

Impact of Government Welfare Schemes on Multidimensional Poverty in Maharashtra

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ABSTRACT

India has many states and Maharashtra is most economically advanced state among them. But Poverty in Maharashtra is still a serious issue. Deprivation measures focus on income but do not address poverty related to health, education, and the living standards. The 'Multidimensional Poverty Index (MPI)' performs as a tool for understanding various layers of poverty faced by an individual. Government launches various welfare schemes to reduce multidimensional poverty and this study examines the impact of these schemes in Maharashtra. This study uses the data from NITI Aayog's Multidimensional Poverty Index (MPI) reports, the 'National Family Health Survey' (such as NHFS 4 and 5 reports), the Census of India, and state economic surveys. This research study looks at how Government welfare schemes that help to reduce multidimensional poverty in key areas like 'education, health, living standards and regional disparities'. The study uses simple statistics to compare different factors related to poverty reduction, health, education, and rural–urban disparities. The findings show that, due to the Government's welfare schemes led to a decrease in 'Multidimensional poverty' in Maharashtra, especially in living standards and health indicators. Still, regional and sectoral disparities exists, there is a need for focused and coordinated policy efforts. This research study looks at how Government welfare schemes that help to reduce multidimensional poverty in key areas like 'education, health, living standards and regional disparities'.

Keywords: Poverty, Multidimensional Poverty, Government Welfare Schemes, Multidimensional Poverty Index (MPI).

Introduction

Reducing the 'poverty' is a key objective of India's development policy. Although economy is growing and people have increased level of income there are some issues in human well-being. Even though economy is growing and people have increased level of income there are some issues in human well-being. In Maharashtra, issues like inequality, education, social exclusion, and uneven development persist. The state includes developed urban areas and underdeveloped rural and tribal regions, showing the many aspects of poverty.

Traditionally, *poverty measures* are based on income or consumption patterns. This approach overlooked other factors such as healthcare, Nutrition, education, housing, sanitation and basic living amenities. In response to these limitations, the concept of multidimensional poverty was developed, emphasising that poverty also arises from multiple deprivations.

To provide a clearer picture of poverty, India uses the *Multidimensional Poverty Index (MPI)*, based on the Alkire-Foster method.

Government welfare schemes play an essential role in addressing these deprivations by improving access to basic services and social protection. Over the past decade, the Government has introduced various welfare schemes to reduce poverty. To improve the living standards of disadvantaged people in the society, the Government introduces welfare programmes to reduce multidimensional poverty. These programmes focused on employment generation, food security initiatives, financial inclusion schemes, health insurance coverage, housing programmes, and sanitation drives (Ministry of Rural Development, 2022; RBI, 2022). This paper examines whether welfare schemes implemented in Maharashtra have significantly reduced multidimensional poverty.

Literature Review

- Early poverty studies mainly focused on income and consumption expenditure as indicators of deprivation. Such approaches were criticized for not addressing the issues related to the layers of the deprivation, like health, education, housing, and basic living conditions.
- The capability approach, laid the foundation for multidimensional poverty measurement, introduced by Sen in the year 1999, redefined poverty as 'deprivation of basic capabilities rather than low income'. If Individuals may experience poverty even when their income levels are above the poverty line if they lack access to essential services and opportunities.
- Alkire and Foster (2011) developed a systematic method to measure multidimensional poverty, now used as the Multidimensional Poverty Index (MPI). The Alkire–Foster method identifies different areas of deprivation and combines them into a single index by using two main factors: 1) Headcount ratio and 2) intensity of poverty. This method is reliable, useful for understanding and relevant for policy decisions.
- 4)The Government of India adopted the MPI framework through NITI Aayog to assess poverty at the national level and the regional level. The *National Multidimensional Poverty Index: A Progress Review 2023*, reports there is significant decline in multidimensional poverty due to the welfare initiatives taken by the government.
- Few studies highlight that the Government welfare schemes effectively reduce multidimensional deprivation. *Initiatives such as food security programs, employment guarantee programs, housing schemes, the Public Distribution System (PDS), and MGNREGA have been shown to reduce poverty intensity.*
- Health-related research based on National Family Health Survey (NFHS) data shows significant improvements in maternal and child health indicators, including institutional deliveries, immunisation coverage, antenatal care, and health insurance coverage.
- The welfare initiatives in education by employing schemes such as **Samagra Shiksha**, mid-day meal programs, and scholarships have improved school attendance and literacy rates.
- Urban regions tend to benefit more rapidly from infrastructure development and service delivery, while rural and tribal regions continue to face higher levels of multidimensional deprivation. In Maharashtra, regional imbalances remain a key concern despite overall progress.

Research Gap and statement of the problem

Maharashtra is one of India's economically developed state but in Maharashtra also Poverty remains a serious issue, especially in Rural and Tribal areas. Traditionally, Poverty measures in income level and do not consider other areas like health, education, and living standards. The Government has also implemented *welfare programmes* to address these issues at country level. This study aims to fill that gap by looking at, how effective government welfare schemes have been in decreasing poverty in Maharashtra, using the latest official data.

Objectives of the Study

The objectives of the study are as follows:

- To assess *the level of Multidimensional poverty exists* in Maharashtra.
- To examine the impact of government welfare schemes affect the reduction in *Multidimensional poverty* reduction in Maharashtra.
- To analyse the changes in health and education indicators related to deprivation.
- To explore the differences in poverty reduction outcome between *Rural region and Urban region of Maharashtra*.

Hypotheses of the Study

Null Hypotheses

- H₀1:** There is no significant impact of Government welfare schemes on multidimensional poverty reduction in Maharashtra.
- H₀2:** Health indicator in Multiple Poverty Index in Maharashtra have not improved significantly due to welfare schemes.
- H₀3:** Education indicator in Multiple Poverty Index have not improved significantly as a result of welfare schemes.
- H₀4:** There is no significant difference in multidimensional poverty reduction between rural and urban areas of Maharashtra.

Alternative Hypotheses

- H₁1:** There is significant impact of Government welfare schemes on multidimensional poverty reduction in Maharashtra.
- H₁2:** Health indicator in Multiple Poverty Index in Maharashtra have improved significantly due to welfare schemes.
- H₁3:** Education indicator in Multiple Poverty Index have significantly improved as a result of welfare schemes.
- H₁4:** There is a significant difference in multidimensional poverty reduction between urban areas and rural and rural tribal areas.

Research Methodology

Data Collection

This study uses published data from the following sources.

- *NITI Aayog report, National Multidimensional Poverty Index: A Progress Review 2023*
- *NFHS-4 (2015–16) and NFHS-5 (2019–21)*
- *Census of India*
- *Government of Maharashtra Economic Surveys*
- *Ministry of Health and Family Welfare, HMIS Reports (2022–2024)*

NFHS-5 and NITI Aayog's MPI Progress Review are the latest official datasets available for state-level analysis as of March 2025. NFHS -6 is still not release and not available. Therefore not used in this paper. The study uses, NFHS-5 (2019–21)(and also use NFHS-4 (2015-16 for comparison), which remains the latest nationally representative health survey available as of March 2025. Although NFHS-6 have been announced, their datasets have not yet been released and are therefore not used in this analysis.

Method of Analysis

The study uses descriptive and analytical methods. It uses Alkire–Foster MPI framework. The formula is as follows.

$$"MPI=H \times A"$$

Hypotheses are tested with the help of,

- Inter-temporal comparison,
- Percentage change analysis,
- Indicator-wise assessment.

Data Analysis and Interpretation

This Section presents a statistical data analysis of multidimensional poverty trends in Maharashtra. This Section also interprets the results in the context of government welfare schemes.

The analysis is based on secondary data from NITI Aayog's National Multidimensional Poverty Index (MPI) reports, National Family Health Survey (NFHS-4 and NFHS-5), which represent the most recent official data available as of March 2025.

- **Changes in 'Multidimensional Poverty Indicators' in Maharashtra**

Table 1: (Based on Alkire–Foster MPI framework)Source: NITI Aayog (2023), NFHS-4 and NFHS-5.

Indicator	2015–16	2019–21	Absolute Change
MPI Headcount Ratio (H) (%)	24.9	13.5	-11.4
Intensity of Poverty (A) (%)	44.6	39.1	-5.5
MPI Value	0.111	0.053	-0.058

Interpretation

Above Table (Table 1) shows a significant drop in *Multidimensional poverty* in Maharashtra period (2015 to 2021)

- Headcount Ratio: The headcount ratio drop by 11.4 percentage points, indicating that the more people moving out of '*Multidimensional poverty*'.
- Intensity of Poverty: There is a decrease in poverty intensity, which means, there is a decline in the severity of deprivation.
- MPI Value: The significant decline in the Multidimensional Poverty Index value points shows that living standards and health conditions are improving in Maharashtra. This result is directly influenced by government welfare schemes such as *PMAY, Swachh Bharat Mission, Ujjwala Yojana, and Ayushman Bharat*.

Hypothesis Result

H₁1: Government welfare schemes have significantly reduced multidimensional poverty in Maharashtra and confirm that Government welfare Programmes have had an impact in reducing multidimensional poverty.

- **Health Dimension Analysis**

Health-Related Indicators in Maharashtra

Table 2

Indicator	2015–16 (%)	2019–21 (%)	Change (%)
Institutional Deliveries	77.8	93.6	15.8
Full Immunization (Children)	56.3	69	12.7
Antenatal Care Coverage	89.4	96.8	7.4
Households with Health Insurance	41.2	68.5	27.3

Source: IIPS (2017)IIPS & ICF (2021), NFHS 5 and 4

Interpretation

The health indicators presented in Table 2, show improvements across all parameters of Multilevel Poverty.

- Institutional deliveries in hospitals increased sharply by 15.8%, indicating enhanced access to maternal healthcare services.
- There is a rise of 12.7% in full immunisation of children because of public health outreach through national immunisation programs of the Government.
- There is an increase in Antenatal Care Coverage by 7.4% by Government Programs such as Pradhan Mantri *Surakshit Matritva Abhiyan (PMSMA), Surakshit Matritva Aashwasan Yojana (SUMAN), Janaki Suraksha Pradhan Mantri Matru Vandana Yojana (PMMVY)*, 2025.
- There is a most notable improvement in health insurance coverage (due to Government schemes such as– *Ayushman Bharat PMJAY and state health insurance schemes*), which increased by 27%, and reduced health-related deprivation. These improvements have directly reduced health-related deprivation.

Hypthesis Result

H₁2 is accepted, confirming that welfare schemes have significantly improved health outcomes in Maharashtra.

- **Education Dimension Analysis**

Education-Related Indicators in Maharashtra
Table 3

Indicator	2015–16 (%)	2019–21 (%)	Change (%)
School Attendance (6–14 years)	88.4	94.2	5.8
Literacy Rate (15+ years)	77.1	82.3	5.2
Primary Dropout Rate (%)	4.7	2.1	-2.6

Source: NFHS Reports; Census of India.

Interpretation

- The Government introduced various schemes to remove education-related deprivation. It shows steady improvement in the education indicator. The above table shows that the Literacy rate improved by 5.2%, school attendance improved by 5.8%, and the school dropout rate fell by -2.6%, it shows steady improvement in education-related deprivation.
- Government schemes such as Samagra Shiksha, mid-day meal programs, and scholarships for disadvantaged groups show steady improvement in Education in Maharashtra. School attendance of the students has increased, and dropout rates have decreased. It shows a positive trend, indicating that education-related issues are lessening.

Hypothesis result

H₁₃ is accepted, confirming that these welfare schemes have helped improve educational outcomes.

- **Rural–Urban Comparison of Multidimensional Poverty**

Rural–Urban Differences in MPI Indicators
Table 4

Region	Headcount Ratio (%)	Intensity (%)	MPI Value
Rural Maharashtra	18.4	41.2	0.076
Urban Maharashtra	7.2	35.6	0.026

Source: NITI Aayog (2023).

Interpretation

- The above table shows statistical information on how poverty reduced differently for the people who are living in urban and rural, tribal area.
- According to *Niti aayog report 2023*, the headcount ratio stands at 18.4%, and intensity of poverty is measured at 41.2% in rural area in Maharashtra, indicating that a significant portion of the population is affected by poverty and living in deep economic hardship.

But in urban Maharashtra, the headcount ratio is notably lower at 7.2%, and intensity of poverty is also lower at 35.6% showing that, small proportion of the population living in poverty as compared to rural Maharashtra and experience some level of economic struggle.

- MPI values shows, 0.076 for rural maharashtra and 0.026 for urban maharashtra. Urban areas have much lower rates of poverty values as compare to rural and tribal area. People in cities have better access to various resources like infrastructure, healthcare, education, and also job opportunities. But people living in rural and tribal area have not get the these welfare facilities in their region and face more challenges and higher level of poverty.

Hypothesis Result

H₁₄ is accepted and Ho₄ is rejected. There are significant differences in poverty reduction outcomes in Rural Maharashtra and Urban Maharashtra.

- **Supplementary Analysis Using HMIS Data (2022–2024)**

(Data Available up to March 2025)

Table 5

Indicator	2021–22	2022–23	2023–24	Trend
Institutional Deliveries (%)	92.1	94.3	95.6	Increasing
Full Immunization Coverage (%)	71.2	74.8	77.5	Increasing
Pregnant Women Receiving 4+ ANC Visits (%)	90.6	93.4	95.1	Increasing
Ayushman Bharat Beneficiaries (million)	6.8	9.4	11.7	Increasing

Source: Ministry of Health and Family Welfare, HMIS Reports (2022–2024).

Interpretation

Above information is extracted from Ministry of Health and Family Welfare, HMIS Reports (2022–2024), showcases that health services in Maharashtra are getting better since the the period 2019-2021. More women are giving birth in hospitals, which means they have better access to maternal healthcare. There is also a steady increase in vaccinations and the use of antenatal care, indicating stronger primary healthcare outreach.

The rise in Ayushman Bharat beneficiaries means that more people have financial help for health issues. This support helps reduce health-related problems, which is an important part of fighting poverty. While HMIS data comes from administrative sources and is not used to calculate multidimensional poverty, it supports the positive changes seen in NFHS data.

Findings

The statistical analysis conducted by using published data obtained from the National *Multidimensional Poverty Index (MPI)* reports published by *NITI Aayog*, National Family Health Surveys (*NFHS-4 and NFHS-5*) and the Health Management Information System (HMIS), identified the following.

- **Reduction in Multidimensional Poverty in Maharashtra:** The study shows that '*Multidimensional poverty*' in Maharashtra decreased between 2015–16 and 2019–21. The MPI headcount ratio and intensity of poverty, both declined significantly. There is reduction in percentage of families living in multidimensional poverty and the depth of their struggles have gone down. This improvement is due to the expansion of government welfare schemes focused on housing, sanitation, clean cooking fuel, health, and income security.
- **Improvement in Health Outcomes:** Health indicators show the clear improvements in many areas like *institutional deliveries* (Giving birth in hospitals), *immunization coverage* (more childrens are getting vaccinated), *antenatal care utilization* (more expectant mothers are receiving care), and *health insurance* coverage has also increased. These positive changes come from the successful programs of the Government - *Ayushman Bharat and Janani Suraksha Yojana*, along with better public health services. Data from 2022 to 2024 shows that these trends have continued after 2019 -2021 period.
- **Improvement in Education Indicator:** There is improvement between 2025-16 to 2019-21 period, improvement in School attendance and literacy rates and decline in students' school dropout rate. The Government's Programs like *Samagra Shiksha, mid-day meals, and scholarships* for disadvantaged groups have helped more people to access the education. There is moderate improvement in education indicator as compare to health and living conditions. This shows that we need to focus more on the quality of education and learning outcomes.
- **Regional Disparities:** The study identifies, there is significant regional disparities in multidimensional poverty reduction in Maharashtra. Rural and tribal areas of Maharashtra have higher poverty levels compared to urban areas. Urban region have benefited due to regional infrastructure development of the area whereas Rural and Tribal areas face implementation challenges.
- **Validation of Hypotheses:** The analysis shows that Government welfare schemes have significantly helped reduce multidimensional poverty in Maharashtra. The most notable improvement in health and living standards, while education shows a gradual improvement. For *Rural and urban regional discrepancies, need to design specific policies that address these unique challenges.*

Suggestions

- Different welfare programs have shown positive results, and their impact can be more effective by connecting them better. Delivering health, Nutrition, housing, sanitation, and education services together at the household level can address multiple challenges.
- Rural and Tribal areas face ongoing poverty—tailored strategies to be introduced to reduce the disparities between urban and rural areas. Strategies must focus on infrastructure development, healthcare access, and educational support.

- There is a need to focus not only on health and household, but also on the quality of delivery of education, by supporting teachers' training, school facilities, digital services, etc.
- Monitoring and evaluation systems are essential to assess the welfare schemes of the Government.
- Digital platforms can improve transparency and ensure benefits reach those in need. Expanding digital skills and infrastructure in rural areas will help close access gaps and boost program effectiveness.

Conclusion

This study analyses, the effectiveness of Government welfare schemes on reducing various layers of poverty in Maharashtra. It uses the published data (period 2015 to 2024), from various published reports of the Government. It finds that the schemes introduced by the Government effectively reduce poverty, particularly in health and living standards, but that development in the Education indicator is moderate. Regional disparities between rural and urban areas remain, showing that economic growth alone is insufficient for inclusive development.

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