

UNIVERSITY OF OXFORD NEWS RELEASE

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One-half of all poor people are 'destitute', suggests new research

An Oxford University study to identify the multidimensionally poor in the developing world has found that in 49 countries half of the poor are so deprived that they should be classed as 'destitute'. The researchers' global multidimensional poverty index or MPI measures overlapping deprivations in health, education and living standards, with the 'destitute' experiencing extreme deprivation. This latter group is defined according to more extreme criteria such as having lost two children, having someone who is severely malnourished at home, or having no assets at all.

The study highlights the fact that, despite the situation improving for many due to poverty reduction programmes and economic growth, there is still a formidable core of extremely poor people. This finding has implications for an international goal of eliminating poverty, widely mooted as achievable by 2030. The largest numbers of destitute people, 420 million, were found in the countries of South Asia: in India alone, drawing on the most recent official figures available, the Oxford researchers calculate there were around 343 million destitute people. 200 million destitute people were found in 24 countries of Sub-Saharan Africa: the highest proportion of destitute people was found in Niger in where over two-thirds (68.8%) of the population were considered destitute.

The good news is that where data over time are available, the study by the Oxford Poverty and Human Development Initiative (OPHI) found that policies aimed at reducing poverty were working, particularly for the destitute in the poorest countries. Of 34 countries for which there are data, the largest reductions in destitution were in Ethiopia, followed by Niger, Ghana, Bolivia, Rwanda, Tanzania, Nepal, Haiti, Bangladesh and Zambia (all low income or least developed countries except Ghana and Bolivia). In Ethiopia, the share of destitute people was reduced by 30 percentage points between 2000 and 2011, say the researchers.

OPHI's Director Dr Sabina Alkire, from the Oxford Department of International Development, commented: 'There is a growing international consensus that we have to put an end to the worst forms of poverty and this should be the target for the new development agenda. While the successes of poorer countries show progress is being made, these findings show that for now, destitution – with all the grinding hardship it entails – remains a grim reality for hundreds of millions of people. Renewed efforts are needed post-2015 to ensure those in deepest poverty are not left behind.'

The global multidimensional poverty index (MPI) is unique in capturing the simultaneous disadvantages experienced by poor people, such as malnutrition, education and sanitation, providing a high-resolution lens on their lives. If people are deprived in one-third or more of ten (weighted) indicators, they are identified as MPI-poor.

In 2014, the global MPI covered a total of 108 countries which are home to 78% of the world's population. Some 30% of them – 1.6 billion people – are identified as multidimensionally poor. Of these 1.6 billion, 85% live in rural areas, which is a markedly higher percentage than income poverty estimates of 70-75%. Most live in South Asia (52%), followed by Sub-Saharan Africa (29%), and most – 71% - live in middle income countries.

A destitute person in the new study is MPI-poor, and is also deprived in a third or more of the same weighted indicators, according to more extreme criteria: for example, where no one in the household has completed at least one year of schooling; or two or more children in the household have died. Two-thirds of destitute people have someone at home with severe malnutrition. Some 40% of the destitute have a round trip of 45 minutes to find safe water by foot, if they have access to it at all. Over 80% have a dirt floor, and more than 90% have no proper sanitation and have to relieve themselves outside, with all the vulnerability, fear and shame this entails, particularly for women.

Infographics showing extensive MPI data on the level and composition of poverty are downloadable for 780 subnational regions on the OPHI website.

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NOTES FOR EDITORS

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Data sources and constraints

The MPI relies on the most recent data available, mainly from three datasets that are publicly available and comparable for most developing countries: USAID's Demographic and Health Survey (DHS), UNICEF's Multiple Indicators Cluster Survey (MICS), and the WHO's World Health Survey (WHS). OPHI's analysis of multidimensional poverty reduction in India was done using National Family Health Survey (NFHS) datasets from 2005. Unfortunately it is not currently possible to update this analysis because the dataset has not been repeated; nor do the National Sample Survey datasets include the required questions.

Background to the Multidimensional Poverty Index (MPI)

The MPI was created by OPHI Director Sabina Alkire and OPHI Research Associate Maria Emma Santos, now at Universidad Nacional del Sur and CONICET, Argentina. In 2014, the MPI has been widely updated and expanded, including substantial new analyses of rural-urban poverty, inequality among the poor, destitution and changes to poverty over time. The MPI is constructed using a methodology developed by Dr Alkire and Professor James Foster, an OPHI Research Associate and Professor of Economics and International Affairs at George Washington University. For more information, including all MPI 2014 materials, please see www.ophi.org.uk/multidimensional-poverty-index.

Calculation of poverty using the Multidimensional Poverty Index (MPI)

A person is identified as 'multidimensionally poor' if he or she is deprived in one-third or more of ten (weighted) indicators. The MPI of a country or region is the product of the proportion of poor people (H) and the average share of deprivations that poor people face at the same time, i.e. the average intensity of their poverty (A). In other words, $MPI=HxA$. By directly measuring the different types of poverty in each household, the MPI captures how people experience different deprivations simultaneously. See Alkire, Conconi and Seth (2014) 'Multidimensional Poverty Index 2014: Brief Methodological Note and Results', at www.ophi.org.uk/multidimensional-poverty-index.

Oxford Poverty and Human Development Initiative (OPHI)

OPHI is a research centre within the Oxford Department of International Development at the University of Oxford. OPHI is led by Sabina Alkire and works to develop and apply new ways of measuring and analysing poverty, human development and welfare, drawing on the work of Nobel Laureate economist Amartya Sen. Alkire and James Foster (see above) developed the Alkire Foster counting approach to multidimensional measurement, which is used to calculate the MPI as well as to construct national measures of poverty (for example in Mexico, Colombia, Bhutan and the Philippines). For more information about OPHI, please visit www.ophi.org.uk.

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