

1. Describe how the poverty line is estimated in India.

Ans) A ~~person~~ person is considered poor if his or her income or consumption level falls below a given "minimum level" necessary to fulfill the basic needs. This minimum level is called the poverty line. In India, the poverty line is estimated by multiplying the prices of physical quantities like food, clothing, footwear, fuel, light, education, etc. in rupees. The numbers involved in determining the

poverty line vary for different years. Also, the poverty line for rural areas is different from that of the Urban areas because the work, lifestyle and expenses are different for rural and urban areas.

2. Do you think that present methodology of poverty estimation is appropriate?

Ans) No, the present day methodology of poverty estimation doesn't seem to be completely appropriate. This is because the only factor is taken into consideration is the economic status and moreover, it considers a minimum subsistence of living instead of a reasonable status of living. Poverty today is a larger concept that only the economic status of the people. With advancement and development, the definition of poverty has also changed. People may have been able to feed themselves and their family but education, shelter, health, job security and dignity all are still at a threat. To overcome poverty entirely, all the above-mentioned factors also need to be kept on consideration. To completely remove poverty from the countries, the methodology to estimate poverty should also be changed.