

Wide Variation in Poverty Estimates

2385. SHRI MANI SHANKAR AIYAR : Will the PRIME MINISTER be pleased to state :

- (a) the different estimates of the incidence of poverty made by official authorities and reputed experts over the last twenty years;
- (b) the reasons for the wide variation in estimates;
- (c) which estimate is regarded as more accurate by Government; and
- (d) the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI ASHWANI KUMAR) : (a) to (d) The Planning Commission is the nodal agency in the Government of India for estimation of poverty in the country. The Task Force on 'Projections of Minimum Needs and Effective Consumption Demand' in 1979 defined the poverty line as per capita consumption expenditure level of Rs. 49.09 per month in rural areas and Rs. 56.64 per month in urban areas at 1973-74 prices at national level. These poverty lines correspond to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas applied uniformly for all the states.

Subsequently, the Expert Group on 'Estimation of Proportion and Number of Poor' (Lakdawala Committee) constituted in 1989 looked into the methodology for estimation of poverty and retained the poverty lines defined by the Task Force. The Expert Group disaggregated the National Poverty lines separately in rural and urban areas into State specific poverty lines in order to reflect the inter state price differentials. For the subsequent years, the State specific rural poverty lines in 1973-74 are updated by using state specific Consumer Price Indices of Agricultural Labourers (CPI-AL). Similarly the urban poverty lines are updated by state specific Consumer Price Indices of Industrial Workers (CPI-IW). Based on the Expert Group methodology, the poverty lines in 2004-05 at all India level were calculated as per capita consumption expenditure of Rs. 356.30 per month for rural areas and Rs. 538.60 for urban areas and estimated poverty ratio as 27.5% (30.17 crore persons) at all India level.

The Planning Commission in December, 2005 constituted another Expert Group under the Chairmanship of Prof. Suresh D. Tendulkar to review alternate concepts of poverty and to recommend changes in the existing procedures used for official estimates of poverty. The Tendulkar Committee submitted its report in December, 2009 and recommended the Mixed Reference Period (MRP) equivalent Poverty Line Basket (PLB) corresponding to urban poverty ratio of 25.7% at all India level as the new reference PLB. This new reference PLB has been applied to rural as well as urban population in all the States. 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 poverty lines for rural and urban areas as per capital consumption expenditure of rs. 446.68 and Rs. 578.80 per month respectively for the year 2004-05 recommended by the Tendulkar Committee have been accepted by the Planning Commission.

The large sample surveys on Household Consumer Expenditure which are the basis of calculating poverty are carried out by the NSSO every 5 years. After 2004-05, this survey has been conducted in 2009-10. The 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 and released poverty estimates for 2009-10 on 19th March 2012. According to this Press Note poverty line at all India level is estimated at MPCE of Rs. 673 for rural areas and Rs. 860 for urban areas in 2009-10. The head count ratio (HCR) for 2009-10 is estimated at 29.85% at all India Level, with 33.8% in rural areas and 20.9% in urban areas.

The variation in estimates of poverty is due to the differences in data and yardsticks used. 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. Government has since decided to set up a Technical Group to revisit the methodology for estimation of poverty and identification of poortaking into account multiple dimensions and indicators of poverty so that the poor and deprived households can obtain the benefit of different government programmes and schemes. The composition of the Technical Group and its terms of reference are being finalized.

Latest Poverty Estimates

2386. DR. JANARDHAN WAGHMARE : Will the PRIME MINISTER be pleased to state :

(a) whether the Planning Commission has recently released the latest poverty estimates for the country and stated decline in the incidence of poverty during the last five years;

(b) if so, the details of new poverty estimates released by the Planning Commission;

(c) whether the recommendations of the various committees set up by Government earlier to work out methodology for identifying the BPL households have been examined;

(d) if so, the details thereof; and

(e) the concrete steps Government proposes to take to ensure that poor BPL households in the country gets adequate benefit of the schemes?