

Muslim success: AP and Gujarat

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Indian Muslims have been made to feel a strong sense of victimization that not enough is being done by government to help them come up to Hindu economic status. Yet economic outcomes are a result of individual and household efforts, which do not wait for governmental action.

Theoretically, one would expect minority communities to do better than the majority one as more effort would have to be put in by them. The evidence is clear enough about many religious minorities in India.

Household income is a function of its opportunities, real resources, skills, education, hard work and luck. It is also determined by the number of working members in the household, older non-working members, number of young children and other similar cultural preferences.

What does the available data have to reveal about Hindu-Muslim differences in household incomes? The Sachar Committee was the first to highlight this issue but other data exists for earlier periods. The National Council of Applied Economic Research (NCAER) had carried out a survey in 1994-95 of rural population in many States, including Andhra Pradesh (AP) and Gujarat.

The Sachar Committee used National Sample Survey Organization (NSSO) data on monthly expenditure per capita (taken as income but normally lower) for Muslim and Hindu urban and rural households in 2004-05. This gives us data to see how the two rural communities have fared over the decade 1994-2004

In both AP and Gujarat, about 42% of Muslims lived in rural areas in 1991 and this remained the same in 2001. Over this period, the proportion of Hindu population in rural areas of AP and Gujarat was 70-74%. Thus the rural data above represents a significant population of Muslims and a very large proportion of Hindus in these States.

The NSSO monthly per capita figures are converted to annual household income using the average family size given for each community. This makes for easy comparisons, though NCAER annual rural household income data would naturally be higher than NSSO expenditure data. This comparison, therefore, underestimates the rise in incomes over the decade.

The annual income for an average rural Muslim household in AP in 1994 was 63% that of the Hindu average of Rs 25,529. By 2004, this gap had reversed with Muslim household incomes growing by 106% to Rs 33,258 while Hindu average income rose by only 15% to Rs 29,307. By 2004, the Muslim average exceeded the Hindu one by 14%! In Gujarat, the Muslim household income was 71% of Hindu household income in 1994. By 2004, Muslim income grew by 110% while that of Hindu income rose only 27%. As a result Muslim household income was 16% higher than Hindu household income!

<i>Annual Rural Household Income/Expenditure in Rupees</i>		
Rural Populations	1994	2004
	<i>(NCAER)</i>	<i>(SACHAR)</i>
Andhra Pradesh		
Muslims	16142	33258
Hindus	25,529	29307
Gujarat		
Muslims	21,213	44453
Hindus	30,056	38272

Over the decade, in AP rural Muslim family size has fallen drastically from 6.0 to 5.0, while Hindu family size hardly shifted from 4.8 to 4.5. In Gujarat, Muslim family size fell from 6.2 to 5.7 while Hindu family size fell marginally from 5.7 to 5.4.

Similarly, as far as participation in work is concerned, NSSO gives the proportions of family members participating in work for Hindu and Muslim families in the rural areas of each State. These are given in the table below:

Rural Work Participation Ratio				
	Male		Female	
	Hindu	Muslim	Hindu	Muslim
All India	55	50	35	19
AP	61	54	49	40
Gujarat	60	62	44	32

The key seems to be that in both States both male and female work participation ratios are substantially higher than the All-India average, and this is spectacularly so when Muslim women's work participation is considered.

So, despite the fact that Muslim families are larger, the incomes of Muslim households are significantly higher. As Muslim family size falls, their incomes even in per capita terms – already higher in 2004 - will tend to exceed Hindu incomes.

In less than a decade, therefore, Muslim rural households in Andhra Pradesh and Gujarat have taken up the challenge and, uncaring of the general perceptions of deprivation and alleged hostility of the socio-political set up, have worked hard and ably to spectacularly raise their household incomes. Rural Muslim households do better than rural Hindus. The credit goes largely to the women in the household.

The percentages of rural population Below the Poverty Line (BPL) were given by Sachar and illustrate the differences between communities and across the two States in rural areas. While the fall in BPL proportions are significant in AP for both communities, this is not the case for either community in Gujarat.

	Rural Hindus % BPL			Rural Muslims % BPL		
	1987-88	1993-94	2003-04	1987-88	1993-94	2003-04
AP	21	16	11	27	12	10
Gujarat	29	22	21	20	16	19

In Sachar Committee report, income data for urban households is available only for 2004. In both States, the urban disparities between the two communities are much greater than the disparities in rural areas. In urban areas, however, Hindus do better and have a 7 % (AP) and 19% (Gujarat) higher household income than Muslims.

Annual Household Expenditure in Rupees (2004)			
		Urban	Rural
AP	Muslims	56,852	33,258
	Hindus	61,236	29,207

Gujarat			
	Muslims	61,950	44,453
	Hindus	73,620	38,272

In terms of BPL proportions, Muslims and Hindus have not done so well in urban areas in both States as in their rural areas. Urban levels of BPL cut-offs are, of course, higher than the rural ones. The fall in BPL proportions in urban areas in Gujarat is dramatic for Hindus (57%) and (37%) for Muslims. In AP, the falls are much less – 24% (Hindus) and 14% (Muslims).

	Urban Hindus % BPL			Urban Muslims % BPL		
	1987-88	1993-94	2003-04	1987-88	1993-94	2003-04
AP	42	37	32	57	49	49
Gujarat	37	25	16	54	47	34

Rural incomes for both communities - though lower than urban ones - are more favorable to Muslims than urban one. As usual, it is probably the urban phenomenon that attracts most attention from politicians and media.

So we now have to cope with the perception and the reality. The perception is that: (1) Muslims were generally substantially worse off than Hindus in terms of household incomes, (2) that in AP and Gujarat, Muslims are not participating fully in the economic growth of those States (3) Muslim income levels were not growing as fast as Hindu ones.

The reality in the rural sector does not bear up to all these perceptions. However, the urban population seems to do less well in terms of their BPL share despite higher incomes.

Eventually it is the ordinary household – Hindu or Muslim – not the State or the Central government - that ensures its own progress despite all odds and by taking whatever opportunities are available to its members.

However, the real problem is not the income statistics of the average Hindu or Muslim household but by those individual Hindus and Muslims and other citizens of India who lack skills, education or resources to keep pace or catch up with their fellow citizens. This needs closer and better attention than just temporary election rhetoric.

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