

Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: Himanshu, Jawaharlal Nehru University and visiting fellow CSH

TITLE: Towards New Poverty Lines for India

TIME: 12:00-1:00 P.M. (NOTE UNUSUAL TIME)

DAY & DATE: Friday, 19th February, 2010

PLACE: Seminar Room 2

Abstract:

This paper presents the result of an exercise prepared for the Planning Commission's Expert Group to Review the Methodology for Estimation of Poverty to draw up new poverty lines and, correspondingly, new poverty estimates based on the National Sample Survey consumption data. The exercise begins by accepting the official all-India urban poverty estimate of 25.7% for 2004-05, then derives the all-India urban poverty line that corresponds to this head count ratio by using the multiple rather than uniform reference period distribution from the NSS data. It then recalculates, based on this modified poverty line, new state-wise urban and rural poverty lines that reflect spatial variations in the cost of living in 2004-05. The resulting estimates of the incidence of rural poverty show a head count ratio of 41.8% for 2004-05 as against the official estimate of 28.3%. The estimates reveal much larger rural-urban differences but less concentration of either rural or urban poverty in a few states. Although the new poverty lines preserve the official estimate of all-India urban poverty in 2004-05, there are significant changes at the state level.

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