The Multidimensional Poverty Index & the Millennium Development Goals: Showing Interconnections

Sabina Alkire, November 2010

"Human lives are battered and diminished in all kinds of different ways, and the first task… is to acknowledge that deprivations of very different kinds have to be accommodated within a general overarching framework"

Amartya Sen 2000

The MPI: A High Resolution Lens

In July 2010, the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme's Human Development Report released a new international measure of poverty – the Multidimensional Poverty Index (MPI). What is distinctive about the MPI is that it reflects the disadvantages that a poor person experiences at the same time. The MPI identifies overlapping deprivations across three dimensions: health, education and living standards, using indicators that are mostly related to the MDGs. A person is MPI poor if and only if they are deprived in 30% of dimensions.

The MPI could add value to the MDGs discussions. The MDG indicators show us the percentage of people who are malnourished, and the rate of child mortality and many other things – but not how the deprivations overlap. If 20% of people are malnourished and 20% of children are out of school, it would be useful to know if these deprivations affect the same families or different ones. With the MPI, we can answer this - not for all MDG indicators, but it's a start.

If we know someone is multidimensionally poor, we can unpack the MPI to see *how* they are poor. That is why we refer to the MPI as a high resolution lens: you can zoom in and see more. The overall MPI can be broken down, revealing the overlapping needs of multiply deprived families and communities across a range of indicators which so often have been presented in isolation. This can help policymakers to see where challenges lie and what needs to be addressed.

The MPI Reflects Interconnected Dimensions of Poverty

The 2001 UN *Roadmap towards the Implementation of the MDGs* stated that "all the issues around poverty are interconnected and demand crosscutting solutions" (p 3). The new Multidimensional Poverty Index (MPI) identifies people who are deprived in several basic MDG-related indicators at the same time. National or goal-specific adaptations of the measure can also be constructed.

The Millennium Development Goals (MDGs) recognise many dimensions of poverty, have increased comparable international data related to the goals and targets, provided feedback on development outcomes, galvanised political will and civil society engagement in many contexts, and created incentives to address core deprivations.

The goal from 2010-2015 is to accelerate progress. One key way to accelerate progress is to address the multiple deprivations that people experience at the same time, synergistically.

## Acceleration Tool: Identify Overlapping Deprivations

The UNDP's 2010 assessment of '*What it would take to reach the Millennium Development Goals*' draws on stories of success in 50 countries. Its first key message is that policies need to address multiple deprivations together because they are interconnected: "acceleration in one goal often speeds up progress in others…. Given these synergistic and multiplier effects, all the goals need to be given equal attention and be achieved simultaneously." With the MPI and related measures, one can indeed identify people who are deprived in some, most, or even all indicators.

An Example of Interlocking Deprivations: Stéphanie

Stéphanie is 35 years old and lives in one of the poorest districts of Antananarivo, Madagascar. She lives in a small makeshift dwelling, with a dirt floor and without water or electricity, with her four children and one grandchild. As the main breadwinner, Stéphanie sells recycled rubbish, such as plastic bottles, cans, shoes, and cloth. None of her family has completed five years of schooling, one child is malnourished, and the family are deprived in five standard of living indicators, as the shaded boxes of the diagram show. Stéphanie's main goal for the future is to help her children to succeed. She wishes to leave the district to change their lives.
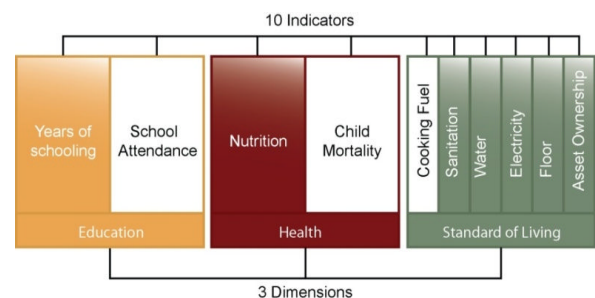
Uncovering High Impact Pathways

A key question is which policies and sequence of interventions would accelerate progress towards the MDGs most. Analysis of the MPI across time can generate insights into four issues:

1. **Some MDG indicators are means to other MDGs**. Achievement in one indicator may improve achievement in another indicator. For example, reducing the incidence of malaria would be an achievement in itself. Reducing malaria may enable people to work, so may affect income, standard of living, or nutritional status.

2. **Interventions affect multiple MDGs**. Many interventions aim to support multiple outcomes. For example, a free or subsidised meal scheme addresses a child's nutritional needs, provides an incentive for girls to attend school, and breaks down social barriers.

3. **Process interventions affect MDGs**. Indirect interventions – for example capacity building, or women's empowerment – may in turn affect the MDGs significantly.

4. **The inter-relationships evolve over time**. The salient 'interconnections' between variables – whether they are the ripple effects of an improvement in one MDG indicator on others or the effect of indirect interventions – vary over time; we need to identify and predict how this happens.

Contextualised case studies of multidimensional poverty dynamics using the MPI and related measures can clarify interconnections among variables, and help identify cost effective policy sequences – high impact pathways – that produce lasting results.

Reporting Conventions: People not Countries

Finally, the 2010 MPI analysis focuses on people rather than countries. Many MDG reports identify the percentage of countries that are 'on target' to meet the MDGs, but they often do not report the *number of people* who are deprived – although the MDGs were deemed feasible at a global not national level. This matters. National reporting is done so that small countries are tracked not dwarfed – understandably. But the effect of reporting *only* the percentage of

countries on target creates other distortions. India has 3,000 times as many people as the Maldives, but each contribute equally as one South Asian country. In effect, this means that each Indian citizen's life is weighted 1/3000th as much as a citizen of the Maldives. Yet in a human rights-based approach, every human life is to be given equal concern. For this reason, our analysis of the MPI in 104 developing nations emphasizes the *number of people* whose lives are diminished by multiple deprivations. Naturally, we also report the percentage of people in different countries who are deprived and the intensity of their poverty, as these data are essential to incentivize and celebrate progress. Both kinds of information are required. For example, Figure 1 shows the relationship between the percentage of people living in MPI poverty and the percentage of people living in extreme income poverty, with the size of each bubble representing the number of MPI poor people in each country. The countries that are home to the greatest number of MPI poor people fall in the middle of the scale in terms of the percentage incidence.
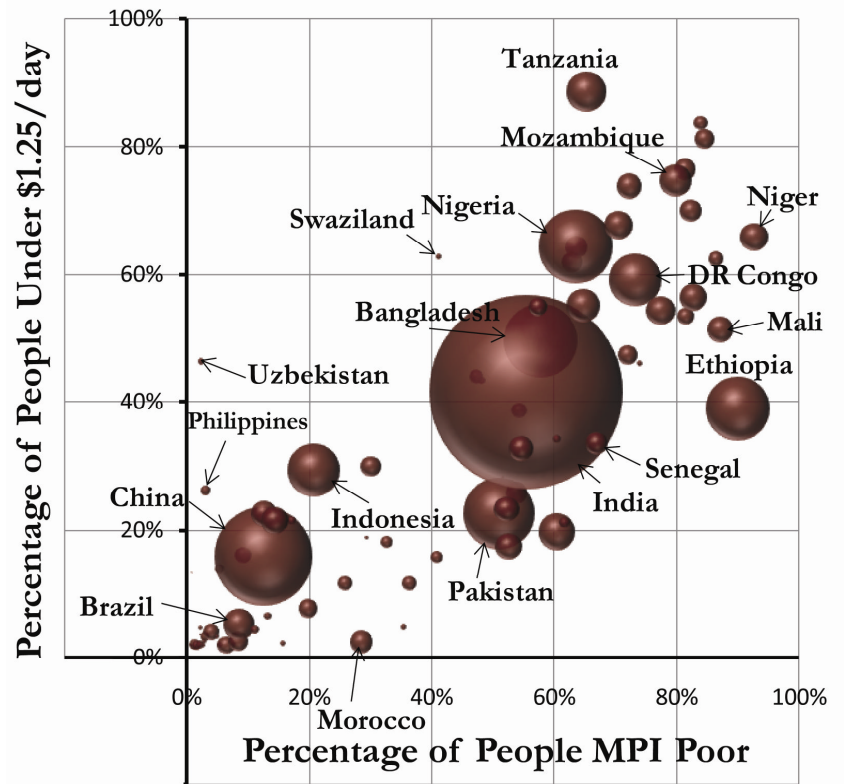

Figure 1: Relationship between the percentage of people living in MPI poverty and the percentage of people living on less than $1.25 a day. *The size of each bubble represents the number of MPI poor people living in each country.*