

HW
4/18/21

1) Describe how poverty line is estimated. In India?

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

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

No the present day methodology of poverty estimation does not seem to be appropriate. This is because the only factor is taken into consideration is the economic status, & moreover it considers minimum subsistence of living instead of reasonable status of living. With advancement the definition of poverty also changes. The basic requirement also changes due to development from food, shelter, clothes to education, health, job etc. All those factors should be kept in consideration.