

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

STARRED QUESTION NO:59

ANSWERED ON:28.07.2010

TENDULKAR COMMITTEE REPORT

Meghe Shri Datta Raghobaji; Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of PLANNING be pleased to state:

- (a) the details of recommendations of the Tendulkar Committee on review of the methodology for estimation of poverty which have been accepted by the Government so far;
- (b) the status of action taken on the recommendations accepted by the Government;
- (c) the time by which the recommendations would be implemented;
- (d) whether fresh estimation has been/is being carried out on people living below poverty line as per the recommendations of the Tendulkar Committee; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V. NARAYANASAMY)

(a) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 59 REGARDING TENDULKAR COMMITTEE REPORT RAISED BY SHRI DATTA MEGHE AND SHRI G. M. SIDDESHWARA FOR ANSWER ON 28th JULY, 2010

(a) to (e): The Planning Commission constituted an Expert Group to review the methodology for estimation of poverty in India under the Chairmanship of Prof Suresh D. Tendulkar in December 2005. The Expert Group submitted its report on 8th December 2009. The salient features of the report are as under:

- i. The Expert Group has acknowledged the multi-dimensional nature of poverty and recommended the estimates of poverty may continue to be based on private household consumer expenditure collected by National Sample Survey Organization (NSSO).
- ii. The Group has recommended moving away from anchoring the poverty lines to the calorie intake norm.
- iii. In line with the decision of the National Sample Survey Organization (NSSO), the Group has recommended to adopt the Mixed Reference Period (MRP) based estimates of consumption expenditure as the basis for future poverty lines as against the existing practice of Uniform Reference Period (URP).
- iv. The Expert Group has also recommended MRP equivalent of urban Poverty Line Basket (PLB) corresponding to 25.7% urban headcount ratio as the new reference PLB to be provided to rural and urban population adjusting with the price differentials.
- v. The proposed poverty lines are reported to have taken into account the adequacy of actual private expenditure per capita near the poverty lines on food, education and health by comparing them with normative expenditures consistent with nutritional, educational and health outcomes.

The report of the Committee is available at the website:

www.planningcommission.gov.in. The Committee has recommended that the urban poverty line need not be changed, but the rural poverty line should be raised to reflect the basket of commodities that can be purchased at the urban poverty line after allowing for the difference in urban and rural prices. The Tendulkar Committee has recomputed poverty lines for individual states for 2004-05 on this basis and are given in Annexure I. In the Mid Term Appraisal, it has been indicated that the revised poverty lines recommended by the Tendulkar Committee have been accepted by the Planning Commission for 2004-05. The estimates of poverty at all India level are given below.

Table

Estimates of Population in Poverty (Percentage below the poverty line)

Year Official Estimates Tendulkar Committee
Urban Rural Total Urban Rural Total

1993-94	32.4	37.3	36.0	31.8	50.1	45.3
2004-05	25.7	28.3	27.5	25.7	41.8	37.2

The Tendulkar Committee has specifically pointed out that the upward revision in the percentage of rural poverty in 2004-05, resulting from the application of new rural poverty line should not be interpreted as implying that the extent of poverty has increased over time. To assess the underlying time trend using the new method of computing poverty lines, we should compare the poverty estimates in 2004-05 with those for 1993-94., using the new methodology for both years. The data shows that whether old method or the new method is used, the percentage of the population below poverty line has declined by about same magnitude.

As the poverty estimates of Planning Commission will continue to be based on the sample survey of consumption expenditure of households carried out by the National Sample Survey Organisation (NSSO) of Ministry of Statistics and Programme Implementation (MOSPI) after an interval of five years, the next poverty estimates would have to take cognizance of recommended new methodology when the data of 66th Round of NSS becomes available.