Indian Economy · GS - III

Poverty reduction cannot be assessed solely through income-based indicators. Examine the significance of multidimensional poverty measurement in evaluating the outcomes of India's development and welfare policies.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 12/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Multidimensional Poverty Index (MPI), income poverty, health and education indicators, sanitation and housing, welfare delivery, exclusion errors, regional disparities, data reliability, inclusive growth.

Model Answer

Introduction

Poverty is a multidimensional phenomenon involving not only inadequate income but also deprivation in essential capabilities, services and opportunities. Therefore, income-based poverty estimates alone cannot capture the full extent of deprivation.

Significance of Multidimensional Measurement

The Multidimensional Poverty Index (MPI) assesses overlapping disadvantages across three broad dimensions: health, education and standard of living. Indicators such as nutrition, schooling, sanitation, drinking water, housing and electricity provide a wider understanding of household well-being.

Evaluating Development Policies

Multidimensional indicators help assess the impact of welfare interventions such as public healthcare, school education, sanitation programmes, housing schemes and access to clean cooking fuel. They also help identify

geographical and social disparities that aggregate income figures may conceal.

Challenges

Measurement depends on reliable household surveys, appropriate indicators and periodic data collection. National and international poverty estimates may differ because of varying methodologies and poverty thresholds. Improved averages may also conceal persistent deprivation among vulnerable communities.

Conclusion

India requires both income-based and multidimensional assessments to evaluate poverty reduction. Combining them can improve policy targeting, strengthen accountability and ensure that economic growth translates into substantive improvements in people's quality of life.

BECOME IAS
AI POWERED UPSC PREP