

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2139

ANSWERED ON:07.12.2011

UN MULTIDIMENSIONAL POVERTY INDEX

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Ahir Shri Hansraj Gangaram; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra

Will the Minister of PLANNING be pleased to state:

- (a) whether the Multi-Dimensional Poverty Index (MPI) survey conducted by the United Nations Development Programme (UNDP) has revealed that about 645 million people or 55% of India's population is poor;
- (b) if so, the reaction of the Government thereto;
- (c) whether India's official poverty estimation methods are too narrowly focused to capture the real extent of deprivation in the country;
- (d) if so, the reasons therefor;
- (e) whether the nutritional deprivation is overwhelmingly the largest factor in overall poverty;
- (f) if so, the reasons for failure of central sector schemes meant for poverty eradication in the country; and
- (g) the stringent measures taken by the Union Government to eradicate or to reduce the poverty percentage in the country?

Answer

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

(a) to (e): As per UN's Human Development Report-2010, Head count ratio of population in India in Multi-Dimensional Poverty is 55.4%. The multi-dimensional poverty index is based on multiple deprivations at the individual level in education, health and standard of living.

The poverty line has been defined by the Planning Commission on the basis of Monthly Per Capita Consumption Expenditure (MPCE) as the criterion. The method for estimation of poverty has been reviewed by the Planning Commission from time to time. The Planning Commission constituted an Expert Group was constituted under the Chairmanship of Prof. Suresh D. Tendulkar to review the methodology for estimation of poverty of the country, which submitted its report in December 2009. Based on the Tendulkar Committee methodology, the poverty lines in 2004-05 at all India level are 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 estimates poverty lines and poverty ratios for the years for which Large Sample Surveys on Household Consumer Expenditure have been conducted by the National Sample Survey Office (NSSO). These surveys are conducted quinquennially. After 2004-05, this survey has been conducted in 2009-10 the results of which are now available. A final view on the methodology for measuring poverty in future can be taken inter-alia on the basis of 2009-10 NSSO survey and by taking into consideration all relevant indicia of poverty as identified by experts. A holistic view as to the approach to poverty measurement will be taken and if considered necessary, the issue will be revisited to arrive at the most credible methodology for poverty estimation. A Committee of experts will be set up to decide a comprehensive criterion for identifying the BPL families in consultation with states and other stakeholders.

(f) & (g): Alleviation of poverty in the country is one of the monitorable targets of the Eleventh Five Year Plan and it aims at reduction in the Head-Count Ratio of Consumption Poverty by 10 percentage points during the Plan period (2007-12). The Government is implementing a number of poverty alleviation programmes such as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), Swarnajayanti Gram Swarozgar Yojana (SGSY), Indira Awas Yojana (IAY), Antyoday Anna Yojana (AAY), Targeted Public Distribution System (TPDS), Jawaharlal Nehru National Urban Renewable Mission (JNNURM), Swarna Jyanti Shahri Rozgar Yojana (SJSRY), etc. All these programmes and Government policies relating to inclusive economic growth aim at reducing the incidence of poverty and improving living condition of poor in the country and have made a substantial contribution in blunting the sharp edges of poverty & deprivation.

