

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2274
ANSWERED ON:07.12.2011
INDIVIDUAL INCOME
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Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission has stated that an individual income of just Rs. 25 a day constitutes adequate private expenditure on food, education and health;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether such situation reflected the Government's lack of empathy for the poor; and
- (d) if so, the details thereof and the steps being taken to correct the situation?

Answer

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

(a) & (b): The Planning Commission is the nodal agency for estimation of poverty at the national and state level. The methodology for estimation of poverty is reviewed by the Planning Commission from time to time. Accordingly, the Planning Commission constituted an Expert Group under the Chairmanship of Prof. Suresh D. Tendulkar in December, 2005. The Tendulkar Committee submitted its report in December, 2009 and poverty lines recommended by the Tendulkar Committee for 2004-05 have been accepted by the Planning Commission. Accordingly, the national Poverty line at 2004-05 prices is per capita per month expenditure of Rs.446.68 in the rural areas and Rs.578.80 in urban areas. The Tendulkar Committee has mentioned in its report that 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.

However, in response to the direction in a Supreme Court case, the Planning Commission has filed an affidavit updating the poverty line to monthly per capita consumption expenditure of Rs. 781 in rural areas and Rs. 965 in urban areas at June, 2011 price level using Consumer Price Index for Agricultural Labourers (CPI-AL) and Consumer Price Index for Industrial Workers (CPI-IW) respectively. The media has interpreted these figures as per capita per day expenditure of Rs. 26 and Rs. 32 in rural and urban areas respectively.

(c) & (d): 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.

The Government remains totally committed to the welfare of the under-privileged & poor sections of the society and 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), Antyodaya 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.