

NITI Aayog Projects Decline In Poverty In India

Why In News

- The share of India's population living in **multidimensional poverty** is estimated to have fallen to 11.28 per cent in 2022-23 from 29.17 per cent in 2013-14, according to a discussion paper released by NITI Aayog.

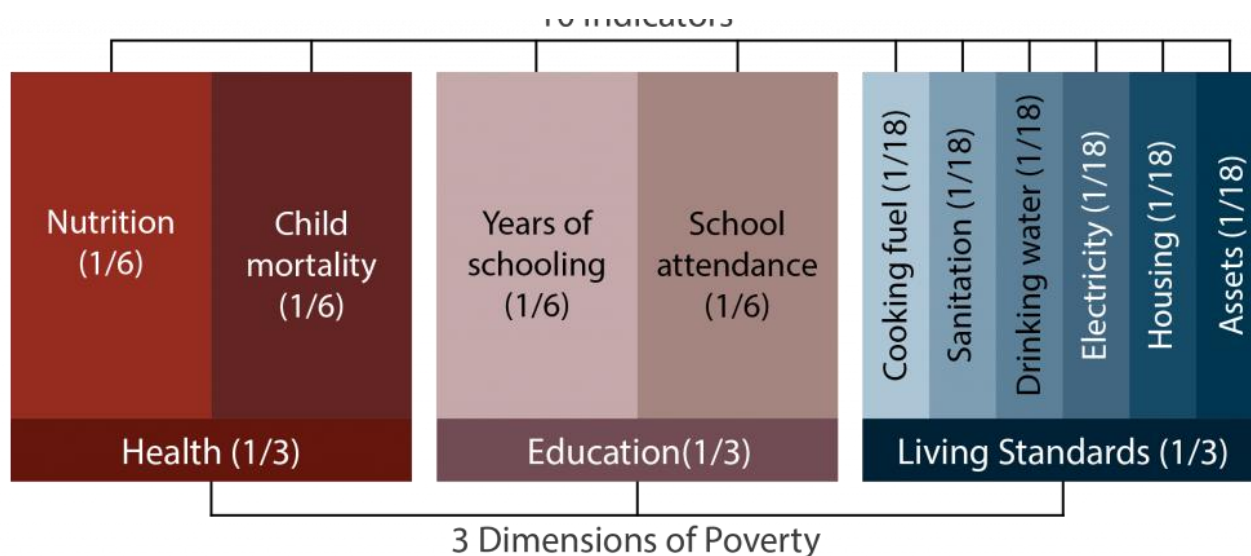


- In absolute numbers, **NITI Aayog estimates** a total of 24.82 crore people escaped multidimensional poverty in the last nine years.

Multidimensional Poverty Index

- **Multidimensional Poverty Index (MPI)** is a measure that assesses **acute poverty** in over 100 developing countries. It goes beyond just looking at **monetary poverty** and considers the simultaneous deprivations in health, education, and living standards that people face.
- India's definition of **multidimensional poverty** is measured using **twelve indicators** including nutrition, child & adolescent mortality, maternal health, years of schooling, school attendance, drinking water, electricity, housing, and assets. MPI seeks to measure poverty in a more holistic manner as opposed to solely relying on income levels to assess deprivation.
- The Multidimensional Poverty Index (MPI) looks at poverty at an individual level. If a person is deprived in at least one-third of ten indicators, they are considered

“MPI poor.” The severity of their poverty is determined by the percentage of deprivation they experience.



- The Multidimensional Poverty Index (MPI) is a valuable tool for policymakers as it helps identify the most **vulnerable individuals and enables** them to target resources and design effective policies.
- It was developed by **OPHI in collaboration with the UN Development Programme (UNDP)** and has been published annually in the Human Development Report since 2010.
- The MPI measures poverty using **three dimensions**: health, education, and standard of living.
- These dimensions are further broken down into ten indicators, including child mortality, nutrition, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, and assets.

Report Says

- The paper estimated **multidimensional poverty in India** for the years 2005-06, 2015-16, and 2019-21 using data from the corresponding National Family Health Survey (NFHS) round three to five.
- It says that **55.34 percent** — more than half of India’s population — were multidimensionally poor in 2005-06.
- The proportion of such poor persons in the **total population has fallen to 29.17 percent** in 2013-14 from 55.34 percent in 2005-06 — a reduction of 26.17 percentage points.



- But the paper states that the **pace of decline in poverty** headcount ratio using the exponential method was much faster between 2015-16 and 2019-21 (10.66 percent annual rate of decline) compared to the period between 2005-06 and 2015-16 (7.69 percent annual rate of decline).
- Subrahmanyam said that the paper extrapolated the trend using an exponential method as it is mathematically more defensible, which was done in consultation with **UNDP and Oxford**.



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Resilient nations.*

- “The government has a goal to bring **multidimensional poverty to below 1 percent**. All efforts are being made in that direction,” he added.
- The paper states that India will reach single-digit poverty levels during 2024 itself.
- According to him, the reduction in poverty has mainly been achieved because of two factors. “**One is an improvement in governance and delivery**. And two, more and more **targeted schemes** being launched literally get mapped onto each of your indicators.



- That's why the impact is visible much more. The rate is somehow being correlated with the number of programs, which are directed at each of the indicators. There is a scheme targeting each of the **12 MPI indicators**," he said.
- The Modi government had **launched several initiatives targeting the poor**, such as free food grain distribution under Pradhan Mantri Garib Kalyan Anna Yojana, houses for the poor under PM Awas Yojana, direct benefit transfer through Pradhan Mantri Jan Dhan Yojana and various programmes addressing maternal health, clean cooking fuel distribution through Ujjwala Yojana, improved electricity coverage via **Saubhagya**, among others since coming to power in 2014.



- The **States like Uttar Pradesh**, Bihar, Madhya Pradesh, and Rajasthan recorded the sharpest decline in the number of people classified as poor based on the Multidimensional Poverty Index (MPI), which considers twelve different indicators of poverty included under three broad dimensions, namely health, education, and standard of living.

- The discussion paper also notes that the severity of deprivation declined at a slightly lower rate between 2015-16 and 2019-21 compared to 2005-06 and 2013-14.



- According to the estimated share of MPI poor in 2013-14 and 2022-23, Bihar recorded a 53 per cent drop from 56.3 per cent share of MPI poor in 2013-14 to 26.59 per cent in 2022-23.
- **Jharkhand** also recorded a **50 per cent** drop from 47.13 per cent share of MPI poor to 23.34 per cent.
- **Uttar Pradesh**, which had a lesser share of MPI poor in 2022-23 than Bihar, Jharkhand, and Meghalaya, recorded a decline to 17.4 per cent from 42.59 per cent in 2013-14.