Global Multidimensional Poverty - briefing

Panel Discussion 1, A side event of Task Force 5 T20
27 July 2021

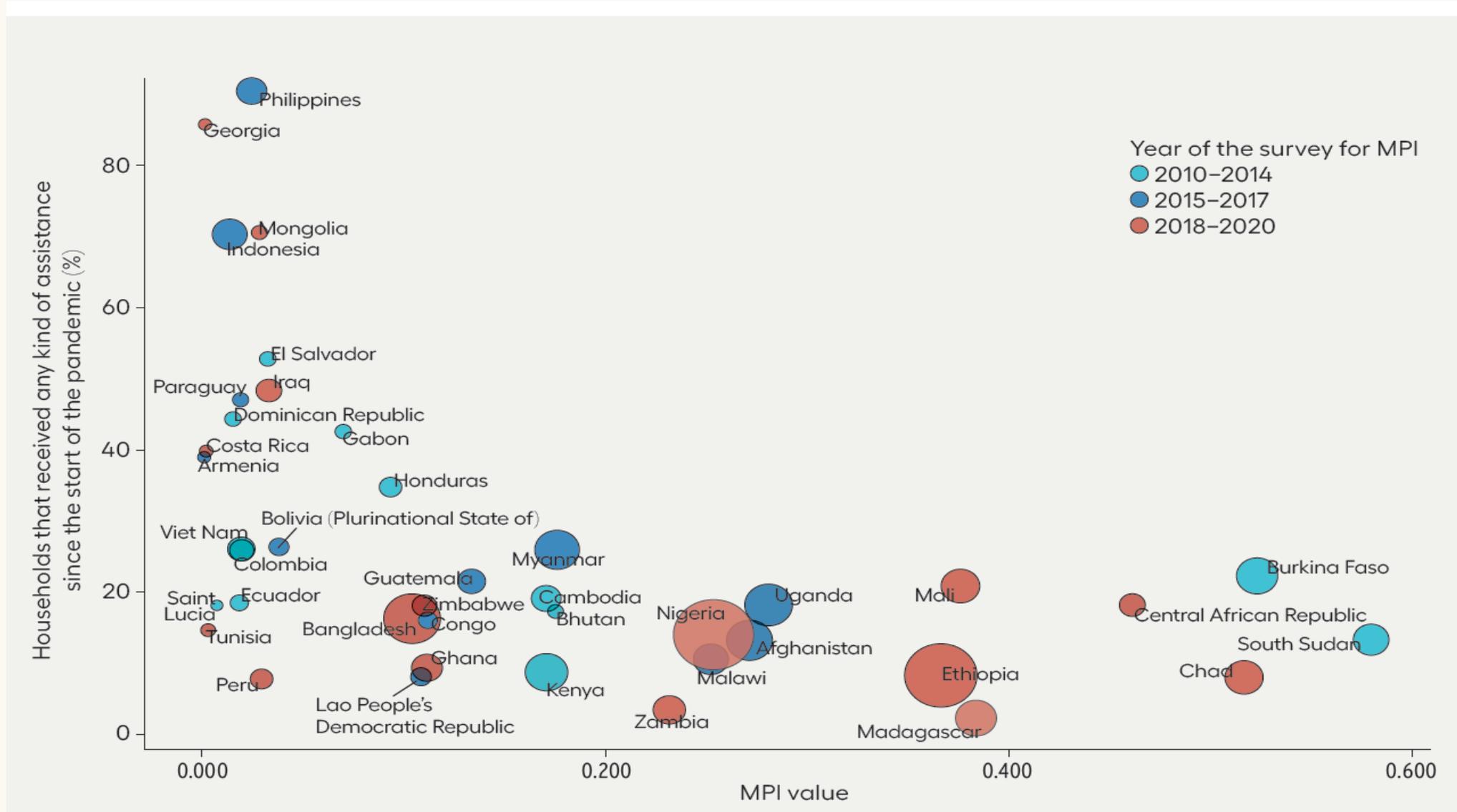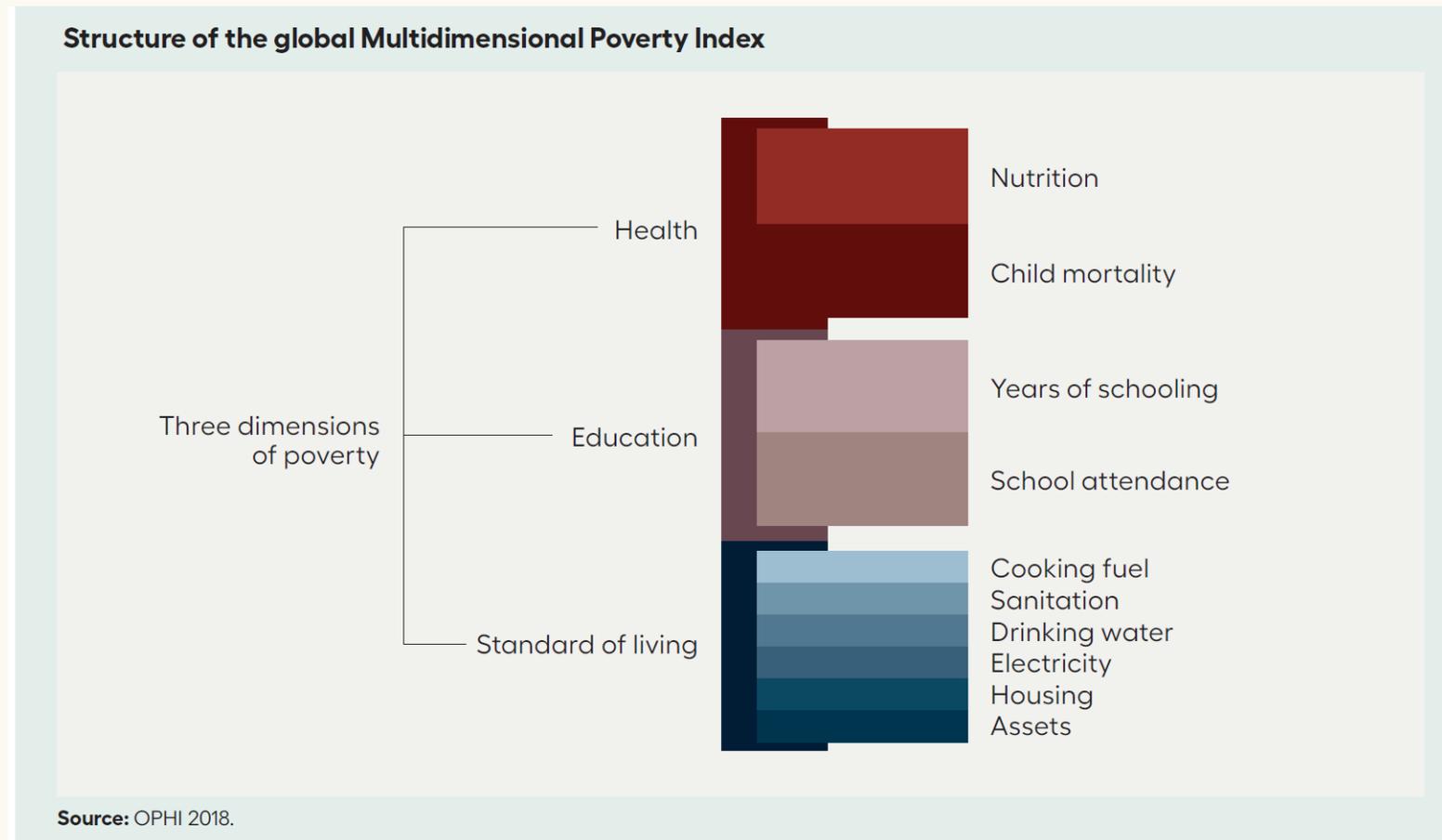Usha Kanagaratnam, OPHI, University of Oxford, UK

COVID-19 and multidimensional poverty

- **Emergency social protection** coverage is **less** prevalent in the poorest countries.

What is the global MPI?

A measure of acute multidimensional poverty jointly published by OPHI & UNDP since 2010 covering over 100 developing countries


Structure of the global Multidimensional Poverty Index

- Three dimensions of poverty
  - Health
    - Nutrition
    - Child mortality
  - Education
    - Years of schooling
    - School attendance
  - Standard of living
    - Cooking fuel
    - Sanitation
    - Drinking water
    - Electricity
    - Housing
    - Assets

Source: OPHI 2018.

A person is **MPI poor** if he or she is deprived in **1/3 or more** of these weighted indicators.

Computing the global MPI 1-2-3

1. **Build a Deprivation Profile for each person**
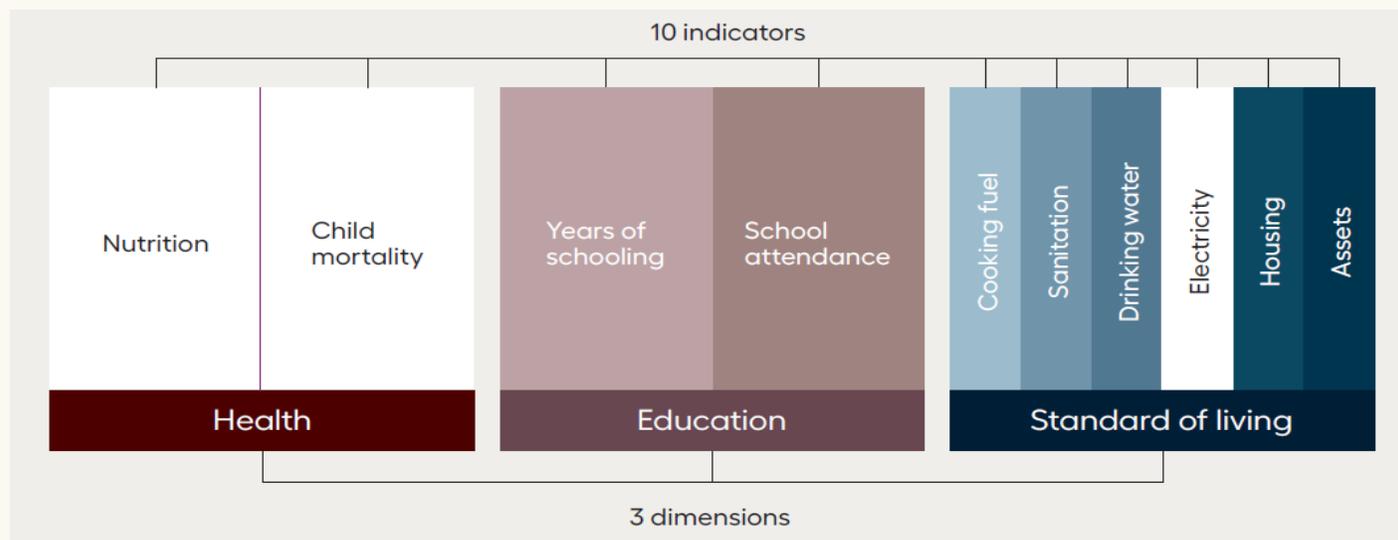
2. **Identify Who is Poor**

A person who is deprived in <u>1/3 or more</u> of the weighted indicators is MPI poor.

Nyawala's deprivation score: 61.1%
She is MPI poor.

Methodology: Alkire & Foster JPubE 2011

3. **Compute MPI** (AF methodology)

$$MPI = H \times A$$

- ➢ **H** (Incidence) = Headcount ratio or percentage of the population who are poor
- ➢ **A** (Intensity) = Average deprivation score among poor

The 2021 Global MPI: Coverage & Data

- Covers 109 developing countries: 26 LICs, 80 MICs and 3 HICs.

- Covers 5.9 billion people—about 92 percent of people in developing countries

Disaggregation is available online:

- by **age** group, by **rural and urban** areas and for **1,291 subnational regions**.

- by **ethnicity** or race (for 40 countries with available information), by caste (for India) and

- by **gender of the household head** (108).

Data: The 2021 global MPI values uses datasets 2009-2019/20.

- Demographic and Health Surveys are used for 45 countries

- Multiple Indicator Cluster Surveys (51 countries)

- National Surveys (13 countries)

Trends: are presented for 80 countries 5 billion people. 28 have 3 time periods

Of the 5.9 billion people covered in 109 countries 1.3 billion (21.7%) are MPI poor

- About half (644 million) are **children** under age 18. One in three children is multidimensionally poor compared with one in six adults.

- Nearly 85 percent live in **Sub-Saharan Africa** (556 million) and **South Asia** (532 million).

- Roughly, 84 percent (1.1 billion) live in **rural** areas.

- Two-thirds of multidimensionally poor people—836 million—live in households in which **no girl or woman** has completed at least six years of schooling.

Disaggregation by ethnicity and caste for <u>half</u> the poor.

Among the 109 countries covered by the global MPI, results are disaggregated for 41 countries and more than **2.4 billion people**

- Almost **690 million** (28.2%) of these people live in multidimensional poverty.

- When disaggregated by ethnic group, MPI values range from 0.000 to 0.700, **wider than across all 109 countries and all other disaggregations.**

- In the nine **poorest ethnic groups** - all in Burkina Faso and Chad- more than 90% of the population is multidimensionally poor.

Poverty Reduction Trends: Indonesia's progress

Data: DHS 2012 – DHS 2017

	2012	2017	Annualised absolute change	Annualised relative change
MPI(T)	0.028	0.014	-0.003 ***	-12.9%
H	6.9%	3.6%	-0.7% ***	-12.2%
A	40.3%	38.7%	-0.3% ***	-0.8%

- Almost halved MPI$_T$ (0.028 – 0.014) in merely 5 years.

- 8 million people left poverty

Poverty Reduction Trends: Indonesia's progress

- The poorest regions reduced MPI fastest: Papua, East Nusa Tenggara, West Sulawesi

Absolute reduction in MPI(T) across subnational regions between 2012 and 2017
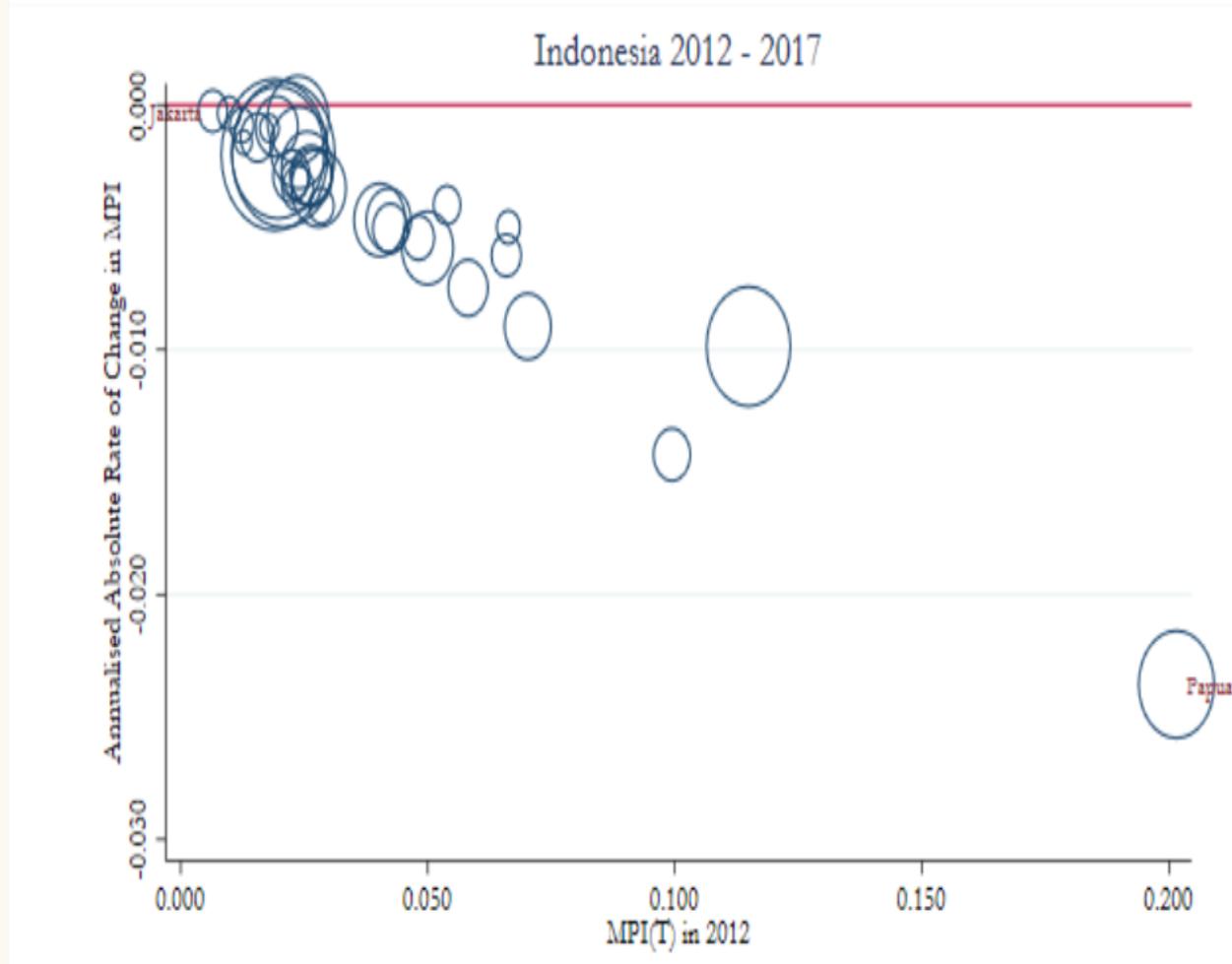
In India, 2005/6–2015/16, over 270 million persons left poverty
And the poorest states made fastest progress

Strategic Suggestions.

a. **Define poverty as multidimensional** – to include health, education, living conditions, & work

b. **Measure poverty multidimensionally** as well as in monetary terms.

- Invest in data **communication and visualisation** of existing data on multidimensional poverty

- Invest in **communicating MPI to policy actors**, celebrating success, tracking change

- **Embed MPI questions into new surveys**, remote rapid surveys, censuses, surveys that are a powerful source of **poverty data.** This is a <u>top priority </u>because many national poverty surveys are being undercut in the post-pandemic period.

  Note: the global MPI requires a small number of questions (43) – a fraction of consumption surveys (450 to 1,100 questions).

Find Out More! All Open Source & Online

• OPHI's global MPI databank (https://ophi.org.uk/multidimensional-poverty-index/global-mpidatabank/) provides **interactive data visualizations** of the 2021 global MPI and enables users to study the multidimensional poverty of the countries covered, including disaggregation. Users may also explore the indicators in which people are deprived.

• OPHI's global MPI **country briefings** (https://ophi.org.uk/multidimensional-poverty-index/mpi-countrybriefings/) present country-specific results for the countries covered.

• **Excel data tables** and **do-files** (https://ophi.org.uk/multidimensional-poverty-index/data-tables-dofiles/) have all the details of global MPI estimates and trends, including **disaggregation** by rural/urban areas, age cohort, gender of the household head and subnational regions plus multiple cutoffs, standard errors and sample sizes. In addition, in 2021, the MPI estimates are disaggregated by ethnicity for 41 countries.

• **Methodological notes** (https://ophi.org.uk/mpimethodological-notes/) provide the particularities of each country's survey data treatment and the specific harmonization decisions for calculating changes in multidimensional poverty over time.