



KAMARAJ IAS ACADEMY
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Kerala declares itself free of extreme poverty; CM calls it a historic moment

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Chief Minister Pinarayi Vijayan declared Kerala **'free from extreme poverty'** at a special session of the Assembly on the occasion of the State Formation Day (Kerala Piravi) on Saturday, making it the first State to do so.

About Extreme Poverty

Definition: According to the World Bank, extreme poverty refers to living on less than **\$2.15 per day**, representing a state where individuals cannot meet basic needs like food, shelter, and healthcare.

Updated Benchmark (2025): The World Bank has revised this threshold to **\$3 per day (PPP 2021)** for low-income nations, accounting for inflation and changing consumption patterns.

Measurement: The poverty line is determined using **Purchasing Power Parity (PPP)** and **Household Consumption Expenditure Survey (HCES) data**, ensuring comparability across regions.

Nature: Extreme poverty signifies absolute poverty, unlike relative poverty, which measures inequality within societies.

Indicators: It encompasses lack of access to essentials such as food security, safe housing, healthcare, education, clean water, and sanitation.

Extreme Poverty Eradication Programme (2021–2025) Launched in 2021, the programme aimed to eradicate extreme poverty through a multidimensional approach focusing on nutrition, health, housing, education, and livelihoods.