

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3942  
ANSWERED ON:18.08.2010  
BUDGETARY OUTLAY FOR BPL PEOPLE  
Ananth Kumar Shri

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

- (a) whether the Government proposes to raise the limit for people to be identified as Below Poverty Line (BPL);
- (b) if so, the details of the existing limit and the proposed increase;
- (c) the likely impact due to increase of number of population coming under BPL, State-wise; and
- (d) the budgetary outlay of the plans as per existing BPL persons and estimated increase in budgetary outlay for various schemes, if the numbers are increased for the current financial year?

**Answer**

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

(a) to (d): The Planning Commission constituted an Expert Group to review the methodology for estimation of poverty in the country under the chairmanship of Prof. Suresh D Tendulkar in December 2005 which submitted its report on 8th December 2009. The report of the Tendulkar Committee is available at the website: [www.planningcommission.gov.in](http://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 Committee has recomputed poverty lines for individual States for 2004-05 on this basis. A Comparative Statement of State-wise poverty ratio based on official poverty estimates and based on Tendulkar Committee recommendations is at Annexure-I. In the Mid Term Appraisal of the Eleventh Five Year Plan, it has been indicated that the revised poverty lines recommended by the Expert Group have been accepted by the Planning Commission for 2004-05. The estimates of poverty at all India level are given below.

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

Official Estimates Tendulkar Committee

Year	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 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 NSSO becomes available.

Plan outlay for each year for various schemes is determined keeping in view the resources available, nature of scheme, competing demands from Ministries/Departments and all other relevant factors.