

A better way to measure global poverty

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(PhysOrg.com) -- A new poverty measure that gives a 'multidimensional' picture of people living in poverty is launched today, which its creators say could help target development resources more effectively.

The Oxford Poverty and Human Development Initiative (OPHI) of Oxford University and the Human Development Report Office of the United Nations Development Programme (UNDP) today launched a new poverty measure that gives a 'multidimensional' picture of people living in poverty, which its creators say could help target development resources more effectively.

The new measure, the Multidimensional Poverty Index, or MPI, was developed and applied by OPHI with UNDP support, and will be

featured in the forthcoming 20th anniversary edition of the UNDP Human Development Report. The MPI supplants the Human Poverty Index, which had been included in the annual Human Development Reports since 1997.

The 2010 UNDP Human Development Report will be published in late October, but research findings from the Multidimensional Poverty Index were made available today at a policy forum in London and online on the websites of OPHI and the UNDP Human Development Report.

The MPI assesses a range of critical factors or ‘deprivations’ at the household level: from education to [health outcomes](#) to assets and services. Taken together, these factors provide a fuller portrait of acute poverty than simple income measures. The measure reveals the nature and extent of poverty at different levels: from household up to regional, national and international level. This new multidimensional approach to assessing poverty has been adapted for national use in Mexico, and is now being considered by Chile and Colombia.

‘The MPI is like a high resolution lens which reveals a vivid spectrum of challenges facing the poorest households,’ said OPHI Director Dr Sabina Alkire, who created the MPI with Professor James Foster of George Washington University and Maria Emma Santos of OPHI.

OPHI researchers analysed data from 104 countries with a combined population of 5.2 billion (78 per cent of the world total). About 1.7 billion people in the countries covered - a third of their entire population - live in multidimensional poverty, according to the MPI. This exceeds the 1.3 billion people, in those same countries, estimated to live on \$1.25 a day or less, the more commonly accepted measure of ‘extreme’ poverty.

The MPI also captures distinct and broader aspects of poverty. For

example, in Ethiopia 90 per cent of people are ‘MPI poor’ compared to the 39 per cent who are classified as living in ‘extreme poverty’ under income terms alone. Conversely, 89 per cent of Tanzanians are extreme income-poor, compared to 65 per cent who are MPI poor. The MPI captures deprivations directly - in health and educational outcomes and key services, such as water, sanitation and electricity. In some countries these resources are provided free or at low cost; in others they are out of reach even for many working people with an income.

Half of the world’s poor as measured by the MPI live in South Asia (51 per cent or 844 million people) and one quarter in Africa (28 per cent or 458 million). Niger has the greatest intensity and incidence of poverty in any country, with 93 per cent of the population classified as poor in MPI terms.

Even in countries with strong economic growth in recent years, the MPI analysis reveals the persistence of acute poverty. There are more MPI poor people in eight Indian states alone (421 million in Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, and West Bengal) than in the 26 poorest African countries combined (410 million). The MPI also reveals great variations within countries: Nairobi has the same level of MPI poverty as the Dominican Republic, whereas Kenya’s rural northeast is poorer in MPI terms than Niger.

The UNDP Human Development Report Office is joining forces with OPHI to promote international discussions on the practical applicability of this multidimensional approach to measuring poverty. ‘We are featuring the Multidimensional Poverty Index in the 20th anniversary edition of the Human Development Report this year because we consider it a highly innovative approach to quantifying acute poverty,’ Dr Jeni Klugman, Director of the UNDP Human Development Report Office and the principal author of this year’s Report, said. ‘The MPI provides a

fuller measure of [poverty](#) than the traditional dollar-a-day formulas. It is a valuable addition to the family of instruments we use to examine broader aspects of well-being, including UNDP's Human Development Index and other measures of inequality across the population and between genders.'

Provided by Oxford University

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