



POLICY BRIEF

# INSIGHTS FOR POLICYMAKING FROM THE MULTIDIMENSIONAL POVERTY INDEX

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## ABSTRACT

A multidimensional poverty index (MPI) provides a headline figure of the level of poverty across multiple deprivations, which is broken down by indicator and disaggregated by population groups to inform action. This briefing covers the two main kinds of MPIs: global and national. The global MPI, first developed by the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP) for inclusion in the 2010 Human Development Report, receives annual updates. It presents an international measure of acute poverty covering simultaneous deprivations in 10 indicators related to health, education, and living standards. National MPIs are official permanent statistics<sup>1</sup> that complement monetary poverty and inform public actions for national governments across Asia, Africa and Latin America. National MPIs use indicators that reflect the context and priorities of that country. This document reviews multidimensional poverty in the Asia and the Pacific Region using the global MPI, which allows comparisons across countries. It then introduces the national MPIs in the region and examines how these identify the most vulnerable people, reveal poverty patterns within countries and over time, and enable policymakers to more effectively target resources and design policies.

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<sup>1</sup> Official statistics are computed regularly, using national or internationally comparable survey data and updated by a designated institution, often the National Statistics Office. Poverty statistics, both monetary and multidimensional, should be permanent and independent. The custom is to update their design (poverty lines, indicators) every decade and, in the year of updating, provide both the old and new estimates for transparent comparability.

## TABLE OF CONTENTS

Acknowledgements	4
Introduction	5
Multidimensional poverty in the Asia and Pacific Region	8
How many and how poor? Measuring the extent and intensity of poverty	8
Three poverty lines	10
Where do they live?	10
How are they poor, according to each indicator?	11
Inequalities within countries: Disaggregation by age and geographic regions	12
Leaving no one behind: Reducing poverty	13
From global to national	15
National MPIs and policy	16
The national MPI as a measurement tool	16
The national MPI as a policy tool	18
The national MPI as an SDG reporting tool	23
Conclusion	24
List of Boxes	25
List of Figures	25
List of Tables	25
References	25
About the Authors	26

## ACKNOWLEDGEMENTS

This research applies the global Multidimensional Poverty Index (MPI) 2020 microdata and conducts analysis for 20 countries included in the 2020 global MPI database. The microdata were cleaned, standardized, and produced for further analysis by Alkire, Kanagaratnam and Suppa (2020). The microdata harmonization formed part of the global MPI 2020 project that tracked changes over time in 80 countries (Alkire et al., 2020a). We are thankful to Usha Kanagaratnam and Nicolai Suppa, as well as Fanni Kovessi, Corinne Mitchell, Monica Pinilla-Roncancio and Sophie Scharlin-Pettee for their tremendous work in preparing the data we analysed. We are grateful to Christian Oldiges and Ross Jennings for comments.

## INTRODUCTION

The human development approach is holistic and freedom-based, reflecting the richness of human lives. Human development aims to expand all people’s freedoms by directly enhancing human capabilities and creating conditions for decent and fulfilling lives. The global **multidimensional poverty index (MPI)** identifies and profiles the situations of those who face acute deprivations in three foundational aspects of human development: **health, education and standard of living** (Box 1). The human development approach and the reduction of multidimensional poverty share common roots in Amartya Sen’s capability approach and theory of development as freedom and draw upon three fundamental features: **people, participation and policy**.

**People.** The human development approach emerged out of an understanding that economic or monetary indicators do not sufficiently measure progress in human flourishing; they do not reflect the richness of people’s lives and the diversity of their well-being. Drawing on Sen’s capability approach, the objective became the expansion of human freedom and reduction of disadvantages of many kinds. In other words, development aims to improve and enlarge human capabilities, along with actual achieved levels of well-being (Deneulin, 2004, p.26). The assessment criteria reflect “the things people can do and be in their lives, now and in the future” – or what Sen called ‘functionings’ or ‘beings and doings’ (Deneulin, Shahani and International Development Research Centre, 2009, p.23). This means that **human development is inescapably multidimensional** (Sen, 2000).

**Participation and empowerment.** Participation serves as a key principle of the human development approach, as articulated by Mahbub ul Haq (Deneulin, 2004). Amartya Sen argues that people should be not seen as patients or beneficiaries of development, but as active agents, both as groups and individuals (Sen, 1985; Sen, 2001). The human development approach seeks to **empower and support people as agents who determine their own life and the life of their communities** (Deneulin, Shahani and International Development Research Centre, 2009).

Participation and empowerment also have an instrumental role in poverty reduction. Indeed, the “Moving Out of Poverty Study” interviewed persons who had exited poverty to ascertain what they perceived as the most important cause of their success: assistance from kinship networks; actions by government or nongovernmental organisations (NGOs), faith-based groups, or businesses; transferred or earned income, and so on. In fact, over three-quarters of the respondents (77

## “Poverty is the worst and most pervasive violation of human rights”

Imran Khan, Prime Minister of Pakistan (Khan, 2020)

percent) responded that their exit from poverty primarily depended on their own initiative (Narayan et al., 2009).

**Policy.** The human development approach is ultimately concerned with change — specifically, with expanding capabilities. Metrics contribute to this end. As this policy brief shows, the MPI provides a unique tool for expanding human development among the poor at the bottom of the distribution, who lack basic necessities. Policy analysts use the MPI not only to **identify those in poverty, but to understand how they are poor** (thus which deprivations to focus upon), and **where they live** (hence where to target interventions). For example, the global MPI 2020 is disaggregated by age group, for rural and urban areas and for 1,279 subnational regions, with other studies disaggregating by ethnicity and disability status; all disaggregations include information on deprivation profiles by indicator. This extensive information platform allows for the design of integrated and multi-sectoral policies in budgeting, targeting, coordination, monitoring and evaluation — providing the means to effectively address multidimensional poverty and expand human development. Alongside the global MPI, national MPIs also have extensive roles in policymaking.

The 2010 United Nations Development Programme (UNDP) Human Development Report succinctly stated the relationship between human development and **multidimensional poverty**: human development proposes a “systematic examination of a wealth of information about how human beings in each society live and what substantive freedoms they enjoy” (UNDP, 2010). Multidimensional poverty measurement, as represented by the MPI, goes one step further: It provides a focused and specific examination of a rich **information platform** — one that demonstrates the **who, how and where of deprivations** in basic capabilities and freedoms. When stakeholders and policymakers<sup>2</sup> take action to alleviate poverty, this decreases the MPI, empowers the poor and raises the floor of basic capabilities distribution, directly reducing the most egregious part of overlapping inequalities.

<sup>2</sup> Including governments, nongovernmental organizations, faith-based organizations, businesses, etc.

**Box 1:** How the global MPI is constructed

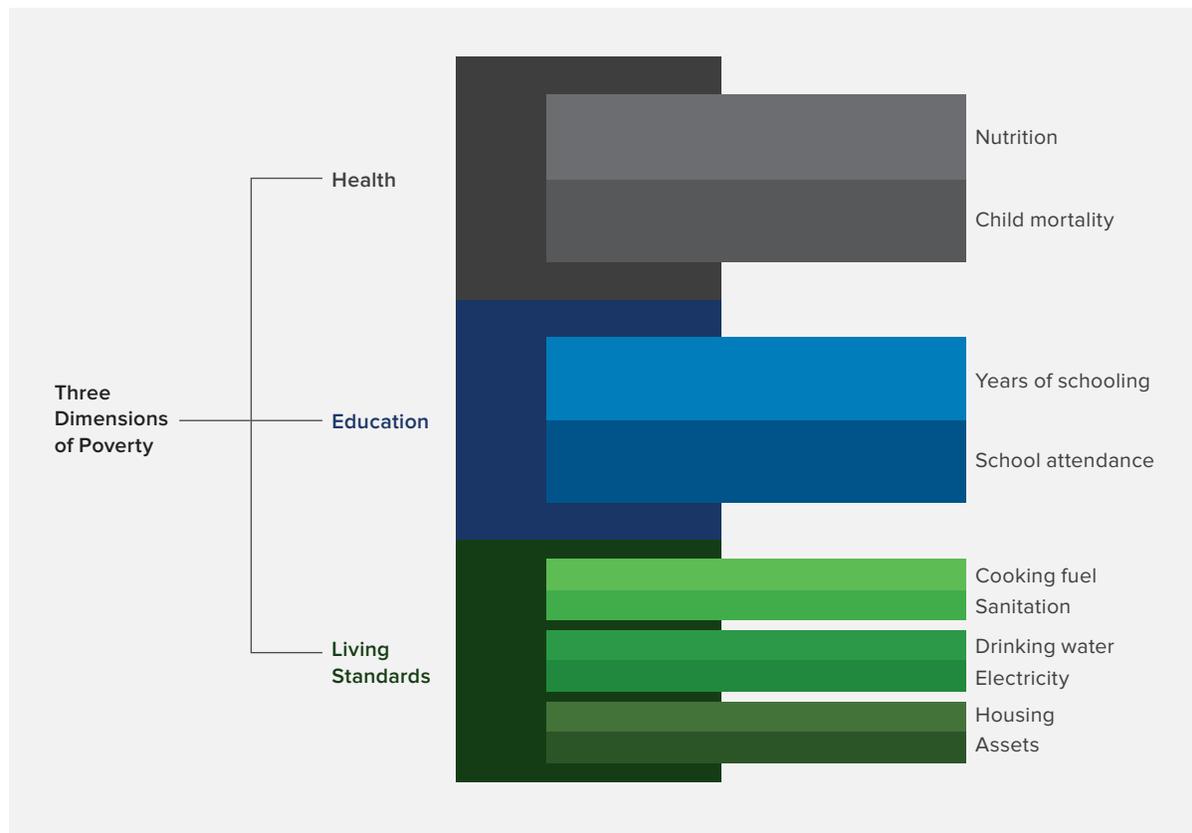
The first global MPI was developed by Alkire and Santos in 2010 in collaboration with the UNDP’s Human Development Report Office (HDRO). The most recent global MPI 2020 covers 107 countries and 5.9 billion people in developing regions for which comparable and accessible data are available (out of 194 universally recognized countries and a world population of 7.7 billion).

The global MPI captures acute and joint deprivations, using the 10 indicators described in Table 1 across the three dimensions of education, health, and living standards. Each dimension is equally weighted, and the indicators within each dimension are also equally weighted (Figure 1). The Alkire-Foster method is used to compute a single metric that reflects multidimensional poverty in its depth and magnitude.

The global MPI 2020 draws data from 47 Demographic and Health Surveys (DHS), 47 Multiple Indicator Cluster Surveys (MICS), three Pan Arab Population and Family Health Surveys, and 10 national surveys.

The first step is identifying those in poverty. This entails ascertaining the specific deprivations they experience and combining them into a deprivation score: a weighted sum of deprivations for each individual. The MPI defines any person with a **deprivation score of one-third or more as multidimensionally poor**. From this, the number of those in poverty and the incidence or headcount ratio of poverty (H) can be calculated. This represents the percentage of the population who fit the MPI definition of poverty. Next, the breadth of deprivation is assessed by calculating the intensity of poverty (A). The intensity of poverty shows the average percentage of weighted deprivations that poor people experience – their average deprivation score. Finally, the MPI or adjusted headcount ratio is calculated by multiplying H by A. The MPI changes if either incidence or intensity change. The MPI value ranges from 0 to 1. It shows the percentage of possible deprivations across all dimensions actually experienced by poor people. A higher value implies higher poverty.

**Figure 1:** Structure of the global MPI



Source: Alkire and Kanagaratnam (2018)

**Table 1:** Global MPI 2020: Dimensions, Indicators, Deprivation Cut-offs and Weights

Dimensions of poverty	Indicator	Deprived if...	Weight
Health	Nutrition	Any person under 70 years of age for whom there is nutritional information is <b>undernourished</b> . Children under 5-years-old (60 months and younger) are considered undernourished if their z-score of either height-for-age (stunting) or weight-for-age (underweight) is below -2 standard deviations from the median of the reference population. Children aged 5–19 years (61–228 months) are identified as deprived if their age-specific body mass index (BMI) cutoff is below -2 standard deviations. Adults older than 19 to 70 years (229–840 months) are considered undernourished if their BMI is below 18.5 m/kg <sup>2</sup> .	1/6
	Child mortality	A child <b>under age 18 has died in the household in the five-year period preceding the survey</b> . The child mortality indicator of the global MPI is based on birth history data provided by mothers aged 15–49. In most surveys, men have provided information on the occurrence of child mortality, as well, but this lacks the date of birth and death of the child. Hence, the indicator is constructed solely from mothers. However, if data from the mother are missing, and if the male in the household reported no child mortality, then we identify no child mortality in the household.	1/6
Education	Years of schooling	<b>No</b> eligible household member has completed <b>six years of schooling</b> . If all individuals in the household are in an age group where they should have formally completed six or more years of schooling, but none have this achievement, then the household is deprived. However, if any individuals aged 10 years and older reported six years or more of schooling, the household is not deprived.	1/6
	School attendance	Any school-aged child is <b>not attending school up to the age at which they would complete class 8</b> . The data sources for the age children start compulsory primary school are the DHS or MICS survey reports; and <a href="http://data.uis.unesco.org/">http://data.uis.unesco.org/</a>	1/6
Living Standards	Cooking fuel	A household <b>cooks using solid fuel</b> , such as dung, agricultural crop, shrubs, wood, charcoal or coal. If the survey report uses other definitions of solid fuel, we follow the survey report.	1/18
	Sanitation	The household has <b>unimproved or no sanitation facility</b> or it is improved but shared with other households. A household is considered to have access to improved sanitation if it has some type of flush toilet or latrine, or ventilated improved pit or composting toilet, provided that they are not shared. If survey report uses other definitions of adequate sanitation, we follow the survey report.	1/18
	Drinking water	The household's source of <b>drinking water is not safe</b> or safe drinking water is a <b>30-minute or longer walk</b> from home, roundtrip. A household has access to safe drinking water if the water source is any of the following types: piped water, public tap, borehole or pump, protected well, protected spring or rainwater, and it is within a 30-minute walk, round trip. If the survey report uses other definitions of clean or safe drinking water, we follow the survey report.	1/18
	Electricity	The household has <b>no electricity</b> . If a country does not collect data on electricity because of 100 percent coverage, we identify all households in the country as non-deprived in electricity.	1/18
	Housing	The household has <b>inadequate</b> housing materials in <b>any of the three</b> components: <b>floor, roof or walls</b> . Inadequate materials are as follows: if the floor is made of natural materials or if the dwelling has no roof or walls or if either the roof or walls are constructed using natural or rudimentary materials. The definition of natural and rudimentary materials follows the classifications used in country-specific DHS or MICS questionnaires.	1/18
	Assets	The household does <b>not own more than one of these assets</b> : radio, TV, telephone, computer, animal cart, bicycle, motorbike or refrigerator, and does not own a car or truck.	1/18

Source: Alkire, Kanagaratnam and Suppa (2020, p.8)

## MULTIDIMENSIONAL POVERTY IN THE ASIA AND PACIFIC REGION

In the Asia and Pacific Region (APR), the global MPI data covers 20 countries (Tables 2 and 3). The MPIs for each country in the region vary from 0.003 for the Maldives and Thailand to 0.263 in Papua New Guinea and 0.272 in Afghanistan. This section will shine light on what lies behind these headline figures and provide crucial information on levels and trends in multidimensional poverty in the APR.

Table 2 shows the global MPI covers 3.87 billion people in the APR, with 16.54 percent (more than 640 million people) identified as poor. In other words, nearly half of the developing world’s poor people live in Asia. Four in five of these poor live in South Asia (530 million), despite its smaller population, while 110 million live in East Asia and the Pacific (EAP).

tremendous diversity at the national level. In none of the 10 indicators do all South Asian countries have higher (or lower) censored headcount ratios, or percentage contributions, than the East Asia and Pacific countries. We return to this in Figure 3.

The incidence of multidimensional poverty varies across countries (Table 3). The Maldives (0.77 percent) and Thailand (0.79 percent) have the lowest prevalence of multidimensionally poor people in the region. The intensity of poverty in the Maldives (34.5 percent) is the lowest in the region, as well, but Thailand’s poor face a similar level of deprivations (39.1 percent) as do multidimensionally poor people in Sri Lanka or Mongolia (38.3 percent and 38.8 percent, respectively). The multidimensionally poor people of

**Table 2:** Overview of the MPI in the Asia and Pacific Region and detail of South Asia and East Asia Pacific distributions

		MPI	H (%)	A (%)	Vulnerability (%)	Severe Poverty (%)	Destitution (%)	Population (2018) in thousands
APR	Proportion Number (000)	<b>0.074</b>	<b>16.54</b> 640,359	<b>44.72</b>	<b>16.36</b> 633,239	<b>5.37</b> 207,973	<b>6.08</b> 235,199	3,871,138
EAP	Proportion Number (000)	<b>0.023</b>	<b>5.37</b> 110,514	<b>42.48</b>	<b>14.56</b> 299,596	<b>1.00</b> 20,624	<b>1.53</b> 31,516	2,057,124
SA	Proportion Number (000)	<b>0.132</b>	<b>29.21</b> 529,846	<b>45.18</b>	<b>18.39</b> 333,643	<b>10.33</b> 187,349	<b>11.23</b> 203,683	1,814,014

Source: Authors, based on Alkire, Kanagaratnam and Suppa (2020)

### HOW MANY AND HOW POOR? MEASURING THE EXTENT AND INTENSITY OF POVERTY

According to the global MPI 2020, 1.3 billion people (22 percent of the population of the 107 countries measured by the Index) live in multidimensional poverty (see Box 1). The APR is home to 3.9 billion of the 5.9 billion measured, and to roughly half of the poor people. A poor person faces 42.5 percent of all deprivations measured in East Asia and the Pacific and 45.2 percent in South Asia. But the region has

Pakistan experience the highest levels of intensity: on average, 51.7 percent of all deprivations. In Pakistan, 38.3 percent of the population are MPI poor, almost 20 percentage points less than in Afghanistan and Papua New Guinea with 55.9 percent and 56.6 percent, respectively.<sup>3</sup> Nevertheless, in numbers, Pakistan houses more than 81 million MPI-poor people – more than Afghanistan and Papua New Guinea combined. According to the most recent available data (2015-2016), the highest number of MPI poor people in the APR lived in India (377 million), amounting to 27.9 percent of its population.

<sup>3</sup> Please note that Afghanistan and Papua New Guinea are both missing information on nutrition.

**Table 3:** Global MPI 2020 values in the Asia and Pacific Region

Country	Region	Survey	Year	Multidimensional poverty							Total Population 2018	MPI poor people 2018	Data source is missing this Indicator(s)
				MPI data source	Multidimensional Poverty Index (MPI = H*A)	Head-count ratio: Population in multidimensional poverty (H)	Intensity average share of deprivation among the poor (A)	Vulnerable to poverty (experience 20-33.32% of deprivations)	In severe poverty (experience 50% or more of deprivations)	Inequality among the poor (variance) <sup>1</sup>			
				Range 0 to 1	% Population	Average % of weighted deprivations	% Population	% Population	Thousands	Thousands			
Afghanistan	SA	DHS	2015-2016	0.272	55.91	48.60	18.14	24.86	0.0203	37,172	20,783	Nutrition	
Bangladesh	SA	MICS	2019	0.104	24.64	42.23	18.21	6.48	0.0097	161,377	39,764		
Bhutan	SA	MICS	2010	0.175	37.34	46.83	17.68	14.68	0.0161	754	282		
Cambodia	EAP	DHS	2014	0.170	37.19	45.81	21.13	13.21	0.0149	16,250	6,043		
China	SA	CFPS	2014	0.016	3.89	41.36	17.45	0.32	0.0052	1,427,648	55,464	Housing	
India	EAP	DHS	2015-2016	0.123	27.91	43.95	19.27	8.77	0.0135	1,352,642	377,492		
Indonesia	EAP	DHS	2017	0.014	3.62	38.71	4.74	0.44	0.0063	267,671	9,687	Nutrition	
Kiribati	EAP	MICS	2018-2019	0.080	19.80	40.48	30.22	3.53	0.0059	116	23		
Lao PDR	EAP	MICS	2017	0.108	23.07	46.95	21.18	9.56	0.0158	7,061	1,629		
Maldives	SA	DHS	2016-2017	0.003	0.77	34.38	4.84	0.00	...*	516	4		
Mongolia	EAP	MICS	2018	0.028	7.26	38.75	15.50	0.78	0.0042	3,170	230		
Myanmar	EAP	DHS	2015-2016	0.176	38.32	45.89	21.92	13.84	0.0147	53,708	20,579		
Nepal	SA	DHS	2016	0.148	33.99	43.63	22.44	11.59	0.0117	28,096	9,550		
Pakistan	SA	DHS	2017-2018	0.198	38.33	51.72	12.92	21.47	0.0227	212,228	81,352		
Papua New Guinea	EAP	DHS	2016-2018	0.263	56.63	46.49	25.26	25.79	0.0160	8,606	4,874	Nutrition	
Philippines	EAP	DHS	2017	0.024	5.80	41.84	7.26	1.27	0.0097	106,651	6,181	Nutrition	
Sri Lanka	SA	DHS	2016	0.011	2.92	38.29	14.33	0.26	0.0038	21,229	620		
Thailand	EAP	MICS	2015-2016	0.003	0.79	39.10	7.18	0.13	0.0067	69,428	545		
Timor-Leste	EAP	DHS	2016	0.210	45.82	45.75	26.07	16.33	0.0139	1,268	581		
Viet Nam	EAP	MICS	2013-2014	0.019	4.90	39.50	5.62	0.73	0.0095	95,546	4,677	Nutrition	

Note: Five countries are missing nutrition data, and one does not have housing information. In these cases, the remaining indicator(s) in the dimension concerned are reweighted to sum to one third. Region: SA = South Asia, EAP = East Asia and the Pacific  
 Source: Alkire, Kanagaratnam and Suppa (2020)

Overall, the **levels of poverty incidence and intensity across the APR vary significantly, requiring caution in comparisons between countries**; moreover, variance exists in both population size and in the information available to compute the MPI in terms of data and indicator coverage. On average, the MPI

for the APR is 0.074, which is equivalent to Kiribati’s MPI. This translates to a regional percentage of 16.5 percent MPI poor, and these experience on average 44.7 percent of all possible deprivations – just a little bit more than the intensity for Bangladesh.

### THREE POVERTY LINES

For the global MPI, a poverty cut-off of one-third determines who is multidimensionally poor. This defines a person as poor if they are deprived in one-third (33.33 percent) of the 10 weighted indicators. Two additional poverty cut-offs are also applied in order to provide a ‘gradient’ across countries. A higher cut-off of 50 percent identifies people in **‘severe’ multidimensional poverty**, experiencing half or more of weighted deprivations. Moreover, anyone with a deprivation score of 20 to 33.33 percent of the 10 weighted indicators is categorized as **‘vulnerable’**. People vulnerable to poverty currently have a lower deprivation profile than the MPI-poor people, but would become poor with one or two additional deprivations.

These additional poverty lines offer further information on the multiple deprivations faced by poor people. They make visible, for example, that while the MPI headcount ratio for Sri Lanka is only 2.92 percent and only 0.26 percent of the population experiences severe poverty, 14.33 percent of the population falls into the vulnerable category. In Kiribati, almost a third (30.22 percent) of the population experiences vulnerability. More than half of Papua New Guinea’s population is multidimensionally poor, with another quarter of the population (25.26 percent) vulnerable to poverty. Furthermore, a similar proportion of the population (25.79 percent) lives in severe poverty.

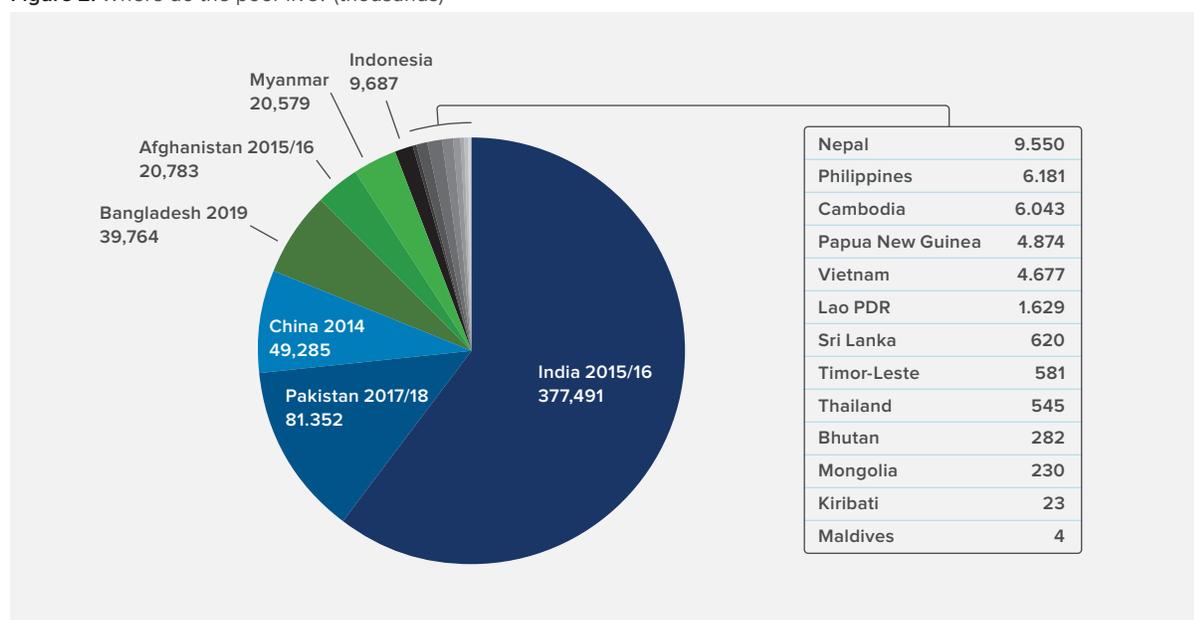
Overall, while more than 640 million people experience multidimensional poverty in the APR, a further 633.2 million fall into the ‘vulnerable’ category. South Asia and East Asia and the Pacific all have around 300 million people who experience vulnerability – in addition to those identified as poor. However, while severe poverty has an incidence of just 1 percent in East Asia and the Pacific, it affects around 10 percent of people in South Asia. Overall, **nearly one-third of all poor people in the APR region – 32.8 percent and 208 million people – are severely multidimensional poor**. This suggests that pockets of severe poverty exist in these contexts; such left-behind groups need dedicated attention.

### WHERE DO THEY LIVE?

A more detailed picture of where the multidimensionally poor live emerges when the MPI is disaggregated by subnational region and when we consider differences between rural and urban areas.

Figure 2 shows where the MPI poor people live. However, one should note that the data for APR countries come from different years. For example, India’s data covers 2015-2016, whereas Pakistan’s covers 2017-2018, China 2014, Bangladesh 2019 and Afghanistan 2015-2016. Hence, surveys in the region that include global MPI indicators should be updated every three years, at a minimum.

Figure 2: Where do the poor live? (thousands)



Source: Authors, based on Alkire, Kanagaratnam and Suppa (2020)

### HOW ARE THEY POOR, ACCORDING TO EACH INDICATOR?

The MPI technology also allows a breakdown by indicator in order to assess how much each contributes to the overall poverty level. Figure 3 presents the indicator composition of MPI by country, with the countries within each sub-region ranked from least poor to poorest. The region has a striking diversity of poverty patterns by indicator. Here, the MPI provides new information that can shape policy responses.

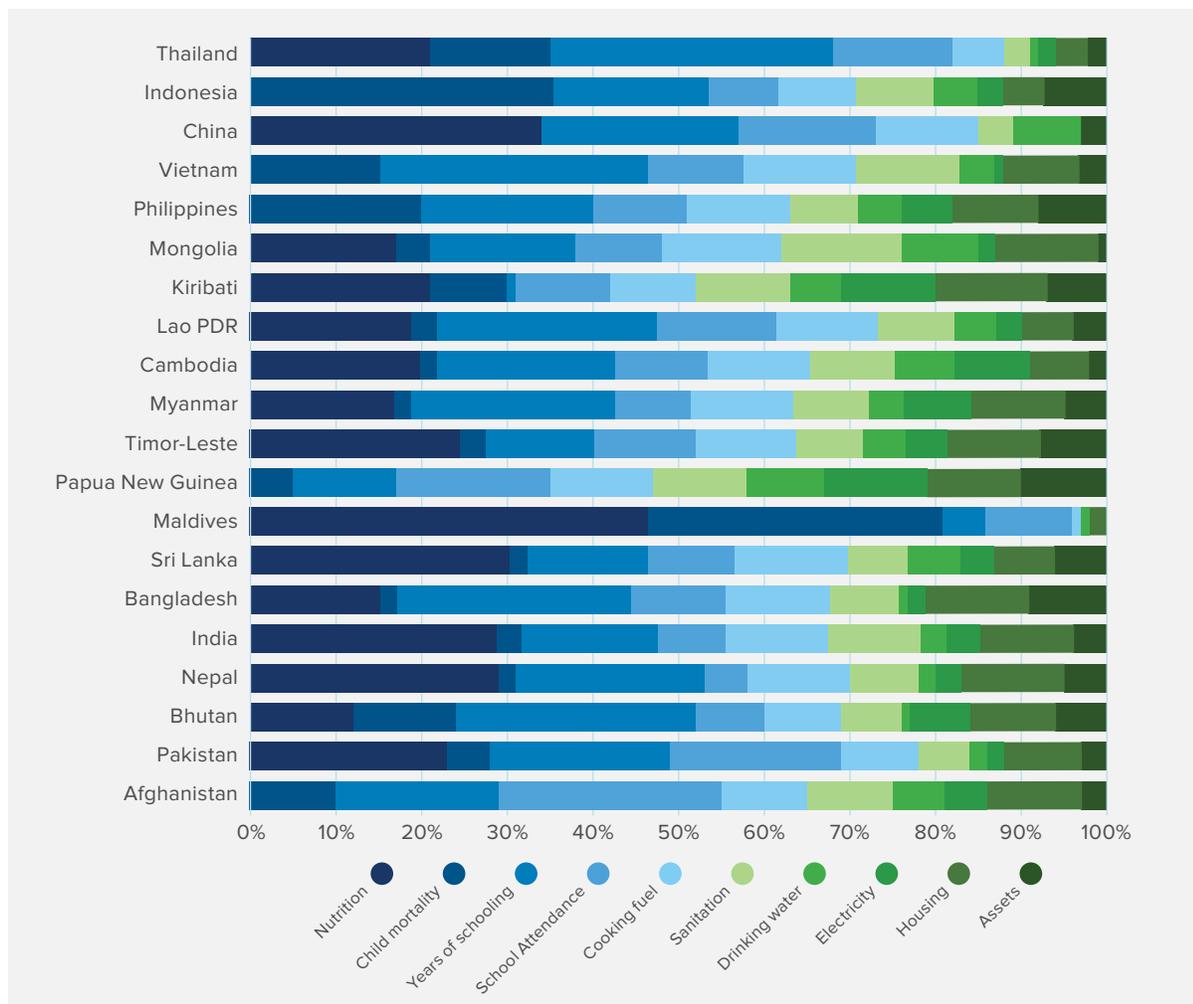
Nutritional data are, unfortunately, the most frequent missing indicator, unavailable for Afghanistan, Indonesia, Papua New Guinea, the Philippines and Viet Nam. Yet across APR countries with available nutritional data, this proves one of the strongest contributors to MPI poverty. This single indicator accounts for a contribution of 26 percent in East Asia and the Pacific and

“Since inequality persists beyond monetary dimension, proper measures need to be taken for wiping out inequalities in socio-economic and other dimensions so that we can have an egalitarian society free from any kind of disparity. In order to eradicate these non-monetary based inequalities, an innovative tool is Multidimensional Poverty Index (MPI)”

Bangladesh Voluntary National Reviews 2020 (Government of Bangladesh, 2020, p.105)

25 percent in South Asia – a significant finding. Other indicators with high contributions include insufficient years of schooling, as well as deprivations in cooking fuel and housing among the living-standards indicators. **Understanding the composition and experience of poverty helps one identify priority areas for policy action.** As we see, these can vary between countries, despite similar levels of poverty.

Figure 3: Percentage contribution of each indicator to global MPI 2020 by country



Source: Authors, based on Alkire, Kanagaratnam and Suppa (2020)

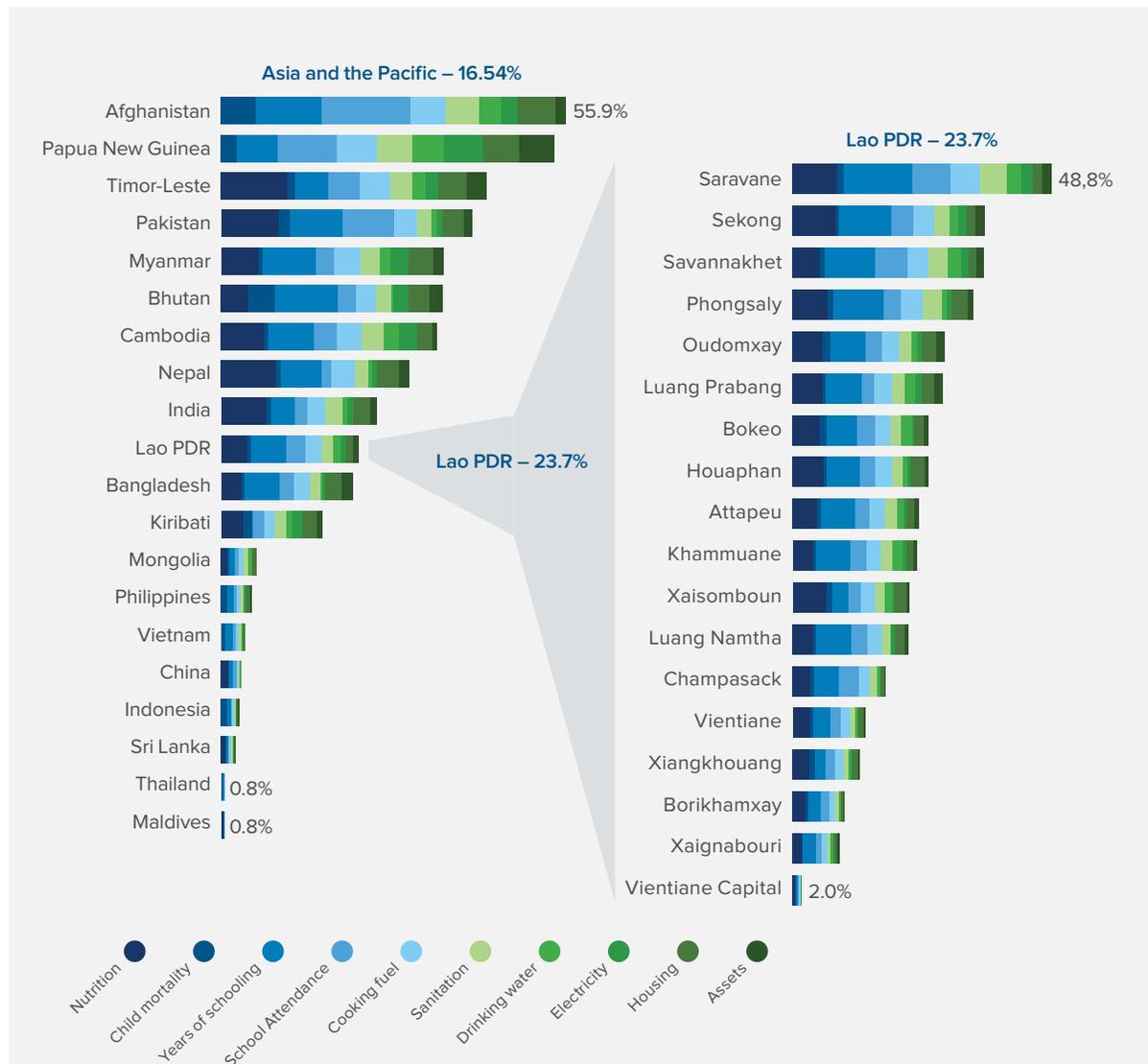
### INEQUALITIES WITHIN COUNTRIES: DISAGGREGATION BY AGE AND GEOGRAPHIC REGIONS

An important aspect of multidimensional poverty is inequality. As we have already seen, the global MPI sheds light on inequality by differentiating degrees and intensities of poverty. Additionally, disaggregation by region and age establishes a better understanding of existing inequalities. Subnational MPI data can help to uncover inequalities in poverty levels within countries. For example, Indonesia has a national poverty incidence of 3.37 percent. However, while almost all subnational regions have an incidence of poverty below 10 percent, (often even below 5 percent), two regions, East Nusa Tenggara and Papua, have multi-

dimensional poverty rates of 16.12 percent and 17.93 percent respectively.

Figure 4 shows the information-rich content of the global MPI and starkly illuminates the contrasts. Overall, 16.5 percent of people in the APR are poor, with a range from 0.77 percent in the Maldives to 56.63 percent in Papua New Guinea. But if we look at Lao PDR, the national MPI is 0.108 and 23.7 percent of people are poor – a bit above the APR average. Yet the spread within Lao PDR nearly mirrors that of the entire region. One could disaggregate the data further to show that the national average spanned regions from 2.0 to 48.8 percent poor. Furthermore, the MPI itself represents the weighted sum of the deprivations poor people experience, as shown by the coloured stripes in Figure 4.

Figure 4: Going beyond national averages reveals inequalities within countries



Source: Authors, based on Alkire, Kanagaratnam and Suppa (2020)

Disaggregation by age offers another way to identify inequalities among those affected by multidimensional poverty. The recent global MPI report highlighted that **children (aged 0 to 17 years) make up half of all the multidimensionally poor** (Alkire et al., 2020a). In the APR, children (aged 0 to 17 years) comprise only 29 percent of the population but account for **43 percent of the poor**. This means that children are disproportionately affected by poverty. In Nepal, for instance, children below the age of 10 years have the highest rate of multidimensional poverty compared to other age groups (10 years and older) (Government of Nepal, National Planning Commission and OPHI, 2018). More than a fifth of children in South Asia (22.7 percent) under the age of five also experience **intra-household inequality in nutrition** — meaning that some but not all children in the same household experience malnourishment (UNDP and OPHI, 2019a). Here as elsewhere, however, stark variations recur across the region. For example, in Pakistan, intra-household inequality affects over one-third of children under the age of five (UNDP and OPHI, 2019a). In South Asia, 10.7 percent of school-aged girls are multidimensionally poor, but in Afghanistan, the rate goes up to 44.0 percent (Alkire, UI Haq and Alim, 2019).

Finally, the global MPI report also publishes a measure of inequality based on variance. It demonstrates that Pakistan has the highest level of inequality, followed by Afghanistan, even though Pakistan has a lower percentage of multidimensionally poor people. Whilst multidimensional poverty in, for example, Bangladesh affects one quarter of the population (and the MPI value is close to Pakistan), it has much more moderate levels of inequality.

## LEAVING NO ONE BEHIND: REDUCING POVERTY

The United Nations Sustainable Development Goal (SDG) 1 aims to end poverty in all its forms. In 2020, the global MPI report looked at the progress made in this regard. Information on changes over time is considered here for 12 countries in the APR (Table 4).

Within the APR, the **poorer countries had the most rapid poverty reduction** in absolute terms,<sup>4</sup> Timor-Leste and Lao PDR reduced MPI the fastest, followed by Afghanistan and India; the latter witnessed by far the largest reduction in the numbers of MPI poor. It also cut its MPI value by half in that decade, nationally and among children, with 271 million people moving out of poverty. In contrast to the years prior to 2006, India's poverty reduction between 2005-2006 and 2015-2016 had

a **'pro-poor'** character. That means that the poorest states, caste groups, age groups and religious groups experienced the fastest absolute reduction of MPI. China and Indonesia came close to halving the MPI. Timor-Leste achieved the fastest absolute reduction in the APR, reducing their incidence of poverty from 69.6 percent in 2009-2010 to 46.9 percent in 2016.

A second way to measure change examines poverty reduction relative to the starting point. This approach usually profiles the achievements of less-poor countries.<sup>5</sup> In relative terms, China and Indonesia led the way in poverty reduction, followed by Lao PDR, Thailand and Bangladesh. China, for example, managed an annual relative reduction of over 19 percent, lifting more than 70 million people out of poverty in just four years. In Bangladesh, 19 million people moved out of poverty over only five years. Happily, the recent global MPI analysis demonstrated that multidimensional poverty among children (aged 0-17) — the poorest group in Bangladesh — reduced fastest. Reductions in poverty per region also show a pro-poor trend. Pakistan reduced its poverty headcount by almost 4 million people, and Indonesia by almost 8 million. Even in less-populated countries, such as Nepal, almost 4 million people moved out of poverty between 2011 and 2016. In Indonesia, 8 million people moved out of poverty between 2013 and 2017, with reductions in each of the MPI indicators. In 2017, the great majority of Indonesia's multidimensionally poor people (77 percent) faced only between 33.3 and 39.9 percent of deprivations. Furthermore, in keeping with the SDG pledge to leave no one behind, the poorest regions reduced multidimensional poverty most rapidly.

These recent trends in poverty reduction are promising. Overall, as per the global MPI report 2020 assessment, **all APR countries** included in the report except Pakistan **are on track to halve multidimensional poverty by 2030** (Alkire et al., 2020a).

<sup>4</sup> The difference in a poverty measure between two years, divided by the number of years between surveys (annualised).

<sup>5</sup> The compound rate of change per year. It shows the percentage by which the previous year's poverty has changed (annualised).

**Table 4: MPI change over time in the Asia and Pacific Region**

Country	Region	MPI Data Source Year 1		MPI Data Source Year 2		Multidimensional Poverty Index (MPIT)		Annualized Change <sup>b</sup>		Total Population (thousands) <sup>a, c</sup>		Number of MPI <sub>t</sub> Poor (thousands)		Indicators included in the MPI	
		Survey	Year 1	Survey	Year 2	Year 1	Year 2	Absolute (p.p)	Relative (%)	Year 1	Year 2	Year 1	Year 2	Total number of indicators included (out of ten)	Data source is missing this Indicator(s)
Afghanistan	SA	MICS	2010/11	DHS	2015/16	0.439	0.352	-0.017	-4.3	29,651	34,898	22,538	22,366	9	Nutrition
Bangladesh	SA	DHS	2014	MICS	2019	0.175	0.101	-0.015	-10.4	154,517	163,046	58,036	39,236	10	
Cambodia	EAP	DHS	2010	DHS	2014	0.228	0.170	-0.014	-7.0	14,312	15,275	6,827	5,680	10	
China	EAP	CFPS	2010	CFPS	2014	0.041	0.018	-0.006	-19.1	1,368,811	1,399,454	129,675	58,914	9	Housing
India	SA	DHS	2005/06	DHS	2015/16	0.283	0.123	-0.016	-8.0	1,156,548	1,317,335	637,557	367,638	10	
Indonesia	EAP	DHS	2012	DHS	2017	0.028	0.014	-0.003	-12.9	248,452	264,651	17,076	9,514	9	Nutrition
Lao PDR	EAP	MICS	2011/12	MICS	2017	0.211	0.108	-0.019	-11.5	6,396	6,953	2,584	1,603	10	
Nepal	SA	DHS	2011	DHS	2016	0.207	0.130	-0.015	-8.9	27,041	27,263	11,699	8,140	10	
Pakistan	SA	DHS	2012/13	DHS	2017/18	0.233	0.198	-0.007	-3.1	189,270	210,067	84,180	80,523	10	
Philippines	EAP	DHS	2013	DHS	2017	0.037	0.028	-0.002	-7.0	98,872	105,173	7,042	5,852	8	Nutrition, School attendance
Thailand	EAP	MICS	2012	MICS	2015/16	0.005	0.003	-0.001	-11.2	67,836	68,843	954	595	10	
Timor-Leste	EAP	DHS	2009/10	DHS	2016	0.362	0.215	-0.023	-7.7	1,084	1,219	755	572	10	
Viet Nam	EAP	MICS	2010/11	MICS	2014	0.039	0.036	-0.001	-2.1	88,420	91,714	8,224	8,062	9	Nutrition

<sup>a</sup> UNDESA (2019)

<sup>b</sup> In cases in which the survey was conducted over two years, the average of the years was used to compute the annualized changes.

<sup>c</sup> In cases in which the survey was conducted over two years, the total population numbers are calculated using an average of the UNDESA (2019) population figures across the two years.

Source: Alkire et al. (2020b)

## FROM GLOBAL TO NATIONAL

Today, the **global MPI measures multidimensional poverty in ways that offer comparisons across developing countries**; national MPIs can offer countries a means to measure and address domestic poverty. In addition, Latin America and the Arab States have regional MPIs, but for simplicity we will focus on the national and global MPIs. The distinction between them offers an analogy to the difference between a US\$1.90/day international poverty measure and those that apply at the national level. Both have their specific characteristics, role and added value in understanding and addressing multidimensional poverty. This section will outline them briefly.

**Global MPI.** The global MPI is a measure of acute poverty, produced by the Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP) since 2010, and revised in 2018 to better align with the SDGs. Standing as a complement to the \$1.90/day poverty measure and related monetary metrics, the global MPI and its linked information platform show acute deprivations in 10 core non-monetary deprivations (Box 1). Going beyond the \$1.90/day measure, the global MPI offers extensively disaggregated data, for example by sub-national regions and rural and urban areas. Together with the \$1.90/day monetary poverty measure, **the global MPI provides international comparisons, identifying patterns of poverty and progress made toward the SDGs.** It supports the SDG 1 ‘to end poverty in all its forms’ because its component indicators provide information on advancements or shortcomings related to SDGs 2, 3, 4, 5, 6, 7 and 11. The global MPI directly reflects the SDG emphasis on understanding interlinked deprivations and responding with integrated policies.

**National MPI.** In the APR, over a dozen countries have launched their own national MPI, or are in the process of designing one. A national MPI **provides an official permanent statistic of multidimensional poverty** that usually complements the national monetary poverty measure. Mexico (2009) pioneered a multi-dimensional poverty measure and Bhutan (2010) and Colombia (2011) released the first national MPIs using the Alkire-Foster methodology.

The national MPIs have different dimensions and indicators, weights and cut-offs, thereby tailoring them to national definitions of poverty, datasets and priorities. For example, while Pakistan’s MPI has the same

dimensions as the global MPI, Viet Nam has opted for a total of five dimensions: education, health, housing, clean water and sanitation, and access to information. The dimension selection process often involves a variety of inputs: experts; documents, such as the national plan; international agreements, such as the SDGs; civil society; participatory exercises with poor communities, and so on. All these efforts aim to define poverty in a manner that reflects the experiences of the nation’s poor and that creates consensus around policy priorities. **But all of them still use the Alkire-Foster method and have an overall national headline accompanied by a detailed and policy-relevant information platform.** In this way, differences across countries become readily intelligible. Moreover, the national MPI offers comparable data over time for the same country, providing an excellent tool for dynamic analysis. Table 5 summarises key similarities and differences between national MPIs and the global (or regional) MPIs.

**Table 5:** At-a-glance comparison of global and national MPIs

	Global MPI	National MPI
Headline poverty statistic (MPI)	✓	✓
Incidence of poverty (H)	✓	✓
Intensity of poverty (A)	✓	✓
Disaggregation by population groups and geographical areas	✓	✓
Indicator composition of MPI	✓	✓
Reflects SDGs	✓	✓
Uses the Alkire-Foster methodology	✓	✓
Dimensions	3	Nationally Defined
Indicators	10	Nationally Defined
Weights	Equal Nested	Nationally Defined
Poverty cut-off	33.33% (+20% & 50%)	Nationally Defined
Comparable across countries	✓	✗
Tailored to country context	✗	✓

Source: Authors

## THE NATIONAL MPI AND POLICY

Multidimensional poverty has become a key issue in national contexts around the globe, manifested in national development plans, participatory exercises, the SDGs and policy priorities. In the APR, as noted above, over a dozen countries have equipped themselves with multidimensional poverty measurement as a complementary official national measure of poverty, or are in the process of designing it (Table 6). In the APR, Bhutan was the first to do so in 2010; a diverse cohort of countries followed, including Afghanistan, Malaysia, Nepal and Viet Nam (Table 6 profiles countries in the APR with a national MPI). This section provides a discussion of the construction, purpose and use of a national MPI as a measurement and policy tool.

### THE NATIONAL MPI AS A MEASUREMENT TOOL

A national MPI aims to establish a permanent official non-monetary, multidimensional poverty index, one with which accurate information can guide policy over time and across changes of government or political party. One of the core features and advantages of national MPIs is that ownership lies with national governments. The MPI technology offers flexibility, as the dimensions, indicators, poverty cut-offs and weights can be altered according to the specific context. The national MPIs are developed locally and tailored to the situation and values of the respective country. These factors make the development process of a national MPI a **technical, political, and participatory one**.

#### Technical development processes

The national MPI requires **reliable and valid data**. The availability of data nearly always constrains the choice of dimensions and indicators for a national MPI. While some countries use the Demographic and Health Surveys (DHS) or the Multiple Indicator Cluster Surveys (MICS), other countries use national surveys (UNDP and OPHI, 2019b). For instance, Pakistan chose the Pakistan Social and Living Standards Measurement (PSLM) survey, as it provided additional information on the quality of education and had more frequent updates, while supplying the necessary data at the national, provincial and district level (Tiwari, 2019). In some cases, as, for example, in the Philippines, two datasets, the 2016 and 2017 Annual Poverty Indicator Survey (APIS) and Labor Force Survey (LFS), were merged because they used the same enumeration units (UNDP and OPHI, 2019b).

Furthermore, construction of a robust, replicable, and reliable measure requires **participation by technical experts and statisticians**. In the end, the **quality of the data and the rigor of the analysis** determine the credibility of the MPI estimations, and credibility is a key requirement for the MPI to become a successful measurement tool (UNDP and OPHI, 2019b).

#### Political development processes

The MPI development process often gains a **political dimension**, since the highest levels of government or other government institutions and stakeholders may need to endorse the national MPI in order to ensure effective implementation and concrete action.

A strong leader or political champion who has the support of high-level officials will also have the ability to push the process ahead (UNDP and OPHI, 2019b). In addition, many countries stress the importance of **dialogues and discussions** when they introduce new measures, such as the national MPI, to better inform a wider set of actors. With deeper consultation, the process of developing a national MPI may require more time, but may result in greater ownership among stakeholders.

**“A national MPI aims to represent a permanent official multidimensional poverty measure; it calls for a design sustainable over time and across governments, and gains its credibility through a nonpartisan technical process and overall transparency. The institutional set-up will depend on national political realities, but it calls for arrangements that ensure sufficient, continuously available capacity and budget”**

**Table 6:** Some national MPIs in South Asia and Southeast Asia

Country	Region	Launched in	Dimensions	Number of Indicators	Poverty cut-off
Afghanistan	SA	2019	Health, Education, Living Standards, Work, Shocks	18	40%
Bhutan	SA	2010	Health, Education, Living Standards	13	30.7%
Andhra Pradesh (India)	SA	2018	Health, Education, Living Standards	10	33.33%
Malaysia	SEA	2015	Health, Education, Living Standards, Income	11	30%
Maldives	SA	2020	Health, Education & Information, Living Standards	8	34%
Nepal	SA	2017	Health, Education, Living Standards	10	33.33%
Pakistan	SA	2016	Health, Education, Living Standards	15	33.33%
Philippines	SEA	2016/18	Health & Nutrition, Education, Housing, Water & Sanitation, Employment	13	33.33%
Viet Nam	SEA	2014/15	Education, Health, Housing, Clean water and sanitation, Access to information	10	33.3%

Note: SA = South Asia; SEA = South East Asia. In some instances, efforts to develop and commute a national MPI take place outside the government, as in the Lao People’s Democratic Republic and Indonesia. China’s International Poverty Reduction Centre, together with OPHI, have written a case study showing internationally valid insights from China’s multidimensional poverty reduction 2012-2020. Mongolia has also taken the first steps to develop its own national MPI.

Source: Tiwari (2019)

One of the earliest steps in this process is **articulating the purpose of the MPI**, as this clarifies the reasons for developing it. Critically, this stage must involve input from various stakeholders, sufficient information, and transparency (Box 2).<sup>6</sup>

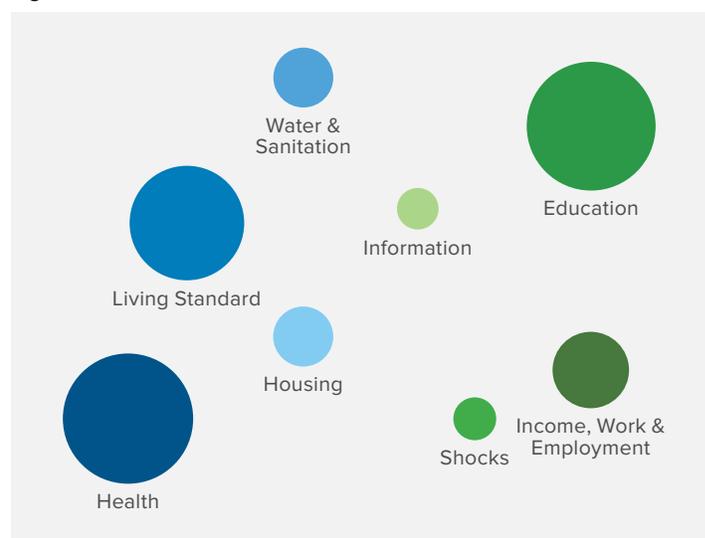
Naturally, each of the normative exercises requires a complementary assessment of data availability. As the next section discusses, inputs from participatory exercises with poor communities may supplement expert consultations and may rightly attain a similar prominence.

**Box 2:** Examples of the purpose of national MPIs in the Asia and Pacific Region

<b>Bhutan</b>	To design, monitor and evaluate national and regional programs for the poor and to allocate resources.
<b>Pakistan</b>	To track poverty and improve targeting and the evaluation of public policies, improve allocations and support the design and implementation of more effective social policies to reduce poverty.
<b>Viet Nam</b>	To measure the levels of deprivation on access to basic social services and to identify the beneficiaries of poverty reduction and social protection policies; to propose programs and policies for socio-economic development of the whole country, in each region and sector; and to use the result to advise the government on developing policies and plans to reduce deprivation and poverty.

Source: UNDP and OPHI (2019b)

**Figure 5:** Selected MPI dimensions in the APR



Source: Authors, based on MPPN (2020a)

### Participatory development processes

In many countries, the development and selection processes took on a **participatory approach involving multiple stakeholders**, particularly those affected by multidimensional poverty.

For example, in El Salvador and Panama, direct participatory work enhanced the validity of the national MPIs, both in structure and content (UNDP and OPHI, 2019b).<sup>7</sup> Nepal’s 2018 MPI report noted that prior par-

<sup>6</sup> See UNDP and OPHI (2019b, p. 21) for a list of country’s purposes.

<sup>7</sup> For more information on El Salvador, please, see Moreno (2016).

ticipatory exercises had proved particularly helpful in affirming some of the proposed MPI indicators, and in highlighting crucial aspects not yet included in the global MPI, such as the inclusion of roofing material. Viet Nam conducted discussions with various government and nongovernmental stakeholders, as well as national and international experts, to identify dimensions and indicators (Tiwari, 2019). The process of developing the MPI took about two years and included activities such as “(i) initial studies on multidimensional poverty measurement concepts and methodologies, proposing feasible measures and providing initial information on multidimensional poverty in Viet Nam [...] and (v) consultation and testing of the procedures and the tools at the commune/ward levels” (MPPN, 2021a).

The overarching aim is to **find a definition of poverty that reflects the actual experiences** of the poor and can create consensus about policy priorities.

### **The national MPI: A complementary and permanent measure of poverty**

The national MPI has an important complementary function for understanding and measuring poverty. Monetary poverty measures offer an important but incomplete picture. They do not reflect the joint portfolio of deprivations that many poor people face, nor can they identify those who face deprivations in key areas of their lives, such as education, housing, or health. A study in Bhutan has demonstrated that the **monetary-poor population does not always coincide with the multidimensionally poor**. In 2012, a similar percentage of the Bhutan’s population fell into income (12 percent) and multidimensional (12.6 percent) poverty. However, only 3.2 percent of the population was simultaneously income and multidimensionally poor. In 2017, that figure had fallen to 1 percent (UNDP and OPHI, 2019b). Introducing the MPI in Pakistan demonstrated that, with an incidence of 38.8 percent, multidimensional poverty is more common than income-based poverty, with an incidence of 24.3 percent (Tiwari, 2019).

Furthermore, monetary poverty measures do not fully capture the impact of public policy efforts focused on, for example, education, infrastructure and housing (UNDP and OPHI, 2019b). Due to its multidimensional character and technology, the MPI serves as a tool to measure and capture improvements in various areas of people’s lives. For this reason, countries in the APR, such as Afghanistan, Bhutan, Malaysia, Pakistan, the Philippines, Nepal, Thailand and Viet Nam, have adopted the MPI as an official poverty measure next to their official monetary measure.<sup>8</sup>

To recapitulate: a national MPI aims to represent a permanent official multidimensional poverty measure; it calls for a design sustainable over time and across governments, and gains its credibility through a nonpartisan technical process and overall transparency. The institutional set-up will depend on national political realities, but it calls for arrangements that ensure sufficient, continuously available capacity and budget.<sup>9</sup>

## **THE NATIONAL MPI AS A POLICY TOOL**

A national MPI can become a key tool for policy, as it can be adapted to the national values and specific contexts of poverty; it also supports crucial steps in poverty reduction efforts — namely **identification and understanding, goal-setting and targeting, policy and resource planning and coordination, monitoring and accountability, and communication**.

### **Construction and ownership**

The process of constructing a national MPI can build **ownership and legitimacy** by drawing on key national documents and monitoring their priorities. Afghanistan’s MPI drew on the National Peace and Development Framework (2017-2021) and the National Citizen’s Charter, as well as consultations. For this, Afghanistan added two additional dimensions, work and shocks, creating an MPI based on 18 indicators in five dimensions. While these dimensions are equally weighted, certain indicators within the dimensions received a higher weight due to their importance. One of these indicators is security, covering the vital aspect of personal security from violence. Furthermore, Afghanistan created a gendered adult schooling indicator to illuminate gender disparities in education. In Afghanistan, the indicator with the highest deprivation level of all is ‘Female Schooling,’ with 48 percent of the population are poor and deprived in this indicator; in other words, the censored headcount ratio of female schooling is 48 percent (National Statistics and Information Authority, 2019).

Other examples abound. The Philippines added the dimension of employment, including indicators on underemployment and working children, to reflect the importance of these issues in the country. Due to the centrality of agriculture and transportation, Bhutan’s national MPI included indicators on road access, land and livestock. Similarly, Pakistan included an indicator on land and livestock and one on overcrowding under the living-standard dimension, as well as an indicator

<sup>8</sup> While the MPI is, first and foremost, a measure to reflect non-monetary poverty, some countries, such as Malaysia, have incorporated income as one of the dimensions.

<sup>9</sup> For more elaboration, see UNDP and OPHI (2019b, p.36).

on the quality of education – all of which reflected active policy priorities (Tiwari, 2019).

There is room for some diversity in the construction and structure of national MPIs. When the final product aligns with national priorities, advancing any of the linked national priorities will reduce the MPI figure, and vice versa. In this way, a synergy between public commitments and poverty statistics becomes visible.

### Identification and goal setting

Effective policymaking and implementation require, in the first instance, **accurate identification and understanding** of the poor and their composition of poverty. This was one of the main rationales for introducing the MPI in, for example, Viet Nam and Andhra Pradesh State (India) (Tiwari, 2019). While other social statistics and poverty measures do not identify which people face overlapping or ‘joint’ deprivations, with a national MPI, policymakers can detect whether multidimensionally poor people facing, for example, educational deprivations are also those who lack adequate sanitation facilities. It reveals the complexity of simultaneous deprivations and how they contribute to the experience of multidimensional poverty.

This was one of the reasons why the Philippines introduced a national MPI in 2018 (UNDP and OPHI, 2019b). The Philippines trial MPI captures deprivations in the dimensions of education, health and nutrition, housing, water and sanitation, and employment, using 13 indicators. Deprivations in education contributed the most to poverty. Indeed, in 2017, five out of 10 poor families had at least one member aged 18 or above who had been unable to finish basic education (MPPN, 2021b). These findings rippled out to affect education policies.

The MPI also contributes to results-based policy frameworks for poverty reduction. For example, in 2017, Nepal’s SDG strategy document set the clear target “to reduce multi-dimensional poverty to 10 percent by 2030” (Government of Nepal, National Planning Commission 2017, p.14). Bhutan’s documents articulated the aim to reduce the poverty incidence to below 10 percent by 2018 – a target it met in 2017.

### Individual and geographical targeting

One prominent use of the MPI in the APR is **identifying individuals, households, or groups for targeted interventions**. Targeting becomes particularly important with resource scarcity: when universal provision might not prove necessary, or targeting would offer more efficient and appropriate means of addressing various deprivations. Due to the detailed depiction of poverty that the MPI and its technology offer, this becomes

relatively straightforward.

Group or geographical targeting draws on disaggregation by groups (such as between urban and rural areas, subnational regions, gender, age groups, indigenous groups and disability status). Disaggregation showed that in Nepal, every second person in the two poorest Provinces (2 and 6) faced multidimensional poverty. This information crucially showed where resources needed to go. Malnutrition and insufficient years of schooling were the strongest contributors to multidimensional poverty and became recognised as priorities in the 2018 MPI report (Government of Nepal, National Planning Commission and OPHI, 2018).

Viet Nam also used the MPI as a component of their precise targeting at the commune level. Individual targeting requires data collection from all eligible individuals and assessment of their poverty status. In Viet Nam, eligibility rests on registry data that include multidimensional poverty indicators along with some others. Such people are entitled to certain public benefits, such as free health care services, exemption from tuition fees in primary and secondary schooling, cash transfers for electricity use, or credit priority for housing, clean water, hygienic toilets and economic activities (Tiwari, 2019).

**“The pandemic also challenged all of us in positions of leadership around the globe to be better leaders. It forced us to rethink how we lead, to be more effective, more efficient leaders. It forced us to listen better and act quicker”**

Ashraf Ghani, President of Afghanistan (Ghani, 2020)

### Targeting vulnerable social groups is also essential.

In 2018, Viet Nam presented a detailed analysis of multidimensional poverty among various ethnic groups that revealed important differences in their experience of poverty. For example, only 6.4 percent of the Kinh majority faced multidimensional poverty, as opposed to 76 percent among the Hmong. Such information reveals inequalities that well-targeted policies can address.

In Pakistan, the MPI 2004-2005 provided the first directly disaggregated poverty data at the district level.

This information received media attention and proved useful for policy targeting and for SDG localization. Its 12th Five Year Plan 2018-2023 identified less-developed areas (67 districts of four provinces) on the basis of their multidimensional poverty incidence of more than 50 percent. Thus, the ability to see the composition of poverty in a disaggregated manner can support more efficient policy design, policy coordination, targeting and allocation of resources. The province of Punjab incorporated the MPI in its growth strategy. They estimated that an additional year of schooling can reduce their MPI by 5 percent; this led to an investment prioritisation in human capital. Furthermore, the province worked in cooperation with the UNDP to create a targeted regional SDG plan for the districts most affected by multidimensional poverty (Tiwari, 2019).

because the MPI provides a direct measure of key policy priorities and often differs from monetary poverty, it is explicitly included in the budget allocation process. For example, in 2013 Bhutan started using the MPI for appropriate budget allocation to dzongkhags and gewogs, with a priority weight of 45 percent. Nepal's planning documents include the intention to use the MPI for targeting resources to those most in need, in order to accelerate reduction in poverty. This will include multisectoral policies, monitoring and evidence-based policy adjustment.

### Policy planning and coordination

Effective reductions in multidimensional poverty will **require integrated multisectoral policies**. But coordination often poses a challenge. In Latin America, the MPI regularly serves as a tool of coordination and management; it may also become so in the APR.

In light of the current COVID-19 pandemic, coordination efforts have gained even more importance and urgency. Effective and efficient policies and strong resilience after crises and shocks make **cooperation between ministries, government levels and different stakeholders** indispensable. The national MPI can serve to bring together and coordinate efforts among these institutions and other stakeholders.

Beyond coordination and management, the MPI can inform cross-cutting policies for outside institutions. The Asian Development Bank's project, Scoping Potential Economic Corridors in Pakistan, used the MPI estimates as a criterion in their effort to increase regional connectivity and trade among districts with high MPIs, through investment in trade and public-private partnerships (Tiwari, 2019).

### Monitoring and accountability

With regular data updating, the MPI can make visible any **reduction of any deprivation, down to the level of the individual**; all such reductions will decrease the MPI value. Thus, the MPI can become a powerful tool to monitor positive change. It can also serve as a tool for accountability in the case of less-evident changes. Overall, using the MPI to monitor poverty trends can also **provide incentives for policymakers to leave no one behind** and to reach the furthest behind first. The impact of these efforts will, in turn, become visible in changes to the official multidimensional poverty headline figure. This means that the national MPI serves as a monitoring and tracking tool to measure and evaluate changes in poverty levels over time and across a country.

**“MPI’s utility lies in both providing a solid basis for policy formation and monitoring of policy implementation. We have therefore decided that our National Statistic Information Authority should use and update it regularly”**

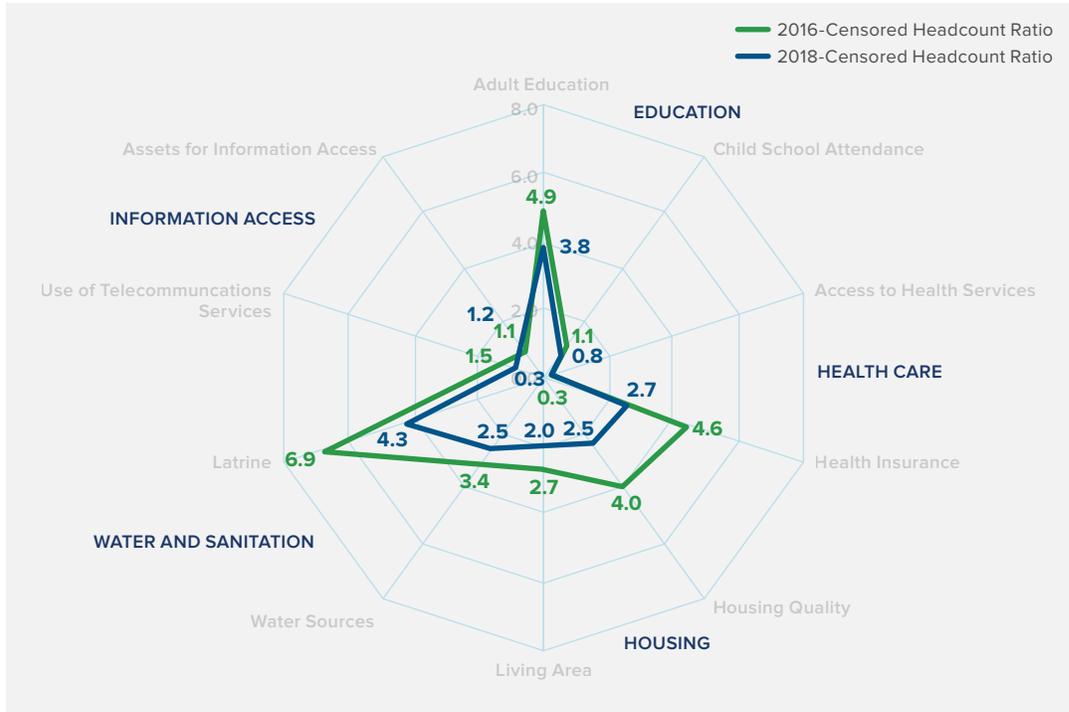
Ashraf Ghani, President of Afghanistan (Ghani, 2020)

During its first decade, Bhutan used the national MPI to design, monitor and evaluate national and regional programs that targeted the poor in different ways at the household level. For instance, the MPI compiled data at the gewog level in 2010 to locate poverty incidence by area and households. Together with a transport cost index, MPI calculations allowed Bhutan to develop **Resource Allocation Formula (RAF)** criteria. These became instrumental in the implementation of the Rural Economy Advancement Program (REAP) and the Targeted Household Poverty Program (THPP) in 2014, as well as the National Rehabilitation Program for landless and destitute people, developed in order to stem the country's growing inequalities (Royal Government of Bhutan, 2018).

### Budget allocation

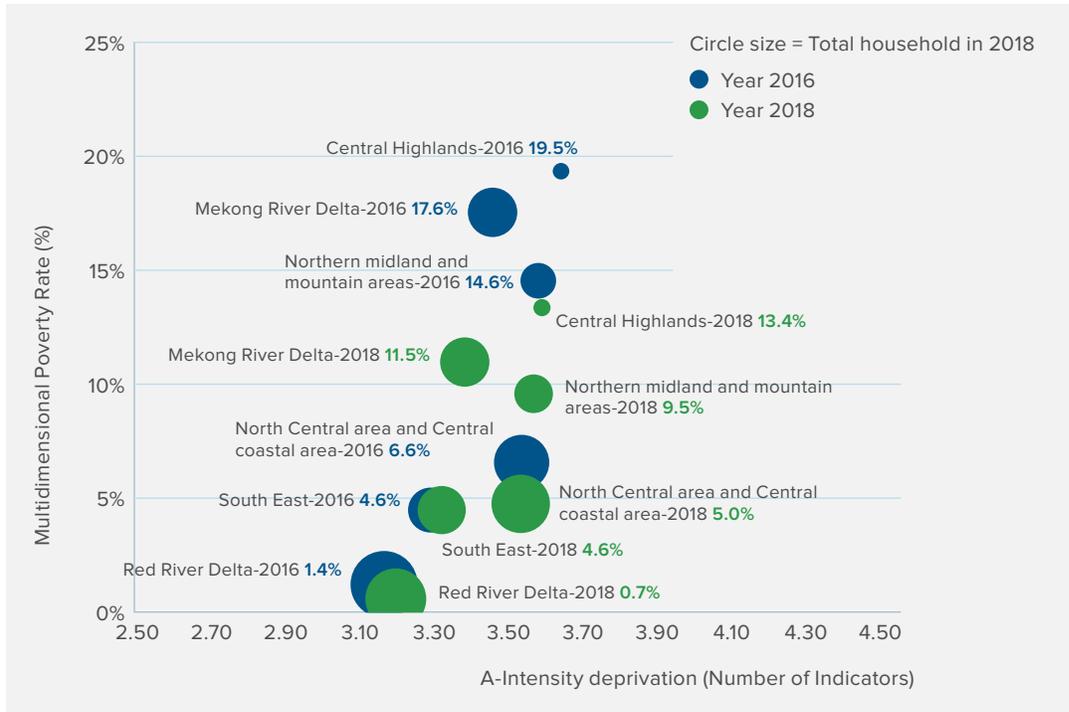
In one of its most frequent uses around the world, the MPI **informs budget allocation across regions and sectors**. It does not serve as a stand-alone input – population size, monetary poverty and universal priorities may also contribute to budget formulae. But,

**Figure 6:** Viet Nam's censored headcount of each indicator (%)



Source: Duc (2019, p.6)

**Figure 7:** Viet Nam's multidimensional indices by region and year



Source: Duc (2019, p.7)

For example, Nepal, which uses the global MPI as its national one, reduced the MPI rate from 59 percent in 2006 to 29 percent in 2014. These reductions largely reflect improvements in health and education as well as increased remittance incomes (Government of Nepal, National Planning Commission, 2018). Pakistan's disaggregation of MPI estimates to a district level proved particularly useful in visualizing and evaluating the changes made in each region: it found that the poorest region in the country had made the fastest progress in a decade's time (2004-2005 to 2014-2015). Bhutan's progress in reducing poverty from 12.7 to 5.2 percent within a mere five years (2012-2017) resulted from considerable improvements in access to water and sanitation (99 percent and 66 percent, respectively), clean energy for 99.9 percent of all households, and almost 100 percent school enrolment with gender parity at the secondary levels (Royal Government of Bhutan, 2018).

Viet Nam determined that "the proportion of households who are multidimensionally poor and deprived in each of the indicators [...] decreased for almost all indicators" (Figure 7) (Duc, 2019, p.7). For example, sanitation showed a decrease of more than 2 percentage points in 2018 as compared to 2016 (Duc, 2019). Additionally, as shown in Figure 8, Viet Nam made considerable progress in those regions most affected by multidimensional poverty. For instance, the poverty headcount ratio in the central highlands dropped from 19.5 percent to 13.4 percent (Duc, 2019).<sup>10</sup> While these are impressive accomplishments that deserve separate attention, the MPI also provides a figure to represent the overall improvements in multidimensional poverty. Energised by this success, in 2020 Vietnam has moved to update the MPI not only annually, but quarterly. This kind of information can catapult the MPI into becoming a sensitive tool for management and for mid-course corrections.

It becomes easier to see outcomes with measurement and tracking of changes. As a result, the MPI serves as a tool of accountability for government and citizens and to demonstrate the impact of government work.

### Communication with all actors

The multidimensional poverty rate, or incidence of MPI, is an intuitive statistic, like the familiar monetary poverty rate, and often rightly appears as such in media communication: used to open a story, and then supplemented by information on the numbers of poor people, MPI value, intensity and the composition of poverty. But for important reasons, most governments use the MPI as the official national statistic. The MPI offers a **headline figure that can announce the official**

**level of multidimensional poverty**, because it captures two kinds of change: **changes in the poverty rate or incidence and changes among people who remain poor**, but have become 'less poor' – have a lower deprivation score – than before. In this way, the MPI better reflects the SDG goal of leaving no one behind. It provides government officials, the media, and other stakeholders with an enhanced high-level view of the state of multidimensional poverty in their country. It also tends to move more rapidly than other metrics. For example, India halved its MPI between 2005-2006 and 2015-2016 but did not halve its incidence.

The **MPI information platform** is a term that we use to describe the system of coherent and interlinked statistics about the MPI (incidence, intensity, indicator censored headcount ratios and contributions to the MPI). MPI reports usually provide these at the national level and then disaggregate them by rural and urban areas, subnational regions, age cohorts and other groups. This means that the MPI provides a broadly available portfolio of crucial information for good communication about poverty levels, trends, efforts and their impact. For example, the state-level media may focus on comparing their results to their immediately neighbouring states; a student may write a winning essay on MPI using their district-level figures; an international health NGO may decide to focus activities in the poorest region with high health deprivations, and so on.

To communicate the MPI to a plethora of potential actors, adopting countries **often develop an outreach strategy** for all government and civil society stakeholders, along with journalist resources or training (UNDP and OPHI 2019b). Several countries have demonstrated the importance of such an outreach strategy. For example, training for media editors and journalists improved the quality of MPI reporting in Colombia, and, in Mexico, statisticians physically travelled to each state to explain their MPI and how to reduce it (Botello, 2020). Costa Rica and Panama commissioned public relations firms to help them draft a media strategy for the initial launch of the MPI, enabling more cost-effective communication of key information up-front. Some countries received support from international donors for this stage. While planning is vital, a certain degree of flexibility and creativity, alongside clear lines of authority in terms of communication, helped to make the most of unexpected opportunities and allowed adjustment to changing circumstances (UNDP and OPHI, 2019b). Countries also stress the importance of translating information into local languages (for example infographics, visuals and other materials).

<sup>10</sup> For a more detailed, yet older, demonstration of how the MPI can be used, please see MOLISA et al. (2018).

Fundamentally, the MPI cannot serve its purpose unless officials at multiple levels of government understand it and use it in their work. So, for example, countries such as Costa Rica, Chile and El Salvador, among others, briefed different political parties on multidimensional poverty in the run-up to elections. This can ensure that all understand, and use, the MPI to end poverty. At the same time, different political parties have room to formulate their own action plans and strategies on how to advance this overarching goal. As they articulate their plans on the campaign trail, they create more understanding and awareness of the MPI, which then becomes an important permanent tool of policy communication (UNDP and OPHI, 2019b).

## THE NATIONAL MPI AS AN SDG REPORTING TOOL

### SDG Reporting

In many ways, multidimensional poverty has taken centre stage in national and international poverty and development efforts. That is as it should be. Yet it aligns tightly with a key goal of the SDGs, ‘to leave no one behind,’ and also with the first goal, SDG 1: ‘to end poverty in all its forms.’ In fact, the national MPI appears as indicator 1.2.2 in the SDGs. Since 2020, all countries with official MPIs in the APR have reported them in the global SDG database.

Because of this alignment, one motivation for countries to develop a national MPI has been their commitment to report progress on the SDG indicators and to meet the SDGs by 2030. And not only is the **national MPI a reporting tool, it is the only one of the 232 global-level SDG indicators that the country owns directly.** Yet as the last section covered, reporting alone does not determine the MPI’s success, but rather its use as a tool at different phases of

the planning cycle. Still, at-a-glance views on how APR countries report on their MPI have their use, as well.

In the APR, many countries report the national MPI in the global SDG database and use it in their Voluntary National Reviews to report their progress in accomplishing the SDGs (Table 7). Nepal offers one example (Government of Nepal, National Planning Commission and OPHI, 2018; UNDP and OPHI, 2019b). Other countries, such as Pakistan, have also used the MPI for monitoring the SDG target 1.2. They mention that the MPI has the advantage of a clear headline figure that can present the overall progress, as well as more detailed analysis of the situation of the poor, one that reflects multiple deprivations and SDGs. The specific functions of the MPI, such as disaggregation and indicator breakdown, allow countries to showcase their respective efforts and improvements in the various dimensions, as well as define clear focus areas and strategies for future actions.

### Multidimensional Poverty Peer Network (MPPN)

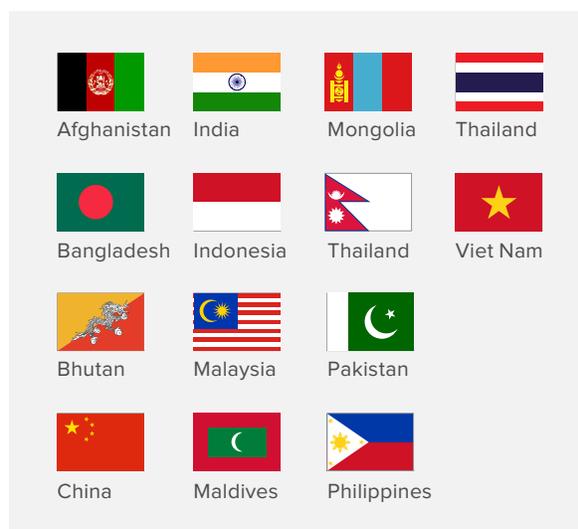
In 2013, the rising application of multidimensional poverty indices within national contexts, and their unusual position of spanning statistical offices and policy actors, gave rise to the **Multidimensional Poverty Peer Network (MPPN)**, a growing global community of 60 countries and 19 organizations. The MPPN holds annual meetings, active online calls and interchanges, and publishes the magazine Dimensions. It hosts high-profile events at the UN General Assembly with heads of states, ministers and heads of agencies, and at the UN Statistics Commission with Statistician Generals. The MPPN steering committee includes Bangladesh, China, Colombia and South Africa, as well as OPHI at the University of Oxford, which acts as its Secretariat. Ministers and senior officials from 14 APR countries take part in MPPN (Figure 8).

**Table 7:** Voluntary national reviews that mention multidimensional poverty

2020	Bangladesh India Nepal
2019	Sri Lanka Tonga
2018	Bhutan Viet Nam
2017	Bangladesh India Indonesia Nepal
2016	Philippines

Source: Authors, based on UN (2021)

**Table 8:** APR Multidimensional Poverty Peer Network members



The MPPN website (mmpn.org) provides a platform and a repository of detailed national MPI reports for each country as well as resources for capacity-building, technical support and dialogue; it fosters exchanges on measuring multidimensional poverty, relevant policy efforts and strategies, and experiences and lessons learned in participant countries. The bilingual MPPN magazine *Dimensions*, annual meetings and round-robin conference calls (in English and Spanish) enable further exchanges between early adopters and newcomers to multidimensional poverty measurement. Informally, the MPPN enables countries to access peer-

to-peer technical, statistical and policy support, as well as input into the design and institutional arrangements for successful multidimensional poverty eradication (MPPN, 2020b). As the MPPN mission statement puts it:

Through meetings, knowledge sharing and informal exchange, the MPPN supports policymakers in developing more effective poverty eradication policies that are grounded in multidimensional measures of poverty. Its vision is a world in which poverty in all its forms is measured, tracked over time, and eventually eliminated (MPPN, 2021c).

## CONCLUSION

The work in the APR on multidimensional poverty is by no means new. But the use of new metrics to design integrated policies and to manage and measure change remains in its initial phase. As the many analyses in this document have shown, countries in the APR have the potential to innovate quickly and

skilfully using such metrics. The APR could become a field leader in truly ending acute and abject conditions while empowering impoverished persons and communities as agents and leaders. If such momentous improvement in human development occurs, it will serve both impacted nations and the entire world.

## LIST OF BOXES

Box 1: How the global MPI is constructed

Box 2: Examples of the purpose of national MPIs in the Asia and Pacific Region

## LIST OF FIGURES

Figure 1: Structure of the global MPI

Figure 2: Where do the poor live? (thousands)

Figure 3: Percentage contribution of each indicator to global MPI 2020 by country

Figure 4: Going beyond national averages reveals inequalities within countries

Figure 5: Selected MPI dimensions in the APR

Figure 6: Vietnam's censored headcount of each indicator

Figure 7: Vietnam's multidimensional indices by region and year

Figure 8: APR Multidimensional Poverty Peer Network members

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## LIST OF TABLES

Table 1: Global MPI 2020: Dimensions, Indicators, Deprivation Cut-offs and Weights

Table 2: Overview of the MPI in the Asia and Pacific Region and detail of South Asia and East Asia Pacific distributions

Table 3: Global MPI 2020 values in the Asia and Pacific Region

Table 4: MPI change over time in the Asia and Pacific Region

Table 5: At-a-glance comparison of global and national MPIs

Table 6: Some national MPIs in South Asia (SA) and Southeast Asia (SEA)

Table 7: Voluntary national reviews that mention multidimensional poverty

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