Why Multidimensional Poverty?

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

Amartya Sen

UNDP’s Million Voices concur: ‘The clear message is: don’t give up on the MDGs. Eradicating poverty and hunger, achieving gender equality, and improving health and education services remain foremost in people’s priorities.’

Helen Clark, 23 Sept 2013
Why Multidimensional Poverty?

Efficiency: Reduction in $1/day poverty is \textbf{not} correlated with reductions in non-monetary MDGs
Select Indicators, Cutoffs, Values

Example: Global MPI
Build a deprivation score for each person

Stephanie faces multiple deprivations at present
Identify who is poor

Example: A person is multidimensionally poor if they are deprived in 33% of the dimensions.
Compute the MPI (Alkire-Foster)

The MPI is the product of two components:

Formula: \[ MPI = H \times A \]

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

2) **Intensity** ~ the average percentage of dimensions in which poor people are deprived \( A \).

Alkire and Foster *Journal of Public Economics* 2011
Use the MPI

The MPI is like a high resolution lens…
Use the MPI

The MPI is like a high resolution lens…

You can zoom in
Use the MPI

The MPI is like a high resolution lens...

You can zoom in

and see more.
“Leave no one behind” (HLP2015)
How MPI Changes: Nepal 2006-2011

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2011</th>
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<tbody>
<tr>
<td>MPI - Poverty</td>
<td>.350</td>
<td>.217</td>
</tr>
<tr>
<td></td>
<td>(.013)</td>
<td>(.012)</td>
</tr>
<tr>
<td>H - Incidence</td>
<td>64.7%</td>
<td>44.2%</td>
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<tr>
<td></td>
<td>(2.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>A - Intensity</td>
<td>54.0%</td>
<td>49.0%</td>
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<td>(.6)</td>
<td>(.7)</td>
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Decomposition By Region (or social group) – shows inequalities
How did MPI go down?

We monitor each indicator
Indicator Changes by region (Nepal)

Annualized Absolute Change in proportion who is poor and deprived in...

- Nutrition
- Child Mortality
- Years of Schooling
- Attendance
- Cooking Fuel
- Sanitation
- Water
- Electricity
- Floor
- Assets
MPI 2015+: Which Indicators? (globally/nationally)

First MPI indicators

Published: in *Human Development Reports* of UNDP