

HW
4/10/21

Exercise

Q1) Describe how the poverty line is estimated in India?

Ans) A person is considered poor if his/her income or consumption level falls below a given minimum 'level' necessary to fulfill 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 area is different from urban area because of work, lifestyle and expenses are different for rural and urban areas.

Q2) Do you think that present methodology of poverty estimation is appropriate.

Ans) No the present day methodology of poverty estimation doesn't seem to entirely appropriate as:-

→ The only factor 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 than only the economic status of the people.
- with advancement and development, the definition of poverty has also changed.
- Many people & may have been able to feed themselves and their family but education, shelter, health, job security and dignity are still a threat.
- To overcome poverty entirely, all the above mentioned factors also need to be kept in consideration.
- To completely remove it from the country the methodology to estimate poverty needs to change.