Summer School on Multidimensional Poverty Analysis

Oxford Poverty & Human Development Initiative, (OPHI), University of Oxford

3–15 July 2017
Marrakech, Morocco
Why Multidimensional (MD) Poverty Measures?

Sabina Alkire,
3 July 2017
‘I live under the roof of falling tiles.’
Bosseut ‘accepted ill-luck serenely, and smiled at the pin-pricks of destiny like a man who is listening to a good joke. He was poor, but his wallet of good-temper was inexhaustible…When adversity entered his room he bowed to his old acquaintance cordially; he tickled catastrophes in the ribs, and was so familiar with fatality as to call it by a nick-name. These persecutions of fate had rendered him inventive …’ (Hugo 2007: ii.136–7).
What is Poverty?

• “you can’t think of the future because you can only see how to survive in the present” (Urban youth, Ecuador)

• “When food becomes scarce, we only eat once a day to allow our children and husbands to eat” (Women, Philippines)

• “Those without money have to wait” (Bangladesh)

• “Our parents did not go to school and so we are poor today. Education can change this.” (Youth, Nigeria)

• “I am afraid that they might kill my son for something as irrelevant as a snack.” (Brazilian woman).

Voices of the Poor: Can Anyone Hear Us? 2000
What is Poverty?

• Poverty consists of many **interlocked dimensions**. [First,] although poverty is rarely about the lack of one thing, the bottom line is **lack of food**. Second, poverty has important **psychological** dimensions such as powerlessness, voicelessness, dependency, shame, and humiliation …Third, poor people lack access to basic **infrastructure**—roads…transportation, and clean water. Fourth …poor people realize that **education** offers an escape from poverty. …Fifth, **poor health and illness** are dreaded almost everywhere as a source of destitution. Finally, the poor people rarely speak of income, but focus instead on managing **assets**—physical, human, social, and environmental—as a way to cope with their vulnerability. In many areas this vulnerability has a **gender** dimension.

Narayan et al. Voices of the Poor: *Can Anyone Hear Us?* 2000
It still matters

88 national consultations
11 thematic consultations
My World survey
7700428 – 7.7 Million Voices (today)

• The survey asks you to vote for 6 out of 16 topics.
• People have clearly said that the fundamental areas covered by the MDGs – education, health, water and sanitation, and gender equality – remain critically important, and not only for people living in poorer countries.
• At the same time, there is a call to strengthen ambition and urgency so as to reach the remainder of the world’s people who are still living with many unacceptable expressions of poverty.
Top priorities:
1. A Good Education
2. Better Healthcare
3. Better Job Opportunities
4. An honest and responsive government
5. Affordable and nutritious food.
Why MD Poverty?

This session will briefly introduce some of the reasons that multidimensional measures of poverty (and well-being) are on the upswing.

In addition to **moral or ethical** motivations, they can be divided into three types:

1. *Technical* – they can be constructed
2. *Empirical* – they add information and value
3. *Policy* – they meet policy demands
Why the new emphasis on measurement?

We can:  
1) Data availability  
2) Computational and Methodological developments  

It adds information:  
3) Monetary and Non-Monetary Household Deprivation Levels  
4) Trends in monetary and non-monetary deprivations  
5) Associations across non-monetary deprivations  
6) Economic Growth and Non-income Deprivations  

It improves action:  
7) National and International policy ‘demand’  
8) Political space for new metrics
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1. Relevant Data are Increasing

- Since 1985, the multi-topic household survey data has increased in frequency and coverage.
- Similarly significant increases have occurred with income and expenditure data, censuses.
- Other data sources can sometimes be merged.
- Technology now exists to process and analyse these data immediately.
1. Relevant Data are Increasing

Alkire ‘Towards frequent and accurate data’ 2016, OPHI RP 43c

Figure 1.

Monetary Surveys
Total Number and Countries Covered

[Graph showing the increase in monetary surveys from 1980 to 2012]
1. Relevant Data are Increasing

Alkire ‘Towards frequent and accurate data’ Oct 2014, OPHI RP 43

**Multidimensional Surveys**
**Total Number and Countries covered**

- **Number of MD surveys**
- **Countries with MD surveys**
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<th>DHS</th>
<th>ILCS</th>
<th>LSMS</th>
<th>MICS</th>
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</table>
Why the new emphasis on measurement?

We can:

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2. Computational and methodological developments

Increases of data availability together with increased computational power have led to the generation of new indices

- HDI, IHDI, Canada Index of Well-being, etc.
- Going Beyond GDP initiative
- Doing Business Index,
- Good Governance, Transparency International, Mo Ibrahim
- Global Peace Index & related,
- SIGI & gender-related
- Social Protection, Global Hunger, Happiness, etc.
2. Computational and methodological developments

The appealing axiomatic properties of new methodologies have created new possibilities as well – for poverty but also other indices.

Several hundred peer reviewed articles cite the AF methodology at present.

Applications of AF go beyond poverty and also include energy, corruption, resilience, time use, well-being, empowerment, health, and so on.

For example: the GNH index of Bhutan is based on (1-M0).
Properties
Properties

• The AF methodology satisfies a number of typical properties of multidimensional poverty measures:
  - Symmetry
  - Scale invariance
  - Normalization
  - Replication invariance
  - Ordinality
  - Poverty Focus
  - Deprivation Focus
  - Weak Monotonicity
  - Weak Deprivation Re-arrangement
  - Dimensional Monotonicity
  - Decomposability
  - Dimensional breakdown.

What are Properties?
Why do they matter?
Properties

• Sen 1976 first introduced the axiomatic method in which authors design poverty measures such that they fulfill certain formal axioms or properties.

• Measures that clearly specify the axioms or properties they satisfy enable the analyst to understand the ethical principles the measures embody and to be aware of the direction of change they will exhibit under certain transformations.

• Often the axioms a measure fulfill are defined and stated (as AF).

• In some cases a characterization is provided, which proves that this and only this class of measure satisfies a set of axioms.

• Note: we use the terms principles and properties interchangeably (they are sometimes also called axioms).

• Note: properties for multidimensional poverty refer to both the identification and the aggregation methods (functional form).
Properties

• It is easiest to see the value of axioms when you see violations of them.
• Example Gini – subgroup decomposability
• Many people feel axioms are ‘common sense’, and don’t realize that you cannot take these things for granted.
• When you see violations you realize how important it is to understand axioms for policy!
• So the place to start is to clarify what you want to be able to assume that the measure will do – how you will use it (policy)
• Then look for a measure that fits – (we say formally, that ‘satisfies those properties’)
• Of course no measure is perfect.
Key Policy Relevant Properties

• The AF methodology provided a methodological advance because it included some past positive properties, and also satisfied two new properties which the headcount ratio does not satisfy.

• **Subgroup decomposability** – Like the unmet basic needs tradition, which used the headcount ratio, \( M_0 \) can be disaggregated by any group for which data are representative.

• **New! Dimensional Monotonicity** – If a poor person becomes deprived in an additional dimension, poverty rises.

• **New! Dimensional Breakdown** – After identification and censoring, \( M_0 \) can be broken down by indicator to show how people are poor.

• **New! Ordinality** – The AF methodology has articulated why it works for ordinary poverty data – many of which are ordinal.
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3. Is income poverty a proxy for key non-income deprivations?

Table 5. Lack of overlaps between monetary and CA poverty

<table>
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<tr>
<th>Capability poverty measured as</th>
<th>Education</th>
<th>Nutrition/health</th>
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<tbody>
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<td></td>
<td>Children</td>
<td>Adults</td>
</tr>
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<td>% of CA poor not in monetary poverty:</td>
<td>India</td>
<td>43</td>
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<tr>
<td></td>
<td>Peru</td>
<td>32</td>
</tr>
<tr>
<td>% of monetary poor not CA poor:</td>
<td>India</td>
<td>65</td>
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<tr>
<td></td>
<td>Peru</td>
<td>93</td>
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</table>

Source: Franco et al. (2002).

3. Income poverty does not closely proxy material deprivations in Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Neither persistently income poor nor deprived</th>
<th>Persistently income poor only</th>
<th>Persistently deprived only</th>
<th>Persistently income poor and deprived</th>
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<tr>
<td>Denmark</td>
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<td>6.9</td>
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<td>The Netherlands</td>
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<td>7.1</td>
<td>7.3</td>
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<td>Portugal</td>
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<td>11.3</td>
<td>12.2</td>
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<td>All</td>
<td>70.7</td>
<td>10.4</td>
<td>9.2</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Source: Whelan Layte Maitre 2004 Understanding the Mismatch between Income Poverty & Deprivation

See Nolan and Whelan 2011 Poverty and Deprivation in Europe for a review of empirical studies across Europe.
3. Income poverty does not closely proxy material deprivations in Europe

In Europe, while 20% of people are persistently income poor, and 20% are persistently materially deprived, ONLY 10% of people are BOTH persistently income poor and materially deprived.

This observation motivated the move in Europe to a multidimensional poverty measure EU 2020. Income doesn’t tell the full story – even of material deprivation in industrial economies.

<table>
<thead>
<tr>
<th>Country</th>
<th>Persistently income poor only</th>
<th>Persistently deprived only</th>
<th>Persistently income poor and deprived</th>
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<td><strong>9.7</strong></td>
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</table>

Source: Whelan Layte Maitre 2004 Understanding the Mismatch between Income Poverty & Deprivation

See also: Nolan and Whelan 2011
3. Monetary poverty: important (can’t be dropped) yet incomplete

Other issues:
• non-sampling measurement error (accuracy)
• time and cost of survey (data collection)
• comparability (rural-urban, international)
• does not show how people are poor
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4. Trends in monetary poverty diverge from non-monetary deprivations


A 2010 chapter by the above authors that reviewed trends in different MDGs 1990-2006 found that the trends of $1/day poverty did not match trends in other MDGs:
Figure 2.3 Heterogeneity across MDGs

Correlation of annual growth rates, 1990–2006

- Growth in poverty headcount ($1, PPP) vs. growth in undernourishment
- Growth in poverty headcount ($1, PPP) vs. growth in underweight
- Growth in poverty headcount ($1, PPP) vs. growth in primary education completion
- Growth in poverty headcount ($1, PPP) vs. growth in ratio of female-to-male enrollments in secondary education
Updated Analysis
Fig 1.1: AFSSRB 2015 plot the absolute trends of $1.25 vs four MDGs 1990-2012:

Panel I – Child Malnutrition

Panel II – Primary Completion Rate

Panel III – Gender Parity

Panel IV – Under Five Mortality Rate

Size of bubble depicts 2000 population
Why the new emphasis on measurement?

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5. Associations across indicators

Can we just choose a non-income indicator as a proxy of the main social deprivations? (empirical question)
Not all deprivations go together

India NFHS data 2005-6 (sub-sample)

child mortality

22.6%

16.8%
of people live in a hh where a child has died only.

5.8%
both

11.8%
of people have no member with 5 years of schooling only

Are they mostly the same people? Less than one-third of the time.
5. Non-income deprivations

India NFHS data 2005-6, MPI set

Another example: mortality and school attendance

Percentage of people living in a hh where a child has died: **25.7%**
Percentage of people living in a hh where a child is not attending school: **21.2%**

Are they mostly the same people? Less than 40% of the time.

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<th>Child mortality</th>
<th>School Attendance</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>Non-depr</td>
<td>Deprived</td>
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<tr>
<td>Non-depr</td>
<td>61.2</td>
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<td>Total</td>
<td>78.8</td>
<td>21.1</td>
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</table>
5. Non-income deprivations

Fig 1.3 – The Importance of Understanding Joint Distribution of Deprivations in Brazil

Panel I
- Shelter
- Child in School
- Running Water
- Income ($2/day)
- Sanitation
- Education of Household

Panel II
- Percentage of Population Deprived
- Number of Deprivations

Source: Battiston et al. (2013)
No ‘bell-weather’ indicator proxies the rest

### Table 1.2 Average deprivation in pairwise indicators across seventy-five developing countries

<table>
<thead>
<tr>
<th>Population deprived in indicator</th>
<th>Years of schooling (%)</th>
<th>School attendance (%)</th>
<th>Child mortality (%)</th>
<th>Under-nutrition (%)</th>
<th>Improved drinking water (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.70</td>
<td>19.30</td>
<td>25.10</td>
<td>31.80</td>
<td>22.00</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of population simultaneously deprived in the column and row indicators

<table>
<thead>
<tr>
<th></th>
<th>School Attendance</th>
<th>Child Mortality</th>
<th>Undernutrition</th>
<th>Improved Drinking Water</th>
<th>Asset Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Attendance</td>
<td>19.30</td>
<td>25.10</td>
<td>31.80</td>
<td>22.00</td>
<td>35.20</td>
</tr>
<tr>
<td>Child Mortality</td>
<td>7.30</td>
<td>6.20</td>
<td>7.80</td>
<td>6.50</td>
<td>12.50</td>
</tr>
<tr>
<td>Undernutrition</td>
<td>8.20</td>
<td>6.20</td>
<td>9.60</td>
<td>6.50</td>
<td>10.70</td>
</tr>
<tr>
<td>Improved Drinking Water</td>
<td>11.40</td>
<td>9.60</td>
<td>11.40</td>
<td>7.70</td>
<td>11.40</td>
</tr>
<tr>
<td>Asset Ownership</td>
<td>8.10</td>
<td>11.40</td>
<td>16.20</td>
<td>8.10</td>
<td>16.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Aren’t deprivations highly associated? Empirically, in fact, no.

### Average Deprivation in Pair-wise Indicators across 101 Developing Countries

<table>
<thead>
<tr>
<th>Population deprived in each indicator</th>
<th>Years of schooling</th>
<th>School attendance</th>
<th>Child Mortality</th>
<th>Nutrition</th>
<th>Electricity</th>
<th>Sanitation</th>
<th>Drinking Water</th>
<th>Floor</th>
<th>Cooking Fuel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of schooling</td>
<td>14%</td>
<td>14%</td>
<td>17%</td>
<td>27%</td>
<td>22%</td>
<td>40%</td>
<td>26%</td>
<td>27%</td>
<td>53%</td>
</tr>
<tr>
<td>School attendance</td>
<td>14%</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Child Mortality</td>
<td>17%</td>
<td>27%</td>
<td>8%</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
<td>21%</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>40%</td>
<td>40%</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Electricity</td>
<td>5%</td>
<td>4%</td>
<td>27%</td>
<td>27%</td>
<td>9%</td>
<td>9%</td>
<td>22%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Sanitation</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>17%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>8%</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
<td>12%</td>
<td>14%</td>
<td>21%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Floor</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
<td>19%</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>Cooking Fuel</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Percentage population simultaneously deprived in the column and row indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Own calculations using the proportion of pairwise simultaneous deprivation by country and multiplying this by the country population. Then, population suffering each pairwise deprivation was obtained among 101 countries. The proportion expressed in this table has the 5.2 billion population in 2011 as a denominator.
5. Non-income deprivations

Fig 1.2 – Trends in MDGs vary by indicator

Why the new emphasis on measurement?

We can:

1) Data availability
2) Computational and Methodological developments

It adds information:

3) Monetary and Non-Monetary Household Deprivation Levels
4) Trends in monetary and non-monetary deprivations
5) Associations across non-monetary deprivations
6) Economic Growth and Non-income Deprivations
7) Levels and trends of Income Poverty & MPI

It improves action:

8) National and international ‘demand’
9) Political space for new metrics
6. Growth? Claims are strong

2008 Growth Commission

“Growth is not an end in itself. But it makes it possible to achieve other important objectives of individuals and societies. It can spare people en masse from poverty and drudgery. Nothing else ever has.”
6. Growth Commission

The Growth Commission 2008 generated a nuanced set of observations on sustained economic growth based on case studies of countries that had 7% growth for over 25 years.

Yet alongside great gains, after 25 years of growth:
- In Indonesia, 28% of children under five were still underweight and 42% were stunted
- In Botswana, 30% of the population were malnourished, and the HDI rank was 70 places below the GDP rank.
- In Oman, women earned less than 20% of male earnings.

Yet some other countries with lower growth had made greater progress in social indicators.
India: strong economic growth since 1980s.
6. Economic Growth and Non-income Deprivations

Table 1.1 Comparison of India’s Performance with Bangladesh and Nepal

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>India</th>
<th>Bangladesh</th>
<th>Nepal</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (PPP, constant 2005 international $)</td>
<td>1990</td>
<td>1,193</td>
<td>741</td>
<td>716</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,203</td>
<td>1,569</td>
<td>1,106</td>
</tr>
<tr>
<td>Growth (p.a.)</td>
<td></td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Under-5 Mortality Rate</td>
<td>1990</td>
<td>114</td>
<td>139</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>61</td>
<td>46</td>
<td>48</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>-53</td>
<td>-93</td>
<td>-87</td>
</tr>
<tr>
<td>Maternal Mortality Ratio</td>
<td>1990</td>
<td>600</td>
<td>800</td>
<td>770</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>200</td>
<td>240</td>
<td>170</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>-400</td>
<td>-560</td>
<td>-600</td>
</tr>
<tr>
<td>Infant Immunization (DPT) (%)</td>
<td>1990</td>
<td>59</td>
<td>64</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>72</td>
<td>96</td>
<td>92</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>13</td>
<td>32</td>
<td>48</td>
</tr>
<tr>
<td>Female Literacy Rate, Age 15-24 Years (%)</td>
<td>1990</td>
<td>49</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>74</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>25</td>
<td>40</td>
<td>45</td>
</tr>
</tbody>
</table>

6. Growth? Claims are strong…and debated


‘The correlation between growth in GDP per capita and improvements in non-income MDGs is practically zero, . . . [thereby confirming] the lack of a relationship between those indicators and poverty reduction. Because it would be hard to believe that information on nonincome MDGs is so badly affected by measurement error that it is pure noise, this lack of a relationship reflects some relative independence among policy instruments governing progress in the various MDGs. Furthermore, it highlights substantive differences in country policies and circumstances that may affect the relationship between these policies. This interesting finding suggests that economic growth is not sufficient per se to generate progress in nonincome MDGs. Sectoral policies and other factors or circumstances presumably matter as much as growth.’
Why the new emphasis on measurement?

We can:  
1) Data availability 
2) Computational and Methodological developments 

It adds information:  
3) Monetary and Non-Monetary Household Deprivation Levels 
4) Trends in monetary and non-monetary deprivation 
5) Associations across non-monetary deprivations 
6) Economic Growth and Non-income Deprivations 
7) Levels and trends of Income Poverty & MPI 

It improves action:  
8) National and international ‘demand’ 
9) Political space for new metrics
We undertake various comparisons:

- Headcount ratio of MPI and income poverty
- Trends in H of MPI and income poverty
- Concordance of who is poor by income and MPI based on micro-data
- Rates of growth and rates of MPI reduction.
In Bhutan: Gasa, the poorest district by national MPI, is not income poor

Figure 3.1: Comparison between Multidimensional Poverty and Income Poverty by Dzongkhag
Comparing the Headcount Ratios of MPI Poor and $1.90/day Poor

Percentage of people who are:
- **MPI Poor**
- **$1.90/day Poor (closest to MPI survey)**
6. Income & AF MPIs

$1.25/poverty and MPI headcount ratios do not trend together

(Alkire Roche Vaz 2016)
Absolute reduction in **monetary** poverty rates across India states

![Graph showing monetary poverty headcount ratio (MHR) in 1993/94 for various Indian states.](image)

**Monetary Poverty Headcount Ratio (MHR) in 1993/94 (in Percentage Points)**

Absolute reduction in **MPI** poverty rates across Indian states

![Graph showing absolute change in multidimensional headcount ratio (H) in 1999.](image)

**Multidimensional Headcount Ratio (H) in 1999 (in Percentages)**

**Alkire & Seth 2014**
12% of people are income poor
12.7% of people are MPI poor
3.2% are poor by both measures.
Does Income poverty proxy MPI?

China CFPS 2012

15.0% Income poor
5.4% MD poor
5.4% MPI poor
2.2% Overlap

<table>
<thead>
<tr>
<th></th>
<th>H</th>
<th>Confidence Interval (95%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPI poor</td>
<td>5.4%</td>
<td>4.1% - 6.8%</td>
</tr>
<tr>
<td>Income poor</td>
<td>15.0%</td>
<td>13.5% - 16.4%</td>
</tr>
<tr>
<td>Overlap</td>
<td>2.2%</td>
<td>1.1% - 3.3%</td>
</tr>
</tbody>
</table>

Alkire & Shen 2017. Review of Economic Inequality
6. Is growth a better proxy?

Growth and MPI across Indian States

- Alkire and Seth
- Asian Development Bank forthcoming

Growth Rate of Per-capita SDP

Percentage Change in MPI

- Madhya Pradesh
- Bihar
- Rajasthan
- Uttar Pradesh
- Assam
- Nagaland
- West Bengal
- Meghalaya
- Orissa
- Himachal Pradesh
- Haryana
- Tamil Nadu
- Sikkim
- Tripura
- Jammu & Kashmir
- Orissa
- Punjab
- Meghalaya
- Mizoram
- Goa
- Manipur
- Jammu & Kashmir
- Karnataka
- Maharashtra
- Karnataka
- Andhra Pradesh
- Kerala
- Odisha
- West Bengal
- Gujarat

-11.0%
-9.0%
-7.0%
-5.0%
-3.0%
-1.0%
-0.0%
+1.0%
+3.0%
+5.0%
+7.0%
+9.0%
+11.0%

0.0% 2.0% 4.0% 6.0% 8.0%
Why the new emphasis on measurement?

*We can:*  
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2) Computational and Methodological developments

*It adds information:*  
3) Monetary and Non-Monetary Household Deprivation Levels  
4) Income poverty trends  
5) Associations across non-monetary deprivations  
6) Economic Growth and Non-income Deprivations

*It improves action:*  
7) National and international ‘demand’  
8) Political space for new metrics
60+ countries - including:
- The New York Times (US)
- TIME Magazine (US)
- Xinhua (China)
- Al Jazeera (Qatar)
- The Hindu (India)
- Dawn (Pakistan)
- BBC (UK)
- The Daily Nation (Kenya)
- Agence France Presse (France)
- The Wall Street Journal (US)
- The Economist (UK)
- The Cape Times (South Africa)
- The Australian (Australia)
- The Guardian (UK)
- The Financial Times (UK)
- Radio Netherlands

- The Huffington Post (US)
- Foreign Policy (US)
- The Hindu (India)
- Christian Science Monitor (US)
- The Globe and Mail (Canada)
- The Times of India (India)
The Global Multidimensional Poverty Peer Network (Global MPPN)

launched 6 June 2013, Oxford

Angola, Bhutan, Brazil, Chile, China, Colombia, ECLAC, Ecuador, El Salvador, Dominican Republic, Germany, India, Iraq, Malaysia, Mexico, Morocco, Mozambique, Nigeria, OECD, the Organization of Caribbean States, OPHI, Peru, Philippines, SADC, and Vietnam
The Multidimensional Poverty Peer Network

Launched in June 2013 at University of Oxford with:

• President Santos of Colombia
• Ministers from 16 countries in person
• A lecture from Professor Amartya Sen
• A South-South network of peers, aiming to:
  • Strengthen and advance national MPIs (in SDGs)
  • Promote Global MPI (also in SDGs)
  • Invest in underlying research

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)
# High Level Side Events

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
</table>

- **UN Statistical Commission**
- **UN General Assembly**

**Heads of Statistics**

**Heads of State and Ministers**
Over 20 governments pressure UN to change how it measures poverty

Germany, Colombia and Mexico lead calls for a new poverty measure at side-event at the UN General Assembly on the Post-2015 Development Agenda

A global network of more than 20 governments and institutions are using a side-event at the UN General Assembly on 24 September to argue for a new multidimensional poverty index to stand alongside an income poverty measure. Why? Focussing on ending income poverty alone in the post-2015 development context overlooks policies that address other aspects of being poor, such as a lack of access to healthcare, quality schooling, housing, electricity and sanitation. Research by the Oxford Poverty and Human Development Initiative (OPHI) at Oxford University, among others, shows startling discrepancies between income poverty and multidimensional poverty, which takes into account other factors. The Multidimensional Poverty Peer Network – which was founded by Colombia, Mexico and OPHI – will use the side-event to make a case for the UN to include a multidimensional poverty index, or MPI, alongside the $1.25/day measure, to track progress towards nationally defined goals.
MPPN Second Meeting Berlin 2014
32 member countries + 10 agencies

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)
25 Sept 2014 UNGA Side event

• Mexico, Colombia, Costa Rica, Ecuador, S. Africa, Ecuador, Seychelles, China, Nigeria, Indonesia, Honduras, OPHI, DR, & Germany

• Effectiveness of National MPIs
• Importance of defining poverty as multidimensional
• Promote a Global MPI 2015+ in the SDGs

(300 participants)
UN Statistics Commission Mar 2015

OPHI and MPPN host UN side-event on multidimensional poverty measurement

OPHI and the Multidimensional Poverty Peer Network—a group of senior representatives from over 40 governments and international institutions—hosted a special side-event on multidimensional poverty measurement at the 46th session of the UN Statistical Commission on Monday 2 March 2015.

The side event, which was standing-room only, highlighted how multidimensional poverty measurement can help to ‘end poverty in all its forms everywhere’—a key component of the first goal of the final Open Working Group proposal for the Sustainable Development Goals (SDGs) and of the Secretary General’s Synthesis report.

Featuring presentations by eminent panellists and discussion among all participants, the event demonstrated how national MPIs and an improved Global Multidimensional Poverty Index (the MPI 2015+), supported by a data revolution, can help to eradicate extreme poverty post-2015 as part of the core poverty indicators of the SDGs.
MPPN: Cartagena June 2015 (40 countries)
27 Sept 2015: Side-Event at UNGA

- H.E. Mr. Luis Guillermo Solís Rivera, President of Costa Rica
- H.E. Mr. Tshering Tobgay, Prime Minister of Bhutan
- H.E. Mr. Juan Orlando Hernández, President of Honduras
- H.E. Mr. Kenny Anthony, Prime Minister of Saint Lucia
- H.E. Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs, UN, delivering a message of the UN Secretary General

Plus 15 speakers from Philippines, Colombia, South Africa, Ecuador, Vietnam, Chile, Islamic Development Bank, Georgia, Panama, Arab League, Senegal, USAID, UNESCWA, Germany, and Mexico
Heads of Statistical Offices presented:

- Mauricio Perfetti, Colombia
- José Rosero, Ecuador
- Julio Santaella, Mexico
- Aboubacar Sedikh Beye, Senegal
- Pali Lehohla, South Africa (Chair)
- Hedi Saidi, Tunisia
- Sabina Alkire, Oxford & GW

Reflections from the floor were offered by chief statisticians in Cuba, Egypt, Peru, Philippines, Morocco, and by Martin Evans at UNICEF.
16 speakers from South Africa, Honduras, Colombia, St Vincent and the Grenadines, Costa Rica, Seychelles, Bangladesh, Philippines, Colombia, Tanzania, Ecuador, Mexico, World Bank, Islamic Development Bank, UNDP, UNICEF shared their passion to fight poverty in all its forms and dimensions, moderated by OPHI.

- South Africa called for **Restless Commitment**.
- Honduras’ President called for **an Alliance to leave no one behind**.
- Colombia’s President said their **MPI helped coordinate effective action**.
- Philippines’ Secretary showed the MPI as a **target** in their **National Plan**.
- Ecuador’s Minister showed how multidimensional poverty fits their **cosmovision**.
- UNICEF observed that **child poverty is inherently multidimensional**.
- Islamic Development Bank seeks to reduce MPI in its member countries.
- The World Bank signalled **interest in many countries** in joining this work.
MPPN 4th meeting, Acapulco, Mexico. November 2016: 45 countries (36 present) 8 new countries since November.
Heads of Statistical Offices presented:

• Mauricio Perfetti, Colombia
• David Vera, Ecuador
• Lisa Bersales, Philippines
• Pali Lehohla, South Africa (Chair)
• Sabina Alkire, Oxford

Other speakers included: Egypt, Tunisia, Uganda, UNICEF, ECLAC.
Why the new emphasis on measurement?

We can:  

1) Data availability  
2) Computational and Methodological developments

It adds information:  
3) Monetary and Non-Monetary Household Deprivation Levels  
4) Income poverty trends  
5) Associations across non-monetary deprivations  
6) Economic Growth and Non-income Deprivations

It improves action:  
7) National and international ‘demand’  
8) Political space for new metrics
Why measure MPI in the SDGs?

To strengthen policies that fight poverty

In particular, MPI supports these SDG priorities

- Integrated, coordinated policy (break Silos)
- Inclusiveness (disaggregation by groups)
- Universality (acute & moderate poverty)
- Data Revolution (do-able, adds value)
- Global Monitoring (complement $1.25)
The 17 SDGs

Goal 1  End poverty in all its forms everywhere
Goal 2  End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3  Ensure healthy lives and promote well-being for all at all ages
Goal 4  Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5  Achieve gender equality and empower all women and girls
Goal 6  Ensure availability and sustainable management of water and sanitation for all
Goal 7  Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9  Build resilient infrastructure, promote inclusive & sustainable industrialization and foster innovation
Goal 10  Reduce inequality within and among countries
Goal 11  Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12  Ensure sustainable consumption and production patterns
Goal 13  Take urgent action to combat climate change and its impacts*
Goal 14  Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15  Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16  Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17  Strengthen the means of implementation and revitalize the global partnership for sustainable development
The 17 SDGs

1. Poverty
2. Hunger & Nutrition
3. Health & Well-being
4. Education & Learning
5. Gender & Empowerment
6. Water & Sanitation
7. Energy
8. Growth & Decent Work
9. Infrastructure & Innovation
10. Inequality
11. Urban areas
12. Sustainable consumption & production
13. Climate Change
14. Oceans & Seas
15. Ecosystems & Biodiversity
16. Peace & Justice
17. Global Partnership
July 19 2014: Open Working Group

The OWG included Multidimensional Poverty as Target 2 of its Goal 1 ‘End Poverty in All its Forms’.

SDG 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
2.1 Shared ambitions for a shared future:
50. All contributions underlined that we should continue the march of the MDGs. But they have also stressed that Member States will need to fill key sustainable development gaps left by the MDGs, such as the multi-dimensional aspects of poverty, decent work for young people, social protection and labour rights for all.

4.1 Financing our future:
100. Levels of concessionality should take into account different development stages, circumstances and multiple dimensions of poverty, and the particular type of investment made.

5.1 Measuring the new dynamics:
135. Member States have recognized the importance of building on existing initiatives to develop measurements of progress....These metrics must be squarely focused on measuring social progress, human wellbeing, justice, security, equality, and sustainability. Poverty measures should reflect the multi-dimensional nature of poverty.
A resolution of the UNGA (A/RES/69/238) on 19 December 2014 reasserted the need for a global MPI as a necessary conceptual framework for the global community to measure and tackle extreme poverty.

5. [UNGA] Underlines the need to better reflect the multidimensional nature of development and poverty, as well as the importance of developing a common understanding among Member States and other stakeholders of that multidimensionality and reflecting it in the context of the post-2015 development agenda, and in this regard invites Member States, supported by the international community, to consider developing complementary measurements, including methodologies and indicators for measuring human development, that better reflect that multidimensionality.
Preliminary List of Proposed Indicators Feb 2015: included MPI

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

1.2.1 Multidimensional Poverty Index (MPI) disaggregated by sex and age group (UNDP, WB)

1.2.2. Proportion of population living below national poverty line, disaggregated by sex and age group (UNDP, WB)

Source: Various household surveys such as Household Budget Survey, Demographic Health Surveys, Multiple Indicators Cluster Surveys, and Welfare Monitoring Surveys. The information is consolidated by National statistical offices, UNDP, WB and UNDESA

Comment: For MPI data collection, current capacity of countries is uneven and will need to be strengthened. If the indicator is created on individual characteristics like age, sex, and ethnicity, individual-unit record data will be needed.
119. We further call on the United Nations, in consultation with the IFIs to develop transparent measurements of progress on sustainable development that complement GDP, building on existing initiatives. These should recognize the multi-dimensional nature of poverty and the social, economic, and environmental dimensions of domestic output. We will also support statistical capacity building in developing countries. We agree to develop and implement tools to monitor sustainable development impacts for different economic activities, including for sustainable tourism.

In reports issued in November 2014, February and May 2015, the SDSN presents the MPI as Indicator 3 of Goal 1 (“End poverty in all its forms everywhere”).

Indicator 3: Multidimensional Poverty Index: To ensure our conceptualization of multidimensional poverty is firmly rooted in the Open Working Group Outcome Document and proposed SDGs, we support the creation of a revised MPI. At a minimum this “MPI2015” would track extreme deprivation in nutrition, health, education, water, sanitation, clean cooking fuel and reliable electricity, to show continuity with MDG priorities… We therefore propose using the Alkire and Foster method of calculation, and setting a threshold of multiple deprivations, to determine who is or is not considered poor.

- 9 indicators – dropping flooring.
MEASURING VISION 2063 TOWARDS SUSTAINABLE DEVELOPMENT IN AFRICA
A costed Strategy for Harmonisation of Statistics in Africa (SHaSA)

Adopted in Pretoria, May 2015

Compiled by:

Heads of National Statistics Offices of African countries
African Union Commission
United Nations Economic Commission for Africa
African Development Bank
African experts and elders
Young African Statisticians

Objective: to provide the African Statistical System with a robust framework for providing harmonised and quality statistics for the design and implementation as well as monitoring and evaluation of integration and development policies as well as development programmes in Africa.
<table>
<thead>
<tr>
<th>SDG Goal</th>
<th>SDG Target</th>
<th>SDG Indicator</th>
<th>Data sources</th>
<th>Agenda 2063 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG GOAL 1: End poverty in all its forms everywhere in the world</td>
<td>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day</td>
<td>The share of the population living on less than $1.25 (PPP) a day.</td>
<td>LCS</td>
<td>AIA Goal 1: A High Standard of Living, Quality of Life and Well Being for All</td>
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<td>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</td>
<td>Poverty gap index (income)</td>
<td>LCS</td>
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<td>Multidimensional poverty index</td>
<td>GHS/LCS</td>
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<td>The share of the population below the national poverty line.</td>
<td>LCS</td>
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<td>share of the population living between the poverty line and the 1.5 times the national poverty line.</td>
<td>LCS</td>
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<td></td>
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<td>Poverty gap index (consumption)</td>
<td>LCS</td>
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</tbody>
</table>
**Transforming Our World – SDGs**

**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.

**Preamble Sept 2015:**
The interlinkages and integrated nature of the Sustainable Development Goals are of crucial importance.

**Preamble.** We recognise that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.
MPI in the SDGs: National Poverty Measures

Of all the SDG indicators, National governments are custodians *only* for 1.2.1 and 1.2.2 – poverty related ones.

- 1.2.1 is National Income Poverty
- 1.2.2 is Multidimensional Poverty

Many countries are reporting their national MPIs - or the global MPI if they do not yet have a national MPI – or both if they want to halve the global MPI but report the national one also.
The October 2016 Atkinson Commission report endorsed the use of multiple monetary poverty measures for policy.

It also called for a global Multidimensioned Poverty Index and the regularized reporting of non-monetary indicators of poverty.

**Recommendation 19:** The Complementary Indicators should include a multidimensioned poverty indicator based on the counting approach.

Recommendation 19 among others was accepted by Chief Economist & colleagues in ‘Cover Note’ 10/16
Why the new emphasis on measurement?

We can:  
1) Data availability  
2) Computational and Methodological developments

It adds information:  
3) Monetary and Non-Monetary Household Deprivation Levels  
4) Income poverty trends  
5) Associations across non-monetary deprivations  
6) Economic Growth and Non-income Deprivations

It improves action:  
7) National and International ‘demand’  
8) Political space for new metrics
Thanks!