

2. Let's Discuss

8/8/21

→ Home Assignment - 1 (Exercise q. no. 1 & 2)

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

• Poverty line is estimated by the National Sample Survey Organisation (NSSO) by conducting sample surveys. A person is considered below the poverty line if he/she income or consumption level falls below a 'minimum level' necessary to fulfil basic needs. While determining the poverty line, a minimum level of food requirement, clothing, footwear, fuel, light, educational & medical requirements

etc. are determined for subsistence.

- Estimating the poverty line is also based on the desired calories requirement. It is 2400 calories/person/day in the rural areas and 2100 cal. in the urban areas.

- In terms of income, the poverty line is fixed at ₹816/month for rural areas and 1000 for urban areas for the year 2011-12. If any family has less than this fixed income, it is considered as below the poverty line.

2. Do you think that present methodology of poverty estimation is appropriate? No, the present methodology of poverty estimation is not appropriate because it takes into account only the basic needs of food, clothing, fuel, etc. The quality of these basic necessities is the lowest quality available. The amount which is fixed as the poverty line does not include the margin for the constant price.