

GOVERNMENT OF INDIA
PRESS INFORMATION BUREAU

POVERTY ESTIMATES FOR 2004-05

New Delhi, March, 2007

The Planning Commission as the Nodal agency in the Government of India for estimation of poverty has been estimating the number and percentage of poor at national and state levels. Since, March 1997 it has been using the Expert Group Method (Expert Group on Estimation of Proportion and Number of Poor) to estimate poverty. According to this method the estimates of poverty are made from the large sample survey data on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) of the Ministry of Statistics and Programme Implementation. Using this methodology the Planning Commission, in the past, has released poverty estimates for the year 1973-74, 1977-78, 1983, 1987-88 and 1993-94 by the Government of India, Press Information Bureau on 11th March 1997. Subsequently, the poverty estimates for 1999-2000 were released by the Government of India, Press Information Bureau on 22nd February 2001. While releasing the estimates of poverty for 1999-2000, it had been noted that these estimates were not strictly comparable with the estimates for the previous years.

2. The state-wise rural and urban poverty lines for the year 2004-05 are given in Table-1. These are estimated using the original state-specific poverty lines identified by the Expert Group and updating them to 2004-05 prices using the Consumer Price Index of Agricultural Labourers (CPIAL) for rural poverty lines and Consumer Price Index for Industrial Workers (CPIIW) for urban poverty lines.

3. The NSSO has now released the result of the latest large sample survey data on household consumer expenditure (NSS 61st Round), covering the period July 2004 to June 2005 [Report No.508 (61/1.0/1)]. From this data, two different consumption distributions for the year 2004-05 have been obtained. The first one from the consumption data collected using 30-day recall period (also known as reference period) for all the items. The other distribution is obtained from the consumer expenditure data collected using 365-day recall period for five infrequently purchased non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses and 30-day recall period for the remaining items. These two consumption distributions have been termed as Uniform Recall Period (URP) consumption distribution and Mixed Recall Period (MRP) consumption distribution respectively. The Planning Commission, using the Expert Group methodology has estimated poverty in 2004-05 using both the distributions.

4. The state specific percentage and number of poor in rural and urban areas estimated from URP consumption distribution is given in Table-2. Table-3 gives the state specific percentage and number of poor in rural and urban areas estimated from MRP consumption distribution.

5. The percentage and number of poor in 2004-05 estimated from URP consumption distribution of NSS 61st Round of consumer expenditure data are comparable with the poverty estimates of 1993-94. The percentage and number of poor in 2004-05 estimated from MRP consumption distribution of NSS 61st Round of consumer expenditure data are roughly (but not strictly) comparable with the poverty estimates of 1999-2000.

6. The URP-consumption distribution data of the 61st Round yields a poverty ratio of 28.3 percent in the rural areas, 25.7 percent in the urban areas and 27.5 percent for the country as a whole in 2004-05 (Table 2). The corresponding figures obtained from the MRP-consumption distribution data of the 61st Round are 21.8 percent in the rural areas, 21.7 percent in the urban areas and 21.8 percent for the country as a whole. (Table 3)

7. The poverty estimates in 2004-05 based on URP consumption distribution (27.5 percent) is comparable with the poverty estimates of 1993-94, which was 36 percent. (Table-4) The poverty estimates in 2004-05 based on MRP consumption (21.8 percent) is roughly (but not strictly) comparable with the poverty estimates of 1999-2000, which was 26.1 percent. (Table-5)

Table - 1
State-Specific Poverty Lines in 2004-05
(Rs. per capita per month)

S.No.	State/U.T.'s	Rural	Urban
1	Andhra Pradesh	292.95	542.89
2	Assam	387.64	378.84
3	Bihar	354.36	435.00
4	Chhattisgarh	322.41	560.00
5	Delhi	410.38	612.91
6	Goa	362.25	665.90
7	Gujarat	353.93	541.16
8	Haryana	414.76	504.49
9	Himachal Pradesh	394.28	504.49
10	Jammu & Kashmir	391.26	553.77
11	Jharkhand	366.56	451.24
12	Karnataka	324.17	599.66
13	Kerala	430.12	559.39
14	Madhya Pradesh	327.78	570.15
15	Maharashtra	362.25	665.90
16	Orissa	325.79	528.49
17	Punjab	410.38	466.16
18	Rajasthan	374.57	559.63
19	Tamil Nadu	351.86	547.42
20	Uttar Pradesh	365.84	483.26
21	Uttarakhand	478.02	637.67
22	West Bengal	382.82	449.32
23	Dadra & N. Haveli	362.25	665.90
	All-India *	356.30	538.60

* The poverty line (implicit) at all-India level is worked out from the expenditure class-wise distribution of persons (based on URP-consumption, that is, consumption data collected from 30 -day recall period for all items) and the poverty ratio at all-india level. The poverty ratio at all-India is obtained as the weighted average of the state-wise poverty ratio.

Table-2
Number and Percentage of Population below poverty line by states - 2004-05
 (Based on URP-Consumption)

S.No.	States/U.Ts	Rural		Urban		Combined	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
1	Andhra Pradesh	11.2	64.70	28.0	61.40	15.8	126.10
2	Arunachal Pradesh	22.3	1.94	3.3	0.09	17.6	2.03
3	Assam	22.3	54.50	3.3	1.28	19.7	55.77
4	Bihar	42.1	336.72	34.6	32.42	41.4	369.15
5	Chhattisgarh	40.8	71.50	41.2	19.47	40.9	90.96
6	Delhi	6.9	0.63	15.2	22.30	14.7	22.93
7	Goa	5.4	0.36	21.3	1.64	13.8	2.01
8	Gujarat	19.1	63.49	13.0	27.19	16.8	90.69
9	Haryana	13.6	21.49	15.1	10.60	14.0	32.10
10	Himachal Pradesh	10.7	6.14	3.4	0.22	10.0	6.36
11	Jammu & Kashmir	4.6	3.66	7.9	2.19	5.4	5.85
12	Jharkhand	46.3	103.19	20.2	13.20	40.3	116.39
13	Karnataka	20.8	75.05	32.6	63.83	25.0	138.89
14	Kerala	13.2	32.43	20.2	17.17	15.0	49.60
15	Madhya Pradesh	36.9	175.65	42.1	74.03	38.3	249.68
16	Maharashtra	29.6	171.13	32.2	146.25	30.7	317.38
17	Manipur	22.3	3.76	3.3	0.20	17.3	3.95
18	Meghalaya	22.3	4.36	3.3	0.16	18.5	4.52
19	Mizoram	22.3	1.02	3.3	0.16	12.6	1.18
20	Nagaland	22.3	3.87	3.3	0.12	19.0	3.99
21	Orissa	46.8	151.75	44.3	26.74	46.4	178.49
22	Punjab	9.1	15.12	7.1	6.50	8.4	21.63
23	Rajasthan	18.7	87.38	32.9	47.51	22.1	134.89
24	Sikkim	22.3	1.12	3.3	0.02	20.1	1.14
25	Tamil Nadu	22.8	76.50	22.2	69.13	22.5	145.62
26	Tripura	22.3	6.18	3.3	0.20	18.9	6.38
27	Uttar Pradesh	33.4	473.00	30.6	117.03	32.8	590.03
28	Uttarakhand	40.8	27.11	36.5	8.85	39.6	35.96
29	West Bengal	28.6	173.22	14.8	35.14	24.7	208.36
30	A & N Islands	22.9	0.60	22.2	0.32	22.6	0.92
31	Chandigarh	7.1	0.08	7.1	0.67	7.1	0.74
32	Dadra & N. Haveli	39.8	0.68	19.1	0.15	33.2	0.84
33	Daman & Diu	5.4	0.07	21.2	0.14	10.5	0.21
34	Lakshadweep	13.3	0.06	20.2	0.06	16.0	0.11
35	Pondicherry	22.9	0.78	22.2	1.59	22.4	2.37
	All-India	28.3	2209.24	25.7	807.96	27.5	3017.20

URP consumption = Uniform Recall Period consumption in which the consumer expenditure data for all the items are collected from 30-day recall period.

Notes:

- Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
- Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Island.
- Urban Poverty Ratio of Punjab used for both rural and urban poverty of Chandigarh.
- Poverty Line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.
- Poverty Ratio of Goa is used for Daman & Diu.
- Poverty Ratio of Kerala is used for Lakshadweep.

Table-3
Number and Percentage of Population below poverty line by states - 2004-05
(Based on MRP-Consumption)

S.No.	States/U.Ts	Rural		Urban		Combined	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
1	Andhra Pradesh	7.5	43.21	20.7	45.50	11.1	88.71
2	Arunachal Pradesh	17.0	1.47	2.4	0.07	13.4	1.54
3	Assam	17.0	41.46	2.4	0.93	15.0	42.39
4	Bihar	32.9	262.92	28.9	27.09	32.5	290.01
5	Chhattisgarh	31.2	54.72	34.7	16.39	32.0	71.11
6	Delhi	0.1	0.01	10.8	15.83	10.2	15.83
7	Goa	1.9	0.13	20.9	1.62	12.0	1.74
8	Gujarat	13.9	46.25	10.1	21.18	12.5	67.43
9	Haryana	9.2	14.57	11.3	7.99	9.9	22.56
10	Himachal Pradesh	7.2	4.10	2.6	0.17	6.7	4.27
11	Jammu & Kashmir	2.7	2.20	8.5	2.34	4.2	4.54
12	Jharkhand	40.2	89.76	16.3	10.63	34.8	100.39
13	Karnataka	12.0	43.33	27.2	53.28	17.4	96.60
14	Kerala	9.6	23.59	16.4	13.92	11.4	37.51
15	Madhya Pradesh	29.8	141.99	39.3	68.97	32.4	210.97
16	Maharashtra	22.2	128.43	29.0	131.40	25.2	259.83
17	Manipur	17.0	2.86	2.4	0.14	13.2	3.00
18	Meghalaya	17.0	3.32	2.4	0.12	14.1	3.43
19	Mizoram	17.0	0.78	2.4	0.11	9.5	0.89
20	Nagaland	17.0	2.94	2.4	0.09	14.5	3.03
21	Orissa	39.8	129.29	40.3	24.30	39.9	153.59
22	Punjab	5.9	9.78	3.8	3.52	5.2	13.30
23	Rajasthan	14.3	66.69	28.1	40.50	17.5	107.18
24	Sikkim	17.0	0.85	2.4	0.02	15.2	0.87
25	Tamil Nadu	16.9	56.51	18.8	58.59	17.8	115.10
26	Tripura	17.0	4.70	2.4	0.14	14.4	4.85
27	Uttar Pradesh	25.3	357.68	26.3	100.47	25.5	458.15
28	Uttarakhand	31.7	21.11	32.0	7.75	31.8	28.86
29	West Bengal	24.2	146.59	11.2	26.64	20.6	173.23
30	A & N Islands	16.9	0.44	18.8	0.27	17.6	0.71
31	Chandigarh	3.8	0.04	3.8	0.36	3.8	0.40
32	Dadra & N. Haveli	36.0	0.62	19.2	0.16	30.6	0.77
33	Daman & Diu	1.9	0.03	20.8	0.14	8.0	0.16
34	Lakshadweep	9.6	0.04	16.4	0.05	12.3	0.09
35	Pondicherry	16.9	0.58	18.8	1.34	18.2	1.92
	All-India	21.8	1702.99	21.7	682.00	21.8	2384.99

MRP consumption = Mixed Recall Period consumption in which the consumer expenditure data for five non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses are collected from 365-day recall period and the consumption data for the remaining items are collected from 30-day recall period.

Notes: Same as in Table-2.

Table-4
Comparison of Poverty Estimates Based on Uniform Recall Period

	1993-94	2004-05
1 Rural	37.3	28.3
2 Urban	32.4	25.7
3 Total	36.0	27.5

Table-5
Comparison of Poverty Estimates Based on Mixed Recall Period

	1999-2000	2004-05
1 Rural	27.1	21.8
2 Urban	23.6	21.7
3 Total	26.1	21.8