

National Multidimensional Poverty Index

A Progressive Review 2023



What is the Multidimensional Poverty Index?

SDG Target 1.2: Ending poverty in all its forms.

An MPI is a statistic of poverty that reflects people's experience of poverty in different forms and dimensions and reflects the policy priorities regarding poverty eradication.

MPI includes:

- i. First, it includes people living under conditions where they do not reach the **minimum internationally agreed standards** in indicators of basic functionings
- ii. Secondly, it refers to people living under conditions where they do not reach the **minimum standards in several aspects (multiple deprivations)** at the same time.

Why National Multidimensional Poverty Index?

Government of India Mandate and the 2030 Agenda on Sustainable Development

SDG Commitment

1
NO
POVERTY



By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

NITI Aayog's mandate as the nodal agency for the MPI

National MPI

Constructing an Indigenised India index to monitor performances of States/UTs

Reform areas

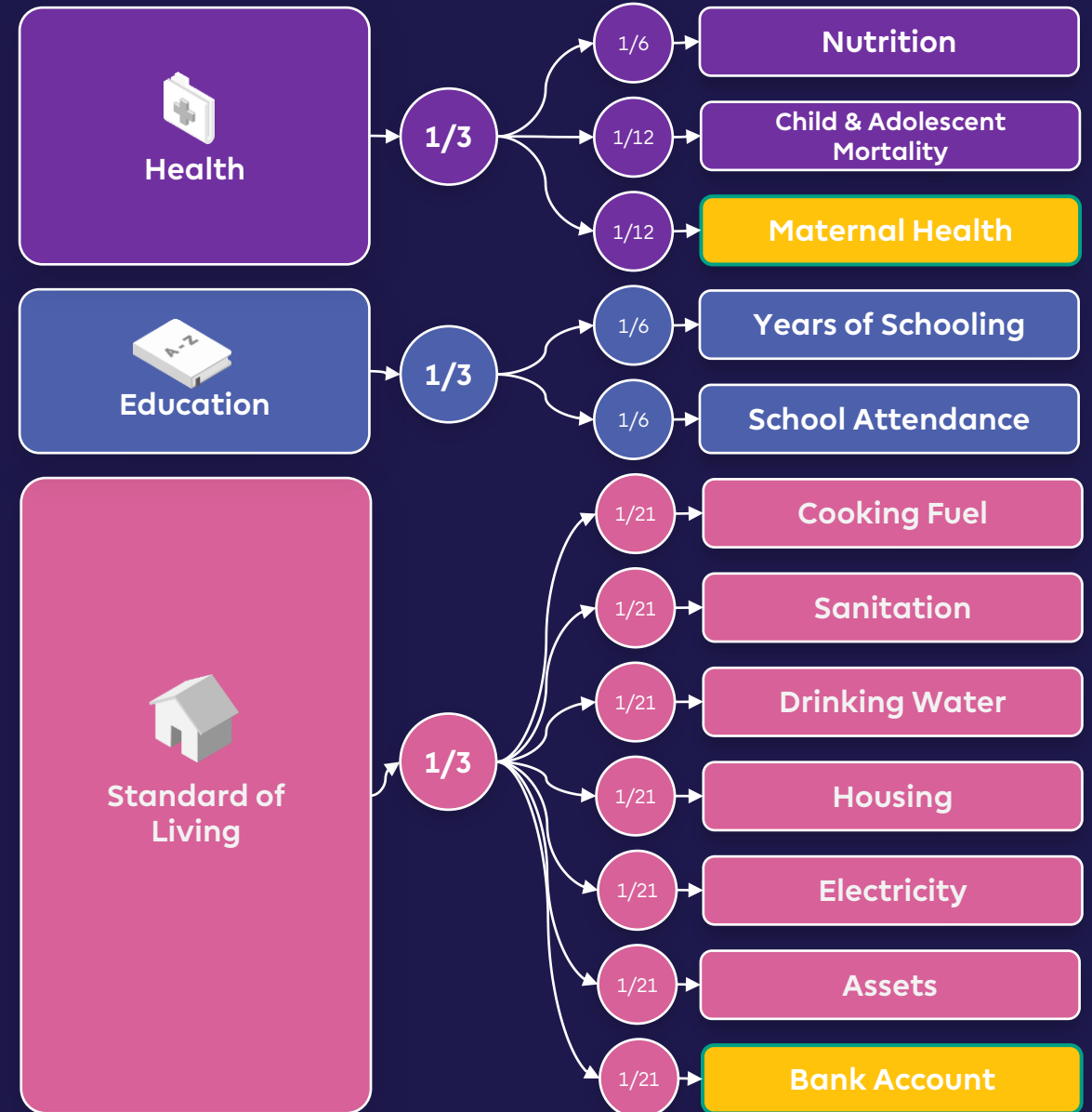
Collaboration with Line Ministries & States to identify reform areas

National Multidimensional Poverty Index: Baseline Report based on NFHS-4 was released in November 2021

National Multidimensional Poverty Index

Dimensions, indicators, and weightage

- **12 indicators across three dimensions: Health, Education, and Living standards**
 - **Health: 3 indicators**
 - **Education: 2 indicators**
 - **Standard of Living: 7 indicators**
- **Equal weightage to all 3 dimensions**
- **National MPI retains 10 indicators of the global MPI along with adding 2 new indicators.**
- **Computed utilizing a single-source household survey – DHS (Demographic and Health Surveys)**
 - **The DHS for India is the NFHS**



National Multidimensional Poverty Index 2023

India: Key Findings



Highlights: National MPI 2023

Steep decline in Poverty Headcount Ratio from **24.85%** in 2015-16 to **14.96%** in 2019-21.

135 million (13.5 crore) people exited multidimensional poverty between 2015-16 and 2019-21.

India on track to achieve **SDG Target 1.2** (reducing multi-dimensional poverty by at least half) much ahead of 2030.

UP, Bihar, MP, Odisha and Rajasthan recorded steepest decline in number of **MPI poor**

All **12** indicators have shown improvements suggesting that impact of Government interventions is increasingly visible on ground.

Fastest decline in percentage of multidimensional poor in rural areas from **32.59%** to **19.28%**.

Reduction in the incidence of poverty from **8.65%** to **5.27%** in urban areas.

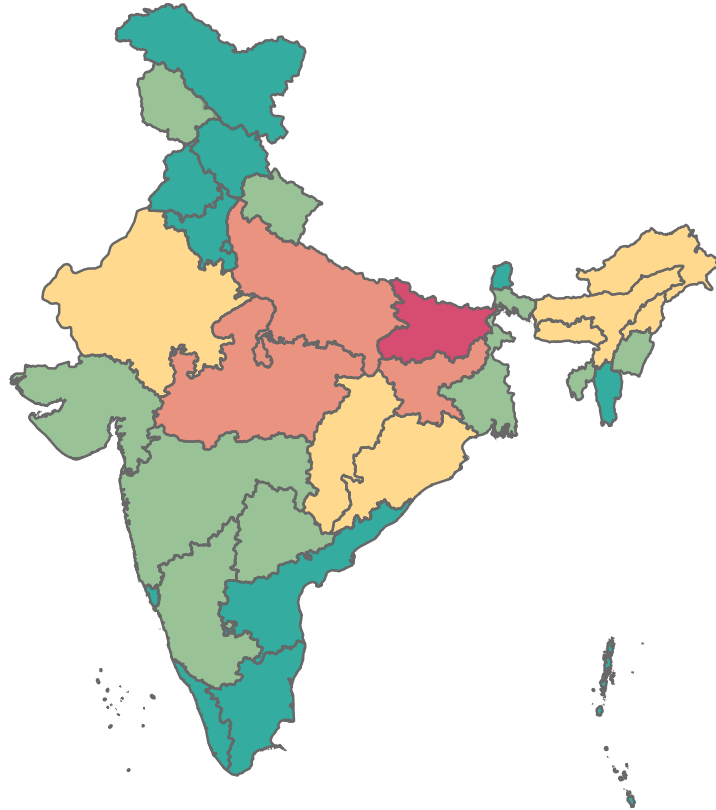
The **Intensity of poverty**, which measures the average deprivation among the people living in multidimensional poverty improved from about **47%** to **44%**



Comparative view of the National MPI (State-wise)

NFHS-4 (2015-16)

NFHS-5 (2019-21)



Up to 0.054 0.055 to 0.107 0.108 to 0.159 0.160 to 0.211 0.212 and above

MPI Score (HxA)

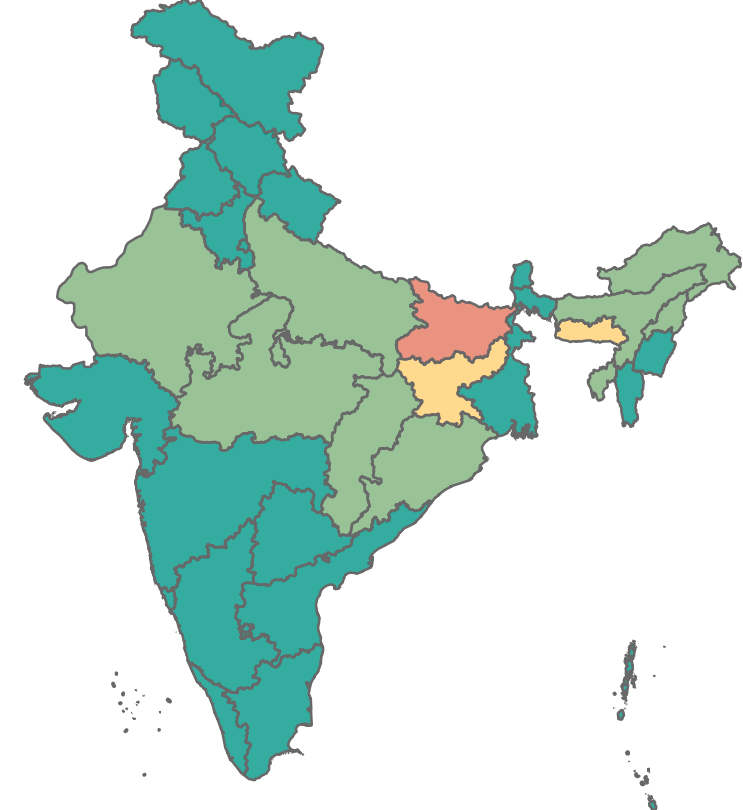
0.117

Headcount Ratio (H)

24.85%

Intensity of Poverty (A)

47.14%



Up to 0.054 0.055 to 0.107 0.108 to 0.159 0.160 to 0.211 0.212 and above

MPI Score (HxA)

0.066

Headcount Ratio (H)

14.96%

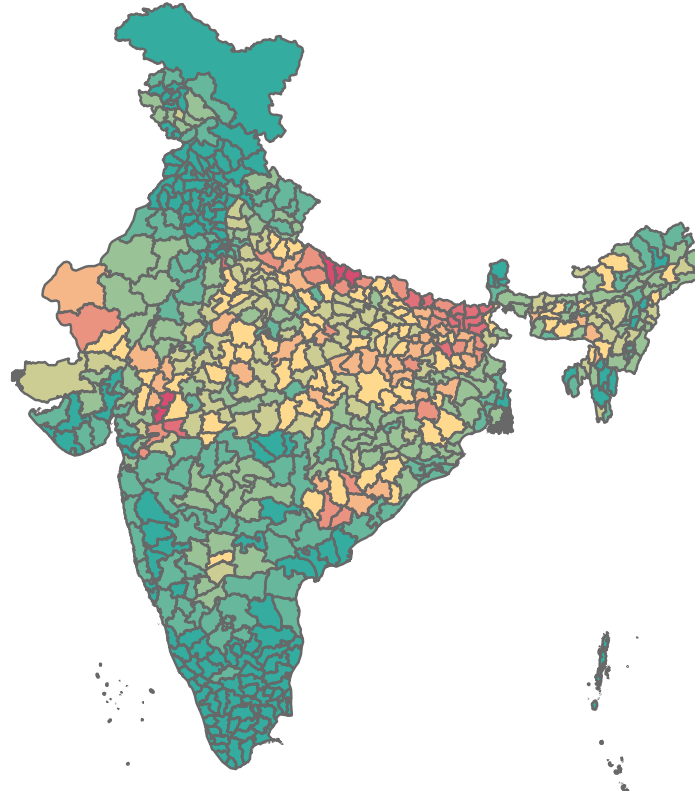
Intensity of Poverty (A)

44.39%

The legend shows the range of state MPI scores in India as on 2015-16. Both maps use the same legend to represent the change in MPI scores between 2015-16 and 2019-21.

Comparative view of the National MPI (District-wise)

NFHS-4 (2015-16)



Up to 0.045	0.046 to 0.090	0.091 to 0.136	0.137 to 0.182	0.183 to 0.228	0.229 to 0.273	0.274 to 0.319	0.320 to 0.365	0.366 and above
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MPI Score (HxA)

0.117

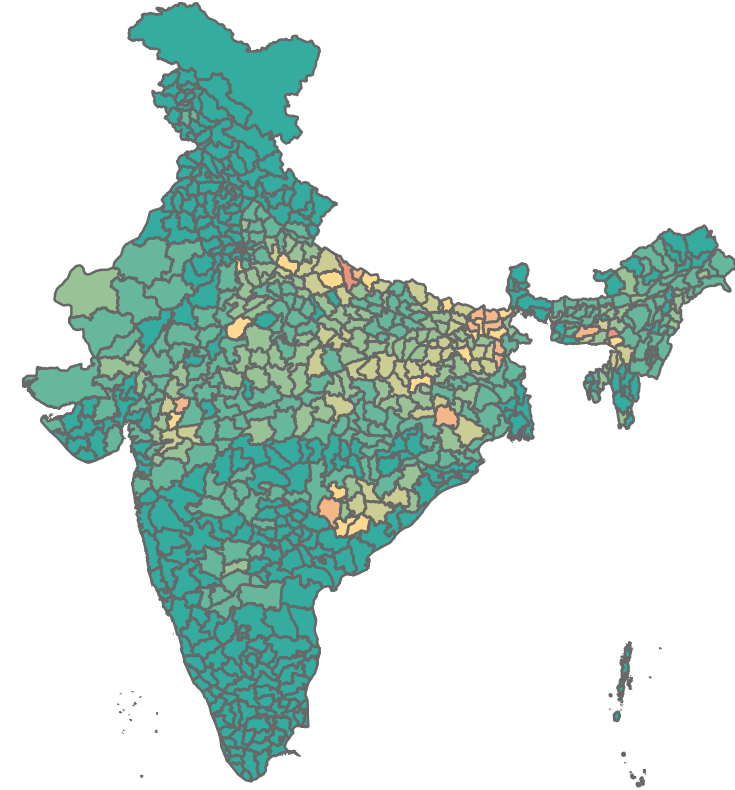
Headcount Ratio (H)

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Intensity of Poverty (A)

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NFHS-5 (2019-21)



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MPI Score (HxA)

0.066

Headcount Ratio (H)

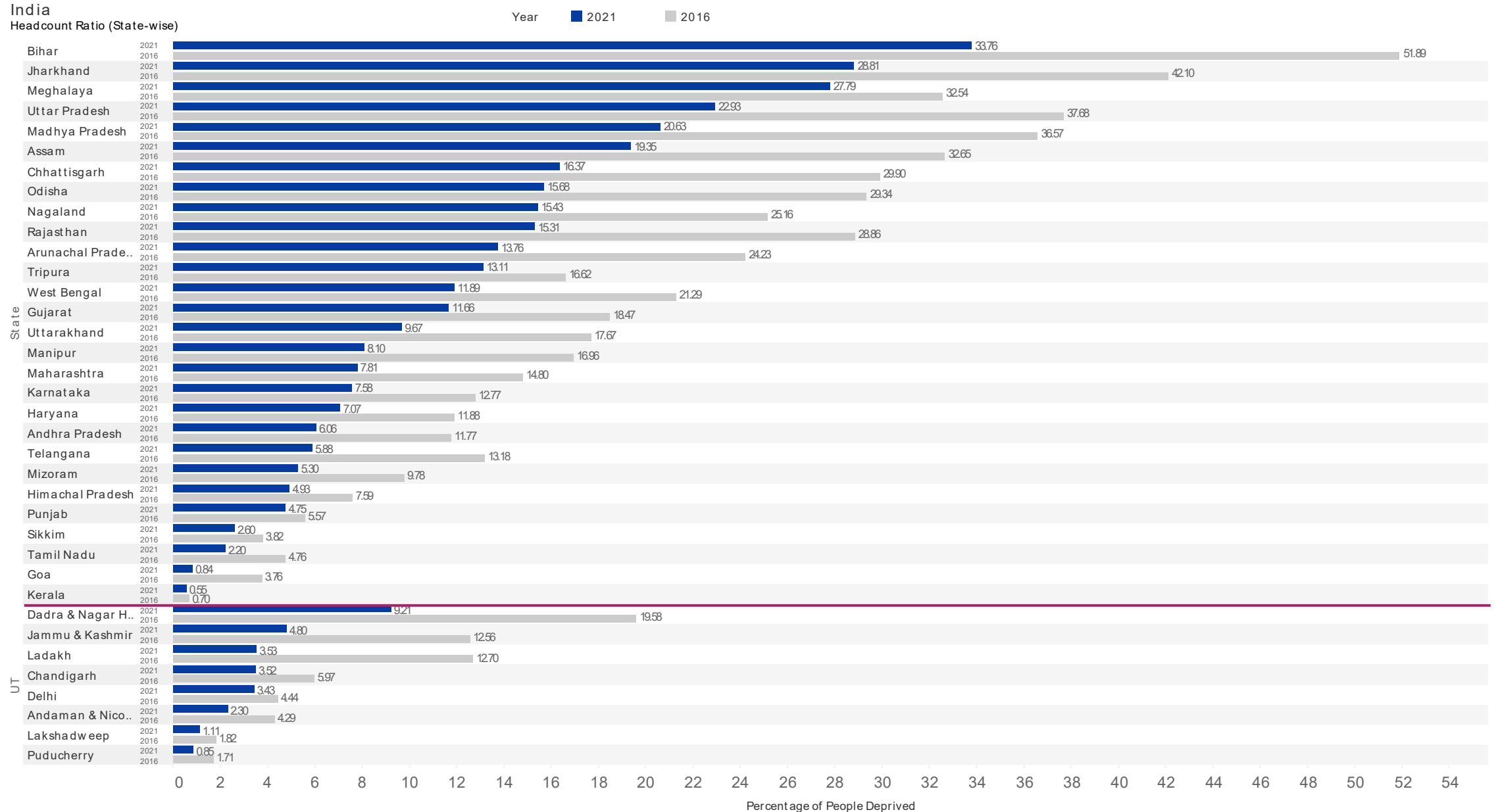
14.96%

Intensity of Poverty (A)

44.39%

Headcount Ratio

Percentage of total population who are multidimensionally poor

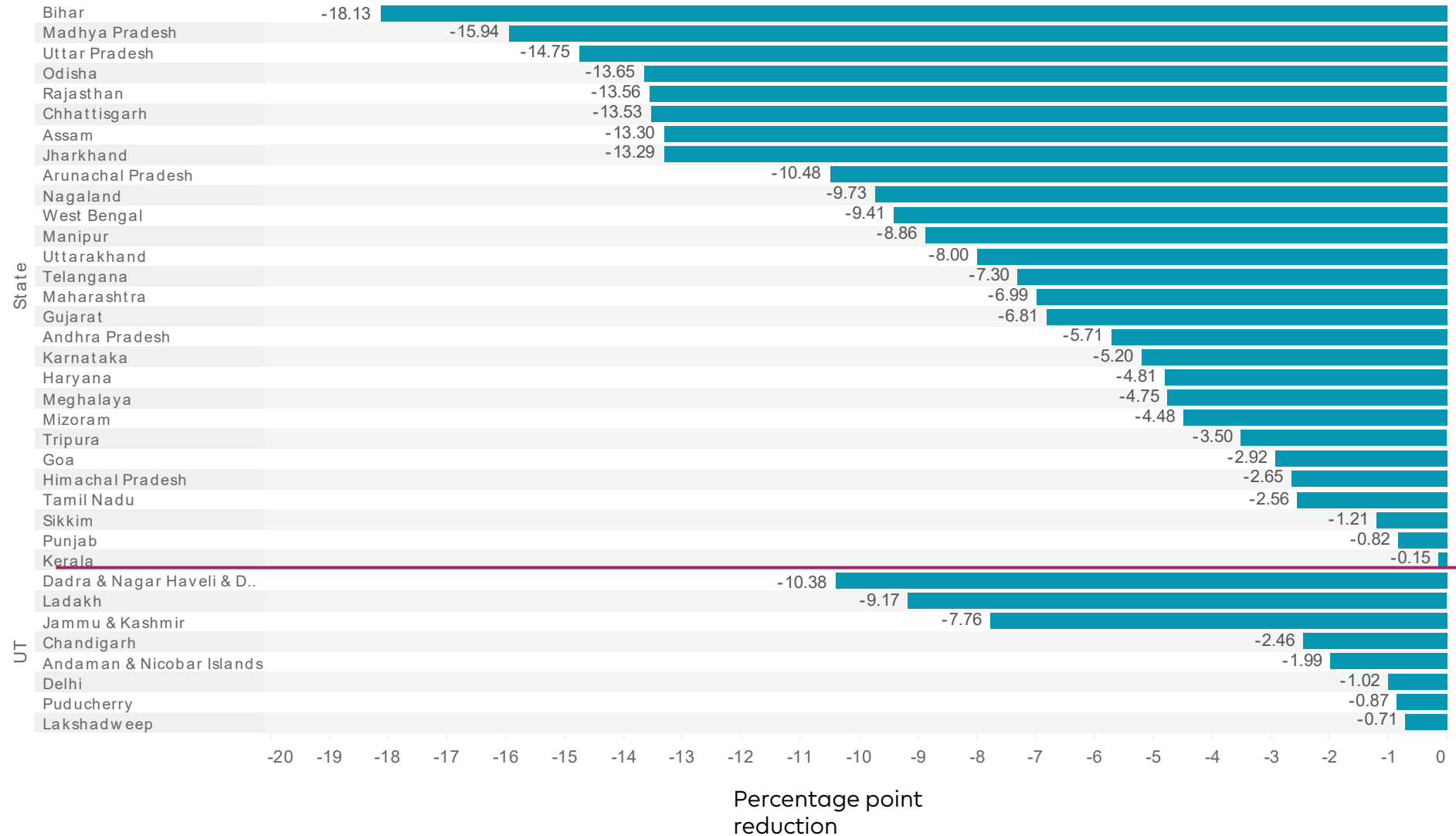


Changes over time for Headcount Ratio

Percentage point reduction in the headcount ratio

India

Headcount Ratio Reduction (State-wise)



Impact of Multi-sectoral Government Interventions

Sanitation
(21.7%)



Cooking Fuel
(14.6%)

Nutrition
(6.1%)



Electricity
(8.9%)

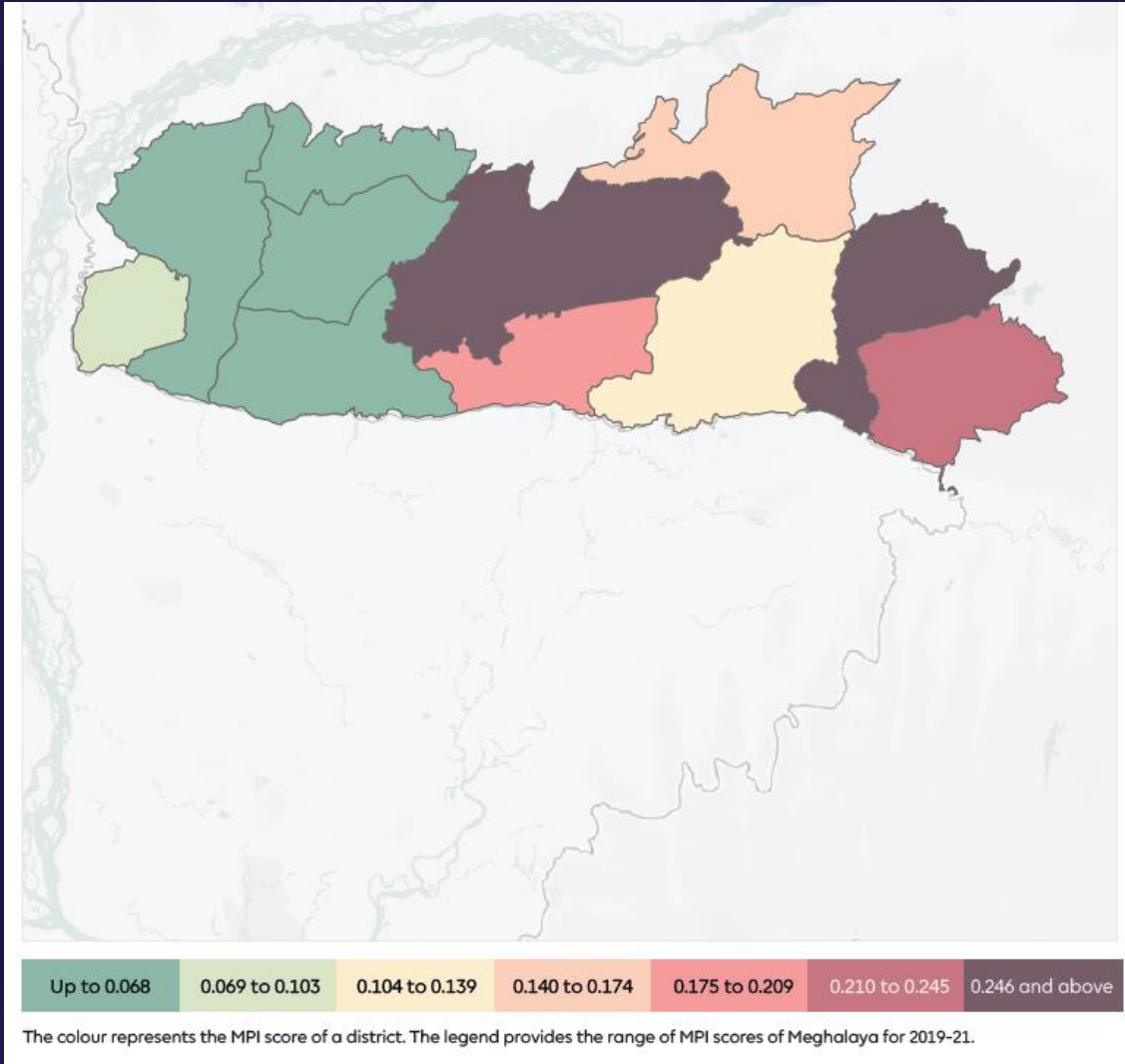
Bank Account
(6.0%)



- ✓ Between 2015-16 to 2019-21 deprived population for some indicators have fallen to extremely low levels
 - ❑ 3.3% for electricity
 - ❑ 3.7% for bank accounts, and
 - ❑ 7.3% for drinking water.

National MPI Findings: Meghalaya Snapshot

District-wise distribution of MPI



MPI Score (HxA)

0.156

Headcount Ratio (H)

32.54%

Intensity of Poverty(A)

48.08%

Meghalaya – Highlights

1,56,738 people in Meghalaya exited Multidimensional Poverty Between 2015 -16 to 2019-21

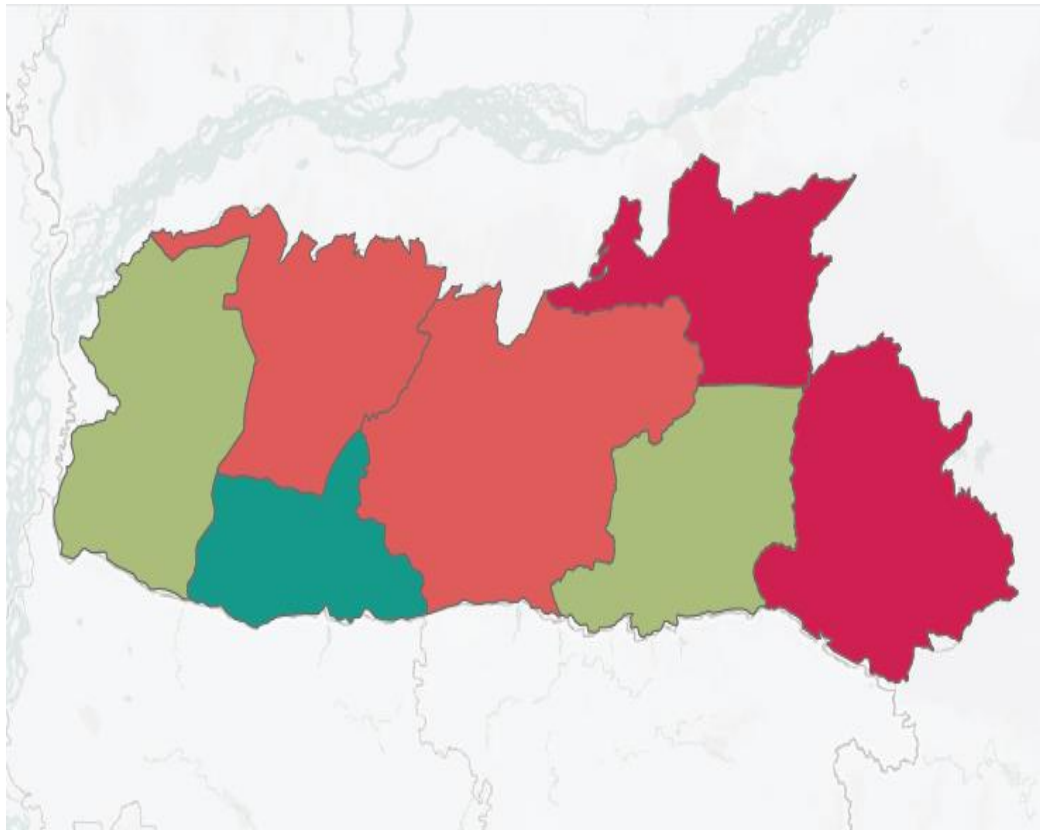
Year	Headcount Ratio (H)	Intensity (A)	MPI (HxA)
2019-21	27.79%	48.01%	0.133
2015-16	32.54%	48.08%	0.156

Year	Rural			Urban		
	Headcount Ratio	Intensity	MPI	Headcount Ratio	Intensity	MPI
2019-21	32.43%	48.17%	0.156	8.14%	45.40%	0.037
2015-16	38.49%	48.39%	0.186	8.41%	42.43%	0.036

Comparative view of the National MPI (Meghalaya)

NFHS-4 (2015-16)

NFHS-5 (2019-21)



Up to 0.045	0.046 to 0.090	0.091 to 0.136	0.137 to 0.182	0.183 to 0.228	0.229 to 0.273	0.274 to 0.319	0.320 to 0.365	0.366 and above
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MPI Score (HxA)

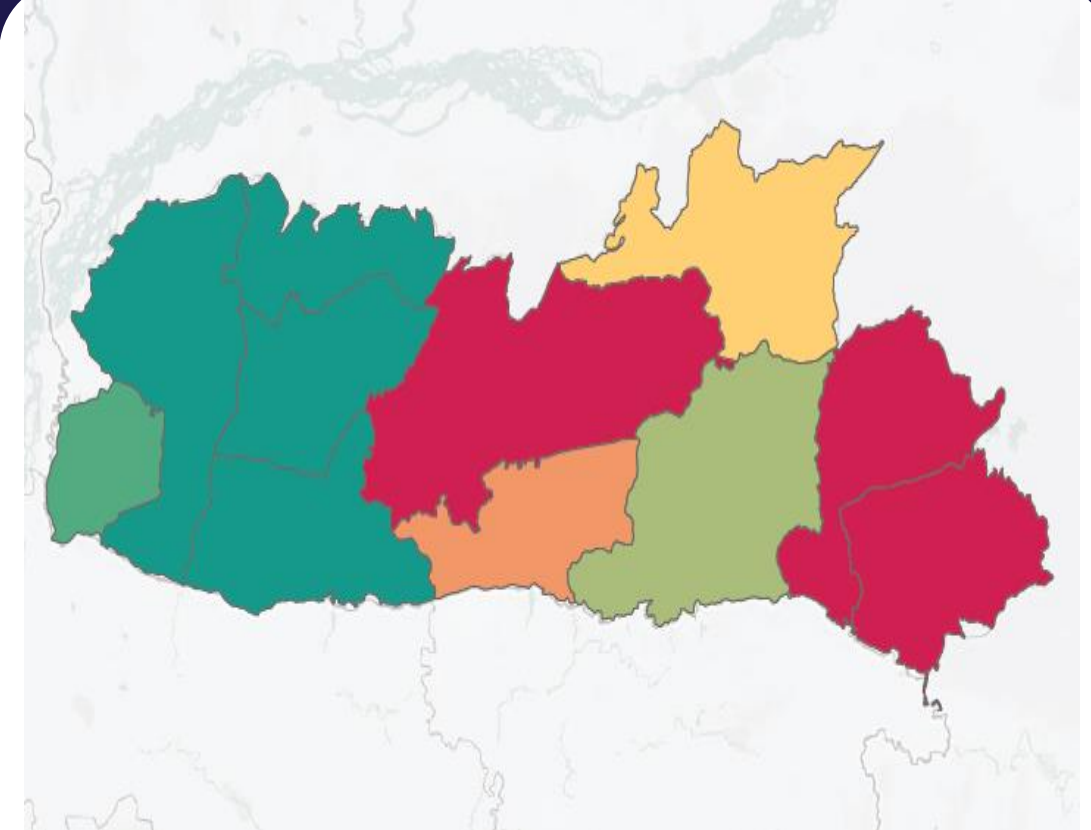
0.133

Headcount Ratio (H)

27.79%

Intensity of Poverty (A)

48.01%



Up to 0.045	0.046 to 0.090	0.091 to 0.136	0.137 to 0.182	0.183 to 0.228	0.229 to 0.273	0.274 to 0.319	0.320 to 0.365	0.366 and above
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MPI Score (HxA)

0.156

Headcount Ratio (H)

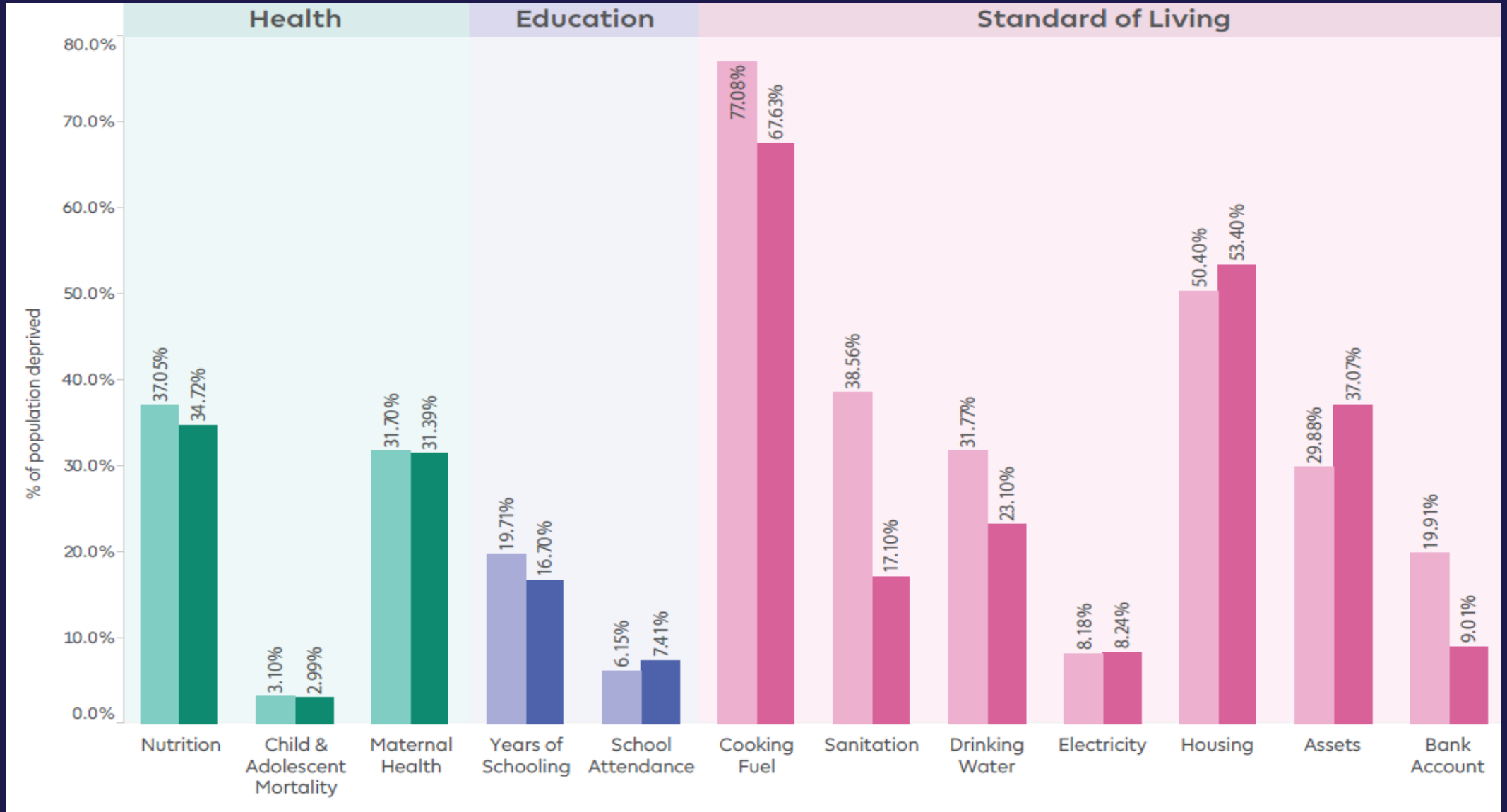
32.54%

Intensity of Poverty (A)

48.08%

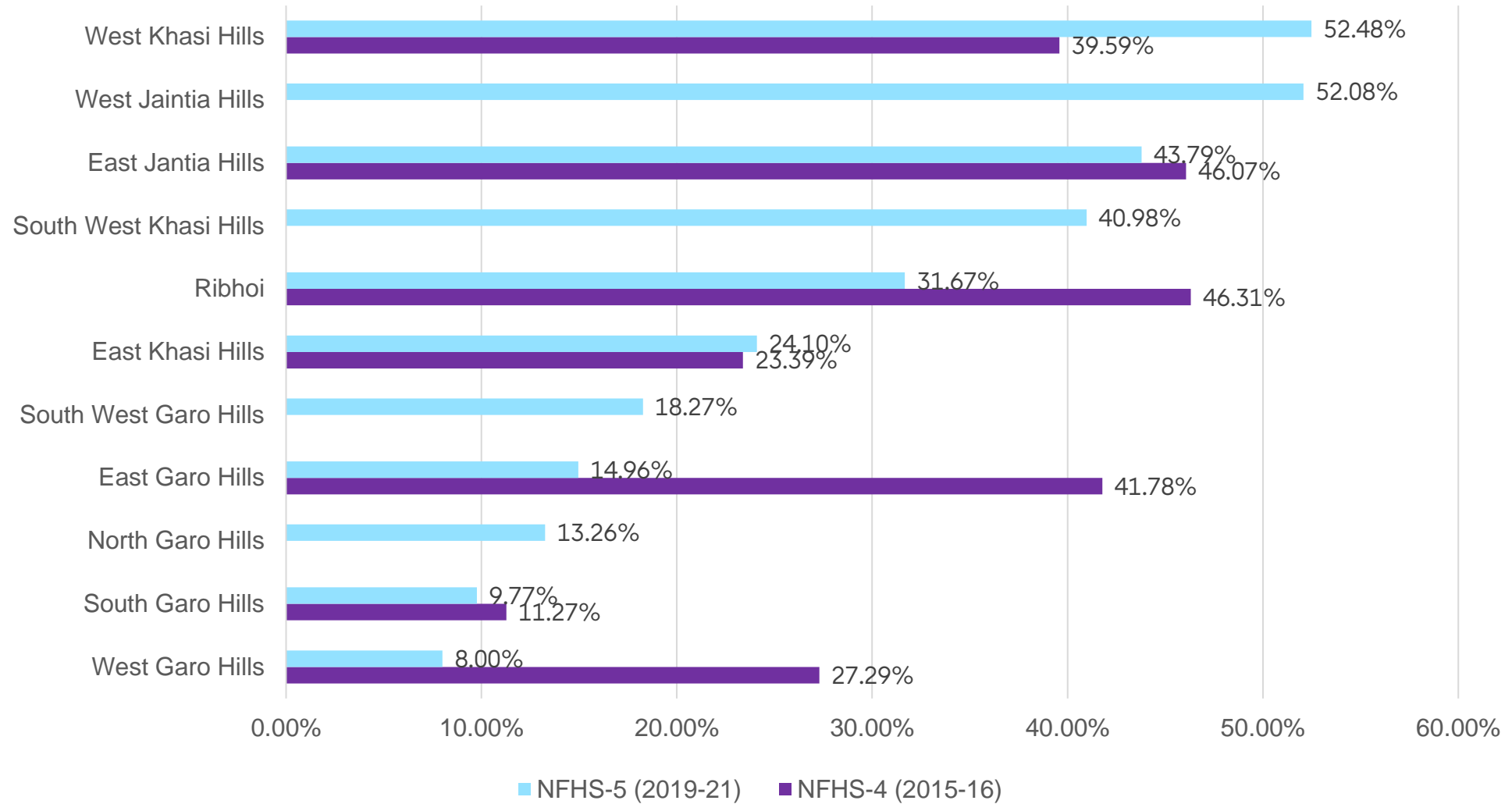
Meghalaya : Uncensored Headcount Ratio

Percentage of People who are deprived in each indicator



Meghalaya District-wise: Headcount Ratio

Percentage of Population who are multidimensionally Poor in each district



MPI: District Ranks by Headcount Ratio

The Headcount Ratio indicates the percentage of population who are multidimensionally poor

District	Rank	Headcount Ratio
West Garo Hills	1	8.00%
South Garo Hills	2	9.77%
North Garo Hills	3	13.26%
East Garo Hills	4	14.96%
South West Garo Hills	5	18.27%
East Khasi Hills	6	24.10%
Ribhoi	7	31.67%
South West Khasi Hills	8	40.98%
East Jaintia Hills	9	43.79%
West Jaintia Hills	10	52.08%
West Khasi Hills	11	52.48%

Uses of MPI in policy reform

Complement
monetary poverty
statistics

Track poverty
over time

Allocate resources
by sector, region,
population sub-
groups

Target reforms at
marginalized
regions, groups, or
households

Coordinate policy
across sectors and
subnational levels

Disaggregation by
State, districts,
population groups

Leave No One Behind
identify the poorest

Identification of Reform Areas and Reform Actions

Action Plan for reduction of poverty in all its forms





Thank You

