Sunil is a labourer who lives in a small hut with his wife and their two children, aged seven and four years. Both Sunil and his wife have had schooling only up to grade five. Their hut has no electricity or proper sanitation facilities. The elder child is not in school yet. It is clear that Sunil and his family are facing many deprivations simultaneously and low income is just one dimension of poverty.

Multidimensional Poverty (MDP) is an effective measure that captures the many different deprivations faced by the poor. Unlike income poverty, MDP takes into consideration the different types of deprivations that individuals experience simultaneously.

The Alkire-Foster Method (AFM), that gauges MDP, involves three dimensions, health, education and living standards, which are measured through 10 indicators. Figure 1 shows the dimensions, the indicators (deprivations) and the relevant weights used in the analysis.

MDP reveals the types of deprivations faced by the poor, poverty levels in different regions of the country and the different sub-groups suffering from poverty. It also identifies the different types of deprivations, which can help determine region-specific strategies to combat poverty and inequality.

This analysis, based on the Household Income and Expenditure Survey 2016 (HIES 2016), examines the different groups that face MDP, where they live and the types of deprivations, as well as the percentages of the deprivations they face. It examines both MDP and income poverty and identifies the similarities and differences.