The First Revision of the Global MPI: Empirical Insights and Robustness

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Abstract

The global Multidimensional Poverty Index (MPI), published since 2010, is a measure that captures acute multidimensional poverty experienced by people in the developing regions of the world. In 2018, five of the ten indicators were revised with the purpose of aligning the index to the Sustainable Development Goals (SDGs). How useful is the revised global MPI as a guide to poverty comparisons? This paper provides comprehensive analyses of the revised global MPI from three perspectives. First, this paper explores the overlap of deprivations prior to the application of the poverty cutoff on a global scale. Second, we analyse the robustness of the revised global MPI to two alternative parameters – the poverty cutoffs and weighting structures. Third, the paper systematically compares the revised 2018 and the original 2010 specifications of the global MPI. Our findings indicate that acute multidimensional poverty is consistently prevalent in Sub-Saharan Africa followed by South Asia compared to other world regions. In addition, the robustness analyses reveal that the revised index is stable across alternative weighting structures and poverty cut-offs. We also find that the aggregate results and ranking of countries have remained similar between the 2010 and 2018 specifications, suggesting the stability of the index despite the revisions.