

Hw
6.8.21

① Describe how the poverty line is estimated in India?

Ans. A common method used to estimate poverty in India is based on the income or consumption levels and if the income or consumption falls below a given minimum level, then the household is said to be below the poverty line (BPL).

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

Ans. No, the present methodology of poverty estimation is not appropriate because it takes into account only the basic needs of food, clothing, fuel etc. But the quality available, which is not appropriate.

a) The amount which is fixed as the poverty line does not include the margin for price fluctuations and price rise which is constantly occurring.

b) The poverty line should include some correction for inflation and to take care of the market fluctuations.