

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:4031  
ANSWERED ON:05.09.2012  
COST OF LIVING OF BPL FAMILIES  
Pratap Narayanrao Shri Sonawane

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

- (a) whether the Government has worked out estimate regarding ``cost of living`` for declaring the families living Below Poverty Line (BPL) based on present market prices;
- (b) if so, the details thereof;
- (c) whether the Government has held any meeting/discussion with the State Chief Ministers in this regard;
- (d) if so, the outcome thereof along with the suggestions of the State Governments for review of this scheme in pursuance of the present market price;
- (e) whether the Government has taken any decision in this regard; and
- (f) if so, the details thereof?

**Answer**

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

(a) & (b): The Planning Commission estimates percentage and number of poor on the basis of poverty line which is defined in terms of Monthly Per Capita Consumption Expenditure (MPCE). 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.

The large sample surveys on Household Consumer Expenditure which are the basis for estimation of poverty are carried out by the NSSO every 5 years. After 2004-05, the results are available for the survey conducted in 2009-10. Following Tendulkar Committee recommendations, Planning Commission has updated the poverty lines for the year 2009-10 using NSS 66th round (2009-10) data of Household Consumer Expenditure Survey. The poverty line at all India level is estimated as MPCE of Rs. 673 for rural areas and Rs 860 for urban areas at 2009-10 prices.

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". In order to ensure the contemporary relevance of the poverty line and to ensure that suitable weightage is given to different parameters in computing the poverty line consistent with the current ground realities the Expert Group under the Chairmanship of Dr. Rangarajan has been given comprehensive terms of reference for computation of poverty estimates.

(c) to (f): The Planning Commission regularly reviews the methodology for estimation of poverty by setting up Task Force/ Expert Groups comprising eminent experts in the field of poverty. The present methodology for estimation of poverty is based on the recommendations of Tendulkar Committee. The issue of poverty estimates was raised by the Chief Ministers of Assam, Bihar, Madhya Pradesh and Uttar Pradesh and has been responded to.