

3.8.2021

## Exercise

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

Ans: 1. The poverty line is estimated in India considering the following factors required for subsistence:-

1. Minimum level of food requirement
2. Clothing
3. Footwear
4. Fuel and light
5. Education
6. Medical requirement

2. These physical quantities are multiplied by their prices in ~~rupees~~ rupees. The

3. The present formula for food requirement while estimating the poverty line is based on the desired calorie require<sup>ment</sup>.

4. On the basis of these calculations, for the year 2011-12, the poverty line for a person

was fixed at ₹ 816 per month for the rural areas and ₹ 1000 for the urban areas.

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

Ans: 1. No, the present-day methodology of poverty estimation is not completely appropriate.

2. This is because the only factor that is taken into consideration is the economic status, and moreover, it considers a ~~min~~ minimum subsistence of living instead of a reasonable status of living.

3. With advancements and development, the definition of poverty has also changed.

4. People may have been able to feed themselves and their family, but education, shelter, health, job security and dignity are still at a threat.

5. To overcome poverty entirely, all the above - mentioned factors also need to be kept in consideration.

6. To completely remove poverty from the country, the methodology to estimate poverty should also be changed.