

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2377
ANSWERED ON:24.11.2010
MILLENNIUM DEVELOPMENT GOALS
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Will the Minister of PLANNING be pleased to state:

- (a) whether more than 75 per cent of India's population live on the other side of poverty line in the country according to various reports of the Government and international bodies;
- (b) if so, the details thereof and the reaction of the Government in this regard; and
- (c) the steps taken by the Government to achieve the targets under Millennium Development Goals?

Answer

MINISTER OF STATE FOR PLANNING, PARLIAMENTARY AFFAIRS, PERSONNEL PUBLIC GRIEVANCES & PENSION (SHRI V. NARAYANASAMY)

(a) & (b): Different poverty estimates mentioned in various reports are based on different perceptions and methodologies. Some of the poverty estimates mentioned in various reports are listed below.

(i) The National Commission for Enterprises in the Unorganised Sector (NCEUS) set up by Ministry of Micro, Small and Medium Enterprises (MSME) in 2004 brought out a report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector which reported that 77% of the population had a per capita daily consumption of up to Rs. 20 in 2004-05. The Committee did not provide any justification for using the cut-off amount of Rs. 20 per day. Besides, the estimation of 77% is also erroneous since the percentage works out to only 60.5 %.

(ii) In the World Development Indicators 2008 brought out by the World Bank, the global poverty line has been calibrated at US \$ 1.25 a day. For India, the percentage of people living below the global poverty line as defined by World Bank is reported to have declined from 59.8% in 1981 to 51.3% in 1990 and further to 41.6% in 2005.

(iii) The Ministry of Rural Development constituted an Expert Group headed by Dr. N.C. Saxena to recommend a suitable methodology for identification of BPL families in rural areas. The Saxena Committee report also contained the suggestion that the national level poverty ratio can be assumed at 50 percent which was not based on any specific justification.

(iv) The Human Development Report 2010 released by the United Nations Development Programme (UNDP) on 4th November, 2010 has introduced a new measure of poverty named Multidimensional Poverty Index (MPI). This index replaces the Human Poverty Index (HPI) that was being reported in the UNDP Human Development Reports since 1997. The MPI covers multidimensional deprivation suffered by the poor broadly under health, education and standard of living irrespective of income or consumption expenditure levels. Based on the above parameters Headcount Ratio of MPI for India has been estimated at 55.4 percent.

However, the Planning Commission as the nodal Government agency estimates the number and proportion of people living below the poverty line at the national and state levels, separately for rural and urban areas. These poverty estimates are based on a large sample survey of household consumption expenditure carried out by the National Sample Survey Organisation (NSSO) after an interval of five years approximately. Based on the Expert Group (Lakdawala Committee) methodology, the poverty lines in 2004-05 at all India level were calculated as Rs. 356.30 per capita per month for rural areas and Rs. 538.60 per capita per month for urban areas and estimated poverty ratio as 27.5% (30.17 crore persons). The methodology for estimation of poverty has been reviewed recently by the expert Group headed by Prof. Suresh D. Tendulkar and submitted the report in December, 2009. On the basis of recomputed poverty lines by Tendulkar Committee, the all-India rural poverty headcount ratio for 2004-05 is estimated at 41.8 %, urban poverty headcount ratio at 25.7% and 37.2% at all India level. The recomputed poverty ratio by the Tendulkar Committee has been accepted by the Planning Commission.

(c): To achieve the Millennium Development Goals (MDGs) the government is implementing a number of flagship programmes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Integrated Child Development Scheme (ICDS), Mid-Day Meal Scheme, Sarva Shiksha Abhiyaan (SSA), National Rural Health Mission (NRHM), Rural Drinking Water Supply and Total Sanitation Campaign, Indira Awaas Yojana (IAY), Targeted Public Distribution System (TPDS), Antyodaya Anna Yojana (AAY), etc. In addition, launching of Rashtriya Swasthaya Bima Yojana, Aam Aadmi Bima Yojana and Indira Gandhi National Old Age Pension Scheme (IGNOAPS) are the initiatives to strengthen the social security system.

