



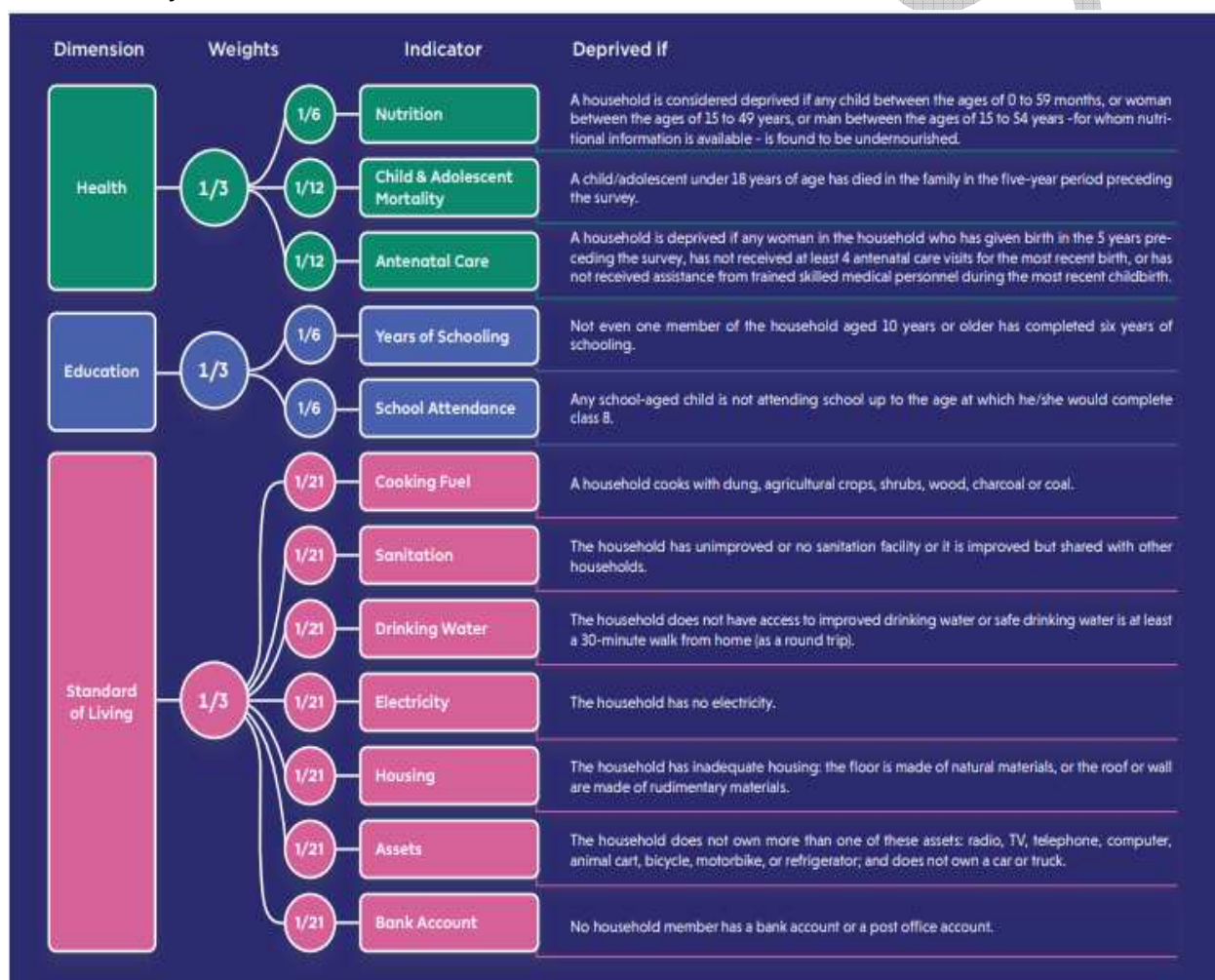
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## NATIONAL MULTIDIMENSIONAL POVERTY INDEX

- **About:** It is a baseline report on the national MPI estimates at the national, State/ UT, and district levels based on NFHS-4 (2015-16).
- **Nodal Ministry:** NITI Aayog is the nodal Ministry for the Multidimensional Poverty Index (MPI). Earlier, the Global Multidimensional Poverty Index 2021 was released by the United Nations Development Programme (UNDP) and the Oxford Poverty & Human Development Initiative (OPHI).
- **GIRG initiative:** Under Global Indices for Reforms and Growth (GIRG) initiative, the country's performance is being monitored across 29 global indices including Human Development Index (HDI), Global Hunger Index (GHI), Global Competitiveness Index (GCI), Human Capital Index (HCI), Global Innovation Index (GII), among others.
- **MPI:** The MPI uses the globally accepted methodology developed by the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP).
- **Aim:** This exercise is aimed at leveraging the monitoring mechanism of important social, economic, and other internationally recognised indices, enabling the utilisation of these indices as tools for bringing about reforms to improve outcomes and correspondingly reflect them in India's performance in these indices globally.
- **The National MPI Project:** It is aimed at deconstructing the Global MPI and creating a globally aligned and customized India MPI for drawing up comprehensive Reform Action Plans with the larger goal of improving India's position in the Global MPI rankings.
- **Global MPI 2021:** According to Global MPI 2021, India's rank is 66 out of 109 countries.
- **Dimensions and Indicators:** It has three equally weighted dimensions - health, education, and standard of living. These three dimensions are represented by 12 indicators such as nutrition, school attendance, years of schooling, drinking water, sanitation, housing, bank accounts among others.

## Methodology:

- Baseline Report is based on National Family Health Survey 4, which was conducted in 2015-16. NFHS is conducted by the International Institute for Population Sciences (IIPS) under the Ministry of Health and Family Welfare.
- NFHS 4 (2015-16), precedes the full roll out of flagship schemes on housing, drinking water, sanitation, electricity, cooking fuel, financial inclusion, and other major efforts towards improving school attendance, nutrition, mother and child health, etc.
- National MPI based on NFHS 5 of the data period 2019-20 will be computed when the unit level micro data for the same is released by IIPS and MoHFW next year.



## Key Findings:

- According to India's MPI, Bihar has the highest population of multidimensionally poor people followed by Jharkhand and Uttar Pradesh.
- Kerala has the lowest population poverty levels, followed by Puducherry, Lakshadweep, Goa and Sikkim.

- Uttar Pradesh ranked the worst in the child and adolescent mortality category, followed by Bihar and Madhya Pradesh.
- Jharkhand is ranked the worst in terms of percentage of population deprived of sanitation, followed by Bihar and Odisha.
- Poorest UTs: Dadra and Nagar Haveli, Jammu & Kashmir, and Ladakh, Daman & Diu and Chandigarh.
- The proportion of poor in Puducherry at 1.72 per cent is the lowest among the Union Territories, followed by Lakshadweep at 1.82 per cent, Andaman & Nicobar Islands at 4.30 per cent and Delhi at 4.79 per cent.

## FIRST SUCH INDEX BY NITI AAYOG



*\* Share of multi-dimensionally poor in states*

### TOP 5\*

|            |       |
|------------|-------|
| Kerala     | 0.71% |
| Goa        | 3.76% |
| Sikkim     | 3.82% |
| Tamil Nadu | 4.89% |
| Punjab     | 5.59% |

### BOTTOM 5\*

|           |        |
|-----------|--------|
| Bihar     | 51.91% |
| Jharkhand | 42.16% |
| UP        | 37.79% |
| MP        | 36.65% |
| Meghalaya | 32.67% |

## THE HEADCOUNT RATIO:

- The headcount ratio (denoted by H) answers the question 'how many are poor?' India's national MPI identifies 25.01 percent of the population as multidimensionally poor.
- The Multidimensional Poverty Index reflects both the incidence and the intensity of multidimensional poverty.
- MPI headcount ratio: Estimates of national MPI headcount ratio and intensity have been furnished not only for the States and Union Territories but also for all the districts, which is a unique feature of this report.
- This assumes salience given the federal structure of the country and the importance of the involvement of district administrations for effective implementation of interventions and schemes.

## HISTORY OF POVERTY ESTIMATION IN INDIA:

- The history of poverty estimation in India dates back to as early as 1901 when Dadabhai Naoroji estimated poverty in the country based on the cost of a subsistence diet.
- In 1938, the National Planning Committee suggested a poverty line estimation based on living standards followed by the authors of the Bombay Plan in 1944.
- Similarly, the expert groups under Lakdawala (1993), Tendulkar (2009) and the Rangarajan Committee (2014) estimated poverty in India.

### **Importance of this Report:**

- The report will play an instrumental role in sensitizing government, researchers, civil society, citizens, and other stakeholders on the need for and importance of MPI as a powerful policy instrument.
- At the higher levels, MPI could be used as an input to the design of development policies schemes, budget allocations, and target setting.
- At the lower levels, for instance, of that of district, MPI could decide priority of execution and delivery.
- It is a contribution towards measuring progress towards target 1.2 of the Sustainable Development Goals (SDGs) which aims at reducing “at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions.
- The MPI will enable estimation of poverty not only at the level of the states but also for all the 700-plus districts across the 12 indicators, capturing simultaneous deprivations and indicator-wise contribution to poverty.

### **Reforms and Way Forward:**

- Household surveys could be designed and carried out to estimate MPI at block or district levels, with higher frequency.
- This will offer insights into block-level estimates, which are not possible from NFHS owing to its sample design and size and deliver more frequent estimations at the district levels.
- NITI Aayog could further offer technical support to the States in the areas of design of indicators, sampling design, questionnaire development, training of enumerators, data cleaning, processing, and analysis, report structuring, and action plan for improvement.
- On one hand, this support will result in disaggregated and more frequent MPI estimates and corresponding action plans for poverty reduction.

- On the other hand, it will contribute significantly to improving state capacity in poverty estimation, monitoring, and reduction.
- There is a need to strengthen implementation which will eventually result in improved outcomes.
- To monitor the progress of the implementation, the Development Monitoring and Evaluation Office (DMEO), an attached office under NITI Aayog, is in the process of developing a progress dashboard.

#### **SIMILAR GOVERNMENT INITIATIVES FOR POVERTY ALLEVIATION:**

- National Rural Livelihood Mission (NRLM)
- The Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MNREGA)
- Public Distribution System (PDS)
- Pradhan Mantri Awas Yojana (PMAY)
- Jal Jeevan Mission (JJM)
- Pradhan Mantri Ujjwala Yojana (PMUY)
- Pradhan Mantri Kisan Samman Nidhi
- Pradhan Mantri Jan Dhan Yojana
- Integrated Rural Development Programme (IRDP)
- National Rural & Urban Livelihood Mission
- Pradhan Mantri Kaushal Vikas Yojana
- Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
- Valmiki Ambedkar Awas Yojana (VAMBAY)