

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:5546

ANSWERED ON:07.09.2011

ASSESSMENT OF POVERTY

Mahato Shri Narahari; Roy Shri Nripendra Nath

Will the Minister of PLANNING be pleased to state:

- (a) whether the consumption in calories is considered as a base to assess the poverty line in the country;
- (b) if so, the details thereof;
- (c) whether different institutes have prescribed different amount of calories consumption for hardworking people;
- (d) if so, the details thereof, institution wise; and
- (e) the criteria accepted by the Government and the basis therefor?

Answer

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

(a) to (e): The Planning Commission, as the nodal agency, estimates poverty on the basis of recommendations made by the Expert Committees as accepted by the Government. 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 which 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 poverty lines 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 applied uniformly for all the states. The Task Force used Age-sex- activity specific calorie requirements recommended by the Nutrition Expert Group along with Age-sex-activity structure of the population to derive these average daily per capita requirements of 2400 kcal and 2100 kcal in rural and urban areas respectively.

Subsequently, the Expert Group on 'Estimation of Proportion and Number of Poor' (Lakdawala Committee) constituted in 1989 retained the poverty lines defined by the Alagh Committee and disaggregated the National Poverty lines into State specific poverty lines in order to reflect the inter-state price differentials.

The Tendulkar Committee, which submitted its Report in 2009, took the urban headcount ratio of 25.7% in 2004-05, arrived at by following Lakdawala methodology, as the starting point. It used Mixed Recall period (MRP) based MPCE corresponding to this ratio as the new reference Poverty Line Basket (PLB) in urban areas and recommended that the rural poverty line should be recomputed to reflect money value in rural areas of the same 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 Committee has noted that although those near the poverty line in urban areas continue to afford the original calorie norm of 2100 per capita per day, their actual observed calorie intake from 61st Round of NSS (2004-05) is 1776 calories per capita per day. The actual observed calorie intake of those near the new poverty line in rural areas is 1999 calories per capita per day.

Planning Commission has no information regarding different institutes having prescribed different amount of calories consumption for hardworking people.