

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2638
ANSWERED ON:10.08.2005
DEFINITION OF POVERTY LINE
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Will the Minister of PLANNING be pleased to state:

- (a) whether the poverty line is defined in terms of calories without giving any importance to food, clothes and houses;
- (b) if so, whether the Government is contemplating to review the definition of poverty line;
- (c) if so, the details thereof;
- (d) the steps taken or proposed to be taken in this regard; and
- (e) the benefits to accrue to the Government as a result of it?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V.RAJASEKHARAN)

(a): The poverty lines, used by Planning Commission for determining the people living below poverty line, is defined in terms of per capita consumption expenditure which includes food, clothing, transport, housing, etc. The per capita consumption norm has been fixed at Rs.49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. The state-specific poverty lines are derived from the basket of goods and services consumed by the national level poverty line class, using state-specific price indices and inter-state price differentials, according to the recommendations of the Expert Group Methodology on 'Estimation of Proportion and Number of Poor' (Lakdawala Committee) in the year 1997. The prescribed per capita consumption expenditure limits for determination of people living below poverty line are regularly updated using state-specific cost of living indices, that is, Consumer Price Indices for Agricultural Labourers for rural areas and Consumer Price Indices for Industrial Workers for urban areas. The national poverty line at 1999- 2000 prices is Rs.327.56 per capita per month in rural areas and Rs.454.11 per capita per month in urban areas.

(b): There is no proposal to review the definition of the poverty line.

(c) to (e): In view of the reply to (b) above, does not arise.