Multidimensional Poverty Index and India

Why in news?

\n\n

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

\n\n

What is MPI about?

\n\n

\n
- MPI is brought out by UNDP and the Oxford Poverty and Human Development Initiative.
  \n
- It is made up of several factors that constitute poor people's experience of deprivation such as,
  \n

\n\n

\n
1. Poor health,
   \n
2. Lack of education,
   \n
3. Inadequate living standard,
   \n
4. Lack of income,
   \n
5. Disempowerment,
   \n
6. Poor quality of work and
   \n
7. Threat from violence.
   \n

- The MPI goes beyond income to look at health, education and living standards.
- It not only captures living conditions better, but also addresses the difficulties involved in estimating income poverty.

What are the report findings?

- 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 %.
- This is quite impressive and the period also happens to be the best phase of economic growth that the country experienced since Independence.
- 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).

What are the concerns spotlighted by the report?

- The decade from 2005-06 has seen growth and welfare go hand in hand.
- 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.
- The sobering consequence of this is that about 364 million individuals in India were living in multi-dimensional poverty in 2016-17.
- 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.

- They would suffer in the event of setbacks such as wars and conflicts, sickness, droughts and floods, and unemployment.

What are the existing issues in measuring poverty?

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

What measures needs to be taken?

- Clearly, the welfare commitment of the Centre and States should not be allowed to flag.
- Along with financial outlays, a focus on outcomes, given the advantages of digitisation, must be stepped up.
- Poverty reduction also needs a focus on improving household incomes.
- 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.

Source: Business Line

\n