

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:343

ANSWERED ON:23.11.2011

DEFINITION OF POVERTY

Gowda Shri D.B. Chandre;Kashyap Shri Virender;Naik Dr. Sanjeev Ganesh;Patel Shri R.K. Singh;Patil Shri C. R. ;Patil Shri Sanjay Dina ;Singh Shri Ganesh;Thakur Shri Anurag Singh

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

- (a) whether as per affidavit filed by the Planning Commission in the Supreme Court any person earning more than Rs.32 per day in urban areas and Rs.26 per day in rural areas is ineligible to draw benefits of poverty alleviation schemes run by the Union Government;
- (b) if so, the basis thereof;
- (c) whether the inflationary trends in the country have been factored in while estimating poverty by the Planning Commission;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the market forces and a number of economists do not concur with definition of poverty and persons living below poverty line proposed by the Planning Commission; and
- (f) if so, the reaction of the Government thereto ?

**Answer**

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

(a) & (b): No, Madam. The affidavit filed by Planning Commission on 20th September was in compliance of specific direction by the Supreme Court to update the poverty line computed by the Tendulkar Committee for 2004-05 to the latest price level. On applying price increase using Consumer Price Index for Industrial Workers (CPI-IW) for urban areas and Consumer Price Index for Agricultural Labourers (CPI-AL) for rural areas at all India Level, which are readily available, the poverty line at June, 2011 price level was placed provisionally at Rs. 965 per capita per month in urban areas and Rs. 781 per capita per month for rural areas in terms of consumption expenditure and not per person earning. At June, 2011 price level, for a family of five, the provisional poverty line would amount to Rs. 4824 per month in urban areas and Rs. 3905 per month in rural areas and these poverty lines would vary from state to state because of price differentials. However, these poverty lines are not to be used for assisting the poor under different poverty alleviation programmes.

It has been announced by a joint statement of Deputy Chairman, Planning Commission and the Union Minister of Rural Development on 3rd October, 2011 that the present state wise poverty estimates based on Planning Commission's methodology will not be used to impose any ceiling on the number of households to be included under different government programmes & schemes.

(c) & (d): As explained in (a) & (b) above, the inflationary trends are taken into account while updating the poverty lines.

(e) & (f): Measurement of poverty is a complex and multi-dimensional issue and the experts may have different interpretations of poverty depending upon their individual perception. However, historically Planning Commission has been measuring poverty in terms of per capita consumption expenditure.