30.6
Institutional Delivery	68.7	61.4	68.4	67.7	75.2
Delivered by skilled health provider	71.6	64.6	71.2	72.4	77.1
Post Natal Check-up within 48 hours of discharge / delivery	13.1	11.7	10.9	5.7	17.6
New born who received first check up within 24 hours of birth/discharge	14.4	11.6	12.9	6.6	19.9
Fully Immunized (Percentage of children aged 12 – 23 months)	80.2	75.1	67.9	91.1	81.7

Source: Rapid Survey on Children (2013-14), M/o Women and Child Development, Gol.

Gender violence is the utmost manifestation of gender bias and gender inequality. It is difficult to acquire accurate data on violence against women because of the social, cultural and legal barriers, lack of evidences and amount of secrecy and sensitivity involved. However, the data provided in the table below suggests that the rate of cognizable crimes against women in Himachal Pradesh has decreased over the period. In 2015 total number the cases reported were 1289 in comparison to 1517 cases in 2014. Although the rate of the cognizable crimes has tended to decline in the State in comparison to all India figures yet it requires redressal.



**Table 4: Cases reported and rate of crime committed against women during 2014 and 2015**

Categories	Himachal Pradesh		All India	
	2014	2015	2014	2015
Cases reported	1517	1289	337922	327394
Percent of contribution to all India total	0.4	0.4	-	-
Rate of total cognizable crimes <sup>4</sup>	44.4	34.	56.3	53.9
Mid-year projected population of women (in Lakh)	34.2	34.4	5998.7	6070.8

Source: National Crime Records Bureau, Ministry of Home Affairs, Gol.

Keeping in view the situation of vulnerable population, the State needs to undertake necessary action aiming at elimination of crime against the vulnerable groups and also the necessary amendments in the provisions of discriminatory laws / policies / schemes pertaining to SCs/STs/women. Further, there is large number of schemes / programmes being implemented in the State for empowerment of SCs/STs/women, which need to be integrated/rationalized and restructured to get desired benefits.

#### **10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality; Labour share of GDP, comprising wages and social protection transfers**

The 5<sup>th</sup> Employment and Unemployment Survey suggests that total Labour Force Participation Rate (LFPR), based on Usual Principal Status (UPS)<sup>5</sup> approach, in Himachal Pradesh is higher in comparison to all India level.

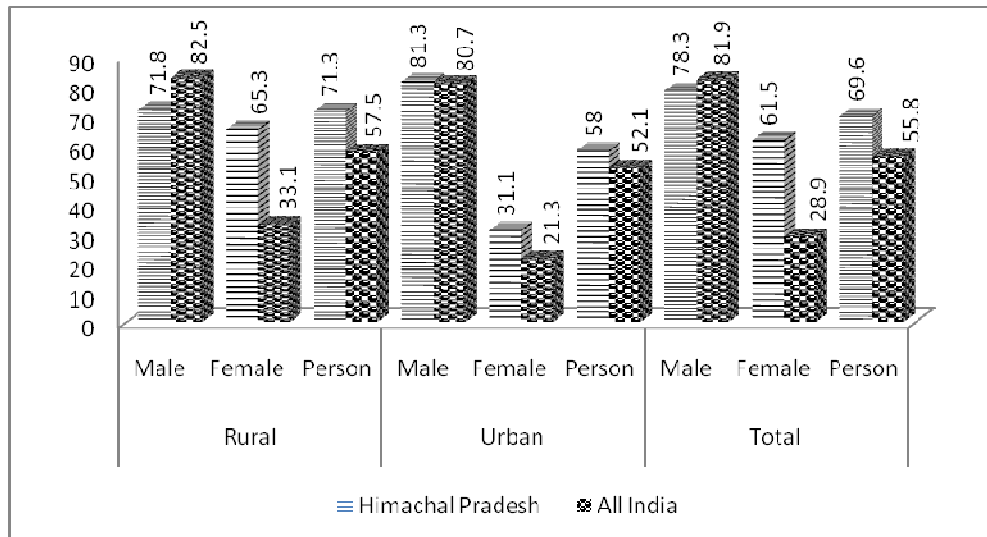
The figure below clearly indicates that the total LFPR of the State (69.6 percent) is higher than all India level (55.8). Total rural LFPR (71.3 percent) of the State is also higher than urban LFPR (58 percent) as compared to national figure. The data also indicates that female LFPR is considerably low in comparison to male LFPR. This could be due to rising income that allows more women to stay at home, which is preferred household choice in a predominantly patriarchal society. However,

<sup>4</sup> Rate of total cognizable crimes = (incidence of crimes against women/female population of SCs)x1000000 i.e. incidence of crime per one lakh of female population

<sup>5</sup>Reference period of 365 days preceding the date of survey is taken. Activity status is decided on the basis of Major Time Criteria (MTC) during the reference period. First, one is categorized as belonging to the labour force or not. Second, from the persons belonging to labour force, the broad activity status of either working or unemployed is determined on the basis of MTC.

this also points towards the non-availability of suitable job opportunities to women folk commensurating to skills and desired remunerations.

**Fig. 6: Comparative Labour Force Participation Rate of India and Himachal Pradesh**



Source: 5<sup>th</sup> Annual Employment and Unemployment Survey 2015-16

Mahatma Gandhi National Rural Employment Guarantee Schemes (MGNREGS) has provided an effective platform to ensure employment to women, disabled and all social groups. The state has initiated various steps to provide employment opportunities to the increase the participation of vulnerable groups viz. SCs, STs, OBCs, disabled and women, through skill up-gradation programmes being undertaken by the recently established Himachal Pradesh Kaushal Vikas Nigam (HPKVN).

**Vision: Reduce inequalities within the States by 2030**

- ❖ Achieving equal growth rate in income of all.
- ❖ Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, origin, religion or economic or other status

**10.1 By 2030, progressively achieve and sustain income growth of bottom 40 percent of the total population at a rate higher than the national average**

### **10.1.1 Baseline:**

- Gini Coefficient, based on Mixed Reference Period (MRP)<sup>6</sup>, of the State was 0.283 (rural) and 0.351 (urban) during 2009-10.
- Based on Monthly Per Capita Expenditure (MPCE), gaps between the SCs and other groups are wide both in rural and urban areas. The above gap is more pronounced in the rural areas.
- ST population in urban areas of the State have relatively higher income than other groups.

### **10.1.2 Target:**

- Redistribution of income in favour of the poorer segment of the population and bringing Gini Coefficient down by at least 0.050 percentage points by 2030.

### **10.1.3 Strategy:**

- Empowering the vulnerable sections of the society by providing them more opportunities and simultaneously ensuring that the right to exercise choice over the available opportunities.
- Ensuring income generation on sustained basis for the bottom 40% population

### **10.1.4 Actions:**

- Skill development programmes focusing on job creation and entrepreneurship development for vulnerable population in urban and rural areas
- Targeted and focused implementation of schemes / programmes for ensuring rapid socio-economic development and empowerment of vulnerable populations including women.

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<sup>6</sup>This is the measure of MPCE obtained by the consumer expenditure survey when household consumer expenditure on items of clothing and bedding, footwear, education, institutional medical care, and durable goods is recorded for a reference period of "last 365 days", and expenditure on all other items is recorded with a reference period of "last 30 days"

**10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status**

**&**

**10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.**

**10.2.1 Baseline:**

- Sex ratio of Himachal Pradesh is 972 women per 1000 men (census 2011) that is better than the national average 943 / 1000 and neighboring states.
- Sex ratio (0-6) years is 909 (census 2011), which is a matter of concern, although it has improved from 896 to 909 during 2001 to 2011 Census.
- Rate of cognizable crimes committed against women in Himachal Pradesh was 34 percent in 2015 which is although lower than the national average 53.9 percent during the same period yet requires redressal.
- Rate of cognizable crimes committed against SCs in Himachal Pradesh was 5.5 percent in 2015 that is again lower than the national average 22.3 percent during 2015. However, it also requires attention.
- Poverty level among the SCs population in rural areas has dropped from 35.4 percent in 2004-05 to 9.5 percent in 2011-12.
- In 2010 PRIs elections, 1639 (50.54 percent) seats were occupied by women out of total 3243 gram panchayats.
- In the State assembly, women occupied 4.41 percent of total seats

**10.2.2 Target:**

- 10 points improvement in overall gender parity index and greater rise as regards to sex ratio in 0-6 years by 2030.

**10.2.3 Strategy:**

- To undertake necessary amendments to the provisions of specific laws / policies / schemes pertaining to SCs/STs/women to repeal the old and redundant provisions and introduce more relevant provisions.

- Necessary integration and simplification of the schemes / programmes meant for empowerment of SCs/STs/women with objective to get optimum benefit of such schemes.
- Periodic collection of more data indicating to social and economic disparities among various groups by the Deptt. of Economics & Statistics and using this data for mid course corrections.
- To raise women participation in the State assembly

#### **10.2.4 Actions:**

- Mapping and identifying the areas of overlap between various schemes / programmes being implemented and rationalizing & restructuring them.
- Targeted and effective implementation of the existing schemes / programmes pertaining to women/SCs/STs/OBCs
- Thematic partnership with NGOs / CBOs / foundations / Corporate Social responsibility (CSR) funds.
- Use of media for creating issue specific awareness and education of target groups
- Collection and analysis of disaggregated data pertaining to vulnerable population of the State
- Universal coverage of schemes under direct benefit transfer (DBT) mode for providing assistance to SC/ST/women
- External evaluation of major schemes being implemented for socio-economic inclusion of the vulnerable populations

### **10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality**

#### **10.4.1 Baseline:**

- Total service sector share of GSDP is 45.35 percent
- Female LFPR (61.5%) is less than Male LFPR (78.3%)
- Rural LFPR is higher (71.3%) than Urban LFPR (58%)

#### **10.4.2 Target:**

- Increase the share of service sector by 2 percentage points in GSDP by 2022 and further by 2 percentage points by 2030, considering inherent disadvantages in undertaking large scale agriculture operations and limited scope of large and medium scale industries in the State
- Skill based employment opportunities to 1 lakh youth by 2022 and additional 1 lakh by 2030

#### **10.4.3 Strategy:**

- Enhancing employment opportunities through skill up gradation
- To ensure the employment opportunities for all persons by age, sex and social groups corresponding to their skills and intervening wherever additional skill sets are required to enhance their employability

#### **10.4.4 Actions:**

- Close coordination between the industry and the skill providing agencies to make mid course changes in skill up-gradation requirements
- To make Himachal Pradesh Kaushal Vikas Nigam (HPKVN) fully functional and implement the Asian Development Bank (ADB) assisted project at the earliest
- Third party evaluation / survey of market demand commensurate with the demand from industry to ensure employability of skilled labour force on sustainable basis.
- Integration of all skill development programmes, being provided by various departments in the State, under the HPKVN to ensure quality and efficacy of skill development programmes.