National Multidimensional Poverty Index

Why in news?

Recently, Niti Aayog has released a report titled “National Multidimensional Poverty Index: A Progress Review 2023”.

What is Multidimensional Poverty?

- **Poverty –** According to the World Bank, those who are unable to earn 2.15 dollar per day are living in extreme poverty.
- As per UNDP, it is the measure of poverty that considers various deprivations experienced by people in their daily lives including *poor health, insufficient education and low standard of living.*
- It is a means to capture the complexity of poverty that considers dimensions of well-being beyond just monetary poverty.
- **Global MPI Report** – It is jointly published by the *Oxford Poverty and Human Development Initiative (OPHI)* and the *United Nations Development Programme (UNDP).*
- It is based on the ***Alkire-Foster (AF) methodology*** that captures overlapping deprivations in health, education, and living standards.

What is the Niti Aayog’s MPI report about?

- **National Multidimensional Poverty Index: A Progress Review 2023 -** In national level, ***Niti Aayog*** is the nodal agency to release MDP report for states and Union Territories.
- It plays a pivotal role in assessing advancements towards Sustainable Development Goals *(SDGs) 1.2* - *Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions.*
- It presents the changes in multidimensional poverty between the survey periods of NFHS-4 (2015-16) and NFHS-5 (2019-21).
- Source data - Data inputs are taken from *National Family Health Survey (NFHS-5).*

- **Indicators -** India’s national MPI has 3 equally weighted dimensions - Health, Education, and Standard of living – which are represented by 12 indicators.
- **Sub-indices of National MPI**

  - Headcount ratio (H): How many are poor?
  - Intensity of poor (I): How poor are the poor?
  - MPI= H*I

- If the deprivation score (sum of the weighted status of all the indicators) for an individual is more than 0.33, then an individual is considered multidimensionally poor.

What are the key findings?

- **Poverty in India** - There has been *steep decline in the poverty*, India has achieved a remarkable reduction in its MPI value and headcount ratio between 2015-16 and 2019-21.
- It registered a decline in the number of "multidimensionally poor" individuals, from 24.85 % in 2015-16 to 14.96 % in 2019-2021.
- Around 13.5 crore Indians escaped poverty between the 5 year time period due to improvements in indicators like access to cooking fuel, sanitation, drinking water etc.,
- 1 in 7 Indians multidimensionally poor due to marginal improvement in indicators like nutrition and access to education.

- **Regional disparity-** Rural areas witnessed faster decline in poverty from 32.59% to 19.28% than urban area,
- **Poverty in States -** The number of states with *less than 10%* people living in multidimensional poverty *doubled in the five years* between 2016 and 2021.
- The poverty struck states are Mizoram, Himachal Pradesh, Punjab, Sikkim, Tamil Nadu, Goa, and Kerala, Telangana, Andhra Pradesh, Haryana, Karnataka, Maharashtra, Manipur, and Uttarakhand.
- No other state in India has *more than one-third of its population* living in multidimensional poverty other than ***Bihar.***

What is keeping Indians multidimensionally poor?

- **Lack of uniformity-** Poverty reduction is not equally represented in the three main indicators of standard of living, health, and education.
- **Marginal health performance-** Three sub-indicators of health which are nutrition, child and adolescent mortality, and maternal health showed only moderate improvement.
- **Nutrition deprivation-** It contributes close to 30% the highest in calculation of MPI which results in nearly 1/3rd of multidimensional poverty in India.
- **Lack of education-**It is due to lack of years of schooling (16.65%), and less-than-desired school attendance (9.10%).
- **Cooking fuel-** Though it marked a significant improvement, around 44% of Indian population is still deprived of it.
- **Sanitation-** Despite its improvement, sanitation services are still deprived to around 30% of the population.
- **Access to housing-** In India, 41% of the population is still deprived of housing.

References

1. Indian Express| Explained MDP report
2. Niti Aayog| MDP report
3. The Hindu| Decline in Multidimensional poor



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