

GOVERNMENT OF INDIA
MINISTRY OF PLANNING

LOK SABHA
STARRED QUESTION No. *55
TO BE ANSWERED ON 20.07.2022

LEVEL OF POVERTY

***55. SHRI SUSHIL KUMAR SINGH:**

Will the Minister of PLANNING be pleased to state:

- (a) whether the NITI Aayog has tried to gauge the level of poverty in the country after 2016;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the proxy used by the NITI Aayog to gauge the poverty levels in calculating the performance of States on Sustainable Development Goal-1(SDG-1);
- (d) whether any vertical in NITI Aayog works for gauging poverty in the country; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

(RAO INDERJIT SINGH)

(a) to (e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. *55 REGARDING “LEVEL OF POVERTY” RAISED BY
SHRI SUSHIL KUMAR SINGH**

- (a) Yes, NITI Aayog has estimated the incidence of multidimensional poverty in India, its States and Union Territories and districts as on 2015-16, as provided in the report “National Multidimensional Poverty Index Baseline Report” released on 25 November 2021, which is based on the National Family Health Survey - 4 (2015-16) conducted by the Ministry of Health and Family Welfare, Government of India.
- (b) The details of the report are as provided in **Annexure**.
- (c) The proxy used by NITI Aayog to gauge the poverty levels in calculating the performance of States on Sustainable Development Goal-1(SDG-1) is the Multidimensional Poverty Index. The poverty levels in National Multidimensional Poverty Index are calculated based on multiple and simultaneous deprivations faced by households across the three macro dimensions of health, education and living standards. The twelve indicators used by NITI Aayog to measure the incidence of multidimensional poverty, the headcount ratio and intensity of poverty, and the MPI score are mentioned below:

Sl. No.	Indicator	Definition for a household to be considered deprived
1.	Nutrition	A household is considered deprived if any child between the ages of 0 to 59 months, or woman between the ages of 15 to 49 years, or man between the ages of 15 to 54 years -for whom nutritional information is available - is found to be undernourished.
2.	Child & Adolescent Mortality	A child/adolescent under 18 years of age has died in the family in the five-year period preceding the survey.
3.	Antenatal Care	A household is deprived if any woman in the household who has given birth in the 5 years preceding the survey, has not received at least 4 antenatal care visits for the most recent birth, or has not received assistance from trained skilled medical personnel during the most recent childbirth.
4.	Years of Schooling	Not even one member of the household aged 10 years or older has completed six years of schooling.
5.	School Attendance	Any school-aged child is not attending school up to the age at which he/she would complete class 8.
6.	Cooking Fuel	A household cooks with dung, agricultural crops, shrubs, wood, charcoal or coal.
7.	Sanitation	The household has unimproved or no sanitation facility or it is improved but shared with other households.
8.	Drinking-Water	The household does not have access to improved drinking water or safe drinking water is at least a 30-minute walk from home (as a round trip).
9.	Electricity	The household has no electricity.
10.	Housing	The household has inadequate housing: the floor is made of natural materials, or the roof or wall are made of rudimentary materials.

11.	Assets	The household does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike, or refrigerator; and does not own a car or truck.
12.	Bank Account	No household member has a bank account or a post office account.

This method of measuring poverty in multiple dimensions aligns with SDG target 1.2 which by 2030 aims to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

- (d) and (e) Yes, the Data Management and Analysis (DMA) vertical in NITI Aayog is mandated to measure the monetary estimates of poverty, the last of which were Tendulkar Committee estimates (2011-12). Apart from this, the Sustainable Development Goals (SDG) vertical of NITI Aayog works on the estimation of multidimensional poverty in the country as defined in the National Multidimensional Poverty Index Baseline Report.

Note on the National Multidimensional Poverty Index: Baseline Report based on NFHS-4 (2015-16)

1. Under the Cabinet Secretary's Global Indices for Reforms and Growth (GIRG) initiative, the country's performance is being monitored across 29 global indices including Multidimensional Poverty Index (MPI), Human Development Index (HDI), Global Hunger Index (GHI), Global Competitiveness Index (GCI), Human Capital Index (HCI), Global Innovation Index (GII), among others. 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. Under this initiative, NITI Aayog is the nodal Ministry for the Multidimensional Poverty Index (MPI). The MPI is a proxy used to gauge the poverty levels in calculating the performance of States on Sustainable Development Goal-1(SDG-1). The SDG-1 aims to "End poverty in all its forms".
2. The National MPI Project is aimed at deconstructing the Global MPI and creating a globally aligned and yet customised India MPI for drawing up comprehensive Reform Action Plans with the larger goal of improving India's position in the Global MPI rankings. As the nodal Ministry for MPI, NITI Aayog is also responsible for engaging with the publishing agencies of the index; ranking States and Union Territories based on their performance and has also constituted an inter-ministerial MPI Coordination Committee (MPICC) to consult twelve Line Ministries mapped to each National MPI indicator.
3. *National Multidimensional Poverty Index: Baseline Report* based on NFHS-4 (2015-16) has been developed by NITI Aayog in consultation with 12 Line Ministries and in partnership with State governments and the index publishing agencies – Oxford University's Oxford Poverty and Human Development Initiative (OPHI) and United Nations Development Programme (UNDP).
4. *National Multidimensional Poverty Index: 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, Government of India.
5. *National Multidimensional Poverty Index: Baseline Report* based on NFHS-4 (2015-16) 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". Across three dimensions of health, education and standard of living, it includes indicators on nutrition, child and adolescent mortality, maternal care, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, bank accounts and assets.
6. NFHS 4 (data period: 2015-16), precedes the full rollout 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. Hence, it serves as a useful source for measuring the situation at baseline i.e. before large-scale rollout of nationally important schemes. Pradhan Mantri Awas Yojana (PMAY), Jal Jeevan Mission (JJM), Swachh Bharat Mission (SBM), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), Pradhan Mantri Ujjwala Yojana (PMUY), Pradhan Mantri Jan Dhan Yojana (PMJDY), POSHAN Abhiyaan and Samagra Shiksha are some of those schemes and programmes.

7. The household microdata collected at the unit level for the NFHS serves as the basis of the computation of National MPI. This unit level micro data collected in 2015-16 has been used in the baseline MPI report to derive an idea of baseline multidimensional poverty i.e. where the country was with respect to MPI before the full-scale rollout of the above-mentioned schemes. The progress of the country with respect to this baseline will be measured using the NFHS-5 data collected in 2019-21.
8. Substantive gains achieved through focussed programmatic interventions and flagship schemes since NFHS 4 (2015-16) is reflected in the NFHS 5 (2019-21) India report for indicators under the purview of the National MPI. The progress report, a follow-up to the baseline National MPI report, will capture this reduction in multidimensional poverty between 2015-16 (NFHS 4) and 2019-21 (NFHS 5). This report will be released shortly.
9. The National Multidimensional Poverty Index: Baseline Report based on NFHS – 4 (2015-16) ranks the States and Union Territories based on headcount ratio. The headcount ratio is the proportion of multidimensionally poor individuals in the total population based on the computation of deprivation based on twelve indicators mentioned in para 4 above. The following table presents the ranking of States and Union Territories by Headcount Ratio:

State	Headcount Ratio (%)
Kerala	0.71%
Goa	3.76%
Sikkim	3.82%
Tamil Nadu	4.89%
Punjab	5.59%
Himachal Pradesh	7.62%
Mizoram	9.80%
Haryana	12.28%
Andhra Pradesh	12.31%
Karnataka	13.16%
Telangana	13.74%
Maharashtra	14.85%
Tripura	16.65%
Uttarakhand	17.72%
Manipur	17.89%
Gujarat	18.60%
West Bengal	21.43%
Arunachal Pradesh	24.27%
Nagaland	25.23%
Odisha	29.35%
Rajasthan	29.46%
Chhattisgarh	29.91%
Assam	32.67%
Meghalaya	32.67%
Madhya Pradesh	36.65%
Uttar Pradesh	37.79%
Jharkhand	42.16%
Bihar	51.91%

UT	Headcount Ratio (%)
Puducherry	1.72%
Lakshadweep	1.82%
Andaman & Nicobar Island	4.30%
Delhi	4.79%
Chandigarh	5.97%
Daman & Diu	6.82%
Jammu & Kashmir & Ladakh	12.58%
Dadra & Nagar Haveli	27.36%
