

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1935  
ANSWERED ON:05.12.2012  
SETTING UP NEW POVERTY LINE  
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**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Government has set up a new poverty line in terms of money spent on consumption for rural and urban India;
- (b) if so, the details thereof;
- (c) whether globally acceptable FAO (Food and Agriculture Organization) norms are followed by the Government to define poverty; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF STATE FOR PARLIAMENTARY AFFAIRS AND PLANNING (SHRI RAJEEV SHUKLA)

(a) & (b): The Planning Commission defines poverty line on the basis of Monthly Per Capita Consumption Expenditure (MPCE). The methodology for estimation of poverty has been reviewed from time to time. The Expert Group headed by Prof. Suresh D. Tendulkar that submitted its report in December 2009, computed the poverty lines at all India level as MPCE of Rs. 447 for rural areas and Rs 579 for urban areas in 2004-05.

Planning Commission estimates poverty based on data obtained from Large Sample Survey on Household Consumer Expenditure carried out by the National Sample Survey Office (NSSO). These Surveys are conducted every 5 years. After 2004-05, the results are available for the survey conducted in 2009-10. 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. The poverty line at all India level is estimated as Monthly Per-capita Consumption Expenditure of Rs. 673 for rural areas and Rs 860 for urban areas in 2009-10, which amounts to a monthly consumption expenditure of Rs 3,365 in rural areas and Rs 4,300 in urban areas for a family of five at 2009-10 prices.

(c)&(d): The Tendulkar Committee has mentioned in its report that 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 Tendulkar Committee has also stated:

"It may be noted that although those near the poverty line in urban areas continue to afford the original calorie norm of 2100 per capita per day, their actual observed calorie intake from 61st Round of NSS of is 1776 calories per capita. This actual intake is very close to the revised calorie intake norm of 1770 per capita per day currently recommended for India by the Food and Agriculture Organization (FAO). Actual observed calorie intake of those near the new poverty line in rural areas (1999 calories per capita) is higher than the FAO norm."