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Topic : Poverty  
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### **Poverty :**

- **Poverty can be defined as a social phenomenon in which a section is unable to fulfill even the basic necessities of life.**
- **The term "poverty" has been defined in different societies in different ways but all of them are conditioned by the vision of minimum or good life living in society.**
- **The the concept of poverty in the USA would be significantly different from that in India because the average person is able to afford a much higher level of living in the USA.**
- **There is an effort in all definitions of poverty to approach the average level of living in a society and as such these definitions reflect the existence of inequalities in a society and the extent to which different societies are prepared to tolerate them.**
- **In India, the generally accepted definition of poverty emphasises minimum level of living rather than a reasonable level of living.**
- **Several economists and organisations have given different estimates of poverty. Most of them estimated poverty line on the basis of an average number of persons below the calories intake 2250 per capita per day, according to the report of "Task Force on Minimum Needs and Effective Consumption Demand".**
- **An expert group planning commission, defined poverty line on a nutritional norm per capita daily intake of 2400 calories in rural areas and 2100 calories for urban areas. A person who fails to obtain the minimum level of calories is treated as being below the poverty line.**

**There are two types of common standard in economic literature for measurement of poverty :**

### **Absolute poverty :**

In the absolute standard, minimum physical quantities of cereals, pulses, milk, butter etc are determined for a substance level and then the price quotations converted into monetary terms the physical quantities. Aggregating all of the quantities included, a figure expressing per capita consumer expenditure is determined. The population whose level of income and expenditure below the figure is considered to be below poverty line.

### Relative Standard :

According to the relative standard, income distribution of the population in different fractile groups is estimated and a comparison of the levels of living of the top 5 to 10 percent with the bottom 5 to 10% of the population reflects the relative standards of poverty.

- The defect of the relative standard approach is that it indicates the relative position of different segments of the population in the income hierarchy. Even in affluent societies such pockets of poverty exist. But for underdeveloped countries, it is the existence of mass poverty that is the cause for concern.
- The Planning Commission, the model agency for estimating the number and proportion of people living below the poverty line at national and states levels, separately for rural and urban areas, makes poverty estimates based on a large sample survey of household consumption expenditure carried out by the **National Sample Survey Office (NSSO)** approximately every five years.
- For estimation and review of poverty, the Planning Commission constituted an expert group under the chairmanship of **Prof. Suresh D. Tendulkar** in December 2005, which submitted its report in December 2009.
- The recomputed poverty estimates for the years 1993 -1994 and 2004-2005 as recommended by the Tendulkar committee have been accepted by the planning commission.
- As per the **Tendulkar committee** report, the national poverty line at 2004 -2005 prices was a monthly per capita consumption expenditure of **Rs. 446.68** in rural and **Rs.578.80** in urban areas in 2004-2005.

Committee	Year	Per capita Expenditure per day (₹)		Per capita Average Monthly Expenditure (₹)		All India Poverty Line (Average Monthly Expenditure per Family of 5)	
		Rural	Urban	Rural	Urban	Rural	Urban
Rangarajan	2011-12	32.4	46.9	972	1407	4760	7035
	2009-10	26.7	39.9	801	1198	4005	5990
Tendulkar	2011-12	27.2	33.3	816	1000	4080	5000
	2009-10	22.4	28.7	673	860	3365	4300

