Multidimensional Poverty Index and India

Why in news?

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An update of Multidimensional Poverty Index (MPI) brought out by UNDP has been released.

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What is MPI about?

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- MPI is brought out by UNDP and the Oxford Poverty and Human Development Initiative.
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- It is made up of several factors that constitute poor people's experience of deprivation such as,
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1. Poor health,
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2. Lack of education,
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3. Inadequate living standard,
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4. Lack of income,
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5. Disempowerment,
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6. Poor quality of work and
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7. Threat from violence.
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- The MPI goes beyond income to look at health, education and living standards.
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- It not only captures living conditions better, but also addresses the difficulties involved in estimating income poverty.
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What are the report findings?

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- According to it, India has pulled 271 million people out of poverty between 2005-06 and 2015-16 and halved its poverty rate from 55 % to 28 %.
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- This is quite impressive and the period also happens to be the best phase of economic growth that the country experienced since Independence.
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- The real MPCE (monthly per capita consumption expenditure) increased by much more in the second period (2004-05 to 2011-12) as compared to the first (1993-94 to 2004-05).
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What are the concerns spotlighted by the report?

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- The decade from 2005-06 has seen growth and welfare go hand in hand.
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- While government interventions were significant, these have also been half-hearted, given the abysmal shares of public spending in health and education as a share of GDP.
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- The sobering consequence of this is that about 364 million individuals in India were living in multi-dimensional poverty in 2016-17.
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- It further notes that about 19 per cent of the population is vulnerable to multi-dimensional poverty and about 9 per cent to severe MDP.
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- They would suffer in the event of setbacks such as wars and conflicts, sickness, droughts and floods, and unemployment.
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What are the existing issues in measuring poverty?

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- India absurdly follows low income poverty lines fixed by the Suresh Tendulkar committee (which submitted its report in 2009).
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- Recognising the limitations of income-based poverty lines, a number of targeted schemes in India are in the nature of BPL-plus programmes.
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- An income-plus approach to identifying the deprived is also built into the Socio Economic and Caste Census.
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What measures needs to be taken?

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- Clearly, the welfare commitment of the Centre and States should not be allowed to flag.
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- Along with financial outlays, a focus on outcomes, given the advantages of digitisation, must be stepped up.
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- Poverty reduction also needs a focus on improving household incomes.
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- That would entail teaching individuals the right skills not just the technical skills that will help them find employment, but also the soft skills required in a modern workplace.
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Source: Business Line

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