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Where Are We Today in the Fight Against Global Poverty?

SDG1 EGM Reinforcing the 2030 Agenda and Eradicating Poverty in Times of Multiple Crises

Sabina Alkire, OPHI, University of Oxford, UK ~ 7 May 2024

Global and National Multidimensional Poverty Indices (MPIs)

We cover trends in the two main types of MPIs: comparable and context-specific

- **National MPIs: Official statistics** that are **used in policy** to allocate budget, target interventions, design policy, monitor progress, coordinate interventions, and report as **SDG Indicator 1.2.2.** Their dimensions and indicators are tailored to each country **context** so they **cannot be compared or aggregated**.

- The **Global MPI:** a measure of acute multidimensional poverty across 10 indicators for 6.1 billion people. It is published annually with extensive disaggregations. It **is used for comparisons and aggregates.**
  But global MPI is not an SDG indicator; SDG 1 global reporting profiles $2.15/day.

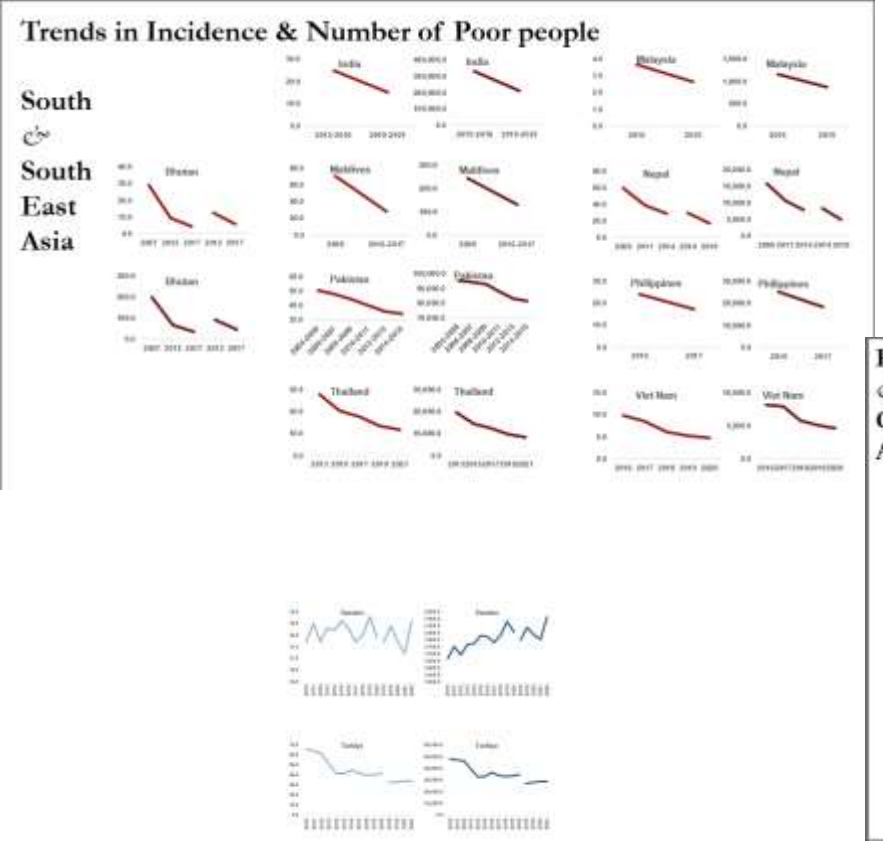
Multidimensional Poverty Trends using National data for SDG 1.2.2:

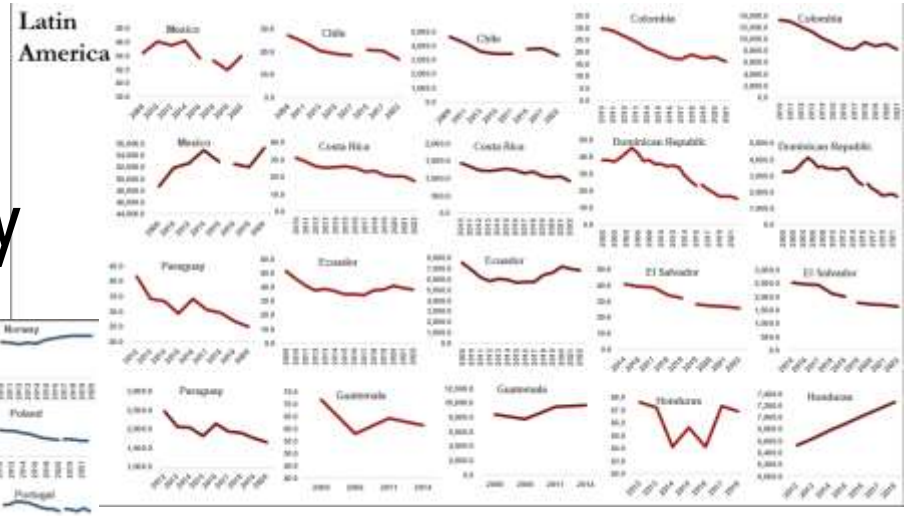
- SDG Target 1.2 & Indicator 1.2.2: "*By 2030, reduce at least by half the proportion of men, women, and children living in poverty in all its dimensions according to national definitions.*"

- Reported for 79 countries (May 2024)
  - 44 countries and 2.9 billion people have a National MPI
  - 34 countries and 543 million people use Eurostat's AROPSE
  - 2 countries (Burundi, Tonga) use Non-MPI, Non-AROPSE methodologies.
  - 5 additional countries have an individual child MPI but no official national MPI.

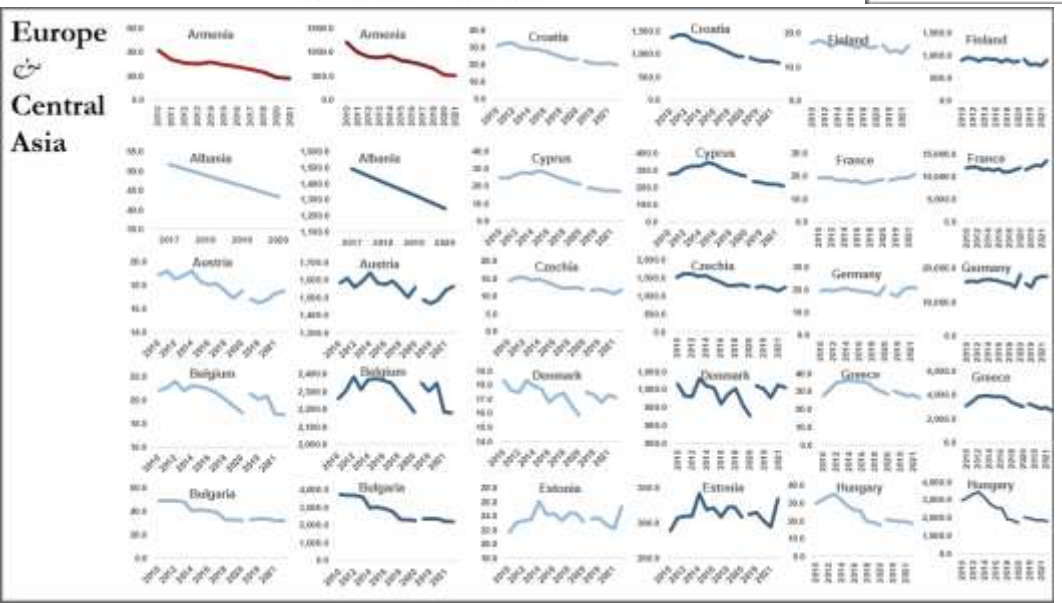
Draft analysis by Sabina Alkire & Jakob Dirksen using 2023 UN DESA Population Division Estimates

Trends in Incidence & Number of Poor by country



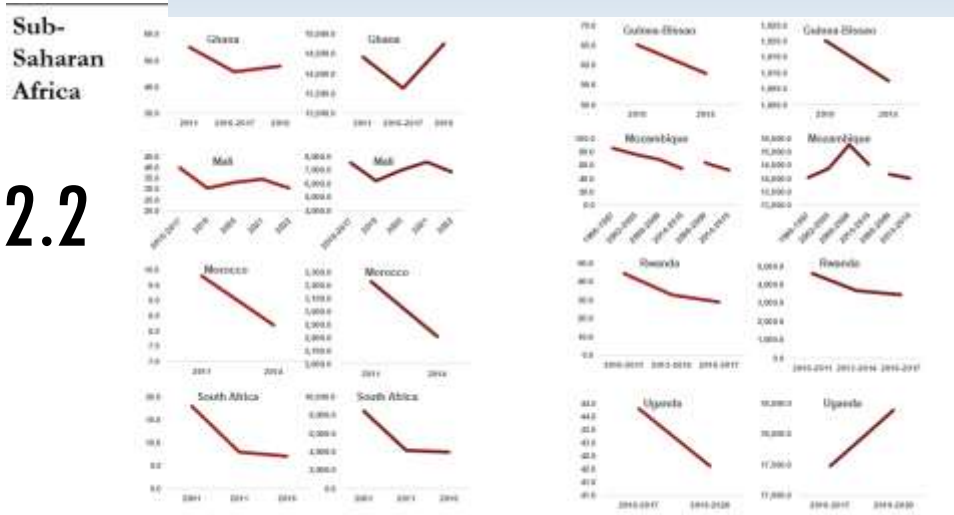


Roughly one-half to two-thirds are ‘off track’ for SDG 1.2



Reported as SDG 1.2.2

62 countries



National MPI trends: Some examples of strong progress – on track

Paraguay's MPI 2012-2020

Incidence fell from **41.6%** to **24.9%**

Viet Nam's MPI 2012-2020

Incidence fell from **18.1%** to **4.4%**

Bhutan's MPI 2012-2022:

Incidence fell from **12.4%** to **2.1%;**

Every Indicator Reduced Significantly

FIGURE 4.8 Absolute Change in Censored Headcount Ratios between 2012 and 2017

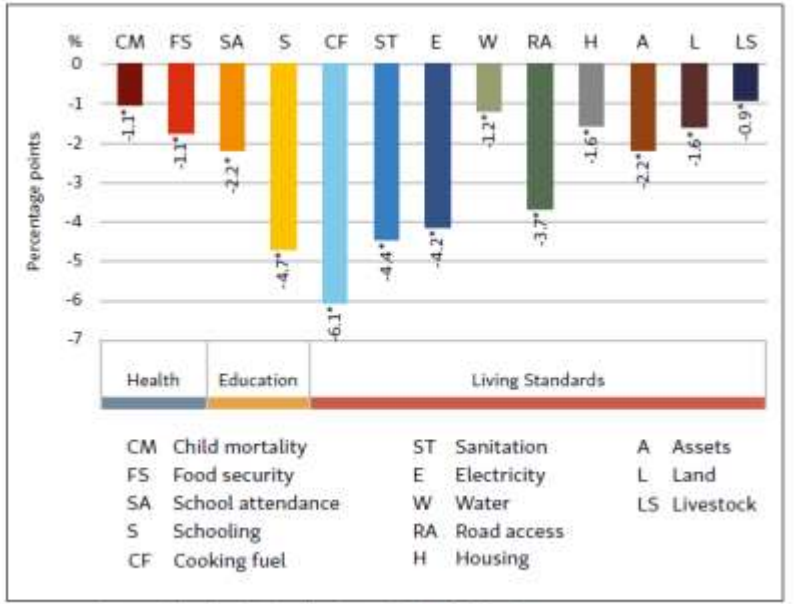
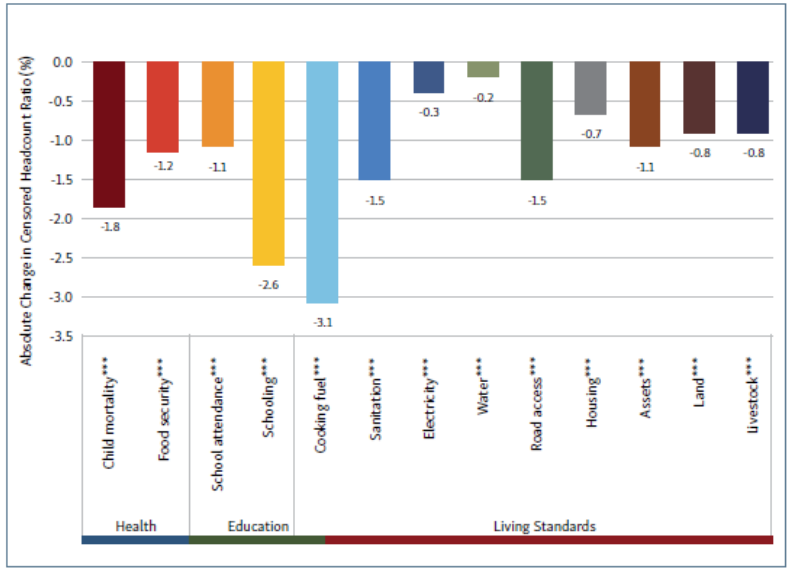


Figure 5.5 Absolute Change in Censored Headcount Ratios between 2017 and 2022 according to the Original MPI



Source: Authors' calculations based on data from 2017 and 2022 BLSS.

https://ophi.org.uk/national-mpi-directory **Note: this site may have official figures that the global SDG database does not yet report.**

Atkinson: Metrics matter if they a) motivate; b) monitor; c) shape policy

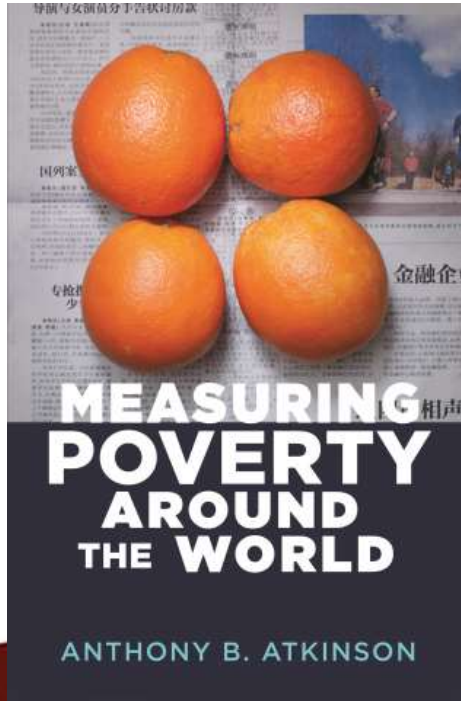
Learning about the extent of poverty is important… but it is the link with action that marks out this issue from many other subjects of study in the social sciences. **Poverty statistics matter because <u>they motivate people</u> to tackle a key challenge.** (p 1)

Statistical evidence about the extent and nature of poverty has been a major factor influencing political action …. **The statistics are a <u>performance indicator</u>.** (p30)

The role of **performance monitoring has acquired much greater salience** with the adoption… of **<u>targets</u>** for the reduction or elimination of poverty." (p30)

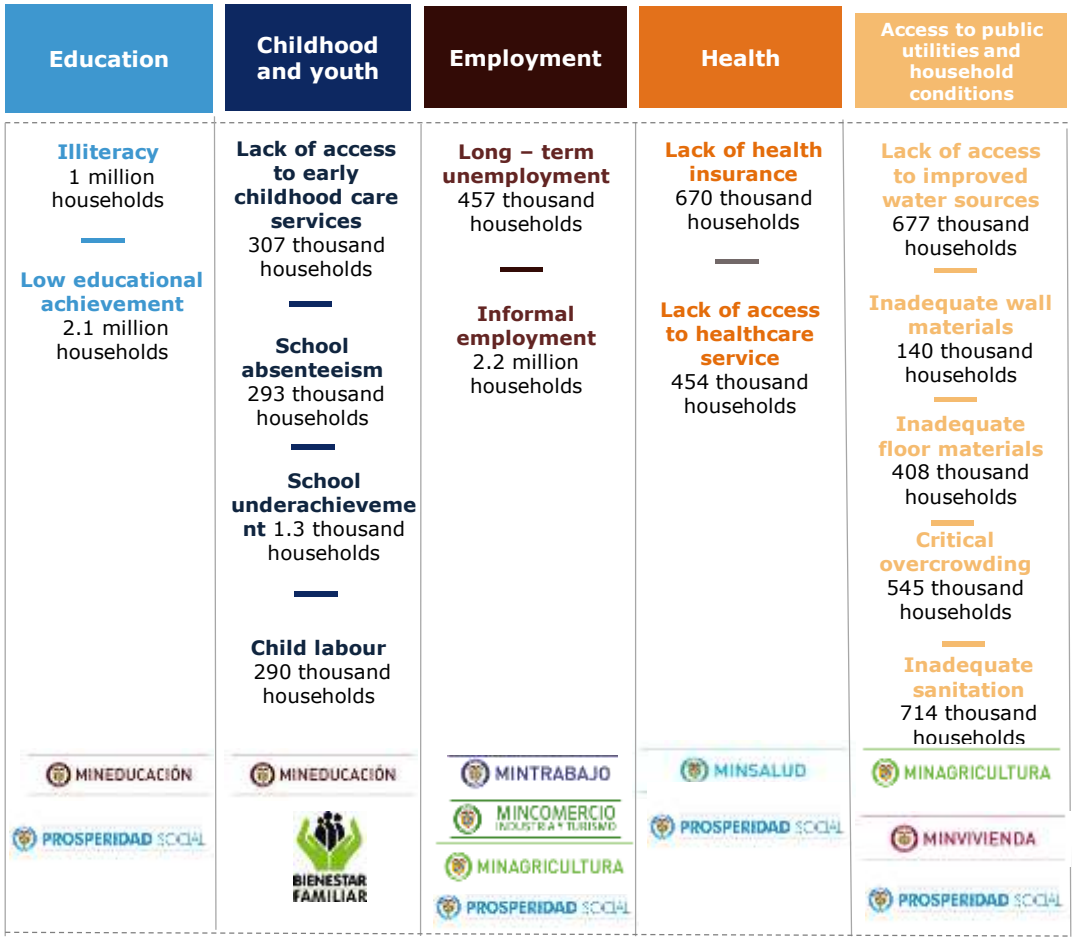
This is true in the SDGs – and will be true post-2030 also.

National MPIs are increasingly taking a motivational role



1. See number of people/ hh affected
2. Analyse deprivation overlaps
3. Evaluating budget for eradication (unit cost; savings from integrated policies)
4. Set feasible targets

Colombia: Using MPI to design integrated and intersectoral public policies

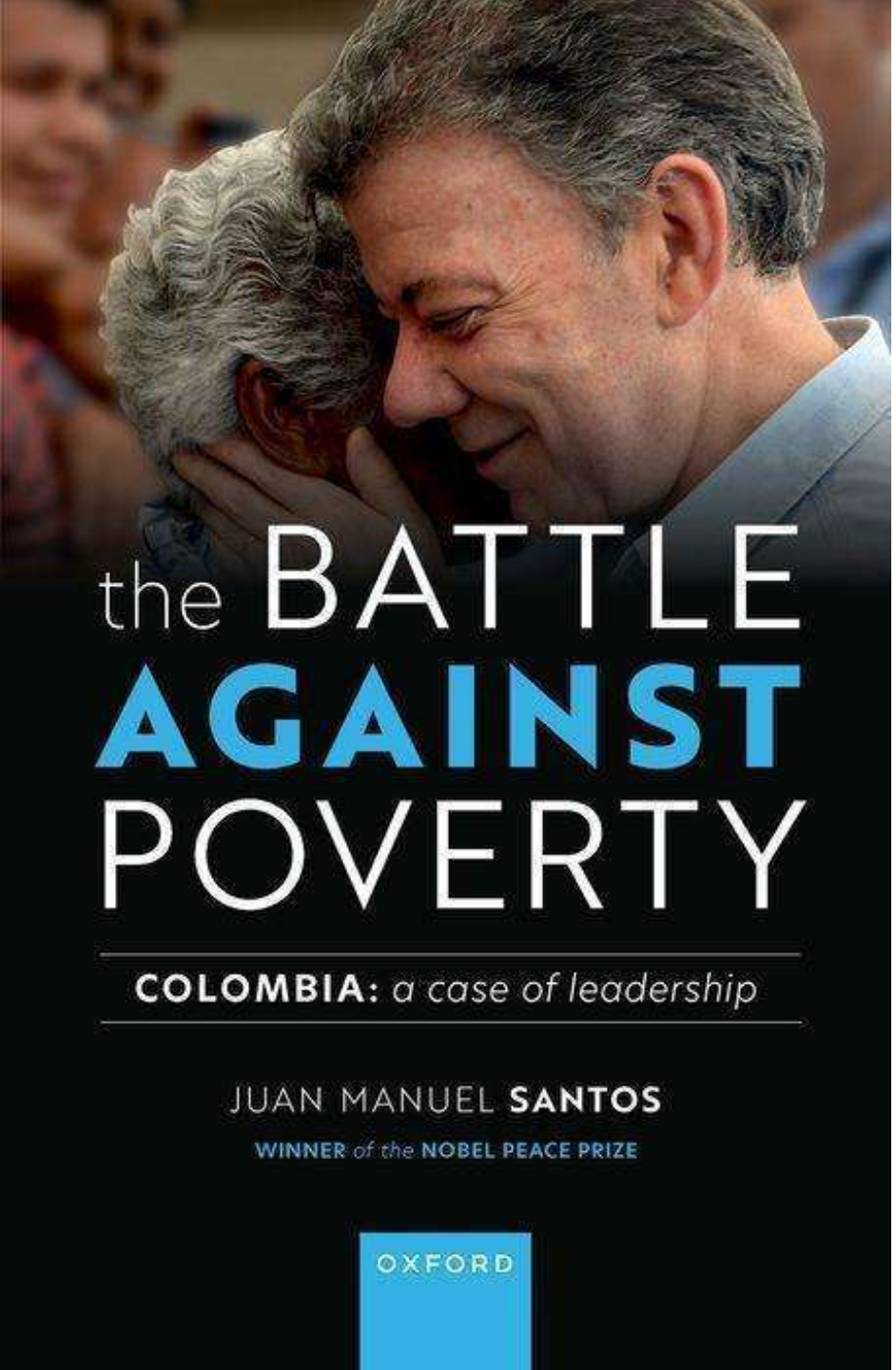


Source: Social Prosperity based on "ENCV 2015 – DANE"

- In 2015 we had **9.6 million** people in multidimensional poverty in **2.2 million** households.
- To achieve our goal of **1.5 million** fewer people in multidimensional poverty we have to work with 6 different governmental sectors.
- Directing our actions to this population makes us **more efficient**. With the same resources we can achieve several goals simultaneously in a austerity scenario.

PROSPERIDAD SOCIAL

TODOS POR UN NUEVO PAÍS
PAZ EQUIDAD EDUCACIÓN



Handbook

for decision makers

What can we learn from Costa Rica's National MPI Success Story?

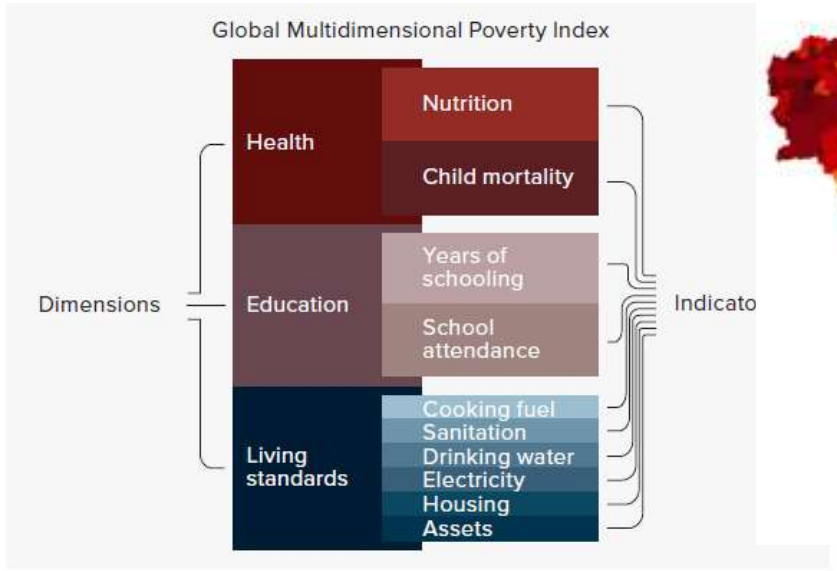
Ana Helena Chacón Echeverría
Former Vice President of Costa Rica

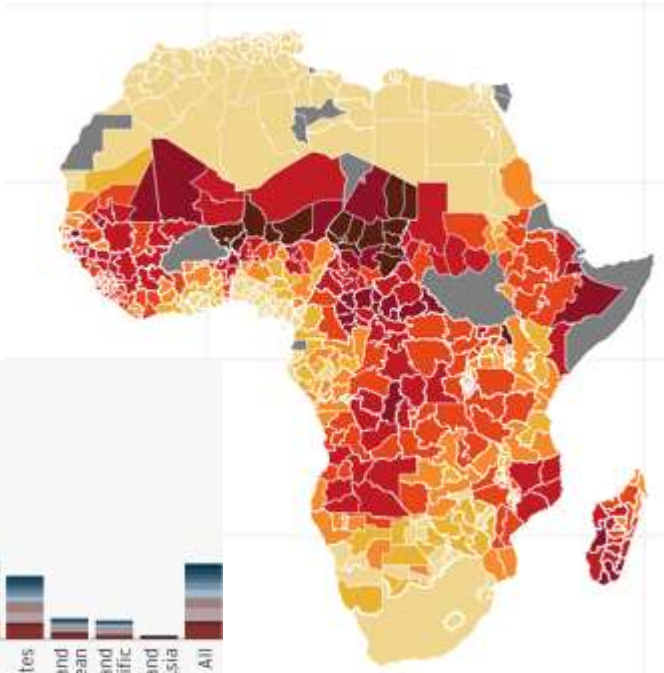
of the fight against poverty . . . would become a positive reality for millions."

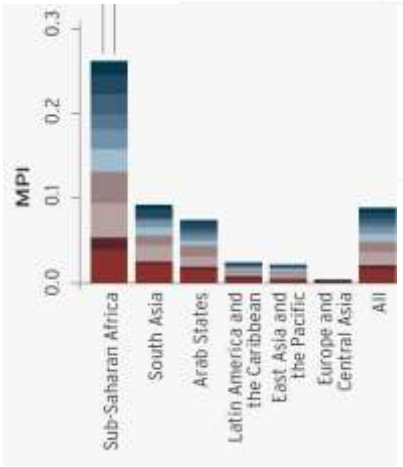
"In the case of Colombia, as president, I personally took on directing and supervising **social policy**, and this undoubtedly made a difference."

The Global Multidimensional Poverty Index (MPI) - Comparable

- **Joint with UNDP;** a global reference on acute poverty for 110 countries, complementing $2.15/day
- **Disaggregated** by 1281 regions, children, rural/urban, gender of headship
- **Online Public Good**: reports, briefings, interactive databank, dofiles, data tables, gitlab, documentation
- **Parsimonious:** based on about 43 household survey questions.
- **Fills gaps:** 72 countries have global MPI estimates, but no SDG 1.2.2 indicator at present







Source: HDRO and OPHI.

Are we on track to halve the global MPI? (84 country trends)

- There was a **large net reduction in the number of poor persons**
- Reductions in **South Asia** (especially India, Bangladesh) drove the global trends.
- Reductions in **global** incidence would be on track to halve poverty. Trends from 2015 on (2.5 B) were also on track
- But **country patterns vary** in speed and composition and **many countries are off track for SDG 1.2**.
- Despite fast progress in **Sub Saharan Africa**, the **number of poor rose** in half of the included SSA countries.
- We **lack post-covid data for over 100 of 110 countries**.

Note: OPHI estimate strictly harmonized trends over time for over 200 datasets dated 2010 to 2021/22. The years and periods between datasets vary by country. We track national and subnational trends using rigorously harmonized datasets. We do not yet extrapolate, nowcast, nor release aggregate global trends. Nearly all data are pre-pandemic.

- Disaggregated results with indicator detail are published as Table 6 of Alkire Kanagaratnam and Suppa 2023

Global MPI 2023 Trends: Summary

- Of 6.1 billion people in 110 countries; 1.1 billion are MPI poor.
- Harmonised trends are available for 84 countries (~ 5.5 B people)

- **SDG 1.2 is possible: 25 countries already halved the global MPI in <15 years**

Arab States (1)	East Asia & Pacific (6)	Europe and Central Asia (5)	Latin America & Caribbean (7)	South Asia (2)	Sub-Saharan Africa (4)
Morocco	Cambodia	Albania	Plurinational State of Bolivia	India	Gabon
	China	Kyrgyzstan	Dominican Republic	Nepal	Congo
	Indonesia	North Macedonia	Guyana		Lesotho
	Mongolia	Serbia	Honduras		Sao Tome & Principe
	Thailand	Turkmenistan	Nicaragua		
	Viet Nam		Peru		
			Suriname		

Source: UNDP-OPHI 2023 Global MPI report

Strong Global MPI Reductions

Fastest:	**Sierra Leone**	**74% - 58%** in 4 years
	Timor Leste	**70% - 47%** in 6.5 years
	Togo	**55% - 43%** in 3.5 years
Largest Number of Poor:	**India**	55% - 16% in 15 years – **415 M** out of poverty
	China	9.5% - 4.2% in 4 years – **69 M** out of poverty
	Bangladesh	38% - 24% in 5 years – **19 M** out of poverty

Overall, 74 of the 84 countries had a significant reduction of MPI value in at least one covered period (14 countries reduced in 2 periods) – but many were not fast enough to halve MPI.

Note: There are troubling trends for children. Children are the poorest, and in over half the countries, were being left behind.

Source: OPHI Table 6 – Alkire Kanagaratnam & Suppa 2023

Increases in Global MPI or in the Number of Poor

Two countries increased MPI	Guinea	62% - 65% in 2 years	(*only MPI sig*)
	Central African Republic	81% - 84% in 8.5 years	

Largest increase in # of poor	DRC	8 million in 6.5 years	2007-2013/14
	Nigeria	5 million in 3.5 years	2013-2016/17
	Ethiopia	5 million in 5 years	2011-2016

26 countries had <u>no significant change</u> in the incidence of MPI in at least one period (<800M pop)
(of which 4 countries saw no significant change in 2 periods – Cameroon, Chad, Nigeria, and State of Palestine)

The Number of Poor People increased in 28 countries; in 9 countries it increased in two periods

Microsimulations of Covid Impact anticipated a roll back of nearly all gains globally – nutrition/schools

Source: OPHI Table 6 – Alkire Kanagaratnam & Suppa 2023

Binding Constraint: Data (but v feasible)

"Collecting good data is one of the most powerful tools to end extreme poverty"

The 2017 Atkinson Commission on *Monitoring Global Poverty* recommended "a major investment in statistical sources" for poverty. As Atkinson explained, "The aim…is…not only to increase resources but also to signal the **need for higher priority to be given to poverty statistics**."

The report commended multidimensional & monetary poverty statistics.

Current Policy Uses of MPI

Complement monetary poverty statistics
Track poverty trends
Allocate resources by sector and region
Target households or marginalized groups
Coordinate policy across sectors and levels
Leave No One Behind: check disaggregations
Communicate to media, academia, civil society, private sector, celebrities

Acceleration Strategies

Include MPI questions in key surveys
Feasible if key actors wish.
Increase allocations to halve MPI by 2030
Non-monetary social protection
Use MPI data to **plan & manage** (KPIs, etc)
Recognise winners – subnational & sector
Report transparently & widely