

The characteristics of the poor and trends in multidimensional poverty

ACCELERATING GLOBAL ACTIONS FOR A WORLD WITHOUT POVERTY

Virtual Expert Group Meeting on Implementation of the Third United Nations Decade for the
Eradication of Poverty (2018-2027)

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Global Multidimensional Poverty Index (MPI) & Third Decade

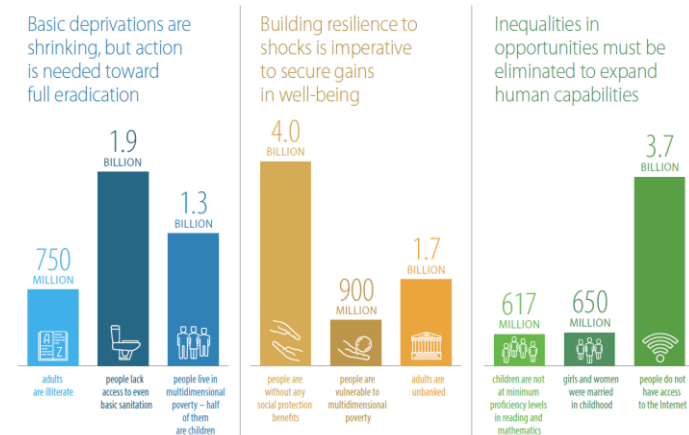
The global Multidimensional Poverty Index (MPI) is used to monitor the Third UN Decade.

This is in line with other practices:

The World Bank *Commission on Monitoring Global Poverty* led by Sir Tony Atkinson recommended the use of monetary and non-monetary measures to monitor poverty, and explicitly commended an indicator based on the MPI methodology (World Bank, 2017).

The 2019 *Global Sustainable Development Report: The Future is Now* written by an Independent Group of Scientists appointed by the UN Secretary-General, used the global MPI to observe that in 2018, 1.3 billion persons were poor, so the MPI presented a 'more sobering picture' than the extreme monetary poverty measure.

Other synergies with the Third Decade: **Multidimensional
Disaggregated (LNOB)
Integrated Policies**



Atkinson: Metrics matter if they a) motivate; b) monitor; c) shape policy

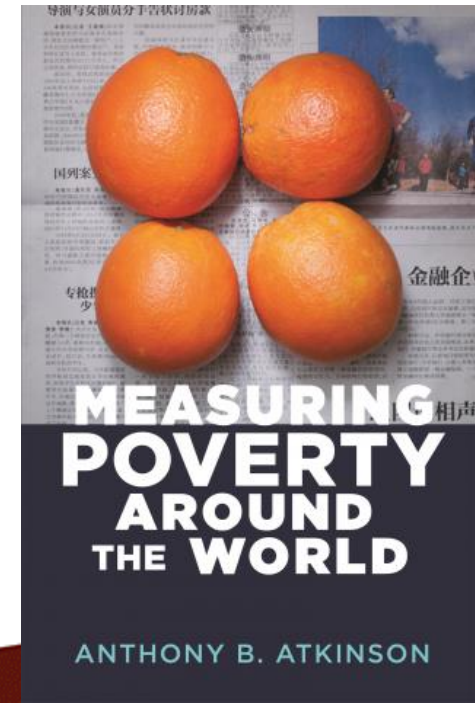
Poverty statistics matter because they motivate people to tackle a key challenge. (p 1)

Statistical evidence about the extent and nature of poverty has been a major factor influencing political action **The statistics are a performance indicator.** (p30)

The role of **performance monitoring** has acquired much greater salience with the adoption . . . of targets for the reduction or elimination of poverty.” (p30)

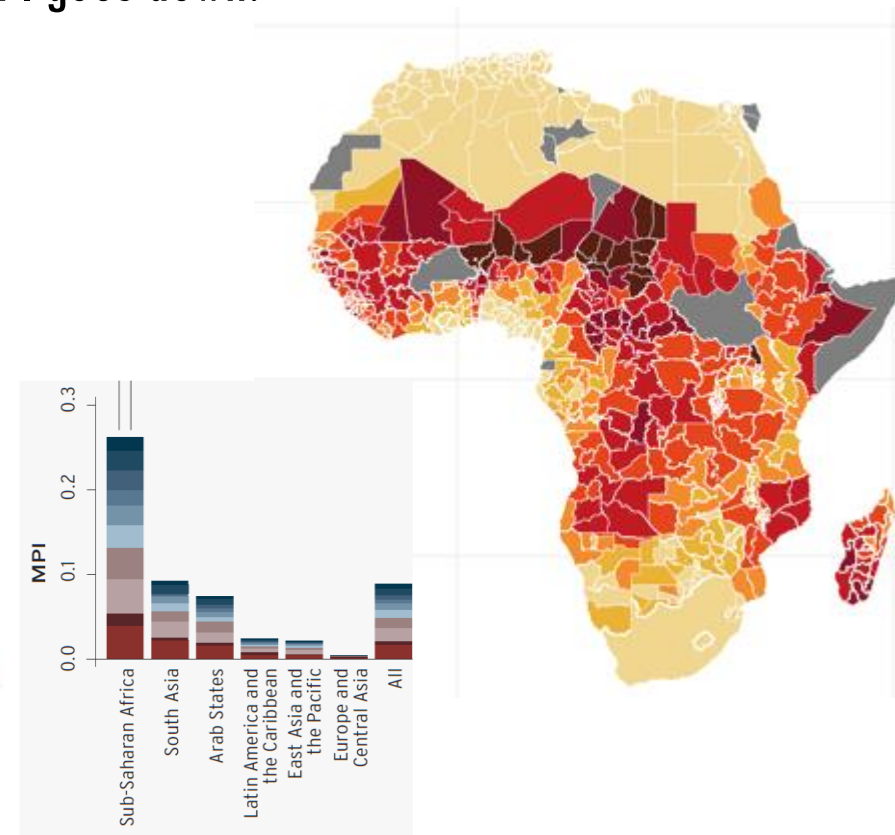
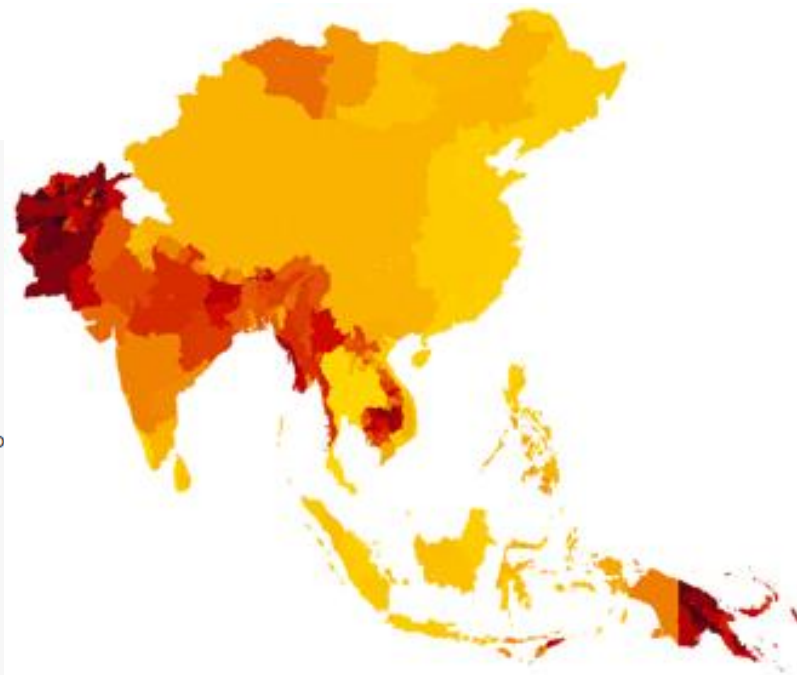
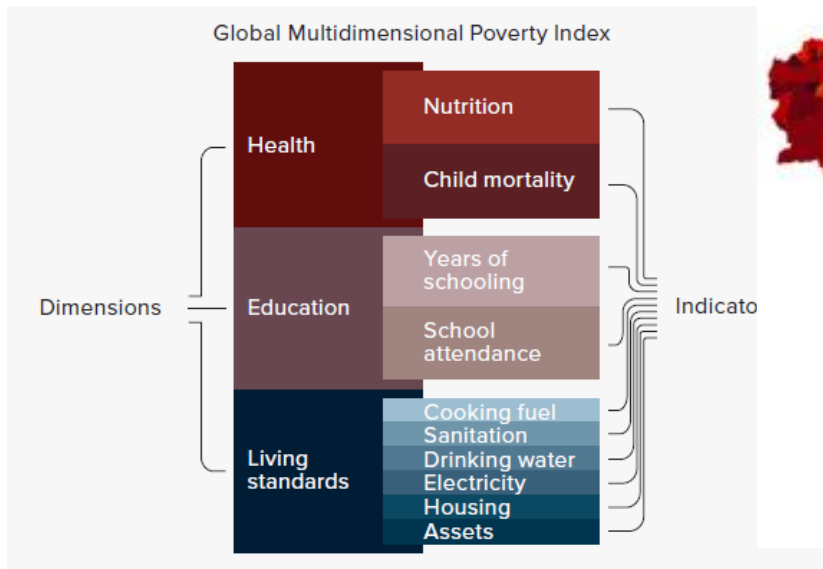
This is true in the SDGs – and will be true post-2030 also.

MPIs are increasingly taking a motivational role



The Global Multidimensional Poverty Index (MPI)

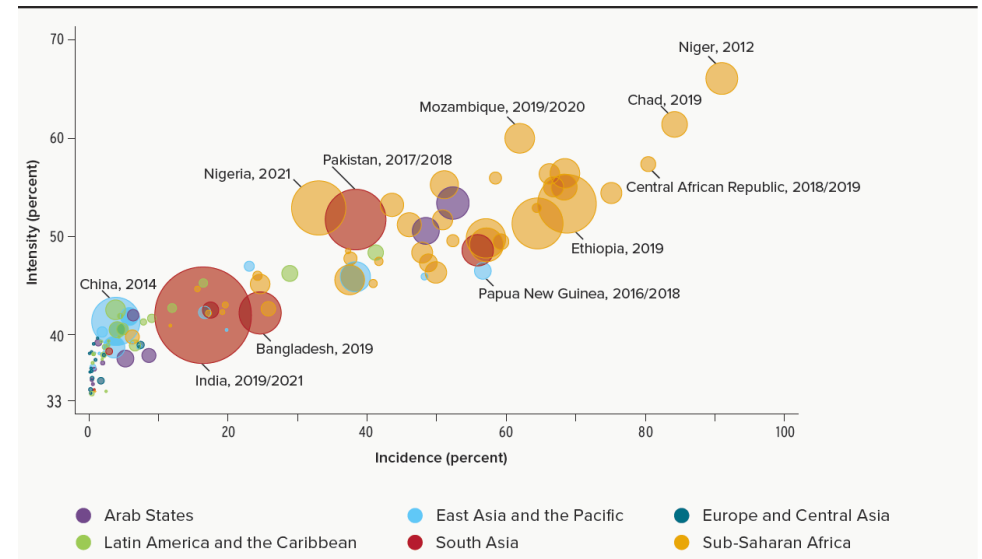
- **Joint with UNDP;** a global reference on acute poverty for 110 countries, complementing \$2.15/day
- **Disaggregated** by 1281 regions, children, rural/urban, gender of headship
- **Online Public Good:** reports, briefings, interactive databank, dofiles, data tables, gitlab, documentation
- **Parsimonious:** based on about 43 household survey questions.
- **Policy Responsive:** if any deprivation of any poor person goes down, MPI goes down.



Global MPI 2023 Overview

- Of 6.1 billion people in 110 countries; 1.1 billion (18%) are MPI poor.
- Where the incidence of MPI is highest, poor people experience more deprivations together
- Each of the 10 MPI indicators add value in each region:
 - electricity is key in SSA; nutrition in SA
- In 37 of the 110 countries, less than three percent of the population are MPI poor in the most recent dataset. These countries are already very near to the goal of eradicating poverty as measured by the global MPI.

The higher the incidence of poverty, the higher the intensity of poverty that poor people tend to experience



- Datasets used are DHS and MICS and national surveys from 2011-2022; however few datasets are post-covid so the data revolution is in danger of leaving poverty data behind.

Some Characteristics of the Poor

- 83% of poor people live in **Sub-Saharan Africa** (534M) and **South Asia** (389M)
- Nearly two-thirds (730 million) live in **Middle Income Countries**
- Half of all poor people are **children** (566M). 27.7% of children are poor; 13.4% of adults
- 84% of all poor people live in **rural areas**
- In 2021 we found that two-thirds of all poor people did not have in their household a **girl or woman** who had completed six years of schooling (and all had an eligible female at home).
- We undertook gendered and intrahousehold analyses for children in South Asia (2019) & find:
 - There is no gendered disparity in nutrition among children 0-5.
 - Schooling has disparity e.g. in Afghanistan, 44% of girls were out of school vs 25% of boys (2015/6).
 - 22% of children in Pakistan live with intrahousehold disparity in nutrition, and also in school attendance.
 - In South Asia (2019), 436 million lived in a household in which no adult had completed 6 years of schooling. But a massive 135 million people — just under a third — live with a child who has completed six years of schooling. South Asia had 35.7 million such ‘pioneer children’. In Nepal and India, one in ten poor people had a pioneer child at home.

Global MPI 2023 Trends: Summary

- **Harmonised trends are available for 84 countries (~ 5.5 B people)**
- **Overall, 72 of the 81 countries had a significant reduction of MPI value in at least one covered period.**
- **25 countries significantly reduced deprivations of poor people in every indicator.**
- **25 countries already halved the global MPI in 4-12 years**

Arab States (1)	East Asia & Pacific (6)	Europe and Central Asia (5)	Latin America & Caribbean (7)	South Asia (2)	Sub-Saharan Africa (4)
Morocco	Cambodia	Albania	Plurinational State of Bolivia	India	Gabon
	China	Kyrgyzstan	Dominican Republic	Nepal	Congo
	Indonesia	North Macedonia	Guyana		Lesotho
	Mongolia	Serbia	Honduras		Sao Tome & Principe
	Thailand	Turkmenistan	Nicaragua		
	Viet Nam		Peru		
			Suriname		

Source: UNDP-OPHI 2023 Global MPI report

Strong Global MPI Reductions

Fastest:

Sierra Leone 74% - 58% in 4 years

Timor Leste 70% - 47% in 6.5 years

Togo 55% - 43% in 3.5 years

Largest Number of Poor:

India 55% - 16% in 15 years — **415 M** out of poverty

China 9.5% - 4.2% in 4 years — **69 M** out of poverty

Bangladesh 38% - 24% in 5 years — **19 M** out of poverty

Note: There are troubling trends for children. Children are the poorest, and in 42 countries, were being left behind adults.

Source: OPHI Table 6 — Alkire Kanagaratnam & Suppa 2023

Increases in Global MPI or in the Number of Poor

➤ Two countries increased MPI

Guinea	62% - 65% in 2 years	<i>(only MPI sig)</i>
Central African Republic	81% - 84% in 8.5 years	

➤ Largest increase in # of poor

DRC	8 million in 6.5 years	2007-2013/14
Nigeria	5 million in 3.5 years	2013-2016/17
Ethiopia	5 million in 5 years	2011-2016

23 countries had no significant change in the global MPI in at least one period (<800M pop)

The Number of Poor People increased in 15 countries

None of the poorest 37 countries halved their MPI – and 33 of these countries are in SSA

The global MPI sounds a ringing call to action for the poorest countries.

Binding Constraint: Data (but v feasible)

“Collecting good data is one of the most powerful tools to end extreme poverty”

The 2017 Atkinson Commission on *Monitoring Global Poverty* recommended “a major investment in statistical sources” for poverty. As Atkinson explained, “The aim...is...not only to increase resources but also to signal the **need for higher priority to be given to poverty statistics.**”

The report commended multidimensional & monetary poverty statistics.

Are we on track to halve the global MPI? (81 country trends)

- There was a **large net reduction in the number of poor persons**
- Reductions in **South Asia** (especially India, Bangladesh) drove the global trends.
- Reductions in **global** incidence would be on track to halve poverty. Trends from 2015 on (2.5 B) were also on track
- But **country patterns vary** in speed and composition and many countries are off track for SDG 1.2.
- Despite fast progress in **Sub Saharan Africa**, the **number of poor rose** in half of the included SSA countries.
- We **lack post-covid data for over 100 of 110 countries**.

Note: OPHI estimate strictly harmonized trends over time for over 200 datasets dated 2010 to 2021/22. The years and periods between datasets vary by country. We track national and subnational trends using rigorously harmonized datasets. We do not yet extrapolate, nowcast, nor release aggregate global trends. Nearly all data are pre-pandemic.

- Disaggregated results with indicator detail are published as Table 6 of Alkire Kanagaratnam and Suppa 2023

Current Policy Uses of MPI

Complement monetary poverty statistics
Track poverty trends
Allocate resources by sector and region
Target households or marginalized groups
Coordinate policy across sectors and levels
Leave No One Behind: check disaggregations
Communicate to media, academia, civil society,
private sector, celebrities

Acceleration Strategies

Include MPI questions in key surveys
Feasible if key actors wish.
Increase allocations to halve MPI by 2030
Non-monetary social protection
Use MPI data to **plan & manage** (KPIs, etc)
Recognise winners – subnational & sector
Report transparently & widely