

## CHAPTER - 21

### POVERTY LINE IN DELHI

The Planning Commission estimates the proportion and number of poor separately for rural and urban India at the national and State levels based in the recommendations of the Task Force on 'Projections of Minimum Needs and Effective Consumption Demands' (1979). The Task Force had defined the poverty line (BPL) as the cost of an all India average consumption basket at which calorie norms were met. The norms were 2400 calories per capita per day for rural areas and 2100 calories for urban areas. These calorie norms have been expressed in monetary terms as Rs. 49.09 and Rs. 56.64 per capita per month for rural and urban areas respectively at 1973-74 prices. Based on the recommendations of a Study Group on 'The Concept and Estimation of Poverty Line', the private consumption deflator from national accounts statistics was selected to update the poverty lines in 1977-78, 1983 and 1987-88.

Subsequently, the expert group under the Chairmanship of late Prof. D.T. Lakdawala examined the issue. The Expert Group accepted the definition of poverty line and base year figures but suggested an alternative methodology to calculate the poverty line. It recommended the use of consumer price index for agricultural labour to update the rural poverty line and a simple average of weighted commodity indices of the consumer price index for industrial workers and for urban non-manual employees to update the urban poverty line. The Planning Commission accepted the recommendations of the Expert Group but modified the method for updating the poverty lines. The Commission decided to use only CPI for industrial workers to estimate and update the urban poverty line. The estimates have been revised and released accordingly.

The Planning commission recently released State Specific Poverty Line and their number on the basis of NSS 61<sup>st</sup> round (July 2004 – June 2005). Accordingly, the poverty line for rural Delhi was estimated as Rs. 410.38 as against All India estimates for same sector at Rs. 356.30. Like-wise in case of urban Delhi, the poverty line has worked out to Rs. 612.91 as against Rs. 538.60 at the All India level. The total number of people below poverty line in Delhi comes to 22.93 lakhs which amount to 14.7% of the total population. Sector-wise break-up revealed that 6.9% of the rural population (0.63 lakhs) and 15.2% of the urban population (22.30 lakhs) were estimated to be below poverty line. The number of people below poverty line have nearly doubled in Delhi i.e. 11.49 lakhs in 1999-2000 to 22.93 lakhs during 2004-2005 which is a matter of concern.

The following statement gives the poverty line for Delhi, (rural and urban separately) as well as actual number of persons and percentage of population below the poverty line.

## STATEMENT 21.1

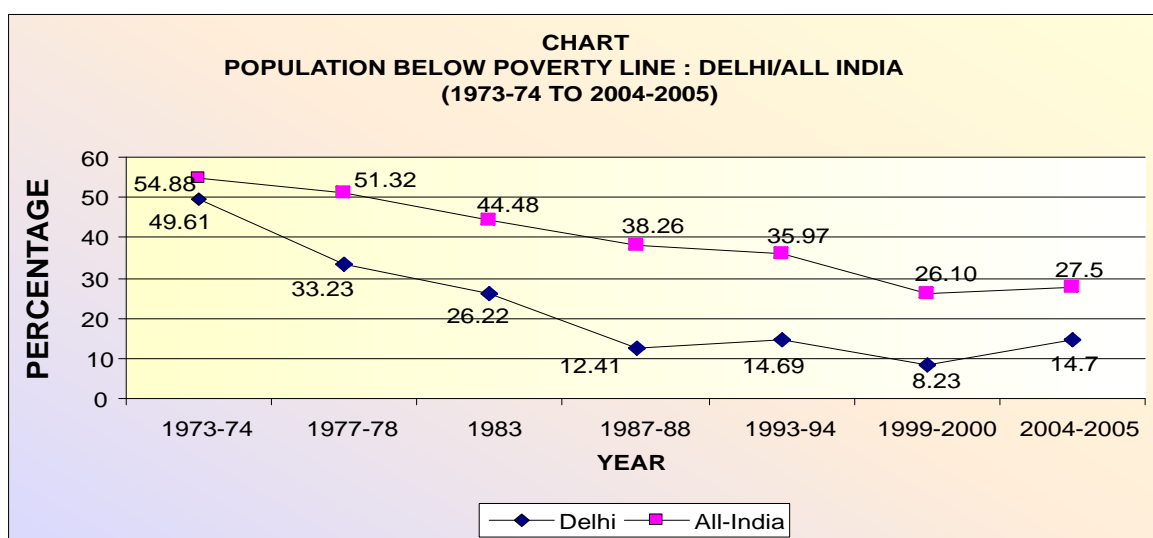
### MONTHLY PER CAPITA POVERTY LINE, DELHI, 1973-74 TO 2004-2005

YEAR	RURAL		URBAN		Total Number of People (in Lakh)
	Monthly Per Capita Poverty Line (in RS.)	Number of People (in Lakh)	Monthly Per Capita Poverty Line (in RS.)	Number of People (in Lakh)	
1973-74	49.95	1.06 (24.44)	67.95	21.78 (52.23)	22.84 (49.61)
1977-78	59.37	1.35 (30.19)	80.17	16.81 (33.51)	18.16 (33.23)
1983	88.57	0.44 (7.66)	123.29	17.95 (27.89)	18.39 (26.22)
1987-88	122.9	0.1 (1.29)	176.91	10.15 (13.56)	10.25 (12.41)
1993-94	233.79	0.19 (1.90)	309.48	15.32 (16.03)	15.51 (14.69)
1996-97	289.31	-	404.96	-	-
1999-2000	362.68	0.07 (0.40)	454.11	11.42 (9.42)	11.49 (8.23)
2004-2005	410.38	0.63 (6.9)	612.91	22.30 (15.2)	22.93 (14.7)

**Note** : Figures in Parentheses are Percentages of the total population.

**Source** : Planning Commission.

The estimates show that in the last two decades the percentage of population below the poverty line in Delhi declined significantly from 49.61% in 1973-74 to a meagre 8.23% in 1999-2000. The poverty line estimates for the years 1973-74, 1977-78, 1983, 1987-88, 1993-94, 1999-2000 and 2004-2005 for all States/UTs. Including Delhi according to modified estimates are given in Table.



## 2. LEVEL AND PATTERN OF HOUSEHOLD CONSUMER EXPENDITURE IN DELHI

Directorate of Economics and Statistics brings estimates on the level and pattern of Household Consumer Expenditure in Delhi on the basis of sample surveys conducted under NSS rounds of Survey (state sample) from time to time. Statement 21.2 gives the household consumer expenditure on food and nonfood groups sector-wise. According to 62<sup>nd</sup> round (July 2005 to June 2006) survey estimates, the average monthly per capita expenditure (MPCE) works out to Rs. 1586.44. Out of this Rs. 577.61 (36.41%) was spent on food items and Rs. 1008.83 (63.59%) on non-food items. Average monthly consumer expenditure per family in Delhi was estimated at Rs. 7876.13.

### Statement 21.2

#### Per Capita Household Monthly Consumer Expenditure by Sector

SECTOR	FOOD	NON-FOOD	TOTAL
<b>AVERAGE MONTHLY PER CAPITA EXPENDITURE (Rs.)</b>			
RURAL	475.80	553.88	1029.68
URBAN	606.59	1138.36	1744.65
DELHI	577.61	1008.83	1586.44
<b>AVERAGE MONTHLY HOUSEHOLD CONSUMER EXPENDITURE (Rs.)</b>			
RURAL	2649.76	3084.62	5734.38
URBAN	2921.26	5482.15	8403.42
DELHI	2867.63	5008.50	7876.13

Percentage distribution of MPCE for broad groups of food and non-food items is presented in statement 21.3. The statement reveals that out of every hundred rupees spent by household in Delhi, about Rs. 35/- were spent on food items and Rs 65/- on non-food items as against All India (Urban) average of Rs. 40 for food and Rs. 60 for non-food items. Further study revealed that miscellaneous consumer services account for 21.28%, Milk and Milk Products 9.91%, cereals 5.36%, rent 8.57%, clothing 4.92%, fuels & lighting 8.50%, education 5.09% and beverages 5.49% of the MPCE in Delhi.

### Statement 21.3

#### Percentage distribution of MPCE broad groups of food & non-food items

Sl.No.	Items	Delhi	All India
		(Urban)	(Urban)
<b>A</b>	<b>Food Items</b>		
1	Cereals	5.36	9.48
2	Cereal Subst.	0.00	0.04
3	Pulses & pro	1.81	2.18
4	Milk & Product	9.91	7.26
5	Edible Oil	2.12	2.99
6	Meat, Egg	1.62	2.76
7	Vegetables	3.80	4.25
8	Fruits(fresh)	2.01	1.72
9	Fruits(dry)	0.40	0.46
10	Sugar	1.25	1.49
11	Salt	0.10	0.13
12	Spices	0.89	1.36
13	Beverage	5.49	5.84
	<b>Food – Total (A)</b>	<b>34.76</b>	<b>39.96</b>
<b>B</b>	<b>Non-Food Items</b>		
1	Pan	0.06	0.25
2	Tobacco	0.33	0.75
3	Intoxicants	0.29	0.47
4	Fuel & Light	8.50	9.36
5	Clothing & Bedding	4.92	5.45
6	Footwear	1.02	1.02
7	Miscellaneous Consumer Goods	3.80	6.46
8	Miscellaneous Consumer Service	21.28	13.55
9	Rent	8.57	5.70
10	Consumer taxes	0.77	0.77
11	Durable goods	8.75	4.00
12	Education	5.09	6.22
13	Medical – Institutional	0.17	1.59
14	Medical – non-Institutional	1.65	4.45
	<b>Non-Food – Total (B)</b>	<b>65.24</b>	<b>60.04</b>
<b>C</b>	<b>Total Expenditure (A+B)</b>	<b>100.00</b>	<b>100.00</b>

Source – Directorate of economics & Statistics, Govt. of Delhi (NSS 62<sup>nd</sup> round Of Socio