People are poor if they are deprived in 33% or more of the weighted indicators.

**MPI 2.0**: use new indicators – you decide.
What MPI shows – National level

How MPI decreased in Nepal 2006-11
Decomposition By Region (or social group) – shows inequalities

Average Intensity of Poverty (A)

Incidence - Percentage of Poor People (H)
How did MPI go down?

Monitor each indicator
National MPIs

- Official National Statistics (Mexico, Bhutan, Colombia)
- Track poverty reduction efficiently
- Analyse poverty by state, group (indigenous)
- Monitor indicator changes; coordinate delivery
- Geographical targeting & policy design
- Linked instruments for individual targeting

**Method:** Alkire and Foster 2011 *J Public Economics*

**Examples:** see [www.ophi.org.uk](http://www.ophi.org.uk)
Global MPI:
Comparison with $1.25/day headcounts
Compare Speed of Poverty Reduction (MPI)

18 countries have statistically significant MPI reduction at α=0.05

Largest Absolute poverty reduction
- Nepal
- Rwanda
- Bangladesh
- Ghana
- Tanzania
- Cambodia
- Bolivia

Annualized Absolute Change in MPI
Multidimensional Poverty Index - MPI

- Shows joint distribution of deprivations (overlaps)
- Changes over time: informative by region, social group, indicator (inequality)
- National MPIs: tailored to context, priorities
- MPI 2.0: comparable across countries
- National MPI and Global MPI 2.0 can be reported like national income poverty and $1.25/day
- Data needs: feasible – e.g. nested survey.

Published: in annual Human Development Report of UNDP

Method: Alkire and Foster 2011 J Public Economics

Examples: see www.ophi.org.uk
MPI 2.0: Indicators can change (globally/nationally)

First MPI indicators

Published: in Human Development Reports of UNDP