



Kerala's Institutional Pathways to Eliminating Extreme Poverty: The Role of Kudumbashree and the Extreme Poverty Eradication Programme

¹Dr Vidhya I V, ²Dr Prem Sankar C

¹Assistant Professor, ²Associate Professor

¹Department of Economics, Sree Kerala Varma College, Thrissur, Kerala, India

²Department of AI, Providence College of Engineering, Alapuzha, Kerala, India

*Corresponding author: vidhyavishnudas@gmail.com

Abstract: On November 1, 2025, the State of Kerala officially declared itself the first state in the Indian Union to eradicate extreme poverty. This declaration marked the culmination of the Extreme Poverty Eradication Programme (EPEP), a four-year, data-driven initiative launched in May 2021. While the World Bank's June 2025 update raised the international poverty line to \$3.00 per day (2021 PPP), projecting a global extreme poverty headcount of 838 million, Kerala's internal assessment identified and rehabilitated a specific cohort of 64,006 families—comprising 103,099 individuals—who had historically slipped through the cracks of universal welfare nets [1].

This article examines Kerala's institutional pathways to eliminating extreme poverty through two major initiatives—the Kudumbashree Mission and the Extreme Poverty Eradication Programme (EPEP). Kerala's long-standing investments in education, public health, women's empowerment, and decentralized governance have produced the lowest poverty levels in India. Kudumbashree's extensive women-led community network and EPEP's multidimensional, convergence-based strategy complement each other in supporting vulnerable households through livelihood assistance, healthcare, housing, and social inclusion.

By 2025, more than 93% of identified extremely poor households had exited extreme poverty, positioning Kerala to declare its formal eradication. The study highlights the effectiveness of community-driven systems, targeted interventions, and coordinated public action in achieving sustainable poverty reduction.

IndexTerms - Kudumbashree, Extreme Poverty Eradication Programme (EPEP), Multidimensional poverty, Community participation, Social development, Decentralized governance.

1. Introduction

October 17 is observed globally as the International Day for the Eradication of Poverty, reaffirming the world's commitment to eliminating extreme deprivation. This aligns with Sustainable Development Goal 1, which aims to end poverty in all its forms by 2030. According to World Bank projections for 2025, nearly 831 million people continue to live on less than the revised global poverty line of \$3.00 per day—revealing the persistent scale of poverty worldwide [7].

Poverty extends far beyond inadequate income. Contemporary development discourse views poverty as a deprivation of essential opportunities, dignity, and capabilities. It encompasses deficits in health, education, living conditions, and social participation. The UNDP's Multidimensional Poverty Index (MPI) reinforces this approach by assessing deprivation across multiple domains.

1.1 Dimensions of Poverty

- **Income Poverty:** Inadequate income to maintain a basic standard of living.
- **Health Poverty:** Poor access to healthcare, drinking water, sanitation, and nutrition.

- **Educational Poverty:** Limited access to schooling and skills development.
- **Social Poverty:** Exclusion from community participation and decision-making.
- **Housing Poverty:** Substandard or insecure shelter that undermines well-being.

1.2 Global Poverty Lines (2025 Update)

In June 2025, the World Bank revised the international poverty thresholds to reflect updated assessments of the cost of basic living across economies. The revised benchmarks define extreme poverty at \$3.00 per person per day in low-income countries, \$4.20 per day in lower-middle-income countries, and \$8.30 per day in upper-middle-income countries. Applying these thresholds reveals the continuing magnitude of global deprivation: approximately 10% of the world's population lives below the \$3.00 per day line, nearly 20% falls below the \$4.20 threshold, and almost half of humanity subsists on less than \$8.30 per day. These figures underscore that poverty remains a widespread and multidimensional challenge, extending well beyond the poorest economies and necessitating differentiated policy responses across income groups [5].

1.3 Extreme Poverty in India

India's extreme poverty rate, as per the World Bank's 2025 Poverty & Equity Brief, stands at approximately 5.25% when measured using the revised \$3.00/day threshold. This translates to around 75.2 million people. Though the trend shows improvement, pockets of deprivation remain deep and persistent [8].

1.4 Poverty in Kerala

Kerala consistently records the lowest poverty levels in India, reflecting the cumulative impact of long-term social and institutional investments. According to NITI Aayog's National Multidimensional Poverty Index (MPI) 2023, the state's poverty rate declined from 0.71% in 2021 to 0.55% in 2023, underscoring sustained progress in reducing deprivation [4]. This achievement is widely attributed to Kerala's universal access to education, robust public health infrastructure, progressive land reforms, decentralized governance framework, strong emphasis on women's empowerment, and comprehensive social security systems. Despite these advances, pockets of vulnerability persist among specific social groups, including Scheduled Castes, Scheduled Tribes, fisherfolk, potters, and artisan communities, indicating the limits of aggregate success. In response, the state has adopted targeted and inclusive interventions such as the Kudumbashree Mission and the Extreme Poverty Eradication Programme (EPEP), which are designed to address multidimensional deprivation through community participation and household-level support.

2. Kudumbashree: Kerala's Flagship Poverty Eradication Mission

Established in 1998 under the State Poverty Eradication Mission (SPEM), Kudumbashree has evolved into one of the largest women-led community development collectives in the world. The mission operates through a well-defined three-tier institutional structure, comprising Neighbourhood Groups (NHGs) at the grassroots level, Area Development Societies (ADSs) at the ward level, and Community Development Societies (CDSs) at the local government level. This decentralized and participatory framework enables effective coordination between community institutions and local governance systems. Through this structure, Kudumbashree provides comprehensive support to women in the form of microfinance, entrepreneurship promotion, skill development, and a wide range of social interventions, thereby positioning women as central agents in poverty eradication and local economic development [2].

Metric	Total Count	Leading District
Joint Liability Groups (JLGs)	98,455	Thrissur (9,834)
Agri-Nutri Gardens	144,127	Malappuram (31,131)
Women Farmers	449,323	Alappuzha (44,288)
Jaivika Plant Nurseries	801	Ernakulam (170)

Table 1: Key Livelihood Statistics (Kudumbashree, Nov 2025)

2.1 Status as of 31 March 2025

As of the latest reporting period, the Kudumbashree Mission has developed an extensive grassroots institutional network across Kerala, comprising 317,724 Neighbourhood Groups (NHGs) with a total membership of approximately 4.81 million women. This large-scale community presence highlights the depth of women's participation in local governance and poverty eradication efforts, and underscores Kudumbashree's role as one of the most expansive and institutionalized women-led development collectives in the world.

2.2 Special NHGs for Inclusion

In addition to its mainstream neighbourhood network, the Kudumbashree Mission has established specialised Neighbourhood Groups (NHGs) to promote social inclusion among historically marginalized populations. These include 25,992 NHGs for elderly persons, collectively encompassing 283,615 members, as well as 3,352 NHGs for persons with disabilities, with a total membership of 32,860 individuals. Further extending its inclusive framework, Kudumbashree has also facilitated the formation of 48 NHGs for transgender persons, bringing 550 members into organized community-based development processes. The creation of these specialized collectives reflects a deliberate policy orientation toward inclusive poverty eradication, ensuring that vulnerable and socially excluded groups are integrated into participatory governance, livelihood support, and social protection mechanisms.

2.3 Financial Achievements (2023–24)

During the financial year 2023–24, Kudumbashree demonstrated substantial economic performance, reflecting the growing strength of women-led enterprises within the state. The collective recorded an enterprise turnover of ₹1,816 crore, registering an estimated growth rate of approximately 34.8% over the previous period. Revenue generated through monthly markets and fairs amounted to ₹100.64 crore, while e-commerce initiatives contributed ₹90 lakh, directly benefiting 237 women entrepreneurs. With over one lakh active enterprises, of which nearly 80% are individual ventures, Kudumbashree has emerged as a significant driver of grassroots entrepreneurship and local economic development in Kerala, reinforcing its role as a key institutional mechanism for inclusive and sustainable livelihoods.

3. Extreme Poverty Eradication Programme (EPEP)

Launched in 2021, the **Athidardrya Nirmarjana Project (EPEP)** aims to eliminate extreme poverty through a household-level, multidimensional strategy. A total of **64,006 households** (103,099 individuals) were identified as extremely poor based on food insecurity, income poverty, housing vulnerabilities, and health challenges [3].

Seven-Step Approach

1. **Identification** through community surveys

2. **Verification** by local governments
3. **Family-Based Planning** for each household
4. **Convergence** of departmental resources
5. **Implementation** of livelihood, housing, health, and education support
6. **Monitoring** progress continuously
7. **Graduation** of families from extreme poverty

3.1 District-Level Observations

District-level analysis of households identified under the Extreme Poverty Eradication Programme (EPEP) reveals significant spatial variation across Kerala. Malappuram district accounts for the largest share, with 8,553 families, representing 13.4% of the total identified households, followed by Thiruvananthapuram with 11.4%. Thrissur district records 5,013 families, indicating a moderate concentration of extreme poverty, while Kottayam reports the lowest number, with 1,071 families. These inter-district differences highlight the uneven distribution of extreme deprivation within the state and underscore the importance of localized, context-specific interventions within a statewide poverty eradication framework.

District-level analysis of households identified under the Extreme Poverty Eradication Programme (EPEP) reveals significant spatial variation across Kerala. Malappuram district accounts for the largest share, with 8,553 families, representing 13.4% of the total identified households, followed by Thiruvananthapuram with 11.4%. Thrissur district records 5,013 families, indicating a moderate concentration of extreme poverty, while Kottayam reports the lowest number, with 1,071 families. These inter-district differences highlight the uneven distribution of extreme deprivation within the state and underscore the importance of localized, context-specific interventions within a statewide poverty eradication framework.

Metric	Data Point
Declaration Date	November 1, 2025
Total Families Identified	64,006
Total Individuals	103,099
Single-Member Households [	~43,000
Families Provided Housing (LIFE)	4,677
Families Provided Land & Housing	2,713
Livelihood Support (Ujjevanam)	6,429 families
NITI Aayog MPI (Kerala)	0.55%
World Bank Poverty Line	\$3.00 (2021 PPP)
Transgender NHGs	21 (274 members)
Elderly NHGs	1,793

Table 2: Key Statistics of the Extreme Poverty Eradication Programme (2025)

3.2 Convergence Model Under EPEP

The Extreme Poverty Eradication Programme (EPEP) operates through a convergence-based governance model that integrates resources and services from multiple government departments to address multidimensional deprivation at the household level. The Health Department provides free medical treatment, essential medicines, home-based care, and medical camps, while the Civil Supplies Department has facilitated the issuance of 5,132 new ration cards to enhance food security. Educational support for schooling and higher education is coordinated through the Education Department, complemented by the Women and Child Development (WCD) Department, which delivers nutritional assistance for women and children and has extended targeted support to 437 orphaned students. In parallel, co-operative institutions contribute through livelihood-oriented loans and grants, and additional support is mobilized from departments such as SC/ST Development, Fisheries, Water Authority, Electricity Board, Revenue, and Akshaya centers. This integrated convergence model ensures synchronized, multidimensional support, addressing health, nutrition, education, livelihood, and basic services in a coordinated and holistic manner.

3.3 Impact of EPEP

Kerala's poverty indicators show a marked and sustained decline in recent years, with the state's poverty rate falling to 0.48% in 2024. Further evidence of progress is reflected in the outcomes of the Extreme Poverty Eradication Programme (EPEP), under which approximately 93% of the 64,006 households identified as extremely poor had successfully exited extreme poverty by mid-2025. These outcomes indicate the effectiveness of targeted, household-level interventions combined with coordinated institutional support in achieving measurable reductions in extreme deprivation.

District Milestones

District-level milestones further demonstrate the progress of Kerala's efforts to eradicate extreme poverty. Kottayam became the first district in the state to be officially declared free of extreme poverty, while Ernakulam has been rapidly progressing toward achieving the same status, reflecting the effectiveness of localized implementation and continuous monitoring. Building on these district-level achievements, on 1 November 2025, coinciding with Kerala Piravi, the Chief Minister of Kerala, Pinarayi Vijayan, formally announced that Kerala had eliminated extreme poverty, making it the first Indian state to attain this milestone. This declaration represents a historic moment in the state's social development trajectory and underscores the cumulative impact of decades of inclusive public policies, strengthened decentralized governance, and targeted, household-focused interventions aimed at the most vulnerable sections of society.

4. Comparative Analysis: Kerala EPEP vs. BRAC Graduation Model

To contextualize Kerala's achievement academically, it is instructive to compare the EPEP with the globally renowned "Graduation Approach" pioneered by BRAC in Bangladesh. Both models target the "ultra-poor," but their institutional mechanisms differ fundamentally.

Feature	BRAC Graduation Model (Bangladesh)	Kerala EPEP Model (India)
Primary Actor	Non-Governmental Organization (BRAC)	State Government (LSGD) + CBO (Kudumbashree)
Targeting Mechanism	Asset-based means testing (Participatory Wealth Ranking)	4 "Stress Factors" (Food, Health, Income, Housing) via Mobile App Survey
Duration	Fixed (typically 24 months)	Continuous (Needs-based micro-planning until rehabilitation)

Primary Intervention	Asset transfer (e.g., livestock) + Cash stipend	Rights convergence (Documents) + Housing (LIFE) + Care services
Scale	Targeted program (cohort-based)	Universal state-wide sweep (64,006 families)
Cost-Effectiveness	High cost per beneficiary (\$300-\$2,600)	Leverages existing state schemes; highly cost-efficient due to volunteerism
Monitoring	Paid program staff	Local Self-Government + Community Volunteers (Kudumbashree)

Table 3: Comparative Analysis of Poverty Eradication Models

The BRAC model relies on a "big push"—a significant asset transfer to kickstart economic activity. Kerala's model, conversely, relies on "institutional integration." It assumes that the state already has the resources (housing schemes, free rations, pensions) but the extreme poor lack the capability to access them. EPEP bridges this access gap. Furthermore, while the BRAC model focuses on economic graduation, Kerala's model places equal emphasis on care (palliative support, cooked meals) for those who cannot work (elderly, disabled), acknowledging that not all extreme poor can "graduate" to entrepreneurship.

Conclusion

Kerala's dual approach—through Kudumbashree's community-driven women's network and the EPEP's targeted, multidimensional strategy—demonstrates how sustainable poverty reduction can be achieved through institutional strength, social investment, and collective action. These initiatives highlight that poverty eradication goes beyond numerical reduction; it is about restoring dignity, expanding capabilities, and empowering individuals to lead fulfilling lives.

References

1. Government of Kerala. (2025, November 1). *Kerala declared free of extreme poverty: Announcement by Chief Minister Pinarayi Vijayan* [Press release].
2. Government of Kerala. (n.d.). *Kudumbashree: State Poverty Eradication Mission*. Retrieved December 10, 2025, from <https://www.kudumbashree.org/>
3. Local Self Government Department, Government of Kerala. (n.d.). *Extreme Poverty Eradication Project (EPEP)*. Retrieved December 10, 2025, from <https://lsgd.kerala.gov.in/en/priority-projects-initiatives/epep/>
4. NITI Aayog. (2023). *National Multidimensional Poverty Index report 2023*. Government of India.
5. United Nations. (1998). *Copenhagen Declaration on Social Development*. United Nations.
6. United Nations Development Programme. (n.d.). *Multidimensional Poverty Index (MPI)*. UNDP Human Development Reports. Retrieved December 10, 2025, from <https://hdr.undp.org/>
7. World Bank. (2025). *Poverty and Equity Brief: India (April 2025)*. World Bank Group.
8. World Bank. (2025). *Poverty and shared prosperity data update: International poverty line updates (June 2025)*. World Bank Group.