Economics ~~Notes~~ (2023)

Poverty measurement
→ absolute / extreme poverty
→ relative

Extreme poverty : represents the lack of sufficient resources to secure basic life necessities, such as safe drinking water, food or sanitation.

World Bank defines extreme poverty : People earning less than $\boxed{\$1.9}$ on purchasing power parity

<u>Relative poverty</u> : worse income and resource status of a person or a household than what is thought to be adequate or socially acceptable in the society in which they live.

Poverty Estimation Approaches.

<u>Well-being Approach</u>
(given by Erik Allard)
→ Having material
→ Loving
→ Being spiritual / emotional

<u>Capabilities Approach</u>
(given by Amartya Sen)
→ Economic capabilities
→ Human capabilities
→ Political capabilities
→ Socio-cultural capabilities
→ Security capabilities

Poverty Estimation in India

Tendulkar Committee, 2009 : ~~Has~~ Based on Monthly Per Capita Consumption Expenditure (MPCE) → Based on NSSO data.

→ 21.9% of total population was below poverty line in 2011-12

Rangarajan Committee, 2014 : Based on independent large survey, of households by Centre for Monitoring Indian Economy.
* 29.5% of total pop below poverty line

NITI Aayog : National MPI Baseline Report.
+
(UNDP + Oxford Poverty & Human Development Initiative).
* 12 indicator (10 of MPI & antenatal care & bank account)
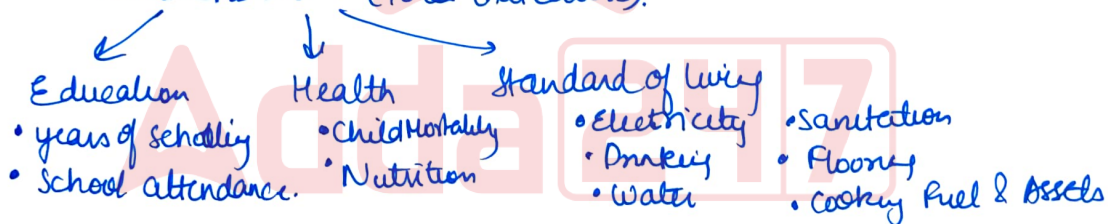* 25.01% Indian Population multidimensional Poor.

Alagh committee , Lakdwala Committee (Related to poverty estimates)

Indexes
① Multidimensional Poverty Index (MPI)
 → launched : 2010
 → UNDP+ Oxford Poverty & Human development Initiative.
 → 3 dimensions (10 indicators).

Education   Health   Standard of living
• years of schooling • Child Mortality • Electricity • Sanitation
• School attendance. • Nutrition   • Drinking   • Floors
                                        • water   • Cooking Fuel & Assets

② Commitment to Reducing Inequality (CRI) Index.
 → by Oxfam International & Development Finance.
 → India Rank 123.
 → it look at govt policies & actions in 161 countries.
   to fight inequality during the first two years of the
   COVID-19 pandemic.

Data collection method
① Uniform Resource Period : involves asking people about their
   consumption expenditure across the period of over 30 days.
② Mixed Reference Period : measured consumption of few low
   frequency items over a period of 30 days.