International Journal of Engineering Research & Management Technology
ISSN: 2348-4039
Volume 9, Issue-3 May-June - 2022
Email: editor@ijermt.org www.ijermt.org

"AN ANALYSIS OF MULTIDIMENSIONAL PRIVATION AND PRO-POOR GROWTH ISSUES IN INDIA"

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Abstract

The United Nations General Assembly's adoption of the Millennium Progress Goals (MDGs) in 2000 confirmed the reduction of poverty as a key objective of economic development. This affirmation forced economists and policy makers to re-examine the connection between economic growth and poverty reduction and, as a result, identify the policies and programmes that will significantly lessen poverty on a worldwide scale. Since an optimistic economic expansion does not necessarily benefit the poor because the rich may absorb all the growth's benefits, economists generally believe that economic growth is a necessary but insufficient condition for reducing poverty (Zheng, 2011). As a result, there is a complex and multifaceted relationship between economic growth and changes in the prevalence of poverty. The development of effective measures for reducing poverty depends on knowledge of this relationship and its underlying causes (Pasha et al., 2004).

Keyword: - Affirmation, Poverty, Multifaceted, Development, Relationship.

Introduction

In the past, income has been the only continuous variable used in pro-poor development literature calculations. Recently, however, economists' focus has shifted to establishing a link between pro-poor growth concepts and non-monetary measures of well-being in general and multidimensional poverty indices in particular. For example, Berenger and Bresson (2010) used dominance conditions to investigate the pro-poorness of growth when well-being is measured jointly by continuous and discrete variables; Kacem (2013) measured the pro-poorness of growth when well-being is measured by continuous and discrete variables.

The fundamental notion behind this strategy was first proposed by Sen in 1988, who saw poverty as a multifaceted phenomenon. His capability-based approach is centred on indicators other than revenue, for which income is merely a tool of achieving specific functioning's. Thus, he explicitly takes into account the effects of

poverty, such as being healthy or having a good education. Numerous empirical poverty assessments, including social indicators, have been conducted using this methodology (e.g., Klasen 2000; Grimm et al., 2002). However, the pro-poor growth gauge does not currently take non-income metrics into account (Grosse et al., 2005). If progress is to be done against poverty, particularly on its numerous dimensions, in the context of a globalised world, the poor must broadly enjoy the benefits from sustained global prosperity. Pro-poor growth therefore necessitates investing in human capital, particularly through universal primary education and basic healthcare, as well as providing work for the underprivileged (Senauer& Sur, 2001).

Literature Review

In order to thoroughly assess the preceding research, comprehend their methods, and investigate the topics they covered and didn't cover, a wide numerous pieces of related literature have been examined. The reviewed literature has been classified into five primary categories, the first of which includes studies that examine multidimensional poverty, the second those that examine pro-poor growth, and the third that introduces the multidimensionality of poverty in growth. The fourth group, which focuses on the targeting mechanism, is made up of studies done specifically with regard to India. Following is a quick synopsis of these studies, organised chronologically under each category:

Sen's (1988) capability approach was the first to measure poverty in a multidimensional way, emphasising characteristics other than income (education, good health, freedom etc.). As a result, there are aspects of a person's wellbeing that are beyond economic status and cannot be bought, and from which poverty may be accurately identified.

Using the PNAD datasets for the years 1981 and 1987, Bourguignon and Chakravarty (2003) presented the application of multidimensional poverty measurement in rural Brazil. They paid particular attention to the adult population and took into account two aspects of poverty—income and educational attainment. The minimum requirement for income was $2 per person per day, however the minimum requirement for education is four years of study. According to research on uni-dimensional poverty, income poverty in 1987 was 42% and education poverty was 68%. In contrast, findings for multidimensional poverty indicate that roughly 76% of the rural population experienced deprivation in either of the two categories taken into account. The fraction of persons who were impoverished in both dimensions was 35.2% in 1981, but it decreased to 34.4% in 1987. The index is intended to satisfy a number of postulates that were proposed in the study for the methodological development of the index, including strong focus, weak focus, symmetry, monotonicity, continuity, the population principle, scale invariance, and subgroup decomposability. By developing the methodology for

assessing poverty in a multidimensional context, they have attempted to provide an alternative to the one-dimensional poverty measurement.

Pro-poor Growth Analysis Theory and Data

The notion of poverty bias of growth (PBG), which can be either in favour of or against the poor, was developed by McCulloch and Baulch in 1999. PBG can be calculated by contrasting the actual distribution of income/consumption expenditures per person and the decline in poverty between any two points in time with the fictitious scenario in which everyone would experience an increase in income/consumption expenditures that was proportionately the same for all. The applicability of their methodology to Andhra Pradesh and Uttar Pradesh, two Indian states, reveals that both of these states experienced a significant decline in all poverty metrics (headcount, poverty gap, and squared poverty gap) between 1973 and 1989. These two states were chosen because they share characteristics in terms of their populations, geographic locations, State Domestic Products, and rates of growth. In Andhra Pradesh, the adjustments in growth were determined to be pro-poor and resulted in a sizable decrease in poverty. However, in Uttar Pradesh, growth appears to be working against the poor, as its negative effects on inequality outnumbered its beneficial effects on reducing poverty. This suggests that factors affecting the elimination of poverty include the pace of economic growth and changes in the distribution of income.

Studies Specifically with Reference to India

By utilising data from numerous sources (NFHS, NSSO, CMIE, and various other sources), Das (1999) focuses light on the multidimensional element of economic growth and attempts to highlight the disparities in the socio-economic development of the states of India.

Other reported data). Efficiency index was built using the Principal Component Analysis (PCA) method. According to the study, in 1988–1989, 35% of the Indian population was living below the poverty line, 51.2% of homes lacked access to electricity, 49% of households lived in kacha huts, and the mean enrolment rate was close to 90%. The PCA score results showed that most southern states were in a stronger position than eastern and central states in the nation. The study came to the conclusion that some states, like Kerala and Tamil Nadu, had higher economic development when examined in a multidimensional perspective, whereas Bihar, Assam, Uttar Pradesh, and Rajasthan had inferior economic development. According to the report, for the country to actually progress, the government must improve primary education, offer clean drinking water and better health facilities, as well as take marginalised groups of society into account.

Statement of the Problem

Although the study aimed to cover as many factors as it could with the dataset that was provided, there are some issues that go beyond the purview of the current study and need to be taken into account. First off, taking into account the population's socioeconomic stratification and rural-urban divide, we have shown patterns and trends in both uni- and multidimensional poverty and pro-poor growth indices on a variety of dimensions at the national level in the current study. Expanding the analysis to the state level is crucial. Second, there are two main datasets in the nation: the NFHS and the CES of NSSO. The former does not collect data on household income or consumption expenditures, and the latter does not collect data on anthropometric and demographic indicators like body mass index, maternal mortality rate, infant mortality rate, etc. Furthermore, since these two datasets were not collected from the same group of families, we are unable to combine them. Therefore, it is necessary for either the government or private organisations to conduct a thorough survey that covers both economic and non-economic issues at the national level. Thirdly, it's critical to update these patterns in poverty. As a result, surveys that analyse poverty should be released frequently rather than after a gap of six or seven years.

Significance of the Study

The accomplishment of the Millennium Development Goals appears to be the international community's official recognition of the complexity of poverty. The 'pro-poor' nature of growth must be examined in addition to the solely monetary dimensions of poverty if poverty is to be viewed of and assessed from a multidimensional perspective. The most evident flaw in the existing pro-poor growth concepts and metrics is that they only have one goal in mind: reducing financial poverty. They disregard other non-financial factors that contribute to well-being, such as indices of standard of living, education, nutrition, and health. This blatantly shows that pro-poor growth based on income or consumer expenditures does not always signify the decline in deprivation on the other non-monetary indices of poverty. As a result, it is becoming clear that the relationships between income allocation, consumer spending, and wellbeing are complex (Berenger and Bresson, 2010). Thus, there was a pressing need to unite two major fields of study, pro-poor growth and multidimensional poverty. Recent research has been conducted in parallel on these two topics. The fact that so few researches, especially those pertaining to India, focused on the supplementary data pertaining to other well-being dimensions in addition to the income indicator for the evaluation of the pro-poor nature of growth is unexpected.

Objective of the Study

Assessing the nature and effects of economic progress on the less fortunate, particularly in the context of India's multifaceted society, has been the study's main focus.

The study's particular goals are as follows:

1. Examining the socioeconomic makeup of the Indian population;
2. To examine the magnitude and trends of India's one-dimensional poverty rates;
3. To assess the scope and trends of poverty in India across multiple dimensions;
4. To investigate the relationships on various fronts between poverty and growth.
5. To carefully examine how each aspect of poverty affects multidimensional poverty indices.
6. To provide a system for focusing efforts to reduce poverty in India on a number of fronts.

Research Methodology

The selection of the suitable methodology and, consequently, estimates, can be seen as a prerequisite for effective and efficient policy programmes. This chapter has made an effort to explain the various approaches employed in the current study to quantify multidimensional poverty and pro-poor growth. The datasets used and problems associated with them have also been discussed in this chapter. Additionally, a few terms and definitions are discussed. Finally, the research issues are discussed. These issues will be addressed empirically in the next chapters. Additionally, these queries will help in formulating the proper targeting programmes.

Limitations of the Present Study

The state-level estimates of the pro-poor and multidimensional poverty indices have not been the focus of the study. This is true since it will divert attention from the study's principal objective. Because the government had not yet made the most recent unit level records available when the study was finished, it is only possible to use estimates up to 2011–2012 in this analysis.

Conclusions

Historically, it was held that there was a strong and direct link between economic expansion and the decrease of poverty, i.e., that the advantages of growth would trickle down to the poorer portions. However, over time, this notion came under fire. Since the advantages of growth do not always effectively trickle down to the lower strata of society, it has come to be understood that economic expansion is a necessary but not sufficient condition for the alleviation of poverty. As a result, the link between economic progress and the elimination of poverty is intricate and multifaceted. In this light, it is intriguing to determine whether gains in non-income indicators can also be brought about by an increase in the income indicator. In other words, whether the multidimensional poverty fall is pro-poor or not, and whether the multidimensional poverty rise is pro-poor or not.

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