

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

STARRED QUESTION NO:282

ANSWERED ON:25.04.2012

POVERTY ESTIMATES

Singh Shri Rakesh;Singh Shri Ratan

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

- (a) whether as per a recent report of the Planning Commission, the level of poverty and the number of poor persons have gone down in the country;
- (b) if so, the details thereof including the salient features of the report;
- (c) the criteria and other parameters/yardsticks followed for measuring poverty in the report and the present criteria for measuring poverty;
- (d) whether the Government endorses the views and procedures of the Planning Commission in assessing the figures of estimating poverty which as per some experts, are unrealistic and if so, the details thereof;
- (e) whether there is any proposal to review the norms; and
- (f) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 282 REGARDING "POVERTY ESTIMATES" RAISED BY SHRI RATAN SINGH AND SHRI RAKESH SINGH DUE FOR ANSWER ON 25th APRIL, 2012.

(a)& (b): Planning Commission has recently computed estimates of poverty for the year 2009-10 based on the data of large scale survey on household consumer expenditure collected by National Sample Survey Office (NSSO) in its 66th round conducted during 2009-10. The State-wise poverty lines and poverty ratio for 2009-10 have been computed following the extant Tendulkar methodology. Based on the said methodology the Planning Commission has released the estimates through a Press Note issued on 19th March 2012. As indicated in the Press Note, the poverty ratio in the country has come down from 37.2% in 2004-05 to 29.8% in 2009-10. As a result, the number of poor persons in the country has reduced from 40.7 crore in 2004-05 to 35.5 crore in 2009-10. Some of the salient features of poverty estimates for 2009-10 as given in the Press Note are:

(i) The all-India poverty ratio has declined by 8.0 percentage points from 41.8% to 33.8% in rural areas and declined by 4.8 percentage points from 25.7% to 20.9% in urban areas.

(ii) Poverty ratio in Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Sikkim, Tamil Nadu, Karnataka and Uttarakhand has declined by about 10 percentage points and more

(iii) In Assam, Meghalaya, Manipur, Mizoram and Nagaland, poverty in 2009-10 has increased.

(iv) Some of the bigger states such as Bihar, Chhattisgarh and Uttar Pradesh have shown smaller declines in poverty ratio, particularly in rural areas.

(c): The Planning Commission estimates poverty on the basis of survey data of NSSO on household consumer expenditure. The survey tabulates the expenditure of households numbering about one lakh households. Since the households have different number of members, the NSSO for purpose of comparison divides the household expenditure by the number of members to arrive at per capita consumption expenditure per month. This is called monthly per capita consumption expenditure (MPCE). The poverty line has been conventionally expressed in terms of this MPCE. The methodology for estimation of poverty has been reviewed from time to time. An Expert Group was constituted under the chairmanship of Prof. Suresh D. Tendulkar in 2005 to review the methodology for estimation of poverty. Considering the yardsticks, the terms of reference of Tendulkar Committee were to review alternative conceptualizations of poverty, and the associated technical aspects of procedures of measurement and data base for empirical estimation including procedures for updating over time and across states. After examining all relevant issues, The Tendulkar Committee recommended MPCE of Rs. 447 for rural areas and Rs 579 for urban areas as the poverty line at 2004-05 prices, which was accepted by the Planning commission. The Tendulkar Committee, which submitted its Report in 2009, 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 has estimated number and proportion of persons living below the poverty line (BPL) using the data from Large Sample Surveys on Household Consumer Expenditure carried out by NSSO. These surveys are conducted every 5 years. After 2004-05, this survey has been conducted in 2009-10. The Planning Commission has updated the poverty lines for the year 2009-10 as per the recommendations of the Tendulkar Committee using NSS 66th round (2009-10) data of Household Consumer Expenditure Survey and released poverty estimates for 2009-10 on 19th March 2012 through a Press Note. These estimates are comparable with the poverty estimates of 2004-05.

(d) to (f): The methodology for estimation of poverty followed by the Planning Commission has been based on the recommendations made by the experts in the field from time to time. Government has since decided to set up a Technical Group to revisit the methodology for estimation of poverty and identification of poor taking into account multiple dimensions and indicators of poverty so that the poor and deprived households can obtain the benefit of different government programmes and schemes. The composition of the Technical Group and its terms of reference are being finalized.