Frequently Asked Questions - Multidimensional Poverty Index 2019 (MPI)

What is the Global Multidimensional Poverty Index?

The Global Multidimensional Poverty Index (MPI) identifies multiple deprivations at the household and individual level in health, education and standard of living. It uses micro data from household surveys, and—unlike the Inequality-adjusted Human Development Index—all the indicators needed to construct the measure must come from the same survey. Each person in a given household is classified as poor or non-poor depending on the weighted number of deprivations his or her household, and thus, he or she experiences. These data are then aggregated into the national measure of poverty. The MPI reflects both the incidence of multidimensional deprivation (a headcount of those in multidimensional poverty) and its intensity (the average deprivation score experienced by poor people). It can be used to create a comprehensive picture of people living in poverty, and permits comparisons both across countries, regions and the world and within countries by ethnic group, urban or rural location, as well as other key household and community characteristics. The MPI offers a valuable complement to income-based poverty measures. The 2019 release of the MPI presents estimates for 101 developing countries with a combined population of 5.7 billion (76% of the world total). About 1.3 billion people in the countries covered— 23.1% of their entire population—lived in multidimensional poverty between 2007 and 2018. We could not include other countries due to data constraints. Comparable data on each of the indicators were not available for other developing nations. There was also a decision not to use data from surveys conducted earlier than 2007.

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What does the MPI measure?

The MPI identifies overlapping deprivations that people experience across the same three dimensions as the Human Development Index (health, education and standard of living) and shows the proportion of people that are poor and the average number of deprivations each poor person experiences at the same time. For more details see Technical note 5.

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What is the regional coverage for the MPI 2019?

Using the United Nations Development Programme (UNDP) classification for developing regions, the MPI 2019 covers 40 (out of 46) countries in Sub-Saharan Africa; 7 (out of 9) countries in South Asia; 11 (out of 24) in East Asia and the Pacific; 11 (out of 20) countries in the Arab States region; 20 (out of 33) countries in Latin America and the Caribbean; and 12 (out of 17) countries in Europe and Central Asia.

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Which data sources are used in the MPI?

The MPI relies on two main databases that are publicly available and comparable for most developing countries: the ICF Macro Demographic and Health Survey (DHS) and the UNICEF's Multiple Indicators Cluster Survey (MICS). For several countries, national household surveys with the same or similar content and questionnaires are used: Brazil, 2015 Pesquisa Nacional por Amostra de Domicílios (PNAD); China, 2014 China Family Panel Studies; Ecuador, 2013-2014 Encuesta de Condiciones de Vida (ECV); Jamaica, 2014 Jamaica Survey of Living Conditions

(JSLC); Libya, 2014 Pan Arab Population and Family Health Survey (PAPFAM); Mexico, 2016 Encuesta Nacional de Salud y Nutricion (ENSANUT); Morocco, 2011 Pan Arab Population and Family Health Survey (PAPFAM); and Syrian Arab Republic, 2009 Pan Arab Population and Family Health Survey (PAPFAM).

Table 1 of the 2019 release of the MPI indicates for each country if data come from the DHS, MICS or from a national survey.

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The MPI is said to measure "acute" poverty. Does this differ from "extreme" poverty?

The MPI reflects the multiple deprivations that people face at the same time. We have described the MPI as a measure of "acute" poverty because it reflects overlapping deprivation in basic needs and also to avoid confusion with the World Bank's measure of "extreme" poverty that captures those living on less than \$1.90 (in 2011 \$PPP) a day.

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Since 2018, the MPI estimates are based on a jointly revised methodology by UNDP and the Oxford Poverty and Human Development Initiative (OPHI). What are the differences with the 2014 specifications introduced by UNDP?

The MPI was first developed in 2010 by OPHI and UNDP for the UNDP's flagship Human Development Reports. In February 2012 and March 2013 a critical review of the family of human development indices including the MPI was conducted during the two conferences on measuring human progress organized by UNDP. As an outcome of these critical reviews, a number of adjustments were made to the MPI. They were justified on the grounds of being more in line with the MDGs. At that time, OPHI continued publishing their own estimates using the original 2010 specifications. In 2018, OPHI and UNDP revised and unified the MPI methodology and the joint work is available at both OPHI's and UNDP's websites. The MPI numbers and analysis are expected to be updated at least once per year to include newly released data.

The new round of adjustments to the MPI introduced in 2018 were justified on the grounds of being more in line with the 2030 Agenda. Since 2018 the MPI is therefore a contribution to the implementation and monitoring of Sustainable Development Goal 1 which aims to end poverty in all its forms everywhere, and to the achievement of the Agenda's ambition and fundamental principle of "Leaving No One Behind".

The difference between the previous approaches stands in the definition of deprivations for some of the indicators.

- · Health dimension:
- Nutrition: a household is deprived if there is a stunted or an underweight child (instead of only stunted). Because, if a child is stunted, the damage is mostly irreversible. As Anthony Lake of UNICEF described it: "That child will never learn, nor earn, as much as he or she could have if properly nourished in early life." http://reliefweb.int/report/world/speech-anthony-lake-unicefexecutive-d.... Adults above 20 years are considered malnourished if their BMI is below 18.5 m/kg2; for individuals aged 15-19 implement age-specific BMI cutoffs from WHO are applied.
- Child mortality: a household is deprived if any child has died in the family in the five-year period preceding the survey. This captures recent improvements in child mortality. When the survey lacks information about the date of the child death, mortality that occurred anytime is used.
- Education dimension:
- School attainment: a household is deprived if no member aged 10 years or older has completed six years of schooling. Six years is the duration of primary education in most countries, so this change reinforces SDG 4 "Quality education."
- School attendance: a household is deprived if any school-aged child is not attending school up to the age at which he/she would complete class 8.

- · Standard of living:
- Housing: a household is deprived if it has inadequate housing in at least one of the three: the floor is of natural materials or the roof or the walls are of rudimentary materials.
- Assets ownership: a household is deprived if it does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike, or refrigerator, and does not own a car or truck.
- Electricity, improved sanitation, improved drinking water and cooking fuel remain the same. Further details about the original MPI methodology from 2010 can be found in Alkire and Santos (2010) https://ophi.org.uk/acute-multidimensional-poverty-a-new-index-for-devel... Further details about the UNDP/HDRO revised methodology from 2014 can be found in Kovacevic

and Calderon (2014) http://hdr.undp.org/en/content/undp%E2%80%99s-multidimensional-poverty-i... Further details about the jointly revised methodology can be found in: Alkire and Jahan (2018) http://hdr.undp.org/en/content/new-global-mpi-2018-aligning-sustainable-...

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Does the 2019 release of the MPI include any methodological change or adjustment with respect to the previous year?

Yes. This year, the only methodological adjustment was applied to child mortality. Following the Convention on the Rights of the Child, a child is defined as a person below the age of 18. With this new adjustment, the death of an offspring reported by a mother does not count as a deprivation if the death occurred when the son or daughter was above the age of 18. Previously, there was no age limit and child was understood as a son or daughter of any age.

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How is the MPI computed when there is incomplete data on both health indicators?

Incomplete data on the health dimension were collected in the Brazil's Pesquisa Nacional por Amostra de Domicílios (PNAD). While PNAD collects rich data on social, economic and demographic characteristics of households and their members, some data that are needed for the MPI computation, such as basic nutrition characteristics (body weight and height of children and adults) are not collected. Although the survey collects household information on deaths of children (of any age), it does not collect the date of the death, so it is not possible to distinguish recent deaths from those that happened more than 5 years prior to the survey. Thus, the child mortality indicator has incomplete information on deaths of children. Given the lack on nutrition, this implies that the imperfect child mortality indicator would receive the full dimension weight of 1/3. In such a case, the MPI methodology was modified to compensate for this limitation in the health dimension and two adjustments were performed: (i) only child mortality reported by mothers of ages between 15 and 49 was considered, and (ii) a household that is deprived only in child mortality cannot be declared MPI poor. The first adjustment increases the likelihood that the reported deaths happened more recently and that they refer to a child under the age of 18 year, while the second removes the possibility that a household is declared MPI poor based only on the death of a child that happened any time before the survey. This second rule means that an additional deprivation in at least one of the rest of the indicators is needed for such a household to be declared MPI poor. Brazil is the only country that lacks information about nutrition and that lacks information about date of death for the child mortality indicator. There are 7 countries that lack data on deprivations in nutrition but with complete data on mortality. Likewise, there are another 11 countries without date of death, but with data on deprivations in nutrition, therefore, the weight attached to child mortality is only 1/6 making the MPI estimates less dependent on the treatment of child mortality.

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How does the MPI fit the 2030 Agenda?

The indicators for the 2010 MPI were drawn from the Millennium Development Goals (MDGs). These original MPI indicators were identical, or relate, to MDG indicators: nutrition (MDG 1), child mortality (MDG 4), access to drinking water (MDG 7), access to sanitation facility (MDG 7) and use of an improved source of cooking fuel (MDG 9).

With the subsequent revisions of the methodology, the 2018 revision of the MPI is a contribution to the implementation and monitoring of Sustainable Development Goal 1 which aims to end poverty in all its forms everywhere, and to the achievement of the Agenda's ambition and fundamental principle of "Leaving No One Behind". In addition, national measures of Multidimensional Poverty may directly serve the purpose of monitoring SDG Indicator 1.2.2 (proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions).

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Can we expect further changes in the MPI methodology?

Yes. We are continuously working on improving the MPI methodology to better measure the multidimensional aspect of human's deprivations, to reflect the needs of policy makers and to incorporate new indicators or components when surveys update the information collected.

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How do I interpret the various values presented with the MPI results?

The MPI constitutes a set of poverty measures. These measures are explained as follows. Headcount or incidence of multidimensional poverty: the proportion of people who are poor according to the MPI (those who are deprived in at least one third of the weighted indicators). Intensity of multidimensional poverty: the weighted average number of deprivations poor people experience at the same time. The MPI value summarizes information on multiple deprivations into a single number. It is calculated by multiplying the poverty headcount by the intensity of poverty. These measures can be unpacked to show the composition of poverty both across countries, regions and the world and within countries by ethnic group, urban/rural location, as well as other key household and community characteristics.

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What makes an individual multidimensionally poor?

One deprivation alone may not represent poverty. The MPI requires a person to be deprived in multiple indicators at the same time. A household, and so all its members, is multidimensionally poor if it is deprived in one third or more of the weighted indicators. We also count persons who are vulnerable to multidimensional poverty as those who are deprived in one fifth or more but less than one third of the weighted indicators. Those who are deprived in one half or more are considered living in severe multidimensional poverty.

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How is the number of poor people in each country calculated?

The number of people living in multidimensional poverty have been computed using the United Nations Department of Economic and Social Affairs/Population Division's total population data for the year 2017 for all countries. This approach assumes a constant headcount ratio (obtained by applying the MPI methodology to the survey) which implies an assumption of no change in poverty between the year of the survey and 2017.

In addition, the 2019 release of the MPI provides the number of people living in multidimensional poverty during the year of the survey.

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Why is income not included?

Including income as an indicator might imply double counting people's deprivations. The standard of living dimension of the MPI acts as a proxy for economic wellbeing. The MPI, which also includes other dimensions of wellbeing, should be seen as a complementary measure of income poverty that goes beyond the monetary aspect of people's lives.

An interesting analysis would be to explore the overlap between income poverty and multidimensional poverty, i.e. to distinguish those who are income poor and MPI poor versus those who are poor according to one concept only or those who are not poor at all. However, income data come from different surveys, and these surveys often do not have information on health and nutrition. For most countries we are not able to identify whether the same people are income poor and also deprived in the MPI indicators.

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Why is empowerment not included?

We could not include empowerment due to data constraints. The Demographic and Health Surveys (DHS) collect data on women's empowerment for some countries, but not every DHS survey includes empowerment, and the other surveys do not have these data. Data on men's empowerment or political freedom are missing.

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Why do the reference years for the surveys used for the MPI differ by country? Isn't it unfair to compare countries if the statistics in one case are five years older than in another?

The MPI relies on the most recent and reliable data available since 2007. The difference in dates limits direct cross-country comparisons, as circumstances may have improved, or deteriorated, in the intervening years. This is the reason why we do not rank countries based on the MPI value. Data are from 2007–2018, though 5.2 billion of the 5.7 billion people covered and 1.2 billion of the 1.3 billion multidimensionally poor people identified are captured by surveys from 2013 or later.

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Why are there such wide discrepancies between MPI poverty estimates and \$1.90 per day poverty estimates in so many countries?

The MPI complements income poverty measures. It measures various deprivations directly. In practice, although there is a clear overall relationship between the MPI and the \$1.90 per day measure, the estimates do differ for many countries. This is a topic for further research, but some factors can include the provision of public services, as well as different abilities to convert income into positive outcomes such as good nutrition.

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Why are MPI estimates higher or lower than reported national poverty line estimates?

The MPI, like the \$1.90 per day line, is a globally comparable measure of poverty. It measures acute multidimensional poverty, and only includes indicators that are available for many countries. National

poverty line measures are typically monetary measures, and, thus, capture something different. The fact that there are differences does not mean that the national poverty number or the MPI headcount are wrong—these simply measure different concepts of poverty. At the same time, just as national poverty measures are designed to reflect the domestic situation more accurately and often differ in very useful ways from the \$1.90 measure, some countries may wish to build a national multidimensional poverty index that is tailored to their context, to complement this global MPI.

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What are the policy implications?

The MPI methodology shows aspects in which the poor are deprived and helps to reveal interconnections among those deprivations. This enables policymakers to target resources and design policies more effectively. This is especially useful where the MPI reveals areas or groups characterized by severe deprivation.

The multidimensional poverty approach can be adapted using indicators and weights that are more relevant to national context at the country level to create tailored national poverty measures. The MPI can be useful as a guide to help governments tailor a poverty measure that reflects local indicators and data. In 2009, Mexico became the first country to adopt a measure of multidimensional poverty as an official national statistic.

The MPI methodology can be, and often is, modified to generate national measures of Multidimensional Poverty that reflect local cultural, economic, climatic and other factors. Such national measures of Multidimensional Poverty may directly serve the purpose of monitoring SDG Indicator 1.2.2 (proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions). The MPI was devised as an analytical tool to compare acute poverty across nations.

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What are the main limitations of the MPI?

The MPI has some drawbacks, due mainly to data constraints. First, the indicators may not reflect capabilities but instead reflect outputs (such as years of schooling) or inputs (such as cooking fuel). Second, the health data are relatively weak and overlook some groups' deprivations, especially for nutrition, though the patterns that emerge are plausible and familiar. Third, in some cases careful judgments were needed to address missing data. But to be considered multidimensionally poor, households must be deprived in at least six standard of living indicators or in three standard of living indicators and one health or education indicator, or in two health or education indicators. This requirement makes the MPI less sensitive to minor inaccuracies. Fourth, intra-household inequalities may be severe, but these could not be reflected. Fifth, while the MPI goes well beyond a headcount ratio to include the intensity of poverty, it does not measure inequality among the poor, although decompositions by groups can be used to reveal group-based inequalities. Finally, the estimates presented here are based on publicly available data and cover various years between 2007 and 2018, which limits direct cross-country comparability.

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Can the indicators be adapted at the country level?

Yes. The global MPI estimates are constrained by need for comparability. National teams should use the indicators and weights that are more relevant to the country context. At the country level, the multidimensional poverty approach to assessing household deprivations can be tailored using country-specific data and indicators to provide a richer and more representative picture of poverty.

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How does the MPI respond to changes over time?

The MPI can be used to study the changes in poverty patterns over time providing that the data are available from the same survey conducted at different years and MPI estimates are strictly harmonized. If estimates are not harmonized, readers are advised to carefully interpret the changes over time for a particular country because different indicators could be missing from the survey at different points in time.

Approximately 70 countries have suitable surveys that allow for the calculation of the MPI and its changes over time. Estimates for previous years using the 2018 methodological revision of the MPI are presented in Table 2 of the 2019 release for a selection of countries. This table presents harmonized estimates as well as non-harmonized ones. The first ones allow for strict comparison across time, while the second ones include all indicators that are available in a particular year and survey –that is, the non-harmonized estimates are the ones presented in Table 1.

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How does the MPI respond to the effects of shocks?

The effects of shocks are difficult to capture in any poverty measure. Because the standard survey data used to estimate the global measure are collected in differing intervals, the ability to detect changes depends upon the frequency of available data. The MPI will reflect the impacts of shocks as far as these cause children to leave primary education or to become malnourished, or lose adequate housing, for example. If more frequent data are available at the country or local level, this can be used to seek to capture the effects of larger scale economic and other shocks.

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How can the MPI estimates be replicated?

Since the 2014 HDR, all statistical programmes used to calculate the MPI have been available at the HDRO's website. The statistical programs associated with the MPI 2019 are available at the HDRO's website for a selection of countries (http://hdr.undp.org/en/content/mpi-statistical-programmes). Also, DHS and MICS data are publicly available online. Therefore, national governments, civil society groups, and research communities can replicate the MPI results as well as adapt the programmes to their own country-specific poverty needs.

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