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Global Multidimensional Poverty Index 2020

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Why in News

Recently, **Global Multidimensional Poverty Index 2020** was released by the **United Nations Development Programme (UNDP)** and the **Oxford Poverty & Human Development Initiative (OPHI)**.

The data of the index is based on the **study of poverty trends** in 75 countries.

Key Points

- **Global Scenario:**
 - **1.3 billion** people are still living in multidimensional poverty. More than **80% are deprived in at least five** of the ten indicators used to measure health, education and living standards in the global MPI.
 - The **burden of multidimensional poverty disproportionately falls on children** - half of multidimensionally poor people are children under age 18.
 - **65 out of 75 countries** studied significantly **reduced their multidimensional poverty levels between 2000 and 2019**.
 - About **84.3% of multidimensionally poor** people live in **Sub-Saharan Africa** and **South Asia**.
 - **67% of multidimensionally poor** people are in **middle-income countries**.
- **Indian Scenario:**

India **lifted as many as 270 million people** out of multidimensional poverty between 2005-06 and 2015-16.
- **Neighbourhood Scenario:** In **China**, 70 million people left multidimensional poverty between 2010 and 2014, while in **Bangladesh**, the numbers declined by 19 million between 2014 and 2019.

- **Impact of Covid-19:** Covid-19 is having a profound impact on the development landscape.
The study finds that on average, **poverty levels** will be set back **3 to 10 years** due to **Covid-19**.
- **Sustainable Development Goals:** The index emphasises on measuring and monitoring progress under the goals to reach '**zero poverty by 2030-Goal 1 of the SDGs**'.

Multidimensional Poverty Index

- The Multidimensional Poverty Index was launched by the **UNDP** and the **OPHI** in **2010**.
- MPI is based on the idea that **poverty is not unidimensional** (not just depends on income and one individual may lack several basic needs like **education, health** etc.), rather it is **multidimensional**.
- The index shows the **proportion of poor people** and the **average number of deprivations** each poor person experiences at the same time.
- MPI uses three dimensions and ten indicators which are:
 - **Education:** Years of schooling and child enrollment (1/6 weightage each, total 2/6);
 - **Health:** Child mortality and nutrition (1/6 weightage each, total 2/6);
 - **Standard of living:** Electricity, flooring, drinking water, sanitation, cooking fuel and assets (1/18 weightage each, total 2/6)
- A person is **multidimensionally poor** if she/he is deprived in one third or more (means 33% or more) **of the weighted indicators** (out of the ten indicators). Those who are deprived in one half or more of the weighted indicators are considered living in **extreme multidimensional poverty**.
- MPI is significant as it recognizes poverty from different dimensions compared to the conventional methodology that measures poverty only from the income or monetary terms.

Way Forward

- The index with its information on both the **level and composition of poverty** – provides the data needed to pinpoint where and how poverty manifests itself. Therefore, it will incite action in **solidarity with the poor**, so that nations like India can '**build better**'.
- Reflecting **progress before the coronavirus pandemic**, it suggests that the progress is at risk and stake-holders need to **look beyond income** to tackle poverty in all its forms. Hence, there is a need to take action to redress the rise of under-nutrition and children leaving school.

Source: HT