

Project title	<b>A Multi-dimensional Approach for the Estimation of Poverty in Kerala</b>
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### Abstract

Poverty eradication being an issue of paramount importance assumed significant attention in recent years. There was considerable expansion of literature relating to poverty measurement. India, however, was not able to develop a widely acceptable scientific methodology for measuring poverty in the country. Despite the constitution of two Expert Committees under the Chairmanship of Prof. S.D.Tendulkar and Dr. C. Rangarajan, the results obtained were not consistent. This study was to review the existing methodologies of poverty measurement and demonstrate the applications. The poverty lines were derived for the year 1973-74 by using the above norms and were updated for later years by using Consumer Price Indices.

A significant deviation in the study was the estimation of calorie deprivation at the household level, derive the poverty lines consistent with calorie deprivation ratios, compute different measures of poverty and compare them for significant levels of convergence. The study was also the first ever attempt to estimate district level poverty ratios by using various measurement methods. To estimate calorie deprivation estimates, it was required to know age, sex and occupational status of each of the household members along with consumption details. It became necessary to use the data sets of Employment-Unemployment Surveys for the study.

District-wise poverty estimates were derived by using different measurements. These were calorie deprivation ratios, calorie linked absolute poverty estimates, calorie linked absolute poverty estimates by using rural and urban poverty lines, calorie linked absolute poverty estimates by adjusting state level poverty lines for implicit price differentials, relative poverty ratios by taking 60 percent of the median per-capita consumption expenditure, relative poverty ratios by adjusting the state level poverty lines, multi-dimensional poverty indices by using Alkire and Foster method, etc.

It was noted that BPL census ranking of districts were negatively correlated with rankings based on calorie deprivation, absolute poverty measure based on price adjusted poverty lines. It revealed that multi-dimensional indices could capture the level of poverty in a better way. It would give significant dividend if the data sets collected through BPL surveys were made available to academic institutions and researchers for further research and to identify important factors deriving poverty and deprivation in specific population segments.

In case, price differentials across the states needed to be compared for adjusting poverty lines, it was necessary to compute price indices by selecting a suitable geographic region as the base instead of using indices computed by using a particular year as the base. It is also important to undertake scientific research to identify physical characteristics with high discriminant power to discriminate those who are consumption deprived so that those indicators can be used for BPL surveys.

