Global Multidimensional Poverty Index 2020

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