

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1701
ANSWERED ON:22.08.2012
REMOVAL OF CALORIE AS POVERTY CRITERIA
Rama Devi Smt. ;Sinh Dr. Sanjay

Will the Minister of PLANNING be pleased to state:

- (a) whether the Committee headed by Shri Suresh Tendulkar has recommended for removal of calorie based criteria for people living below poverty line and discontinue the trend of laying different criteria for urban and rural areas;
- (b) if so, the details thereof;
- (c) the action taken by the Government in this regard; and
- (d) the outcome thereof?

Answer

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

(a) to (d): The Tendulkar Committee, which submitted its Report in 2009, took the urban headcount ratio of 25.7% in 2004-05, arrived at by following Lakdawala methodology, as the starting point. It used Mixed Recall period (MRP) based monthly per capita consumption expenditure (MPCE) corresponding to this ratio as the new reference Poverty Line Basket (PLB) in urban areas and recommended that the rural poverty line should be recomputed to reflect money value in rural areas of the same PLB. Based on the Tendulkar Committee methodology, the poverty lines in 2004-05 at all India level were calculated as MPCE of Rs 446.68 for rural areas and Rs. 578.80 for urban areas. The resulting estimate of the all- India rural poverty head count ratio for 2004-05 was placed at 41.8 percent, urban poverty head count ratio at 25.7 percent and 37.2 percent at all-India level. The Tendulkar Committee 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 computed poverty lines for the year 2009-10 based on the latest data of large scale survey on household consumer expenditure collected by National Sample Survey Office (NSSO) in its 66th round conducted during 2009-10 following Tendulkar methodology. These have been released through a Press Note issued on 19th March 2012. The poverty line at all India level for 2009-10 is estimated as MPCE of Rs. 673 for rural areas and Rs 860 for urban areas. The head count ratio (HCR) for 2009-10 is estimated as 29.8% at all India level, with 33.8% in rural areas and 20.9% in urban areas.

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.