

# *Multidimensional Poverty in India: Current State and Policy Recommendations*

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*“There cannot be a good plan for economic progress without adequate data and there cannot be adequate data without a good plan for collecting them...”*

*P.C Mahalanobis, Member, First Planning Commission of India & Scientist*

# MULTIDIMENSIONAL POVERTY AND CURRENT SITUATION IN INDIA

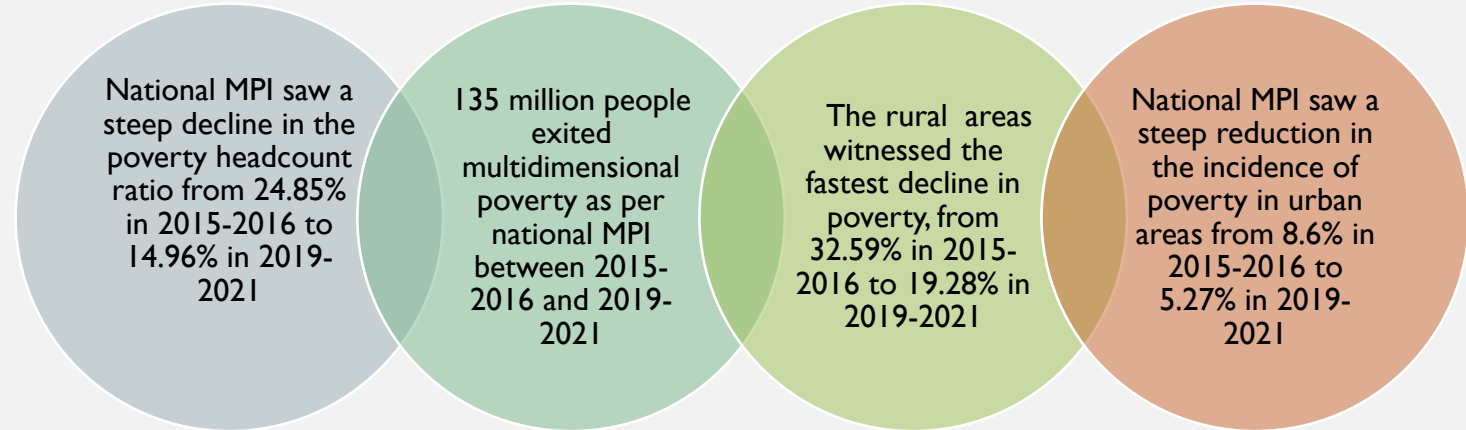
NITI Aayog released the National Multidimensional Poverty (MDP) Index (MPI) Report 2023, which provides the situation of MDP in India along with progress in terms of reducing poverty in accordance with Sustainable Development Goals (SDGs).

MPI is a non-monetary poverty index that measures poverty beyond income, incorporating measures such as housing, sanitation, nutrition etc.

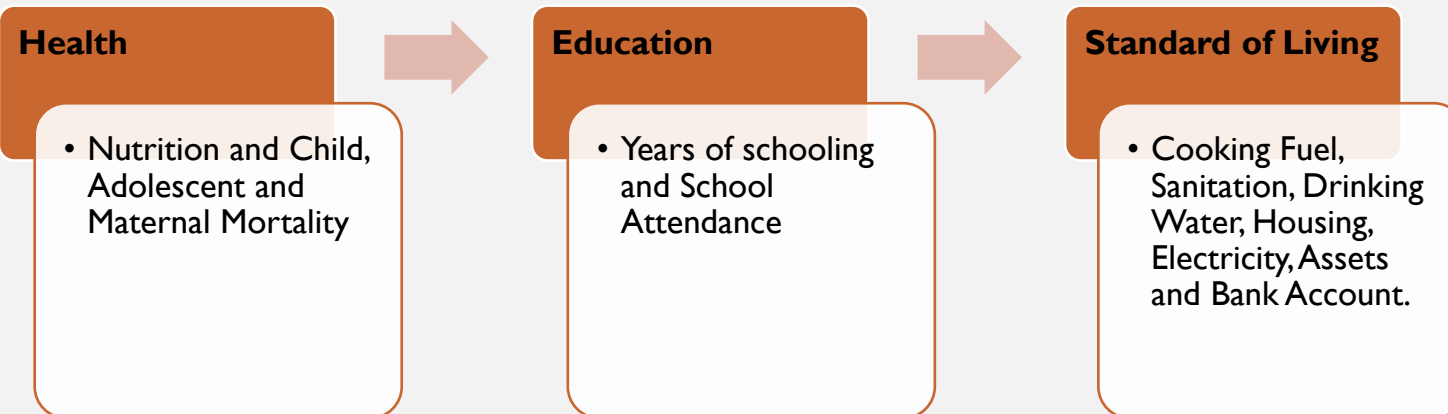
MPI value is calculated using the extent of poverty (number of people below the poverty line), referred to as headcount or “H”, and the depth of poverty, (ratio of deprivation suffered by each person), referred to as Intensity or “I”.

$$\text{MPI Value} = H \times I$$

National MPI is India’s stepping stone towards achieving the 17 SDG by 2030, out of which one of the SDG goals is to “end poverty in all its forms everywhere”.



India’s National MPI - Calculated on the basis of 3 equally weighted dimensions.



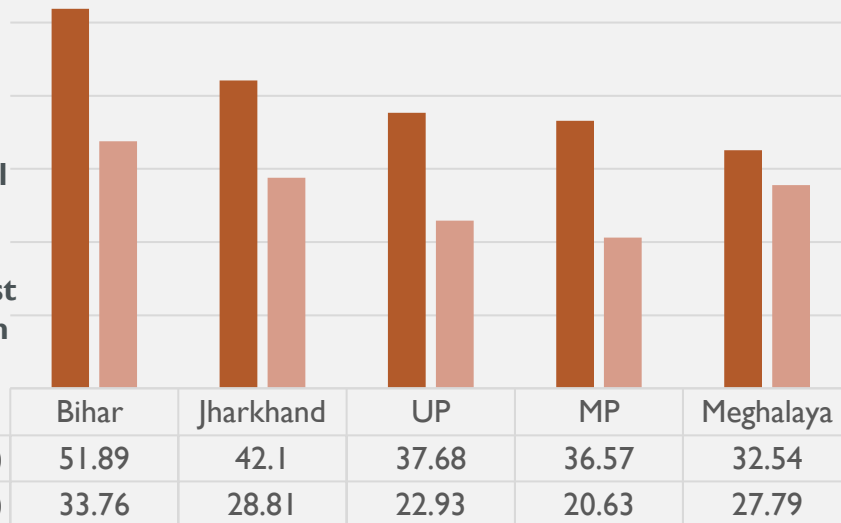
# CENTRAL SCHEMES AND STATUS OF DIFFERENT STATES

Bihar, Meghalaya, Jharkhand, UP and MP are the five states with the most number of people under MDP in their states.

Kerala, Goa, Tamil Nadu, Sikkim and Punjab are states that have lowest number of people under MDP in their states.

Among UTs, Dadar and Nagar Haveli have the most people under MDP, whereas Puducherry has the least number of poor people.

Percentage of people under MPI of the total population in States that showed the most improvement in the index



## Pradhan Mantri Jan-Dhan Yojana (PMJDY)

It ensured access to financial services like the availability of savings bank accounts, insurance to weaker sections, etc. This helped in improving MPI through the financial inclusion of all households.

## Jal Jeevan Mission

It is aimed at providing adequate and safe drinking water through household tap connections by 2024 to all rural households. This helped in access to a safe drinking water supply in MP, Assam, etc.

## Pradhan Mantri Ujjwala Yojana (PMUY)

PMUY provides subsidized cooking fuel and free LPG connection. This initiative positively transformed lives by improving access to cooking fuel for people were deprived.

## Pradhan Mantri Sahaj Bijli Har Ghar Yojna (Saubhagya)

The mission objective was to provide energy access to all by last mile connectivity and electricity connection to all un-electrified households in rural and urban areas to achieve universal household electrification in the country. Hence, this scheme has helped providing electricity connections across India.

## Pradhan Mantri Awas Yojna (PMAY)

The scheme addresses the urban housing shortage among the economically weaker sections, lower and middle-income groups as well as slum dwellers by ensuring pucca houses to all eligible households by the year 2022. This has helped improve MPI across states in terms of housing.

## Swachh Bharat Mission (SBM)

It focusses on accelerating the efforts to achieve universal sanitation coverage. It is aimed at ensuring open-defecation-free behaviours are sustained and solid as well as liquid waste management facilities are accessible to all. This has enhanced standard of living in the country for many.

# POLICY CONSIDERATIONS AND SUGGESTIONS

## ARTIFICIAL INTELLIGENCE CENTRIC EDUCATION

While AI holds the potential to significantly enhance productivity and output, it may not necessarily translate into the creation of new jobs. Addressing this challenge fundamentally requires a reform of the education system. It's essential to revamp the curriculum to equip students with the indispensable skills required to excel in an AI-dominated professional environment. This involves integrating AI-related subjects and courses into all tiers of education, spanning from primary schools to higher education institutions.

## FRAMEWORK FOR UNIVERSAL BASIC SERVICES IN INDIA

The concept of Universal Basic Income (UBI) has garnered mixed reactions primarily due to concerns about its potential impact on work incentives and economic stability. In light of these challenges, there is an opportunity for India to explore an alternative approach - a comprehensive Framework for Universal Basic Services (UBS). Universal Basic Services envisions providing all citizens with access to fundamental services that are crucial for a decent quality of life. Unlike UBI, which involves direct cash transfers, UBS prioritizes access to fundamental services like education, healthcare, housing, clean water, sanitation, and other essential amenities. This approach not only addresses the immediate needs of the population but also promotes social inclusion and human development.

## PLATFORM FOR ENHANCING EMPLOYABILITY AND WORKFORCE CONNECTIVITY

Presently, the number of job opportunities generated in India every year is not enough to employ the growing working population of the country. Given the country's significant pool of both skilled and unskilled laborers, there arises a pressing need to establish a comprehensive platform that effectively bridges skilled individuals with businesses, thereby significantly enhancing overall employability prospects. Notably, certain states such as Karnataka have proactively set an example by instituting an International Migration Centre. The center functions as an authorized state agency, providing accurate information, expert guidance, skill training, and efficient recruitment services for overseas employment opportunities. By meticulously identifying global job demands and conducting thorough compliance assessments, they align resources with the precise needs of businesses. Developing a similar platform on both domestic and international levels could prove instrumental in not only revitalizing India's employment landscape but also ensuring conducive working environments that prioritize workers' well-being and success.

WANT TO SUBMIT IDEAS FOR  
SANKHYA OR GIVE YOUR  
VIEWS ON OUR PAST  
EDITIONS?

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questions*

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**BRIDGE**  
— THINK TANK —

Sankhya\* is an initiative of Bridge Policy Think Tank to create interface snapshots in statistics and policy analysis while promoting critical thinking and analysis.

*\* Sankhya means numbers and is also a school of rationalist Indian philosophy. According to Sankhya philosophy reliable knowledge comes from only three pramanas (proofs)- pratyakṣa ('perception'), anumāṇa ('inference') and śabda (āptavacana, meaning, 'word/testimony of reliable sources').*