

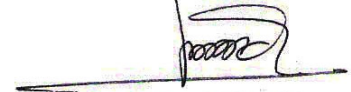
No.- Q-16015/2/2009-AI (RD)
Government of India
Ministry of Rural Development
(Economic & Monitoring Wing)

Krishi Bhawan, New Delhi
Dated: 1st September, 2009.

NOTICE

Subject: -Report of the Expert Group on the methodology for the BPL Census 2009.

The Ministry of Rural Development in association with States/UTs conducts the BPL Census generally in the beginning of a Five Year Plan. The objective of BPL Census is to identify the rural households living Below the Poverty Line who could be provided assistance under various programmes of the Ministry. Before conducting the BPL Census, a common methodology for identification of BPL rural households is designed in consultation with the Experts, Government officials managing the rural development programmes and other stakeholders. Accordingly, the Ministry had constituted an Expert Group to recommend simple and suitable methodology to identify the rural poor. The Chairman of the Expert Group has submitted its final Report containing the recommendations on the methodology to be followed for conducting the BPL Census for the 11th Five Year Plan. The Report of the Expert Group is being posted on the website to get the feedback/public opinion. The views on the recommendations may be sent to the undersigned by post or through e-mail within three weeks.



(B.D. VIRDI)
ECONOMIC ADVISER(P&P)
e-mail: bdviridi@nic.in
Tel/fax:23384707

**Report of
the Expert Group
to advise the Ministry of Rural
Development on the methodology for
conducting the Below Poverty Line (BPL)
Census for 11th Five Year Plan**

August 2009

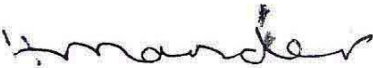



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
KRISHI BHAVAN, NEW DELHI**

Report of the Expert Group to advise the Ministry of Rural Development on the methodology for conducting the Below Poverty Line (BPL) Census for 11th Five Year Plan.

We, the undersigned, members of the Expert Group to advise the Ministry of Rural Development on the methodology for conducting the Below Poverty Line (BPL) Census for 11th Five Year Plan, have adopted the Report and submitted the same.

1	 (N. C. SAXENA, CHAIRMAN)	
2	(RAGHAV GAIHA)	3  N.J. KURIAN,
4	(P. SAINATH)	5  (HARSH MANDER)
6	 (S.E. SEDDEY)	7  (M. N. ROY)*
8	(K. RAJU)	9  (MANOJ KUMAR SINGH)
10	(G.S. SANDHU)	11  (A.K. MISRA)
12	 (AMAR SINGH)*	13  (ARUN KUMAR)
14	 WILFRED LAKRA*	15 (SMT. ARUNA ROY)
16	 (S.C. GAUTAM)*	17.  (K.L. DATTA)* MEMBER CONVENER

* Note of dissent enclosed with the report

IDENTIFICATION OF BPL HOUSEHOLDS IN RURAL INDIA

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1 Introduction

The number of people below the poverty line (BPL) is determined at the national and the state level by the Planning Commission. This is done on the basis of a large sample survey of Consumer Expenditure carried out by the National Sample Survey Organisation (NSSO) after an interval of 5 years approximately. The latest poverty ratios released by the Planning Commission, based on the 61st Round of NSSO of 2004-05, estimate that 28.3 per cent households in the rural areas were living below the poverty line.

While estimations of poverty are done by the Planning Commission, a Census to identify the BPL households has been conducted by the Ministry of Rural Development of the central government three times (1992, 1997 and 2002) in the last 17 years. The primary purpose of conducting village wise census of poor households is to identify the BPL households that could be assisted under various programmes of the Ministry, such as IAY, NSAP, SGSY, TSC, etc. In addition, many other Ministries of the Govt of India use the BPL list so prepared for targeting benefits to them, such

as PDS, NMBS, health insurance, scholarships, etc. Some state-specific schemes also limit their assistance to this list of the BPL families. This makes preparation of the list all the more important and central to poverty alleviation.

The BPL list is thus of enormous practical importance to both central and state government officials, as well as the rural population at large. Incidentally, there has been no comparable census of the urban poor households, and no directions for this by the central government and Planning Commission. The first state government which has undertaken such a census on its own initiative is the Government of Delhi, in 2008-09.

In view of the inadequacies pointed out by the state governments and others about the methodology followed in 2002 for identifying the poor, the Ministry of Rural Development constituted an Expert Group in August 2008 to recommend a more suitable methodology to identify the poor in the rural areas.

The Terms of Reference (TOR) of the Expert Group are:

- I. To recommend a more suitable methodology for conducting the next BPL census with simple, transparent and objectively measurable indicators for identification of BPL for providing assistance under the programmes of Ministry of Rural Development.
- II. To recommend institutional system for conducting survey, processing of data validation and approval of BPL list at various levels.
- III. To recommend institutional mechanism of addressing grievance of public on exclusion / inclusion in the BPL list.
- IV. To briefly look at the relationship between estimation and identification of poor and the issue of putting a limit on the total number of BPL families to be identified.
- V. Any other recommendation to make the exercise of BPL Census simple and acceptable.

The Expert Group met several times, held discussions with the state governments, civil society and other stakeholders, and constituted a Drafting Committee to prepare the Expert Group's proposals. The Drafting Committee's report was circulated to the members for their consideration. This, along with a short note prepared by the Chairperson with bullet points, was discussed in the meeting on the 13th June, and a broad consensus was arrived at. A draft report based on the deliberations of the Expert Group was prepared and circulated to the members for their comments. Thereafter this final report was prepared and submitted to the Ministry.

The report is organized as follows. Section 2 discusses TOR number IV, that is, the relationship between estimation and identification of poor and suggests an increase in the total number of BPL families to be identified. Section 3 reviews the criteria that were used over the past three surveys, especially the third survey (of 2002), which is the basis for the current BPL list, and critiques it thoroughly. Section 4 proposes an alternative set of criteria, and section 5 elaborates on TOR number II and III about the procedure for conducting the Census and grievance redressal. Section 6 clarifies the definitions of the terms used in the criteria presented in the previous section, given that administrative staff who will administer the Census as well as the programmes that the list impacts should be very clear of what is intended.

2 Estimation of poverty

2.1 *Universal vs targeted approach*

Throughout the deliberations of the Committee, the issue of universal vs targeted entitlements came up repeatedly for debate. Some members expressed the view that the Committee should recommend the universalisation of all social and economic entitlements. It should not try to fix criteria for identification of the poor, because it would enable governments to restrict entitlements to the officially designated 'poor' or BPL.

We respect the view that all basic entitlements should be universal. We believe that the Directive Principles of State Policy in the Constitution should never be compromised or undermined; instead they need to be realised, strengthened and further taken forward. Food for all, health for all, education for all, work for all - these should be taken as the bottom line. The BPL identification exercise should under no circumstances be used to dilute these principles. In no way should it be used to exclude people from their basic rights and needs.

It may be worthwhile to quote here from the recent address of President of India to the Parliament, who has also echoed these sentiments. She said, 'My Government proposes to enact a new law -- the National Food Security Act -- that will provide a statutory basis for a framework which assures food security for *all*.'

Thus food security is needed for all, and not only for those who are officially below the poverty line. This issue is particularly relevant for combating food related hunger, because as we will argue later in this section, the number of food deficit people is at least double the number of officially declared poor in India. Thus there is every case for enlarging the category of those entitled to cheaper food from government.

Despite these weighty arguments there would always be scope for schemes which need to be targeted to the poor. It is not for this Expert Group to decide which schemes should be universal and which should be confined to a set of population popularly known as BPL. There are also many self-selecting schemes where the BPL survey does not have a role, such as ICDS, mid-day meals programme, and NREGA. The Expert Group was set up with the specific mandate of suggesting a methodology for identifying the poor, and therefore we are proposing a new methodology which we consider to be an improvement over the existing practice that has caused a great deal of heart burning in the villages. But before we set out to describe the new methodology we need to harmonise the issue of the existing ceiling on the number of the poor for 'BPL oriented' programmes with ground realities, and with the data on several indicators on calorie and cereal consumption of the poor available from large scale surveys, and suggest a new ceiling, as explained in the next section.

Our plea for enhancing the ceiling however does not mean that the number of beneficiaries in universal programmes should be reduced, or that the programmes meant for specific target groups, such as SCs, STs, minorities, women, agricultural labour should be curtailed. On the other hand, we will urge the government to enhance the scope of such programmes so as to make growth more inclusive. The list of BPL households based on our recommendations should be used *only* for those limited programmes, where targeting has proved to be more effective than universalisation.

¹ Emphasis added

Such a list may be needed by several Ministries of Government of India. We hope that the Planning Commission would be able to persuade other Ministries to accept the BPL list so prepared by the RD Ministry. It is not a good idea for the Ministries to have their own adhoc lists or arbitrary methods of selection. Government of India Ministries, which now initiate most social sector programmes, have unfortunately little control over the district field machinery and panchayats², and will never be able to do justice to the job of preparing separate BPL lists. Multiple lists will create confusion, and will lead to administrative corruption. 'One panchayat, one list' should be the goal for the government.

2.2 Calorie consumption of the poor

Several states have pointed out that the present cut-off line for estimation of poverty leaves out a large number of poor households, and thus leads to great dissatisfaction in the rural areas. In order to understand the roots of this discrepancy one needs to do an in-depth analysis of the way poverty is estimated by the Planning Commission.

The Planning Commission constituted a 'Task Force on Projection of Minimum Needs and Effective Consumption Demand' which on the basis of a systematic study of nutritional requirements recommended (GOI 1979) a national norm of 2,400 kilo calories/day and 2,100 kilo calories/day for rural and urban areas (the difference being attributed to the lower rates of physical activity in the urban areas) respectively. These figures were derived from age-sex-occupation-specific nutritional norms by using the all-India demographic data from the 1971 Census. It is learnt that a committee recently set up by the Planning Commission is considering the issue of revision of the old norms of calorie consumption as well as the basis for poverty estimation.

The national-level official poverty lines for the base year (1973-74) were expressed as monthly per capita consumption expenditure of Rs 49 in rural areas and Rs 57 in urban areas, which corresponded to a basket of goods and services that satisfy the calorie norms of per capita daily requirement of 2400 kcal in rural areas and 2100 kcal in urban areas, which was considered as the minimum required for healthy living. The cut-off line has been updated for price rise for the subsequent years. However, the new poverty lines do not correspond to the minimum calorie norm, as according to the NSSO data, to reach the minimum calorie requirement the poor would need far more consumption expenditure than the monthly cut-off line so arrived at by just adjusting Rs 49/57 for inflation.

For instance, for the year 1999-00 the monetary cut-off corresponding to the minimum calorie requirements norms should have been Rs 565 in rural areas and Rs 628 in urban areas, whereas by the price updated methodology as used by Planning Commission the poverty line was Rs 328 and Rs 454 respectively (Deaton and Dreze 2008). Thus a large number of rural poor consuming between Rs 328 and 565 per month were left out of the BPL benefits.

² Which Ministry in GOI has the best control over the district collectors, CEO Zilla Parishads, and panchayats? The obvious answer is the Ministry of Rural Development (MoRD), because it transfers huge funds to DRDAs and to panchayats, runs NREGA, BRGF and TSC, and ever since their creation panchayats have always regarded MoRD as their mentor. Hence MoRD is the only Ministry in GOI that can make the field officials and panchayats take its guidelines seriously. Therefore the task of overseeing preparation of the new BPL lists has been rightly given to the MoRD.

For 2004-05 the 61st Round of NSSO has given the following figures for calorie consumption for each expenditure class.

Table I: Per capita per diem intake of Calorie (Kcal) by MPCE class

Rural			Urban		
MPCE class (Rs.)	cumulative persons as % of the total	calorie consumption	MPCE class (Rs.)	cumulative persons as % of the total	calorie consumption
0 - 235	2.88	1376	0 - 335	5.41	1413
235 - 270	5.74	1575	335 - 395	10.70	1608
270 - 320	11.97	1679	395 - 485	21.00	1687
320 - 365	19.18	1800	485 - 580	31.23	1833
365 - 410	26.99	1885	580 - 675	40.03	1856
410 - 455	34.82	1962	675 - 790	48.70	1943
455 - 510	44.00	2042	790 - 930	57.06	2024
510 - 580	54.70	2158	930 - 1100	65.38	2110
580 - 690	67.36	2290	1100 - 1380	75.47	2209
690 - 890	81.41	2380	1380 - 1880	87.06	2341
890 - 1155	90.07	2568	1880 - 2540	93.78	2545
> 1155	100.00	3018	> 2540	100.00	2839
Average		2047			2020

The national poverty line at 2004-05 prices was taken as Rs 356 per capita per month in the rural areas and Rs 539 per capita per month in the urban areas. As is evident from the above Table, this level of income would have permitted both the rural and urban people to consume³ just about 1820 kcalories, whereas to consume the desired norm of 2400/2100 kcalories the cut-off line for determining BPL status should have been around Rs 700 in the rural areas, and Rs 1000 for the urban areas. Thus a large number of rural people with consumption in the range Rs 360 to Rs 700 have been deprived of the BPL status. What is more distressing is the fact that calorie consumption of the poor has been consistently declining since 1987-88, as shown below.

³The calorie intake at the official poverty line was 2,170 kcal in 1977-78, 2,060 kcal in 1983, 1,980 kcal in 1993-94 and 1820 kcal in 2004-05.

Table 2: Total and cereal calorie consumption by decile and quartile of per capita expenditure, rural India, 1983 to 2004-05 (figures in kcal)

	Bottom decile	Bottom Quartile	Second Quartile	Third Quartile	Top Quartile
Total calories					
1983	1,359	1,580	2,007	2,328	3,044
1987-88	1,488	1,683	2,056	2,334	2,863
1993-94	1,490	1,659	2,000	2,251	2,702
1999-00	1,496	1,658	1,978	2,250	2,707
2004-05	1,485	1,624	1,900	2,143	2,521
Cereal calories					
1983	1,150	1,309	1,589	1,738	1,974
1987-88	1,221	1,359	1,598	1,715	1,894
1993-94	1,203	1,316	1,504	1,591	1,690
1999-00	1,197	1,289	1,591	1,509	1,566
2004-05	1,189	1,259	1,690	1,430	1,471

Source: Deaton and Dreze 2008

Several inferences can be drawn from Table 2. First, at any given point in time, the calorie intake of the poorest quartile continues to be 30 to 50 percent less than the calorie intake of the top quartile of the population, despite the poor needing more calories because of harder manual work. Second, calorie consumption of the bottom fifty per cent of the population has been consistently decreasing since 1987, which is a matter of concern. And last, whereas the top quartile derived only 58 per cent calories from cereals in 2004-05, the bottom quartile still depended on cereals for 78 per cent of its calorie consumption.

The decline in calorie consumption of the top quartile could be due to more sedentary life style or to increasing diversity in food intake, but the decline for the bottom half since 1987, as shown in Table 2, cannot be interpreted as a sign of prosperity, as they still do a great deal of hard manual work and are deprived of non-cereal based food, such as pulses, fruits, vegetables, milk, poultry and meat products.

The MDGs call for halving of hunger-poverty between 1990 and 2015. Assuming constant norms of 2400/2100 kcalories for India, this would mean bringing down the headcount ratio of calorie deficiency from 62.2 per cent in 1990 to 31.1 per cent in 2015. However, the number of people below the norm has consistently increased over the years, and more than three quarters of the population live in households whose per capita calorie consumption is less than the norm, as shown in Table 3.

Table 3: Fractions of the population living in households with per capita calorie consumption below 2,100 kcal in urban and 2,400 kcal in rural areas

Year	Round	Rural	Urban	All India
1983	38	66.1	60.5	64.8
1987-8	43	65.9	57.1	63.9
1993-4	50	71.1	58.1	67.8
1999-0	55	74.2	58.2	70.1
2004-5	61	79.8	63.9	75.8

(Deaton and Dreze 2008)

Assessing the data that we have presented above, Dr Pronab Sen, Chief Statistician and Secretary, Department of Statistics and Programme Implementation, Government of India has concluded that ‘it is indubitably true that the per capita calorie intake of the poverty line classes practically all over the country has declined significantly between 1972-73 and 1999-2000.’ Further he observes, ‘The current value of the poverty line does not permit the poverty line class to consume the calorific norm, and the periodic price corrections that have been carried out to update the poverty lines are inadequate and indeed may be even inappropriate. Consequently, the poverty estimates made in the years after 1973-74 understate the true incidence of poverty in the country (Sen 2005).’

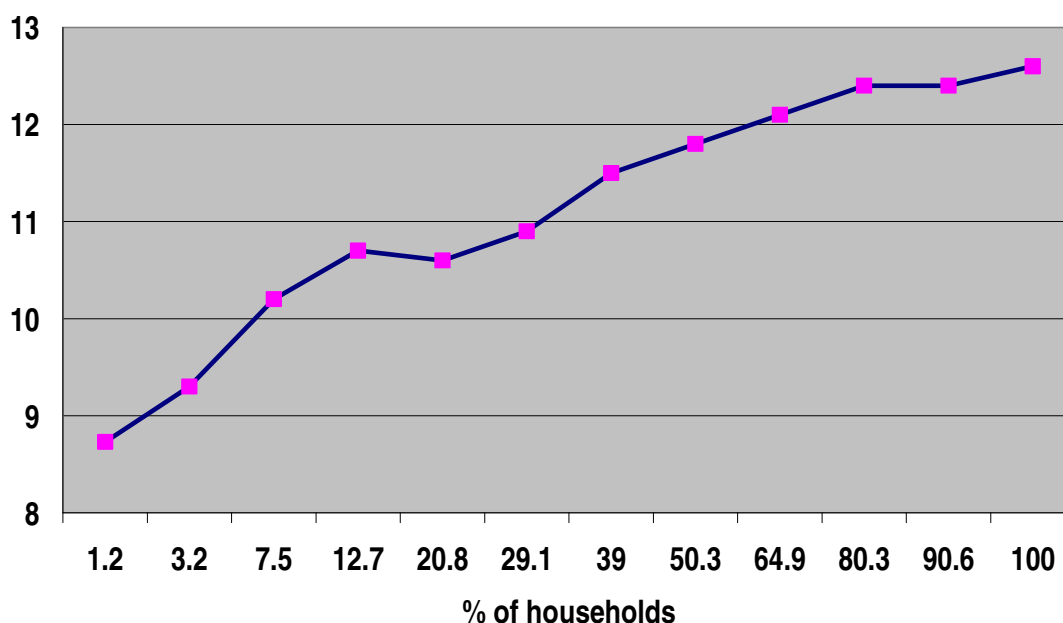
Thus there is a compelling case for re-estimating the poverty lines. The proportion of people living below the official poverty line declined from 56 per cent in 1973-74 to 35 per cent in 1993-94, and further to 28 per cent in 2004-05, whereas there has been no decline in the number of people consuming less calories than the norm (Table 3). The set of food insecure in India is larger than the set of “officially declared” poor in India.

It is admitted that the calculation of calorie norms or requirements is complicated as the daily calorie requirement for healthy life is a function of age, sex and nature of work. The required average for the entire society will decline if rising incomes for the prosperous people lead to a shift from manual to sedentary life style, but would go up if the proportion of working age population increases as indeed is happening in India due to demographic changes. In some prosperous regions the amount of hard work done by the poor may have declined a bit, but on the whole the decline would not justify reducing the calorie norm to far below 2400.

2.2.1 Cereal consumption

Similar disturbing trend is observed for cereal consumption too. Cereal consumption of the bottom 10% of rural population is just 10 kg per month, whereas the top 30% consume more than 12 kg per month, despite doing less manual work and better access to more expensive foods, as shown below.

CEREAL CONSUMPTION (RURAL) kg/month/capita



(NSSO 63rd Round, Report No. 527, October 2008)

Moreover, the cereal consumption of the poor has been consistently going down in the last 30 years, as shown below.

Table 4: Trends in Cereel Consumption across Expenditure groups (kg per month)

Year	Monthly per capita cereal consumption (kg) in population percentile class from poorest to the richest in rural India											
	0-5	5-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80	80-90	90-95	95-100
1993-94	9.68	11.29	12.03	12.63	13.19	13.33	13.72	14.07	14.41	14.59	14.98	15.78
1999-00	9.78	11.15	11.64	12.27	12.56	12.89	13.03	13.36	13.45	13.67	13.73	14.19
2004-05	9.88	10.87	11.33	11.7	11.98	12.16	12.37	12.61	12.77	12.72	12.77	13.5

NSSO 2007, 61st Round Report

The above Table clearly shows that as India moved to greater prosperity in the last twenty years the cereal consumption of the rich went down, as they shifted to other forms of more expensive food, but there was no increase for the poor who cannot afford non-cereel forms of food such as pulses. At any given point of time the cereal intake of the bottom 10 percent in rural India continues to be at least 20 percent less than the cereal intake of the top decile of the population, despite better access of the latter group to pulses, fruits, vegetables, milk, poultry and meat products. Their sedentary life style too should be taken into account while assessing the difference between the two groups. For the upper segment of population the decline may be attributed to a diversification in food consumption, easy affordability of other high value food commodities, changed tastes and preferences, and consumption of more expensive non-foodgrain products (Mittal, 2006). Higher economic growth and per

capita incomes thus contribute to reduction in per capita demand for cereals for the rich.

However for those who are around the poverty line and below, this has to be understood as a distress phenomenon, as with marginal increase in their incomes over time they are forced to cut down on their food consumption to meet other pressing demands that were not considered important in the past. For instance, as more schools open, the poor too wish to send their children to schools, where expenses are incurred on clothes, books, etc. despite the school fees being met by government. These expenses would thus become a new item on the household budget, and food expenditure may be curtailed to make room for it. Fighting sickness leads to another chunk of essential expenses, for which opportunities did not exist in the past, as there were no doctors in the vicinity. The share of fuel and light in total consumer expenditure has risen from under 6 per cent to 10 per cent in both rural and urban areas between 1972-73 and 2004-05. Finally, the rural labouring masses have to spend on transport in order to earn their livelihoods. Food is still needed, but not demanded. Shouldn't there be a minimum consumption norm of say, 12.25 kg of cereal per month per capita for the rural poor?

As the relative price of food items has remained stable over the past twenty years⁴, declining food consumption by the poor can be attributed to the lack of purchasing power and contraction of effective demand by the poor, who as argued above are forced to spend a greater part of their limited incomes on non-food items like transport, fuel and light, health, and education, which have become as essential as food. The failure of the Planning Commission's model in determining the cut-off without adequately providing for these essential items in the consumption basket has resulted in an artificially low poverty line depriving a large number of the poor from BPL status. Planning Commission's figure of 28.3% assumes that the expenditure basket of the poor on non-food items (medical, transport, fuel, etc) as percentage of total consumption has continued in the last thirty years at the same old level as it was in 1973-74. Clearly this is not true. Thus the cut-off line for determining the poverty line must be corrected before starting a new Census for identifying the poor.

2.3 Determining the total number of BPL families

The analysis done in the preceding section clearly shows that the percentage of rural population that is poor, and is not able to satisfy the minimum required calorie needs, nor is able to consume the minimum cereal required for healthy living, is far greater than the present cut-off line of 28.3%. The Committee would therefore strongly recommend that the percentage of people entitled to BPL status should be drastically revised upwards to at least 50%, though the calorie norm of 2400 would demand this figure to be about 80%. The figure of 50% in rural areas would correspond to a calories intake of about 2100 k cal which would imply that whatever calories were considered minimum for a healthy living in urban areas in 1973-74 would now be needed for healthy living in rural areas in view of general reduction in hard manual work (though it can still be argued that such reduction has been only marginal for the rural poor, and that too confined to prosperous regions). Our recommendation of 50% is based on a calorie consumption norm of 2100 for rural areas, as well as on a minimum cereal consumption of 12.25 kg per month, which is still less than what the

⁴ However, between 2004 and 2008, the retail price of rice went up by 46 per cent, that of wheat by over 62 per cent affecting a large number of poor.

top two quintiles consume despite their sedentary life style and better access to non-cereal food.

This figure of 50% compares well with other data on under-nutrition, such as 50% children being under-weight and more than 75% women being anaemic in rural India. One may also mention here that the World Bank has estimated, based on an international poverty line of \$1.25 per day of income (adjusted for each country's purchasing power parity, which for India would be a little more than Rs 20 per day), the figure for those below this line in India at 42 per cent, based on 2005 NSSO data. As poverty in India is higher in the rural areas, the World Bank figure for rural India should be around 44 per cent.

The Committee also urges the government to announce this decision as soon as possible, and not wait for the final report of the Group that is examining this issue in the Planning Commission. As benefit under a large number of schemes is contingent upon the household's BPL status, it is also necessary to suitably enhance the state-wise cut-off line by proportionately increasing the percentage of eligible households for each state by $50 \times 100 / 28.3$ percent, as shown below for some of the major states.

Table 5: Percentage of rural population below poverty line- current levels and after enhancement

State	The present figure	After the increase	State	The present figure	After the increase
Andhra Pradesh	10.83	19.13	Madhya Pradesh	37.67	66.55
Assam	21.79	38.50	Chhattisgarh	41.41	73.16
Bihar	42.53	75.14	Maharashtra	30.08	53.14
Jharkhand	46.46	82.08	Orissa	47.81	84.47
Gujarat	19.46	34.38	Punjab	10.04	17.74
Haryana	13.63	24.08	Rajasthan	18.76	33.14
HP	10.87	19.20	Tamil Nadu	22.62	39.96
J&K	4.51	7.97	UP	32.88	58.09
Karnataka	20.05	35.42	Uttarakhand	39.87	70.44
Kerala	13.37	23.62	West Bengal	28.87	51.01
India				28.3	50.00

Planning Commission's poverty estimates for Assam, Andhra Pradesh, and J&K seem to be lower than what their figures are on other related indicators, such as malnutrition, BMI, and per capita NSDP, whereas poverty estimates for Uttarakhand seem to be on the higher side. For instance, per capita NSDP for Uttarakhand in 2004-05 was 23,069, which was higher than for West Bengal at 22,675. As incomes are better distributed in Uttarakhand than in West Bengal, it is difficult to believe that poverty there would be higher by eleven percentage points! We leave it to government to apply further correctives, if considered appropriate.

The jump from 28.3 to 50 per cent may appear significant, but in reality may not be so considering the fact that at present the cut-off line for rural poverty for the purpose of selection of beneficiaries is 37%, based on 1993-94 survey, and another 10% number is allowed in the list to account for transient poverty. According to the Monthly

Bulletin of the Food Ministry, there are more than 10.5 crore BPL/AAY cards in the country, which would account for roughly 53 crore population, a figure which would be very close to what we are recommending. The problem is not so much with numbers but with gross errors of exclusion and inclusion that have crept into the list because of flawed methodology followed in the past. It is this issue that we have tried to address later in this Report.

We received a comment on our draft report from the distinguished Member of the Expert Group representing Planning Commission suggesting that *'The matter of fixing the percentage of people below poverty line is beyond the scope of the present Committee and is being handled by a separate Committee headed by Shri Tendulkar .. While the arguments given are plausible, it still remains in the domain of Tendulkar Committee which undoubtedly will consider all these issues raised. Needless to say, however desirable it may seem, fixing the percentage at 50 per cent will still be considered arbitrary. It also has tremendous financial implications and once granted cannot be reduced. As such, it was recommended that 20 per cent variation may be allowed which will bring up the poverty figure to approximately 35 per cent. It shall be better to stick to the figure of 35 per cent and amend it upwards if Tendulkar Committee comes up with a figure which is higher.'*

We beg to differ with the above contention. Terms of Reference for our Group were decided in consultation with the Planning Commission. These specifically mandate the Group to 'look at the relationship between estimation and identification of poor and **the issue of putting a limit on the total number of BPL families to be identified**'. A plain reading of TOR no. 4 clearly mandates the Group to examine and suggest a new number of BPL families. As and when the report of the Tendulkar Committee is out, government can look at both the reports and take a final view. Our recommendation of 50% is based on the hard data given in the above sections, and is much less arbitrary than the increase of 20% suggested by the Planning Commission. As argued above, it is based on a calorie consumption norm of 2100 for rural areas, as well as on a minimum cereal consumption of 12.25 kg per month, which is still less than what the top two quintiles consume despite their sedentary life style and better access to non-cereal food.

As poverty varies a great deal within a state, it is recommended that the cutoff figure for the state may be converted into a district-wise proportion of BPL people by giving equal weightage to three indicators; the ratio of SC/ST population in that district as a percentage of total SC/ST population in the state, the inverse of agricultural production per rural person, and agricultural wage rate of the district. This was done for identifying 150 most backward districts for NREGA in 2004-05.

The total number of poor households for each district (for converting percentages of the poor to actual number one should use the stipulated population of the district in 2010, as the survey would be made applicable from 2010 onwards) should then be broken into the number of poor for each block, as often within a district there are variations in the quality of soil and irrigation. This work could be left to the state government or district authorities, although this could also be done by the Ministry, as block-wise data on these indicators is readily available. This could be done on the basis of any of the following indicators (or a combination of these), such as

- % of double cropped or irrigated area to total cultivated area
- Share of length of metalled road to total of the district

- % of literacy amongst women
- % of non-agricultural workers to total workers

Once the cutoff line for each district is determined by the Ministry of Rural Development, it would be seen that there might be approximately 50 to 100 districts where the number of BPL households would be more than 80% of the total. For such districts no fresh survey is needed to determine the individual status of each household, and all except those excluded on the criteria suggested in para 4.1 would be treated as BPL households⁵. A few errors of inclusion are far better than the errors of exclusion which often crop up in the backward districts as the poor people, especially tribals have little voice or influence over administration. As is obvious from Table 5 there would be concentration of such districts in poorer states, where governance is weak, or because of naxalite problems it is difficult to effectively do large scale surveys.

Once the block-wise gross number of poor households has been identified it should be further subdivided for each village panchayat on the basis of total population as determined by the latest census. We are assuming here that within a block there would be uniformity of infrastructure etc and the number of poor per hundred population will not vary from panchayat to panchayat. However, the decision to do further sophisticated disaggregation could be left to the Collectors, or district panchayats, if they wish to. On the other hand, leaving it to districts may delay declaration of final results, as district-level politics often comes in the way of taking objective and fair decisions.

The option to aggregate the number of poor households at the block or district level by getting the entire data from panchayats was considered by the Expert Group, but was rejected because it leads to a tendency for the panchayat to include every one in the list, and those panchayats who honestly do the survey and suggest fewer names stand to lose. In other words, in aggregation at a higher level there is incentive for the lower level to cheat and a built-in disincentive to remain honest. To avoid this problem of moral hazard it is advised that the number of the poor for each panchayat be determined and be known to them, and let actual identification be done at the panchayat level, so that the panchayats stay away from populist pressures. The panchayat-wise number should be published in the local newspapers, and given due publicity. The panchayat-wise quota was never fixed in the past Surveys, leading to vast errors of inclusion first, followed by errors of exclusion, as when the real poor applied they were told that the quota is already over-subscribed.

Panchayats need also to be instructed that after excluding the rich, the households which are from social and economic categories that have to be automatically included as per the schema given below, must be identified first, and only for the balance numbers other BPL families should be identified through survey by their respective scores. Otherwise, the typical powerlessness of the most vulnerable would continue.

⁵ It was pointed out that if a district is allowed inclusion of all households (barring those excluded) without full proof evidence other districts with moderately high incidence of poverty will also claim similar treatment. Perhaps states may find it difficult to satisfy the MLAs of other districts, if some districts however poor they may be get away without a survey. The Group will urge the Ministry to take a view on this vexed issue.

3 BPL Census – past record

As already stated, the identification of poor constitutes a critical component of poverty alleviation since these are the families who are targeted for central and state assistance for the income and employment generating anti-poverty programmes and also the social welfare programmes. At present the State Governments identify the poor households as per the guidelines issued by the Ministry of Rural Development of the Government of India. Hence it is vital to analyse how these surveys were done in the past, and why there was a need to change the methodology every five years. We describe below the results of various Surveys done on instructions issued by MoRD on this subject from time to time.

The Integrated Rural Development Programme (IRDP) was launched in October, 1980 in all the blocks of the country as an instrument of poverty alleviation in the rural areas. Under IRDP, the approach was to assist the poorest of the poor rural families first and the target group was the rural families having annual income below the cut off line of Rs.4800/-. But families with an annual income upto Rs.3500 were supposed to be assisted first. Registers were maintained at the village level for recording persons identified to be under the poverty line as defined by the Planning Commission in monetary terms. There was no systematic survey or Census to prepare the BPL list.

However, the implementation of the programmes brought to surface large-scale evidence of beneficiaries who were either ineligible or were comparatively better-off, receiving the assistance under the programme. An evaluation study on the IRDP conducted by the Programme Evaluation Organization (PEO) of the Planning Commission in the early 1980s also lends credence to such views. The feedbacks received through the concurrent evaluation of programmes of IRDP were also similar and had shown that a significant part of the benefits of the programme had gone to either ineligible categories or to the non-poor. In addition, the distribution of beneficiaries at the village level was uneven and sometimes the most eligible families were left out from the list of BPL families. The studies also revealed that a number of poor families were left out from the list of potential beneficiaries of poverty alleviation programmes particularly those living in outlying hamlets of the villages, nomadic families and women headed households. Moreover, there was very little convergence in the beneficiaries of different programmes even of the Ministry. This brought out the importance of employing scientific measures to identify the poor families in the rural areas, so as to get a precise idea about their location, occupation and related characteristics, besides their actual numbers.

3.1 BPL Census 1992

In 1992, for the 8th Plan a detailed procedure was prescribed by the Ministry to identify BPL families in the rural areas. The 1992 survey used income as criterion, and guidelines were issued to assess the annual income of the family; the annual income cut-off was Rs 11,000 per household, below which all were poor. The BPL families were classified into income ranges of Rs 0-4000, Rs 4000-6000, Rs 6000-8500 and Rs 8500-11000.

The identified poor families through the lens of this survey far exceeded the poverty ratio estimated by the Planning Commission. The number of poor identified in the BPL survey was almost twice of that estimated from the poverty ratio estimated by the Planning Commission. Besides, there was a mix-up of poor and non-poor as a

result of the switch over from consumption to income to track the level of living of the population.

Then, the problem of family based fixed poverty line (of Rs 11000 per family per year) created problems for large families with small income per head resulting in exclusion of ostensibly poor families from the BPL Group. A problem of the opposite kind was encountered with the smaller families with relatively large income per head leading to inclusion of non-poor families in the BPL Group. In effect, both these resulted in the mix-up of poor and non-poor.

Therefore in the 1997 Census the income criteria was dropped, since it was felt that there is always an inherent bias among the population to under-estimate income so as to be included in the target group.

3.2 BPL Census for the Ninth Plan (1997-2002)

The procedure of conducting the BPL census was changed in substantial measure from that employed in 1992 (in the Eighth Plan) in three major ways. First, the criterion for determining the cut-off point was changed from income to consumption. Second, the concept of poverty line used in the census was changed from the household to person basis. Third, before administering the questionnaire to figure out the level of consumption of the household, a set of exclusion criteria was applied to summarily eliminate the ineligible families so that adequate time and space could be ensured to precisely estimate the level of consumption of the potentially poor families.

In practice, the BPL census in 1997 was conducted in two stages. First, on the basis of several exclusion criteria such as, threshold level of income and ownership of land, building, consumer durables and agricultural implements some families are declared as non-poor. Five exclusion criteria were used:

- i. whether operating more than 2 hectares of land;
- ii. whether having a pucca house;
- iii. whether any resident member of the household has an annual income from salary/self-employment exceeding Rs 20,000 per annum;
- iv. whether the household owns the following consumer durables: tv, refrigerator, ceiling fan, motorcycle/scooter, three-wheeler; and
- v. whether the household owns the following farm implements: tractor, power tiller, combined thresher/harvester.

These exclusion criteria were used for weeding out those families for the Census which were prima facie not poor.

In the second stage, the total consumption, both purchased from the market and home grown, are gathered from the remaining families (who are not declared as non-poor by the exclusion criterion) by interview method. This total consumption of the family is divided by the total number of persons in the family, treating all the members, adult, adolescent and children as identical units. This yields the per capita consumption of the family. This per capita consumption of the family is compared with the poverty line (worked out at the state level by the Planning Commission using the Expert Group methodology and used to derive the official estimates of the poverty ratio), and the family is counted in the BPL group if its per capita consumption is within the norm set by the Planning Commission.

The BPL Census adopted in the Ninth Plan was criticised mainly due to the application of the exclusion criteria. For example, possession of a ceiling (electric) fan⁶ declares the family as non-poor, in other words, makes the family ineligible for BPL benefits. It must however be stated that except for using the criteria of electrical fan and two ha of land (which could be quite unproductive in a few regions of India) for exclusion, the other parameters for exclusion were sound. The criticism was mainly articulated by the rich and powerful rural lobby through the elected representatives because the exclusion criteria made it difficult for them to enter the list. Its removal must have facilitated their entry, as the NSSO 61st round data for 2004-05 shows that 16.8 per cent of the richest quintile and 30.5% of the next richest quintile possessed BPL cards.

3.3 BPL Census for the Tenth Plan (2002-07)

The Ministry of Rural Development constituted an Expert Group on identification of BPL households, which comprised of professionals, academicians, senior bureaucrats and the State Government officials directly engaged in the implementation of poverty alleviation programmes in the rural areas. The Expert Group recommended the methodology of Score Based Ranking (SBR) of each household indicating their quality of life. Thirteen socio-economic parameters including size of land holding, type of house, availability of clothes, food security, sanitation, literacy, means of livelihood and indebtedness, reflecting the quality of life of the rural population, were identified to get an idea about the level of living of the families. Table 6 lists the questions in the household questionnaire that were used to identify the poor in 2002. For each question, the enumerator was supposed to tick one answer. For the first answer the score given was 0, for the second it was 1, for the third it was 2, for the fourth 3, while for the fifth answer the score was 4. The maximum score would be 52 for the 13 questions taken together. The cut-off for BPL category was determined by the numbers as given by the Planning Commission's estimates for poor in the state concerned. In other words, there could only be as many poor as the Planning Commission had estimated. Naturally, the cut-off for determining those who would be identified as poor were going to be different in each state. In most cases, the cut-off was between 16 and 25.

Table 6: Indicators used for identification of BPL in Census 2002

- | | |
|-------|---|
| 1 | <u>Land Holdings (tick ✓ one and indicate score)</u> |
| (i) | Nil holdings |
| (ii) | Less than one ha unirrigated or 0.5 ha irrigated |
| (iii) | More than one and less than 2 ha unirrigated or 0.5 to 1 ha irrigated |
| (iv) | More than 2 ha and less than 5 ha unirrigated or 1.0-.2.5 irrigated |
| (v) | More than 5 ha unirrigated or more than 2.5 ha irrigated |
| 2 | <u>Type of House</u> |
| (i) | Houseless |
| (ii) | Kutchha |
| (iii) | Semi Pucca |

⁶ According to NSS Report number 509, the percentage of rural families possessing electrical fans in 2004-05 varied from 10 per cent in poorer states to about 70% in better off states. It is likely that a greater percentage of these are table fans, and not ceiling fans, which need cemented roof. The possibility of a family that is poor on other counts but still possessed a ceiling fan in 1997 would perhaps be negligible, in our opinion.

- (iv) Pucca
- (v) Urban type

3 Availability of Clothing

- (i) Less than two pairs
- (ii) More than two pairs but less than four
- (iii) More than four pairs but less than six
- (iv) More than six pairs but less than ten
- (v) More than ten pairs

4 Food Security

- (i) Less than one meal per day in major part of the year
- (ii) Normal one meal but sometimes less
- (iii) Normal one meal throughout the year
- (iv) Two meals per day and occasional shortage
- (v) Enough food

5 Sanitation

- (i) Open defecation
- (ii) Group latrines with irregular water supply
- (iii) Group latrines with regular water supply
- (iv) Group latrine with irregular water supply and sweeper
- (v) Private latrine

6 Ownership of consumer durables viz. TV, Electric Fan, Kitchen appliances, Cooker, Radio etc.

- (i) Nil
- (ii) Any one item
- (iii) Two items only
- (iv) Any three
- (v) All items

7 Literacy status of highest literate

- (i) Illiterate
- (ii) Upto primary
- (iii) Completed secondary/passed 10th
- (iv) Graduate/Professional
- (v) Post Graduate/Professional

8 Status of Household Labour

- (i) Bonded labour
- (ii) Women & Child labour
- (iii) Only adult female and no child labour\
- (iv) Adult males only
- (v) Others

9 Means of livelihood

- (i) Casual labour
- (ii) Subsistence cultivation
- (iii) Artisan
- (iv) Salary
- (v) Others

10 Status of Children

- (i) Not going to school and working
- (ii) Going to school and working
- (iii) Nil
- (iv) Nil
- (v) Going to school and not working

11 Type of Indebtedness

- (i) Daily consumption purposes from normal sources
- (ii) For production purposes from normal sources
- (iii) For other purposes from normal sources
- (iv) Borrowing from institutional agencies
- (v) No indebtedness and process assets

12 Reason for migration

- (i) Casual work
- (ii) Seasonal employment
- (iii) Other forms of livelihood
- (iv) Non-migrant
- (v) Other purpose

13 Preference for Assistance

- (i) Wage employment
- (ii) Self-employment
- (iii) Training and skill up gradation
- (iv) Housing
- (v) Loan/Subsidy more than Rs. One lakh or no assistance require

3.4 Issues related to the Census 2002

Therefore, focus in the BPL Census 2002 was shifted from income or consumption to socio-economic indicators of well-being. This method did not use the poverty line (used in the Seventh Plan, 1985-90 and in the Eighth Plan, 1992-97) or a mix of poverty line and exclusion criteria (used in the Ninth Plan, 1997-2002), and did not yield the estimate of percentage of households living below the poverty line (arrived at in the Eighth and Ninth Plan). In brief, the Score Based Method does not use the poverty cut-off point and also does not quantify the number of poor families. It concentrates on the attainment of (or the failure to attain) several socio-economic indicators, which governs the well-being of the population and ranks the households as per their access to these indicators. The State Governments who actually conduct the census were allowed freedom to select the bottom most families of the poor households such that the total percentage of families selected is in consonance with the number of poor estimated by the Planning Commission.

However in most cases they selected far more households than the cut-off line. Several State Governments raised objections to the cap on the total number of BPL households to be identified. The cap poses problem for the state governments as the database of BPL Census is used by them to select beneficiaries in other Centrally Sponsored Schemes and also State Sector Schemes. As a result, a number of States

expressed their difficulties in restricting the number of BPL households to the limit fixed by the Planning Commission estimated poverty ratio.

3.5 BPL Census 2002 – A critique

These criteria have been widely and bitterly attacked, by rural poor people and their organizations, scholars, and by NGOs on a number of grounds. First, a number of parameters in the score based methodology, such as provision of toilets in the rural houses, housing, and education status of the children of the rural families, are likely to disincentivise the rural families from accessing these benefits for the fear of being excluded from the BPL list. Two, as no panchayat-wise quota was fixed, most panchayats recommended a large number of names, and many of them were deleted at higher levels and substituted by the names of those who had political or bureaucratic clout. Panchayats/gram sabhas had power to recommend but did not have the final decision making authority. Thus the whole process was top-down, opaque and encouraged corruption. Three, on some parameters such as availability of clothes, food security, preference for assistance, etc. it is difficult to capture these deprivations in an objective manner. The criteria for identifying BPL households should be of a directly verifiable and observable nature. Most of the 13 criteria, on the other hand, are such that cheating or giving false answers cannot be easily checked. Four, when the poor represented against non-inclusion they were told that the list was full and they had to wait till someone died. And lastly, the requirement for staff for doing a comprehensive survey was not worked out with the result that often in actual practice no detailed survey was done, and survey sheets were filled up within the office itself.

We will deal very briefly with each question in the list of 13 in turn, and some of the obvious difficulties with each:

Land holdings: The question on land holdings does distinguish between irrigated and unirrigated land, but it does not distinguish between land irrigated as a result of private investment (for example a privately dug tubewell) from a publicly irrigated piece of land. Secondly, the question makes no provision for distinguishing land by its quality, which goes beyond the issue of irrigation.

Type of house: For nearly two decades governments, both central and state, have been providing BPL households with houses either under IAY or State government programmes. How these families will be accounted for – given that despite being poor they now have pucca houses – is a question that requires serious thought.

Availability of clothing: This question investigates whether a person owns less than two pair of clothing at a minimum, increasing up to “more than 10 pair”. This question is flawed for several reasons. First, in colder climates more clothing is required than in warmer climates. Second, it is unclear from the question whether under garments are counted among clothing or not. Answers to such question are bound to lead to very unclear outcomes, as answers cannot be verified easily.

Food security: This question is comparable to the NSS question on “whether a family gets two square meals a day”. Even if all the members of a household eat two meals per day there may be serious problems with the quality of the meal, as reflected in the calorie intake and protein intake per meal. Moreover, there is no way the answer to the question will reveal how the food is being shared between the man in the household on the one hand, and the women & girls on the other.

Sanitation : This question encourages perverse behaviour. This kind of question would discourage families from actually investing in a private toilet.

Ownership of consumer durables: Possession of a TV requires a much higher purchasing power than possession of an electric fan or radio. Therefore simply counting, as the BPL Census questionnaire does, whether the household has any such item or “all items” is not a meaningful exercise.

Literacy status of highest literate: Once again this provision perversely places at a disadvantage a poor family which has sacrificed money and the opportunity costs of child labour earnings to send a child to school.

Status of household labour: This question does not address the problems that in most rural households women and children work along side the adult male on the family farm. In any case, it is unclear how the investigator will ascertain that only the adult male in the house hold is working, while the woman and children are not.

Means of livelihood: This question asks whether means of livelihood is casual labour (zero points), or subsistence cultivation (1) or artisan (2), or salary (3), or others (4). This question simply fails to understand that the poor always have multiple sources of livelihood, and members of a household are likely to be engaged in different kinds of work, and even the same individual may engage in different kinds of work and derive income from those sources at different times of the year. In other word it is impossible for household, while answering the question, to merely tick one of the five listed answers to the question.

Status of children: As with the question on literacy, the answer to this question would be either perverse or not meaningful if it encourages parents to force the child to not go to school and only work, simply because it would entitle them to zero point and hence increase the chances of the household being counted as BPL.

Type of indebtedness: The poorest people lack assets, which can be used as collateral, and hence are unable to borrow. But this question gives the highest score “4” to the household that is not indebted. In another words, the poorest household might end up getting four points and thus rule itself out of the BPL category.

Reason for migration: This question does not distinguish households from which only one member has migrated from those from which more than one member might have migrated, it is entirely unclear why the reason for migration should merit different scores for the purposes of determining whether a family is BPL or not. Fittingly, the West Bengal Govt. excluded the criteria in its rural survey.

Preference of assistance: This question is also among the most meaningless among the all criteria. It does not attempt to establish the current status of a household in respect of a particular tangible attribute of well-being, but rather interrogates whether the household would like to receive assistance in the form of wage employment (zero) or self-employment (1) or training (2) or housing (3), or loan more than rupees one lakh (4). People will cheat and give wrong answers to get a favourable score.

Another problem with this method is that this procedure establishes, in effect, cardinal equivalences across what are essentially ordinal rankings of alternative status of households in respect of individual indicators. In other words, not having one square meal a day throughout the year is treated equivalent to open defecation or not possessing electrical appliances. (Himanshu 2008, Counting the poor: some methodological issues, epw, Sep 24).

What has been the track record so far of the three BPL surveys (1992, 1997 and 2002) conducted? Though the number of proxies has gone from one in the 1992 survey to 13 in 2002, the errors of exclusion and inclusion remain above acceptable limits. Errors of exclusion are those that misclassify the poor in the non-poor category, while errors of inclusion include the non-poor in the poor category.

These errors can be calculated using the 61st round (2004-05) of consumer expenditure data of the National Sample Survey Organisation. The 61st round has, for the first time, included a question on possession of BPL cards by households in rural areas. It also included questions on possessing durable assets. With this, and other household characteristics, it is possible to construct BPL scores using the same indicators used in the official BPL census.

Table 6: Possession of ration cards by type, and socio-economic status, 2004/05

	% of HH that possess ration card	% of HH that possess BPL card	% of HH that possess APL card	% of HH that possess AAY card
Poorest	77.3	44.2	28.2	4.9
Q2	81.6	40.5	38.4	2.7
Q3	83.3	40.0	41.6	1.8
Q4	84.9	30.5	52.7	1.7
Richest	87.5	16.8	70.1	0.6
Rural	84.8	38.7	43.2	2.9
Urban	78.8	20.8	57.0	1.0

A simple cross-tabulation of the status of a household using the two methods suggests that only 39% of the households identified as poor using the official poverty estimation methodology of the Planning Commission possess a BPL or Antyodaya card.

This means that 61% of households—who are poor on the basis of their consumption expenditure being less than the official poverty line—are excluded from the net of BPL census. On the other hand, 25% of the households belonging to the non-poor category by consumption expenditure poverty method possess BPL or Antyodaya cards (Himanshu 2008).

One of the important features of the guidelines issued for BPL census 2002 was to put the ceiling on the number of BPL households to be identified in conformity with the poverty estimates of Planning Commission. Originally, the States were asked to identify the number of BPL families in such a manner that it should be equal to the Poverty Estimates of 1999-2000 of Planning Commission. However, subsequently the States were given the option of deciding the total number of BPL households equal to the Poverty Estimates of 1999-2000 or the Adjusted Share computed by the Planning Commission, whichever is higher. In addition, the States were also given the flexibility of another 10% to account for the transient poor.

Some State Governments raised objections to putting a cap on the total number of BPL households to be identified. This problem has arisen primarily because this database of BPL Census is now being used by the State Governments for other Centrally Sponsored and State Sector Schemes also. Therefore, a number of States had expressed their difficulties in restricting the number of BPL households in their

State to the limit fixed by Planning Commission and also to the number identified on the basis of BPL Census 1997. Therefore, the number of BPL households identified by the State Governments has not been in line with the official poverty estimates of Planning Commission.

Given the variety of problems that have arisen with the 2002 Census, it has been felt that it is necessary to completely revise the criteria for identifying the poor.

4 Identification of rural poor households

4.1 *Automatic exclusion*

The basic approach to identifying rural poor households proposed by the Expert Group is three-fold: (a) To identify the few who need to be automatically excluded; (b) to ensure that the poorest and most vulnerable sections who would otherwise get left out are automatically included; and (c) to grade the rest of the households and identify the poorest amongst them so that the total number of the poor {including (b)} is the same as conveyed to the panchayat by the district authorities. This approach will facilitate programme delivery and direct targeted schemes to those sections of the poor who need these services the most.

It is proposed that some of the most transparently powerful categories of rural households – economically, socially and politically – be automatically excluded, so they would not be surveyed, and thus will not be able to edge their way into the BPL lists. The exclusion criteria would automatically exclude those households that have at least one member working in the formal economy, either in the public or private sector. This is because they constitute barely 7% of the nation's population, and by definition they do not experience the kind of vulnerability to exogenous shocks that we are trying to capture here. In other words, we are concerned exclusively with those who toil and subsist without any social security in the informal or unorganized sector of the economy. However, 93% of the workforce is in the unorganized sector, so we must have a variety of filters to clearly identify the poor, through directly verifiable and observable characteristics (to make for administrative ease and convenience) – so they are not amenable to easy manipulation by the local elite.

To begin with, the households which fulfil any one of the following conditions will not be surveyed for BPL status:

- a) Families⁷ who own double the land of the district⁸ average of the agricultural land per agricultural household⁹ if partially or wholly irrigated (3 times if completely un-irrigated).
- b) Families who have three or four wheeled motorized vehicles, such as jeeps, SUVs, etc.
- c) Families who have at least one mechanized farm equipment, such as tractor, power tiller, thresher, harvester, etc.

⁷ This clause will not be applicable to STs because of the problem of land alienation.

⁸ If a state so desires, this could even be calculated at the block level.

⁹ To calculate the district average one should divide the total gross cultivated land by the number of agricultural households who own some land. Thus the denominator should not include the landless households.

- d) Families who have any person who is drawing a salary of over Rs. 10,000 per month in non-government/ private organizations or is employed in government (including para-statal) on a regular basis with pensionary or equivalent benefits.
- e) Income tax payers

In case any state may wish to add to the above indicators for exclusion, they may be permitted to do so. For instance, those owning a two-wheeler (less than 8% of rural households own these, according to NSSO), or a running borewell may also be excluded as per the discretion of the state government.

According to the 59th round (for the reference year 2003-04) NSSO data, the distribution of land in rural India was as follows.

Table 7: Ownership of agricultural land in rural India

Ownership in ha	% of households	% of land owned
No land	31.0	Nil
< 1	49.1	22.9
1-2	10.8	21.3
2-5	7.0	30.0
>5	2.1	26.5
	100	100

Since land distribution is highly skewed, the formula suggested above will exclude far less than 8 per cent households. Moreover we are calculating district averages, which take into account that land in some districts is unproductive, and therefore one should not use the absolute land holding for exclusion. The 1997 survey had made the mistake of excluding all owning more than two ha of land. However there is no possibility of any poor getting left out in the formula that we have suggested here.

According to NSSO Report 509, the percentage of households possessing motor cars or jeeps in 2004-05 was less than one per cent in rural India in most states, except in Haryana, Punjab, and Kerala where it was between 3 to 5%. A suggestion was made to exclude those owning cell phones, but we have not agreed with this, as the cost of such phones is declining fast, and many SHG groups use cell phones to promote their business.

To sum up, since it is the responsibility of the Expert Group to make the exercise of the BPL Census administratively less time consuming, simple and convenient, it was considered expedient to exclude a set of people who are visibly above the poverty line, and who otherwise put a great deal of pressure on the official machinery to get themselves included as BPL.

4.2 Automatic inclusion

The chronically poor tend to remain in poverty for much of their lives, passing on the tragic legacy of deprivation and exclusion to their children. Estimating the numbers of the chronically poor is fraught with difficulties. The experience with earlier surveys that the most poor are ironically often excluded from BPL survey lists, because of their social, economic and political powerlessness. What is even more

distressing is the fact that a large number of them are not in any list - not even APL- and these must be the voiceless people living in remote and isolated hamlets, where roads do not exist, and for various reasons administration has decided to ignore them.

Their exclusion goes beyond stark numbers and there is enough evidence to show that it is intrinsically linked to caste, gender and social inequity, and ownership of assets like land. People may be barred from access to food and livelihoods even if it is locally available and they have the economic means. They face insurmountable social barriers to food and livelihood security which may include gender, caste, age, ethnicity, disability or stigmatised ailments. Herein lie the foundations for the several social categories in our criteria for necessary inclusion. Their economic deprivation further derives from lack of productive assets like land and water, and access to credit.

In summary exclusion errors from BPL lists frequently reflect the powerlessness of the most vulnerable and are a direct function of their weak political bargaining power as a collective entity in a democracy. Our inability to include them in State programmes in the last sixty years is a severe indictment of public policy and its implementation. To address this, the Expert Group, therefore, felt it was imperative that the foremost task remained that of ensuring their automatic inclusion as clearly defined social and economic categories.

We propose firstly the inclusion of destitute households which are dependent predominantly on alms for survival. The destitute who are forced to live by alms are transparently the poorest of the poor, and usually include old people without caregivers, disabled and infirm adults and single women. The term 'destitute' is applied to the poorest of the poor. Barbara Harriss-White notes that destitution has distinct social, economic and political aspects¹⁰. People who are destitute have no access to property, possessions, or the opportunity to earn income by applying their own labour¹¹. The situation is further aggravated by anti-poor laws such as those that ban begging, thus disenfranchising the destitute of their last recourse to some level of income. Harriss-White thus notes 'Destitution is not simply a serious condition of extreme deprivation, illegitimacy and/or invisibility before the state... The laws affecting destitution exacerbate it'¹².

'Primitive' Tribal Groups (PTGs) were so identified on the basis of their pre-agricultural level of technology, low levels of literacy and low or declining population levels. The present condition of PTGs bears little difference from earlier times due to failures of state policy towards them. The increasing dispossession of PTGs from forests by the timber mafia and the government on which they are dependent, the regulatory framework and their alienation from their traditional systems of livelihood coupled with their exclusion from mainstream governance systems has led to the increased vulnerability of PTGs. This is accompanied by chronic hunger. Reliance on private moneylenders intensifies the situation. Some state governments also have specifically designated 'Most Discriminated Dalit Groups' or Maha Dalits. These

10 Harriss-White, Barbara 'On the Street: Destitution'. Available online at <http://www.id21.org/insights/insights46/insights-iss46-art07.html> accessed June 2009.

11 *ibid*

12 Harriss-White Destitution in India Paper presented at the Conference Inequality, Poverty and Human Well-being Helsinki, Finland, 30-31 May 2003. Available online at <http://website1.wider.unu.edu/conference/conference-2003-2/conference%202003-2-papers/papers-pdf/Harriss-White%20260303.pdf> accessed June 2009

include some of the most dispossessed communities in the country like the Musahars of Bihar and UP.

We also propose the automatic inclusion of single women (who is either a widow, deserted/separated, divorced, or is above 35 years of age and is unmarried) and their dependents. In a predominantly patriarchal society where a woman's legitimacy derives from her dependency on a male, a 'single' woman who transgresses this norm is considered deviant from social norms and faces exclusion. This perceived transgression may arise for a number of reasons, from voluntary separation to widowhood. Women who exist within the traditional patriarchal framework of control are not however, exempted from inequities. Intra-household dynamics often result in the woman being denied access to property and adequate food, in spite of her special nutritional needs during the process of childbirth. Furthermore, in spite of the fact that female headed households are growing in number, economic deprivation exists as a consequence of social exclusion and gender discrimination. Widows and older women especially face neglect and hardship. The powerlessness and marginalisation of single women is made evident by the fact that single women consume less than 90 per cent of the minimum calorie norm than married women¹³. Currently food security schemes fail to address the needs of single women within the existing framework. The TPDS for example ignores intra-household inequities. Ration cards are usually in the name of the man, and in the case of separation the wife does not have access to a card.

We include also households with disabled persons as bread-earners. People with disabilities face invisibility in policy space as well as everyday life. While methodological and definitional ambiguities amongst various surveys make it difficult to accurately estimate the number of people living with disabilities in India, surveys conducted all suggest a significant number of the population as being disabled. Identified by what they are perceived to be lacking, differently abled people are socially constructed as being unable to make any sort of meaningful contribution, accompanied by the attendant social and economic exclusion, more so in the case of certain disabilities such as leprosy or membership in the traditionally socially ostracised groups. The question of poverty is intricately tied up in the question of disability, being both a cause and consequence. While poverty may increase disability due to lesser access to nutrition, health care, immunisation and physical security, disabled people often experience higher levels of poverty. There are high chances of impoverishment in families in which either the bread winner or a dependent is disabled and that a large proportion of proportion of households with self-reported disabled members were below the poverty line, have fewer assets, smaller land holdings, and greater debt than other households¹⁴. People living with disability have greater needs than others of health care, basic needs, accessibility and transport, but lower earning capacity deriving from their impairment and lack of access to opportunities, in spite of their keen desire to work. The cost to care-givers is also high in such situations as often an adult member has to miss work to care for the disabled members.

Households headed by a minor are usually defined in terms of households wherein every member of the household is below 18 years of age, child-headed household

13 NSSO 61st Round cited in Mander, Harsh 'National Report on Social Exclusion'

14 Elwan, Ann (1999) Poverty and Disability: A Survey of the Literature, Social Protection Unit: The World Bank

framework may also refer to independent groups of children, children living with incapacitated adults, or groups of unrelated children living together¹⁵. MacLellan observes that a situation where children have to take on the responsibility of looking after themselves and others incurs 'a definite loss of rights for at least one of the members of the household – the one who heads it, the one who earns money, who makes the decisions, and who, at the same time, should be in the care of adults'¹⁶. Given the extreme vulnerability of this category of persons, in terms of financial, social and psychological requirements, there is a need for support systems to be put in place to alleviate their distress. Solange Rosa notes that providing child-headed households with financial assistance in the form of social grants is imperative to address some of the issues they face. At present, children may not apply for social assistance due to the absence of an adult caregiver who can apply for assistance¹⁷.

In situations where the homeless are denied access to legal documents such as ration cards, this already marginalised group of people face further hardship resulting from their inability to access government schemes and services. In the absence of access to nutritious food, they are forced to beg, depend on charity or forage for whatever food they can get.

Though bonded labour has been outlawed¹⁸ by the Indian state, and its existence denied in official spheres, bonded labourers continue to exist. It is concentrated however, amongst Scheduled Castes and Scheduled Tribes, who together account for 86.6 per cent of bonded labourers in India. The bonded labour system is based on feudal social relations and the caste system. While there are far more men than women employed as bonded labourers, the economic burden of running a household falls solely on the partner who is not bonded. This perpetuates a cycle wherein to meet needs the spouse ends up taking a loan from the employer of the bonded family member and is thus further drawn into the system. Heavy debts, compounded rates of interests and the exploitation of the illiterate bonded labourer by the landlord ensure that families whose members are engaged as agricultural bonded labourers remain trapped in the system. In the case of migrant bonded labourers engaged in the informal sector, the short term nature of their stay in a region requires that they pay back their loans within a stipulated period, which results in them working for very long hours with little rest. While individuals and families enter into bondage to combat short term food security needs, in the long run bonded labour results in them slipping into even greater levels of food insecurity, with the food provided during the period of bondage being poor in quality and quantity, most usually lacking in any sort of nutritive value.

15 Marion MacLellan Better Care Network, Child Headed Households: Dilemmas of Definition and Livelihood Rights last viewed June 2009
<http://www.childjustice.org/docs/maclellan2005.pdf>

16 Marion MacLellan Better Care Network, Child Headed Households: Dilemmas of Definition and Livelihood Rights last viewed June 2009
<http://www.childjustice.org/docs/maclellan2005.pdf>

17 Rosa, Solange Accessed in June 2009
<http://www.ci.org.za/depts/ci/pubs/pdf/rights/facts/CHH%20working%20paper.pdf>

¹⁸ One member argued that one should not collect data on bonded labour because the practice does not exist in government records. This argument does not make any sense. Marriages below the age of 18 are illegal, and yet government through NFHS came up with a figure of more than 50% marriages of girls taking place before the age of 18, when the legal age for marriage is 18 years.

To sum up, the following would be compulsorily included in the BPL list:

- Designated 'Primitive Tribal Groups'
- Designated most discriminated against SC groups, called 'Maha Dalit Groups', if so identified by the state
- Single women headed households
- Households with disabled person as bread-earner
- Household headed by a minor
- Destitute households which are dependent predominantly on alms for survival
- Homeless households
- Any member of the household is bonded labourer

4.3 Survey of the remaining rural households by scoring

As already stated, the districts reporting more than 80% poverty will be asked to exclude the non-deserving households as determined by the procedure enumerated in section 4.1, and for the rest there will be no survey. The provisions of section 4.2 and 4.3 will not apply to them, as after exclusion all have been selected in the BPL category. For the other districts, the suggested principles for scoring are explained below.

The survey will include all households in the village except those that are excluded or included automatically by the criteria listed in the preceding paragraphs. It will rank families according to the scale and weightages given below. For the Ministry of Rural Development we have already suggested in section 2.1 that the number of poor households be indicated to each panchayat so that they behave in a responsible manner and not be carried away by populism, and conveniently include most of the people and even those who are decidedly much above the poverty line, thus denying inclusion of the really deserving cases. As regards other Ministries/Departments which use the list we strongly advise that for the sake of administrative simplicity and good governance at least GOI Ministries should fall in line with the RD procedure, and accept the BPL list so prepared by the panchayat / districts using these Guidelines.

The major learnings from the failures of earlier method to identify rural poor families are as under:

1. The methods and criteria selected may not be the one that is theoretically the most rigorous and sophisticated. We need to select methods and criteria which have the best chance of being accurately executed by the government staff on the scale that is required, possibly the largest census to identify poor families conducted anywhere in the world. We should also remember that the total staff time that would be made available by the state governments to such a census would be far less than what is needed or what is available for the decennial census. The fact that Ministry will have no control over such staff further complicates the issue. Therefore the criteria for identifying the BPL households should be extremely simple, clear, pertinent, least time consuming for completion, and easily understood, and not subject to multiple interpretations. They should

also lend themselves to least discretion on the part of the enumerator, because discretion can easily lend itself to opportunities for corruption.

2. The methods should be transparent and verifiable, in that they should be easily manifest to the enumerator and lend themselves to being checked by neighbours in the village.
3. The criteria selected should be relevant and pertinent for the purpose of the census, namely to identify households which are economically and socially most vulnerable and deprived.
4. The criteria should not create disincentives for positive progressive actions by poor households, such as sending children to school or building toilets in their homes.
5. The criteria should not be insensitive to cultural practices of disadvantaged communities. For instance, the assumption that eating non-vegetarian food is a sign of prosperity excludes dalits, tribals and Muslims, and includes upper caste Brahmins. We should avoid such prejudicial hypotheses.
6. The criteria should be respectful of the principle of affirmative action enshrined in the Constitution and law, such as towards SCs, STs, women, children and minorities.

The proposed scoring for the ranking on a scale of ten is as follows:

- SC/ST: 3 points; Denotified Tribes, and Designated 'Most Backward Castes': 2 points; Muslim¹⁹/OBC: 1 point.
- Landless agricultural worker: 4 points; agricultural labourer (with some land): 3 points; casual workers²⁰: 2 points; self-employed artisans or self-employed fisher folk (including those employed by others in such professions): 2 points.
- No adult (above thirty²¹ years of age) has studied up to class 5 in the household: 1 point
- Any member of the household has TB, leprosy²², disability, mental illness or HIV AIDS: 1 point.
- Household headed by an old person of age 60 and above: 1 point.

Those achieving highest marks would be included first, followed by the next high score, and so on, till one reaches the number to be identified by the panchayat. It is likely that on a scale of 1 to 10, a large number of families would get the same score. Some members felt that it may create operational problems for providing assistance

¹⁹ Some members suggested that Muslims should be ranked above the OBCs. We leave this issue to government to take a view.

²⁰ A household that does both, agricultural labour and casual work, would be classified as agricultural worker.

²¹ We have suggested thirty years, and not 18. The reason is that our list is to remain valid for ten years, and boys and girls in the age group 8-17 who are now studying will become more than 18 during the period of next ten years, and will thus see education as disincentive to their status, in case the cut-off age is 18 years.

²² We have chosen such diseases which generally afflict the poor, and carry stigma with it.

under various programmes and suggested that families may be ranked on a scale of 100 instead of 10. The Expert Group however decided in favour of the top score of 10 because the scheme has to be so simple that everyone in a village could calculate his/her own score even before the survey. Increasing the score to 100 would require adding more indicators than five which are suggested here, and it would lead to the same kind of problems that were encountered with the 13 point survey of 2002.

As regards many households getting similar marks, the Special Category Group such as SC/ST may be placed at the top, followed by landless agricultural labourers in the sequence. Thus the priority amongst households with the same marks will be as follows:

1. SC/ST landless agricultural labourers
2. Other landless agricultural labourers
3. SC/ST agricultural labourers (with some land)
4. Other agricultural labourers (with some land), and so on

While the ranking of households with similar scores is suggested above, a point was made that this ranking within a given score should be only indicative, and the Gram Sabha should have the authority to exercise its judgement in giving a higher priority to a particular household, if local conditions so demand. This is a valid point, and we leave it to government to take a view on this.

The rationale for suggesting weightages for different indicators is explained below.

The inclusion and scoring criteria use a multiple of principles for identifying the poor. There are essentially three inclusion criteria:

- workers in low income-yielding, undignified, unsafe or highly vulnerable (to exogenous shocks) occupational categories,
- households where the bread-earners' working (and earning) capacity is significantly compromised by constraints over which they have no control;
- households subjected to social exclusion on the basis of their ascribed status in historically disadvantaged groups, which we call affirmative action categories.

The occupational categories are in some ways self-explanatory since most of the members in this category listed by us relate to wage work in agriculture, which is the principal occupation for the poor in rural areas, and is least paying as compared to non-farm rural work. In addition, there are those residing in forests or close to heavily-forested areas that are dependent mainly upon forest products for acquiring their food, and thus again quite vulnerable. Gathering from forests will be treated as agricultural labour and will earn four points if the household has no land, and three points if the household has some land. Inclusion of the self-employed artisan may require some explanation; quite often they will have limited land, and in a rapidly modernizing economy face competition to their craft from manufacturing industry that is gradually making their earnings highly vulnerable. They along with casual workers such as on brick-kilns or in secondary and tertiary sector will get two marks.

Scheduled Castes and Scheduled Tribes²³ constitute a sizeable proportion of India's population (16.2 per cent and 8.2 per cent respectively). However in terms of socio-economic indicators, both of these categories lag behind, an indication of the inequities facing this section of the population. In the case of SCs, caste-based discrimination results in social and economic exclusion. In spite of constitutional safeguards having been put in place, the high unemployment rates and landlessness of SCs has resulted in economic deprivation. While the caste system is not traditionally an aspect of the social structure of Scheduled Tribes, a historical overview of the condition of STs in India would reveal the injustices they have been subjected to, in terms of displacement without adequate rehabilitation, alienation from their land and consequently their habitation and livelihoods, and progressively restricted access to progressively depleting forests. Legislations passed tend to favour the state and commercial interests rather than the STs in whose name they are proposed.

The Sachar Committee Report of 2006 points towards the status of Muslims in India²⁴. In terms of employment, consumption, educational status etc., the Muslim community is seen to be lagging behind with respect to the rest of the population. Worker population ratios are significantly lower for Muslims than other communities, this difference is even more striking in the case of Muslim women. Employment is concentrated in self-employment related activities. As employees Muslims are seen to be largely employed as casual labourers, and the participation of the Muslim community in salaried jobs in urban areas is especially low, even when juxtaposed against the position of traditionally disadvantaged groups such as SCs/STs. Muslim regular workers are seen to get lower salaries in both public and private jobs compared to other socio-religious categories. Their access to social security and benefits is also limited. The incidence of poverty among Muslims in urban areas is seen to be the highest, with a Head Count Ratio of 38.4 per cent. In terms of consumption expenditure as well, Muslims are seen to have much lower levels than the all-India figure, more so in the case of urban areas. The lack of Muslim participation in the political space and governance has negatively impacted the access of this community to government schemes and programmes such as the ICDS and Mid-day Meal Scheme.

The Most Backward Castes refers to those castes designated by the First Backward Classes Commission 1955 (Kalekar Commission) as most backward. The Most Backward Castes numbered 837 in all out of the 2399 castes denoted as backward castes. The category of Other Backward Castes is defined in terms of a set of criteria laid down by the National Commission for Backward Classes which list social, economic and educational guidelines for inclusion in the list.

A framework which takes an instrumentalist position and values people for their human capital value fails to recognize the older population as significant members of society given their 'non-productive' status. While with improvements in the life expectancy the population of the elderly has risen, around 70 per cent of the elderly population above 60 years of age are estimated to be economically vulnerable, with

²³ It was suggested in the meeting that STs being poorer than SCs should get higher marks. While this argument is valid at the all-India level the picture is rather complex at the panchayat level, which is the unit for scoring. Often at the village level, there are either SCs or STs, and not both. Even where both are present, such as in MP and Orissa, they tend to be equally poor. It is the numerical strength of SCs in prosperous regions of north-west India that improves their overall all-India economic status vis-a vis the STs.

half of this category falling below the poverty line, and the other half above the poverty line but belonging to low income groups²⁵. The increasing trends towards nuclearisation of families, the lack of social and economic support systems, and physical limitations deriving from health and old age complications that curb employment opportunities have all compounded the situation and left the elderly population in a precariously vulnerable situation. Furthermore, the old age dependency ratio in India has risen dramatically between 1981 and 2001, from 9 to 14 aged persons per 100 persons. In the absence of financial assets, savings, pensions, property and provident fund, 51 per cent of old men and women are economically dependent,²⁶ though the category of economically 'independent' when applied to the elderly population in India may be a misnomer. Very often deemed a burden, elderly people are often subject to ill-treatment and neglect even at the hands of family members and are forced to undertake work that they are not physically capable of or go without food for extended periods of time. There is thus a pressing need to ensure that this part of the population be provided with the requisite support to ensure a life of dignity and access to basic needs such as nutrition and healthcare .

We propose to give one additional mark to those households where a member has TB, leprosy, disability, mental illness or HIV/AIDS. People living with diseases such as TB, leprosy, disability, mental illness or HIV/AIDS face stigma and discrimination on a regular basis. This may manifest itself in many forms such as rejection by the community, preventing access to employment, preventing access to public spaces, etc. In the case of diseases (which could be certified by the primary health centre) such as TB, leprosy and HIV/AIDS, fear of transmission and specifically in the case of HIV/AIDS value-based assumptions about people who are infected leads to a shunning of all persons affected, including the patient and his/her household. When considering the case of people with mental illnesses, drawing upon the manner in which the Mental Health Act of 1987 positions people living with mental illnesses as violent, posing a danger to themselves and society as well as incapable of exercising their reasoning powers²⁷ would indicate public perception of people living with mental illnesses. Given that the above mentioned categories of people are deemed unfit for participation in the public sphere, the responsibility of caring and providing for them falls on other members of the household. This is likely to impact the household earnings when patients require full time care. At the same time, healthcare and special nutrition requirements of the affected result in higher levels of expenditure needs.

We recognize that low literacy is associated closely with poverty. But we do not wish to create disincentives for poor families to sending their children to school. Therefore we have retained only consideration of those households in which adults above the age of 30 years have low and no literacy.

25 GOI (1999), National Policy on Older Persons, Ministry of Social Justice and Empowerment cited in Mander Harsh.

26 National Sample Survey Organisation (2006), Morbidity, Health Care and the Condition of the Aged: Report No. 507, NSS 60th round

27 Seshadri Harihar and Hiramalini Seshadri Needed: New Mental Health Act, The Hindu Sunday January 30 2005.

5 Procedures for survey and appeal

The identification of Below Poverty Line (BPL) Rural Families should be undertaken as early as possible. In case it is delayed beyond January 2010, the Census 2011 work would start requiring huge field staff, and it would be difficult for the Ministry to get sufficient number of staff from the field for completing the BPL census.

The Expert Group strongly felt that such a mammoth exercise cannot be done except with the active involvement of the people themselves and by giving a formal authority to the panchayats and Gram Sabhas. Not all questions can be resolved by laying down procedures, ultimately some discretion has to be given to the local Gram Sabha for resolving difficult issues. For instance, it is likely that in a family one member may be working in the formal economy while the household head suffers from disability. Such cases can only be resolved in an open meeting, as it is not possible to lay down rigid rules as to which criterion would prevail and why.

As already explained, the panchayat wise number of the poor would be declared by the district authorities. Soon after receiving this number, each panchayat would be asked to prepare a tentative list of the three categories of households, of excluded, included, and the rest eligible for scoring with their individual marks. Thus the first stage of categorisation would be done by the panchayats themselves without any formal survey. They already have the list of households and enough local knowledge to enable them to categorise the households, as suggested in this report. If the district authorities so desire, they may associate civil society working in that district with this task. The list so prepared (called list one) would be circulated widely within the panchayat, and a copy would be pasted at a few convenient places (school, AWC, etc). Involving panchayats in preparing the preliminary list will considerably reduce the work of the block official for the second stage of the survey, otherwise, as explained at the end of this section, one would require the services of 200 officials per district for 100 days to complete the survey. The earlier census had unfortunately not taken into account the requirement of staff time, and their direction for a comprehensive survey resulted in chaos, bungling, and dissatisfaction on an unprecedented scale.

This household-wise list so prepared by the panchayat would then be given to an earmarked government functionary from a different block or mandal from the one in which the village is located for verification and endorsement of the panchayat's proposals by undertaking house to house survey. The panchayat will depute three responsible residents (at least one should be SC/ST and the other a woman) to accompany the surveying official. The results and the score sheet along with the proposed list of BPL households (this will be called list 2, and will be signed by the official and the three residents) will then be put up in a meeting of the Gram Sabha²⁸ and the decision of the Gram Sabha would be final (this will be called list 3). The reasons for the differences between list 1 and list 2 will be recorded by the official and reported to the Gram Sabha. As far as possible, the Gram Sabha meeting will be video-graphed (or at least photographs taken to indicate attendance). These meetings will be open for civil society, press and other stakeholders to make the whole process transparent and fair.

It will be the discretion of the district authorities to identify only 95% of the eligible number in the first instance, leaving the rest to be decided after appeals against the

²⁸ In states such as Orissa and West Bengal, this task will be performed by the palli sabha/gram sansad.

decision of the gram sabha are heard. However, if any district authority feels otherwise, he/she may ask the panchayat to identify the entire hundred per cent. The three lists, 1, 2, and 3 will be computerised so that at any time one could study the reasons for variation, and fix responsibility accordingly.

Any individual will retain the right to apply for correction in the list at any time to the Gram Panchayat, and his/her application will have to be disposed of within a period of one month of the application by putting it up to the Gram Sabha. The final appeal against the orders of the Gram Sabha will be to the Chief Executive Officer of the District Panchayat and his/her decision which will state reasons in writing will be final and binding. The state governments in their discretion may entrust this task to the SDOs in place of the CEO. The applicants will be encouraged to appeal against both inclusion and exclusion errors, so that including a name does not lead to a situation where the quota is being over-stepped. In the past genuine cases could not be included in the BPL list on appeal, as the quota had been exhausted.

The survey should be valid for a period of 10 years, i.e. up to end 2019. However, each state government/UT will invite objections and undertake a summary revision of the list every 2 years, specifically to take account of a) deaths; b) new households; c) in- and out- migration; and d) changes in fortunes of the households.²⁹ The revised lists prepared on the basis of this summary process will be read out and approved by the Gram Sabha.

The basic unit of the survey will be a household as defined in the next section. Care must be taken to not exclude homeless households who may not have a roof, but who reside in the village; and destitute and isolated single individuals who should be treated as separate households for purposes of the survey.

Particular care should be taken to ensure that in-migrants in rural areas are not given step motherly treatment in the matter of their BPL status. Often it is seen that administration insists that the migrant produce a certificate that he has cancelled his ration card from the place where he lived before. It should not be left to the poor to approach the authorities of the place he left, in fact all such enquiries should be made by the authorities at the new place and an appropriate card issued to the migrant in a reasonable time.

Care must also be taken also not to exclude out-migrants. The panchayat should particularly prepare the list of all migrating households and ensure that they are not left out from the survey. If nomadic or seasonal migrants are out of the village at the time of the survey, the gram panchayat should ensure that their details are included at the time of survey through local knowledge, or they be surveyed at any time after their return to their village.

The district officials will take necessary steps to brief the block staff and organise training programmes so that the practical issues and doubts are successfully resolved. Such training programmes will then be held at the block level for the panchayat leaders.

We are not suggesting any detailed survey on issues that are not listed in the score sheet. Assuming the average population of a panchayat to be 3500 (in reality the average varies from 1500 in MP to 25000 in Kerala), to cover 700 households would

²⁹ The 2002 Census was criticized (Alkire and Seth, 2008) that BPL surveys are conducted every five years, but household status can change well before. Hence we are suggesting a method of updating the list earlier than five years.

need about 350 man hours or 50 man days, if preparing detailed schedule for one family (including its verification) would take thirty minutes. Assuming average number of the panchayats in a district to be 400, one would need $50 \times 400 = 20,000$ man-days of work in a district to complete the survey. This amounts to deployment of 200 workers for 100 days, not counting the time for travel. It is not possible to get this kind of manpower in the rural areas, especially when the survey is likely to be very close to the decennial 2011 Census survey.

6 Definitions and references

Household will mean

- A joint³⁰ family comprising all adults and children who eat from a common hearth and reside under a common roof.
- However for the purpose of inclusion and survey (but not exclusion³¹), within households which may even share a kitchen and roof, the following will be treated as separate households:
 - a single woman;
 - old individuals or couples in which one or both are beyond the age of 60 years
 - every adult with TB, leprosy, disability, mental illness or HIV AIDS with spouse and children; and
 - bonded labourers with spouse and children.
- In case a minor has these afflictions, his/her parents and siblings will constitute the household. This logic will also apply to bonded child workers.

Occupational categories:

i. Destitute/ Dependent on Alms:

A household in which no member is regularly 'employed' in regular, casual or seasonal employment and the household is predominantly dependent on alms for survival.

ii. Forest gatherer:

A household in which no member is regularly 'employed' in regular, casual or seasonal employment and the household is predominantly dependent on foraging, gathering and hunting from the forest for survival.

ii. Landless agricultural worker:

A landless agricultural worker household is one in which no member owns any cultivable land either himself/herself or through his/her parents, and one or more adults earn their livelihood from agricultural wage work (as casual worker or share-cropper) or from forest gathering.

³⁰ This is to prevent the major sons and daughters of a landed prosperous family to claim landless status, as land generally remains in the name of the head of the household.

³¹ This would mean that a rich widow would not be included because she has already been excluded as part of a joint family that has sufficient land or a tractor etc. The same logic will apply to old people and other categories.

iii. **Self-employed artisan and worker**

This is a household which is primarily dependent on income from non-agricultural work which is not regular and is based on either daily wages or piece rate basis, and which is based entirely on family labour with no wage employment of other workers.

iv. **Self-employed fisher-folk**

This is a household which is primarily dependent on income from fishing work which is not regular and is based on either daily wages, or which is based entirely on family labour with no wage employment of other workers.

B. Affirmative action categories:

i. **SC/ST:**

All the groups that come under SC/ST in each state, as scheduled in the Constitution.

ii. **MBC (Designated Most Backward Castes):**

In states where there is a defined list of MBCs, the castes under these lists should be treated as MBC for this purpose as well.

iii. **Muslims:**

All Muslim families

iv. **Designated Primitive Tribal Group:**

All designated PTG families based on the state lists

C. Social categories:

i. **Single women headed household:**

A woman who is either a widow, deserted/separated, divorced, or is above 35 years of age and is unmarried is a single woman.

ii. **Disabled:**

All persons who are defined as disabled by the Persons with Disabilities Act (PWD), 1995 should be considered as being 'disabled'. The Act defines a disabled person as one who is "suffering from 40% or more disability". This can be certified by either a medical practitioner, or alternately certified by the gram sabha as 'severely disabled' as is culturally defined.

iii) **Bonded workers (bread-earner or dependent):**

A household in which any one (or more) of the adult or minor members is working as a bonded worker – i.e. is working in lieu of an advance (or loan) taken, is not free to work elsewhere and is receiving less than minimum wages.

iii. **Old person headed household:**

Any person above 60 years of age is an old person. An old person or a couple where one or both the members are above 60 years of age must be considered as a separate household even if they are living in a larger unit sharing a common roof and kitchen.

List of Terms Requiring Definitions

1. *AAV card* A special ration card provided to destitute households that entitles them to special grain quotas at subsidised issue prices.
2. *Affirmative action categories* Affirmative action categories refers to those categories of persons who have suffered historical as well as continuing disadvantage and discrimination, including economic, social and political discrimination. In India, SC, ST, OBC's, religious minorities, and women fall under this category.
3. *BPL card* A ration card issued to families identified as falling in the 'Below Poverty Line' category entitling its holders to pre-specified quotas of grain at special issue prices.
4. *BPL Census* A Census estimating the number of households identified as falling in the 'Below Poverty Line' category.
5. *Care givers* Care givers are individuals who extend emotional and physical assistance to other individuals who are biologically or socially restrained from self reliant survival, such as by age, disability, illness, or stigma. The caregivers may or may not be linked by formal ties of kinship.
6. *Casual worker* A casual worker is a worker on a temporary employment contract with generally limited entitlements to benefits and little or no security of employment. The main attribute is the absence of a continuing relationship of any stability with an employer, which could lead to their not being considered 'employees' at all.
7. *Destitute:* A destitute person is a man, woman or child who has no access to property, possessions, or the opportunity to earn income by applying their own labour, nor does any care giver, and who consequently does not have over a long period of time access to sufficient food, shelter, social security and health care, to be compatible with survival with dignity.
8. *Entitlements* Rights granted by law or contract (especially a right to guaranteed benefits under a government programme)
9. *Food security schemes* Food security schemes refer to those schemes which aim to ensure the availability, access (physical and economic) and consumption of sufficient safe and nutritious food required to meet the dietary needs and food preferences for an active and healthy life.
10. *Gender discrimination* This refers to discrimination meted out to primarily (but not exclusively) to women on account of their sex. Such discrimination often translates into inequality in access to resources and opportunities.
11. *Most Discriminated Dalit Groups or Maha Dalits:* are SC communities who are officially notified by the state governments in which they are located to be the most disadvantaged among the SC communities in the state.
12. *Musahars* Musahars who are often referred to as 'Dalits among Dalits' and occupy the bottom rung of society in the middle Gangetic plains of Bihar. Descendants of a Chotanagpur tribe, the Musahars are scattered all over the paddy-growing areas. They are amongst the poorest and most backward sections

of society with the lowest literacy and per capita income. Less than one percent of their 2.3 million population in Bihar is literate and 98% are landless.

13. *People living with disability* Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.
14. *People living with HIV/AIDS* Persons diagnosed with HIV (Human Immunodeficiency Virus) or AIDS (Acquired Immune Deficiency Syndrome), a later stage of HIV infection.
15. *People living with leprosy*: People diagnosed with leprosy (Hansen's disease), a slowly progressing bacterial infection that affects various parts of the body, including in particular the skin and nerves.
16. *People living with mental illness* As per the Mental Health, 1987 a 'mentally ill person' refers to a person who is in need of treatment by person of any mental disorder other than mental retardation.
17. *People living with TB* persons diagnosed with tuberculosis, a contagious lung disease.
18. *Primitive Tribal Group* That category of Scheduled Tribes (defined under Article 342 of the Constitution) identified as the poorest of the poor amongst the Scheduled Tribes (STs), the criteria for whose identification include pre-agricultural level of technology, low level of literacy and declining or stagnant population.
19. *Self employed artisans* Self employed artisans have control over the means of production and the process of production.
20. *Social Assistance Programmes* Social assistance programmes are customarily defined as benefits in cash or kind, financed by the state which are sometime universal but are usually provided on the basis of a means or income test.
21. *Social exclusion* This refers to the experience of those categories of people who are recognized as being unworthy of exercising social claims and therefore rejected from relationships of accountability. The word exclusion suggests that there is a core and a periphery and excluded people are those who are actively blocked from accessing the core.
22. *TPDS* The Targeted Public Distribution System (TPDS) replaced the erstwhile PDS from June 1997. Under the new system a two tier subsidized pricing system was introduced to benefit the poor. The essential features of TPDS are: Government of India is committed to making available foodgrains to the States to meet the requirement of foodgrains at the scale of 35 kg. per month per family at specially subsidised prices to population falling below the officially estimated poverty line(BPL families). The states would also receive the quantity needed for transitory allocation to Above Poverty Line (APL) population. The state governments were to streamline the PDS by issuing special cards to BPL families and selling essential articles under TPDS to them at specially subsidized prices, with better monitoring of the delivery system.

23. *Vulnerability* Vulnerability is defined as the likelihood of being harmed by unforeseen events or susceptibility to exogenous shocks in ways that the majority of people are not.

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7 Notes by Members

7.1 P. Sainath

While remaining deeply appreciative of the effort that has gone into this report, and the very considerable advance it represents over all previous exercises, I remain very concerned over some central issues. And while grateful for the effort to incorporate some of those concerns in this final report, I find a couple of them have been, in fact, misunderstood. Thirdly, there are some points making an appearance which, for me, are not acceptable.

Quite at the beginning (2.1), comes this statement: “First, our report is unlikely to be considered by government if we do not provide a cap to the number of the poor.” This is completely unacceptable. The purpose of the Expert Group is not to produce a report the government finds acceptable, it is to produce a report the government and society need. The report is to guide the government, not to be guided by it. The Group’s task is to produce a report that speaks the truth, not a truth made acceptable to government. If the latter is our premise, then it wrecks our *raison d’etre*.

Secondly, I did not at any stage argue in my first note for universalisation of *all* poverty alleviation programmes. If the idea was to universalise all programmes, there would be no need for a BPL survey. I specifically listed: Food, healthcare, education and decent work. That is, the basics, the principles of “Food for all, Health for all, education for all, work for all -- these should be taken as the bottom line.”

My point was that after listing out those programmes where “a BPL survey *does not* have a role,” then “we could set out the list or categories of programmes where a BPL survey would indeed have relevance.” Such as, amongst others, “old age pensions, disability allowances, certain types of programmes in the countryside, etc.” Also, if I were arguing for universalisation of all programmes, I would not be suggesting technical corrections to the indicators and survey (something I am doing in this note as well).

The report’s latest draft again emphasises the issue of “leakages” to argue that this renders universalisation of the PDS difficult or impossible.

This is like arguing that we cannot hold elections in which all people can participate, that we cannot have universal franchise because, after all, there are lots of “leakages” and malpractice seen at some levels in every election. So do we call off the elections or have targeted polls? Do we say the polls cannot be all-inclusive because of “leakages” and misuse? There is also evidence of “leakage” in the National Rural Employment Guarantee Scheme. Do we then scrap the NREGs or target it still more sharply, making it more exclusionist, for that reason? We do not, we just try plugging the leakage. The running of these schemes is not a managerial or bureaucratic intervention. They have to do with the basic rights and entitlements of Indians.

Even just restricted to the PDS, this argument is deeply flawed. Kerala has long had the best functioning PDS in the country - *where the PDS has been for decades closer to universal than in any other state*. Tamil Nadu’s vast improvement in recent years has come by moving further and further down the universalisation route. The system in these states ranks miles above what we see in those states where the PDS is far more exclusionist. Indeed, targeted systems are very expensive and call for a huge and expensive apparatus that invites corruption and black-marketing.

Our report says that the problems in a universal PDS arise when “*the dealer will use the indifference of the rich to sell their quota in black.*” This is woefully wrong.

The only hope we have of scotching that dealer's racketeering is if everybody has the same access. Who would he then sell it to - if everyone were entitled to it themselves? Orissa has taken some partial steps towards greater access for all and it has had interesting results: the rice people are getting for Rs. 2 a kilo is in fact not at all as bad in quality as it used to be just a year ago. The reason? There's just so much bad rice the corrupt dealer can lay his hands on to adulterate such huge quantities with! Note that corruption is rampant in the highly targeted systems, far more than it is in Kerala or Tamil Nadu. The more we create sub-categories, the greater the corruption - the BPL/APL divide in the PDS has shown us precisely that.

At the same time, the need for full access to the PDS grows greater and greater as millions lose their jobs. Two million in three years in Maharashtra alone, according to the state's economic survey - and that's before the global recession really hit home. Meanwhile food prices get worse and worse. (Just a month ago, *tur dal* was selling at the very high price of around Rs. 60 a kilogram. Today, it stands around Rs. 90 a kilo in Mumbai. In 2004, that was Rs. 32 a kilo.) At the same time, a very rich state like Maharashtra reports a 24 per cent fall in foodgrain production in 2008-09 over the previous year. Our report does not reflect this kind of context. Yet, all the evidence tells us this situation is likely to worsen for many millions more.

The report opposes universalisation of the PDS because *“using scarce public funds for subsidies to the prosperous people... is not a desirable policy option.”* Also because this “will be at the cost of more essential social sector expenditure on primary health and elementary education.” There were no major problems with the extraordinary cost (running to tens of thousands of crores of rupees) of the Sixth Pay Commission, although that covers a relatively small group in society. Nor was there much of a problem in raising thousands of crores of rupees for the “stimulus” packages for the corporate sector. (Indeed, each budget since 1991 has done precisely that - used “scarce public funds for subsidies to the prosperous people.”) In one estimate concessions to the corporate sector have averaged close to Rs. 50,000 crore a year in annual budget giveaways. *This year's budget shows the amount foregone from corporate revenues as Rs. 68,914 crores. This, for an even much tinier group than the one gaining from the Sixth Pay Commission.* But when it comes to the hundreds of millions of appallingly poor, we speak of “scarce public funds” and resources. And yet the latest Economic Survey states blandly that the per capita consumption expenditure of nearly 72 per cent of the rural population was less than Rs. 20 a day.

Many of those corporate giveaways are in the form of lowering or doing away with several taxes, even though this nation's tax-GDP ratio is one of the lowest and worst in the world. The tax realisation rate is equally pitiable. So yes, there are options for government if they wish to raise resources. Take the education cess that the government did levy. It has raised more money than they know what to do with. So is scarcity of public funds and resources really the problem the report implies it is?

The four areas where I argued for universalisation -- those principles are embedded in the Directive Principles of State Policy of the Indian Constitution. *The rights of people are based on their being humans and, in this case, citizens. Not on their ability to pay.* Let me introduce here a point I detest making in economic terms but feel compelled to given the present debate. If cost is so serious a factor (which somehow it is not when it comes to giving the Corporate sector a free ride) then don't just look at the cost of a universal PDS. Look at the countless billions the country

saves or gains in health, in productivity, in healthcare costs, thanks to a fit and properly-nourished population.

Lastly, in this section, while making an incorrect argument on why we should not seek universalisation of the PDS, the Report suggests that by doing that we would be stepping outside “our specific mandate” i.e. violating our terms of reference (TOR). This too, is not correct. The Expert Group’s TOR not only seeks a comprehensive review of all the issues it involved, it in fact invites, indeed calls upon us to draw up “*Any other recommendation to make the exercise of BPL Census simple and acceptable.*”

So, in fact, we would be failing in our specific mandate if we did not include a call for the measure that has worked in other societies - and which has the merit of simplicity and acceptability. It is also regrettable that having made so powerful -- and valid -- a critique of the earlier BPL exercises, this Report should tread the same ground, even if more skilfully.

Inclusions and Exclusions and some more technical issues:

To begin with, too much of the exercise emphasises exclusion. Adding to that is the idea that states be allowed to make yet further exclusions on their discretion. For instance: “*In case any state may wish to add to the above indicators for exclusion, they may be permitted to do so.* For instance, those owning a two-wheeler (less than 8% of rural households own these, according to NSSO), or a running borewell may also be excluded as per the discretion of the state government.” *This almost urges states to take this route.* So millions of more people can be shoved off the lists if a state wants to do that. Does that not undermine the value of our own exercise?

I greatly fear, in this overall context, that the coming unique ID card will emerge an instrument of exclusion of people from access to anti-poverty programmes rather than of inclusion.

Our report still says nothing on how the millions of poor migrant labourers in the country will benefit from having a BPL card in a non-universal PDS. (see more details below on this in the sections attached from my earlier note). Nor does it emphasise the astonishing rise in food prices - crucial to the philosophy of a PDS system -- in just a few weeks this summer, plus the massive increase in them over the past five years.

And I wonder if we should have found a way of including indebtedness as an indicator, a vital factor.

Below I attach my earlier note which I believe remains valid and which contains many facts, examples and data relevant to the submission I make in this one. I request that these be carried together

I recognise the enormous effort of my colleagues that has gone into this Report and how much it is an advance over previous work in this field. I do see, for instance, that if its ideas are upheld, it would mean a big gain for states with lots of poor people, like Orissa (where I am writing this note from) which would see the percentage of people below poverty line enhanced from 47.81 per cent to 84.47 per cent. (Though the new Andhra Pradesh figure, in my view, would still be very wrong.) At this moment, Orissa is witnessing a huge surge of hunger and distress sale of paddy by small farmers. The change implied in the new numbers would indeed help it.

Yet, I have to record that I remain deeply apprehensive of what use this report will finally be put to by government. As our own report so succinctly brings out, the history of exercises in the identification of BPL households has been a dicey and unhappy one. Given their vast experience, all members of the group know that everything we do, write, put out, unfolds in a political context. For the past 15 years or more, that context has been one of governments using BPL surveys as a handy tool in excluding more and more millions of people from access to basic necessities. Arbitrary anti-poor measures are sought to be given a sheen of scientific method and intellectual rigour. All this in a time of rapidly growing inequality in Indian society.

We should not go the same way. And to make sure that such surveys cannot be misused, we could clearly state our idea on this in the very first page or preamble of the report:

That we believe that the Directive Principles of State Policy in the Constitution should never be compromised or undermined -- instead they need to be realised, strengthened and further taken forward. Food for all, Health for all, education for all, work for all -- these should be taken as the bottom line. The BPL identification exercise should under no circumstances be used to dilute these principles. In no way should it be used to exclude people from basic rights and needs.

I believe we need to state that in those words in the report. That principle accepted, we must identify where a BPL survey does not have a role. For instance in the Public Distribution System, which should be universal, health care, free and compulsory education of at least ten years duration in neighbourhood schools for every child. In short, universal systems - not those destroyed on the pretence and fraud of 'targeting.' Then we could set out the list or categories of programmes where a BPL survey would indeed have relevance.

An astonishing amount of discussion on the subject of BPL in almost all platforms finally gets reduced to: how do we exclude people? How to prevent 'leakage?' Complex criteria are drawn up to achieve this. Some get greatly exercised over the "undeserving" poor claiming BPL benefits. Huge amounts of official and intellectual energy then go into stopping such 'misuse.'

How serious would be such misuse? How many of the better off would stand in queues for rice for Rs.2 a kilogram, for instance? If people are willing to do that, the chances are very high they need it. Let's even suppose an element of the 'undeserving' qualify for PDS rice at Rs.2. How terrible is that? In a country where 836 million people get by on less than RS. 20 a day (Report of the National Commission for Enterprises in the Unorganised Sector) how many 'undeserving' poor would there be who would want to 'misuse' it? India ranks 66th amongst 88 developing nations in the Global Hunger Index of the International Food Policy Research Institute (IFPRI). That is just one notch above Zimbabwe which has seen food riots. We also rank 132 in the United Nations Human Development Index (HDI) -- one rung below Bhutan.

I think it is fundamental in our society and situation that errors of inclusion are and should be far less important than errors of exclusion. If there is a five per cent element who don't qualify under the rules it should not matter. Indeed, most programmes have a strong element of self-selection built into them. The better-off will opt out. No one of us involved in this exercise would be in the rice for Rs. 2 a kg queue. As it actually stands, there are millions who get excluded from basics they desperately need.

Let me cite some examples and facts of how calculated political misuse has made a mockery of the principles we set out for ourselves. And how a context is unfolding where many fast-emerging crisis will overwhelm us if we go the old route.

- **Poverty-free Dharavi:** The last time such an exercise was put to use by government, Dharavi, perhaps the biggest slum in all the world and with a population of over a million, ended up home to just 141 BPL cards. If that's all the poor there are in that slum, then India is poverty-free and BPL a redundant exercise.
- **Mumbai BPL survey:** Read this alongside the fact that a more recent official survey conducted in the city of Mumbai shows that nearly 12 lakh families (around or over 50 lakh people) get by on less than Rs. 592 a month. That is nearly 30 per cent of people in India's proud financial capital live below the poverty line - overwhelmingly without BPL cards or benefits. The report on this has been around for over a year now without being released or acted on. It was done by the Brihanmumbai Municipal Corporation, along with the Urban Development Department and the Directorate of Municipal Administration. And, of course, it is held back because "experts" doubt the data.
- **Get a home, lose BPL access:** In most parts of the country, a pathetically poor adivasi (or anyone else, for that matter) gets struck off the BPL list the moment he or she gets a house under the Indira Awas Yojana. One doesn't need to be an expert to see how insane this is. The person or family could be, and mostly are, struggling in every other respect. Yet, even if the family is severely malnourished, even if the children are unable to go to school, though the adults cannot find work -- they are above the poverty line. Because they have a pucca house under IAY. No more cheap food through the PDS.
- **The creation of BPL / APL categories** was in the first place an exercise in exclusion and abdication of responsibility. It further weakened an already undermined PDS. It also allowed for a sad situation on the ground. In many regions like the KBK, with millions of extremely poor, you will find that most of the BPL cards in a village are with the local moneylender. The poor owe him money and he takes their cards as collateral. You can find one man with 400 cards. Imagine the bonanza he derives from this. A universal system would simply do away with this kind of racketeering which is quite widespread. On the other hand, the more categories we create, the more we exclude hungry people, the more we invite such abuse.
- **Another important context -- food prices:** the last five years have been among the worst in decades in terms of rising food prices. Between just 2004 and 2008, the price of rice went up by 46 per cent, that of wheat by over 62 per cent. There are well documented reports of what this has done to poor people. People in their 70s have shown up at NREGs worksites as their pensions of Rs. 200 a month have proved meaningless at a time when a kilogram of dal costs Rs. 65. In that context, we should be trying to ensure that not a single vulnerable person is excluded, not extend government a tool for excluding many millions more.
- **Or another important context -- job losses:** All across the country, millions of people (many not classified as BPL) have lost their jobs in the last decade, many in the past year alone. Take Maharashtra, in many ways the richest state in the country (in 2007 it was home to 23 of India's 51 dollar billionaires). The state's Economic Survey shows that it lost two million jobs in three years since 2004-05.

In May this year, the then Commerce Secretary confirmed that in the government's estimate, 1.5 million jobs had been lost in just eight months due to the economic 'slowdown.' Other millions too have lost their employment. And most of the figures horribly underestimate the reality. So more and more people are coming under pressure on food, let alone other prices. Should we be trying to include or exclude them?

- **Rich state, poor access:** Maharashtra's economic survey (2008-09) shows that the number of people below the official poverty line has been steadily growing) even as its dollar billionaires have proliferated. It has now the third highest number of poor in the country in absolute terms, ahead of only UP and Bihar. Over the years, though, the state has steadily excluded more and more people from PDS-BPL access.
- **The context of Migrants:** There are millions of migrant labourers in this country. Overwhelmingly, they're very badly off, else they wouldn't be leaving behind their homes and even farms for miserable conditions elsewhere. In some cases, just the men venture out. In others, whole families. There are, to take just one of hundreds of examples, over six lakh Oriya migrants working in Surat and living in 92 slums in that city. Almost half a million are from just the single Orissa district of Ganjam. Even if every one of them had BPL cards, it would not help them in Gujarat They would still have to buy rice there at Rs.20 or more a kilogram.
- Where their families remain home the card has partial meaning. Where whole families migrate as in Bolangir, the card does not get them cheap provisions. Their card will not be recognised anywhere else. Remember we're talking of tens of millions of people nation-wide. Can we do BPL estimates ignoring migrant labourers (as the nation already does)? A system of universal access would mean these millions of poor, hungry labourers would be able to buy cheap rice or other provisions wherever they are located.

How do we ensure that they are not excluded?

I believe by embracing universal access to the basics -- principles embedded within the nation's constitution.

Some issues and problems with indicators:

Under (4) Identification of Rural poor Households, 4.1 a) speaks of "families who have double the land...." The definition of 'have' must be clear and refer to ownership holding only.

4.1 c))"families who have at least one-running bore well...." The operative word then becomes 'running.' It has been a feature of the past decade that many farmers who really cannot afford a bore-well have taken loans and tried to set up one. In countless villages of Andhra Pradesh, the bore-well has been one of the most major factors in loans and debt. There is scope for confusion over this point. Can we word it differently or drop bore-well?

4.1 d) ("families who have any person who is drawing a salary of over Rs. 5,000...."). Unless linked clearly to household size, this could end up being unfair. If the household has nine members and most are dependents, it could still be a poor household. And why include para-teachers who get only 2,000-3,000 a month? That seems wrong.

On the point of ownership of agricultural land, (table 6 and thereafter): there is a lot of variation across districts and so maybe in large and diverse districts, it should be the average for the block, not district.

4.2 (clause on inclusion of single women “with no major son”) This seems to be dicey. On the one hand, we suggest inclusion of all single women - but not if they have a major son. Leave aside the assumption of all single women qualifying (errors of inclusion are better), but the idea that the presence of a major son rules her out could lead to wrongful and arbitrary exclusion. What if there are a whole heap of other indicators that point to her BPL status (and that of her major son)?

In the “summing up list” we need to clearly say women-headed households. (The SERP study in Andhra shows that these make up a full third of ultra-poor rural households and generally, even the rest are overwhelmingly poor.) Nation-wide, such households could make up almost a fifth of all households.

I think we need to reiterate, in the same list, the point of including “those households where a member has TB, leprosy....etc.,” as mentioned earlier on page 18.

And the “compulsory inclusion” list MUST include ALL landless households. The importance of this should not be underestimated. The well-off within the landless (because of non-agricultural income) would anyway be excluded. Without emphasising all landless as being up for automatic inclusion, the scoring formula leaves a high chance that many landless households would be excluded.

On page 22, in the “proposed scoring for ranking”: giving them only two points suggests that weavers and potters are less likely to be poor, which is completely wrong. In many parts of the country, it is groups like these who have come under enormous pressure with the crisis in the countryside. Indeed, hundreds of poor weavers have either committed suicide or have died of starvation (like those in Pochampally in Andhra Pradesh). Incidentally, why must fisherfolk be self-employed? Many are in ‘employment’ that is thinly disguised bondage.

Perhaps what we should do (only in non-universal programmes) is to give 4 points to all landless households, 4 points for agri labourers and 3 points for all others. (And how do we deal with/score the urban?)

Lastly, in the final report:

I think we must make sure that we say nothing that appears to push SC and ST into different categories, or subdivides SCs into further groups with different weightage. Elected state governments might have that privilege, we do not.

Another thing, I do not get the sense that this present approach includes strong participation by the panchayats, urban local bodies etc., Yet, they should obviously be very involved in the process. Not in the top-down sense of using them as foot-soldiers for identifying the BPL households with a set of indicators that we hand down. But in the whole process of conceptualisation, identification of indicators - and then in identifying the households. In some ways, the large SERP surveys in Andhra Pradesh did attempt this. I think it is crucial.

So let’s set out arguments as to why certain basic needs must be met with universal provisions and state that BPL identification would have no role there. Let’s identify those programmes (e.g.: in food, health, education and work). Then identify programmes where BPL can have a role - old age pensions, disability allowances , certain types of programmes in the countryside, etc. The point is that once basic

needs are met on a universal basis, then the BPL exercise would help give focused additional assistance to the neediest. Else it could end up being an exercise in evasion -- and exclusion of those who need it and us the most.

7.2 *Raghav Gaiha*

Dear Dr saxena, I have inserted my comments in the text in bold (and reproduced below). A general comment is that a clear distinction needs to be made between a descriptive exercise such as identification of BPL households and a normative or prescriptive one in which the main concern would be who or how many ought to be assisted. I believe greater clarity on identification of BPL households is the first important step in itself. with kind regards, Raghav Gaiha

p.5, third para:

(If the explanation by Deaton and Dreze is taken seriously-there is much that is plausible in the arguments about improvements in the epidemiological environment and changes in activity patterns resulting in lower calorie requirements -poverty cut off points need not be hiked as proposed. Nor does inflating of poverty estimates at the state level by a uniform factor make much sense).

p.6, after second para under 2.1

(This is ad hoc and arbitrary. Either we follow your logic or discard it altogether).

p.7, third para:

(These weights are problematic unless these reflect the probability of being poor).

p.16, first para:

(While this strategy seems attractive, I fear it is fraught with difficulty. If the criteria for automatic exclusion and inclusion conflict-one member working in the formal economy while the household head suffers from disability-it is not clear which criterion would prevail and why).

p.21, second para under 4.3:

(Incentive compatibility of an overall number of poor for the panchayats to act responsibly seems specious to me).

p.22, after point 6:

(As argued earlier, this scoring must be consistent with probabilities of being poor or else a different set of poor could be replicated).

p.22, last para:

(This is just a presumption!)

p.23, first bullet point:

- (e.g. communities living in coastal areas are highly prone to floods and loss of livelihood),

p.26, first para:

(Given the importance of this survey and longer term implications for affirmative action, it is imperative that at least on a sample basis the scoring is cross validated by another group of investigators. I remain unimpressed by the argument that Gram Sabha meetings would help ensure corrections or limit manipulation by influential persons including Panchayat members).

p.30, point 23:

1. (This is far from a persuasive definition of vulnerability. There is an ex post definition and an ex ante definition. The definition stated above is an ex ante definition. But even as an ex ante definition it is flawed. Susceptibility to shocks (e.g. floods, windstorms, market price fluctuations, epidemics) and lack of resilience against them of segments of the population characterise vulnerability. I don't see why majority should figure in this definition.)

7.3 Manoj Singh

COMMENTS ON DRAFT REPORT ON IDENTIFICATION OF BPL HOUSEHOLDS IN RURAL INDIA

1. Recommendation to increase the number of households who should get the benefits of BPL family is an important and significant point.
2. The observation at page -7 in Para – 4 that “once the cutoff for each district is determined by the Ministry, it would be seen that there would be approximately 100 districts where the number of BPL household would be more than 80 % of the total” – the basis for this is not there in the report.
3. Fixing the number of BPL per panchayat is also a good suggestion, doing this in a scientific and transparent manner need mechanism to be made unequivocally clear in the report.
4. Regarding the parameters given on page 16 of the report for exclusion – I have strong objection to parameters mentioned at (b) and (c). Possession of two wheeler should not be used to exclude the family from survey, as increasing mobility will be a disincentive both for poor and will also go against the auto industry. Many IRDP/ SGSY beneficiaries are using motorcycles and scooters for carrying their milk to nearest collection point.
5. More than that the proposition to exclude the family from survey in case of having at least one running bore well will be devastating for poor of U.P. Government of U.P. is running the scheme of free boring for poor/ S.C./ S.T families for a long time and these have been constructed in lacs. Having this as criteria for exclusion will go against the efforts under NREGS and other schemes to increase the area under irrigation, and will have similar impact as having IAY beneficiaries and TSC beneficiaries excluded from survey.
6. We may think of including Rojgar Sevak of NREGS along with ASHA etc in criteria (d).
7. Insert ‘have’ on page 17 in line 10 of Para 4.2 after did not.

8. In automatic inclusion after destitutes, we should have landless S.C./ S.T. household.
9. On page 19 there is probably some contradiction in saying that single women being denied access to property and adequate food, inspite of her special nutritional needs during the process of child birth – as the word single women, here conveys mostly widows or un married, seperated or divorced women.
10. On page 20 in groups to be compulsorily included in the BPL list after PTGs we should have landless S.C. and S.T. households. Landlessness in rural India is important indicator.
11. On page 22 – it will be worth while to mention whose certificate will be valid for TB, leprosy etc.
12. The survey team should have one member of a CSO working in the area and to be identified by the D.M.

7.4 Arun Kumar Misra

Kindly refer RD Ministry's OM No. Q-16025/8/2006-AI (RD) dated 02-07-2009 regarding draft report submitted by the expert Group on BPL Census.

The matter of fixing the percentage of people below poverty line is beyond the scope of the present Committee and is being handled by a separate Committee headed by Shri Tendulkar. Most of the State governments have been demanding an arbitrary increase in the percentage so that more and more familisies can be categorized as BPL families. While the arguments given are plausible, it still remains in the domain of Tendulkar Committee which undoubtedly will consider all these issues raised. Needless to say, however desirable it may seem, fixing the percentage at 50 per cent will still be considered arbirtrary. It also has tremendous financial implications and once granted cannot be reduced. As such, it was recommended that 20 per cent variation may be allowed which will bring up the poverty figure to approximately 35 per cent. It shall be better to stick to the figure of 35 per cent and amend it upwards if Tendulkar Committee comes up with a figure which is higher.

Some special dispensation will have to be provided to J&K where the present figure is an unbelievable 4.5 per cent. Since it is well known that poverty levels in J&K are high, this figure needs to be suitably increased.

In the matter of an appeal, it was suggested that the should be at the level of Sub Divisional Magistrate. Since, a District Panchayat is likely to have about 1000 to 1200 villages and in many states, the office of Zilla Panchayat is poorly staffed, it was considered that they may not be ablve to handle appeals from all the villages of districts within a reasonable period of time. So, the option of deciding the appellate authority from among a Block Development Officer/Sub Divisional Magistrate/Chief Executive Officer of the Zilla Panchayat should be left to the State Government concerned.

7.5 Aruna Roy

Dear NC,

I want to first apologize for not being able to attend the meetings of this expert group, and not being able to send my comments in time either. This is all happened in a period where there were too many competing and pressing commitments, and

despite wanting to and understanding the importance of this issue I have been unable to properly participate and contribute. I am therefore very thankful that you have given us an opportunity to send comments right up to the very end so that one can at least place one's views on record.

It is clear from the report that huge amount of work and thought has gone into its preparation after examining methods of BPL identification used in the past, and arriving at the best possible mode of identification, in a scenario where almost every mode has its own flaws.

I will therefore restrict my comments to a few points that I think are fundamental and relate to a) the criteria of being on the list and b) the selection and verification process as a whole:

1. One basic issue is the shortcoming of having one BPL List that can be used for "targeting" beneficiaries for a variety of subsidies. Apart from the almost insurmountable problems of ensuring selection according to norms, it is also very difficult to use an omnibus list to cater to the specific vulnerabilities of different groups. Specially vulnerable groups need special packages that cater to their particular vulnerability and it is best that each Ministry prepare its own transparently determinable criteria that allow easy identification on that basis at a local level. Therefore, if the list of this expert group were to be accepted it must be accompanied by a recommendation that this list not be used to restrict universal entitlements where such entitlements exist (for example in health, education or in self-selection programmes like the NREGS) and not be used to discourage more target specific lists from being prepared. For instance, the current BPL list which has been used in many states for giving greater health benefits, excludes many deserving cases. Similarly, using the omnibus BPL List for housing, loans etc., also has many weaknesses related to targeting. Even in the case of subsidized food grains (which has become the biggest benefit of holding a BPL card), there seems to be strong reason for universal entitlements with only the automatically "excluded" groups being left out. In this case it would mean that one does not need to go through the point evaluation system at all.

2. Using joint family as the criterion for defining a household is highly problematic. The causal explanation for this in the report is that sons of rich farmers will show themselves as separate and landless households may hold some merit, but is something that is likely to happen anyway – even under the joint family definition. Perhaps a better way would be to ensure that the *Patwari* divides the family's inherited property amongst the children so that property to be inherited is factored in while making calculations based on land holdings. All of us who have struggled to get poor and deserving families under the BPL list have found that the rich manage to show themselves as separate households, hold separate ration cards, and manipulate land data whereas the poor inevitably get clubbed together as joint families and find their benefits reduced. The joint family definition being suggested will only cement this de facto injustice. An alternative definition for the household based on the nuclear family provided in the NREGA Guidelines has given relief in many cases and become the basis for organizing poor families in procuring full benefits under the law. One must acknowledge that even in rural India families are now rapidly moving towards a nuclear family norm. Even in currently functioning joint families the most vulnerable within the family tend to have least access to household resources, subsidies etc. We should acknowledge that the BPL census on the basis of joint families will therefore underestimate the de facto household. The criteria of a joint

family household itself will undermine many of the objectives of ensuring inclusion for all the poor.

3. The next point I want to make is about the process of identification, selection, appeal and redressal. Despite opening up the process before the Gram Sabha, insisting on lists being put up on the walls, and including an open appeal process, we have found that these mechanisms are far from being effectively implemented. Most often Gram Sabhas do not take place, despite orders, lists are not put up on the walls and appeal processes are cumbersome and rarely result in effective redressal.

4. The recommendation of excluding and including entire categories of people (where there is no space for subjective evaluations) is the strongest part of this report. Unfortunately it has got clouded by the relatively subjective point system also being suggested. Perhaps one method of avoiding subjective identification would be to allow for appeals against misuse of norms for exclusion and inclusion.

5. Finally, it must be said that the exercise of forcing a state government to match a figure of poverty arrived at by the Planning Commission is fundamentally unjust and flawed. The criteria suggested by this expert group would be most useful to guide a bottom-up process of identification of the poor and vulnerable. The idea that a national poverty figure (itself constantly under dispute and debate) can be used as the sole basis for giving special support and subsidies to poor and vulnerable households is a classic example of an arbitrary top down approach to poverty alleviation. When this is used to undermine what should be universal entitlements, for instance in health, it undermines the right to life of many families. In circumstances like drought this arbitrariness gets further compounded where families drop back into poverty at a rapid rate. I feel that the expert group should make a statement on the unfair task it has been asked to perform of fitting real people and families into a pre-determined figure.

7.6 M.N.Roy

Comment on the Draft Report on Identification of BPL Households

1. Prescribing incidence of poverty for lower administrative units

The draft report suggests at para 2.1 that the district specific incidence of poverty should be determined “*by giving 50% weightage to the ratio of SC/ST population of the district as a percentage of total SC/ST population of the district, and the remaining 50% weightage should be given to the inverse of agricultural production per rural population*”. One of the poorest districts of West Bengal has more than 50% of the population belonging to Muslims with very little population belonging to SC/ST and quite a few other poor districts have high concentration of Muslim population. Those districts will loose out in this formula, which is not desirable. Uniform criteria for the entire country either for the district level cut off or for the lower units will lead to local problems. These indicators should be better left to the states with the only rider that the state should publicly disclose on what basis the inter-district incidence of poverty is being worked out. The report may at best suggest adoption of the said formula and it will be left to the state to consider. The states should be advised to work out incidence of poverty for the lower units up to the gram panchayat level based on declared objective criteria, which may be different from the inter district criteria because availability of data for lower units will put more constraints.

2. No survey with district with high incidence of poverty

Para 2.1 (page 7) mentions that "Once the cutoff line for each district is determined by the Ministry of Rural Development, it would be seen that there would be approximately 100 districts where the number of BPL households would be more than 80% of the total. For such districts no fresh survey is needed to determine the individual status of each household, and all except those excluded on the criteria suggested in para 4.1 would be treated as BPL households." The basis of such conclusion is not given and should not be included without concrete evidence. This issue is critically linked to the upper ceiling of the number of households who may be treated as poor. It will not be practical to allow every household who are not excluded by the exclusion criteria to be treated as poor in some of the districts. If any district is allowed inclusion of all households (barring those excluded) without full proof evidence other districts with moderately high incidence of poverty will also claim similar treatment. If really the incidence of poverty in any district is large the same should emerge through the processes prescribed. In fact the exercise of assigning district wise incidence of BPL households will clearly decide the numbers of such households in the district and this percentage may not match with the percentage of households who are not automatically excluded. It is suggested that this recommendation be dropped.

3. Automatic inclusion

Para 4.2 (*Automatic inclusion*) - the list in bullets in the last para in page 20 is acceptable in general. However the suggestion at page 18 " we propose the inclusion of those households where a member has TB, leprosy, disability, mental illness or HIV/AIDS. People living with diseases such as TB, leprosy, disability, mental illness or HIV/AIDS face stigma and discrimination on a regular basis" will be difficult to work out and will lead to controversy and some households will get them included using this clause. Leprosy and HIV AIDS will be easier to identify and may be included automatically but TB is prevalent among non poor also (though it is admitted that the poorer section has higher incidence of the disease). Similarly, identification of disabled, presumably those which are not so visible type will pose problem unless there is medical certificate. Extent of disability has continuous distribution from very low to very high and to decide locally who is severely disabled will become subjective. At best only those cases may be included where the adult person is unable to join any economic activity due to severe disability.

4. Exclusion for survey, use of the current household list

Para 4.2 (*page 17: Automatic exclusion*) suggested automatic exclusion, which will admittedly exclude less than 8% of the households being undoubtedly above BPL list. The last household survey may also be utilized, if the state so desires, to exclude more families. Since there is provision for appeal and at the higher end people are more aware of their rights they may always appeal for inclusion if they want to be considered afresh. This will substantially reduce the burden of resurvey, which is very laborious and keeps the cutting edge bureaucracy preoccupied for a long period. It may be mentioned that the existing list contains much less error at the either ends, i.e., those who are very rich and are very poor. In fact, the states should be allowed to utilize the existing list to the extent possible and till the survey is completed immediate relief may be given by simply including all households, who are proposed to be included straight way, without waiting for completion of the survey which takes a long period. Similarly, those are to be excluded should be immediately excluded from the existing list till the new list becomes operative.

5. Ten point score is not workable

Para 4.3 at page 22 narrates the proposed scoring system. Though it will be easier to work out the score on a ten point scale but for all practical purposes the households are to be ranked in order of incidence of poverty. Out of those ten points only very limited numbers of households will have TB, Leprosy, Disability, HIV AIDS etc. Numbers of households headed by old persons of age more than 60 years will also not be substantial. The scores will remain limited to only eight points for around 90% of the families who are not excluded. If the scores of all those families remain uniformly distributed each score will have around 12% of the population. In practice the same will be heavily clustered around scores 4 to 7 and at that range each score may have around even 20% of the families. If a gram panchayat or even a block is given a certain incidence of poverty as the upper ceiling and at the cut off level every score has around 15-20% of the families it will just not be possible to proceed to identify desired numbers of poor households. The range of score should be made much higher than ten. Apart from increasing the total score the other alternative is to work out the total number of BPL household up to ward level and to allow the village assembly to do the ranking among all the families and to identify desired numbers of families for that area (those families with score up to a limit just to include as many households will be taken up for consideration to avoid elite capture). In any case the entire list has to be ratified by the village assembly and objection, if any, should be specifically recorded (video-graphed, if possible).

6. Modification of the scoring system

Incidence of poverty among the ST is much more than that of the SC. The SC should have score marginally lower than the ST people as compared to equal weight given to both in para 4.3. One important use of the BPL list is to identify beneficiaries for housing programmes such as the IAY. The existing database helps to identify those BPL families whose housing condition is not satisfactory. Also, poor housing status is one important indicators of poverty and should be used as one of the parameter to rank the families. Another advantage is that the same is very easily verifiable objectively. The survey may have provision to also identify those who have got assistance under IAY earlier and the scoring system should be such that the family is not debarred from being treated as BPL simply because of receiving assistance under IAY. This will not only help to identify the housing need but will also increase the total score for better resolution of the poverty status for enable their ranking. To select IAY beneficiary from the propsed score based system will be difficult.

7. Para 5 of the report states that "*As already suggested, the panchayat wise number of the poor would be declared by the district authorities and each panchayat would be asked to prepare a tentative list of the three categories of households, of excluded, included, and the rest eligible for survey with their individual marks. This (called list one) would be circulated widely within the panchayat, and a copy would be pasted at a few convenient places (school, AWC, etc).*" (Page 24) It is required to be clarified whether the lists will be prepared by the Gram Panchayats or whether the list will be generated from the survey. It is also required to be clarified whether the village assembly will at all play any role in preparation of the tentative list. Use of the existing list for at least generating the excluded families will be handy unless all the houses are surveyed again.

8. Para 5 also suggests that "*This household-wise list for verification would then be given to an earmarked government functionary from a different block or mandal from the one in which the village is located for verification and endorsement of the panchayat's proposals by undertaking house to*

house survey. The panchayat will depute three responsible residents (at least one should be SC/ST and the other a woman) to accompany the surveying official. The results and the score sheet along with the proposed list of BPL households (to be signed by the official and the three residents) will then be put up (to be called list two) in a meeting of the Gram Sabha and the decision of the Gram Sabha would be final (this will be called list 3)." The possibilities of elite capture of Gram Sabhas can not be obviated. As such even for this correction/modification process by the Gram Sabha a transparent and logical process, including enquiry by higher level officials, needs to be prescribed. There are instances where Gram Sabha failed to resolve such issue because of political division.

9. Para 5 also mentions that " It will be the discretion of the district authorities to identify only 95% of the eligible number in the first instance, leaving the rest to be decided after appeals against the decision of the gram sabha are heard ." Does this mean that the Gram Panchayats will initially identify only 95% of the number prescribed by the district authorities (serial no. 6 above). This will have to be clarified right at the beginning of the process.

7.7 S.C.Gautam

Comments on the Draft Report on Identification of BPL

1 In section 1 of the Report, it is stated "This, along with a short note prepared by the Chairperson with bullet points, was discussed in the meeting on the 13th June, and a broad consensus was arrived at. This preliminary draft report is based on the deliberations of the Expert Group, and is being circulated to the members for their comments, if any."

2 The Drafting Committee had prepared and submitted a report for consideration of the Expert Group on 13th June, 2009. A Note prepared by the Chairperson, was also circulated in the meeting. The Report submitted by the Drafting Committee contained 'exclusions' based on assets and income, 'inclusions / priority' based on social indicators/physical challenges, and 'ranking' of remaining families, based on assets and income etc. The Note of the Chairperson contained 'exclusions' based on income and assets, 'automatic inclusions' based on social indicators and 'ranking' of remaining households, based on castes, communities, religion, occupation, and physical challenges etc. These reports were different.

3 In the said meeting, the Note of the Chairperson was only discussed. Members of the Drafting Committee had mentioned in the meeting that the Note circulated by the Chairperson only has been discussed in the meeting. Unfortunately, this has not been recorded in the minutes of the meeting.

4 With regard to broad consensus as stated to be arrived in the said meeting, it may be clarified that there was no consensus. In fact, some of members had strongly objected to further division of societies on the basis of castes, communities, religion and occupations and some of the State Governments official also mentioned that they are already facing this issue of castes conflict among communities and within the sub-groups and such report may further accelerate this issue.

5 With regard to TOR No – IV, regarding total number of BPL families allowed to be identified and allowable gap between identification and estimation, majority of members were of the view that present number and percentage of families estimated to be poor as per NSSO survey of 2005, appears to be substantially under estimated and the Planning Commission may be requested to review it. In case, there is delay in review etc or so, the Expert Group may recommend about 20% more of NSSO

estimation allowed to be identified as transient poor for identification under BPL Census, 2009. In the reports, it has been stated that the Expert Group should recommend to increase the number of BPL families to 50% as against 28.3 % at the national level and accordingly, uniformly step up for all States, on the presumption that NSSO estimated was uniformly under estimated. This appears to be incorrect interpretation of TOR No-IV and also going beyond the TOR.

6. Further, it is to recommend that district wise percentage and number of BPL families may be distributed based on criteria of allocation of funds under SGSY to the district. The districts may further divide this to the blocks and blocks to Panchayats etc. based on suitable criteria adopted by the district. If this is done and each panchayats is given a number of households to be identified as BPL, it will be better to leave identification and ranking of those poor to the Panchayats, based on their own indicators. Some of the members of the Expert Group had been arguing on this line of approach since the first meeting of the Expert Group. It may take long time to decided Panchayat wise number of BPL. It may be pertinent to recall that States of Orissa, Kerala, J&K, Tripura etc are yet decide cut off points for identification poor for BPL Census 2002, due to pulls and pressures.

7 As per Report, first of all three lists are to be prepared for 'exclusion' 'automatic inclusion' and third for detailed survey to be carried out later on for 'ranking' of remaining families. The district official / panchayats cannot prepare these three lists without formal survey and documentation of all families. It is implied that there will be two stage surveys. i.e. first preparation of three lists and there after ranking purpose. Each may take 6-8 months. It will be wastage of time. There should one time survey for all household and exclusion, inclusion and ranking be done at the time of tabulation.

8 There is no logic that about 100 districts those may have over 80% of households as BPL, need not be surveyed for ranking purposes. How BPL from these will be assisted in the absence of adequate resources to give adequate benefits to all.

9 About 90% of BPL families will be getting scores between 3 to7, and it will be difficult to provide assistance to a large number of families having some score without adequate flow of resources.

10 Coming to ranking, and talking only two dominant indicators, first is based on caste /community, i.e. SC/ST are given 3 point each. In the second occupation based scores, landless agricultural labourers and forest gatherer are given 4 points, It is established fact that SCs are mostly landless agriculture labourers hence most of them will get 7 (3+4) scores in these two indicators. In few States, STs are mostly forest gatherers and get 7 score but in other majority of States, they are agriculture worker, casual worker, self-employed etc. and they will get scores of 5 to 6 only. Poverty among the STs is stated to be higher and they will be getting lower scores.

11 There is enough scope for manipulations and pressure tactics for inclusion in the 'automatic Inclusion' list. The houseless households are 'automatically included'. Suppose a OBC farmer is of 65, wife 61 and son 35 years and so on. As per social system / customs, both; land and house would be in the name of father. The son would be landless and houseless. He is eligible for 'automatic inclusion' Can the Gram Sabha, on the basis of criteria given by this EG, deny it? Same may be in case of single women, persons with T.B. and HIV etc.

The definition of the household is that all family members who eat from a common hearth and reside under a common roof, is a household. For the purpose of inclusion,

within the household, even if they share kitchen and roof ; single woman with no major son, old individual / couple beyond the age of 60, handicapped / critically diseased /bonded labour etc , will be treated separate households. This gives enough scope for manipulations and also enforce physical separation of households and disintegration of joint family system.

Draft Report of Expert Group - Implication of scores in ranking & Cut off

Caste/Community/ Religion & Occupation		Scores @
(A)	(1) SC (Landless Agri. Worker)	3+4 = 7
	(2) SC (Agri. Worker)	3+3 = 6
	(3) SC (Self employed – (Safai Karamchari)	3+2 = 5
	(4) SC (Self employed – (Chamar)	3+2 = 5
	(5) SC (Casual Worker)	3+2 = 5
(B)	(1) ST (landless Forest gatherer)	3+4 = 7
	(2) ST (Forest gatherer with some land)	3+3 = 6
	(3) ST (Agri. Worker)	3+3 = 6
	(4) ST (Casual Worker)	3+2 = 5
(C)	(1) OBC/Muslim (landless Agri. Worker)	1+4 = 5
	(2) OBC/Muslim (Agri. Worker)	1+3 = 4
	(3) OBC/Muslim (Self employed)	1+2 = 3
	(4) OBC/Muslim (Casual Worker)	1+2 = 3

@ Plus score of one in each case, if (i) No adult above 30 years in the household studied up to 5 class, (ii) Any member with TB, HIV/AIDS, leprosy, mental illness or handicapped, and (iii) Household headed by old persons of 60 or above age. Presuming that each household has **at least one of these**, range of scores will be 4 to 8.

- There is scope to manipulate scores, particularly in literacy and diseases. What will happen if all adults in a family studied up to 4th class (which was primary education system in some of states earlier) or, there is no prove of their studying up to 5th class.?
- How to fix 'cut off' point to limit identification houses, within permissible limit as per advice of the EG.
- Minimum score is 3 . And this 'cut off' point means that all self employed / casual workers except SCs / STs will be treated above poverty line.

7.8 Amar Singh

This has reference to e-mail dated 14-7-09 received from Mr N C Saxena regarding BPL census final report titled "Identification of BPL Households in rural India". My comments on the report are as under:-

Automatic exclusion:

Besides agriculture land holdings, vehicles etc, the following categories of households/families could also be considered for exclusion:

Possessing weapon license (Gun/Pistol)

MP/MLA's

Possession of more than 10 Milch animals

In order to cross check the details, following steps may also be taken:

Land details furnished to the banks for loan waiver scheme of Government of India.

The ownership of land, agriculture implements such as tractor, tiller, motorized vehicle etc at least for two year prior to the survey.

The report mentions that States who wish to add to the indicators for exclusion may be permitted to do so. In order to have uniformity and comparability of data, some indicative norms in view of geographic/ climatic and other conditions need to be specified rather than providing free hand to states to decide norms for exclusion.

Automatic Inclusion:

The Expert Group indicated certain categories of people/households for automatic inclusion. This should include the following categories of peoples/families also:

- Sweepers
- Rag pickers
- Artisans / craftsmen pursuing traditional occupation like cobbler, blacksmith, carpenter etc. which have lost their relevance in rural areas over the period due to introduction of technology, mechanization, etc

The report has suggested automatic inclusion of 'Primitive Tribal Groups' (PTG) in case of Tribals and 'Maha Dalits' in case of Scheduled Castes. The 11th Plan document (Vol.III), chapter 4 on 'Rapid Poverty Reduction' states that among the social groups, scheduled caste, scheduled tribes and backward castes accounted for 81% of the rural poor in 1999-2000, considerably more than their share in the rural population (Working Group on Poverty, Planning Commission, 2006). It shows very clearly that majority of BPL families in the rural area are SC/ST and most backward castes. Traditionally also because of rigid social structure, even the Scheduled castes were denied the right to hold property and entry to education. Hence, their further division in to 'Primitive Tribal Groups' and 'Maha Dalits' is not justified. Thus all SC/STs except those who are automatically excluded should be automatically included in the BPL list without any further division.

Ranking on a Scale of Ten

The occupational ranking such as agricultural labourer (with some land) need to be further clarified particularly the term 'Some land'. For instance, it could be equal to or less than the average size of agricultural land per agricultural household in the district.

There may be some households pursuing more than one occupation i.e traditional occupation as self employed as well as agricultural workers as well. While scoring for ranking, the main activity taken up during the major part of the year or which activity is the main source of livelihood should be considered.

(Amar Singh)

Joint Secretary (SGSY), 22-7-09

7.9 *KL Datta*

Dear Dr. Saxena,

This is in connection with the Draft Report of the Expert Group on Identification of BPL households in rural India.

I restrict my observations only to Section 2 of the Report particularly Sub-section 2.3 wherein it is stated that : “... *The Committee would therefore strongly recommend that the percentage of people entitled to BPL status should be drastically revised upwards to at least 50%, though the calorie norm of 2400 would demand this figure to be about 80%.....it is also necessary to suitably enhance the state-wise cut-off line by proportionately increasing the percentage of eligible households for each state by 50*100/28.3 percent,for some of the major states.*”

The above observation and accompanying recommendation of the Expert Group according to me is out of context and also beyond the terms of reference of the Expert Group. This Section should therefore, be dropped entirely from the Report. In case the decision is contrary, the attached note, enunciating the reasons for arriving at such a decision may be appended to the Report.

With regards

Yours sincerely,

K L Datta

Chief Economic Adviser (RD) and Member-Convenor

DRAFT REPORT ON IDENTIFICATION OF BPL (Below Poverty Line) HOUSEHOLDS IN RURAL INDIA : Comments

The Draft Report citing mainly two pieces of evidence has attempted to substantiate that the rural poverty ratio estimated by the Planning Commission, which is used as a cap for the number of beneficiary families for the poverty alleviation programmes is underestimated.

2. The first one relates to the proportion of population unable to meet the calorie norm of 2400 kcal per person per day, which was set by a Task Force (appointed by the Planning Commission under the chairmanship of Dr. Y.K. Alagh in 1979). This calorie norm, it is useful to mention, is based on the projected age-sex-activity distribution of the population for the year 1982-83, based on 1961 and 1971 population census data and the calorie norms as recommended by the Nutrition Expert Group (1968) of the Indian Council of Medical Research (ICMR). The nexus between calorie intake and per capita consumption expenditure that was evident when the poverty line was constructed (utilizing the NSS 28th Round consumer expenditure data of 1973-74) does not hold good at present, triggering the much hyped difference between the percentage of calorie deficient population and the poverty ratio estimated by the Planning Commission.

3. The second relates to the number of rural families actually identified by the state governments as poor for extending the benefits under the poverty alleviation programmes. The number of such families adds up to more than

five crore, which is greater than the number of rural poor estimated by the Planning Commission. It should be kept in mind that the Planning Commission estimates are based on persons, in which case both the poverty line and the class distribution of consumer expenditure are based on persons and not families. The difference between the person-based and family-based estimates in this regard would be very different. The number of families in the rural areas whom the ration cards have been issued for the food subsidy and other welfare measures of the government are much more, about 10 crore.

4. Weighing under the pressure of these two evidences, the Draft Report has taken the decision of summarily equating 50% of the population/families as poor. Such a decision obviously ignores the fact that poverty estimates in the country is made by the Planning Commission. It should be stressed that whether the poverty ratio would be 28% (as estimated by the Planning Commission for 2004-05) or 50%, it is to be decided by the Planning Commission and not the Ministry of Rural Development. The job of the Ministry of Rural Development is to assist the states for identification of the poor families. This particular act of setting the poverty limit by the Expert Group, therefore, does not fall within the purview of the Ministry. It is also not included in the Terms of Reference of the Expert Group.

5. The observation of the Expert Group that the Planning Commission poverty estimates understate the true incidence, as already mentioned, is based on the higher proportion of calorie deficient persons obtained from the calorie norm (2400 kcal per capita per day) which was originally used to estimate the poverty line in 1973-74. The poverty line which was estimated at the national level was disaggregated into state-specific poverty lines using indices of inter-state price differential. These state-specific poverty lines were subsequently price updated for future years. The outcome is that the poverty ratio obtained from the price updation of the money value of the poverty line does not match with the percentage of calorie deficient population, obtained from the same calorie norm. There are alternative views on the reasons for this mismatch of which one aspect only (viz., lower calorie intake) has been highlighted in the Report. Ignoring other aspect such as the decline in the overall requirement of calories due to the change in the life style and also of the technological innovations that has swept the economy and the life of the people, would be a gross mistake. The FAO precisely for these reasons lowered the calorie requirement to a range of 1800 to 2200 depending on several factors which are known to determine the actual requirement. Professor K. Sundaram of Delhi School of Economics has stated candidly that the calorie norm of 2400 kcal per capita per day set in the early 1970s need to be revised downwards. The more-recent (1990) ICMR – norm is 2200 calories. Moreover, according to Professor Sundaram, “given that poorer households have a larger than average proportion of children, the calorie requirements on a per capita basis may be expected to be even lower for the poor”.

6. In order to demonstrate the decline in calorie intake as a symbol of deprivation, the Draft Report has used the paper by Dr Pronab Sen. But, the quotes in the Draft are out of context. Professor Sundaram has commented upon this issue in the following:

“Equally important is the point highlighted in Dr Sen’s paper (EPW: October 22, 2005): over time, with rising levels of living, the food habits of people have changed in such a way that that people in the poverty-line expenditure class are no longer consuming the normative levels of calories“ despite it being within their means” (p 4616). To put it differently, non-consumption of normative-levels of calories in this expenditure-class is a voluntary choice by the households and did not reflect their expenditure on food not being capable of generating the requisite number of calories. the Draft Report would appear to have missed this nuanced approach contained in Dr Sen’s paper.” The moral of the story is that lower calorie intake cannot be equated with poverty.

7. The references to calorie intake and per capita consumption in general and the relation between the calorie intake and the incidence of poverty as viewed in the Draft Report through the lenses of NSS Consumer Expenditure unfortunately are misconstrued and does not have much validity in this context. The exclusive reliance on the calorie intake as the criteria to separate the poor from the non-poor is, therefore, not based on facts.

8. The nexus between consumption and calorie intake is a vexed issue. The serious and thought provoking intellectual debate between two eminent researchers in this area, namely, P.V. Sukhatme and V.M. Dandekar, chronicled in the Economic and Political Weekly in the form of at least a dozen of articles in the mid-1980s may be enough to understand the potential seriousness of the issue.

9. The manner in which calorie intake has been equated with the incidence of poverty in the Draft Report resemble to the confusion between poverty which is an absolute concept and under-nutrition which is a relative concept. The superiority of one measure over the other has been widely debated and unfortunately there are no unique opinions in this regard despite the plethora of literature on this issue. The issues in this regard may be summed up as: (a) poverty and under-nutrition are two different issues (b) the requirement of calories for leading a healthy and active life has lowered over the years. (c) the disparity between the poverty ratio and the percentage of calorie deficient population is a natural conclusion. The anxiety of the Expert Group over difference between the two estimates is not relevant in this context.

10. The poverty line that is in use at present is based partly on behavioral factors and partly normative. The consumption expenditure needed to satisfy the calorie requirement is captured from the consumer behavior of the population. It has not been possible for the Planning Commission to reconstruct the poverty line in response to the changes that has taken place in the economy triggered by higher rate of growth and consequent increase in income and consumption.

11. The Draft Report mentions about re-estimating the poverty line. Such a need has been emphasized by many, including the Planning Commission. The Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee) also looked into this issue. But, it did not change the poverty line and instead detailed out an elaborate methodology for its spatial disaggregation and inter-temporal updation. At the moment, the Expert

Group to review the methodology of poverty estimation constituted by the Planning Commission under the Chairmanship of Professor Suresh Tendulkar is enquiring into this issue.

12. The construction of poverty line is indeed a serious matter; so also the estimation of number of people living below the poverty line. A quantitative index of poverty is essential for the implementation of poverty alleviation programmes and also to use poverty as a parameter in the planning exercises. Lack of precision in this regard gets the numbers corrupted. The situation that arose from the use of income as a yardstick to identify the families below the poverty line (BPL) in the 1992-BPL Census may be mentioned as an example. Taking a simplistic (lackadaisical !) attitude, income was used as the criterion to identify the BPL families in 1992-BPL Census. It meant estimation of household income by an enumerator in the rural areas - a task which the country's premier statistical agency namely the Central Statistical Organisation (CSO) or the National Sample Survey Organisation (NSSO) found too complicated to handle. Even today we do not have an estimate of income from either of these two agencies. The fate of the BPL 1992 census is well known.

13. Similar would be the situation in our attempt to identify the poor families with an improperly and imprecisely worked out poverty line. The estimates that would come out as a result would not be reliable and is likely to meet the same fate as the outcome of the 1992 BPL Census.

14. We should remember that the poverty ratio estimated by the Planning Commission serve as a kind of barometer to measure the extent to which the poor people in the states should be assisted, in addition to the income accrued to them through the general growth process. This has to be viewed in the context that the central funds are neither elastic nor infinite. It has competing claims. If the states desire to accommodate more families in the BPL group, they can do from their own budget, avoiding dependence on the Central Government for food and funds.

15. Finally, I would like to mention that poverty estimates in the country is made by the Planning Commission. Whether the poverty ratio would be 28% or 50%, it is to be decided by the Planning Commission. This must be placed on record. This particular act of setting the poverty limit in the country does not fall within the purview of the terms of reference of the Expert Group.

Q. 16025/8/2006-A.I (RD)
Government of India
Ministry of Rural Development
(Monitoring Division)

Krishi Bhavan, New Delhi
Dated 12th Aug. 2008

NOTIFICIATION

Sub:- Constitution of an Expert Group to advise the Ministry of Rural Development on the methodology for conducting the Below Poverty Line (BPL) Census for 11th Five Year Plan.

The Ministry of Rural Development has been conducting a Below Poverty Line (BPL) Census since 1992 which is done through the State Governments/UT Administrations generally at the beginning of Five Year Plan. The basic objective of this Census is to identify the families living Below Poverty Line in rural areas of the country, who could be assisted under various poverty alleviation programmes being implemented by this Ministry. The last such Census (BPL Census 2002) was conducted for the 10th Five Year Plan. However, there was a considerable delay in finalizing its results.

2. The identification of BPL families in the rural areas is a complicated process, therefore, an attempt is made by the Ministry to evolve a more suitable methodology which could be simple and transparent so that the families who are actually poor are captured through this exercise of BPL Census. In the above background, it has been decided to constitute an Expert Group to recommend a more suitable methodology to conduct the next Below Poverty Line (BPL) Census to identify the BPL households in the rural areas and also to consider some other related issues.

3. The composition of the Expert Group will be as under:-

- | | | |
|-----|--|----------|
| (1) | Shri M. Shankar
(Former Secretary (RD)
B-I, Ist Floor, New No. 5
Crecent Avenue, K.P. Puram,
Chennai-28 | Chairman |
| (2) | Prof. Raghav Gaiha
Prof. of Economics, Faculty of Management
Studies, Delhi University
Delhi-110007 | Member |

- | | | |
|------|---|--------|
| (3) | Dr. N.J. Kurian
Former Adviser (FR)
Planning Commission
House No. 741, Sector 21,
Gurgaon-122015 | Member |
| (4) | Shri P. Sainath
“The Hiudu”,
27/43, Sagar Sangam,
Bandra Reclamation,
Mumbai-400 050 | Member |
| (5) | Shri Harash Mander,
(Commissioner Supreme Court,
In the matter of Rights to Food)
102-A, Survodya Enclave,
New Delhi 10017 | Member |
| (6) | Director General or his representative
National Sample Survey Organisation,
Sardar Patel Bhawan,
Parliament Street, New Delhi. | Member |
| (7) | Dr. M. N. Roy,
Principal Secretary (RD)
Govt. of West Bengal,
Writer’s Building
Kolkata-70000 | Member |
| (8) | Shri K. Raju,
Principal Secretary (RD)
Government of Andhra Pradesh
Hyderabad-50022 | Member |
| (9) | Shri Manoj Kumar Singh
Commissioner (RD)
Government of Uttar Pradesh
Jawahar Bhavan,
Lucknow-226001 | Member |
| (10) | Shri Ram Lubhaya,
Principal Secretary (RD)
Government of Rajasthan
Jaipur-302004 | Member |

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|------|---|---------------------------|
| (11) | Dr. Santosh Mehrotra
Senior Consultant (RD),
Planning Commission
Yojana Bhavan, New Delhi | Member |
| (12) | Dr. Amar Singh,
Joint Secretary,
Ministry of Rural Development | Member |
| (13) | Shri Devender Kumar
Commissioner & Secretary
Rural Development Deptt.
Govt. of Assam, Sectt
Dispur (Guwahati) | Member |
| (14) | Shri Wilfred Lakhra,
Retired IAS, 5/3, MS Flats, D Block,
Sector-13 R.K. Puram, New Delhi | Member |
| (15) | Smt. Aruna Roy,
Mazdoor Kissan Shakti Sangathan
Village Deo Dungari
Post Office Barar
Distt. Raj Samand Rajasthan | Member |
| (16) | Dr. N. C. Saxena,
(Commissioner Supreme Court
In the matter of Right to Food)
68, Friends Colony, West
New Delhi-110065 | Permanent Special Invitee |
| (17) | Shri S.C. Gautam,
Chief Economic Adviser (RD)
Ministry of Rural Development | Member Convener |

3. The Terms of Reference (TOR) of the Expert Group are given below:

- (i) To recommend more suitable methodology to conduct the next BPL Census with simple, transparent and objectively measurable indicators for identification of BPL for providing assistance under the programmes of the Ministry of Rural Development.
- (ii) To recommend institutional system for conducting survey, processing of data validation and approval of BPL List at various levels.

- (iii) To recommend institutional mechanism to address grievances of public on exclusion/inclusion in the BPL List.
- (iv) To briefly look at the relationship between estimation and identification of poor and the issue of putting a limit on the total number of BPL families to be identified.
- (v) Any other recommendation to make the exercise of BPL Census simple and acceptable.

4. The Expert Group will hold its meeting with frequency as per requirement. The expenditure towards TA/DA in respect of non-official members, if any, for attending the meetings of the Expert Group will be borne by the Ministry of Rural Development as per the Rules & Regulations of TA/DA applicable to Grade I Officers of Government of India. Secretariat support to the Expert Group will be provided by the Deptt. of Rural Development. The Expert Group will submit its report within six months.

5. This issues with the approval of Minister (RD).

-Sd-
(B.D. Virdi)
Director (P&P)

Distribution:

- 1. Chairman and Members of the Expert Group
- 2. PS to Minister(RD)
- 3. PS to MOS(RD-P)
- 4. PS to MOS(RD-S)
- 5. PPS to Secretary(RD)
- 6. PPS to Secretary(LR)
- 7. PPS to Secretary(DWS)
- 8. PS to AS & FA(RD)
- 9. All Joint Secretaries in the Ministry of Rural Development
- 10. Guard File

Q. 16025/8/2006-A.I (RD)
Government of India
Ministry of Rural Development
(Monitoring Division)

Krishi Bhavan, New Delhi
Dated: 16th March, 2009

NOTIFICIATION

Subject: - Constitution of an Expert Group to advise the Ministry of Rural Development on the methodology for conducting the Below Poverty Line (BPL) Census for the 11th Five Year Plan.

This has reference to the Notification dated 12th August 2008 of the Ministry of Rural Development constituting an Expert Group to advise the Ministry on the methodology for conducting the Below Poverty Line (BPL) Census for the 11th Five Year Plan. With the approval of competent authority, the following modifications are made in the above Notification:-

1. The term of the Expert Group has been extended up to 11th May, 2009
2. Dr. N. C. Saxena will now be the Chairman of the Expert Group in place of Shri M. Shankar.
3. Shri S.C. Gautam, Former Chief Economic Adviser (RD) and Member Convener will now be a non-official member of the Expert Group.
4. Shri K.L. Dutta, Chief Economic Adviser (RD), Ministry of Rural Development will be Member Convener of the Expert Group.

-Sd-
(B.D. Viridi)
Director (P&P)

Distribution:-

1. Chairman and all members of the Expert Group.
2. PS to Hon'ble Minister for Rural Development.
3. PS to Hon'ble MOS(RD-P)
4. PS to Hon'ble MOS(RD-S)
5. PPS to Secretary (RD)
6. PPS to Secretary (LR)
7. PPS to Secretary (DWS)
8. PS to AS & FA (RD)
9. All Joint Secretaries in the Ministry of Rural Development.
10. Guard File.

Q. 16025/8/2006-A.I (RD)
Government of India
Ministry of Rural Development
(Monitoring Division)

Krishi Bhawan, New Delhi
Dated 9th June 2009

NOTIFICATION

Subject: - Constitution of an Expert Group to advise the Ministry of Rural Development on the methodology for conducting the Below Poverty Line (BPL) Census for 11th Five Year Plan- Extension of term – Regarding.

In continuation of the notification of even No. dated 12th August 2008 and 16th March 2009 of this Ministry, it has been decided with the approval of competent authority to extend the term of the Expert Group on BPL Census till 15th July 2009.

-sd-
(B.D. Virdi)
Economic Adviser (P&P)

Distribution:-

1. Chairman and all members of the Expert Group with the request to finalize and submit the recommendations/report to the Ministry of Rural Development before 15th July 2009.
2. PS to Hon'ble Minister for Rural Development.
3. PS to Hon'ble MOS(RD-PJ)
4. PS to Hon'ble MOS(RD-SA)
5. PS to Hon'ble MOS(RD-AS)
6. PPS to Secretary (RD)
7. PPS to Secretary (LR)
8. PPS to Secretary (DWS)
9. PS to AS & FA (RD)
10. All Joint Secretaries in the Ministry of Rural Development.
11. Technical Director, NIC for publishing on website of the Ministry of Rural Development.
12. Guard File.