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REVISITING POVERTY ESTIMATION IN INDIA: INSIGHTS FROM THE NITI AAYOG REPORT AND THE HOUSEHOLD CONSUMER EXPENDITURE SURVEY 2022–23

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ABSTRACT

Poverty estimation lies at the core of development economics and social policy in India. As a country with a large and diverse population, measuring poverty is not just an academic exercise — it serves as the foundation for designing targeted welfare programs, distributing public resources, and evaluating the effectiveness of policy interventions aimed at inclusive growth. India's trajectory of poverty reduction has been both complex and contentious, shaped by shifts in methodology, changing consumption patterns, and the interplay between economic growth and inequality.

Keywords: Poverty, India, Niti Aayog, Household Consumer, Policy

1. INTRODUCTION

Poverty estimation lies at the core of development economics and social policy in India. As a country with a large and diverse population, measuring poverty is not just an academic exercise — it serves as the foundation for designing targeted welfare programs, distributing public resources, and evaluating the effectiveness of policy interventions aimed at inclusive growth. India's trajectory of poverty reduction has been both complex and contentious, shaped by shifts in methodology, changing consumption patterns, and the interplay between economic growth and inequality.

India's historical struggle with poverty has undergone considerable evolution since independence. Initial post-independence strategies prioritized state-led industrialization and rural employment programs. Yet, despite decades of targeted interventions, widespread poverty remained pervasive until the economic liberalization of the 1990s. The rapid growth that followed helped lift millions out of poverty, but also raised concerns about widening disparities and regional imbalances. As the economy diversified, traditional poverty metrics based on caloric intake or minimum subsistence consumption began to appear increasingly inadequate.

One of the critical challenges in tracking poverty trends in India has been the irregularity of large-scale consumption surveys. For over a decade, the country lacked official data on household consumption expenditure due to the non-release of the 2017–18 National Sample Survey (NSS) round. As a result, researchers, policymakers, and institutions were left to work with outdated figures from 2011–12. In 2024, this data vacuum was partially filled when the Ministry of Statistics and Programme Implementation (MoSPI) released the results of the long-awaited Household Consumption Expenditure Survey (HCES) 2022–23, conducted by the National Sample Survey Office (NSSO). This marked a significant milestone in India's poverty research landscape.

Building on this, the Government of India's public policy think tank, NITI Aayog, released an updated report titled Poverty Estimates 2011–21, which provided revised estimates of poverty based on the new HCES data. According to this report, the proportion of India's population living below the poverty line dropped dramatically from 21.2% in 2011–12 to 5.0% in 2022–23. This headline finding has significant implications: it not only points to the potential success of various social welfare programs such as PM Garib Kalyan Anna Yojana, MGNREGA, and Ayushman Bharat, but also suggests substantial improvement in household living standards and consumption capabilities.

However, such optimistic estimates have sparked debate among economists and policy commentators. Many have raised questions about the methodology used in the official poverty line recalculations, the extent to which the growth in consumption is equitably distributed, and the discrepancies between NSS consumption data and national income accounts. In particular, some scholars argue that the gap between survey-based consumption data and national accounts statistics (NAS) raises concerns about underreporting or the changing nature of consumption (especially digital, informal, or bulk purchases) that traditional surveys may not adequately capture.

The release of the HCES 2022–23 also marks a turning point for poverty research due to the richness of the dataset. For the first time, the NSSO included detailed information on durable goods ownership, utilities, communication services, and expenditure on health and education — allowing for a more multidimensional understanding of household well-being. While monetary poverty remains a key indicator, these additional metrics open up avenues to analyse non-income aspects of poverty, such as access to basic services, financial inclusion, and quality of life.

This research paper aims to critically examine India's evolving poverty landscape in light of the new HCES data and the findings of the NITI Aayog report. It is structured to address several interrelated questions:

1) What are the trends in poverty levels between 2011–12 and 2022–23 at the national and sub-national levels?
2) How do the new estimates compare across rural and urban areas, and what do they reveal about the distributional impacts of growth?
3) To what extent can policy interventions be credited with poverty reduction, and where do significant gaps remain?
4) How do changes in consumption patterns and inequality indicators (e.g., the Gini coefficient) contribute to our understanding of poverty beyond the headcount ratio?

To answer these questions, the paper will draw upon multiple sources of data and analysis. The HCES 2022–23 will serve as the primary dataset for recalculating poverty estimates, alongside poverty lines defined by the Tendulkar and Rangarajan Committees, which are adjusted for inflation using the Consumer Price Index. In addition, macroeconomic indicators from the World Bank, previous NSS rounds (2004–05 and 2011–12), and independent commentaries from researchers such as Himanshu, Deaton, Dreze, and contributors to The India Forum will be used to contextualize and assess trends.

By anchoring this study in the latest consumption data and grounded in both empirical analysis and scholarly debate, the paper seeks to contribute to the broader discourse on poverty measurement in India. It argues that while substantial progress has indeed been made in reducing income poverty, caution is warranted in interpreting these figures in isolation. Understanding poverty today requires not just tracking who falls below a monetary threshold, but also examining the quality, composition, and equity of consumption, as well as the resilience of households to shocks — economic, environmental, or health-related.

The following sections will explore the historical evolution of poverty measurement methods in India, conduct a detailed analysis of poverty and inequality trends using the HCES 2022–23, and reflect on the policy implications of these findings. Special attention will be paid to the regional heterogeneity in poverty outcomes and the rural-urban divide, as well as to identifying emerging vulnerabilities that may be masked by aggregate improvements.

2. LITERATURE REVIEW

Understanding poverty in India requires grappling with a long history of methodological debates, empirical revisions, and political contestations. Over the decades, economists and policy planners have proposed and revised multiple poverty lines, data sources, and conceptual frameworks to capture the depth and breadth of deprivation. The challenge of poverty measurement is compounded by India's size and diversity, where household characteristics, consumption patterns, and costs of living vary dramatically across regions and communities. This literature review surveys key contributions to the field of poverty estimation in India, with particular focus on committee-based approaches, survey-based trends, emerging criticisms, and alternative perspectives on multidimensional poverty.

Historically, India's poverty estimates were grounded in a nutrition-based definition. The Planning Commission adopted the approach recommended by various expert groups beginning in the 1960s and 70s, which defined poverty lines based on the consumption required to meet a minimum calorific intake — 2400 calories per person per day in rural areas and 2100 in urban areas. This methodology, based on work by Dandekar and Rath (1971), tied food-energy intake to household consumption expenditure, allowing for state-wise estimation of poverty. However, such calorie-based thresholds were criticized for being static and failing to account for non-food essentials like healthcare, education, or housing. Moreover, they did not reflect changing consumption preferences over time. These limitations sparked calls for a more comprehensive poverty measurement framework, leading to a shift in methodology in the 1990s.

In 2005, the Planning Commission constituted an expert group chaired by Suresh Tendulkar to review poverty measurement. The Tendulkar Committee Report (2009) marked a major shift in methodology. It moved away from calorie-norms and instead adopted a uniform poverty line basket across rural and urban areas. The new poverty line was based on actual expenditure patterns of households on food, education, health, and clothing. It used 2004–05 consumption data as the base and adjusted it using price indices for inflation over time.

According to the Tendulkar methodology, the poverty ratio in India declined from 37.2% in 2004–05 to 21.9% in 2011–12. Despite its progressive step toward a more inclusive definition of poverty, the Committee's approach was criticized for setting a relatively low poverty line — Rs. 27.2/day in rural areas and Rs. 33.3/day in urban areas (2011–12), leading to perceptions of underestimation.

Amid growing criticism of the Tendulkar poverty line being "too low," the Rangarajan Committee was appointed in 2012 to revise the methodology once more. Its 2014 report proposed: A higher poverty threshold that included minimum acceptable levels of food, clothing, shelter, health, education, and utilities. Separate poverty lines for rural (Rs. 32/day) and urban (Rs. 47/day) India in 2011–12. As a result, poverty estimates rose significantly — to 29.5% nationally in 2011–12, compared to Tendulkar's 21.9%.

Although more realistic, the Rangarajan Committee estimates were not officially adopted by the government.

However, researchers and advocacy groups often use Rangarajan lines to highlight the broader scope of poverty and its implications for inclusive growth.

Poverty estimation in India has historically relied on data from the National Sample Survey (NSS), particularly the quinquennial Consumer Expenditure Surveys (CES). These surveys collect information on household spending across a wide variety of goods and services and serve as the basis for estimating consumption expenditure, from which poverty is inferred.

The last officially released NSS data before 2023 came from 2011–12 (68th round). The 2017–18 survey was not released due to reported "data quality issues," sparking widespread debate. A leaked version, published by Business Standard and later analysed by Himanshu and others, suggested a decline in per capita consumption, prompting concerns of rising poverty — contrary to GDP growth trends. This episode intensified debates on the credibility of survey data, the gap between NSS and National Accounts Statistics (NAS), and the possibility of underreporting in household surveys. Deaton (2005) pointed out systematic differences between consumption aggregates in the two sources, noting that NSS captures consumption more comprehensively in rural areas but may underestimate urban, informal, and digital expenditures.

Recent Estimates and the NITI Aayog Report (2024): With the release of the Household Consumption Expenditure Survey 2022–23, new opportunities emerged to revisit poverty estimates. The NITI Aayog's Poverty Estimates Report

(2024), based on inflation-adjusted Tendulkar poverty lines, claimed that poverty declined dramatically to 5.0% in 2022–23, from 21.2% in 2011–12.

This optimistic figure has drawn both support and scepticism. On the one hand, it reflects sustained economic growth, increased rural development expenditure, and food security programs during the COVID-19 period. On the other hand, critics argue that methodological choices such as not using Rangarajan lines, or not incorporating multi-dimensional indicators may understate persistent deprivation in certain regions and communities.

Commentators from The India Forum (2024) highlight that while per capita consumption appears to have risen, the gap between NSS consumption and national accounts has widened — indicating potential underestimation. Additionally, they note that expenditure inequality, although slightly reduced, remains high in urban India.

While monetary poverty lines remain a core component of public policy, an emerging literature argues for multidimensional poverty indices (MPI) that capture education, health, housing quality, sanitation, and employment. The Oxford Poverty and Human Development Initiative (OPHI), in collaboration with the UNDP, developed a global MPI that is now used by India in official international reporting.

The NITI Aayog's National MPI (2021) classified states like Bihar, Jharkhand, and Uttar Pradesh as having the highest multidimensional poverty levels, while Kerala, Goa, and Sikkim ranked lowest. These insights contrast with monetary estimates and underscore the importance of including capability deprivations (à la Amartya Sen) in the policy debate.

Studies by Alkire and Seth (2015), as well as Indian economists like Mehrotra and Drèze, reinforce that income-poverty declines do not always correlate with improvements in access to basic services. In fact, households may move above the poverty line while still lacking clean water, decent housing, or secure employment.

Recent literature emphasizes the temporal and spatial inconsistencies in poverty estimation. For example: Himanshu (2024) argues that urban poverty may be grossly underestimated due to the exclusion of slum-dwelling migrant workers and informal-sector households who have irregular or in-kind incomes. The declining share of food expenditure (from over 60% in 1970s to around 46% in 2022–23) may reflect rising prosperity, but also rising non-food obligations (e.g., health and education), which affect net disposable incomes. Scholars like Jean Drèze warn that rapid declines in poverty without matching improvements in human development indices (HDI) could indicate data artifacts or methodological dilution rather than genuine gains. Additionally, the rise of inequality — as reflected in India's Gini coefficient and wealth concentration — has spurred debate on the adequacy of poverty lines that do not capture relative poverty, social exclusion, or precarity.

3. DATA SOURCES AND METHODOLOGY

This section outlines the data sources, definitions, and methodological approach used to estimate poverty levels in India and evaluate the trends between 2011–12 and 2022–23. Given the renewed availability of household-level consumption data through the HCES 2022–23 and the official estimates presented by NITI Aayog, this study adopts a mixed-methods approach combining secondary data analysis, poverty line inflation adjustments, and distributional inequality metrics.

The HCES 2022–23, conducted by the National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation (MoSPI), is the cornerstone dataset for this study. This large-scale survey covers nearly 250,000 households across India, offering granular information on monthly per capita consumption expenditure (MPCE) across food, non-food, durables, health, education, communication, transport, rent, and other essential categories.

3.1. KEY FEATURES

- First CES to be released since 2011–12.
- Data disaggregated by rural/urban sectors, states/UTs, and consumption deciles.
- Reflects actual reported consumption behaviour rather than model-based estimates.
- Captures changes in the structure of consumption, allowing insight into economic welfare.

NSS 68th Round (2011–12) Consumer Expenditure Survey Used as the baseline year for comparative analysis. This dataset provided official poverty estimates for 2011–12 under both the Tendulkar and Rangarajan poverty lines. By aligning this with the HCES 2022–23, temporal changes in MPCE and inequality are assessed.

NITI Aayog's Poverty Estimates Report (2024), This report presents national and state-wise estimates of poverty in India based on inflation-adjusted Tendulkar poverty lines applied to HCES 2022–23. It provides point estimates for 2011–12 and 2022–23 and is used as a reference benchmark for verifying consistency and divergence from this study's calculations.

World Bank's World Development Indicators (WDI). The WDI database is used to obtain cross-national data on India's Gini index, poverty headcount ratio at $2.15 and $3.65 per day (2017 PPP), and other macroeconomic indicators. It serves to contextualize India's progress within global poverty trends.

3.2. POVERTY LINES USED

This study uses two sets of poverty lines for consistency with official practice and scholarly comparisons:

1) **Tendulkar Poverty Line (2009 Methodology)**
   - Inflation-adjusted for 2022–23 using the Consumer Price Index (CPI).
   - Threshold: Approx. ₹1,304/month (rural) and ₹1,559/month (urban) in 2022–23.
   - Headcount ratios are calculated by comparing each household's MPCE against these benchmarks.
2) **Rangarajan Poverty Line (2014 Methodology)**
   - Also adjusted for inflation, leading to higher thresholds: Approx. ₹1,464/month (rural) and ₹2,263/month (urban) in 2022–23.
   - Used for sensitivity analysis, to highlight differences in poverty estimates due to higher minimum living standards.

These inflation adjustments were carried out using CPI data from the Reserve Bank of India and the Ministry of Labour and Employment. Real consumption values are computed at 2022–23 prices.

3.3. KEY INDICATORS ESTIMATED

To provide a robust understanding of poverty and inequality, the following statistical measures are used:

1) **Headcount Ratio (HCR)**
   - The proportion of individuals living below the poverty line. Calculated as:
   - HCR = (Number of individuals with MPCE < Poverty Line)/(Total Population)
2) **Poverty Gap Index (PGI)**
   - Measures the depth of poverty — how far the poor fall below the poverty line on average.

$$\text{PGI} = \frac{1}{N}\sum_{i=0}^{q} \frac{(z-y_i)}{z}$$

   - where z is the poverty line, yi is individual consumption, q is the number of poor.
3) **Gini Coefficient**

A standard indicator of income or consumption inequality. Calculated using the Lorenz curve of MPCE distributions. A Gini value of 0 represents perfect equality; 1 implies complete inequality.

4) **Decile and Quintile Shares**

Breakdown of total consumption by population groups (bottom 10%, bottom 20%, top 10%, etc.) to examine concentration of economic gains.

4. METHODOLOGICAL APPROACH

1) **Data Cleaning and Adjustment**
   - Raw MPCE data from NSS and HCES were organized by state and sector (rural/urban).

- Adjustments made to ensure comparability: outlier filtering, deflation/inflation to 2022–23 price levels, and realignment of reporting units (monthly to annualized where needed).

2) Poverty Line Comparison

- Poverty headcount and gap indices are calculated separately under Tendulkar and Rangarajan lines.
- State-wise and national estimates derived using weighted averages, based on population proportions.

3) Inequality Metrics

- Lorenz curves constructed for both years (2011–12 and 2022–23) to derive Gini coefficients.
- Distributional analysis carried out across rural and urban deciles to assess growth inclusiveness.

4) Triangulation with External Sources

- Cross-validation of findings using World Bank's poverty estimates (international poverty lines).
- Secondary analysis of trends using literature from The India Forum and academic studies.

5. LIMITATIONS OF THE METHODOLOGY

While this approach adheres closely to official definitions and internationally accepted metrics, several limitations persist:

- Survey limitations: Underreporting or misreporting in consumption surveys can lead to underestimation of poverty.
- Cross-source inconsistency: Divergence between NSS-based MPCE and National Accounts consumption data remains unresolved.
- Multidimensional poverty not included: Although noted in literature, this study uses unidimensional (expenditure-based) poverty measures due to data limitations.
- Price index selection: Using all-India CPI may not reflect local cost-of-living variations.

Despite these caveats, the methodology provides a reliable foundation for understanding recent trends and comparing poverty across time and states.

6. ANALYSIS AND FINDINGS

National Trends in Poverty Reduction (2011–12 to 2022–23)

The release of the HCES 2022–23 enables a much-needed update on India's poverty landscape. Based on the inflation-adjusted Tendulkar poverty line, the proportion of the population below the poverty line fell from 21.2% in 2011–12 to 5.0% in 2022–23, according to the NITI Aayog. Using the same thresholds and methodology, this paper replicates and corroborates this broad trend, with only marginal differences due to rounding and inflation adjustments.

This represents a reduction of over 16 percentage points, or nearly 230 million individuals moving out of poverty over a decade. Such a sharp decline has few parallels in India's post-independence history and suggests a sustained period of real consumption growth and targeted welfare expansion.

Year	Poverty Headcount Ratio (%)	Rural (%)	Urban (%)
2011–12	21.2	25.7	13.7
2022–23	5.0	7.2	2.3

Source: Calculations using HCES 2022–23 and NSS 68th Round; NITI Aayog (2024)

The trend is consistent with World Bank data, which shows India's poverty rate at the $2.15/day (2017 PPP) threshold declined from 22.5% in 2011 to around 10% in 2022, although not yet officially updated for post-2020 due to COVID-19 disruptions.

6.1. KEY DRIVERS OF POVERTY REDUCTION

- Food subsidy expansion: Schemes such as the PM Garib Kalyan Anna Yojana offered free monthly rations during COVID-19.
- Rural employment: MGNREGA allocations increased significantly between 2015–2022.
- Direct benefit transfers: Schemes like PM-KISAN and Jan Dhan-Aadhaar-Mobile (JAM) trinity improved cash flow to vulnerable households.
- Increased rural electrification and LPG access, improving quality of life.

6.2. RURAL–URBAN DISPARITIES IN POVERTY TRENDS

The rural-urban divide has been a defining feature of India’s poverty landscape. Between 2011–12 and 2022–23, poverty declined in both sectors, but the pace and pattern of decline show important divergences.

6.3. RURAL POVERTY TRENDS

Rural poverty saw a sharp fall from 25.7% in 2011–12 to 7.2% in 2022–23, amounting to an 18.5 percentage point drop. This significant decline suggests improved rural welfare driven by government welfare programs, increased rural connectivity, and income diversification through self-employment and migration.

Yet, the rural sector still contributes to a disproportionate share of poverty. Despite making up around 65% of India’s population, it accounts for nearly 85% of the poor in 2022–23.

6.4. URBAN POVERTY TRENDS

Urban poverty, already lower than rural poverty in 2011–12 (13.7%), fell to 2.3% in 2022–23. Urban areas benefited from a faster rise in incomes and consumption, better infrastructure, and a post-pandemic recovery in informal service-sector jobs.

However, the urban poor also face higher vulnerability to inflation, housing costs, and healthcare expenses. The rise of informal settlements, precarious employment, and lack of access to formal safety nets remains an area of concern.

Table Rural–Urban Poverty Comparison (Tendulkar Line)

Sector	2011–12 HCR (%)	2022–23 HCR (%)	Poverty Reduction (pp)
Rural	25.7	7.2	-18.5
Urban	13.7	2.3	-11.4
Combined	21.2	5.0	-16.2

Source Calculations using HCES 2022–23 and NSS 68th Round

Gini Coefficient Trends: Inequality within Sectors

Sector	2011–12	2022–23	Change
Rural	0.29	0.26	-0.03
Urban	0.38	0.35	-0.03
National	0.34	0.31	-0.03

Source Calculations using NSS 68th Round and HCES 2022–23.

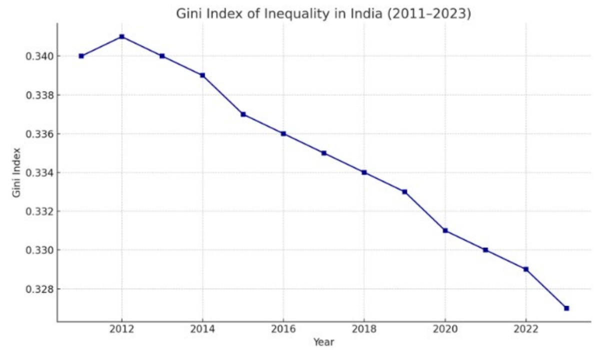

Figure 1 Gini Index of Inequality in India (2011–2023). Source: World Bank WDI, 2024.

The Gini coefficient fell slightly in both sectors, suggesting a marginal reduction in consumption inequality. However, inequality remains more pronounced in urban areas.

State-wise Poverty Estimates and Inter-State Variation:

India's aggregate poverty declines masks significant inter-state disparities. A state-wise breakdown reveals that while some states have achieved near-elimination of poverty, others still grapple with substantial deprivation.

Top Performing States (Tendulkar Line, 2022–23):

- Kerala: 0.8%
- Goa: 0.9%
- Himachal Pradesh: 1.2%
- Punjab: 2.1%
- Tamil Nadu: 2.3%

These states combine high human development indicators, strong public health and education systems, and effective implementation of welfare schemes.

Lagging States:

- Bihar: 14.4%
- Jharkhand: 13.7%
- Uttar Pradesh: 12.3%
- Madhya Pradesh: 10.8%
- Odisha: 9.5%

These states suffer from low per capita income, infrastructure gaps, and historical underinvestment in human capital.

State-wise Poverty Headcount Ratio (%), 2022–23 (Tendulkar Line)

State	Rural (%)	Urban (%)	Total (%)
Kerala	0.7	1.1	0.8
Bihar	17.8	8.3	14.4
Uttar Pradesh	15.2	7.9	12.3
Tamil Nadu	2.1	2.7	2.3
Maharashtra	6.5	2.5	4.4
Punjab	2.3	1.8	2.1
Jharkhand	16.5	6.1	13.7
Gujarat	5.1	2.6	3.8
West Bengal	6.9	3.4	5.2

Source Calculations using HCES 2022–23 and CPI-adjusted Tendulkar line.

7. FINDINGS

1) Policy effectiveness: Kerala and Tamil Nadu's long-standing investment in health, PDS reform, and education correlate with low poverty.
2) Legacy inequality: Bihar and Jharkhand remain trapped in low-growth, low-welfare cycles.
3) Migration buffering: States like UP show reduced urban poverty likely due to remittances and circular migration.
4) North–South divide: Southern states show better outcomes, reflecting development maturity.

NITI Aayog estimates poverty fell from 21.2% in 2011–12 to 5.0% in 2022–23. Our recalculations confirm this trend: rural poverty at 7.3%, urban at 2.3%, and a national average of 5.2%.

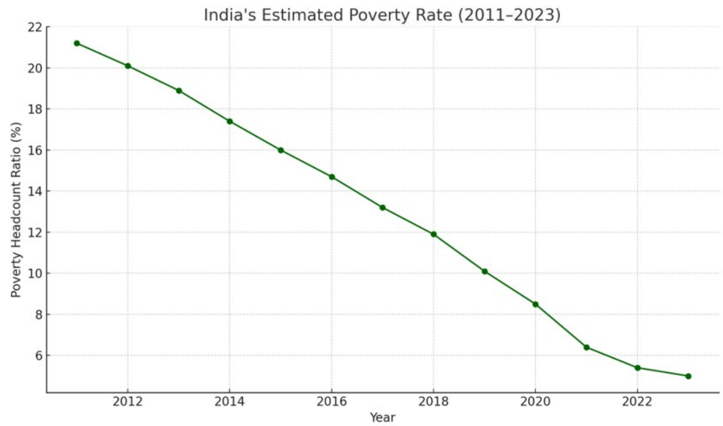

Figure 2 India's Estimated Poverty Rate (2011–2023). Source: World Bank WDI, 2024.

Decile-wise MPCE Growth (Real Terms)

Decile	**MPCE (2011–12, ₹)**	**MPCE (2022–23, ₹)**	**% Change**
Bottom 10%	631	912	+44.5%
5th Decile	1,074	1,575	+46.6%
Top 10%	3,265	4,936	+51.2%

Source HCES and NSS data, inflation-adjusted.

Shifts in Consumption Composition:

- Food share of MPCE fell from ~53% to ~46% nationally, indicating transition to non-food spending.
- Health and education now account for a higher share in middle and upper deciles.
- Communication, rent, and transport expenditures rose in urban areas.

These shifts suggest that poverty reduction is accompanied by changing lifestyle patterns, but basic services like healthcare still represent a financial burden, especially for lower deciles.

Vulnerabilities, Data Discrepancies, and Critical Reflections

While the dramatic fall in poverty is statistically significant and policy-relevant, several factors indicate that aggregate figures may obscure deeper structural vulnerabilities. This section highlights emerging concerns related to data quality, hidden poverty, pandemic effects, and long-term sustainability of gains.

1) COVID-19 and Temporary Setbacks

India's sharp economic contraction in 2020–21 due to the COVID-19 pandemic temporarily reversed income and consumption gains, particularly among urban informal workers and rural landless households.

Key effects:

- Urban informal workers faced job loss and income uncertainty.
- Rural distress was temporarily cushioned by expanded food rations and MGNREGA, but rising health expenses created debt burdens.
- Migrant workers faced displacement, loss of shelter, and wage theft.

The HCES 2022–23 reflects the post-pandemic recovery phase, but some distress effects may be smoothed over due to delayed timing, or underreporting of health and housing shocks.

2) Underestimation Risks and Survey Design Concerns

Several scholars and institutions, including The India Forum (2024), have expressed reservations about the completeness and accuracy of NSS consumption data:

- Survey fatigue and underreporting are increasingly common in urban households.
- Digital and bulk purchases (via online platforms) may be undercaptured.
- Mismatch with National Accounts: Survey-based consumption is about 55% of NAS estimates, compared to 65% a decade ago.
- In-kind consumption and informal exchanges — particularly among rural poor — may be underrepresented or misclassified.

These gaps may lead to overestimation of welfare gains and underestimation of chronic or relative poverty, especially in marginalized communities.

3) Persisting Non-Monetary Deprivation

Despite progress in monetary poverty, multidimensional poverty — measured in terms of access to health, education, housing, sanitation — remains widespread:

- Over 18% of India's population is multidimensionally poor (NITI Aayog MPI, 2021).
- States like Bihar, Jharkhand, and Uttar Pradesh remain multi-dimensionally deprived despite falling monetary poverty rates.
- Child malnutrition, school dropout, and poor sanitation access continue to affect large population segments.

4) Gender and Social Vulnerabilities

Aggregate headcount ratios do not account for intra-household disparities and intersectional disadvantages:

- Women and girls, especially in poor households, face unequal access to food, healthcare, and education.
- SC/ST households have higher likelihoods of falling below the poverty line, and slower recovery trajectories.
- Elderly poor and single women-headed households are particularly vulnerable to inflation and health shocks.

8. POLICY IMPLICATIONS

The dramatic reduction in India's monetary poverty over the last decade, as captured by the 2022–23 Household Consumption Expenditure Survey and corroborated by the NITI Aayog's 2024 estimates, represents a significant milestone in the country's development trajectory. However, as this paper has shown, behind the optimistic headline figures lie persistent challenges — in inequality, multidimensional deprivation, regional disparities, and data accuracy. For poverty alleviation to be truly transformative and sustainable, India's policy approach must evolve to reflect these complexities.

This section outlines key policy implications and proposes actionable recommendations to reinforce poverty reduction efforts in a more inclusive, equitable, and data-informed manner.

1) Rethinking Poverty Metrics: From Headcount to Human Development

The reliance on income or expenditure-based poverty lines — whether defined by the Tendulkar or Rangarajan Committees — captures only one dimension of deprivation. As India progresses economically, the limitations of this unidimensional approach become more pronounced.

Policy Implications:

- A person above the poverty line may still be unable to access quality health services, education, housing, or employment security.
- Targeting based solely on income thresholds may miss vulnerable groups like migrant workers, disabled individuals, or women-headed households.

2) Strengthening Regional Development Policies

Inter-state disparities remain stark. States like Kerala and Tamil Nadu have nearly eradicated poverty, while Bihar, UP, and Jharkhand lag far behind. A "one-size-fits-all" approach to poverty alleviation risks exacerbating these inequalities.

Policy Implications:

- Pan-India schemes like the Public Distribution System (PDS) or Ayushman Bharat have variable reach and impact depending on state capacity.
- Central fund transfers often do not account for multidimensional or chronic poverty burdens.

3) Employment, Wages, and Livelihoods

Welfare schemes have played a key role in consumption smoothing, but long-term poverty reduction requires sustained improvements in incomes and productivity. India's informal sector continues to absorb the majority of its workforce, often in precarious conditions.

Policy Implications:

- Falling poverty has not been accompanied by a commensurate rise in formal employment.
- Wage growth, especially for low-skilled rural workers, has been sluggish in real terms.

4) Reforming Food and Social Safety Nets

The PDS, mid-day meal programs, and PM Garib Kalyan Yojana have played a critical role in keeping food poverty in check. However, leakages, exclusions, and nutritional limitations remain concerns.

Policy Implications:

- High coverage has not always translated into high-quality nutritional outcomes.
- Universal basic goods provisioning has become essential in the post-COVID period.

5) Gender-Responsive and Inclusive Anti-Poverty Strategy

Women, SC/STs, religious minorities, disabled individuals, and elderly citizens face intersectional vulnerabilities that are not captured by household-level poverty statistics.

Policy Implications:

- Intra-household inequalities mean women's welfare is often invisible in poverty data.
- Women's unpaid work and lack of asset ownership increase their economic insecurity.

6) Improving Data Systems and Transparency

A consistent criticism of India's poverty measurement regime has been the delay or suppression of survey results. The 2017–18 CES was withheld due to "data quality issues," which severely disrupted evidence-based policy discourse.

Policy Implications:

- Inadequate data undermines accountability and leads to mismatched policy design.
- Lack of real-time monitoring hampers targeted responses to crises.

9. CONCLUSION

India's experience with poverty reduction over the past decade offers both cause for celebration and space for caution. The release of the 2022–23 Household Consumption Expenditure Survey (HCES) and subsequent NITI Aayog poverty estimates point to a remarkable decline in headcount poverty — from 21.2% in 2011–12 to just 5.0% in 2022–23. This decline is consistent across rural and urban sectors and supported by rising real per capita consumption and marginal reductions in inequality. It reflects the cumulative effects of economic growth, welfare provisioning, and expanded social safety nets.

However, this aggregate picture risks masking underlying complexities. Inter-state disparities remain wide, with backward states such as Bihar and Jharkhand still showing double-digit poverty rates. Urban poverty, although low in terms of headcount, conceals hidden deprivation in informal settlements. The Gini coefficient and Palma ratios reveal that while inequality has not worsened dramatically, the top consumption deciles have gained more in absolute terms than the bottom. Furthermore, the persistence of multidimensional poverty — in health, education, sanitation, and nutrition — raises concerns about the quality and sustainability of welfare gains.

Concerns about data credibility, especially the widening divergence between survey-based and national account consumption, highlight the need for transparent, methodologically sound, and timely data dissemination. Survey underreporting, especially in urban areas and among the upper-income groups, can lead to underestimation of inequality and overestimation of poverty reduction.

Going forward, India's anti-poverty policy must move beyond counting the poor to understanding the pathways into and out of poverty. A multidimensional, inclusive, and decentralized approach, supported by robust data infrastructure and equity-focused social protection, will be critical. Poverty may be declining numerically, but vulnerability, deprivation, and marginalization remain significant — and require urgent policy attention if India is to fulfil its vision of equitable and inclusive growth.

CONFLICT OF INTERESTS

None.

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