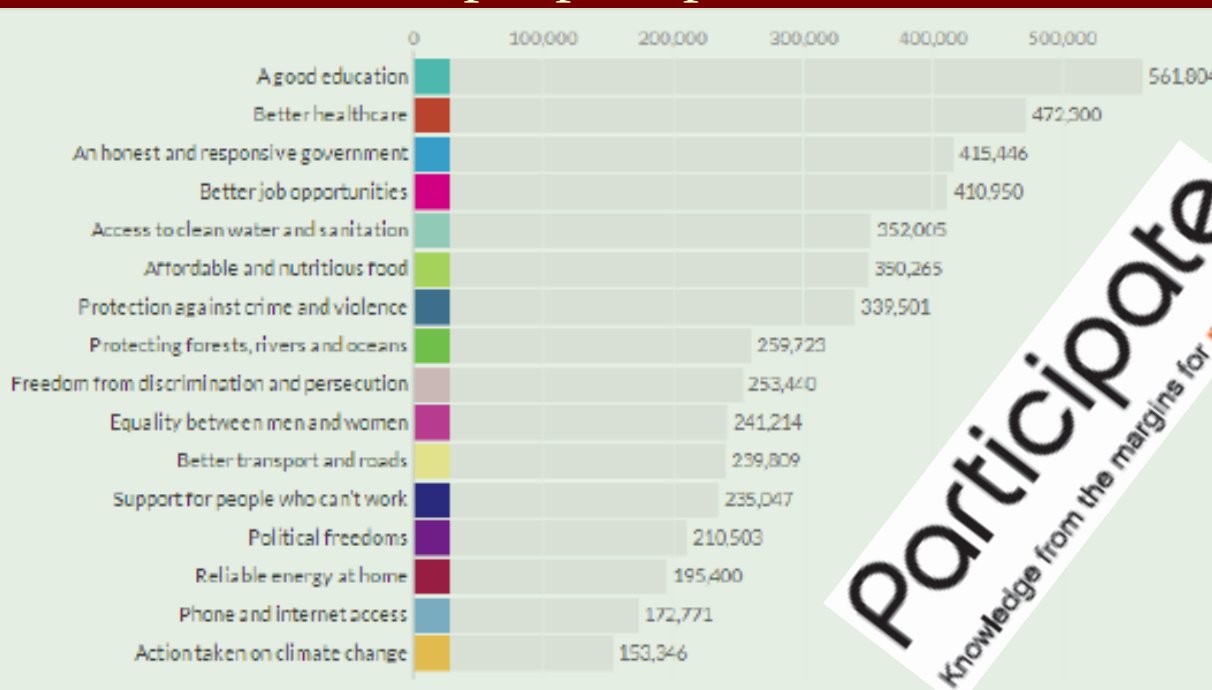# Why Multidimensional Poverty?

"Human lives are battered and diminished in all kinds of different ways." *Amartya Sen*
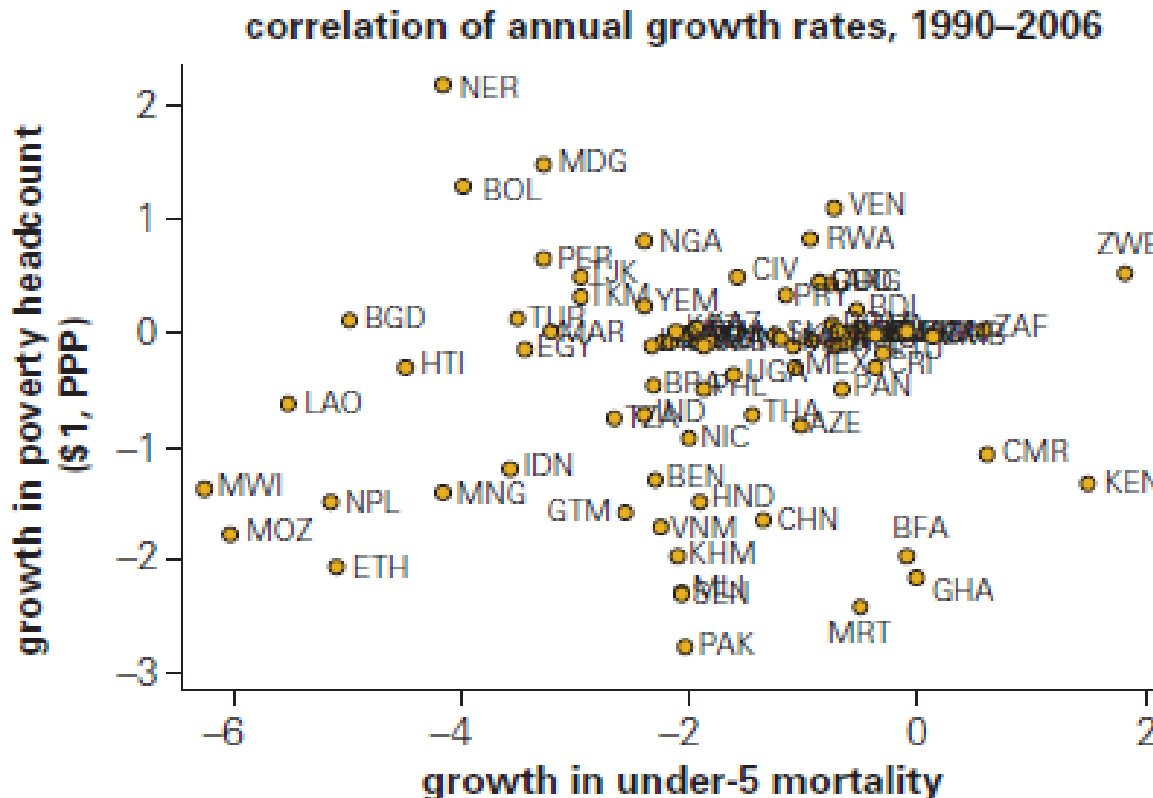
UNDP's *Million Voices* concur: 'The clear message is: don't give up on the MDGs. Eradicating poverty and hunger, achieving gender equality, and improving health and education services remain foremost in people's priorities.' *Helen Clark, 23 Sept 2013*
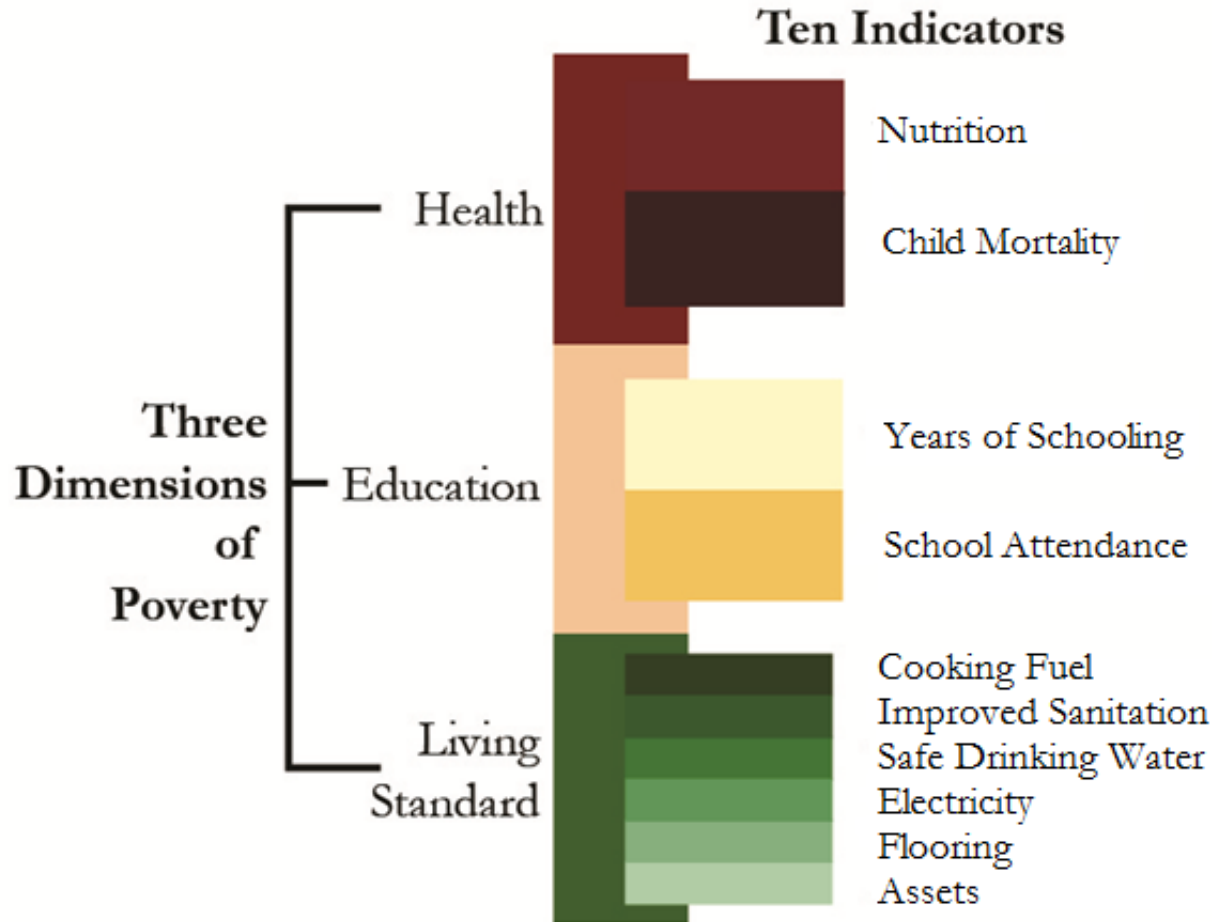
	Value
A good education	561,804
Better healthcare	472,300
An honest and responsive government	415,446
Better job opportunities	410,950
Access to clean water and sanitation	352,005
Affordable and nutritious food	350,265
Protection against crime and violence	339,501
Protecting forests, rivers and oceans	259,723
Freedom from discrimination and persecution	253,440
Equality between men and women	241,214
Better transport and roads	239,809
Support for people who can't work	235,047
Political freedoms	210,503
Reliable energy at home	195,400
Phone and internet access	172,771
Action taken on climate change	153,346

participate
Knowledge from the margins for post-2015

Why Multidimensional Poverty?
Efficiency: Reduction in $1/day poverty is <u>not correlated</u> with reductions in non-monetary MDGs

correlation of annual growth rates, 1990–2006

Select Indicators, Cutoffs, Values
Example: Global MPI

Ten Indicators

Nutrition

Child Mortality

Health

Three Dimensions of Poverty

Education

Years of Schooling

School Attendance

Living Standard

Cooking Fuel
Improved Sanitation
Safe Drinking Water
Electricity
Flooring
Assets

Published in UNDP *Human Development Reports* since 2010 for over 100 countrie

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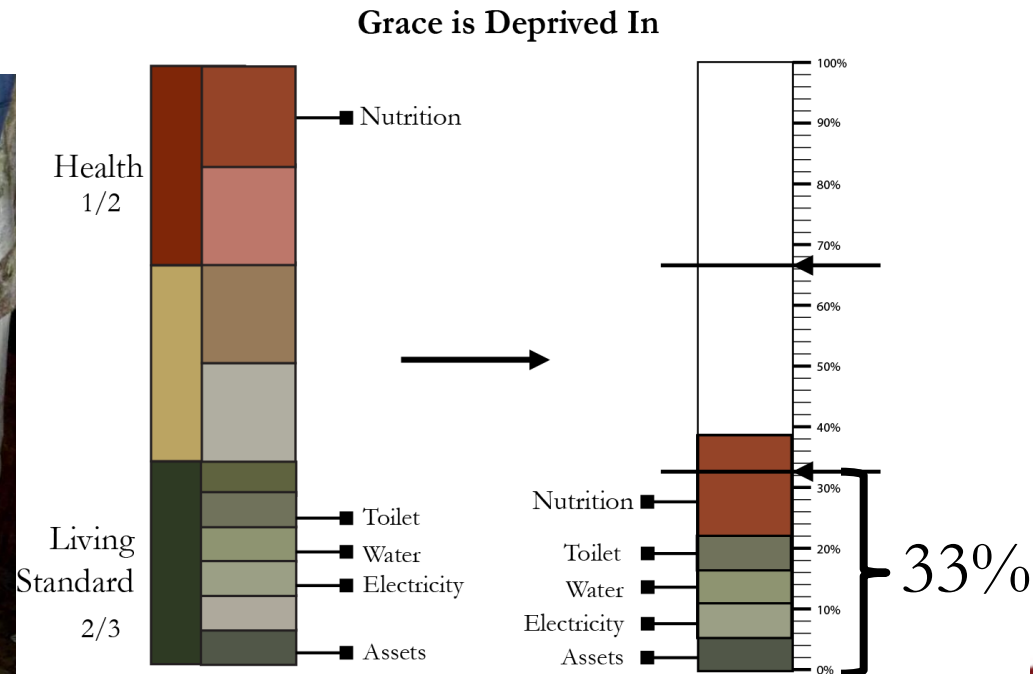# Build a deprivation score for each person

Stephanie faces multiple deprivations at present
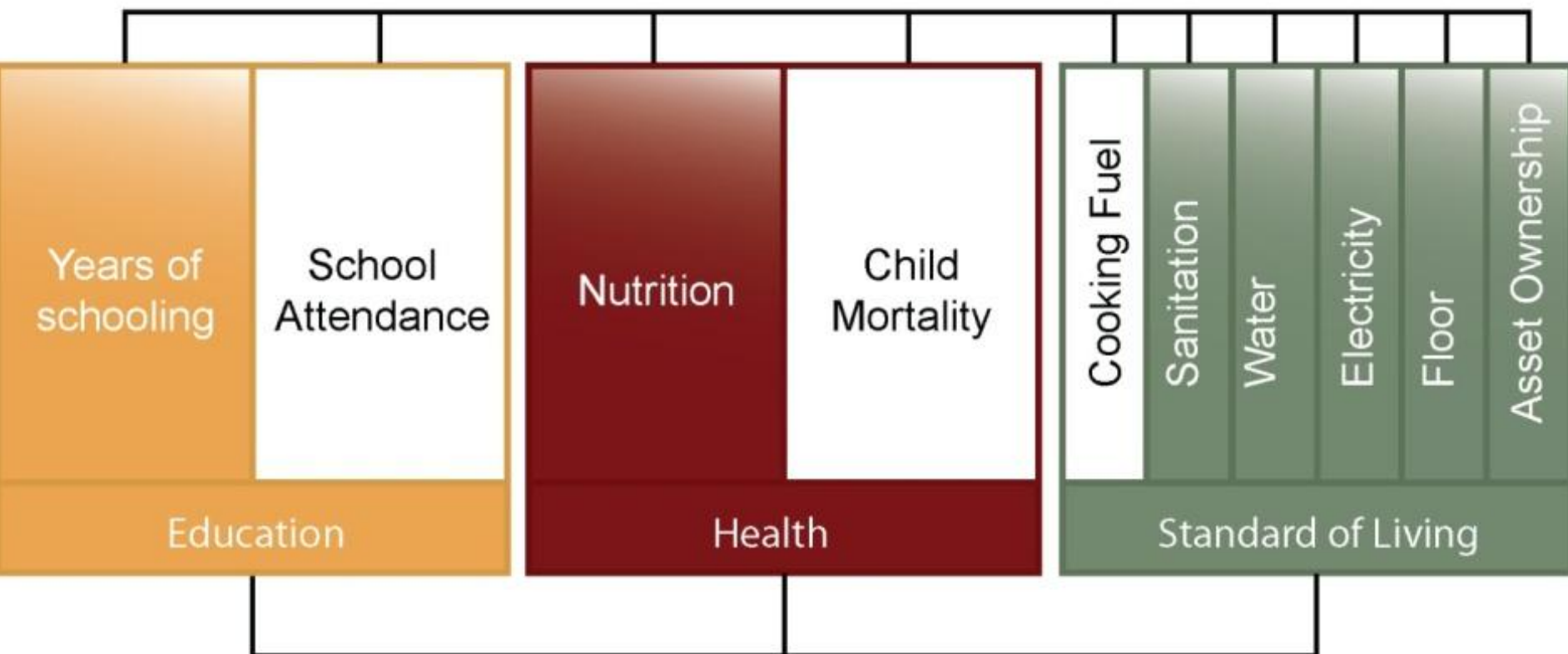
Identify who is poor

Example: A person is multidimensionally poor if they are deprived in 33% of the dimensions.

Grace is Deprived In

Compute the MPI (Alkire-Foster)

The MPI is the product of two components:

$$\textbf{Formula:} \quad \textit{MPI} = \textit{H} \times \textit{A}$$

1) **Incidence** ~ the percentage of people who are poor, **H.**

2) **Intensity** ~ the average percentage of dimensions in which poor people are deprived **A.**

Alkire and Foster *Journal of Public Economics* 2011

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Use the MPI

The MPI is like a high resolution lens…

Use the MPI

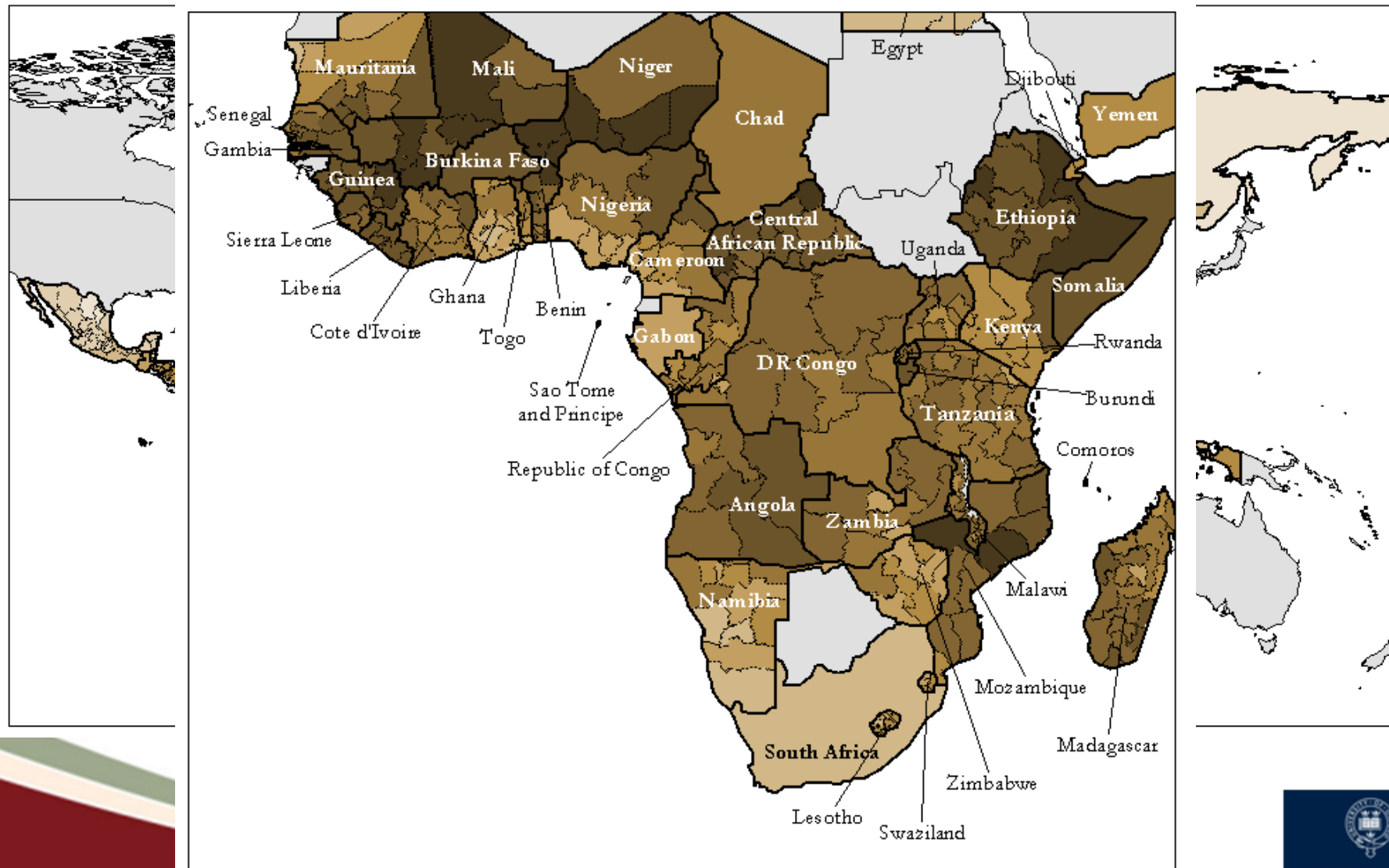The MPI is like a high resolution lens…

You can zoom in

Use the MPI

The MPI is like a high resolution lens…

You can zoom in
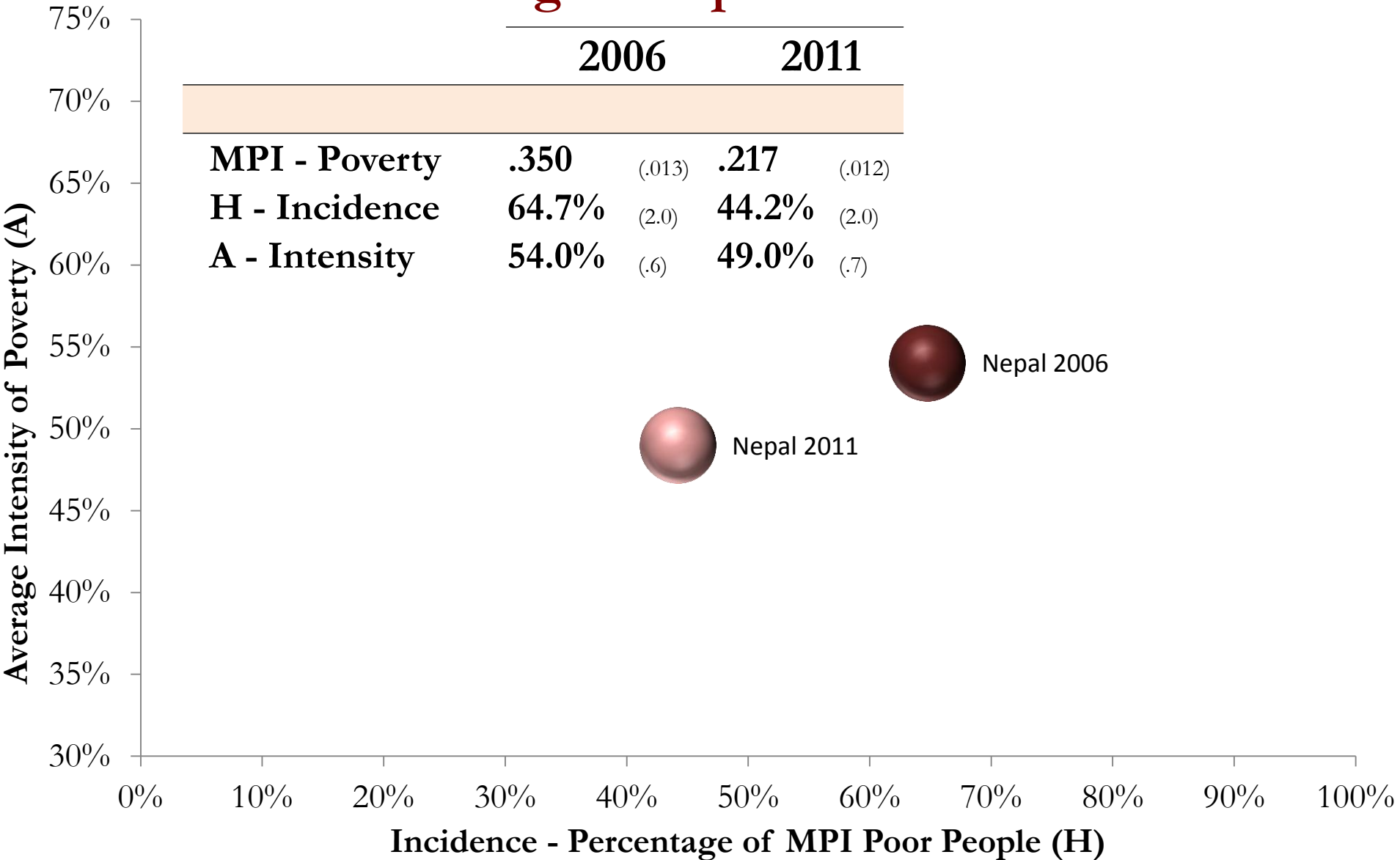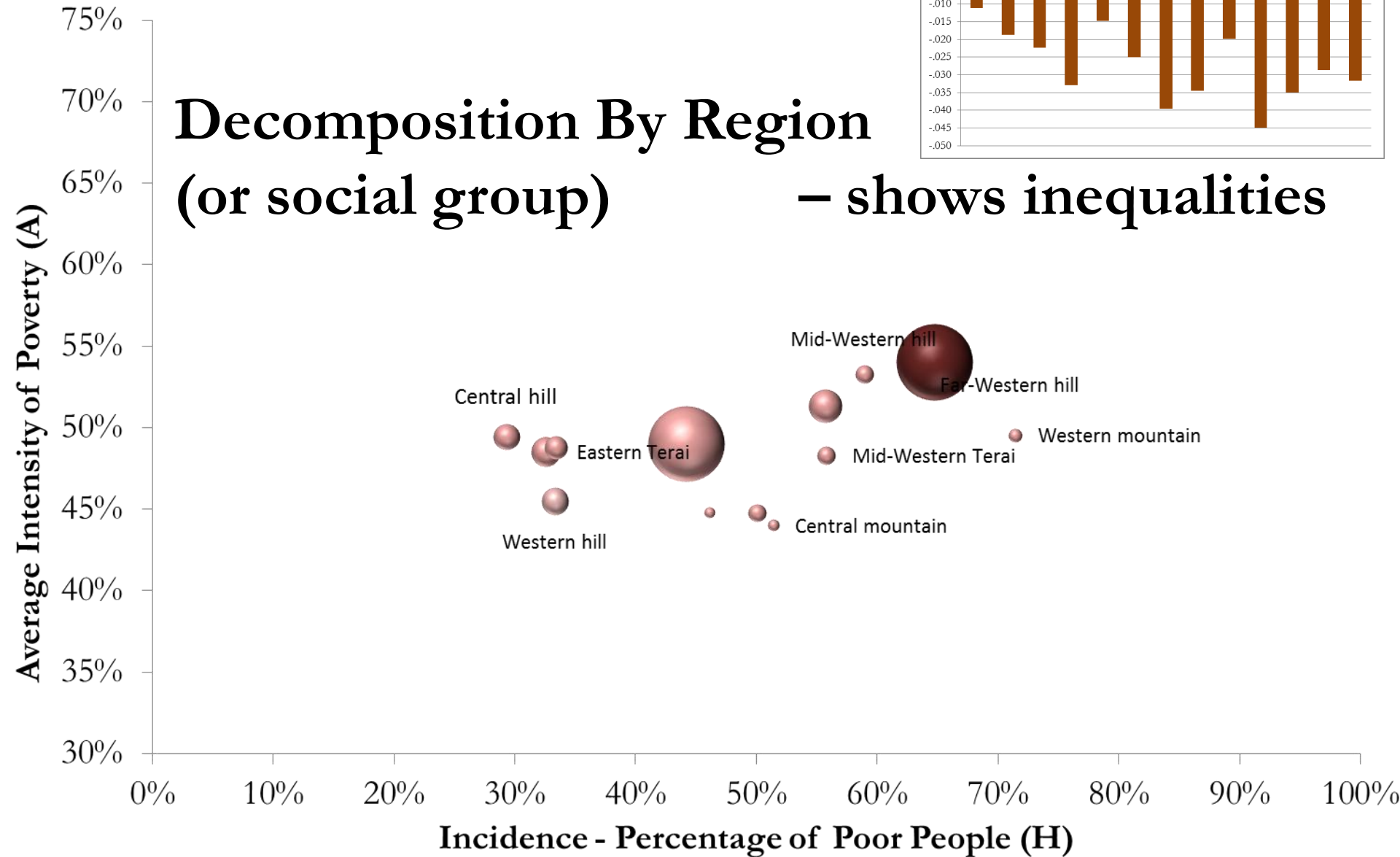
and see more.

"Leave no one behind" (HLP2015)

OPHI Oxford Human Development Initiative

How MPI Changes: Nepal 2006-2011

	2006		2011	
MPI - Poverty	**.350**	(.013)	**.217**	(.012)
H - Incidence	**64.7%**	(2.0)	**44.2%**	(2.0)
A - Intensity	**54.0%**	(.6)	**49.0%**	(.7)

Nepal 2006

Nepal 2011

Average Intensity of Poverty (A)

Incidence - Percentage of MPI Poor People (H)
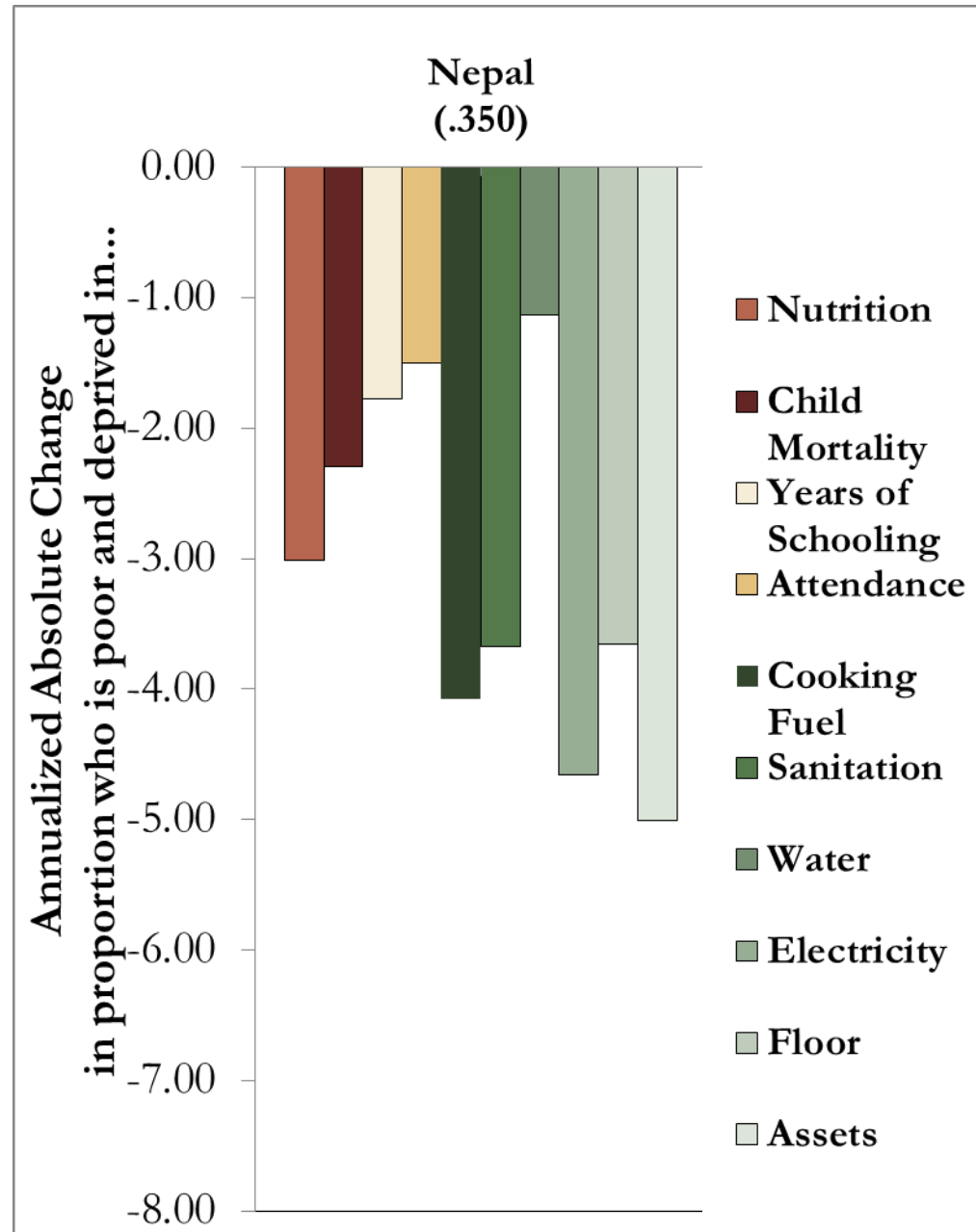
Decomposition By Region
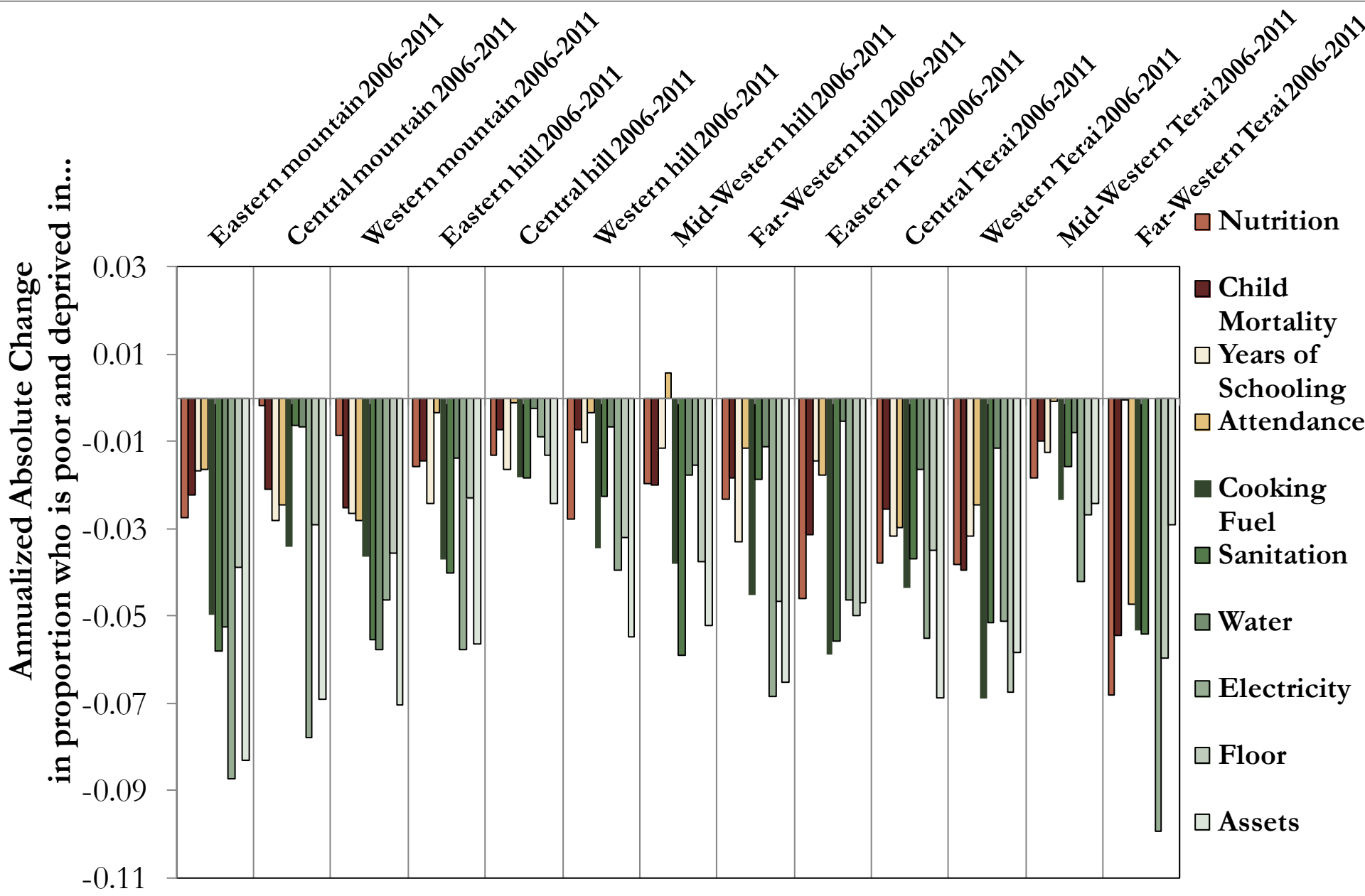## (or social group)   – shows inequalities
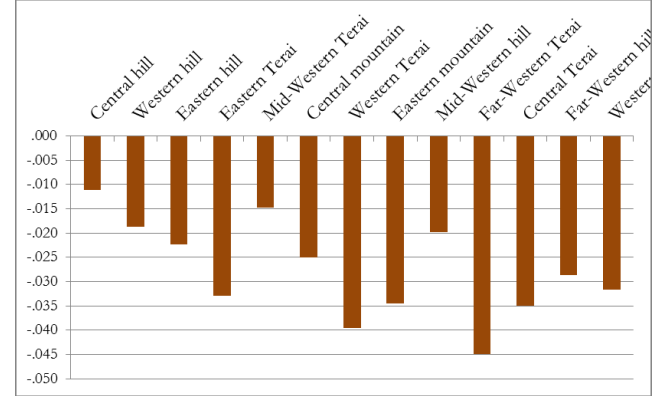
How did MPI go down?
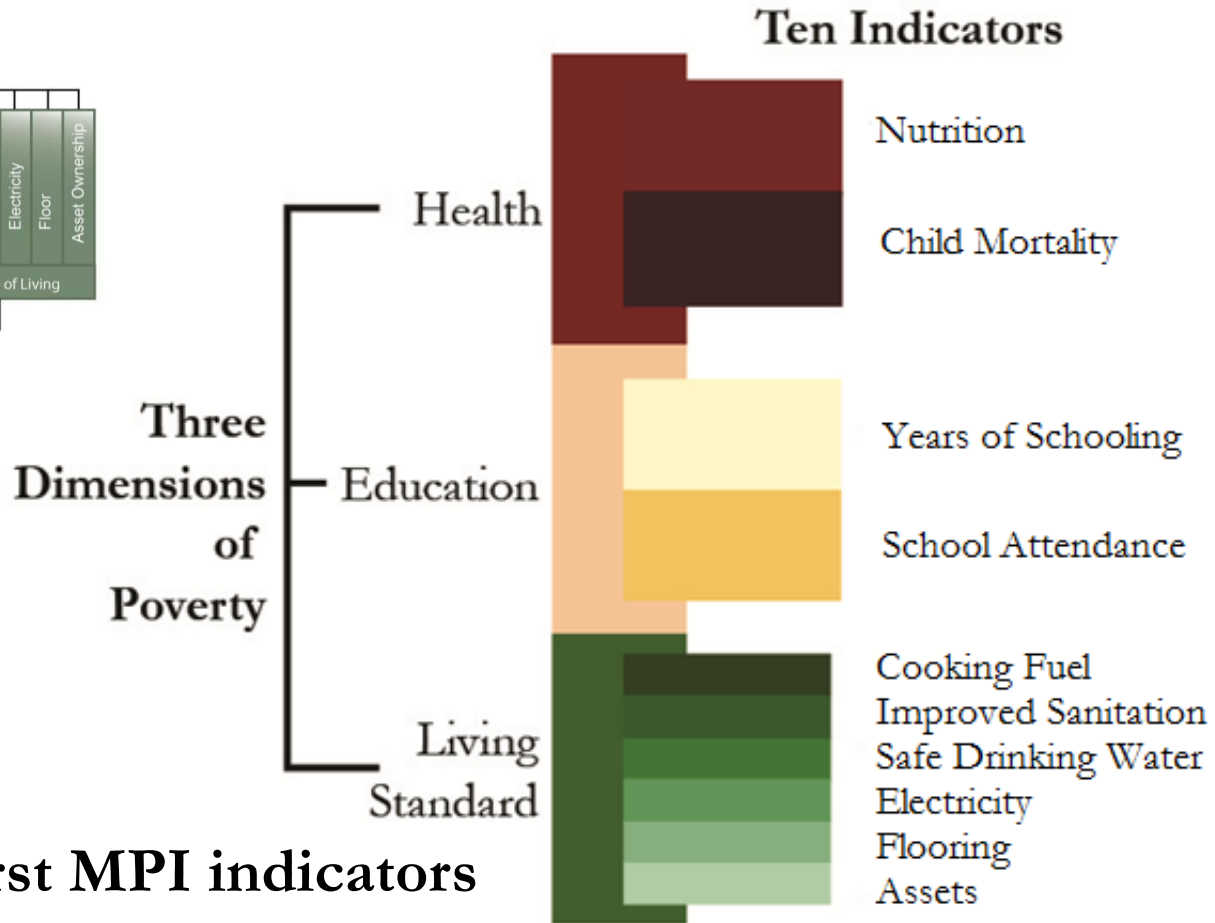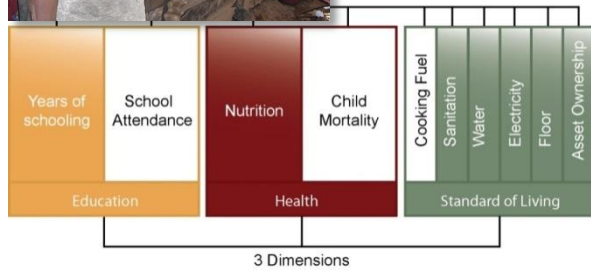
We monitor each indicator

Indicator Changes by region (Nepal)

MPI 2015+: Which Indicators?
(globally/nationally)

Ten Indicators

Three Dimensions of Poverty

- Health
  - Nutrition
  - Child Mortality
- Education
  - Years of Schooling
  - School Attendance
- Living Standard
  - Cooking Fuel
  - Improved Sanitation
  - Safe Drinking Water
  - Electricity
  - Flooring
  - Assets

First MPI indicators

Published: in *Human Development Reports* of UNDP

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