Multidimensional Poverty Index

GS-PAPER-3 Poverty (PT-MAINS)

The Multidimensional Poverty Index was launched by the United Nations Development Programme (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 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.

In News:

According to India’s Voluntary National Review (VNR) of Sustainable Development Goals (SDG) at least 271 million people were lifted out of multidimensional poverty between 2005-06 and 2016-17. The VNR of SDGs has been presented by the Niti Ayog at the High-Level Political Forum on Sustainable Development.

Data:

- The estimates presented were drawn from the 2019 global Multidimensional Poverty Index (MPI) released in July 2019.
- Over 640 million people across India were in multidimensional poverty in 2005-2006.
- The number of people living under poverty decreased to around 369.55
• However, 27.9% of India’s population was still poor in 2016-17

Poverty Reduction: In rural areas poverty reduction has outpaced that in urban areas.