

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1808  
ANSWERED ON:10.08.2011  
DATA ON POVERTY  
Mohan Shri P. C.

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

- (a) the details of the committees constituted and their reports thereto regarding data on poverty;
- (b) whether all the committees have fixed data regarding poverty on the basis of different criteria;
- (c) if so, the details thereof;
- (d) whether the Government has held any discussion with the State Government in this regard; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) to (e): The poverty line has been traditionally defined by the Planning Commission on the basis of Monthly Per Capita Consumption Expenditure (MPCE) as the criterion. The number and proportion of persons living below the poverty line (BPL) are computed using the data from Large Sample Surveys on Household Consumer Expenditure carried out by the National Sample Survey Organisation (NSSO). The method for estimation of poverty has been reviewed by the Planning Commission from time to time.

The Planning Commission constituted a Task Force (Alagh Committee) on 'Projections of Minimum Needs and Effective Consumption Demand' in 1977. The Task Force defined the poverty line as per capita consumption expenditure of Rs.49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level.

These correspond 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. These poverty lines were applied uniformly for all the states.

The Planning Commission constituted an Expert Group on 'Estimation of Proportion and Number of Poor' (Lakdawala Committee) in 1989. The Expert Group disaggregated the National Poverty lines separately in rural and urban areas into State specific poverty lines in order to reflect the inter-state price differentials. Based on the Expert Group methodology, the poverty lines in 2004-05 at all India level were calculated as per capita consumption expenditure of Rs. 356.30 per month for rural areas and Rs. 538.60 for urban areas.

The Planning Commission constituted another Expert Group (Tendulkar Committee) to review the methodology for estimation of poverty in 2005. The Committee recommended the Mixed Reference Period (MRP) equivalent Poverty Line Basket (PLB) corresponding to urban poverty ratio of 25.7% at all India level as the new reference PLB. Based on the Tendulkar Committee methodology, the poverty lines in 2004-05 at all India level were calculated as per capita consumption expenditure of Rs 446.68 per month for rural areas and Rs. 578.80 for urban areas. The Tendulkar Committee has incorporated adequacy of expenditure from the normative and nutritional viewpoint. It stated:

"while moving away from the calorie norms, the proposed poverty lines have been validated by checking 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 Planning Commission, as the nodal agency, estimates poverty on the basis of recommendations made by the Expert Committees as accepted by the Government.