Multidimensional Poverty Index 2023

Unstacking global poverty:
data for high impact action

Briefing note for countries on the 2023 Multidimensional Poverty Index

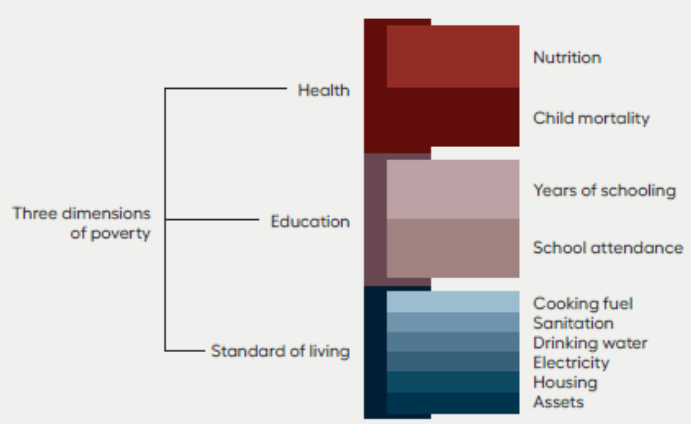
North Macedonia

What is the global Multidimensional Poverty Index?

Sustainable Development Goal 1 aims to end poverty in all its forms everywhere. The global Multidimensional Poverty Index (MPI) measures acute multidimensional poverty across more than 100 developing countries. It does so by measuring each person's overlapping deprivations across 10 indicators in three equally weighted dimensions: health, education and standard of living (see figure). The health and education dimensions are based on two indicators each, while standard of living is based on six indicators.

All the indicators needed to construct the MPI for a country are taken from the same household survey. Each indicator is equally weighted within its dimension, so the health and education indicators are weighted 1/6 each, and the standard of living indicators are weighted 1/18 each. The MPI is the product of the headcount or incidence of multidimensional poverty (proportion of people who are multidimensionally poor) and the intensity of multidimensional poverty (average share of weighted deprivations, or average deprivation score,[1] among multidimensionally poor people) and is therefore sensitive to changes in both components. A deprivation score of 1/3 (one-third of the weighted indicators) is used to distinguish between the multidimensionally poor and nonpoor. If the deprivation score is 1/3 or greater, the household (and everyone in it) is classified as multidimensionally poor. Individuals with a deprivation score greater than or equal to 1/5 but less than 1/3 are classified as vulnerable to multidimensional poverty. Finally, individuals with a deprivation score greater than or equal to 1/2 live in severe multidimensional poverty. The MPI ranges from 0 to 1, and higher values imply higher multidimensional poverty. The MPI complements the international $2.15 a day poverty rate by identifying who is multidimensionally poor and also shows the composition of multidimensional poverty.

Structure of the global Multidimensional Poverty Index



Source: HDRO and OPHI.

[1] The deprivation score of a multidimensionally poor person is the sum of the weights associated with each indicator in which the person is deprived.

Multidimensional Poverty Index for North Macedonia

The 2010 Human Development Report introduced the MPI and since 2018 the Human Development Report Office (HDRO) and the Oxford Poverty and Human Development Initiative jointly produce and publish the MPI estimates. The latest release from July 2023 covers 110 developing countries (countries that lack survey data that allow for the calculation of the MPI are not included): 'Unstacking global poverty: data for high impact action'. The full table with MPI estimates is available at https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi. Definitions of deprivations in each indicator, as well as the full methodology are given in the MPI *Technical note*. Continuing with the practice from the previous years, HDRO is making public the statistical programs used in the calculation of the 2023 MPI in Stata format for a large selection of countries (see https://hdr.undp.org/mpi-statistical-programmes). Finally, a set of MPI frequently asked questions is available at https://hdr.undp.org/mpi-2023-faqs.

The most recent survey data that were publicly available for North Macedonia's MPI estimation refer to 2018/2019. Based on these estimates, 0.4 percent of the population in North Macedonia (8 thousand people in 2021) is multidimensionally poor while an additional 2.2 percent is classified as vulnerable to multidimensional poverty (46 thousand people in 2021). The intensity of deprivations in North Macedonia, which is the average deprivation score among people living in multidimensional poverty, is 38.2 percent. The MPI value, which is the share of the population that is multidimensionally poor adjusted by the intensity of the deprivations, is 0.001. In comparison, Armenia and Georgia have MPI values of 0.001 and 0.001, respectively.

Table A compares multidimensional poverty with monetary poverty measured by the percentage of the population living below 2017 PPP US$2.15 per day. It shows that monetary poverty only tells part of the story. The headcount or incidence of multidimensional poverty is 2.3 percentage points lower than the incidence of monetary poverty. This implies that individuals living below the monetary poverty line may have access to non-income resources. Table A also shows the percentage of North Macedonia's population that lives in severe multidimensional poverty. The contributions of deprivations in each dimension to overall poverty complete a comprehensive picture of people living in multidimensional poverty. Figures for Armenia and Georgia are also shown in the table for comparison.

Table A: The most recent MPI for North Macedonia relative to selected countries and region

	Survey year	MPI value	Head-count (%)	Intensity of deprivations (%)	Population share (%)			Contribution of deprivation in dimension to overall multidimensional poverty (%)		
					Vulnera-ble to multidim ensional poverty	In severe multidim ensional poverty	Below income poverty line	Health	Education	Standard of living
North Macedonia	2018/2019	0.001	0.4	38.2	2.2	0.1	2.7	29.6	52.6	17.8
Armenia	2015/2016	0.001	0.2	36.2	2.8	0.0	0.5	33.1	36.8	30.1
Georgia	2018	0.001	0.3	36.6	2.1	0.0	5.5	47.1	23.8	29.1
Europe and Central Asia	-	0.004	1.2	37.1	2.5	0.1	0.7	66.7	16.5	16.8