

Global Multidimensional Poverty Index (MPI) 2013

The global Multidimensional Poverty Index, or MPI, is an index of acute multidimensional poverty that covers over 100 developing countries. It assesses the nature and intensity of poverty at the individual level, measuring what proportion of things poor people go without, to create a vivid picture of how poverty is being experienced within and across countries, regions and the world. The MPI was developed in 2010 by OPHI and the United Nations Development Programme for UNDP's flagship *Human Development Reports*.

GLOBAL MPI 2013: KEY FINDINGS

MULTIDIMENSIONAL POVERTY AROUND THE WORLD

- The 2013 MPI shows that **1.6 billion people** are living in multidimensional poverty, **31%** of the people living in the **104 countries** analysed.
- Fifty-one percent of the world's MPI poor live in **South Asia**, and 29% in Sub-Saharan Africa. Most MPI poor people - 72% - live in **Middle Income Countries** (MICs).
- In terms of **intensity**, poor people were deprived on average in 47% of the weighted indicators (see figure 1, below right).

CHANGES TO MULTIDIMENSIONAL POVERTY OVER TIME

- Of 22 countries for which we studied changes in MPI over time, **18 had statistically significant reductions in poverty**.
- **Nepal, Rwanda and Bangladesh** had the largest absolute reductions in MPI poverty, followed by Ghana, Tanzania, and Cambodia. **Bolivia and Colombia** had strong reductions in relative terms. How these countries reduced poverty - in which indicators - varied (see figure 2, over).
- Most of these countries reduced the percentage of MPI poor people as fast or faster than they reduced the share of people experiencing **\$1.25/day poverty**.
- India, Colombia and Nigeria mainly decreased the **incidence** of poverty, with little reduction in intensity (the percentage of overlapping deprivations people experience).
- Poorer countries like Ethiopia, Malawi and Senegal reduced **intensity** most, showing the crucial importance of using the MPI to celebrate progress among the poorest.
- **Subnational patterns** vary. The analysis of changes in MPI over time (see figure 3, over) shows that the regions of Nepal reduced poverty at different rates and through different indicators. Senegal did not reduce national MPI poverty significantly, but its region of Fatick did, lowering the percentage of MPI poor people from 90% to 76% in five years.

INDIA'S MPI ACROSS TIME: A NATIONAL CASE STUDY

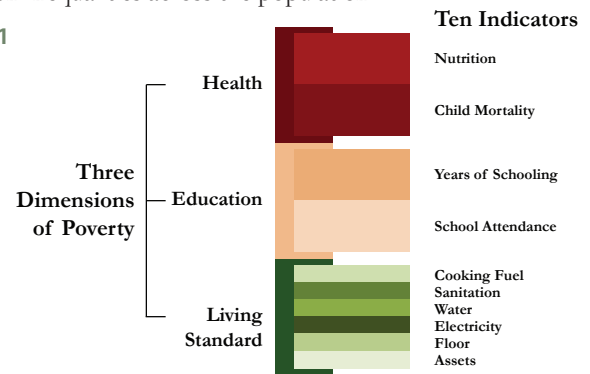
- India **reduced multidimensional poverty significantly** between 1999 and 2005/6; faster than it reduced **income poverty**, but slower than its poorer neighbours Bangladesh and Nepal.
- Strong reductions were seen among some poor groups, such as **Scheduled Castes**.
- The **poorest states** as well as poorest groups - Scheduled Tribes, Muslims, female-headed households, and households whose heads had no education - saw **slower than average** reductions.

MPI – BRIEF OVERVIEW

The MPI has three dimensions and uses 10 indicators which reflect some of the Millennium Development Goals (MDGs) (Alkire and Santos, 2010, Alkire et al. 2011, Alkire et al. 2013). If a person is deprived in one-third or more of the 10 weighted indicators, the MPI identifies him or her as poor. The MPI is constructed using the Alkire Foster method (2011).

Using the MPI for policy analysis: The MPI can be **decomposed** to reveal the varying rates of poverty reduction in different parts of a country, or between ethnicities, castes or other social groups. The MPI show us not just which people are poor and where, but also how they are poor: **the composition of simultaneous disadvantages** they are experiencing. It reveals different **intensities** of poverty, as some people are deprived in a bigger share of indicators than others. While the MPI uses a **poverty cutoff** of 33%, the MPI Tables report two additional poverty cutoffs that identify those who are **vulnerable to poverty** (20-32%), and those in **severe poverty** (50%), shedding light on inequalities across the population.

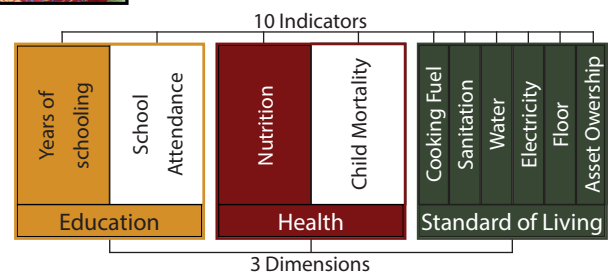
Figure 1



An individual poverty profile: Kari, India



Kari, 46, a mother of four living in rural India, is a member of the local self-help group. Although she is from a marginalized caste group and has a physical disability, she and her husband's hard work has enabled their family to live better than the previous generation. The shaded indicators show the deprivations Kari faces: she is deprived in 67% of the MPI indicators.



Global MPI 2013: Data (see also our online MPI Data Bank)

- In 2013, the MPI has been updated for 16 countries and includes 104 countries in total
- The 2013 MPI has been calculated for 663 sub-national regions across 65 countries
- Changes in MPI over time have been analysed for 22 countries and their regions
- The 104 countries analysed include 29 Low Income Countries, 67 Middle Income Countries and eight High Income Countries.
- Data are drawn from DHS, MICS and WHS surveys and from national data, 2002-2011
- The countries analysed have a total population of 5.4 billion people, which is 78% of the world's population (using 2010 population data)

INEQUALITY MATTERS: THE POOREST BILLION PEOPLE BY MPI

We use data underlying the global MPI to find where the 'Bottom Billion' people live – those with the greatest number of overlapping deprivations, or most 'intense' poverty (see Alkire, Roche and Seth, 2013). Using only national-level MPI poverty data, we locate the bottom billion in just 30 countries; using sub-national level data we find they live in 44 countries; using individual poverty profiles we find the bottom billion are actually spread across 100 countries, including some high-income countries. This shows the vital importance of having a poverty measure such as the MPI that can be broken down to show where and how people are poor.

COMPARING MPI WITH INCOME POVERTY

MPI poverty differs from income poverty not only in levels and trends, but in terms of who is experiencing it. For example, around 50-51% of the populations of Bangladesh and Mali were \$1.25/day poor in 2005 and 2006 respectively. However, 87% of the population of Mali were MPI poor in 2006, while only 57.8% of the population of Bangladesh were MPI poor in 2007. At the household level there are also mismatches; for example, in South Africa, if 11% of the population are income poor and 11% are MPI poor, only 3% are poor by both measures. Differences in levels, trends, and household profiles show that by focusing on the \$1.25/day poor alone, we may overlook and fail to support a significant number of people who are living in acute multidimensional poverty.

THE ALKIRE FOSTER (AF) METHOD: NATIONAL AND REGIONAL APPLICATIONS

- The Global MPI could be used for macro and regional comparisons, international targeting and monitoring for those countries where data is comparable.
- Colombia, Mexico and Bhutan have adopted national MPI measures, integrating them into their laws, national plans and public policy. Each has tailored the measure to their own context to reflect their own development goals.
- In June 2013, the Multidimensional Poverty Peer Network was created to support the implementation of national and subnational multidimensional measures based on the Alkire Foster method.
- The same method has been used by OPHI in collaboration with USAID and IFPRI to create the Women's Empowerment in Agriculture Index, and by Bhutan to create a Gross National Happiness Index.
- In future, the method could also be used to create an **MPI 2.0 for the post-2015 development context**, as a headline indicator for key targets that succeed the MDGs, providing an intuitive overview of multidimensional poverty to complement an income poverty measure.

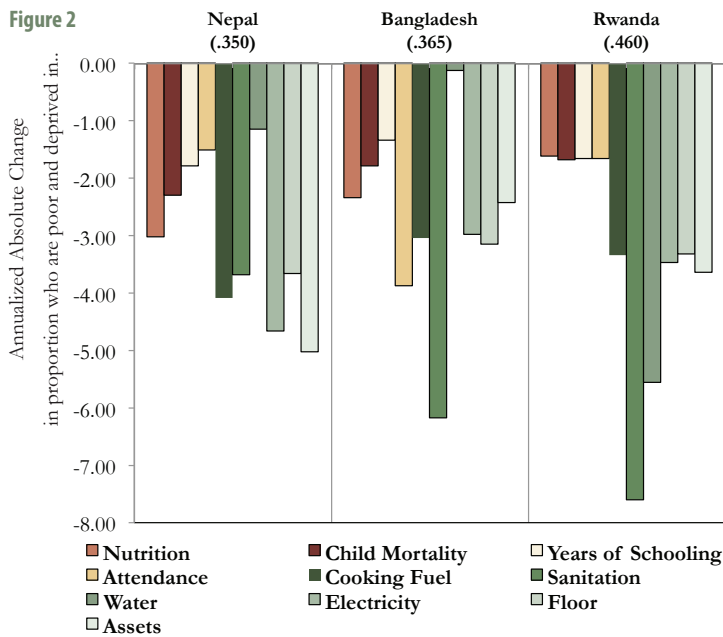
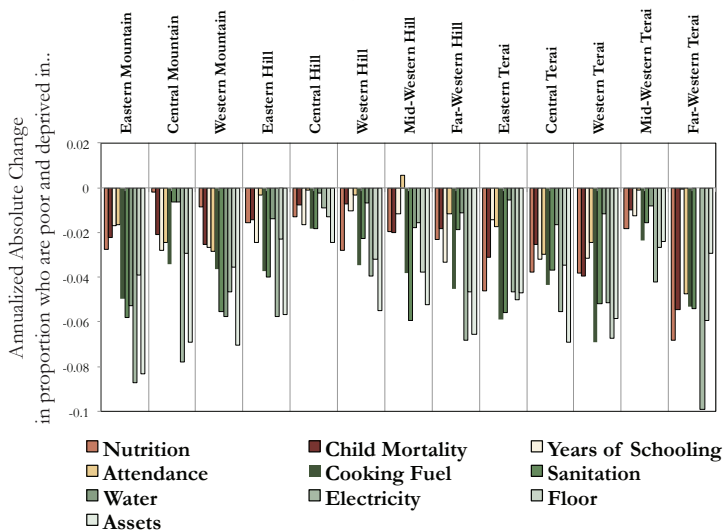


Figure 3: Changes in multidimensional poverty indicators in the regions of Nepal, 2006-2011



Oxford Poverty & Human Development Initiative (OPHI)

Oxford Department of International Development (ODID)
Queen Elizabeth House (QEH)
University of Oxford, Mansfield Road
Oxford OX1 3TB UK

Telephone: +44 (0)1865 271915

Email: ophi@qeh.ox.ac.uk

Website: www.ophi.org.uk

OPHI gratefully acknowledges support from research councils, non-governmental and governmental organisations, and private benefactors. For a list of our funders and donors, please visit our website: www.ophi.org.uk.

For a digital version of this brief including hotlinks to references, and for global MPI resources including all the working papers, briefings and methodological notes cited here, please see www.ophi.org.uk/multidimensional-poverty-index/. The online MPI Data Bank includes country briefings, data tables, poverty maps and case studies.