Side Event on Multidimensional Poverty

11-12:15, 2 March 2015

Hosted by MPPN & OPHI

www.ophi.org.uk
In the SDGs: Poverty is Multidimensional

UNSG Synthesis Report Dec 2014:

2.1 Shared Ambitions: ... Member States will need to fill key sustainable development gaps left by the Goals, such as the multidimensional aspects of poverty

5.1 Measuring the new dynamics ... Poverty measures should reflect the multi-dimensional nature of poverty.

Sixty-Ninth Session of the UN General Assembly Dec 2014. (A/RES/69/238)

5. Underlines the need to better reflect the multidimensional nature of development and poverty...

Open Working Group Goal 1 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.
Multidimensional Poverty Measurement and Analysis

Sabina Alkire, James Foster, Suman Seth, Maria Emma Santos, Jose Manuel Roche, and Paola Ballon

Comprehensive survey of methods used for measuring multidimensional poverty
Illustrates state-of-the-art of quantitative techniques used in multidimensional poverty studies
A unique guide to viewing poverty through a multidimensional lens

multidimensionalpoverty.org
Multidimensional Measurement Methods:

Multidimensional Poverty Measurement and Analysis

Sabina Alkire, James Foster, Suman Seth, Maria Emma Santos, Jose Manuel Roche, and Paola Ballon

Comprehensive survey of methods used for measuring multidimensional poverty

Illustrates state-of-the-art of quantitative techniques used in multidimensional poverty studies

A unique guide to viewing poverty through a multidimensional lens

multidimensionalpoverty.org
The MPI as a tool for the SDGs

- Interlinkages
- Inclusiveness
- Universality
Select Indicators, Cutoffs, Values

Build a deprivation score for each person
Select Indicators, Cutoffs, Values

**Example:** A person is multidimensionally poor if they are deprived in 33% or more of the dimensions.

Identify who is poor

$k = 33\%$

Build a deprivation score for each person
1. Select Indicators, Cutoffs, Values

2. Build a deprivation score for each person

3. Identify who is poor

$k = 33\%$
The MPI (Alkire-Foster)

The MPI is the product of two components:

\[ \text{MPI} = H \times A \]

1) **Incidence** ~ *H* ~ the percentage of people who are poor.
2) **Intensity** ~ *A* ~ the average percentage of dimensions in which poor people are deprived

The MPI is can be decomposed by **groups** & broken down by **indicators**

Alkire and Foster *Journal of Public Economics* 2011
Headline results
Disaggregated Data

Cameroon

Afghanistan
How people are poor

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Censored Headcount Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Years of Schooling</td>
<td></td>
</tr>
<tr>
<td>School Attendance</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Child Mortality</td>
<td></td>
</tr>
<tr>
<td>Nutrition</td>
<td></td>
</tr>
<tr>
<td>Living Standards</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td></td>
</tr>
<tr>
<td>Drinking Water</td>
<td></td>
</tr>
<tr>
<td>Flooring</td>
<td></td>
</tr>
<tr>
<td>Cooking Fuel</td>
<td></td>
</tr>
<tr>
<td>Asset Ownership</td>
<td></td>
</tr>
</tbody>
</table>

% of Population
We also have trial measures over time for 31 European countries 2006-2012 (Alkire Apablaza & Jung 2014)

Measure 1 $k=26\%$

Measure 2 $k=21\%$

Measure 3 $k=34\%$
Our European measures can be gender disaggregated

Women *always* have higher deprivations in education and health.
Multidimensional Poverty Reduction in the SDGs

- Support National MPIs that inform powerful policies

- Construct an improved Global MPI 2015+ that reflects advances in the SDGs

- Strengthen the data sources for the Global MPI 2015+