Analysis of Poverty in Haryana State through Multidimensional Approach

RESEARCH PAPER

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Abstract

Poverty is a social phenomenon that occurs when a part of society is unable to meet its fundamental necessities. We don't have beneficial results despite thousands of assessments and hundreds of government plans to reduce poverty. Despite of continuous government efforts to eliminate poverty, Haryana's report card of poverty is not showing good results. Poverty is an obstacle in the road of development. This study will investigate the current situation of poverty in different districts of Haryana through Multidimensional approach. It also attempts to make comparative study of rural and urban areas multidimensional poverty. Secondary data has been used for this study. The study results concluded that poverty in some districts namely Mewat, Palwal, Sirsa, Rohtak and Bhiwani have high multidimensional poor. Multidimensional poor are more in rural areas as compared to urban areas.

Keywords: *Poverty, Hunger, Multidimensional Approach, Haryana, Rural and Urban Poor*

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Introduction

Poverty does not imply a lack of sufficient money. It is defined as a societal phenomenon in which a segment of society is unable to meet even its most basic necessities. The notion of Basic Human Need defines it (BHN). Poverty occurs when a person or society lacks the financial resources to maintain a basic quality of living. Poverty is defined as a person's inability to meet fundamental human requirements such as food, clothing, housing, healthcare, education, and so on. According to World Bank, "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time". According to UN "poverty is denial of choices and opportunities a violation of human dignity."

Poverty is classified into two categories: absolute poverty and relative poverty.

- ▪ Absolute poverty – It is a situation in which a household income is low to maintain minimum living standard like food, cloth, shelter
- ▪ Relative Poverty – It is defined from the social perspectives. In this, the relative position of one section of people is compared with another group. Hence it is a measure of inequality.

Haryana is at third spot among all the states in terms of per capita income after Goa and Sikkim. Although there is consistent increase in the income per capita in the state since 2012 but it has around 12% of total population are under the below poverty line (NITI Aayog Report on Poverty). Indeed, even with more than great many investigations and many projects to mitigate destitution, the level of poverty has not decline up to check the in the state. For making policy to eliminate poverty it is necessary to know the exact number of poor people and intensity of their poverty. Number of attempts had been made by different committees to formulate the method of measuring poverty. Every method has its pros and cons. Multidimensional poverty among them is best way to analysis the poverty level in the country.

Review of Literature

Junofy (2013) The intensity of poverty and hunger in India was assessed using indexes such as the Global Hunger Index, the BPL index, and the MPI produced by several global agencies. The study's findings indicated that the whole South Asian area has to improve significantly, although India's progress under the WHO's poverty level is modest. Ahlawat (2015) examined the poverty alleviation program & poverty situation in Haryana. This paper used secondary data. The study results based on survey conducted by the rural development department in 2007, showed that the total number of BPL in Haryana is 8,58,389. Further, the study suggested number of ways to improve the target groups situations.

Tanwar and Hooda (2018) published paper on multidimensional poverty in urban Haryana. It was based on secondary data that has been taken from 69th round of NSSO survey, some indicators have been used for study like drinking water, sanitation and housing facilities. The study indicated that a large section of urban population in Mewat district was deprived from basic facilities like sanitation, drinking water and housing facilities. After Mewat Fatehabad, Rohtak, Mahendergarh, Jhajjar and Ambala takes position.

Sharma and Chakravarty (2015) published paper on Multidimensional Poverty measurement in Haryana. This paper provides a broad view of the actual state of poverty in Haryana through Multidimensional approach. For this study primary data was used which was collected from 6 districts of the state. This study produced skewed results in terms of many variables. According to the findings of this study, one area is regarded poor in one dimension while another district is labelled poor in another.

Ghosh (1998) analysed poverty alleviation initiatives for their impact on disadvantaged women, with a focus on India This article is focused with how macroeconomic tactics might influence the prevalence of poverty, particularly among poor women. Sharma and Vashishth (2017) examined the district wise level of deprivation and poverty patterns in Haryana. This article analysed the poverty situation in Haryana as well as the inequality in the deprivation of basic necessities for a level of life in various Haryana districts. In this study, comparison has been made between all districts of Haryana based on selected indicators. The study results exposed wide disparities among the districts.

Kumar et.al (2011) carried out research in India on rural poverty and agricultural growth, with implications for the Twelfth Five Year Plan. This paper analysed the trends in poverty rates among farming and agricultural labourer households in India. The concluding section identified the effective agriculture strategies for poverty alleviation and the condition that make their result more fruitful.

Objective:

1. To study the current status of poverty in different districts of Haryana through Multidimensional approach.
2. To study the comparative MPI of rural and urban poor.

Methodology

This research paper is based on the secondary data which is taken from NITI Aayog report on National Multidimensional Poverty index. NITI Aayog published this report in November 2021 and it is based on the NFHS- 4 data which was published in 2015-16.

Poverty Estimation in India

1) Pre- Independence Estimation of Poverty

Dadabhai Naoroji published the first ever poverty estimate in India in his book 'Poverty and Un-British Rule in India' in 1901. He defines poverty as being between Rs. 16 and Rs. 35 per capita per year in 1867-68 rates. The National Committee defined a poverty limit of Rs. 15-Rs. 20 per capita per month in 1938. It was predicated on a basic quality of living in which nutritional needs were paramount.

2) Post – Independence Estimation of Poverty in India

A working group was formed in 1962 to determine the country's poverty line. It established distinct poverty lines for rural and urban areas of Rs. 20 and Rs. 25 per capita per year, based on 1960-61 prices. This estimate was based on the number of calories needed to survive and the cost of those calories in rural India. In 1979, a committee was created by Planning Commission under the chairmanship of YK Alag for the estimation of poverty line for rural and urban areas. It was the first committee to define poverty line in India. In 1979 based on Alag committee, Poverty was calculated using the number of calories consumed by the population. According to this Committee, a citizen of an urban region is considered poor if he consumes less than 2100 calories per day. In rural locations, a citizen is considered poor if he consumes fewer than 2400 calories per day.

Later in 1993, D.T. Ladkawala committee was constituted for the estimation of poverty. It recommended that the poverty line method based on calorie consumption can be maintained. Health and education were considered during estimation which were missing Alag committee. Using this technique, it was estimated that 36% of the population was below the poverty line in 2004-05, and 22% of the population was below the poverty line in 2011. Until 2011, this approach was used to quantify poverty in India. In 2005, the government realised that the rural poverty line was too low, so the government appointed the Tendulkar Committee to review and revised the existing poverty line. The method This committee's recommendations are now in use. It advocated for a transition away from a calorie-based paradigm and the inclusion of monthly expenditures for education, health, power, and transportation. It coined the phrase "Poverty Line Basket" to define poverty. If a person does not have access to any of the commodities listed in the poverty basket, he or she is poor. In 2012, Rangarajan Committee was constituted for the estimation of poverty line. This committee submitted its report in June 2014 and recommended to raise both the rural and urban poverty line. The government did not accept the recommendation of Rangarajan Committee.

Hence, the poverty line provided by Tendulkar Committee considered as the official poverty line in India. As per Tendulkar Committee estimation, 21.9% people in India living under below poverty line. However as per Rangarajan estimation, the percentage of people living BPL in India is 29.5%. Due to the deficiency in poverty measurement based on consumption become outward, the NITI Aayog abandoned the poverty line approach.

Multidimensional Poverty Approach (MPI)

The government think tank NITI Aayog announced the first-ever Multi-dimensional Poverty Index (MPI) on November 20, 2021, which assesses poverty at the national, state/UT, and district levels. This index is based on NFHS-4 of the reference period of 2015-16. MPI is computed by using three dimensions education, health, & standard of living, with each having equally weightage in the index. These three aspects of poverty are represented by the 12 categories including nourishment, child and adolescent mortality, prenatal care, education year, school attendance, cooking fuel, cleanliness, drinking water, power, housing, properties, and bank accounts. MPI score is the product of the Headcount ratio and intensity of poverty.

MPI score = Headcount ratio (H) * intensity of poverty (I)

Headcount ratio shows the how many are poor. It is the ratio of total multidimensional poor to total population.
The average degree of deprivation felt by Multidimensional Poor is called the intensity of poverty. It is calculated by adding up the proportion of total deprivation and divide by total number of poor.

Results and discussion

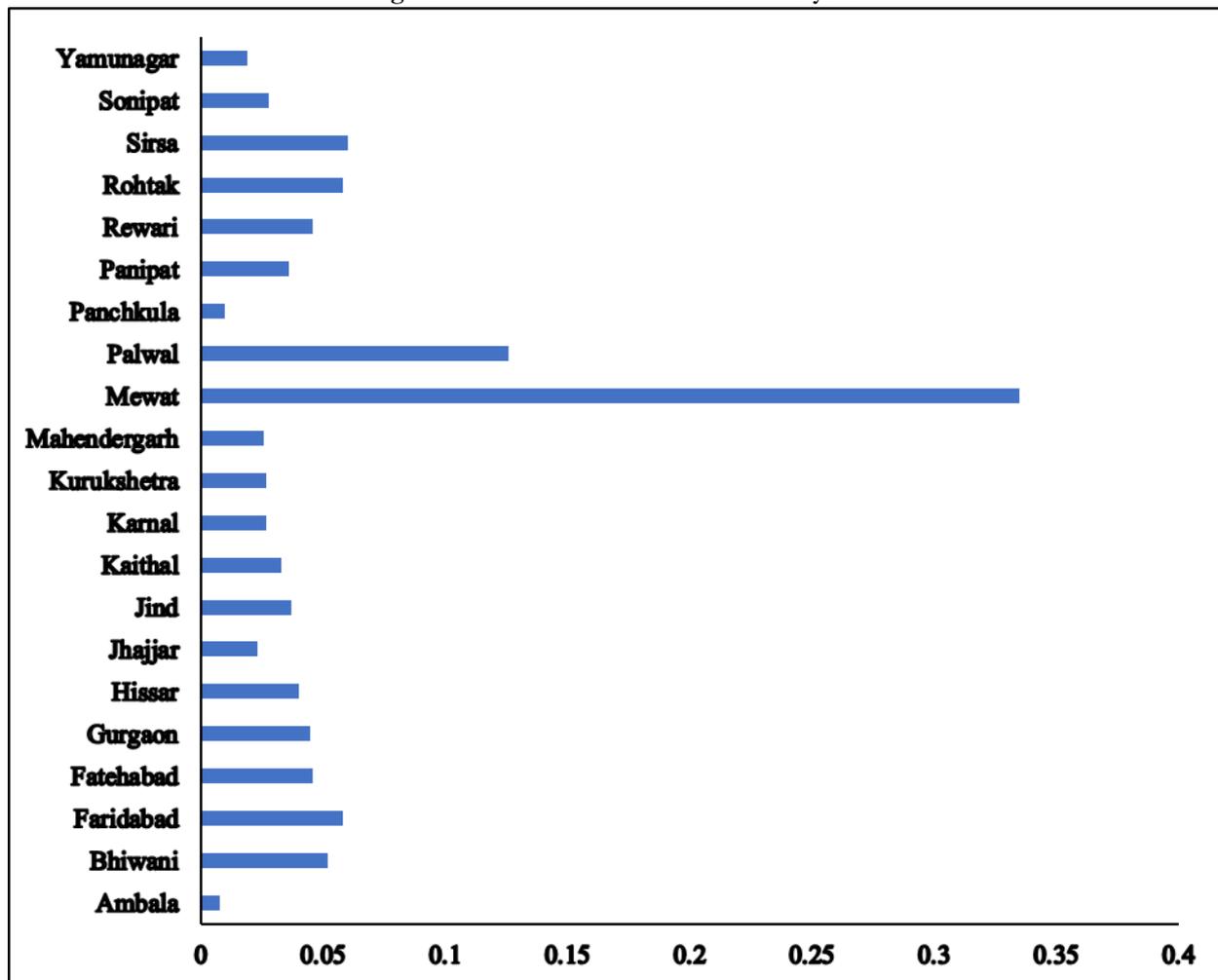Here, in this section we discuss the district wise and area wise MPI score of Haryana state.

Table 1: MPI Score of Haryana

	Headcount (H)	Intensity (A)	MPI H*A= MPI
Haryana	12.28%	44.4%	0.055
Rural	14.86%	44.38%	0.066
Urban	8.16%	44.58%	0.036

Source: NITI Aayog Report on Multidimensional Poverty Index 2021

According to NITI Aayog report on Multidimensional poverty, Haryana has 12.28% of total population who are multidimensional poor. And intensity of poverty is 44.4% which show average proportion of deprivation which is experienced by Multidimensional poor people. MPI score of Haryana is 0.055 is the percentage of deprivation experienced by poor individuals as a fraction of the total deprivation experienced if all persons were deprived in all dimensions. This data also show that multidimensional poverty is more in rural areas as compared to urban areas.
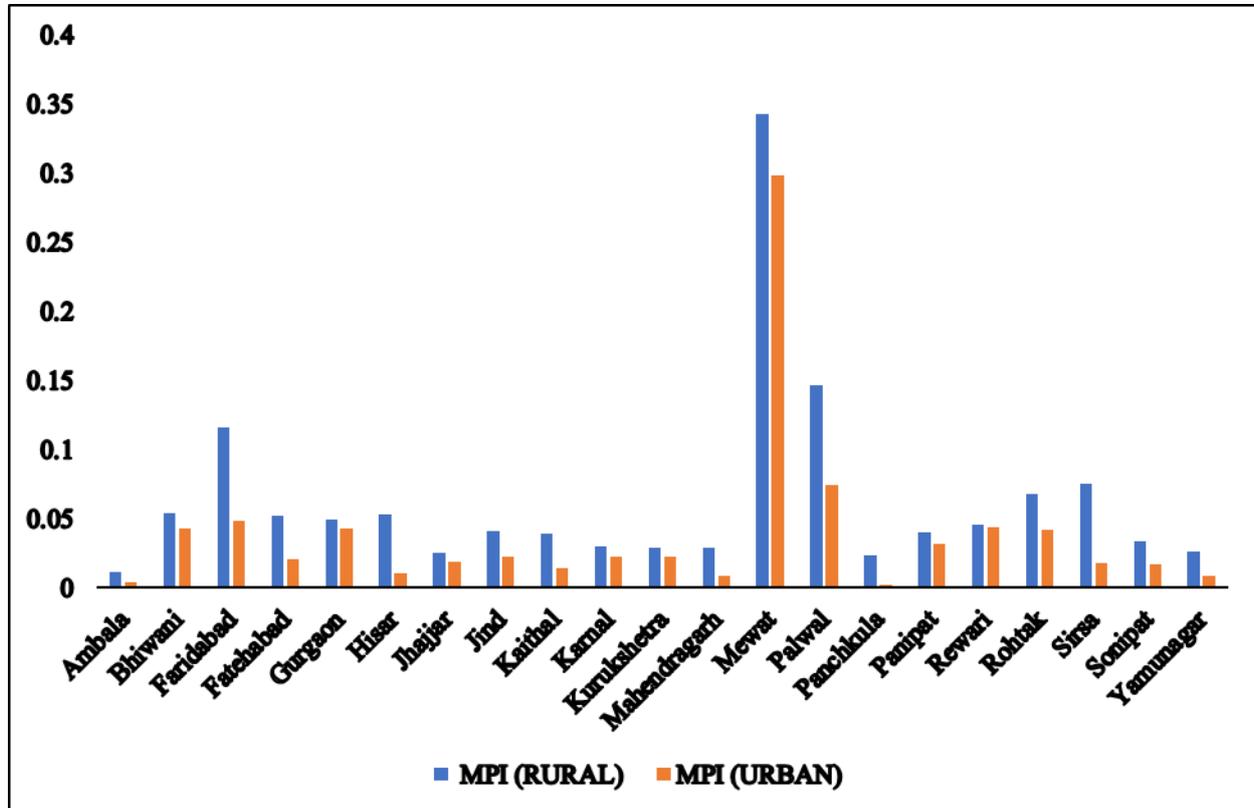
Figure 1: District wise MPI Score in Haryana

Source: NITI Aayog Report on Multidimensional Poverty Index 2021

Figure 1 indicates the MPI score of different districts of Haryana. It clearly states that Mewat has high multidimensional poor followed by Palwal, Sirsa, Faridabad and Rohtak. While Ambala, Panchkula, Yamuna Nagar and Jhajjar districts have less multidimensional poor as compared to other districts. This figure also revealed that south- west district of Haryana has high multidimensional poor as compared to North -east.

Figure 2: MPI Score of Rural and Urban Areas in Haryana

Source: NITI Aayog Report on Multidimensional Poverty Index 2021

Figure 2 shows the MPI score in rural and urban areas in different districts of the state. It revealed that MPI score in rural area is high as compared to urban areas. It shows that among all districts, Mewat has high MPI in both rural and urban area. In rural areas, Ambala has lowest multidimensional poor and in urban area, Panchkula has lowest multidimensional poor.

Conclusion

Poverty is defined as the inability to satisfy basic human needs. Based on the report of NITI Aayog on multidimensional poverty, it was concluded that poverty in some districts namely Mewat, Palwal, Sirsa, Rohtak and Bhiwani have high multidimensional poor. Multidimensional poor are more in rural areas as compared to urban areas. Further the study results revealed that poverty is more in south-west areas and less in north areas of the state poverty. Here, the researchers suggests that the Government should come with more initiatives and schemes to eradicate the poverty in Haryana state in order to give better life to poor peoples.

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