

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:756

ANSWERED ON:27.02.2015

METHODOLOGY FOR IDENTIFICATION OF POOR

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Will the Minister of PLANNING be pleased to state:

- (a) the methodology for identification of poor people in urban and rural areas separately in the country;
- (b) whether a large number of people in the country are living Below Poverty Line (BPL), if so, the details thereof during the last three years and till date, State/UT-wise;
- (c) whether the existing criteria to determine the number of people living BPL is an impediment in the way of poverty alleviation, if so, the reaction of the Government thereto;
- (d) whether the Government has constituted any expert technical group for reviewing the methodology for measurement of poverty in the country, if so, the details thereof; and
- (e) whether the said expert group has submitted its report to the Government, if so, the major findings/recommendations of the Expert Group along with the action taken by the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND MINISTER OF STATE FOR DEFENCE
(RAOINDERJITSINGH)

(a) Based on criteria recommended by N.C.Saxena Committee and Hashim Committee for identification of families to be assisted under Central Government schemes in rural and urban areas respectively, Ministry of Rural Development and Ministry of Housing & Urban Poverty Alleviation finalized the criteria for the Socio Economic & Caste Census (SECC), 2011 for collecting information on socio economic indicators. The criteria for rural and urban areas are given in the statement at annexure I & II respectively.

(b): The number of persons living below the poverty line in the country is estimated as 270 million in 2011-12. The erstwhile Planning Commission estimated poverty from the Large Sample Surveys on Household Consumer Expenditure carried out by the National Sample Survey Office (NSSO) of the Ministry of Statistics and Programme Implementation. The latest data of Large Sample Survey on Household Consumer Expenditure has been collected by NSSO in its 68th round conducted in 2011-12. The poverty lines and poverty ratios for 2011-12 have been computed following the extant Tendulkar methodology. The State/UT-wise number of persons living below poverty line is given at Annexure III.

(c): As per the latest estimates, percentage of persons living below the Poverty Line in 2011-12 has been estimated as 21.9 per cent for the country as a whole. The comparative poverty ratio in the country for 1993-94 and 2004-05 was 45.3 per cent and 37.2 per cent respectively.

(d): The Planning Commission, in June 2012, constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan to Review the Methodology for Measurement of Poverty. Terms of Reference of the group are as follows:

i. "To comprehensively review the existing methodology of estimation of poverty and examine whether the poverty line should be fixed solely in terms of a consumption basket or whether other criteria are also relevant, and if so, whether the two can be effectively combined to evolve a basis for estimation of poverty in rural and urban areas.

ii. To examine the issue of divergence between consumption estimates based on the NSSO methodology and those emerging from the National Accounts aggregates; and to suggest a methodology for updating consumption poverty lines using the new consumer price indices launched by the CSO for rural and urban areas state-wise.

iii. To review alternative methods of estimation of poverty which may be in use in other countries, including their procedural aspects; and indicate whether on this basis, a particular method can be evolved for empirical estimation of poverty in India, including procedures for updating it over time and across states.

iv. To recommend how the estimates of poverty, as evolved above, should be linked to eligibility and entitlements for schemes and programmes under the Government of India".

(e): The Expert Group submitted its report on 30th June 2014. The major findings/ recommendations of the Expert Group are given at Annexure IV. A copy of the report is placed on the website of the Planning Commission which has since been archived. Copies of the report are also sent to Secretaries of various Central Ministries/ Departments and Chief Secretary of the State Governments for information and comments.