

Eradication of Poverty

Posted at: 19/10/2024

Global Poverty and India's Estimates

Context:

- The **International Day for the Eradication of Poverty (IDEP)** has been observed annually on **October 17** since 1992.

Background:

- The theme for the 2024 IDEP is “**Ending Social and Institutional Maltreatment, Acting Together for Just, Peaceful, and Inclusive Societies**”.

Key Takeaways:

1. Global Poverty Line:

- According to the **World Bank**, anyone living on less than **\$2.15 per day** is considered to be in **extreme poverty**.

2. Poverty Measurement in India:

- Based on the **Household Consumption Expenditure Survey for 2022-23**, less than **5%** of Indians are expected to live below the poverty line.
- However, there is ongoing debate regarding the poverty line used to determine the level of deprivation.

Evolution of Poverty Estimates in India:

1. 1971 - Dandekar and Rath Definition:

- The poverty line was based on daily **calorie consumption** (2,250 calories) from the **National Sample Survey (1960-61)**.
- It was set at **Rs 15** for rural areas and **Rs 22.5** for urban areas.

2. 1979 - Y K Alagh Task Force:

- Revised calorie requirements: **2,400 calories** for rural and **2,100 calories** for urban areas.
- This remained the official method until the **1990s**, though many critiqued it for providing an inaccurate picture of poverty.

3. 1989 - Lakdawala Expert Group:

- Introduced **state-specific poverty lines** that adjusted for regional price differences but faced criticism for not adhering to original calorie norms.

4. 2005 - Tendulkar Expert Group:

- Recommended moving away from calorie consumption as the primary indicator of poverty.
- Proposed a **uniform poverty line basket** for rural and urban areas.
- Suggested accounting for **private expenditure** on health and education.
- Used the **Mixed Reference Period** for poverty estimation.
- In 2009, the Tendulkar Committee estimated the **poverty line** for 2004-05 as **Rs 446.68 (rural)** and **Rs 578.80 (urban)** per capita per month.

5. 2012 - Rangarajan Committee:

- Reinstated separate poverty lines for rural and urban areas at **Rs 972 (rural)** and **Rs 1,407 (urban)** per capita per month.
- However, the government did not officially adopt the report.

6. Last Official Data (2011-12):

- The last official poverty data, released in 2013 based on the **Tendulkar line**, indicated that **21.9%** of India's population was living below the poverty line.

