

# Data User Workshop – MPI



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## Measuring Poverty

The UN defined poverty as

"[...] a denial of choices and opportunities, it is a violation of human dignity. It means lack of basic capacity to participate effectively in society.

It means not having enough to feed and clothe a family, not having a school or a clinic to go to, not having the land on which to grow one's food or a job to earn one's living, nor having access to credit.

It means insecurity, powerlessness and exclusion of individuals, households and communities.

It means susceptibility to violence and it often implies living on marginal and fragile environments, not having access to clean water and sanitation."

(United Nations 5/20/1998)

# Measuring Poverty

1. Income poverty  
(Carter and Barrett 2006)
2. Foster-Greer-Thorbecke indices  
(Foster, Greer, and Thorbecke 1984)
3. Multidimensional poverty indices (MPI)  
(Sen and Anand 1997; Alkire and Santos 2014)

## Why measure poverty multidimensionally?

Advantages	Disadvantages
Helps to create comprehensive picture	Poverty is a complex issue
Highly comparative and replicable	Gathering of data
Flexibility, Choice and Identifications	Overwhelming to make proper assessment
Effectiveness	Intra-household inequality and inequality amongst the poor is not captured
Prioritizing	Which and how many dimensions are relevant and should be considered or privileged are difficult to quote
Working Levels	Adjusting of Index makes comparison complicated/impossible
Calculation for sub-groups	
Simplification	

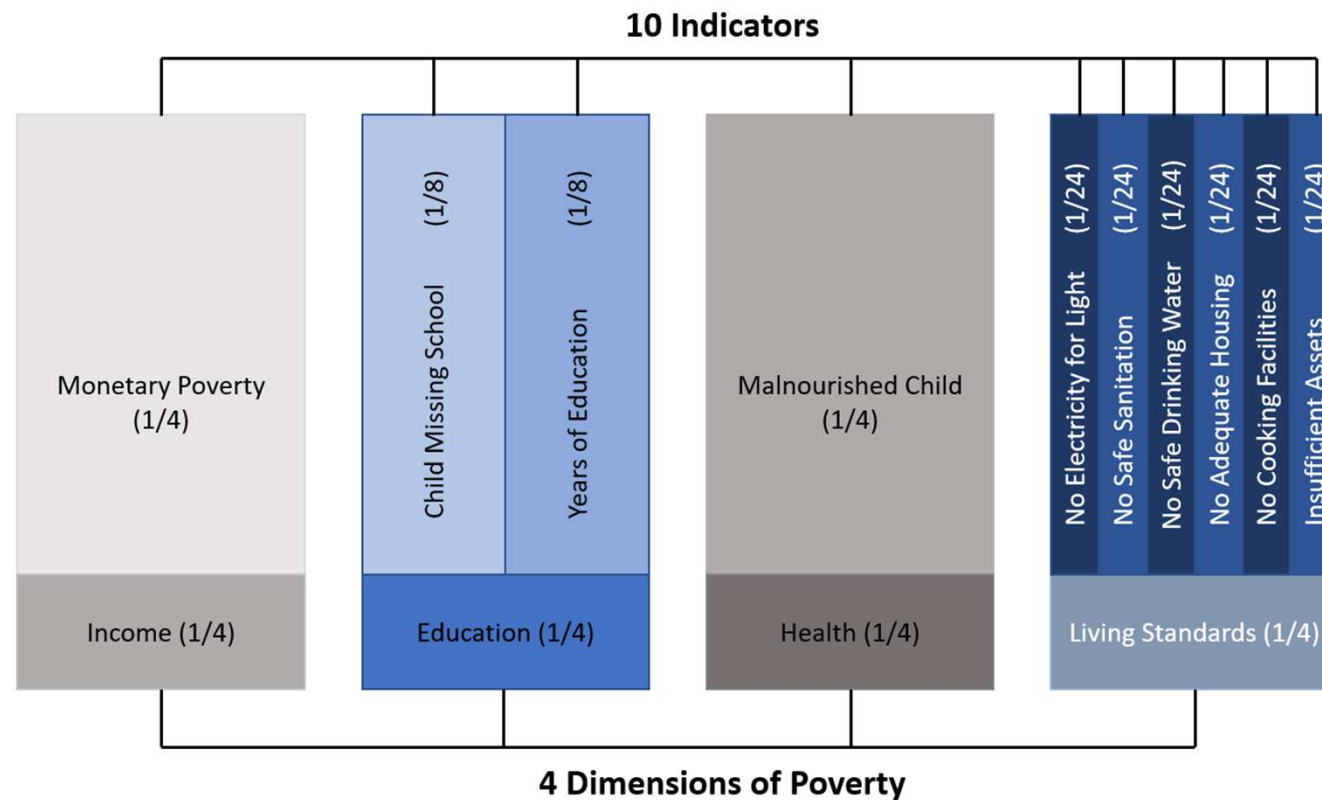
## Common MPIs

1. MPI-1a  
Original OPHI MPI  
(Alkire and Foster 2011; Alkire and Santos 2014)
2. MPI-1b  
UNDP MPI  
(UNDP 2010; UNDP 2016)
3. MPI-2  
New MPI of the OPHI/UNDP  
(World Bank 2018)
4. MPI-3  
New MPI of the World Bank  
(World Bank 2018)

## Common MPIs in more detail

Name / Dimension	MPI-1a	MPI-1b	MPI-2	MPI-3
Health	Malnutrition & child mortality	Malnutrition & child mortality	Malnutrition & child mortality	
Education	Years of schooling & school attendance	Years of schooling & school attendance	Years of schooling & school attendance	Years of schooling & school attendance
Standard of living / basic infrastructure	Electricity, sanitation, water, floor, cooking fuel & assets	Electricity, sanitation, water, floor, cooking fuel & assets	Electricity, sanitation, water, cooking fuel, assets & housing	Electricity, sanitation & water
Monetary poverty				Daily per capita income below USD 1.90

# The TVSEP-MPI



Dimensions and Indicators of the Multidimensional Poverty Index (Source: Adapted from UNDP, OPHI (2019), Own Presentation).

# Coding of the MPI

→ Stata



## References

- Alkire, Sabina, and James Foster. 2011. "Counting and Multidimensional Poverty Measurement." *Journal of Public Economics* 95: 476–87.
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