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Multidimensional Poverty Index by UNDP and OPHI

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The 2018 global **Multidimensional Poverty Index (MPI)** released by the **United Nations Development Programme (UNDP)** and the **Oxford Poverty and Human Development Initiative (OPHI)** projected that about 1.3 billion people live in multidimensional poverty globally.

Multidimensional Poverty Index (MPI)

- The Multidimensional Poverty Index was launched by the UNDP and the Oxford Poverty & Human Development Initiative (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 is significant as it recognizes poverty from different dimensions compared to the conventional methodology that measures poverty only from the income or monetary terms.
- 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.**
- Since the adoption of the 2030 Agenda, UNDP has closely aligned the MPI with the **Sustainable Development Goals (SDGs)** as MPI is one of the preeminent tools to understand the many forms of poverty experienced by those left behind.

- The 2018 global MPI sharpens the picture of poverty worldwide, but it is about more than **SDG-1 (End poverty in all its forms everywhere)**. The MPI assesses the intersecting impact of policy choices across multiple SDGs, and it gives evidence to support integrated responses to complex development challenges.
- A key advantage of the MPI is that it not only provides a headline number for each country, but it can also be broken down by indicator to show what deprivations create poverty in that country.
- However, it must be recognized that the MPI alone still does not give the full and precise picture of poverty deprivations. There are other complementary instruments, such as Human Development Index and related indices, that shed light on different parts of the picture.

Key Findings

- **1.34 billion people live in multidimensional poverty in the 105 developing countries** which means they are deprived in at least one-third of overlapping deprivations in health, education, and living standards, lacking such things as clean water, sanitation, adequate nutrition, or primary education. They are found in every region and every country, **showing that acute poverty remains a global phenomenon.**
- Multidimensional poverty is found in all developing regions of the world, but it is particularly acute in Sub-Saharan Africa and South Asia. These two regions account together for more than 80% of all multidimensionally poor people in the world.
- East Asia, despite having the largest population, has a much smaller share of the world's multidimensionally poor people.
- Least developed countries (LDCs) are the poorest. **Nearly 60% of the population in the LDCs are multidimensionally poor** with an average of more than 50% of weighted deprivations experienced by the poor.
- About 46% of those who are multidimensionally poor – live in severe poverty, that is, they are deprived in at least half of the weighted indicators in health, education, and living standards.
- Multidimensional poverty is much more **intense in rural areas as compared to the urban areas.** The starkest differences between rural and urban poverty are in countries of Sub-Saharan Africa.
- **Half of all multidimensionally poor people are children under 18 years of age.** Among these children, around 40% live in severe poverty. And in terms of conflict, one-third of the MPI poor children live in 'alert' level fragile states, and child poverty levels are the highest in the weakest of the fragile states.

- The MPI includes indicators of children's achievements such as school attendance and nutrition. It includes indicators that affect children's life chances, such as adequate sanitation, safe water, housing, and clean cooking fuel. And it reflects household features that shape children's lives, such as whether a child has died and whether anyone has six years of schooling.
- Given that demographically the world has more children than, probably, it ever has had, the high prevalence of child poverty is a clarion call for action.

In Context of India

- **India is the first country for which progress over time has been estimated.** It is the only country at present with strictly harmonized data on changes in MPI over time .
- The pressing question for India as for all the developing regions – is whether rates of progress similar to those India demonstrated 2005/6–2015/16 will be realized in the ensuing years.
- India has made momentous progress in reducing multidimensional poverty. The incidence of **multidimensional poverty was almost halved between 2005/6 and 2015/16**, climbing down to 27.5% from 55% within ten years. However, the country **still has the largest number of people living in multidimensional poverty** in the world (364 million people).
- Of all the poor people in India, just over one in four has not yet celebrated their tenth birthday. However, multidimensional poverty among children under 10 has fallen the fastest. When considering the durable and lifetime consequences of childhood deprivation, particularly in nutrition and schooling, this is a tremendously good sign for India's future.
- Traditionally disadvantaged subgroups such as **rural dwellers, lower castes and tribes, Muslims, and young children are still the poorest in 2015/16**. For example, half of the people belonging to any of the Scheduled Tribes communities are MPI poor, whereas only 15% of the higher castes are MPI poor. Every third Muslim is multidimensionally poor, compared to every sixth Christian.
- Among states, **Jharkhand had the greatest improvement**, with Arunachal Pradesh, Bihar, Chhattisgarh, and Nagaland only slightly behind. However, Bihar is still the poorest state in 2015/16, with more than half of its population in poverty.
- In 2015/16, the four poorest states – Bihar, Jharkhand, Uttar Pradesh, and Madhya Pradesh – were still home to about 200 million MPI poor people – over half of all the MPI poor people in India.

- This positive trend of pro-poor poverty reduction is seen also across religions and caste groups. In both cases, **the poorest groups (Muslims and Scheduled Tribes) reduced poverty the most over the ten years from 2005/6 to 2015/16**. Yet these two groups **still have the highest rates of poverty**. For instance, while 80% of those who identified themselves as being in a Scheduled Tribe had been poor in 2005/6, in 2015/16, 50% of people belonging Scheduled Tribes are still poor.
- But the landscape of the poorest has improved dramatically and, if current trends continue, is set to change. The poorest groups – across states, castes, religions, and ages – had the biggest reductions in MPI 2005/6 to 2015/16, showing that they have been “catching up,” though they still experience much higher rates of poverty.

Conclusion

- After a decade of impressive progress India’s 2015/16 MPI, **India can be seen as a global representative** of the developing regions in countering acute multidimensional poverty.
- Achieving such a step-change in the landscape of multidimensional poverty requires far more than mere measurement.
- It requires apt **policy analysis**. It requires **steady and consistent attention by those working in governments, civil society organizations, international agencies, and social movements**. And it requires innovative leadership by persons in the private sector, by philanthropists, and, most of all, by poor people and their communities.

Major Poverty Alleviation Programs in India

- **Integrated Child Development Scheme (ICDS)**
 - Launched in 1975, the scheme is one of the flagship programmes of the Government of India and represents one of the world’s largest and unique programmes for early childhood care and development.
 - It is the foremost symbol of country’s commitment to its children and nursing mothers, as a response to the challenge of providing pre-school non-formal education on one hand and breaking the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality on the other.

- **MGNREGA**

- The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), also known as Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) was enacted in 2005.
- The MGNREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage.
- The Ministry of Rural Development (MRD), Govt of India is monitoring the entire implementation of this scheme in association with state governments

- **National Food Security Act**

The National Food Security Act, 2013 was enacted with the objective to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity.

- **Deendayal Upadhyay Antyodaya Yojana (DAY)**

The scheme was launched in 2014 for upliftment of urban and rural poor through enhancement of livelihood opportunities through skill development and other means.