

CHAPTER 21

POVERTY

The Planning Commission estimates the proportion and number of poor separately for rural and urban India at the national and State levels based on 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 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 1999-2000

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)

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 and 1999-2000 for all States/UTs. Including Delhi according to modified estimates are given in Table 21.1

