

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:5305
ANSWERED ON:09.05.2012
POVERTY ESTIMATES
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Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission's claim that a daily expenditure of Rs. 20 on essential requirements for those living in urban areas and Rs. 15 for those in the rural India is enough to keep them out of poverty;
- (b) if so, the details thereof; and
- (c) the basis on which the Planning Commission took their claim?

Answer

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

(a) to (c): 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.

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.