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Evolution of MPI as a global standard

PBO Roundtable Discussion on the Multidimensional Poverty Peer Network, 17 October 2024
Parliament of South Africa, Cape Town
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Tabitha, Kenya



Rabiya, India



Stéphanie, Madagascar



Agathe, Madagascar



Dalma, Kenya



Ann-Sophia, Kenya

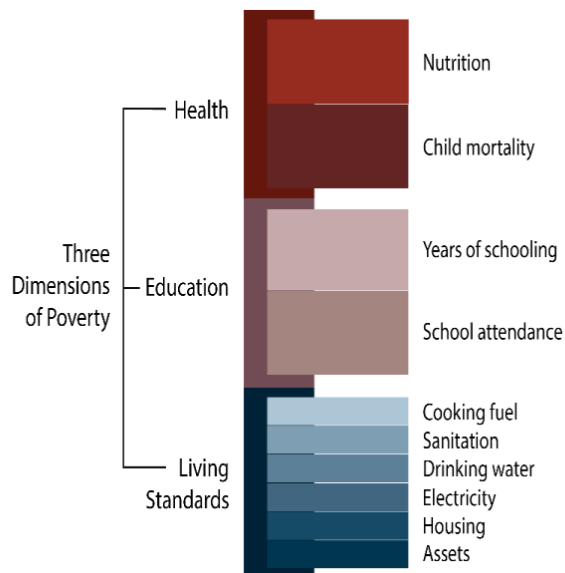


Valérie, Kenya



What is Multidimensional Poverty and its measurement?

Select your Dimensions & Indicators



Identify Who is Poor

Targeting, Budgeting .

If they are deprived in at least some share of weighted indicators, such as 25%, 33%, etc. (the 'poverty cutoff')

This person: Deprivation Score 44%
Poverty cutoff 33%

They are identified as poor.

Compute & Disaggregate MPI (AF methodology)

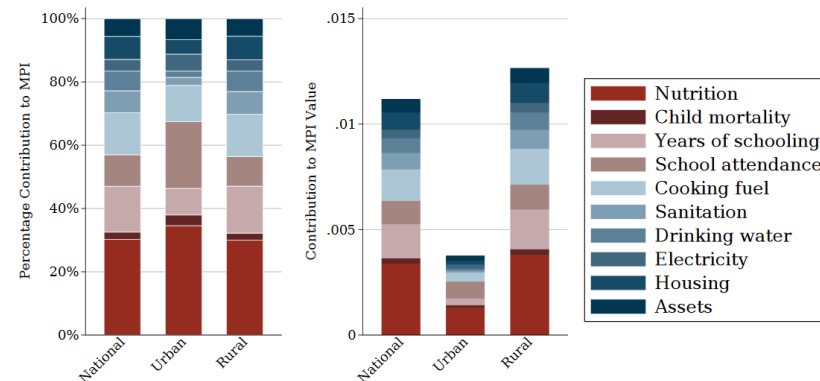
$$MPI = H \times A$$

H (Incidence) = Percentage of pop who are poor

A (Intensity) = Average deprivation score among poor

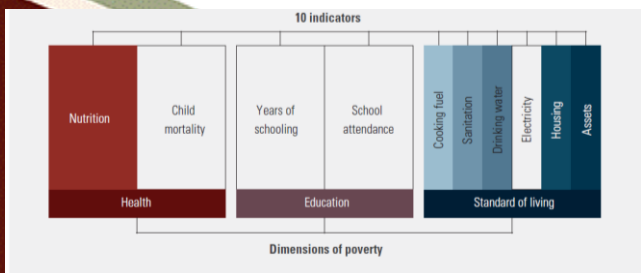
Plus a consistent Information Platform

- With disaggregation
- Weighted indicator detail for each subgroup sums to MPI



See Who is Poorest, & how .

Create a Deprivation Profile for each person



M&E, Coordination, Budgeting ,
Communication, LNOB,
Transparency .

What we want: data that shapes high-impact action

Poverty statistics matter because they motivate people to tackle a key challenge. (p 1)

Essential features:

Disaggregated Detail – to know who is affected, and how

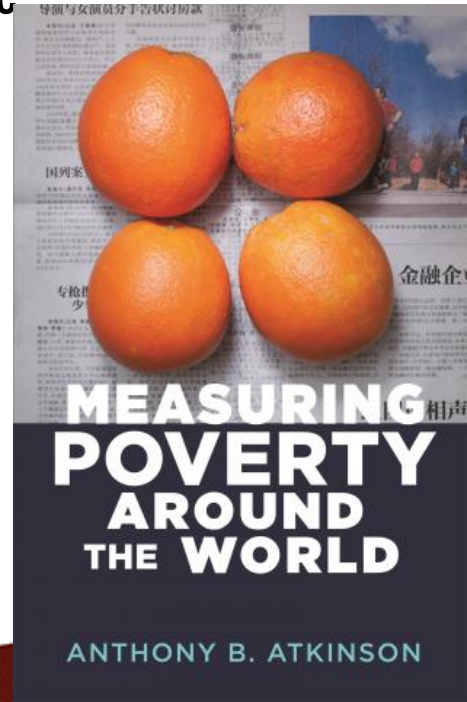
Actionable Information – to know what to do in each context, indicator by indicator

Information on interlinkages – so energies are not wasted going one by one

Rapid to analyse – so it is updated rapidly when necessary

Feasible data needs – so it can actually happen.

What Multidimensional Poverty Indices can we use?



Global and National Multidimensional Poverty Indices (MPIs)

We introduce two main types of MPIs: comparable and context-specific

➤ The **Global MPI**: a measure of acute multidimensional poverty across 10 indicators for 6.1 billion people. It is published annually with extensive disaggregations. It is **used for comparisons and aggregates**.

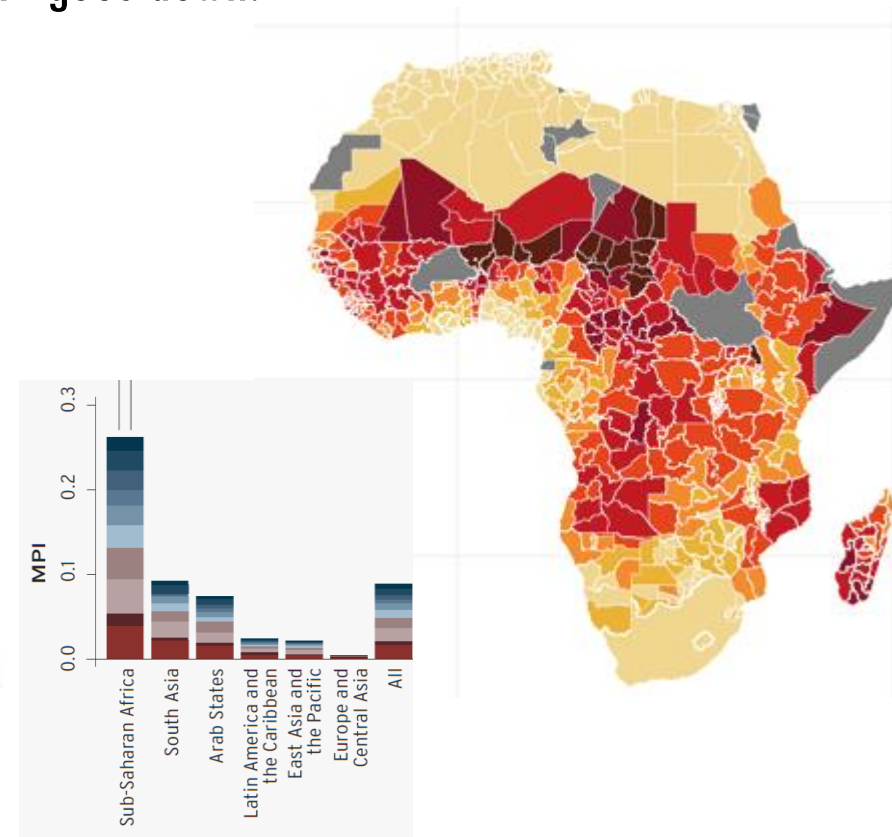
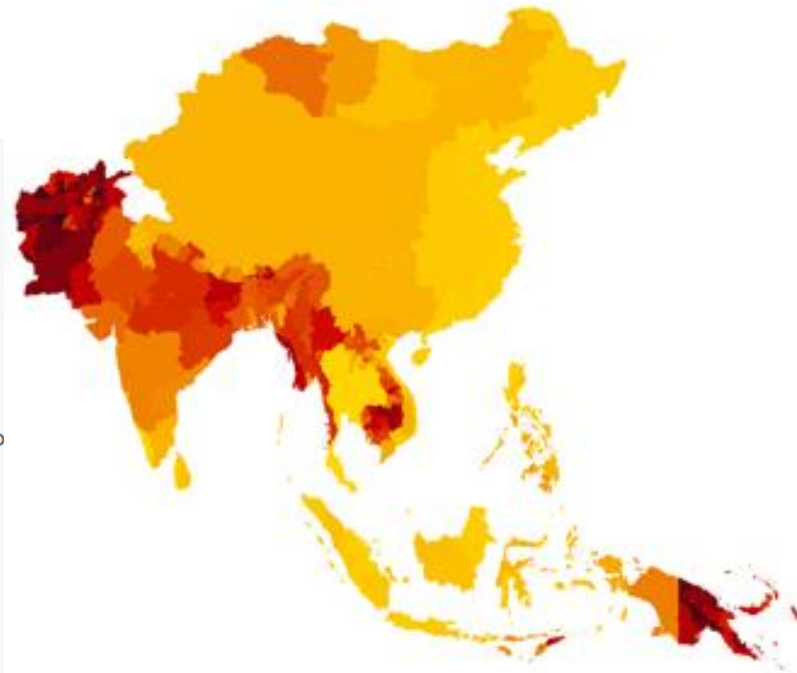
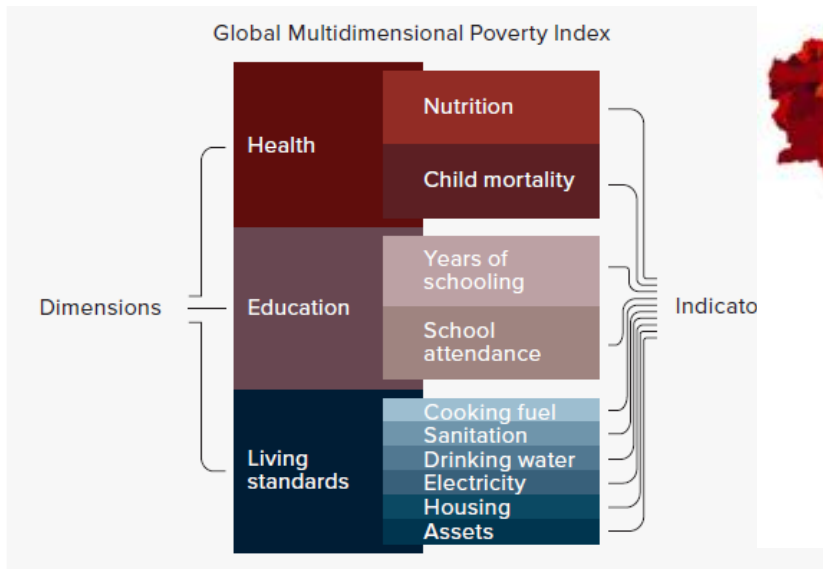
The global MPI is not an SDG indicator –only \$2.15/day is. Will it be post-2030?

➤ **National MPIs**: **Official statistics** that are **used in policy** to allocate budget, target interventions, design policy, monitor progress, coordinate interventions, and report as **SDG Indicator 1.2.2**. Their dimensions and indicators are tailored to each country **context** so they **cannot be compared or aggregated**.



The Global Multidimensional Poverty Index (gMPI)

- **Joint OPHI and UNDP;** a global reference on acute poverty for 110 countries, complementing \$2.15/day
- **Disaggregated** by 1281 regions, children, rural/urban, gender of headship, ethnicity, disability status, etc.
- **Online Public Good:** reports, briefings, interactive databank, dofiles, data tables, gitlab, documentation
- **Parsimonious:** based on about 43 household survey questions.
- **Policy Responsive:** if any deprivation of any poor person goes down, MPI goes down.



Permanent Official National MPIs: Tailor made for policy

- Designed to reflect national definitions of policy – national plans, consultations & values
- Permanent metrics, widely communicated subnationally to shape policy & monitor change
- Reported as official national statistics, SDG 1.2.2, and in VNRs
- Used for budgeting, targeting, policy design, coordination, M&E, Covid response



Multidimensional Poverty in the SDGs?

☞ **Goal 1 of 17 goals: End Poverty in all its forms everywhere**

☞ **Each MPI also shows direct interlinkages between Other SDG Indicators.**

☞ **2nd out of 169 Targets : Multidimensional Poverty (1st Target of 169 : \$1.90/day).**

☞ **3rd out of 231 distinct SDG Indicators MPI - SDG Indicator 1.2.2**

☞ **52+ countries discuss multidimensional poverty in their Voluntary National Reviews**

☞ **MPI advances SDG strategies of Breaking Silos and Leaving No One Behind**
Information Platform to build Integrated Policies; Disaggregated Data to track the poorest.

Age disaggregations can be reported in SDG Indicator 1.2.2, or a linked Child MPI entered as a 'Individual Child Measure'

Indicator 1.2.2

Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

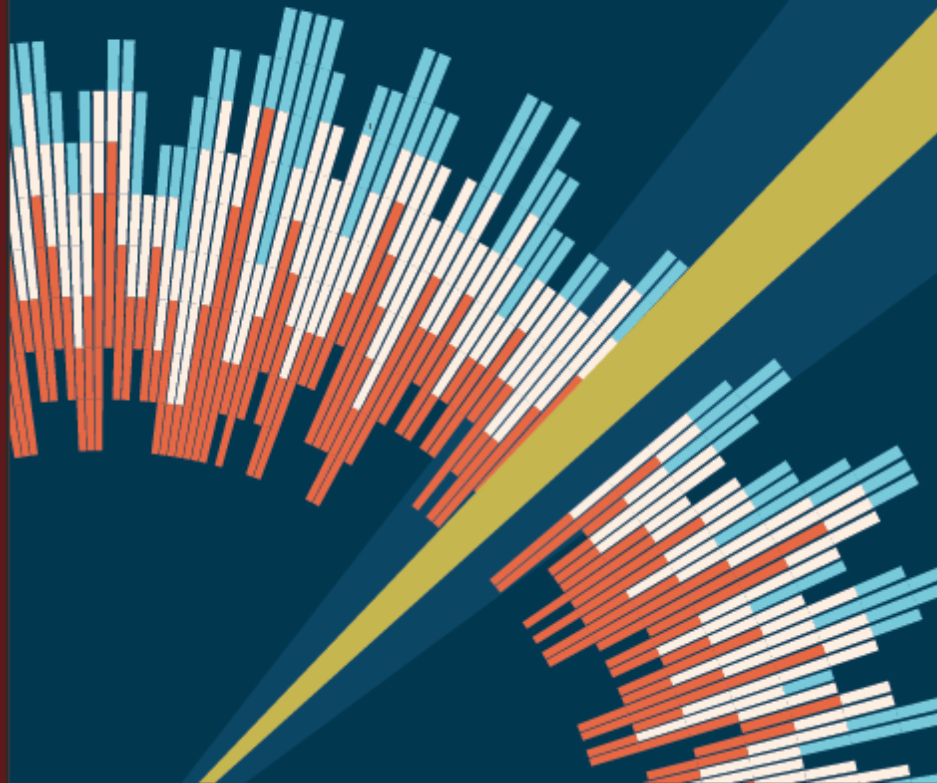
1 NO POVERTY



GLOBAL
MULTIDIMENSIONAL
POVERTY INDEX 2024



POVERTY AMID CONFLICT

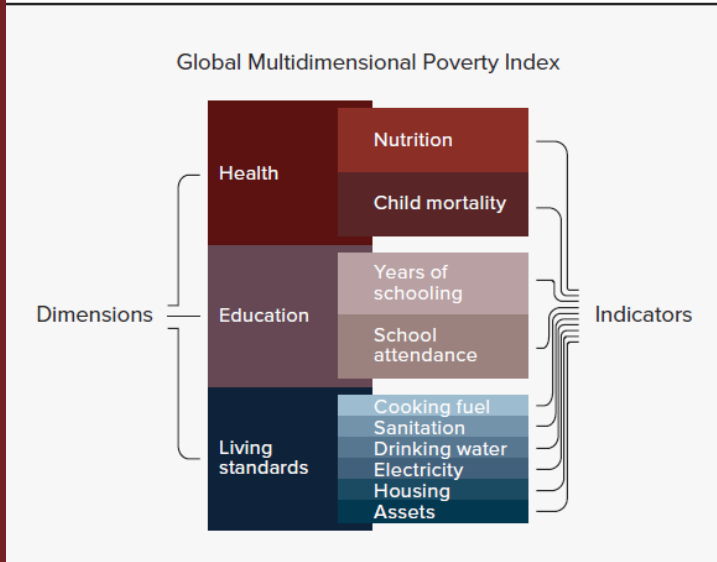


GLOBAL MPI 2024



Launched 17 Oct 2024

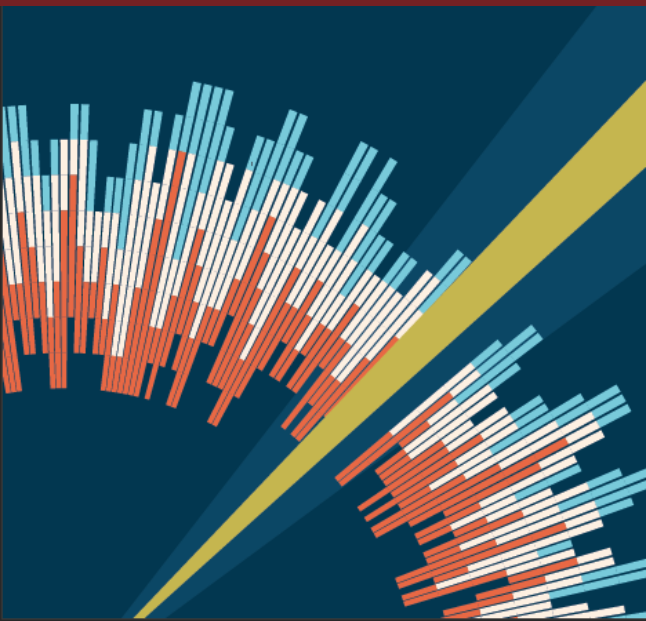
Figure 1 Structure of the global Multidimensional Poverty Index



Source: HDRO and OPHI.

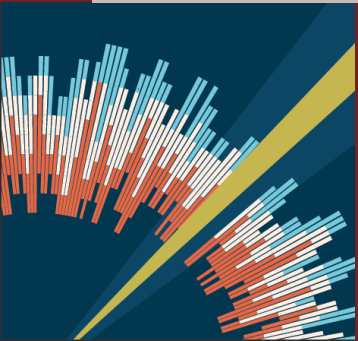
DATA

- - MICS FOR 55 COUNTRIES
- - DHS FOR 44 COUNTRIES
- - NATIONAL SURVEYS FOR 13
- - 20 COUNTRIES UPDATED IN THE 2024 GLOBAL MPI ROUND
- FOR 97 COUNTRIES AND 90% OF POOR PEOPLE DATA ARE 2015 OR LATER.
- FOR 51 COUNTRIES AND 60% OF POOR PEOPLE DATA ARE 2019 OR LATER.
- FOR 19 COUNTRIES AND 11.5% OF POOR DATA ARE 2021-22 OR LATER.



- **Across 112 countries and 6.3 billion people, 1.1 billion people (18.3 percent) live in acute multidimensional poverty**

- **83.7 percent of poor people live in rural areas. Across all world regions people in rural areas are poorer than people in urban areas. Overall, 28.0 percent of the global rural population are poor, compared with 6.6 percent of the urban population.**
- **83.2 percent of the world's 1.1 billion multidimensionally poor people live in Sub-Saharan Africa and South Asia. Sub-Saharan Africa has 553 million people living in poverty, and South Asia, 402 million.**
- **Nearly two-thirds of poor people live in middle-income countries (749 million, 65.2 percent).**



CHILDREN

- HALF OF THE 1.1 BILLION POOR PEOPLE ARE CHILDREN (584 MILLION).
- 29.7% OF CHILDREN ARE POOR
13.5% OF ADULTS
- IN ARGENTINA, JORDAN, TONGA AND TURKMENISAN <1% OF THE POPULATION ARE POOR - BUT OVER 50% OF POOR PEOPLE ARE CHILDREN

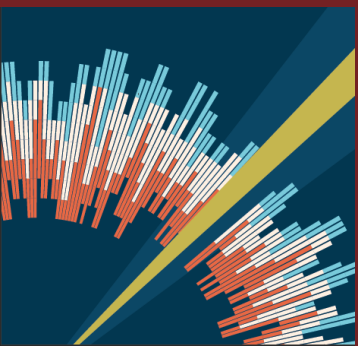
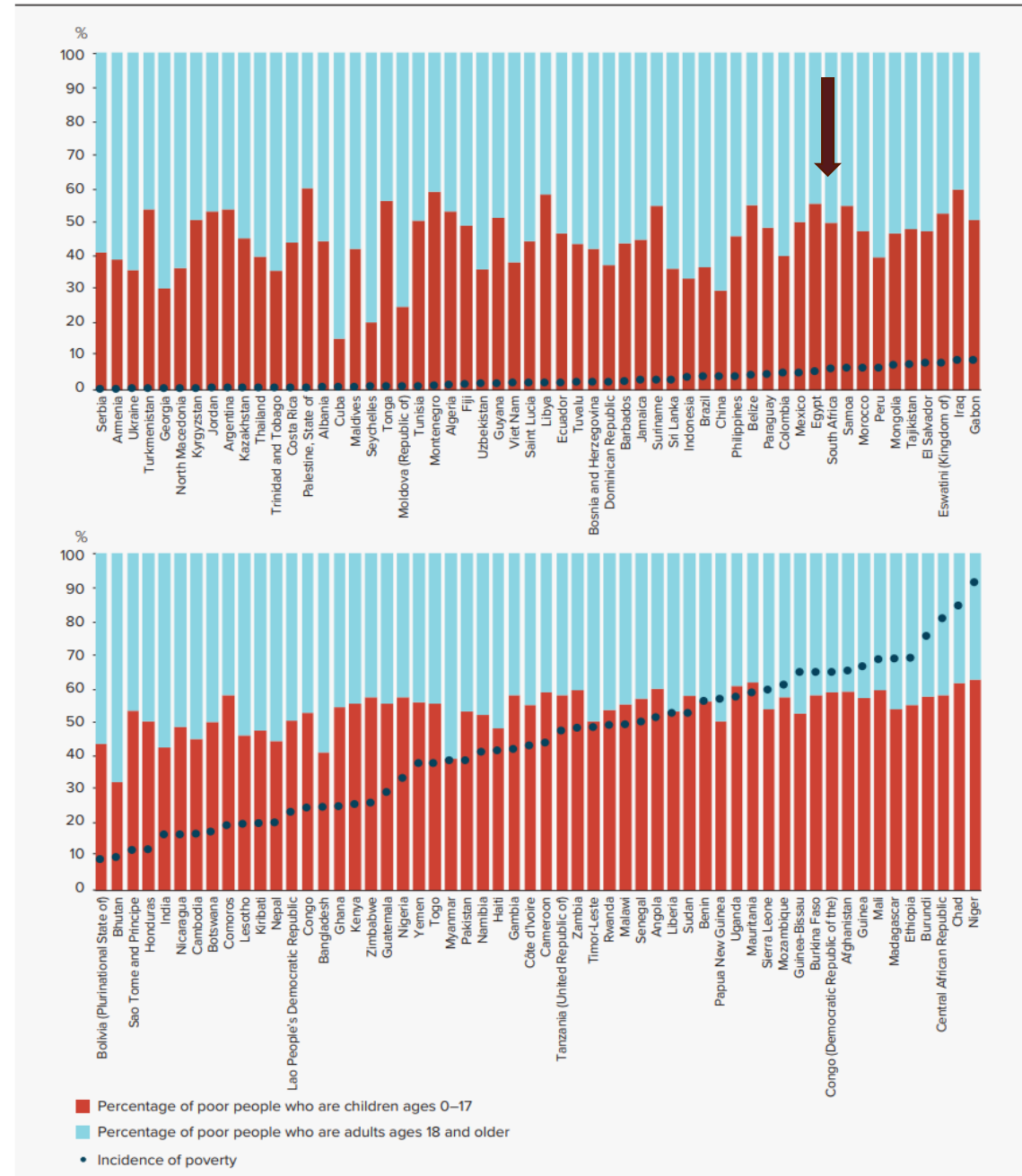


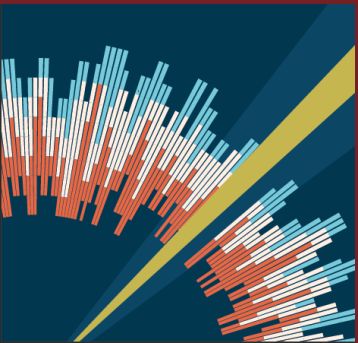
Figure 2 Even in some very low poverty contexts, child poverty remains a concern



Source: Alkire, Kanagaratnam and Suppa 2024b.

• HOW ARE PEOPLE POOR?

- Large proportions of the 1.1 billion poor people lack adequate sanitation (828 million), housing (886 million) and cooking fuel (998 million).
- Well over half of the 1.1 billion poor people live with a person who is undernourished in their household (637 million). In South Asia 272 million poor people live in households with at least one undernourished person, and in Sub-Saharan Africa 256 million do.
- Around half of all poor people lack electricity (579 million), and over half live in a household where no one has completed six years of schooling (590 million).
- Nearly half of all poor people do not have an improved source of drinking water (513 million).
- 482 million poor people live in households where one or more children are out of school.



DISPARITIES

- WORLD REGION 1.2% - 48.4%
- COUNTRIES IN SSA: 1% - 91%
- REGIONS IN BURKINA FASO: 21% TO 88%
- THE INDICATOR COMPOSITION OF POVERTY VARIES ACROSS AND WITHIN COUNTRIES.

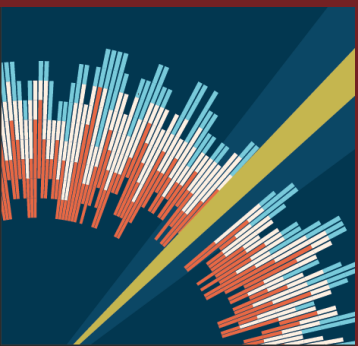
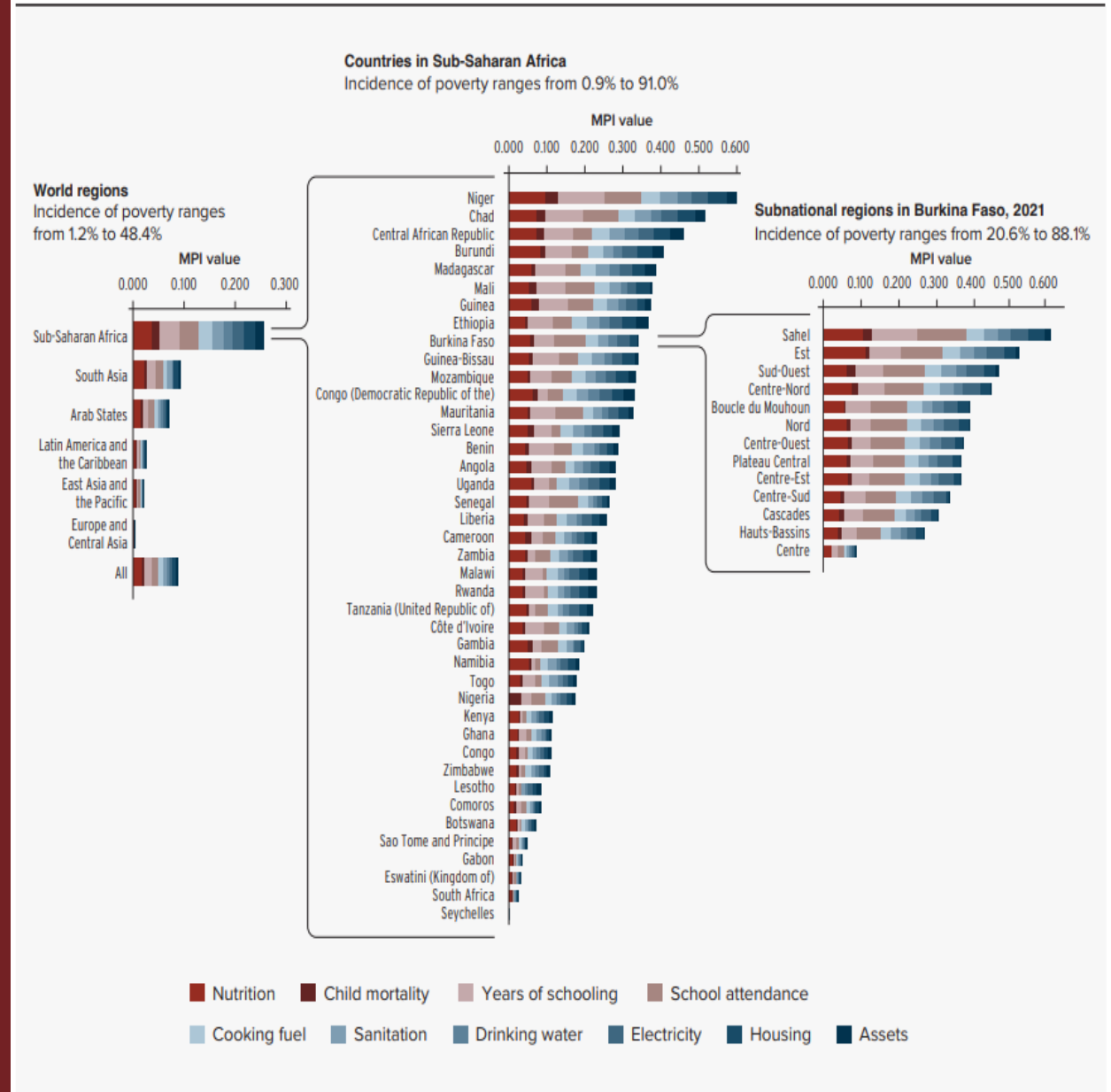


Figure 3 Multidimensional Poverty Index (MPI) values and indicator compositions vary widely across world regions, countries and subnational regions



Note: The bars are divided into segments that show the absolute contribution of each indicator to the Multidimensional Poverty Index value.
Source: Table 1 at the end of the report and Alkire, Kanagaratnam and Suppa (2024b).

MPI TRENDS THAT END 2021-22 OR LATER:

AVAILABLE FOR 17 COUNTRIES

MPI INCREASED IN AFGHANISTAN

NO CHANGE IN 7 COUNTRIES

DECREASED IN 9 COUNTRIES

POST-PANDEMIC TRENDS DATA
ARE MISSING FOR MOST
COUNTRIES

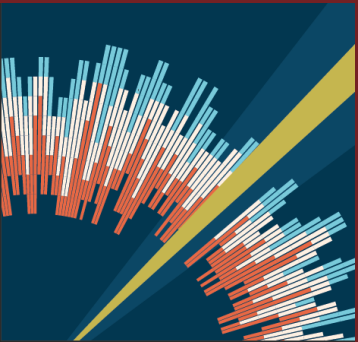
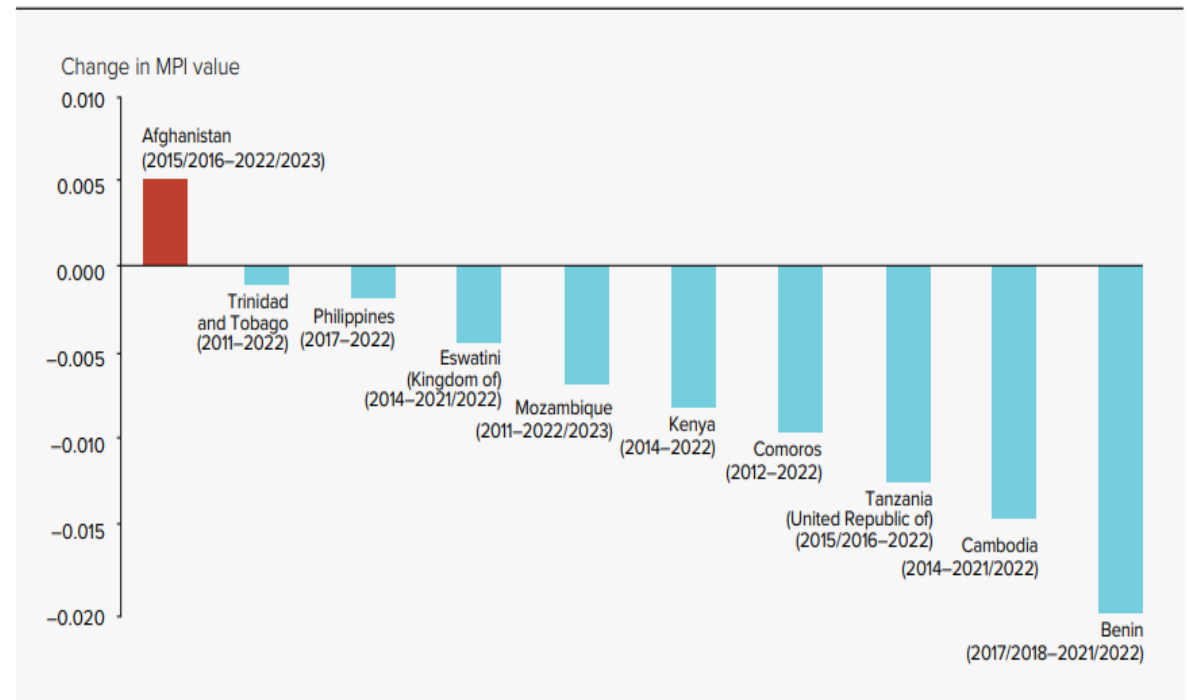


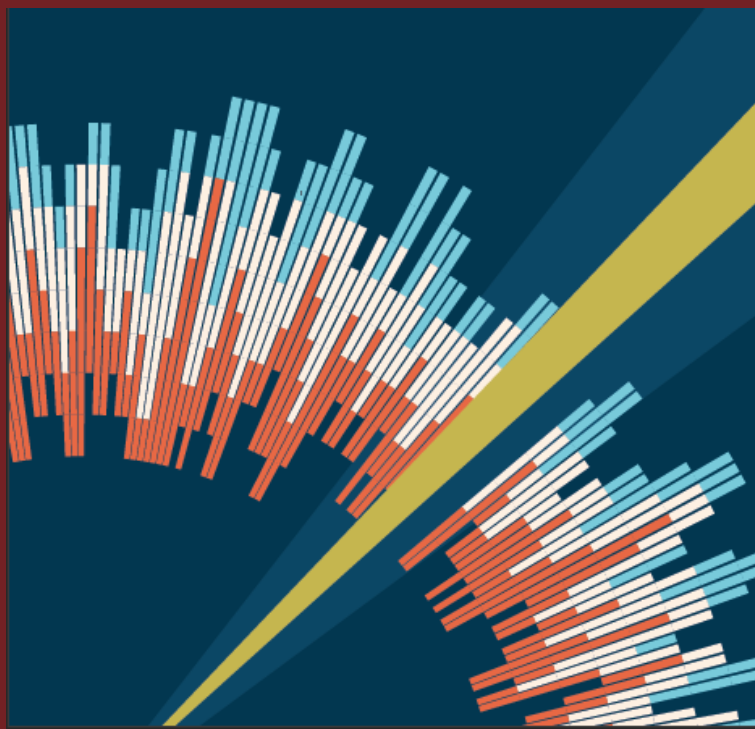
Figure 4 Ten countries with recent data experienced a statistically significant annualized absolute change in Multidimensional Poverty Index (MPI) value



Note: Change is significant at the 95 percent confidence level. Includes 10 of the 17 countries with trend data ending in 2021/2022 or later; the remaining 7 countries did not show a significant change.

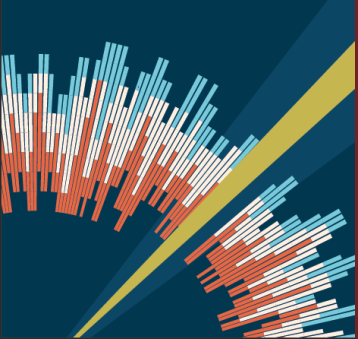
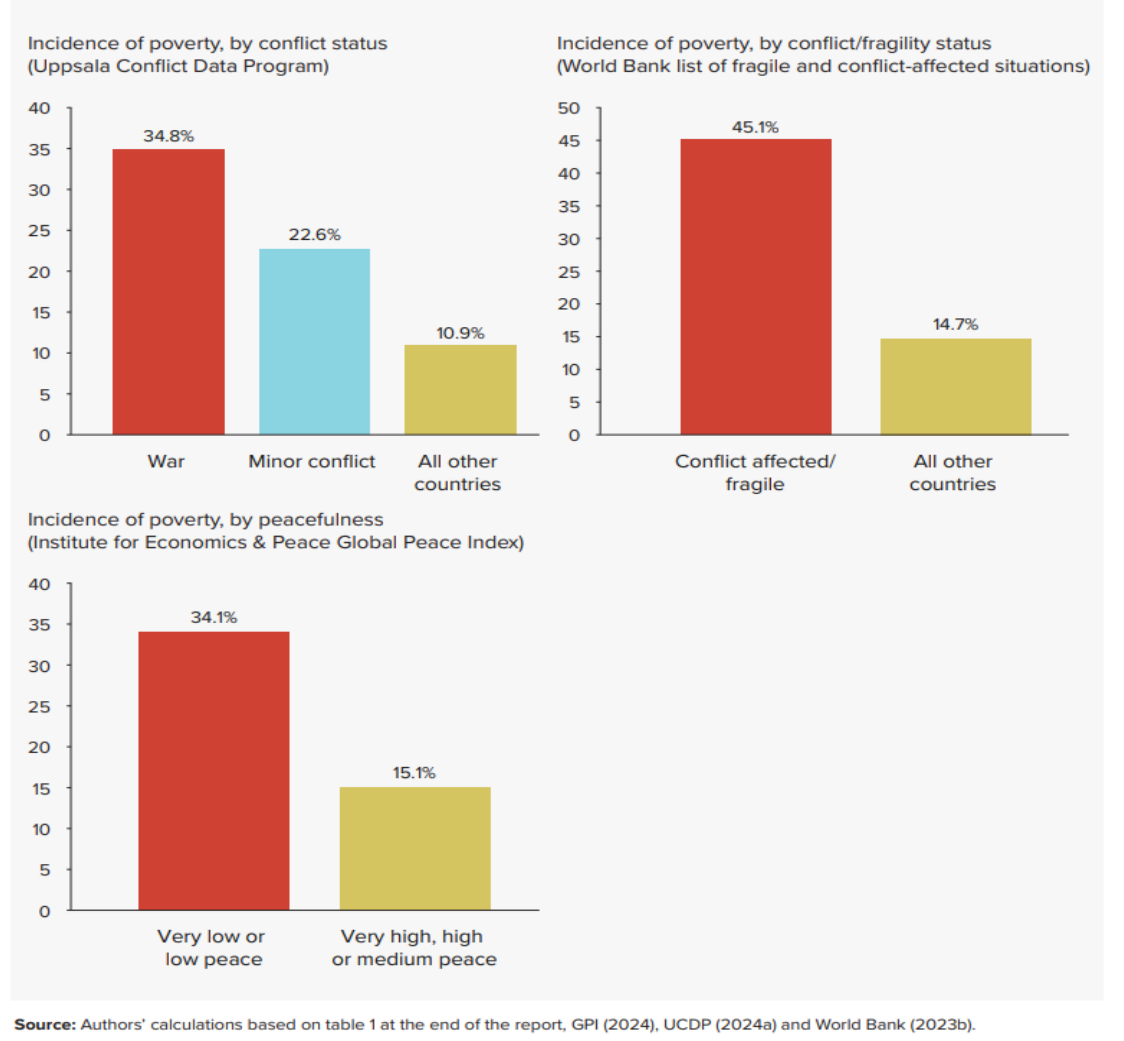
Source: Table 2 at the end of the report and Alkire, Kanagaratnam and Suppa (2024c).

- **Do conflict-affected countries fare worse in poverty?**
- **Of the 1.1 billion poor people, 218 million (19.0 percent) live in war-affected countries. Nearly 40.0 percent of poor people (455 million) live in countries experiencing war, fragility and/or low peacefulness, according to at least one of three widely used definitions.**



THE INCIDENCE OF POVERTY IS HIGHEST IN CONFLICT-AFFECTED STATES.

34.8% IN WAR VS 10.9%
45.1% IN FCS VS 14.7%
34.7% IN GPI VS 15.7%



THE AVERAGE MPI VALUE OF COUNTRIES AFFECTED BY WAR IS THE HIGHEST

COUNTRIES IN EACH GROUP HAVE A BROAD RANGE OF GLOBAL MPI VALUES.

CONFLICT IS AN IMPORTANT DRIVER OF POVERTY – BUT NOT THE ONLY ONE.

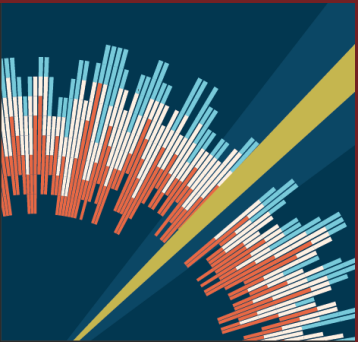
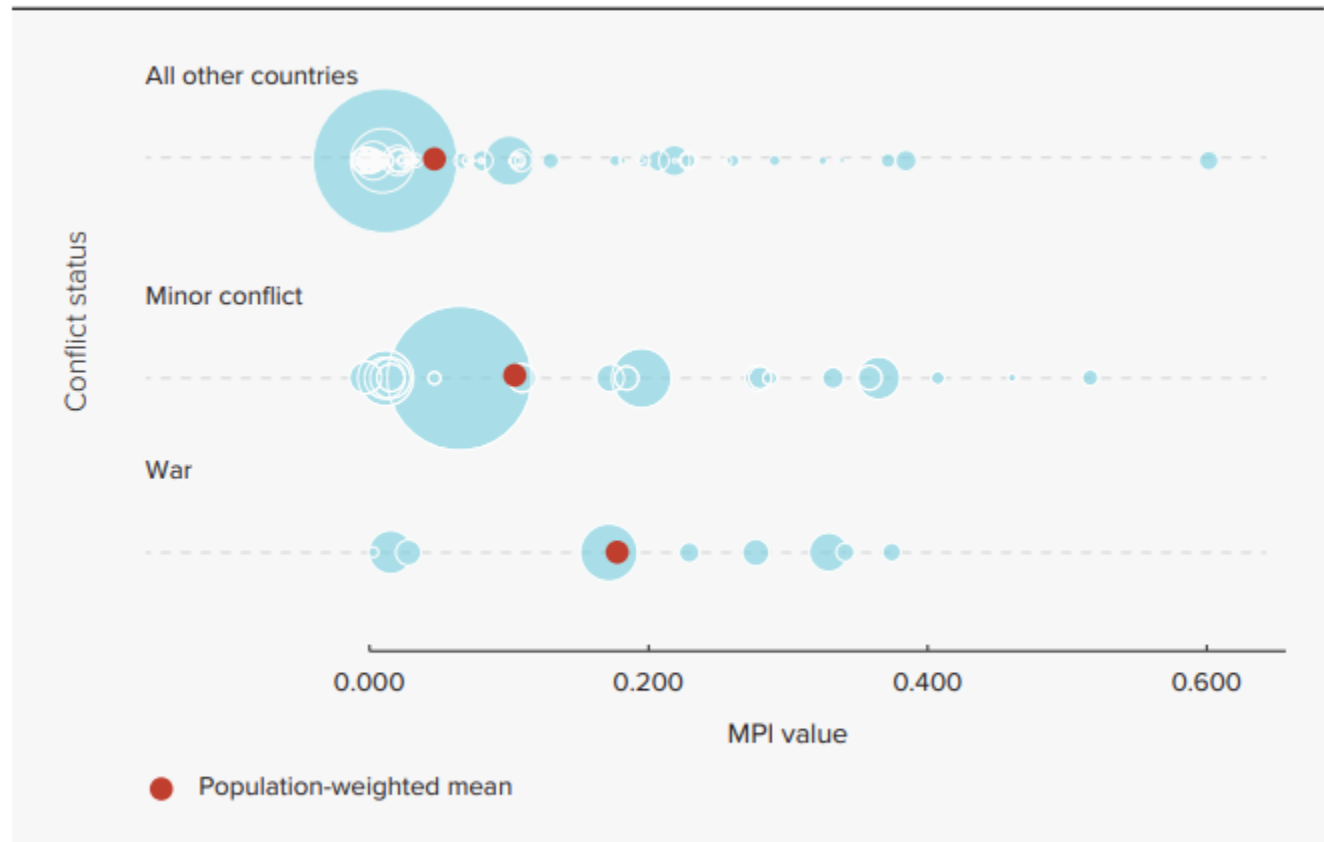


Figure 6 The incidence of poverty is highest in conflict-affected states



Note: The size of the bubbles depicts the population of each country.
Source: Authors' calculations based on UCDP (2024a).

COUNTRIES AT WAR HAVE HIGHER DEPRIVATIONS* IN EVERY INDICATOR

SHOWS % OF POPULATION WHO ARE POOR & ARE DEPRIVED

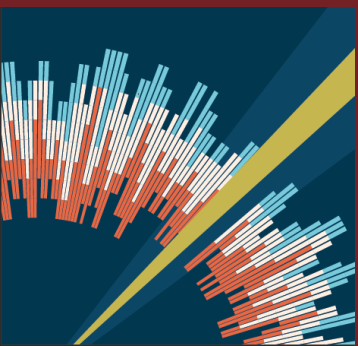
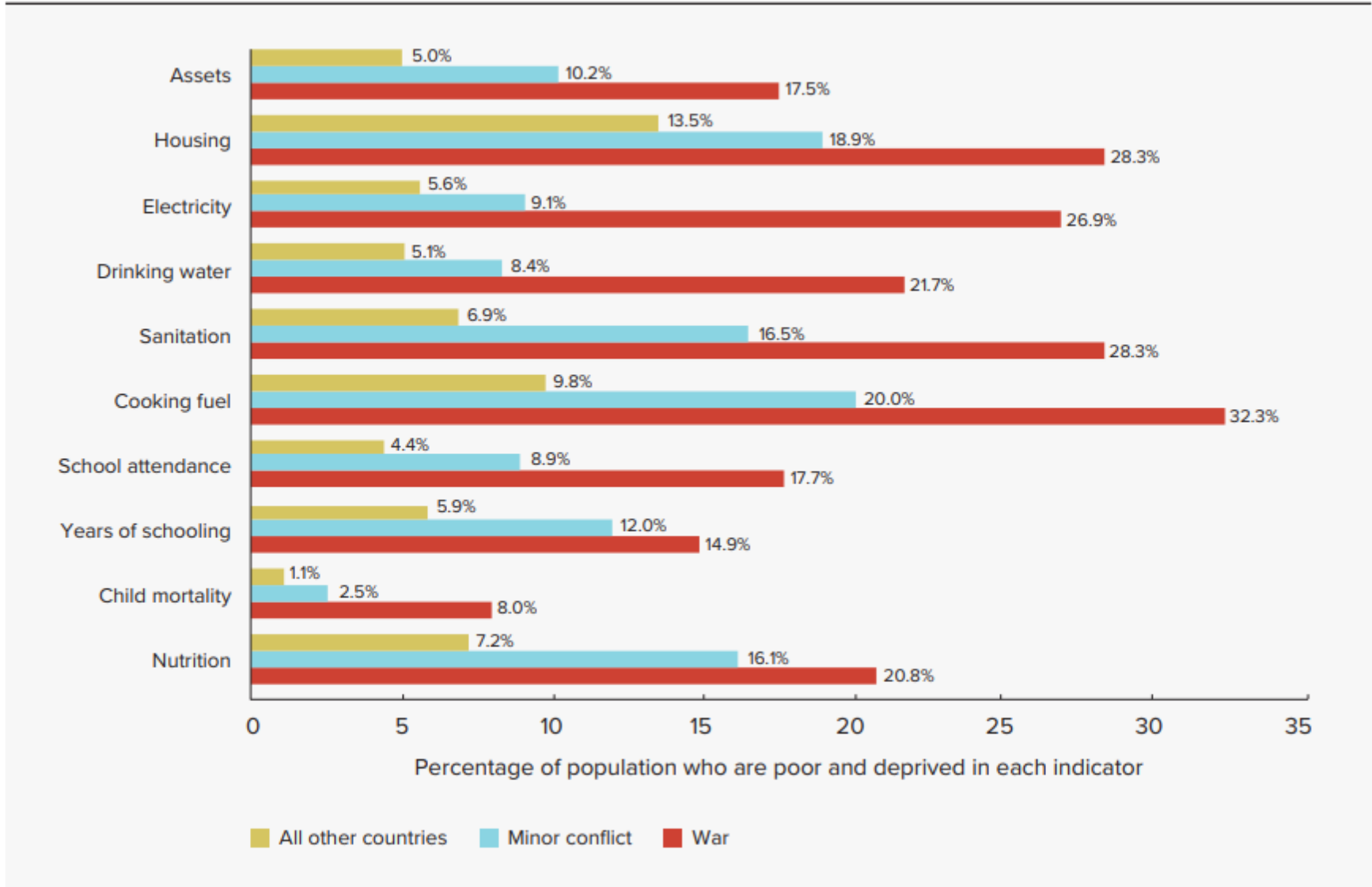


Figure 7 Countries at war have higher deprivations in every Multidimensional Poverty Index indicator



Note: Data are aggregated across country groups by conflict status using 2022 total population shares. The proportion of people who are poor and deprived in each indicator is calculated using only information from countries with data on that indicator. Countries that are missing data for a particular indicator are excluded from the analysis of that indicator.

Source: Authors' calculations based on table 1 at the end of the report, and conflict data based on UCDP (2024b).

THE SIZE OF THE ANNUAL STEP TOWARDS ZERO POVERTY WAS FAR SMALLER IN WAR-AFFECTED COUNTRIES THAN ANY OTHERS.

CLEARLY, CONFLICT SNARLS PROGRESS ON THE FIRST SDG, ENDING POVERTY IN ALL ITS FORMS.

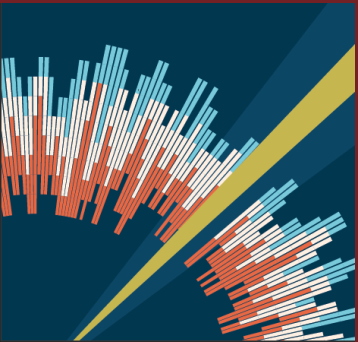
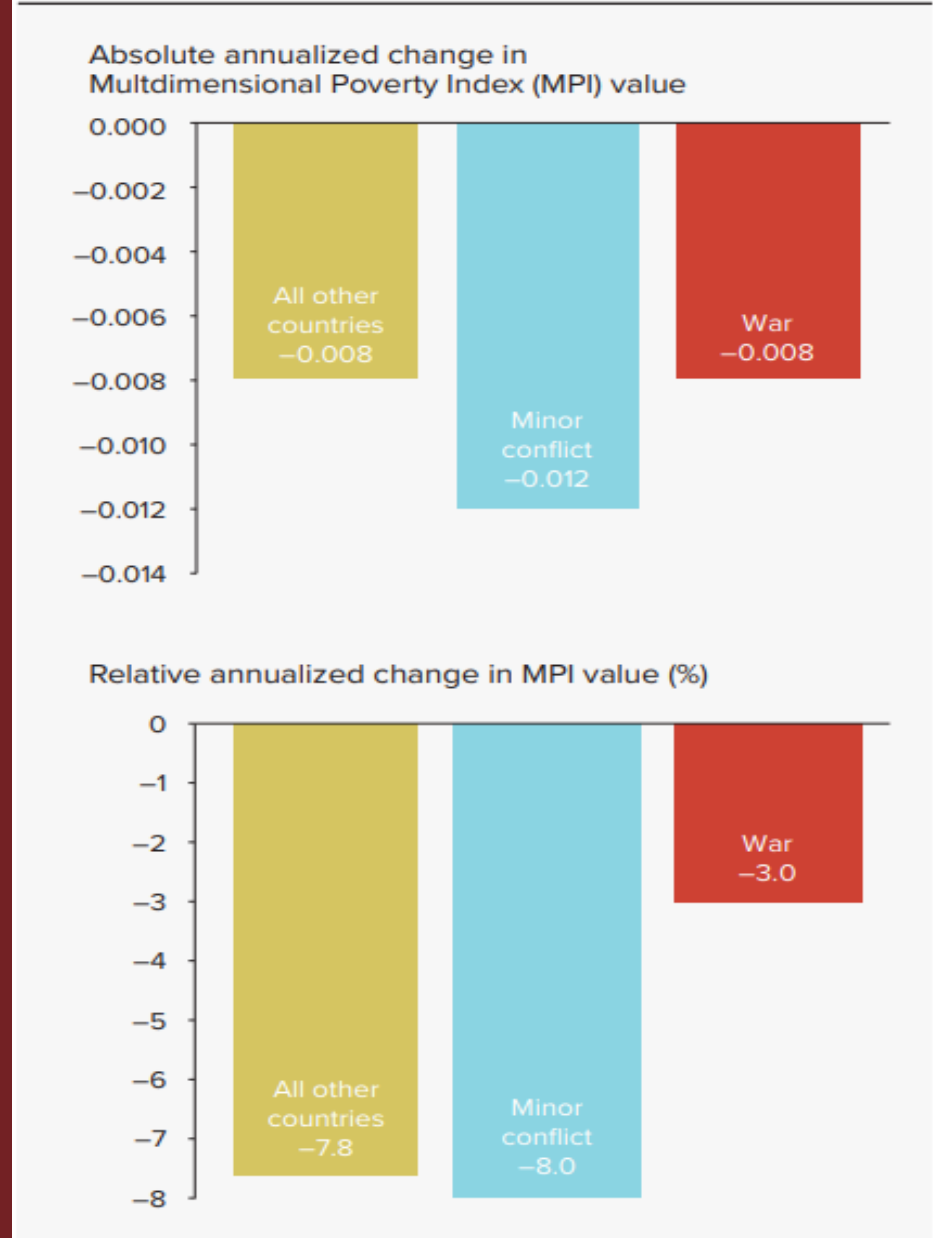


Figure 8 Conflict hinders poverty reduction



Source: Authors' calculations based on poverty data from Alkire, Kanagaratnam and Suppa (2024c) and conflict data from UCDP (2024a).

National MPIs link to SDGs

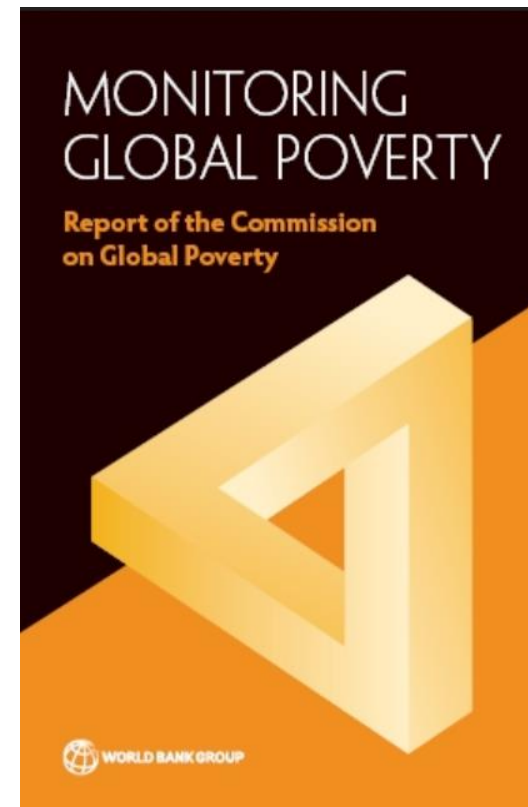
 **Independent assessment and use
of global MPI**

The MPI is now a standard official permanent measure of poverty, usually reported alongside the official national monetary measure

The World Bank study *Monitoring Global Poverty* led by Sir Tony Atkinson recommended the use of monetary and non-monetary measures to monitor poverty, and explicitly commended a multidimensional poverty indicator based on the **MPI** methodology (World Bank, 2017, Recommendation 19), suggesting six dimensions: **Health, Nutrition, Education, Housing & Services, Work, & Violence**

The World Bank reports the UNDP-OPHI global MPI in their *World Development Indicators*.

The World Bank, UNDP and UNICEF are supporting agencies that compile data on national MPIs (1.2.2).



The MPI is used to report poverty in Agenda 2063 for Africa

The Africa Peer Review Mechanism (APRM), guided by Agenda 2063, advocates that African countries use the global MPI or national MPIs for planning and budgetary purposes.

The logo for Agenda 2063 features the word "Agenda" in a white serif font, followed by a large white number "2063" where the "0" and "6" are connected. Below this, the phrase "The Africa we Want" is written in a smaller white sans-serif font. The entire logo is set against a dark maroon background.

Agenda
2063
The Africa we Want



UN Secretary General's Global Sustainable Development Report 2019

The 2019 *Global Sustainable Development Report: The Future is Now* written by an Independent Group of Scientists appointed by the UN Secretary-General, observed that the global MPI presented a 'more sobering picture' than the extreme monetary poverty measure, and used **global and National MPIs** in their analysis.



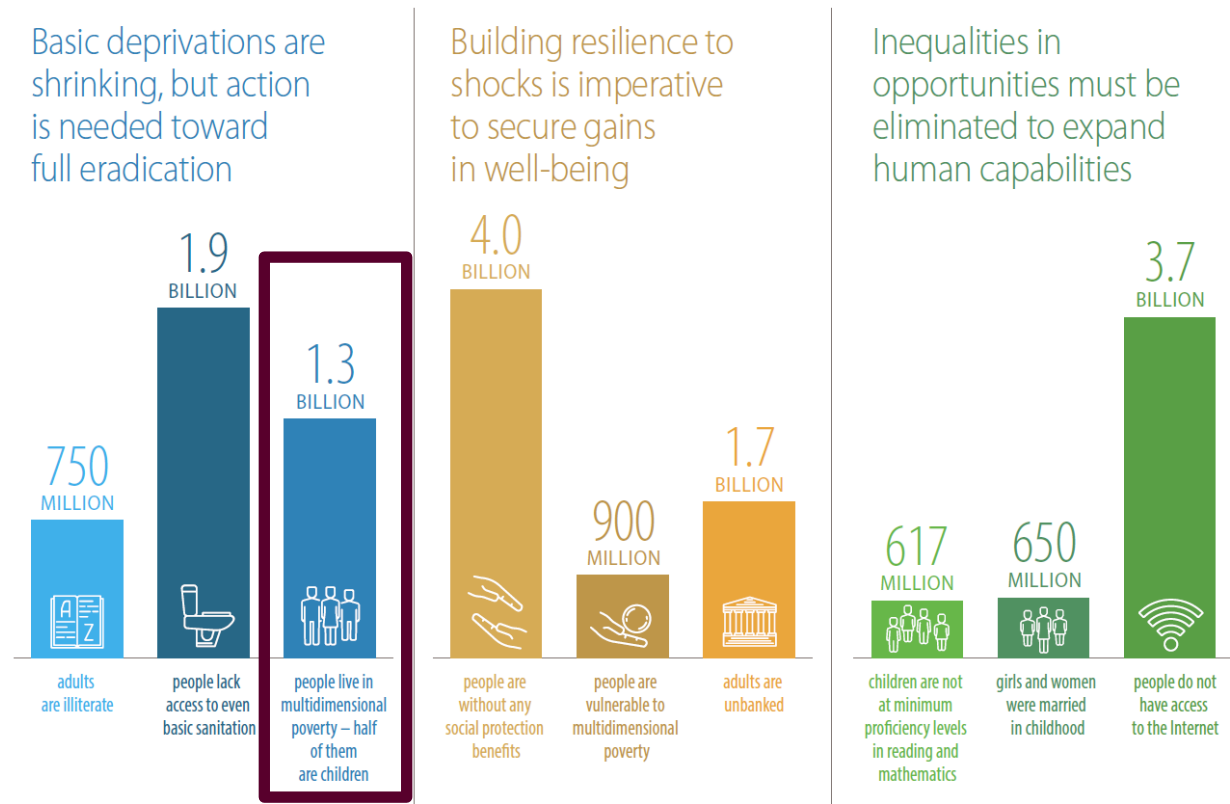
The global MPI is used to monitor the Third UN Decade for the Eradication of Poverty (2018-2027)

“Ending poverty is not just about people’s income but also their access to basic needs, such as quality education and health care, clean water and sanitation, decent housing and security.”

“The poorest of the poor are subject to overlapping dimensions of poverty and inequalities.”

“The overarching objective regarding non-income dimensions of poverty is to **promote integrated approaches and policy frameworks to address multidimensional poverty.**”

The plan of action will therefore work to... ensure the availability of **multidimensional data on poverty**... that is high quality, accessible, timely, reliable and disaggregated.



National MPIs link to SDGs

➤ **Using MPIs as performance indicators – so the shape policy & accelerate change**

Atkinson: Metrics matter if they a) motivate; b) monitor; c) shape policy

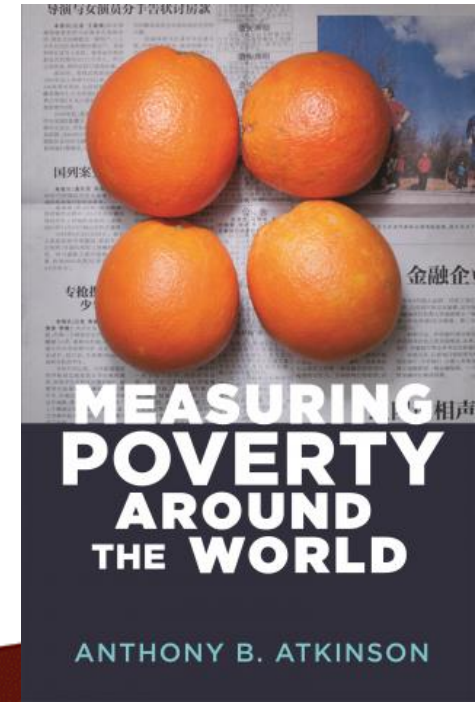
Poverty statistics matter because they motivate people to tackle a key challenge. (p 1)

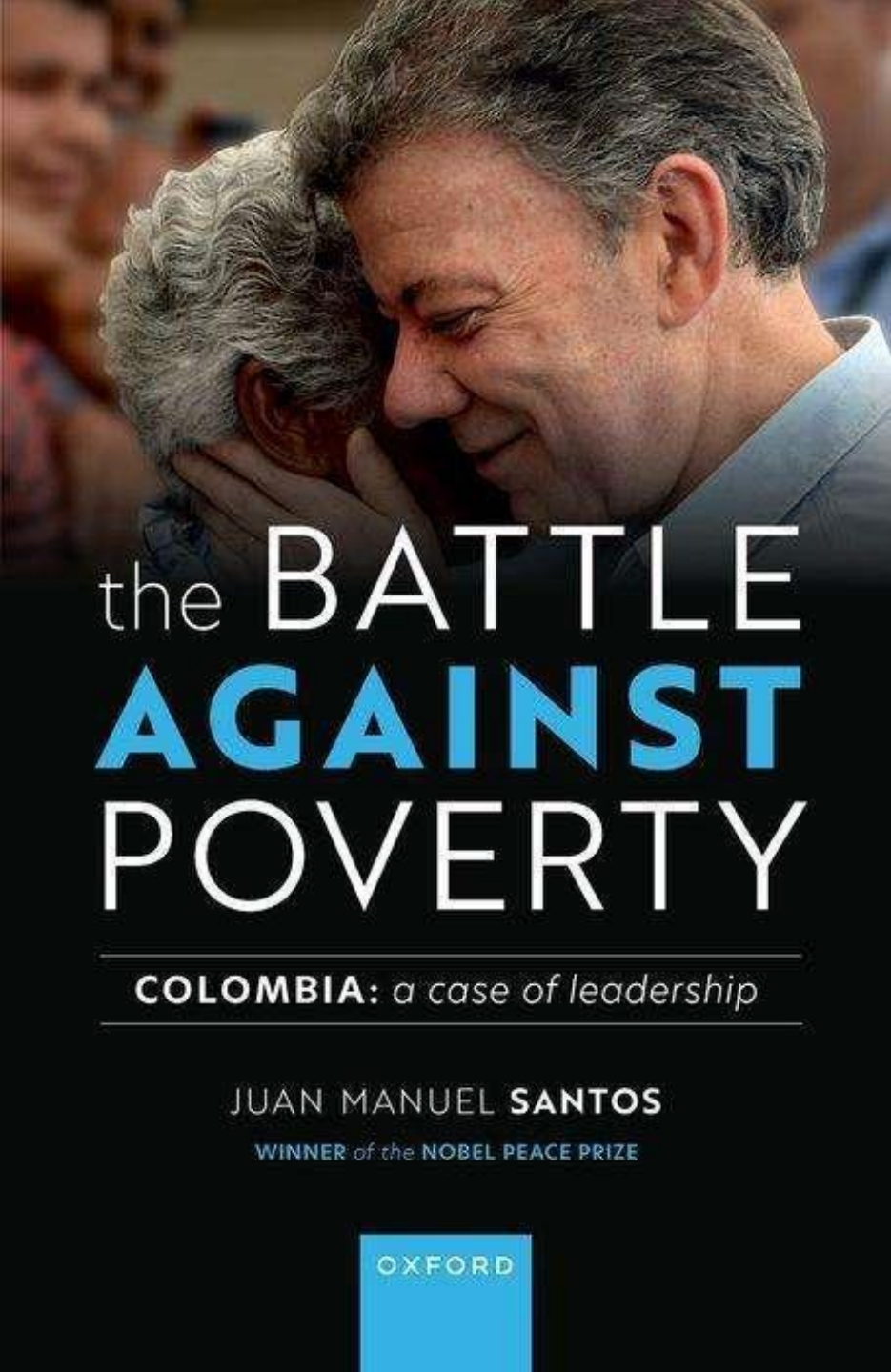
Statistical evidence about the extent and nature of poverty has been a major factor influencing political action **The statistics are a performance indicator.** (p30)

The role of **performance monitoring** has acquired much greater salience with the adoption . . . of targets for the reduction or elimination of poverty.” (p30)

This is true in the SDGs – and will be true post-2030 also.

MPIs are increasingly taking a motivational role





2023 OUP book by Nobel Peace Prize Laureate Juan Manuel Santos describes use of the Colombia MPI in Policy

Colombia's MPI reduced	2010: 29.7%	2018: 19.1%
Monetary poverty also fell	2009: 40.3%	2018: 27.0%

The Book addresses:

What actions were taken in Colombia to reduce poverty?

How was this done in the middle of complex **peace negotiations**?

“The fight against poverty is not just a technical issue but one of **leadership**.”

“In the case of Colombia, as president, I personally took on directing and supervising **social policy**, and this undoubtedly made a difference.”