



"India's steady strides to reduce multidimensional poverty"

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India's transformative journey towards reducing multidimensional poverty is a crucial step in realizing the broader vision of Viksit Bharat.

India has not only put efforts for higher GDP growth or significant ease of doing business but social sector development also goes hand in hand. The country is significantly progressing to address inequalities and speedily addressing the multidimensional poverty. The States such as Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan have significantly tackled the multidimensional poverty and paving the way for a developed economy.

Recently, a Progress Review -2023' report on the Multidimensional Poverty Index (MPI) of the National Multidimensional Poverty by Niti Aayog, Government of India indicates that the Poverty Headcount Ratio in India has witnessed a commendable decline from 29.2% in 2013-14 to 11.2% in 2022-23, this is marking an extraordinary reduction of 17.8 percentage points from 2014-15 to 2022-23. This monumental achievement is underscored by the fact that around 25 crore Indians have successfully escaped multidimensional poverty over the last nine years. The Government, during the last nine years, has focused significantly on the multi dimensions of the downtrodden with the broad based strategies to pull them out of poverty.

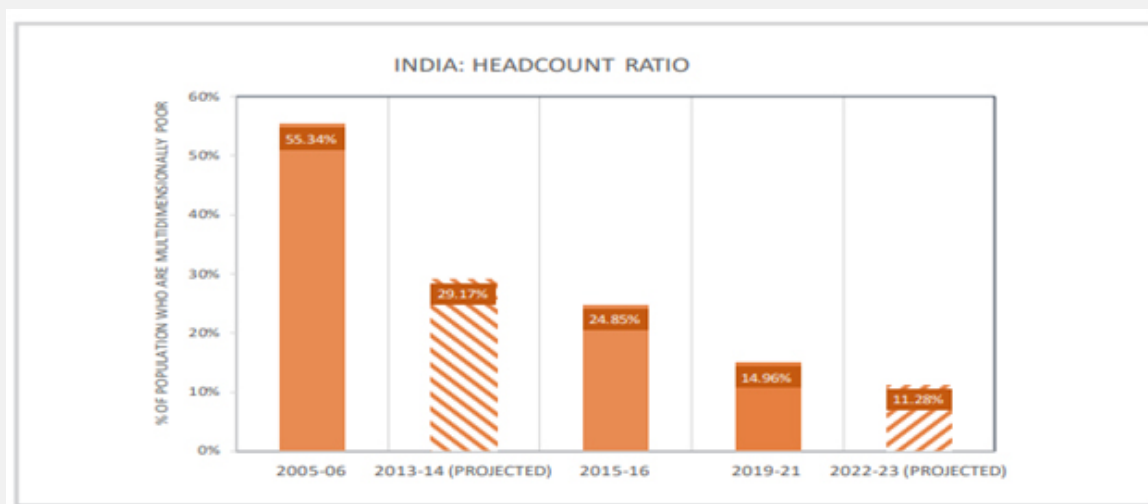
The Global Multidimensional Poverty Index (MPI), also called the Alkire-Foster method, uses three broad dimensions including Health, Education and Living Standards to determine the levels of poverty in a country. It was developed by the Oxford Poverty & Human Development Initiative to measure the levels and intensity of poverty. The United Nations Development Programme has used this methodology to determine poverty levels in over 100 developing nations.

Considering the phenomenon that the multiple factors such as malnutrition, inadequate living conditions, lack of drinking water, and amenities such as electricity and schooling can contribute to the disadvantages of poor people, the MPI suggests that one or two factors, such as income or money, cannot capture the reality and intensity of poverty. It suggests that people from different regions face different kinds of problems, issues and challenges. To address all these multidimensions, the MPI uses multiple parameters to capture the full situation in different regions. The MPI identifies individuals as poor based on universally acknowledged metrics, providing a more holistic perspective compared to traditional monetary measures.

The MPI's 10 parameters pertain to three major segments including the Health, Education, and Living Standards. The health includes nutrition and child mortality; the education includes years of schooling and children enrolled; and the living standards are measured on the basis of six parameters including cooking fuel, sanitation, water, electricity, floor, and assets. However, considering the divergent factors, India, in its National MPI, has added two more parameters—maternal health and bank accounts, under the health and standard of living dimensions. A score on the

basis of these 12 parameters is given to every household in India. If a household has a deprivation score higher than 33 percent, it is identified as multidimensional poor.

Headcount Ratio (Proportion of population who are multidimensional poor)



Source: National Multidimensional poverty: A Progress Review -2023' report by Niti Aayog, Government of India

The Niti Aayog report observed a positive trend, showcasing substantial progress in traditionally high-poverty states, thus narrowing inter-state disparities in multidimensional poverty. Uttar Pradesh emerges as a frontrunner in this transformative journey, witnessing the largest decline in the number of poor individuals, with 5.9 crore escaping multidimensional poverty in the State over the past nine years. Bihar closely follows suit with 3.7 crore individuals, while Madhya Pradesh and Rajasthan have recorded declines of 2.3 crore and 1.8 crore individuals, respectively. The pace of the decline in the poverty headcount ratio gained momentum between 2015-16 and 2019-21, demonstrating an annual rate of decline of 10.6%. This stands in stark contrast to the period from 2005-06 to 2015-16, which witnessed a rate of 7.7% annually. The accelerated progress underscores the efficacy of targeted initiatives and policies during recent years. The poverty rate in rural India decreased from 32.59% to 19.28%, and in urban areas, it saw a decline from 8.65% to 5.27%. Consequently, the rural population experienced a more significant reduction in poverty compared to the urban population.

The various government initiatives such as Poshan Abhiyan and Anemia Mukta Bharat have significantly improved healthcare access, addressing health disparities among vulnerable populations. These initiatives have played a pivotal role in contributing to this unprecedented reduction in multidimensional poverty. The Targeted Public Distribution System under the National Food Security Act, one of the world's largest food security programs, ensures the distribution of food grains to 81.3 crore beneficiaries, covering both rural and urban populations.

The effective policy measures such as Pradhan Mantri Jan Dhan Yojana and PM Awas Yojana have been instrumental in financial inclusion and providing safe housing for the underprivileged, contributing significantly to the escape from multidimensional poverty. The extension of free food grain distribution under Pradhan Mantri Garib Kalyan Anna Yojana for an additional five years exemplifies the government's unwavering commitment to alleviating poverty and ensuring food security for the most vulnerable segments of the population. The government has implemented transformative campaigns addressing maternal health, clean cooking fuel distribution through Ujjwala Yojana, enhanced electricity coverage via Saubhagya, and the ambitious Swachh Bharat Mission and Jal Jeevan Mission. These programs collectively contribute to elevated living conditions and overall well-being, fostering a comprehensive approach to development.

The extraordinary performance of the States, especially the traditionally high-poverty States like Uttar Pradesh, Bihar, and Madhya Pradesh, indicates significant progress in India's social sector development. This progress not only signifies a substantial reduction in multidimensional poverty but also suggests a positive trajectory towards achieving Sustainable Development Goal (SDG) Target 1.2 — halving multidimensional poverty well before 2030. India's transformative journey towards reducing multidimensional poverty is a crucial step in realizing the broader vision of ViksitBharat.

India is poised to evolve into a developed nation by 2047, the progress in addressing multidimensional poverty is a testament to the government's persistent dedication and resolute commitment to enhancing the lives of the most vulnerable and deprived. The multifaceted approach, backed by data-driven methodologies such as the MPI, has resulted in a momentous step towards a more inclusive development of the Indian economy. This success story to tackle the multidimensional poverty not only symbolizes a reduction in poverty but also represents a paradigm shift towards holistic development and a brighter future for the nation and a strengthened road to its journey towards a developed economy by 2047.

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