

The Poverty Level in India

or

the incidence of poverty in India

(a) Monetary Approach -

Under it, the MPCEs

(Monthly Per Capita Expenditures)

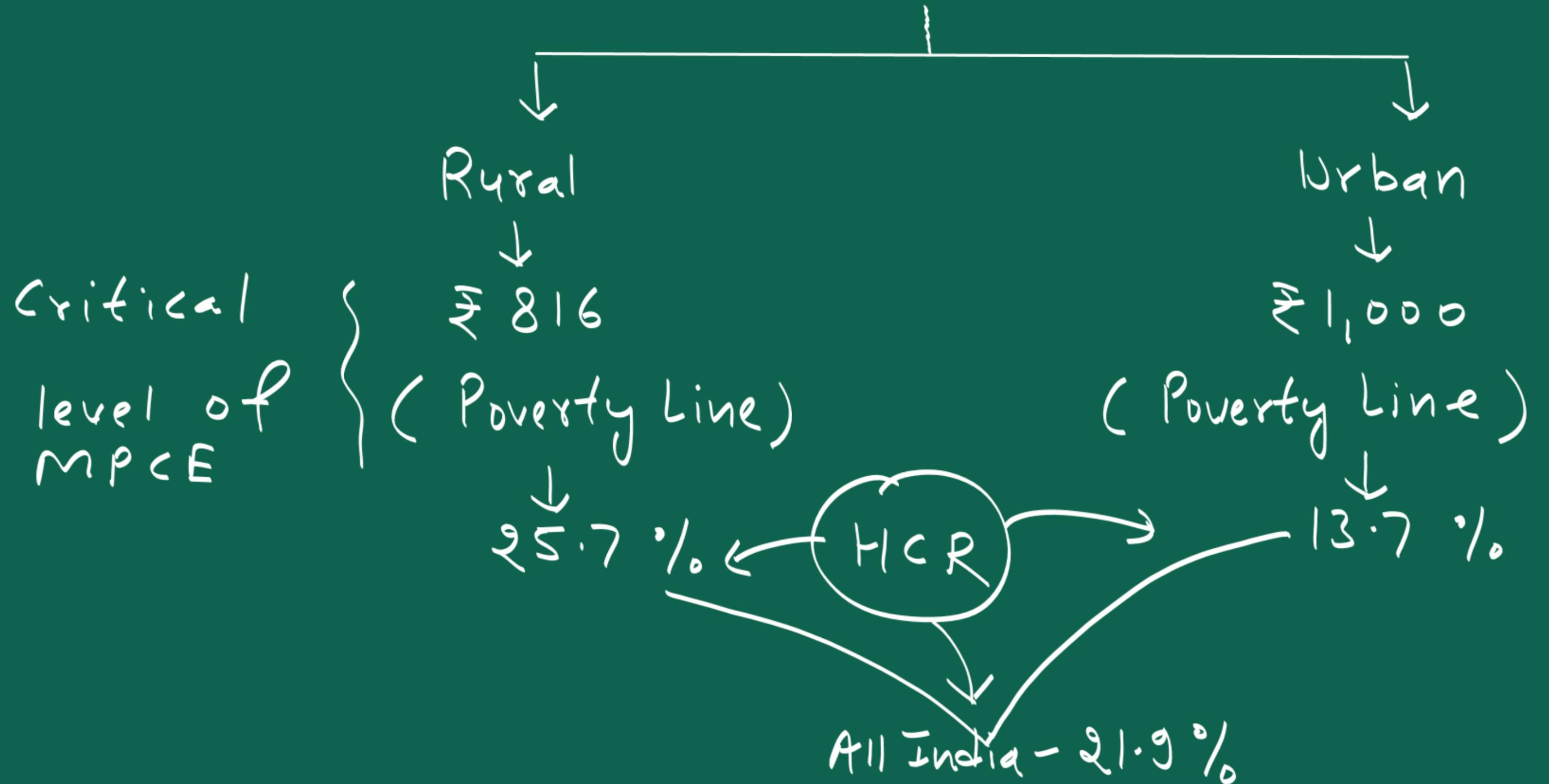
of the people are compared with the critical levels of MPCEs. If their MPCEs are found to be lower, then, they

∫

are estimated to be poor.

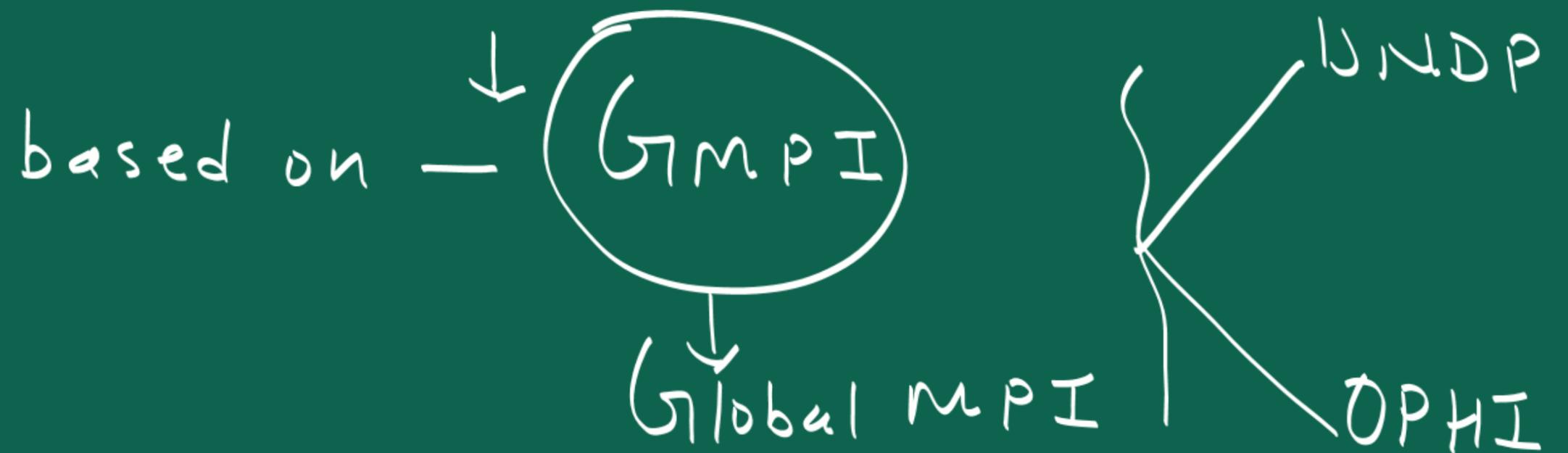
According to this approach, the poverty level in India can be given as below -

Monetary Approach (2011-12)



(b) Non-Monetary Approach: N MPI by Niti
Ayog

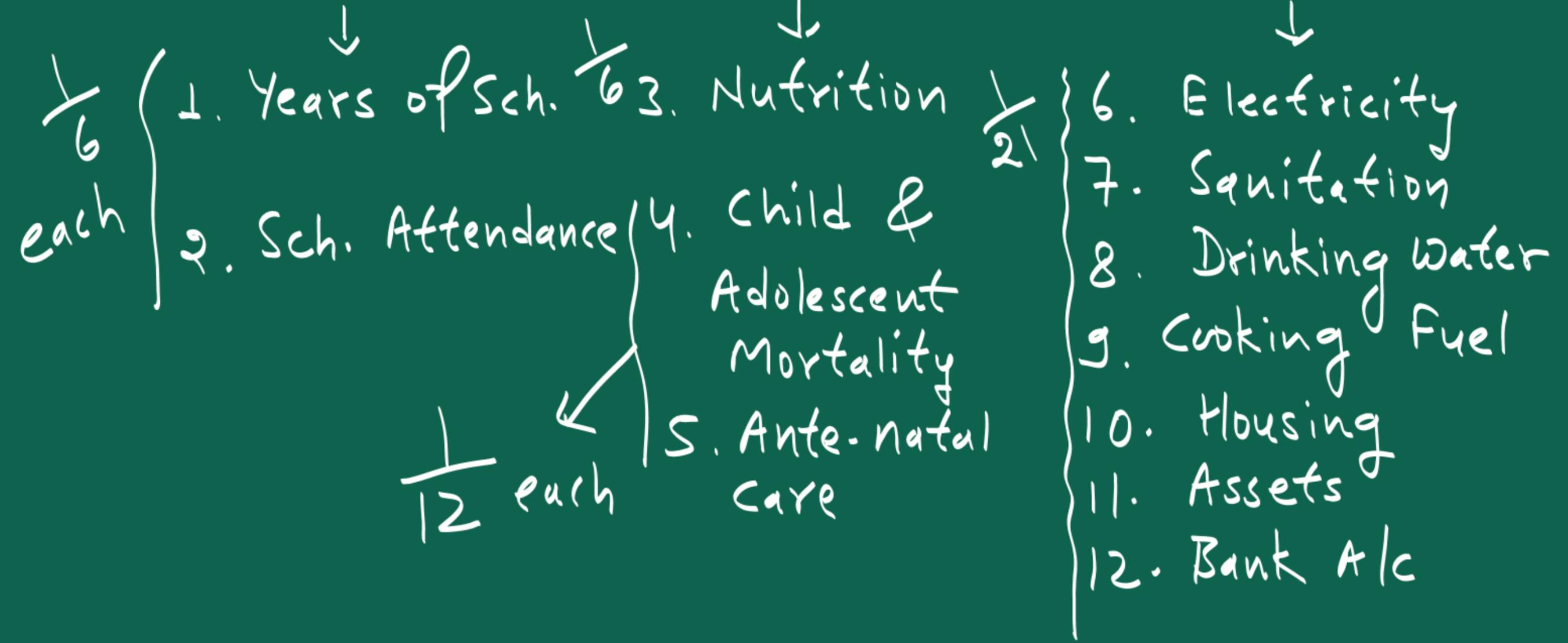
National Multi-dimensional
Poverty
Index



Under this approach, expenditures or incomes of the people are not taken into account. Deprivations in various basic things are considered in the estimation of poverty.

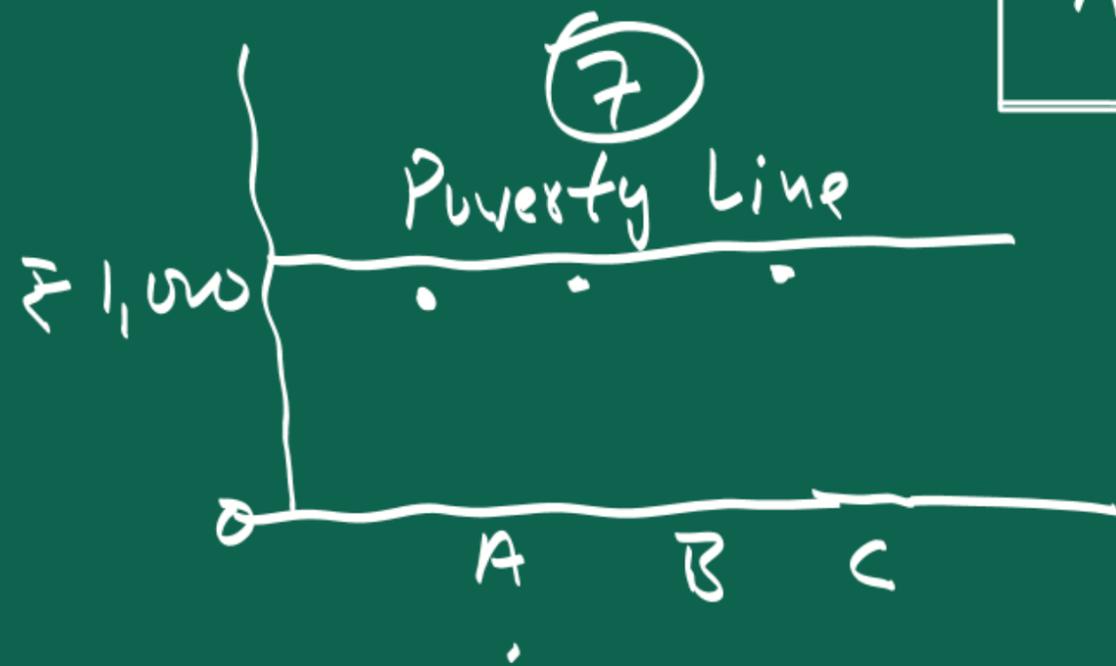
This can be understood by showing various dimensions of the NMPI as follows —

N M P I



The status of India according to this criterion can be given as below -

How many
How much



	NFHS-4 ↑ 2015-16	NFHS-5 ↑ 2019-21	
Rural HCR	32.59%	19.28%	→ 44.55%
Urban HCR	8.65%	5.27%	→ 43.10%
All India HCR	24.85%	14.96%	→ 44.39%

Ref.: Niti Ayog

HCR = Head Count Ratio

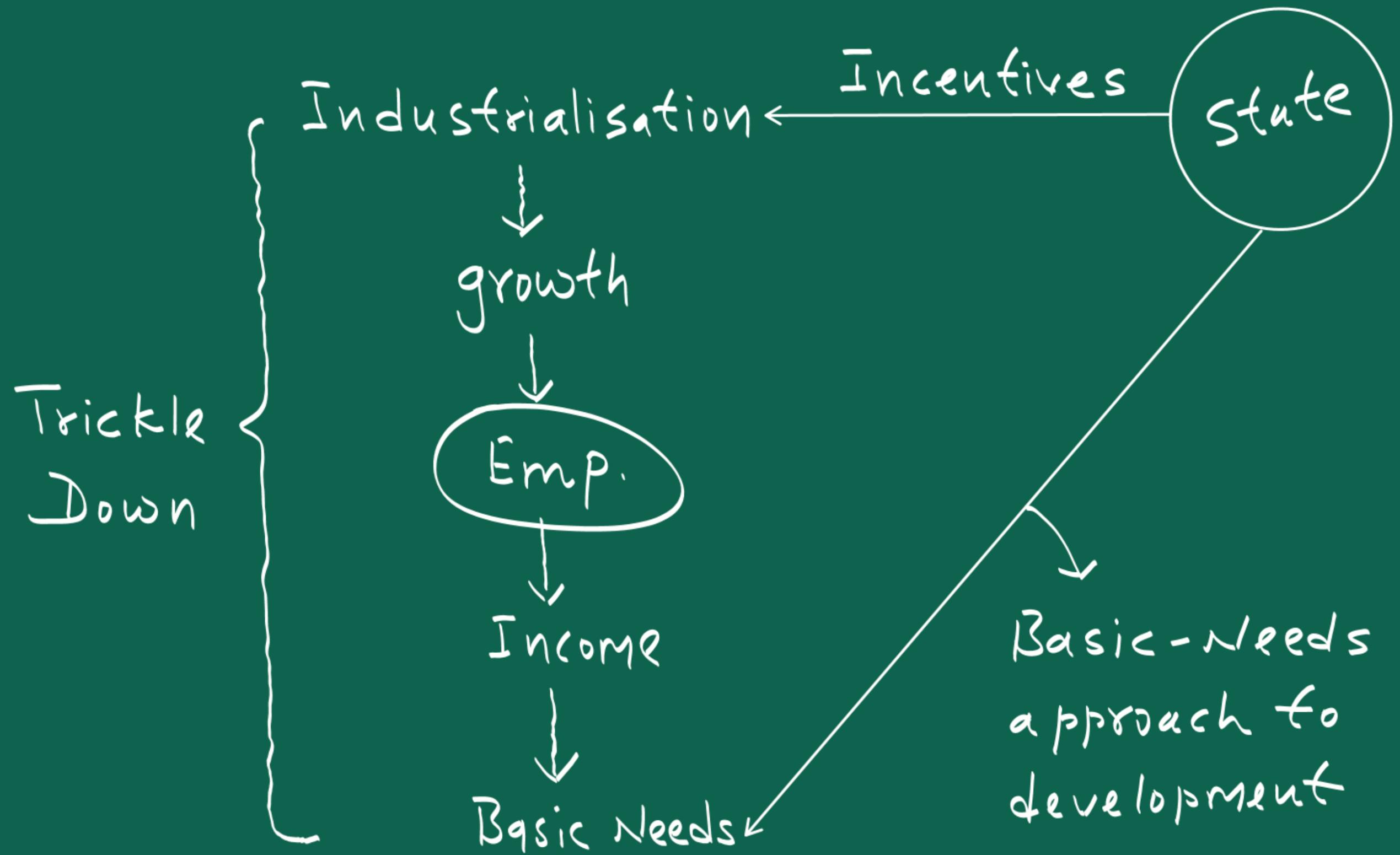
$$\frac{\text{Poors}}{\text{Population}} \times 100$$

Intensity of Poverty

Trickle-Down & Poverty Removal

In trickle-down, poverty is removed or reduced indirectly through industrialisation & higher growth.





It is to be noted that due to jobless growth & other factors, the strategy of trickle-down has got failed not only in India but in most of the countries. It is increasing income inequalities. Now, some people say that

We should go for trickle-up or bottom-up. Apart from this, the famous basic-needs approach to development may also be followed.

How Poverty in India can be removed/reduced?

Four-pillared Strategy

