

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING
RAJYA SABHA
QUESTION NO 18.11.2010
ANSWERED ON**

CRITERIA OF BELOW POVERTY LINE .

131

Smt. Maya Singh

Will the Minister of COALCOALCOALCOALPLANNING be pleased to state :-

- (a) the criteria with regard to persons living below poverty line, the date when such criteria was determined along with the dates of making amendments in it from time to time;
- (b) whether it is a fact that the State Government of Uttar Pradesh has returned the amount sanctioned for houses under Indira Awas Yojana, as it could not find any poor person entitled under this scheme; and
- (c) whether Government is considering any proposal/suggestion to amend the criteria of Below Poverty Line?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS

(SHRI V. NARAYANASAMY)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF RAJYA SABHA STARRED QUESTION NO. 131 REGARDING "CRITERIA OF BELOW POVERTY LINE" BY SHRIMATI MAYA SINGH DUE FOR ANSWER ON 18th NOVEMBER, 2010

(a) to (c): The Planning Commission is the agency that provides official estimates of the number and proportion of people living below the poverty line at the national and State levels, separately for rural and urban areas. These poverty estimates are based on a large sample survey of household consumption expenditure carried out by the National Sample Survey Organization

(NSSO) after an interval of every five years approximately. The methodology to estimate poverty has been reviewed from time to time in consultation with the experts.

The Planning Commission, in 1977, constituted a Task Force on 'Projections of Minimum Needs and Effective Consumption Demand' that submitted its report in 1979. The Task Force 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.

An Expert Group on 'Estimation of Proportion and Number of Poor' (Lakdawala Committee) was constituted in 1989 to look into the methodology for estimation of poverty and to re-define the poverty line, if necessary. The Expert Group submitted its report in July 1993. The Government accepted the recommendations of the Expert Group with minor modifications in 1997. While retaining 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 Rs. 356.30 per capita per month for rural areas and Rs. 538.60 per capita per month for urban areas and estimated poverty ratio as 27.5% (30.17 crore persons).

The Planning Commission in December, 2005 appointed 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. The Committee has recommended that the rural poverty line should be recomputed to reflect money value in rural areas of the same basket of consumption that is associated with the existing urban poverty line. 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 recomputed poverty lines for 2004-05 as recommended by the Tendulkar Committee have been accepted by the Planning Commission.

The Government of Uttar Pradesh has not returned any amount released under Indira Awaas Yojana (IAY) in the absence of finding poor persons entitled to receive assistance under the scheme. However, the State government has reported that the Permanent IAY waitlists have been exhausted in nine districts i.e. Aligarh, Baghpat, Ghaziabad, Gautambudh Nagar, Gorakhpur, Hathras, Meerut, Muzaffarnagar and Pilibhit. The Ministry of Rural Development has been requested to reallocate these funds to seven districts in Bundelkhand area namely Banda, Chitrakoot, Hamirpur, Jalaun, Jhansi, Lalitpur and Mahoba.