

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:180
ANSWERED ON:08.08.2012
POVERTY ESTIMATE
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Will the Minister of PLANNING be pleased to state:

- (a) whether the Government is having any poverty estimate in the country as on date;
- (b) if so, the details of norms and methods that have been taken into account to estimate the level of poverty in the country; and
- (c) the details of cost of products and quantity per day for the livelihood in urban and rural areas, product-wise?

Answer

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

(a): The Planning Commission estimates poverty from the large sample surveys on Household Consumer Expenditure carried out by the National Sample Survey Office (NSSO) every 5 years. The latest data of large scale survey on household consumer expenditure has been collected by NSSO in its 66th round conducted during 2009-10. The poverty lines and poverty ratio for 2009-10 have been computed following the extant Tendulkar methodology and these have been released through a Press Note issued on 19th March 2012. According to this Press Note, poverty ratio in the country is estimated as 29.8% in 2009-10.

(b): The Planning Commission defines poverty line on the basis of Monthly Per Capita Consumption Expenditure (MPCE) as the criterion. 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. 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 results of which have been used for estimating poverty following Tendulkar methodology. Planning Commission, in June 2012, has constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan to "Review the Methodology for Measurement of Poverty". This Committee will review the methodology for measurement of poverty and also recommend, inter-alia, how the estimates of poverty should be linked to eligibility and entitlements for schemes and programmes under the Government of India.

(c): The Planning Commission determines poverty line as a minimum consumption expenditure level for healthy living and active life of the population. It does not estimate separately the cost of products or quantity for the livelihood. The National Sample Survey Office in its household consumer expenditure surveys brings out the level and pattern of consumption of different items on a regular basis. These are available in the form of published reports by the Ministry of Statistics & Programme Implementation and also placed on Ministry's website.