

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:2524  
ANSWERED ON:14.03.2001  
ESTIMATION OF POVERTY RATIO  
DAGGUBATI RAMANAIDU;KINJARAPU YERRANNAIDU

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Union Government had considered certain suggestions on the issue of estimation of poverty ratio of the Lakdawala Formula;
- (b) if so, the details thereof; and
- (c) the steps taken by the Union Government in this regard?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF INVESTMENT, MINISTER OF STATE IN THE DEPARTMENTS OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS, PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a): Yes, Sir.

(b): The Planning Commission has received representation from the State Governments of Andhra Pradesh, Karnataka and Orissa in the matter of choice of the methodology of estimation of poverty. The State Government of Andhra Pradesh and Karnataka urged that in estimating poverty the impact of the price depressing effect of the food subsidy scheme, funded from the State Exchequer, be eliminated. The Government of Andhra Pradesh at a later stage urged that estimates be made on the earlier methodology of poverty estimation, known as the Task Force method. The Government of Orissa has urged that the national level poverty line be adopted for estimating poverty in the State.

(c): After carefully considering the representations, the Planning Commission has decided to continue with the Expert Group methodology (Lakdawala formula). However, by eliminating the impact of the state-sponsored food subsidy scheme, the Planning Commission has raised the poverty ratio of Andhra Pradesh from 22.19% to 25.68% for exclusive use in the matter of allocation of foodgrain under Targeted Public Distribution Scheme (TPDS).