

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:4260  
ANSWERED ON:02.05.2012  
ASSESSMENT OF POVERTY  
Badal Harsimrat Kaur

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

- (a) whether the Government has made any scientific and detailed calculation of determining poverty line in the country;
- (b) if so, whether the Government calculates poverty line in the country based on monthly requirement of a persons` food, clothing, health, energy, etc.;
- (c) if so, the estimated average family income of BPL families to maintain the family;
- (d) whether the Government has linked BPL family income criteria with inflation ratio; and
- (e) 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 (e): The Planning Commission estimates poverty on the basis of large sample survey data of National Sample Survey Office (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 which is called 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. 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 large sample surveys on Household Consumer Expenditure are carried out by the NSSO 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. According to this Press Note poverty line at all India level is estimated as MPCE of Rs. 673 for rural areas and Rs 860 for urban areas in 2009-10. For a family of five, the all India poverty line would amount to about Rs. 3365 per month in rural areas and Rs. 4300 per month in urban areas and these poverty lines would vary from state to state because of price differentials. The poverty lines defined in base year are updated for subsequent years by using inflation indices.

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.