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News: Multidimensional Poverty in India

➢ Recently, the NITI Aayog has released a Discussion Paper titled-'Multidimensional Poverty in India since 2005-06', stating that 24.82 crore people escaped Multidimensional Poverty in the last nine years.

➢ The discussion paper utilizes data from National Family Health Surveys (NFHS) conducted in 2005-06, 2015-16, and 2019-21 to understand long-term poverty trends.

Multidimensional Poverty Index (MPI)

➢ The Multidimensional Poverty Index (MPI) was launched by the UNDP and the Oxford Poverty & Human Development Initiative (OPHI) in 2010.

➢ MPI is based on the idea that poverty is not one-dimensional (not just depends on income and one individual may lack several basic needs like education, health etc.), rather it is multidimensional.

➢ The index shows the proportion of poor people and the average number of deprivations each poor person experiences at the same time.

MPI uses three dimensions and ten indicators which are:

- Education: Years of schooling and child enrollment (1/6 weightage each, total 2/6);

- Health: Child mortality and nutrition (1/6 weightage each, total 2/6);

- Standard of living: Electricity, flooring, drinking water, sanitation, cooking fuel and assets (1/18 weightage each, total 2/6).

- The Index considers data from 109 countries and 5.9 billion people.

Global Data

- About 41.5 crore people exited poverty in India during the 15-year period between 2005-06 and 2019-21, out of which two-third exited in the first 10 years, and one-third in the next five years.

- The incidence of poverty fell from 55.1% in 2005-06 to 16.4% in 2019-21 in the country and that deprivations in all 10 MPI indicators saw significant reductions as a result of which the MPI value and incidence of poverty more than halved.

- Improvement in MPI for India has significantly contributed to the decline in poverty in South Asia and it is for the first time that it is not the region with the

highest number of poor people, at 38.5 crore, compared with 57.9 crore in Sub–Saharan Africa.

➢ Bihar, the poorest state in 2015-16, saw the fastest reduction in MPI value in absolute   terms. The incidence of poverty there fell   from 77.4% in 2005-2006 to 34.7% in 2019-2021.

➢ Despite the strides made, the report notes that the ongoing task of ending poverty remains daunting.

➢ India has by far the largest number of poor people worldwide at 22.8 crore, followed by Nigeria at 9.6 crore.

➢ 2/3rd of these people live in a household in which at least one person is deprived in nutrition.

➢ There were also 9.7 crore poor children in India in 2019–2021 more than the total number of poor people, children and adults combined, in any other country covered by the global MPI.

Periodic Reduction in Poverty

➢ Of the 80 countries and five billion people for which there is data over time, 70 reduced MPI in at least one period, with the fastest changes coming from Sierra Leone (2013-2017), followed by Togo (2013/2014-2017).

Absolute Reduction in Poverty

➢ Some countries saw the fastest absolute reductions in their poorest regions-helping to fulfill their pledge to leave no one behind.

➢ These areas include North Central in Liberia (2013–2019/2020) and Province 2 in Nepal (2016–2019).

Poverty across Ethnic and Racial groups

➢ In some cases, disparities in multidimensional poverty across ethnic and racial groups are greater than disparities across geographical subnational regions.

➢ Within a country, multidimensional poverty among different ethnic groups can vary immensely.

➢ Therefore different policy actions are needed to reduce multidimensional poverty.

Education

➢ Worldwide about two-thirds of multidimensionally poor people (836 million) live in households where no woman or girl completed at least six years of schooling.

➢ 227 million live in India.

- One-sixth of all multidimensionally poor people (215 million) live in households in which at least one boy or man have completed six or more years of schooling but no girl or woman has.
- The report also finds that women and girls living in multidimensional poverty are at higher risk of intimate partner violence.

Living Standard

- 1 billion are exposed to solid cooking fuels; another billion live with inadequate sanitation and another billion have substandard housing.
- 788 million live in a household with at least one undernourished person.
- 568 million lack improved drinking water within a 30-minute round trip walk.

Effect of Covid

- The Covid 19 pandemic has eroded development progress around the world and we are still grappling to understand its full impacts.
- It has exposed the weaknesses in social protections systems, education and workers vulnerability around the world.
- These weaknesses are deepest in countries with higher levels of multidimensional poverty.

Indian Scenario

- As castes and tribes are a more prevalent line of social stratification in India, this index presents the incidence and intensity of multidimensional poverty among castes and tribes and among individuals who are not members of any caste or tribe.

- In India five out of six multidimensionally poor people are from lower tribes or castes.

- 9.4% of the Scheduled Tribe group lives in multidimensional poverty

- 33.3% of the Scheduled Caste group lives in multidimensional poverty.

- 27.2% of the Other Backward Class group lives in multidimensional poverty.

- In India close to 12% of the population live in female-headed households.

Indian Multidimensional Poverty Index (Indian MPI)

- Recently, NITI Aayog has released Indian Multidimensional Poverty Index (MPI).

- The data is based on the National Health Family Survey (NHFS) for 2015-16.

- India's Head Count Ratio (HCR) is 25.01 per cent, meaning that one in every four Indians is multidimensionally poor.

- MPI measure used the globally accepted and robust methodology developed by the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP).

- The MPI is based on three dimensions -- health, education, and standard of living -- with each having a weighting of one-third in the index.

- These dimensions are further based on 12 segments -- nutrition, child and adolescent mortality, antenatal care, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, assets, and bank accounts.

- As per the index, 51.91% of the population in Bihar is poor, followed by Jharkhand (42.16%), Uttar Pradesh (37.79%), Madhya Pradesh (36.65%) and Meghalaya (32.67%).

- On the other hand, Kerala registered the lowest poverty levels (0.71%), followed by Puducherry (1.72%), Lakshadweep (1.82%), Goa (3.76%) and Sikkim (3.82%).

- Other States and Union Territories where less than 10% of the population is poor include Tamil Nadu (4.89%), Andaman & Nicobar Islands (4.30%), Delhi (4.79%), Punjab (5.59%), Himachal Pradesh (7.62%) and Mizoram (9.8%).