



livelihoods

today and tomorrow

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**Special
Supplement**

Multi-Dimensional Poverty

Poverty is often defined by one-dimensional measures, such as income. But over time it is debated and established that no one indicator alone can capture the multiple aspects that constitute poverty. This month special supplement tried to understand the concept of 'Multi-dimensional Poverty' and Multi-dimensional Poverty Index (MPI) and the recently published Global MPI Report 2018 - Oxford Poverty & Human Development Initiative by University of Oxford .



Multi-dimensionally deprived tribal household in Nellore district of Andhra Pradesh

Every time, we interact with young bunch of development workers or students, one of the first things we do is introduce them to some articles on poverty and development and one among them is “Development Fable” attached as **Annexure**. At the end of the reading we discuss few questions on what development is?

- Is everything new development?
- Is modernisation development?
- Is economic growth development?
- Is social change development?

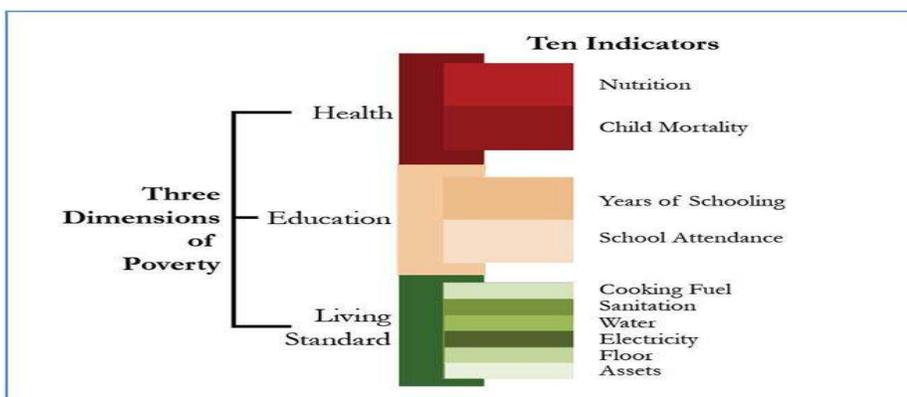
At the end of the discussion, we arrive at a conclusion that “Development is multi-faceted”. The very next question the students ask is whom is this development targeted at? Then who are poor, what are the reasons for poverty and how do we measure of poverty?

When we critically look at measurement of poverty, poverty is often defined by one-dimensional measures, such as income. But over time it is debated and established that no one indicator alone can capture the multiple aspects that constitute poverty. This has been referred to as “Multidimensional Poverty”. As per Oxford Poverty & Human Development Initiative (OPHI) Multidimensional poverty is made up of several factors that constitute poor people’s experience of deprivation such as poor health, lack of education, inadequate living standard, lack of income (as one of several factors considered), disempowerment, poor quality of work and threat from violence etc.,

Why Multidimensional Poverty?

- ◇ Income alone is not sufficient – Though on economic front India has been growing so rapidly, with growth, inequality has also increased and on certain parameters like malnutrition it is far behind many countries.
- ◇ Poor themselves describe poverty as multidimensional – Participatory tools like Participatory Identification of Poor (PIP) where poor themselves decide who are poor consider various social and economical parameters.
- ◇ Helps in effective designing, allocation of funds and implementation of various policies

Since 2010, the Multidimensional Poverty Index (MPI) developed by OPHI in collaboration with United Nations Development Programme (UNDP) is being used and published in the Human Development Report (HDR) by UNDP. This tool is used to measure comparable acute poverty for over 100 countries in developing countries. As per the recently published Global MPI – 2018, MPI is composed of three dimensions (health, education and livings standards) and 10 indicators. Each dimension is equally weighted, and each indicator within a dimension is also equally weighted. A person is identified as multi dimensionally poor if they are deprived in at least one third of the weighted indicators.



Though the MPI of some states/countries are same but when we look at the factors contributing to it, there might be different compositions of poverty. For, example Tajikistan and Peru have similar MPIs: 0.049 and 0.052 respectively. In Peru, 18% of the overall MPI is due to deprivation in years of education, while in Tajikistan that indicator only contributes 1%. By contrast, Tajikistan, has a much higher contribution from malnutrition (35%) double that of Peru.

Source: Global MPI – 2018.

The 2018 Multidimensional Poverty Index (MPI) has covered 5.7 Billion (approximately 75% of the global population) across 105 countries. The key findings of the report are:

- 1.34 billion live in multidimensional poverty in the 105 developing countries i.e. 23.3% of the population of these 105 countries. They are deprived in at least one third of overlapping deprivation in health, education and living standards.
- Of the 1.3 billion, Sub-Saharan Africa and South Asia account for 83% of the multidimensional poor in the world.
- In India, 271 million people moved out of poverty between 2005/06 and 2015/16. But, still it has the largest number of people living in multi dimensional poverty in the world i.e. around 364 million people. During this period, India has cut its poverty rate from 55% to 28%. This is in parallel with the phenomenal poverty reduction China has achieved two decades or earlier.
- After India (364 million) the countries with largest number of people living in multidimensional poverty are Nigeria (97 million), Ethiopia (86 million), Pakistan (85 million) and Bangladesh (67 million).
- Children account for 50% of the world's poor. Worldwide, over 666 million children live in multidimensional poverty. 64% of Sub-Saharan Africa's children and 39% of South Asia children are multidimensional poor.
- About 612 million people – 46% of those who are multidimensional 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 than urban areas. Of 1.3 billion multidimensional poor, 1.1 billion live in rural areas and remaining 0.2 billion in urban areas.

As stated earlier, in India the state of multidimensional poverty reduced from 635 million in 2005/06 to 364 million in 2015/16. This is a momentous progress India has achieved and it has been possible because of deeper progress among the poorest. This speedy pace of poverty reduction is compared to China which has made similar progress two decades ago. This positive trend of poverty reduction is seen across all religions and caste groups. In 2005/06 80% of the Scheduled Tribes were poor and in 2015/16 50% of the people belonging to Scheduled Tribes are poor. But, the traditionally disadvantaged groups such as rural dwellers, lower castes, tribes, Muslims and young children still constitute majority of the poor in 2015/16.

Similar trend of poverty reduction is also visible across states and geographies. The tribal dominant state Jharkhand has the greatest improvement. But the four states Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh are still home to 196 million people i.e. half of the poor people in India. If we critically examine the data, 8.6% of India's people live in severe poverty, each one of these people experiencing more than 50% of weighted deprivations. Poor nutrition is the largest contributor to multidimensional poverty, responsible for 28.3% of India's MPI. Not having a household member with at least six years of education is the second largest contributor at 16%. Insufficient access to clean water and child mortality contribute 2.8% and 3.3% respectively.

In the year 2016, UNDP and the global community has agreed upon 17 Sustainable Development Goals (SDGs) and 169 targets which are to be achieved by 2030. The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. All the goals are interconnected and the very first goal i.e. SDG 1 is **"Eradicating poverty in all its forms"**. The UNDP provides support to governments to integrate SDGs in to their national action plans and policies.

India, in order to achieve the SDGs has prepared a three year action agenda, 15 year vision and a 7 year strategy in coordination with the state governments. MPI will act as a guide to the state and central governments in preparing

these plans, budgets and effectively implementing and monitoring them. For example, from the MPI data malnutrition is the largest contributor to India's MPI and there is an urgent need to work on this agenda and this should be reflected in the plans and ensured that is addressed on the ground. Similarly, there are block/district/region/state specific issues contributing to the MPI and they need to be addressed accordingly.

References:

- Global Multidimensional Poverty Index 2018 - Oxford Poverty and Human Development Initiative by University of Oxford
- United Nations Development Programme (UNDP)

For further details you can refer to:

<http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

https://ophi.org.uk/wp-content/uploads/Preliminary_global_MPI_Report-2018.pdf

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A Development 'Fable'

The experts arrived at the fishing village. For years, the natives had used primitive techniques in their work. True, they caught fish, but they had to paddle out to sea every day, may be even on feast days. It was a hard life, though well-tried over the years.

The experts gave the fisher-folk improvised nets. The new nets were rather dearer than the old, and the method of fishing was different too. But in a single net they caught a whole week's supply. Fantastic! You could work one day and be free for the rest of the week! The village folk had a great feast, several feasts... in fact so many that they had to fish two days each week to pay for the celebrations. This is no good, thought the experts, they should be fishing six days a week and making money out of it. We haven't come here to witness endless parties. Surely, it's enough with one feast a month. This is an underdeveloped country; they must produce more proteins – fish!

But the village favoured fiesta. Fishing two-days, and free the rest of the week.

The experts grew annoyed. They hadn't travelled from the distant North to watch natives drum, dance and dream. They had come to fill hungry stomachs, to lessen the threat of the undernourished against the overfed.

Yet the villagers danced late into the night. Why shouldn't they? They were rich now, almost as rich as the Maharaja, though he had never done a day's work in his life...

And then the Project Director had a brilliant idea. (Not for nothing had he taken an evening course back home in economics.) These lazy fisher-folk were not actually lazy: they were simply weak on motivation, motivation to work harder. They had not discovered their needs.

He bribed a villager to buy a motor-bike. Bribery was distasteful, but sometimes necessary. True, there were no roads as such, but the wet sand along the water edge was hard and smooth...

The motorcycles roared back and forth. What a toy! And soon every young man wanted one of his own. The village elders warned them: What is there is riding far off and back again on the sand?

But the young man replied: we can race. We shall see who is the fastest. An you grey-beards, you can place bets on us!

The Project Director's idea proved a brilliant success. At last the men fished almost every day. The capital city got the fresh fish it needed. Indeed, a large part is now turned into fish-meal and exported to Europe where it makes excellent pig food and helps keep down the price of bacon.

But probably most pleased of all was the Maharaja, for it so happens that he was sole agent for the motorcycle firm in that country. He also owned the main fish market in the city. While his uncle's family built and ran the fish-meal factory. When the experts flew home, he raised the price of motorcycles, so that to buy one a man must work three years, instead of a single season.

And the fishermen fished on. They had discovered a need.

So what is development?

Is everything new development?

Is modernization development? Modernization will usually mean such changes as seem more efficient and more productive.

Is Economic growth development? More fish; motorcycles... increased purchasing power...

Is social change development? (The younger men become more dominant.)

By Olavi Gunus, quoted by: Glyn Roberts in 'Questioning Development' – 1976. ❖