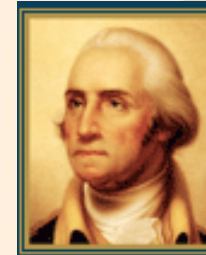


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**Counting and Multidimensional
Poverty Measurement**

Sabina Alkire & James E. Foster

**Multidimensional Poverty Index:
A New Approach to Global
Poverty**

*Sabina Alkire & Maria Emma
Santos*

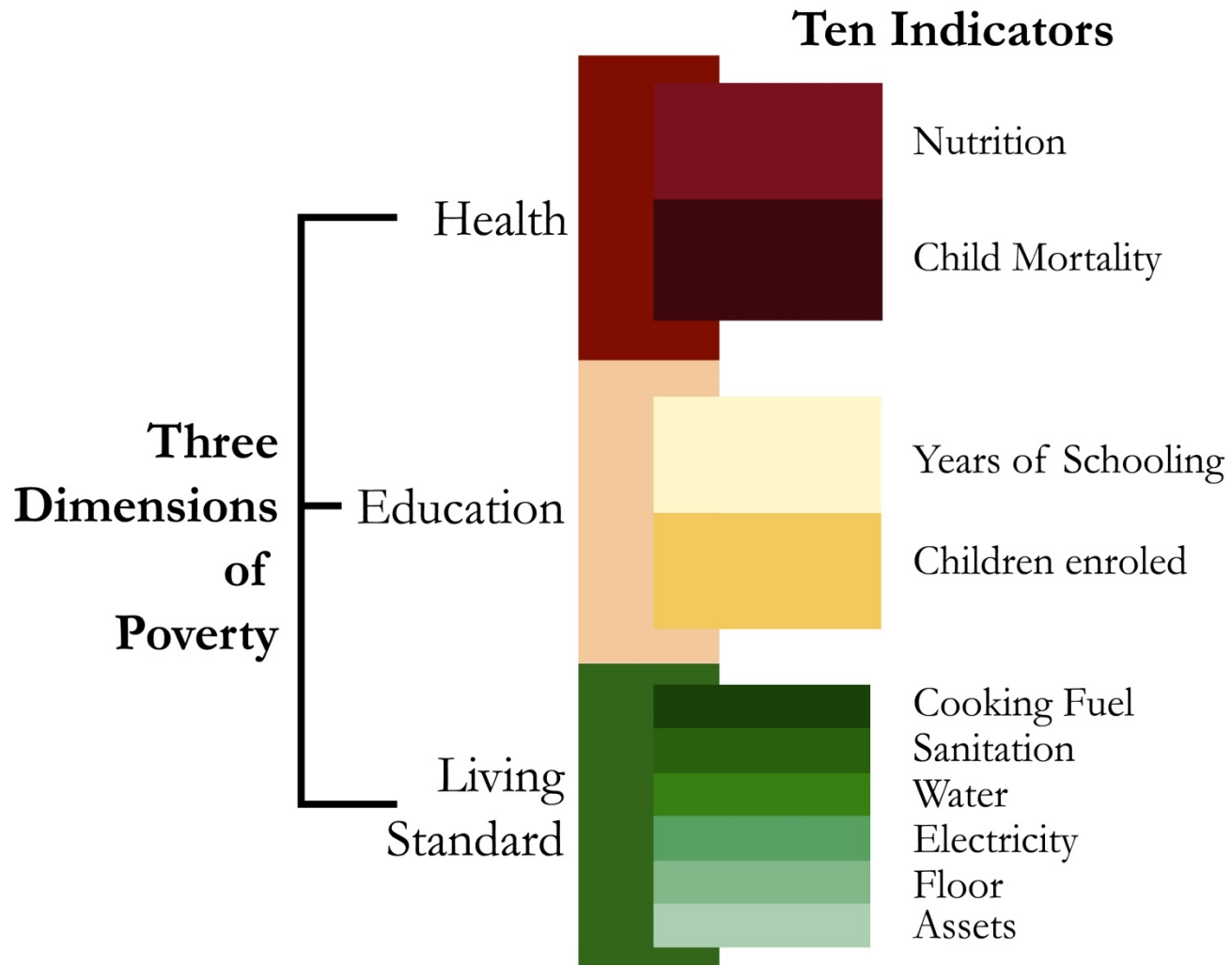
Motivation

“Human lives are battered and diminished in all kinds of different ways.” *Amartya Sen*

“The need for a multidimensional view of poverty and deprivation,” Anand and Sen wrote in 1997, “guides the search for an adequate indicator of human poverty.”



Dimensions and Indicators of MPI



Methodology: Alkire and Foster

The MPI combines two aspects of poverty

- 1) *Incidence* ~ the percentage of people who are poor, or the headcount ratio H .
- 2) *Intensity* of people's poverty ~ the average percentage of dimensions in which poor people are deprived A



Methodology: Alkire and Foster

Identification:

Any person experiencing 30% or more of the weighted deprivations is poor.

Aggregation:

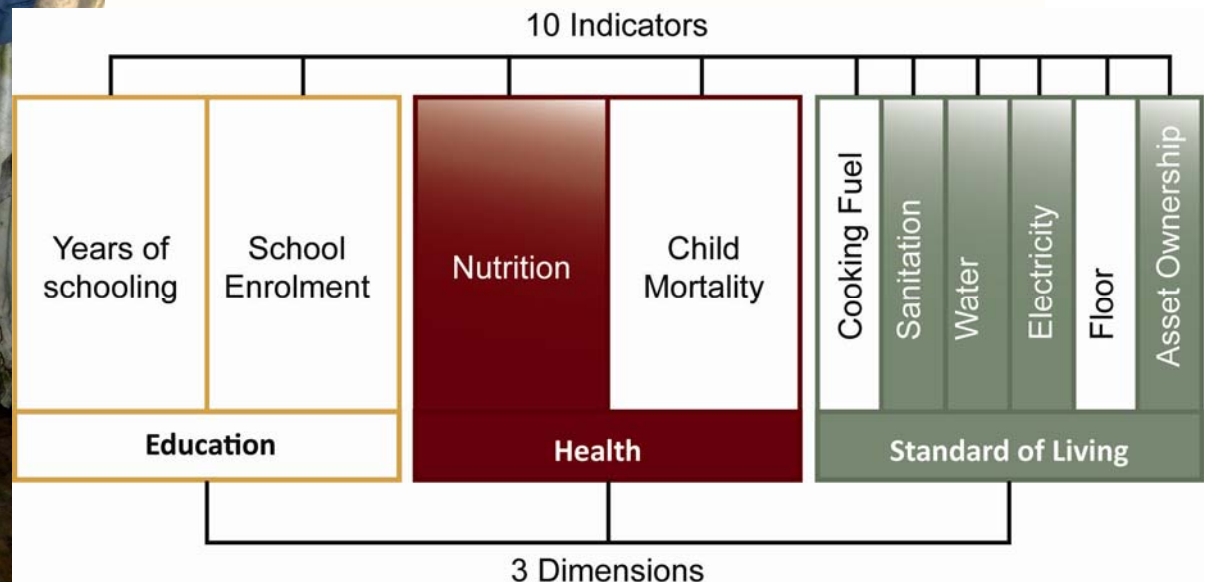
The MPI formulae is:

$$MPI = H \times A \quad \underline{\text{Incidence}} \times \underline{\text{Intensity}}$$



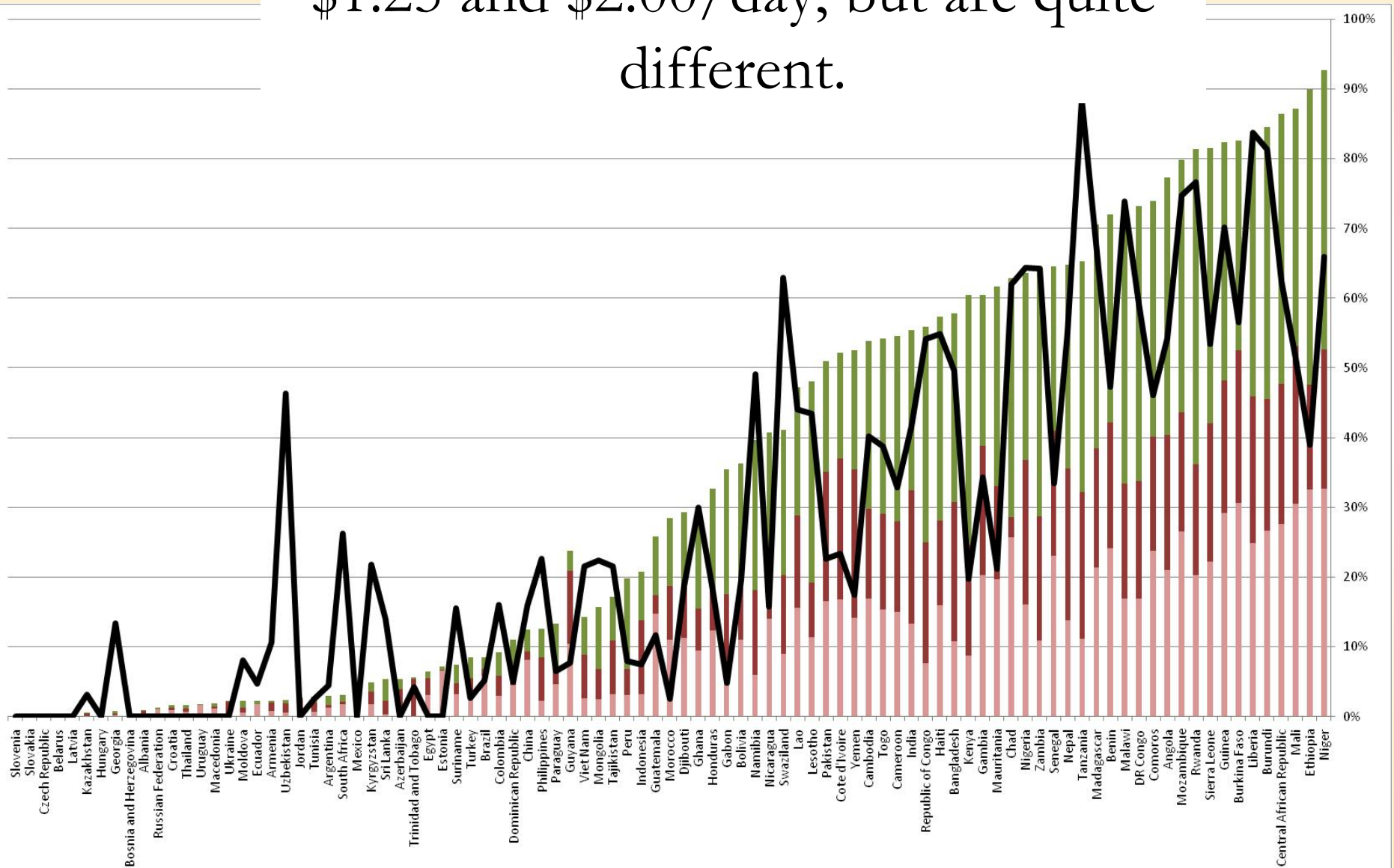
What is new? Intensity of Poverty

The MPI uses the proportion of dimensions in which each person is deprived at the same time (all MPI poor are deprived in 30% or more).

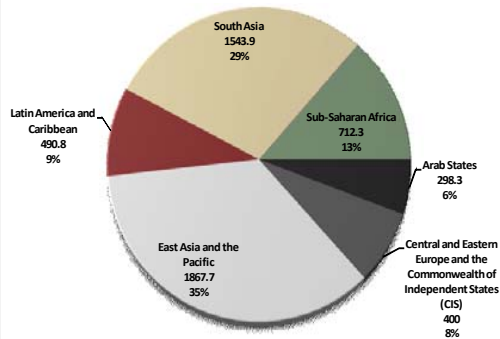


Six Findings from MPI

1. The MPI headcounts fall between \$1.25 and \$2.00/day, but are quite different.



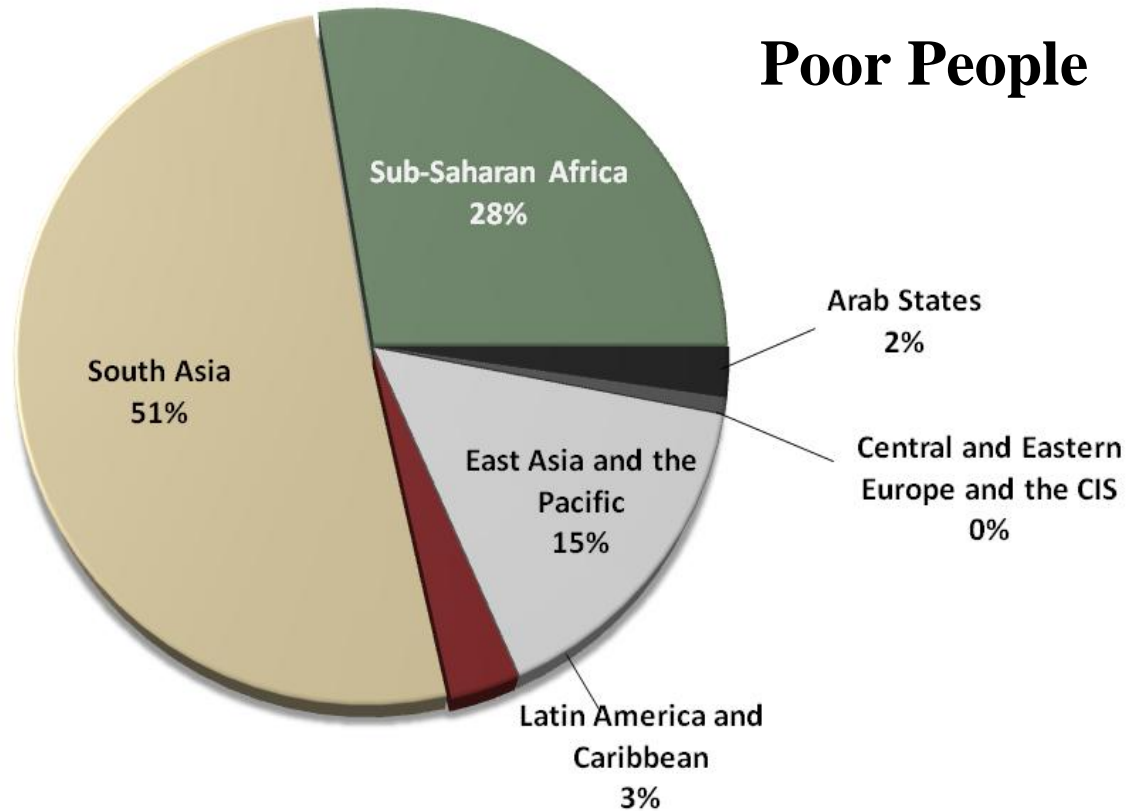
Total Population



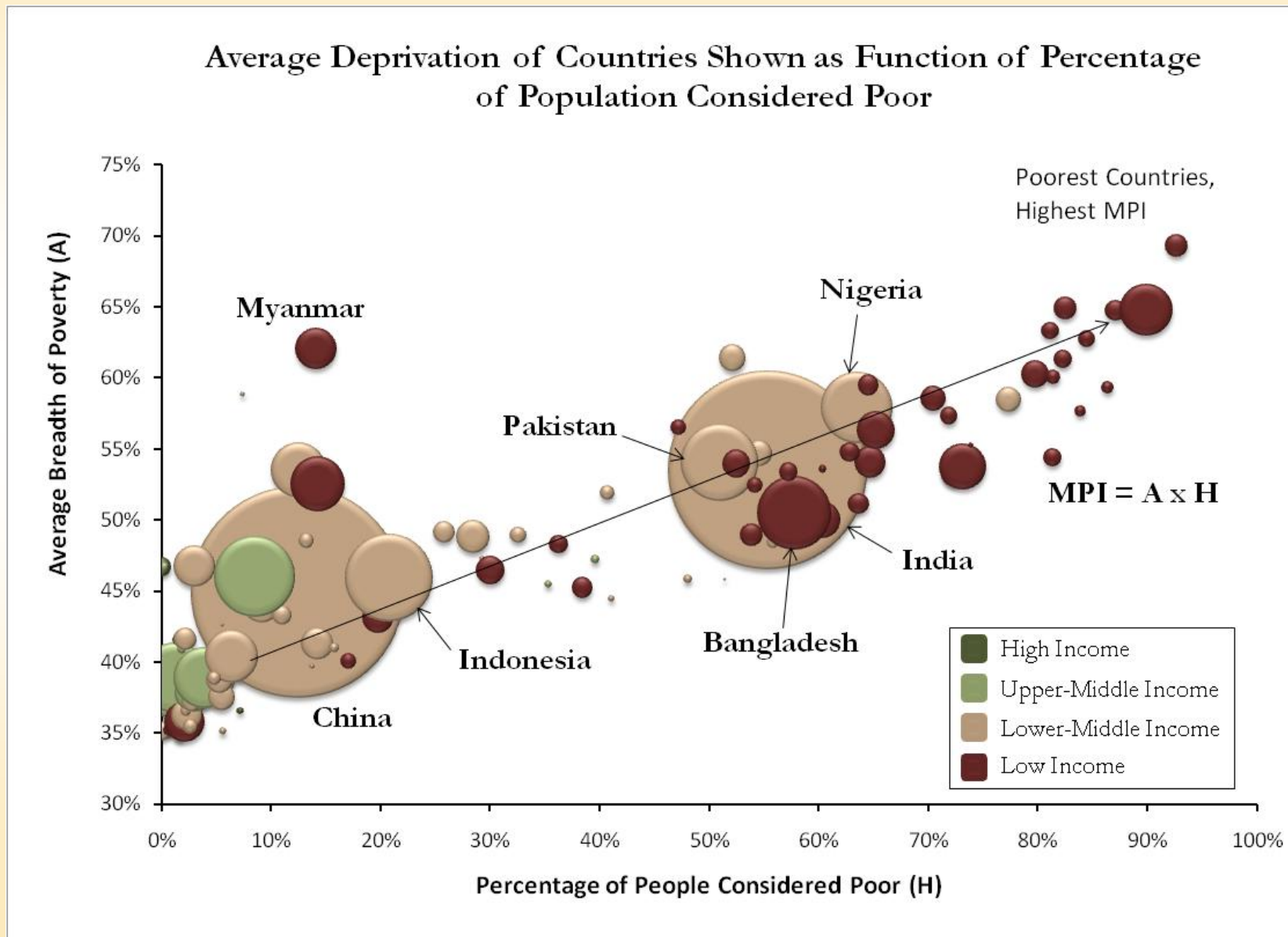
2. Most poor people in the world by MPI live in South Asia, followed by Sub-Saharan Africa.

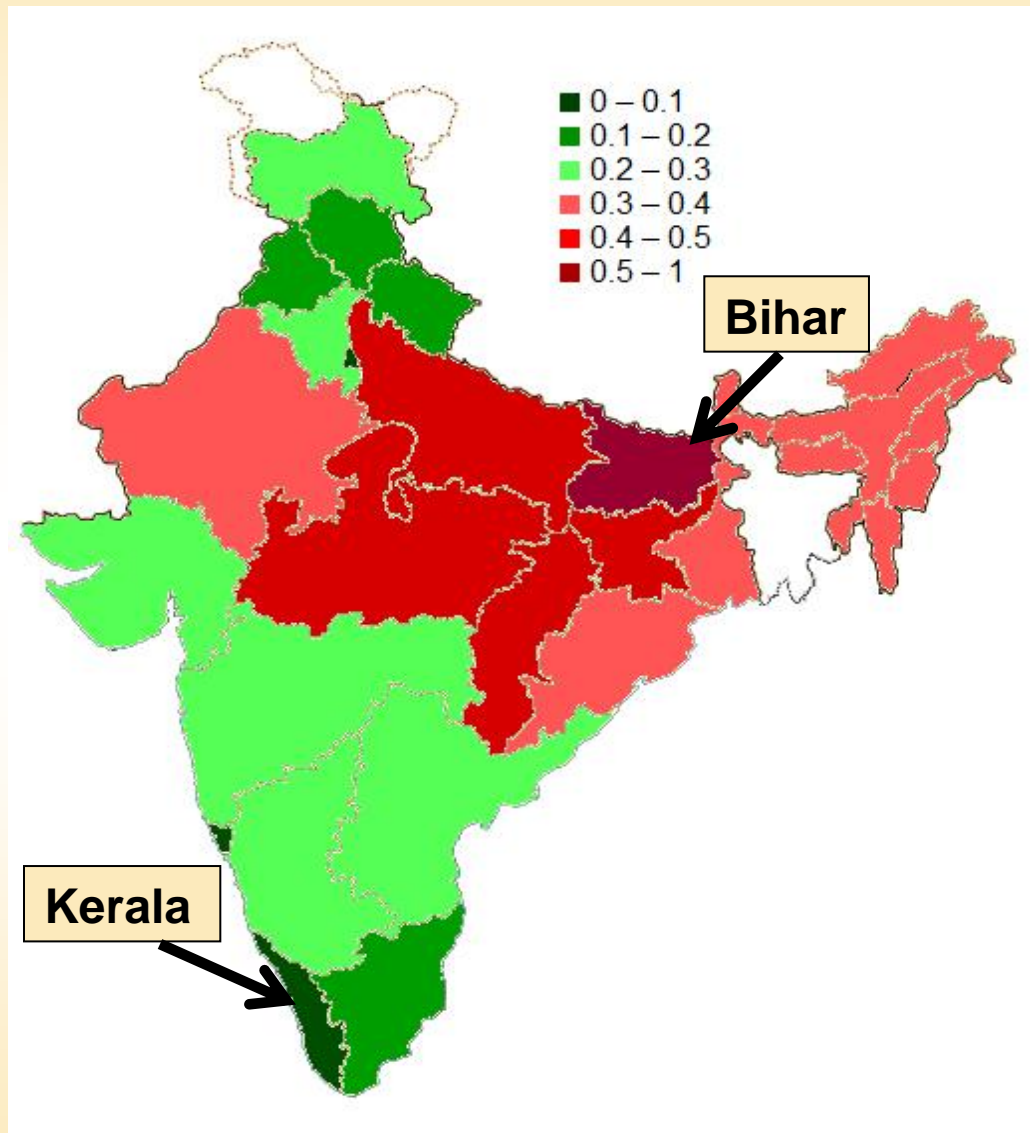
Regional Distribution of the World's Poor (%)

Poor People



3. The intensity of poverty is greatest in the countries with the highest proportion of poor.





4. MPI varies greatly by region & ethnicity

- In Kerala India 16% of the population is MPI poor; in Bihar it is 81%.
- The poorest 8 Indian states are home to more MPI poor people than the 26 poorest African countries (421M v 410M).

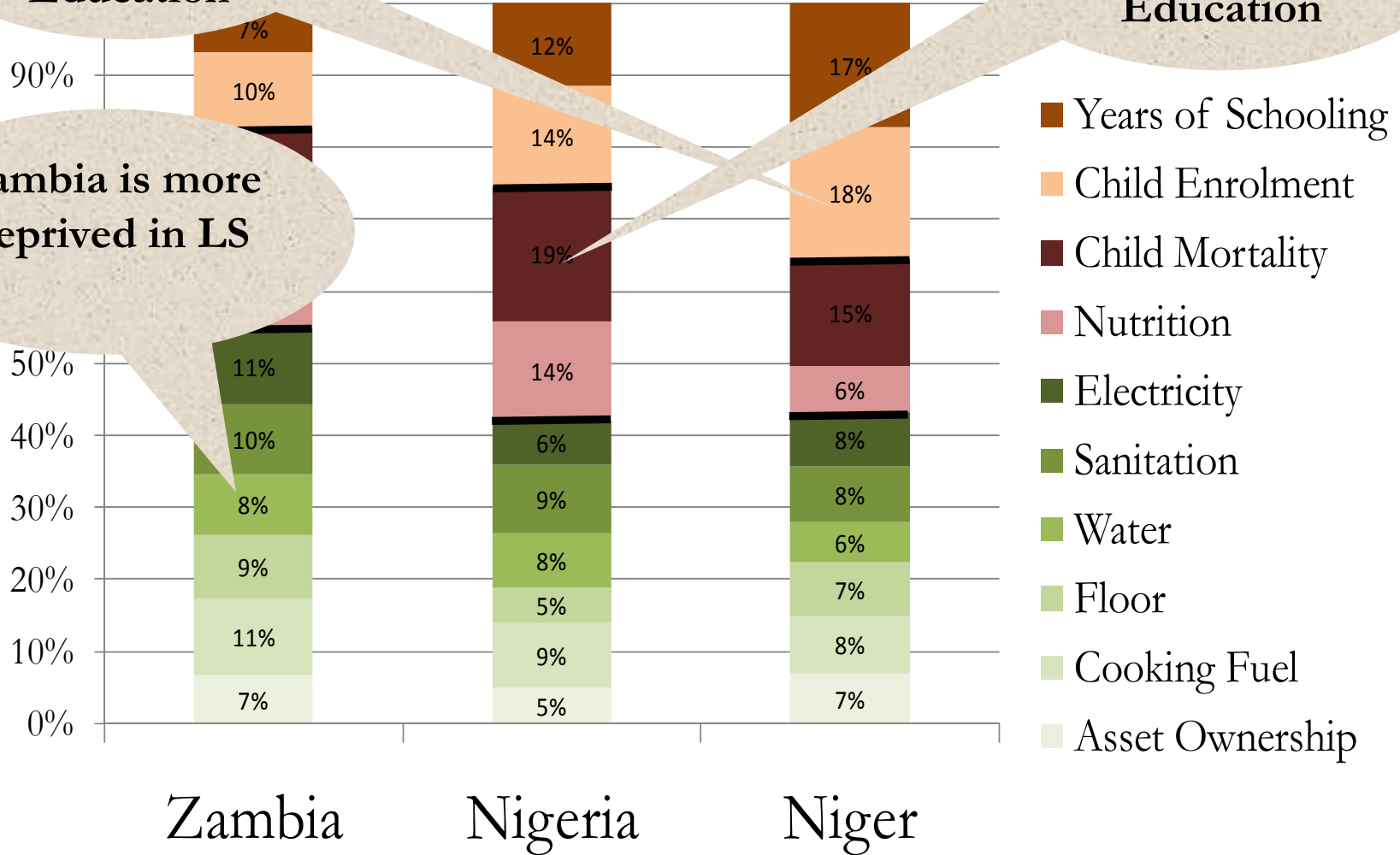
5. There are different compositions of poverty by dimensions & indicators

- Three countries:
Zambia, Nigeria and Niger.
- MPIs are similar for Zambia (0.32) and Nigeria (0.37) although much higher for Niger (0.64).
- Income poverty (\$1/day) is similar in the three (64-66%).

Niger is most deprived in Education

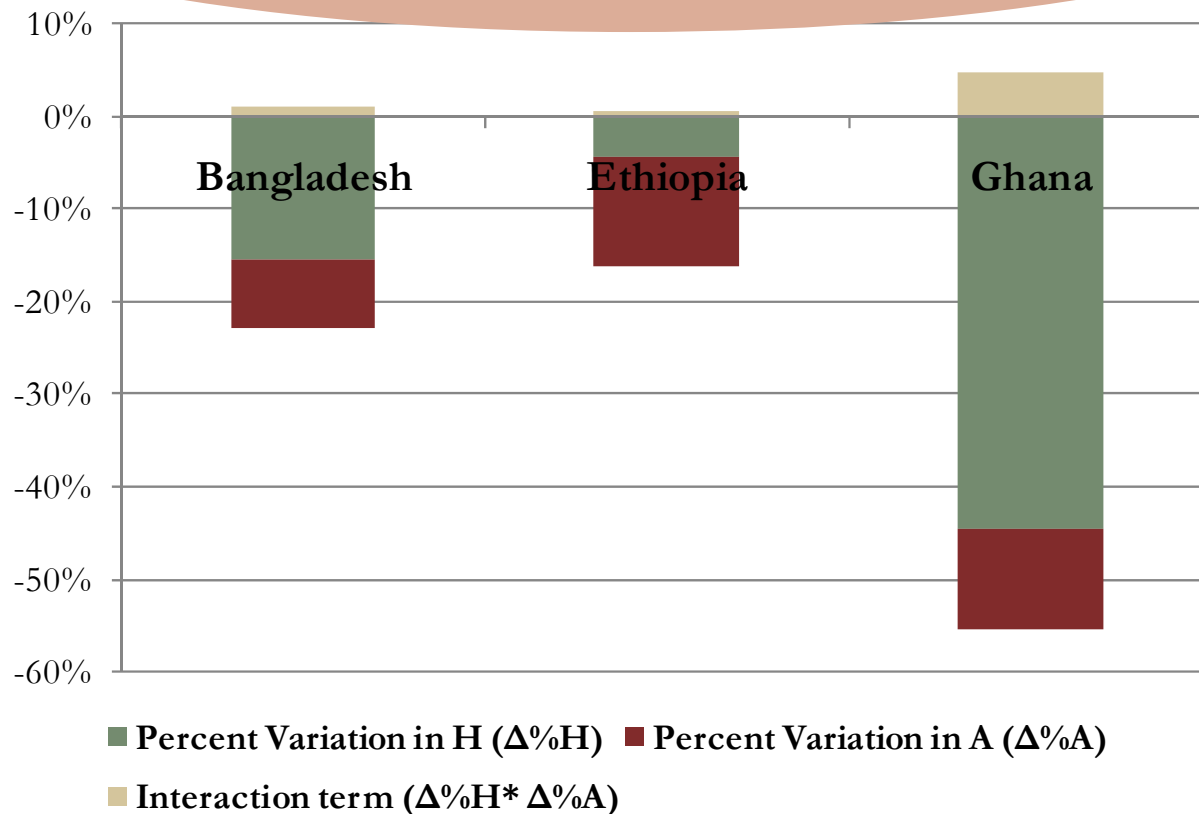
Nigeria is more deprived in Health and Education

Zambia is more deprived in LS

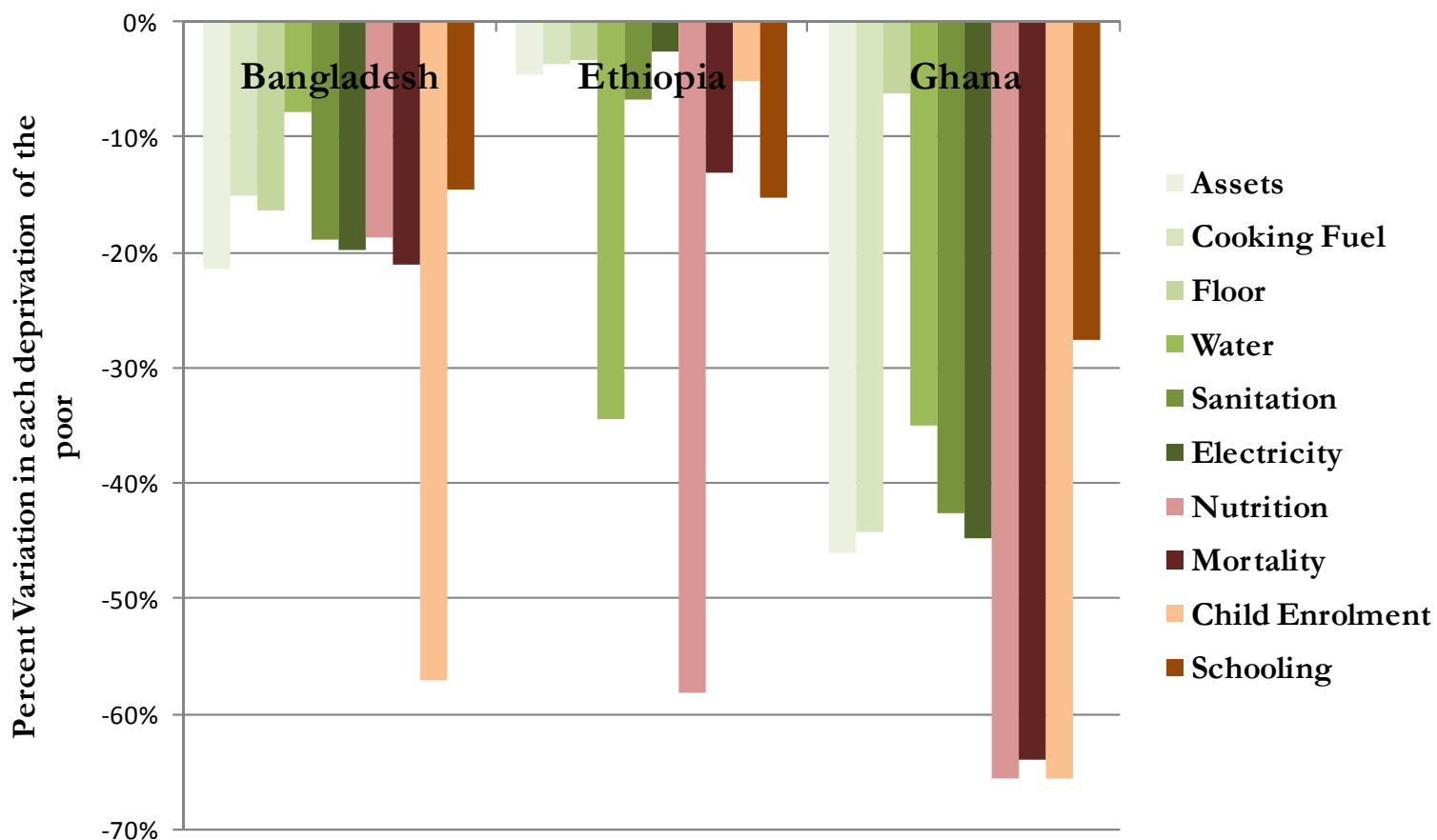


6. Reducing MPI over time

Ghana and Bangladesh reduced H relatively more than A, Ethiopia the other way round.



Bangladesh improved school attendance, Ethiopia nutrition and water, Ghana many at the same time.



Debate and Input

Thus far 81% of the comments on MPI have been positive, 11% are mixed and 8% are critical.

The critical comments mainly focus on the data sources used for a country; however in all cases we have enquired and find that the MPI uses the most up to date publicly available data; it will be updated as new data emerge.

Queries have also been raised regarding the robustness of MPI to a range of plausible weights; we find that 88% of MPI rankings are totally robust when weights vary from 25% to 50% on each dimension.

Policy Applications

How can the MPI help governments, civil society, and agencies to reduce poverty?

- **Identify interconnections** among deprivations. This is needed to address MDGs strategically.
- **Show impacts.** Reflects the results of policy interventions quickly.
- **Allocate resources effectively.** Target those with the greatest intensity of poverty.

These help design effective, coherent policies.

Finally

“Achieving the MDGs will require increased attention to those most vulnerable.”

UNDP Millennium Development Goal Report 2010

“Acceleration in one goal often speeds up progress in others;”
to meet MDGs strategically we need to see them together.

Roadmap towards the Implementation of the MDGs

www.ophi.org.uk

