The global Multidimensional Poverty Index (MPI) and the SDGs

Gisela Robles, 9 Nov 2016, MPPN meeting, Acapulco.
High Resolution lenses

Alkire & Foster (AF) method

**Formula:** \( MPI = M_0 = H \times A \)

1) **Incidence** or the headcount ratio \( (H) \), the percentage of people who are poor.

2) **Intensity of people’s deprivation** \( (A) \), the average share of dimensions (proportion of weighted deprivations) people suffer at the same time.
Dimensions, Indicators & Their Weights

Three Dimensions of Poverty

- Health
  - Nutrition: 1/6
  - Child Mortality: 1/6
  - Years of Schooling: 1/6
  - School Attendance: 1/6

- Education
  - Improved Sanitation: 1/18
  - Safe Drinking Water: 1/18
  - Electricity: 1/18
  - Flooring: 1/18
  - Asset Ownership: 1/18

- Living Standard

Ten Indicators

- Nutrition
- Child Mortality
- Years of Schooling
- School Attendance
- Improved Sanitation
- Safe Drinking Water
- Electricity
- Flooring
- Asset Ownership
Population Coverage by Income Category

5.3 billion people living in all six geographical regions

MPI 2016 covers 93% of the combined population in Middle and Low Income Countries

<table>
<thead>
<tr>
<th>Income Categories</th>
<th>Population in MPI countries (million)</th>
<th>Total Pop in regions</th>
<th>% Pop covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>High income: OECD</td>
<td>0</td>
<td>1,063</td>
<td>0%</td>
</tr>
<tr>
<td>High income: non-OECD</td>
<td>43</td>
<td>292</td>
<td>14.6%</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>2,046</td>
<td>2,350</td>
<td>87.1%</td>
</tr>
<tr>
<td>Lower middle income</td>
<td>2,657</td>
<td>2,760</td>
<td>96.3%</td>
</tr>
<tr>
<td>Low income</td>
<td>551</td>
<td>557</td>
<td>98.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,297</strong></td>
<td><strong>7,023</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Global MPI findings
Where MPI poor people live: National Income Category

Most poor people (75%) live in middle-income countries (MICS)

2012 Population Data

Total population by income category

- Low income: 10%
- Lower middle income: 50%
- Upper middle income: 39%
- High income: nonOECD: 1%
- High income: nonOECD: 0%

MPI poor people by income category

- Low income: 25%
- Lower middle income: 68%
- Upper middle income: 7%
- High income: nonOECD: 0%

2012 Population Data

Most poor people (75%) live in middle-income countries (MICS)
$1.90/day

MPI
Global MPI: Headline + Disaggregated detail

Governance

Leave No One Behind
The Global MPI is used to inform the SDGs
“End poverty in all its forms everywhere” by 2030.

**Target 1.2:** By 2030, reduce at least by half the proportion of men, women and children of all ages living in **poverty in all its dimensions** according to national definitions

Bhutan, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Pakistan, Peru, Philippines, Seychelles, and Viet Nam are reporting the incidence (H) of multidimensional poverty associated with their global and/or national MPI for SDG indicator 1.2.2
A robust way to measure SDG indicator 1.2.2.

The global MPI allows policy makers to:

✓ **Leave No One Behind**: it tracks poverty for different groups: sub-national regions, rural areas, children, ethnic and caste groups.

✓ **Integrated, coordinated policy**: it gives incentives to coordinate policy, to break down silos for policy impact.

✓ **Universal relevance**: indicators reflect contextual values and different meanings of poverty.
OPHI-MPI Team 2016

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**OPHI** estimate the MPI, the UNDP *Human Development Reports* also publish it and we are grateful to our colleagues in HDRO for their support.