



## MULTIDIMENSIONAL POVERTY IN INDIA

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### Abstract

The Sustainable Development Goals (SDGs) aim to end poverty in all its forms and dimensions. In 2018, the World Bank estimated that 700 million people were living in extreme poverty below the updated international poverty line of 1.90 per day, and that between 1990 and 2018, nearly a billion people were lifted out of extreme poverty. Despite progress in reducing income inequality, large disparities in health, education and nutrition persist among social groups, farmers and different regions of the country. Absolute poverty is poverty below a certain threshold to meet the minimum necessities of life. The global absolute poverty line is currently US\$ 1.90 per day. Relative poverty is relative to others and is used in many developed countries. These concepts of poverty are one-dimensional. Therefore, the concept is growing that poverty is multi-dimensional and it should also consider other aspects of health like health, education, nutrition etc. which should be measured. The present research work is based on multidimensional Poverty of India as well as the researcher also tend to assess the trends in MPI of India.

**Keywords:** Multidimensional Poverty, Oxford Poverty and Human Development Initiative.

### Introduction

The United Nations Development Program (UNDP) released a report on the Multidimensional Poverty Index for the World in 2010. The Alkire-Foster (AF) methods of multidimensional poverty estimation implemented by UNDP have been gaining popularity since 2010. According to the 2010 annual report following the publication of the AF method at UNDP, the method is now widely used by many researchers around the world.

Many independent research scholars from **international** (World Bank, UNDP and OPHI, Oxford University etc.) and national institutions and authorities (Planning Commission, NSSO etc.) are giving serious importance to poverty assessment and alleviation. to reach High standard of living of farmers. Recently Nobel Laureate **Prof. Abhijit Banerjee and Esther Duflo** (Nobel Laureates in Economics-2019) has contributed greatly to poor economy and poverty.

Despite the heavy population burden on agriculture, India has achieved a high economic growth rate, but still 29.5% of the population lives in various areas (**C. Rangarajan Group Report on Poverty Assessment in India, 2014**) and BPL in India. Therefore, poverty alleviation is a serious matter of national policies and programmes. After independence, various committees and working groups were set up to assess and measure poverty in India, such as PD Ojha (1967-68), Dandekar - Rath Samiti (1969-70), Vigelag Task Force (1977), Ahluwalia Committee (1977-78), Bhagwati Samiti (1978), Lakdawala Samiti (1993), Suresh Tendulkar Samiti (2005), C. Rangarajan Samiti (2012), etc. In Maharashtra, farmers (herein referred to as target groups) constitute a group of castes. Mainly rural farmers and landowners. This community constitutes 60 percent of the total population of the state of Maharashtra and 76.86 percent of households depend on agriculture and agricultural labour. Report Retired Judge **Hon. MG Gaekwad studied 13,368 farmers** who committed suicide **from 2013 to 2020**. Indebtedness and severe poverty caused by crop failure are the major causes of suicide. All the figures show that there is a need to pay serious attention to the poverty assessment and eradication of the farming community who are struggling to earn income for their families through detailed and in-depth surveys.

The evolution of the human development paradigm in the 1990s laid a strong theoretical foundation for measuring multidimensional poverty. In its annual publications, the United Nations Development Program (UNDP) has developed a composite index to measure multidimensional poverty, the Capacity Poverty Measure (CPM), the Human Poverty Index 1 (HPI 1) and the Human Poverty Index 2 (HPI 2). Total data usage. After a comprehensive study of all aspects of poverty, MPI follows the Alkire-Foster (AF) approach developed by **Sabina Alkire and James Foster** with the help of the Oxford Poverty and Human Development Initiative (OPHI - University of Oxford). OPHI aims to develop more systematic approaches and financial frameworks for multidimensional poverty reduction.

MPI mainly consists of three basic 3 dimensions namely health, education and quality of life of people. MPI not only assesses the poverty situation but also assesses the poverty density within the farmer group which is useful for further policy advocacy and formulation.



Cover Page

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## Global Multidimensional Poverty Trends

The United Nations Development Program previously published tables with estimates of global trends in multidimensional poverty, the first study to focus on compatible trends to increase understanding of the dynamics and potential of poverty reduction. The analysis covers 75 of the 107 countries included in the global MPI, with 5 billion people living in all developing regions. The period of analysis ranged from 3 years to 12 years across studies.

- i. The poorest countries in sub-Saharan Africa are achieving the fastest and most complete reduction of multidimensional poverty:

Poverty rates are high in sub-Saharan African countries and some have very vague estimates. Many of these countries are struggling with political conflicts, violence, environmental issues and rapid population growth. However, some of the poorest countries in sub-Saharan Africa have had the fastest absolute declines in multidimensional poverty. Sierra Leone, Mauritania and Liberia saw their MPI values drop the fastest. Mauritania started with 63 percent of the population, Sierra Leone 74.1 percent, and Liberia 81.6 percent in multidimensional poverty.

- ii. Strongest reductions in multidimensional poverty in East Asia and the Pacific:

Notable examples of MPI cuts compared to baseline are in East Asia and the Pacific and Europe and Central Asia. China led East Asia and the Pacific, falling more than 19 percent year-on-year, lifting more than 70 million people out of poverty in four years, and making significant improvements in nutrition, drinking water, clean cooking fuel, education and property rights. Another populous country, Indonesia, saw a 12.2 percent drop in annual cases and 17 of its 33 sub-regions halved their MPIT values in just five years. Comparatively, Thailand and the Lao People's Democratic Republic reduced their MPI values by 10 percent annually, and in Indonesia, the Lao People's Democratic Republic and Timor-Leste saw statistically significant decreases in the percentage of multidimensionally poor. Lost on every indicator. Formal UN Seven years after recognition, Timor-Leste reduced multidimensional poverty from 69.6 percent in 2019/2020 to 46.9 percent in 2016, the fastest absolute decline in East Asia and the Pacific and the fourth largest among 75 study countries.

- iii. Impact of Covid -19:

The Covid-19 pandemic threatens progress on multidimensional poverty reduction. Estimates of the substantial impact on multidimensional poverty are expected by two indicators based on the global MPI, which is severely affected by epidemic malnutrition and children's school attendance. This section presents a simulation of multidimensional poverty. The analysis covers 70 countries with a population of 4.8 billion. Outbreaks of COVID-19 have disrupted education worldwide, with schools closing in the wake of national and local lockdowns. School closures peaked in April 2020, with more than 91 percent of the world's students out of school. Between May and July 2020, the out-of-school ratio gradually fell from 70 percent to 60 percent. Following the impact of multidimensional poverty, the conservative scenario for school attendance anticipates modest improvements by late 2020, and assumes that 50 percent of primary school-age children in the countries analyzed will experience persistent disruptions in school attendance.

The Covid-19 pandemic has also disrupted livelihoods and food supply chains globally. According to the World Food Programme, the number of people facing severe food insecurity in 55 countries could rise to 130 million. A simulation of the effect of multidimensional poverty is spread across all 70 countries included in the analysis, and moderate conditions for nutrition estimate that about 25 percent of the multidimensionally poor or vulnerable population who were not undernourished before the pandemic are undernourished. A low-impact scenario explores what happens to the 10 percent of people who are already poor or insecure but not malnourished, hoping that some of the potential increase in food insecurity is prevented or has less to do with other deficiencies. In contrast, WFP estimates represent only 56 percent of the population in covered countries, and 50 percent of people who are already poor or vulnerable but not malnourished are undernourished in poor or high-impact conditions.

## MPI in India

In 2015/16, more than 364 million people in India were still MPI poor. This is more than the combined population of the most populous Western European countries, including Germany, France, the United Kingdom, Spain, Portugal, Italy, the Netherlands and Belgium. India's 2015/16 MPI is 0.121, with 27.5% of the population identified as multidimensionally poor and poor, who face a weighted average deficit of 43.9%. Only 9% of the population still suffers from poverty, which means they have lost between 20% and 33% of the weighted indicators. And, sadly, 113 million people - 8.6% of India's population - live in extreme poverty. Each of these individuals experienced a weight loss of more than 50%. In almost every state, malnutrition is the largest contributor to multidimensional poverty, accounting for 28.3% of India's MPI. Not having a family member with at least six years of education was the second largest at 16% of contributors. Clean water and infant mortality are 2.8% and 3.3% lower, respectively.

Relatively poor people miss out on school attendance – a significant advantage. India has made significant progress in reducing multidimensional poverty. Between 2005/06 and 2015/16 this was almost halved, to 27.5%. The global Multidimensional



Poverty Index (MPI) has halved due to rapid progress among the poor. Thus, within ten years, the number of poor in India has been reduced by more than 271 million – a great benefit indeed. India's rate of multidimensional poverty reduction from 2005/06 to 2015/16 – from 635 million poor to 364 million – is reminiscent of China's rapid rate of income reduction over 20 years. The data needed to measure changes in China's global MPI over time are not available. But according to China's 2010 Economic Poverty Line, 268 million people were lifted out of poverty between 1995 and 2005. In 2015, only 56 million people were consumption poor. Instead, the World Bank's \$1.25/day poverty line lifted 267 million people out of poverty in China between 1990 and 2000. While acknowledging that economic poverty and multidimensional poverty affect people in different ways, India's multidimensional poverty reduction has global consequences paralleling China's progress.

### Rapid progress for poorer groups

In 2019-20, traditionally disadvantaged sub-groups such as rural residents, Scheduled Castes and Tribes, Muslims and children remained poor. For example, half of any Scheduled Tribe community is MPI poor, while only 15% belong to upper castes. A third of Muslims are multidimensionally poorer than a sixth of Christians. Two in five children under 10 are poor (41%), but a quarter (24%) of 18- to 60-year-olds are poor. But the landscape of the poor has improved dramatically and, if current trends continue, will change. The poorest groups – states, castes, religions and age groups had the largest decline in MPI between 2005/06 and 2019-20, indicating that they are “catching up”, even though they have the highest poverty rates. This represents a dramatic reversal. From 1998/99 to 2005/06, the opposite trend prevailed: India's poorer groups made much less progress.

They were left behind (Algrey and Seth 2015). Among the states, Jharkhand has improved the most, while Arunachal Pradesh, Bihar, Chhattisgarh and Nagaland lag behind. However, in 2019-20, Bihar is still the poorest state with more than half of its population living in poverty. In 2019-20, the four poorest states – Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh – still had 196 million MPI poor – more than half of the MPI poor in India. Even the poorest regions are not stable. Instead, they reduced poverty. In fact, compared to their initial state, they achieved some of the highest relative rates of deduction. For example, Kerala, one of the poorest regions, reduced its MPI by about 92% in 2006. This positive trend of pro-poor poverty reduction is also reflected across religious and caste groups. In both cases, the poorest groups (Muslims and tribals) have reduced poverty in the ten years from 2005/06 to 2019-20. Yet both these groups have high poverty rates. For example, in 2005/06, 80% of those who identified themselves as Schedule Tribes were poor.

In fact, if we look at the social distribution between the poor, the vulnerable and the non-poor in India, we find that 91% of the population experienced any deprivation in 2005/06, compared to 82.4% in 2019-20. As a result, the disadvantaged population has doubled from 9% to 18%, and the number of the least disadvantaged has also increased. But the percentage of vulnerable people increased by only 2%, and among all poor people, if they were poor, their poverty decreased. For example, in 2005/06 7.3% of people lost 70% or more of their weighted indicators, compared to 1.2% in 2019-20. This somewhat technical mapping of all the disadvantages experienced verifies the social change seen in the rapid reduction of poorer groups.

### Sustaining Momentum

The 271 million Indian MPI's were found to be poor in 2019-20 – especially in a decade of population growth. A quarter of a billion people are not forced to fight the underdog at the same time. When looking at these remarkable results, it is important to consider the time period considered a lot can change in ten years. Also, these figures are from 2019-20 and cannot reflect the current situation in India. India's data will be updated regularly and more importantly, the trend is expected to continue. India's MPI Repaints Global Picture In MPI, South Asia no longer has the largest share of the world's poor. China's global leadership in reducing economic poverty is already recognized by the world. Although these are different measures, by any standard, India's MPI cuts are likely to be significant and should still be sustained for the next 15 years to end poverty.

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