

# Debroy for new official poverty line

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India needs a new poverty line to estimate the extent of deprivation in the country, said Bibek Debroy, chairman of the Economic Advisory Council (EAC) to the Prime Minister (PM), on Wednesday. He said the Suresh Tendulkar committee's estimate was more than a decade old and that the Multidimensional Poverty Index (MDPI) was not quite a poverty line.

Speaking at the data users' conference organised by the Ministry of Statistics and Programme Implementation (Mospi) on the newly released Household Consumption Expenditure Survey (HCES) here, Debroy asked whether these latest results should be used to arrive at a new poverty line.

"We still do not have an official (definition of) poverty line that goes beyond the Tendulkar committee. The Rangarajan Committee report was never formally accepted and the MDPI is not quite a poverty line. Should we now have a new poverty line, to which this HCES data can be applied," said Debroy.

Using the data from HCES for FY23, which tracks consumption trends across households, NITI Aayog in February had claimed that poverty had declined to below 5 per cent in FY23.

The latest poverty line is based on the recommendations of an expert group headed by Professor Suresh Tendulkar, which submitted its report in December 2009. According to these estimates, poverty declined at an average rate of 0.74 percentage points per year between 1993-94 and 2004-05, and at 2.18 percentage points per year between 2004-05 and 2011-12.

For 2011-12, for rural areas the national poverty line using the Tendulkar methodology is estimated at ₹816 per capita per month and ₹1,000 per capita per month in urban areas.



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**BIBEK DEBROY**

Chairman, EAC to PM

# Poverty...

Later in June 2014, a committee under the chairmanship of C Rangarajan also submitted its report on the poverty line and fixed it at a monthly per capita expenditure of ₹1,407 in urban areas and ₹972 in rural areas for 2011-12. This resulted in higher poverty lines and consequently higher poverty rates compared to the earlier Tendulkar Committee's estimates. The panel report was not formally accepted by the government.

Recently, the government started using the MDPI, which calculates poverty based on 22 indicators, besides income. According to the latest NITI Aayog report released in January this year, 248.2 million Indians are projected to have come out of multidimensional poverty between 2013-14 and 2022-23.

Debroy also pointed out that the new HCES data, released by the ministry earlier this month, would also help determine inequality estimates. He highlighted that it was important to look at state-wise Gini coefficients to determine inequality levels as a countrywide estimate may not present the full picture.