



General Economics Division (GED)
Bangladesh Planning Commission

GED POLICY BRIEF

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NATIONAL MULTIDIMENSIONAL POVERTY IN BANGLADESH: POLICY PRIORITIES

Key Findings of 2019 National MPI

- One in four (24.05%) people in Bangladesh are MPI poor.
- Approximately 39.77 million individuals are experiencing multidimensional poverty.
- People in rural areas (26.96%) are almost twice more likely to be MPI poor than those in urban areas (13.48%).
- The MPI is not significantly different between male-headed households (0.106) and female-headed households (0.105).
- The proportion of people who are poor differs significantly across divisions and districts.
- Sylhet holds the record for the highest incidence of multidimensional poverty among all divisions, with a rate of 37.70%.
- More than 40% of people are living in multidimensional poverty in five out of the 64 districts (Bandarban, Cox's Bazar, Sunamganj, Rangamati and Bhola).
- The Incidence of multidimensional poverty is higher among children (28.70%) than among adults (21.44%).

I. An Overview

This policy brief presents key findings and recommendations from the report, "National Multidimensional Poverty Index for Bangladesh" prepared by the GED based on data from the Multiple Indicator Cluster Survey (MICS) conducted in 2019. A national Multidimensional Poverty Index (MPI) was developed as an officially recognized poverty metric, serving as a valuable complement to monetary poverty measures, and serves as an indicator to track SDG Goal 1.

The National MPI, estimated for the first time, offers a holistic perspective on multidimensional poverty in Bangladesh, enabling assessments at the national, divisional, and district levels. This MPI represents the Multidimensional Poverty for Bangladesh in 2019.

The MPI can thus be an additional indicator of poverty estimates. In the Agenda 2030, target 1.2 of SDG Goal 1 has clearly articulated the importance of multidimensionality in measuring poverty. By considering multiple dimensions of poverty, namely health, education, and living standards, the MPI provides a comprehensive framework to identify and address the specific deprivations faced by different groups within a society.

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II. Background

An MPI creates a comprehensive picture of poverty. It reveals who is poor and how they are poor by focusing on diverse deprivations that the poor experience. The MPI is rooted in Amartya Sen's Capability Approach which emphasizes that poverty should not be understood solely as a lack of income. Instead, it is the deprivation of essential functioning and capabilities, things that people value doing or being, such as having good health, education, access to clean water, and good housing conditions among others. Given the criticism faced by the traditional income-based poverty estimate for its unidimensional nature, the multidimensional poverty estimate was introduced at the global level in the early 2010s following the methodology developed by Alkire and Santos (2010, 2013) to enrich the traditional money-metric poverty estimates. This holds particularly true within the context of Bangladesh, where individuals experiencing multiple simultaneous deprivations.

This policy brief presents the results of Bangladesh's first national MPI customized to its unique context, a product based on MICS 2019, of extensive stakeholder consultations. It comprises 11 indicators across three equally weighted dimensions of living standards, education, and health (Figure 1). Within the living standards dimension, there are seven indicators, including access to electricity, sanitation, clean drinking water, housing quality, cooking fuel, ownership of assets, and internet access.

The education dimension encompasses indicators related to school attendance and years of schooling, while the health dimension includes indicators related to nutrition and reproductive health, with a focus on preventing unintended pregnancies and high-risk obstetrical outcomes. The indicator definitions for deprivation in the national MPI closely align with those specified in the Sustainable Development Goals (SDGs). Any person who is deprived in one third (33.33%) or more of the weighted indicators is considered as multidimensionally poor under the national MPI.

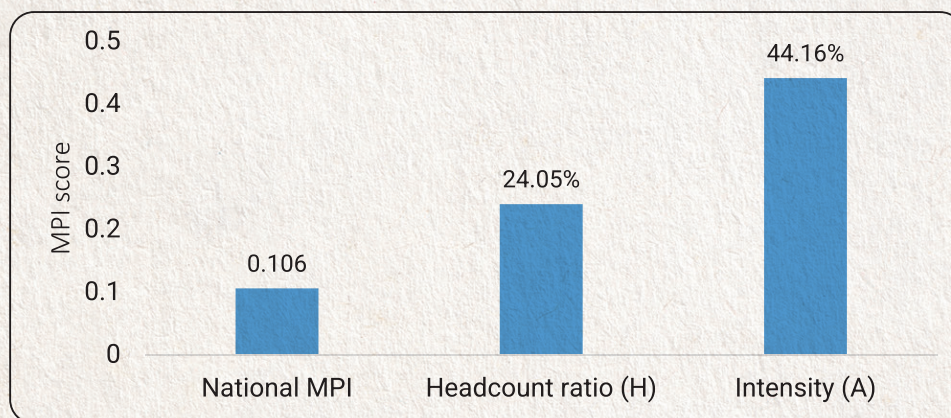
Figure 1: Structure of Bangladesh National MPI



III. The National MPI: Who and Where are the Poor?

An MPI value ranges between 0 and 1, with 1 indicating that the entire population is poor and deprived in all indicators of the National MPI. The National MPI score for Bangladesh is 0.106, reflecting that poor people experience 10.6% of all possible deprivations people in Bangladesh could face if everyone was poor and deprived in all indicators.

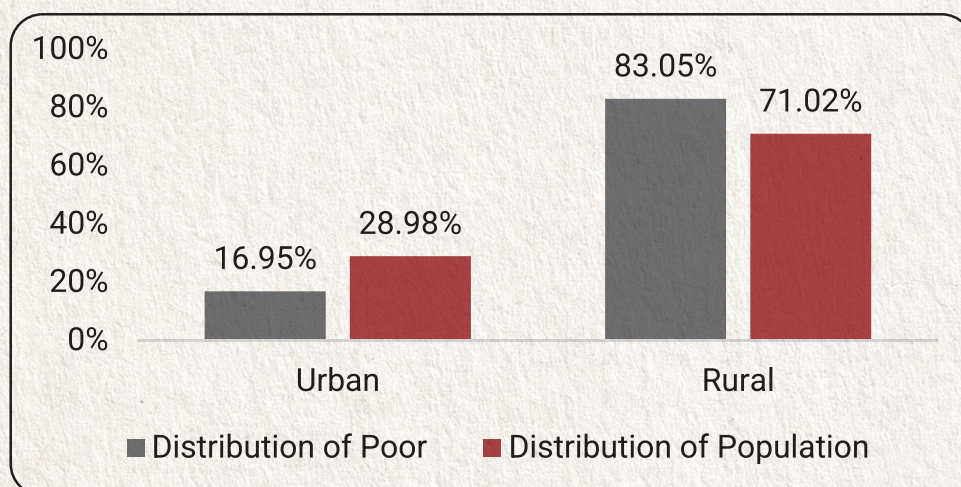
Figure 2: Multidimensional poverty statistics for the national MPI in Bangladesh



Nearly one fourth (24.05%) of Bangladesh's population is multidimensionally poor, as the headcount ratio, or incidence, indicates (Figure 2). The intensity of poverty, which reflects the share of deprivations each poor person experiences on average, shows that each poor person is deprived in nearly half (44.16%) of the weighted indicators.

The rural/urban divide has been a common phenomenon in Bangladesh. The National MPI is 0.119 in rural areas compared to 0.059 in urban areas. Similarly, the incidence of poverty is higher in rural areas (26.96%) than in urban areas (13.48%). Given that around 71.02% of the Bangladesh's population or nearly 117 million people live in rural areas, 83.05% of the multidimensionally poor people live in rural areas (Figure 3).

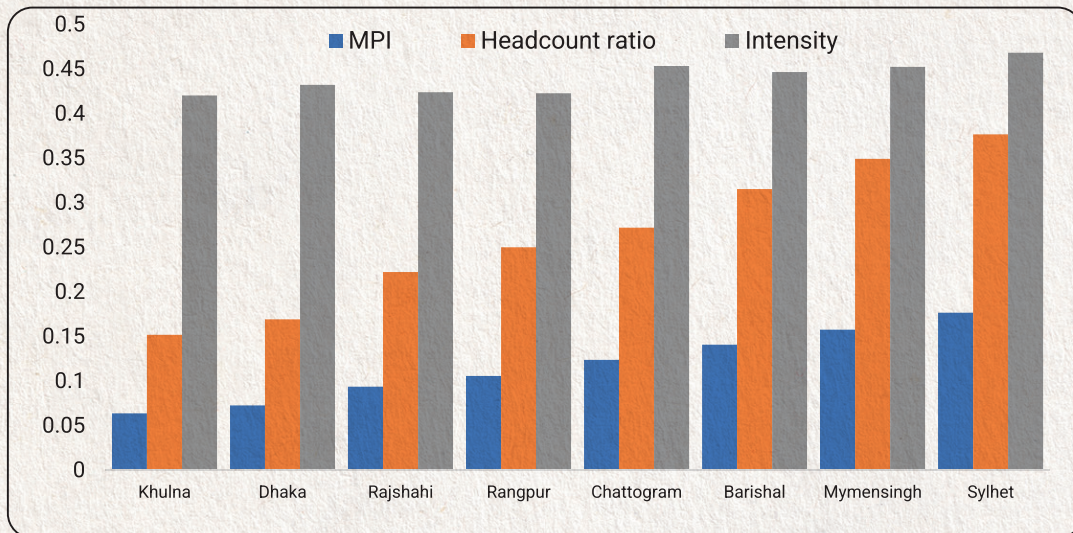
Figure 3: Distribution of the population and the MPI poor people by urban and rural areas in Bangladesh



IV. Regional MPI

Multidimensional poverty varies substantially across the eight divisions in Bangladesh. Figure 4 details that the division with the smallest National MPI is Khulna (0.064), while Sylhet, located in the northeast of the country, has the largest MPI (0.177). The headcount and intensity of poverty differ quite significantly across the divisions. Less than a fifth (15.22%) of the population in Khulna and over a fifth (22.26%) in Rajshahi are living in multidimensionally poor households.

Figure 4: MPI by division in Bangladesh



In contrast, over a third (37.70%) of the population in Sylhet are living in multidimensionally poor households. However, note that the size of the population is also important. Dhaka has a relatively low level of poverty (16.95%) but is home to 6.9 million poor persons as compared to Sylhet's 4.7 million.

The intensity of poverty is lowest in Khulna (42.06%) and is highest in Sylhet (46.86%). The division of Sylhet is in particular need of attention when it comes to dealing with multidimensional poverty – not only does it have the highest proportion of poor amongst all the divisions in Bangladesh, but the poor in Sylhet are also experiencing more intense levels of poverty.

The National MPI can be disaggregated for 64 districts in Bangladesh (Figure 5). The district map plotting the national MPI reveals pockets of poverty in the country.

Bandarban district has the highest MPI score (0.325) and the highest headcount ratio of people living in multidimensionally poor households (65.36%). Cox's Bazar (0.229), Sunamganj (0.225), and Rangamati (0.216) also have high MPI values, reflecting significant levels of multidimensional poverty.

Figure 5: National MPI by district in Bangladesh

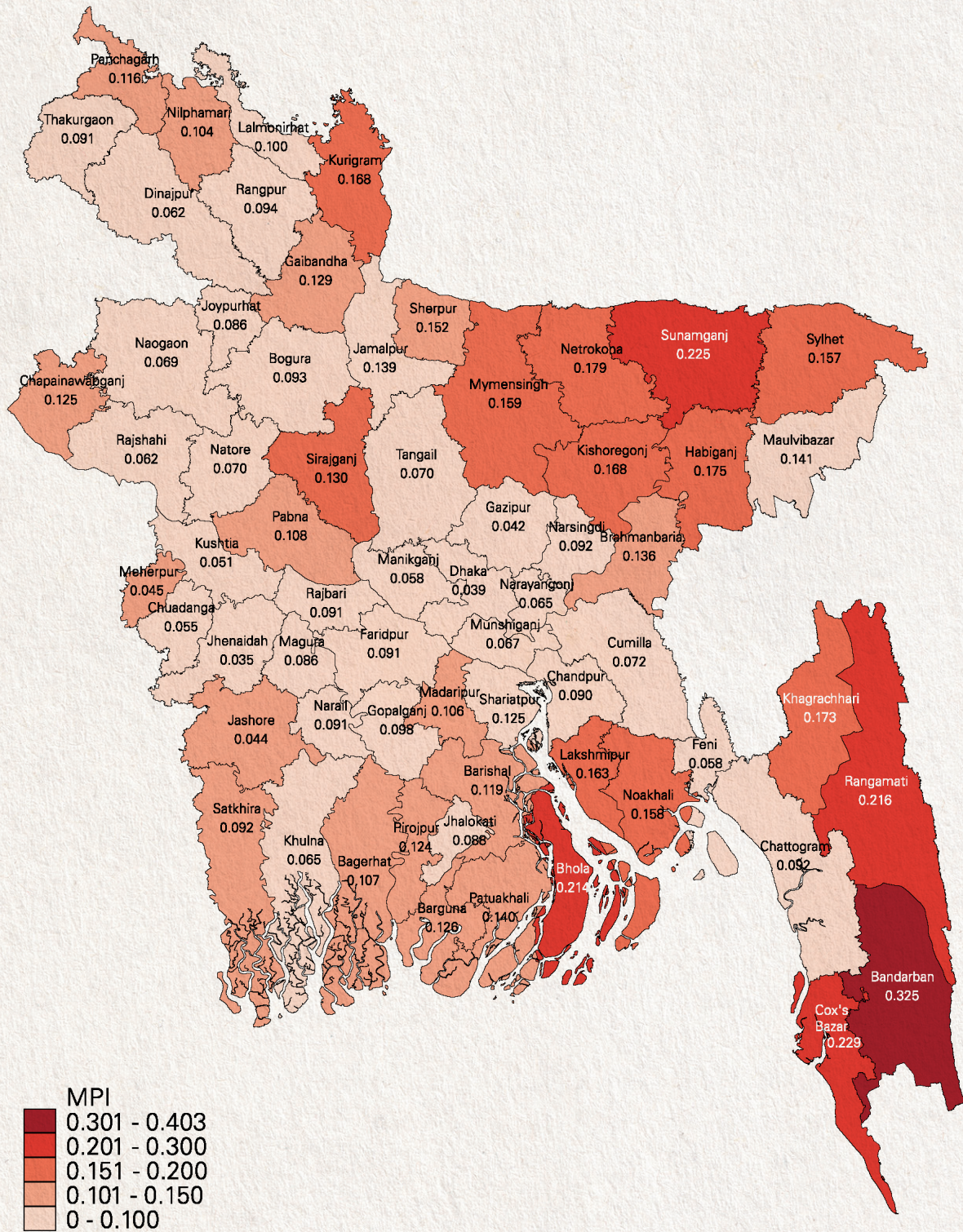
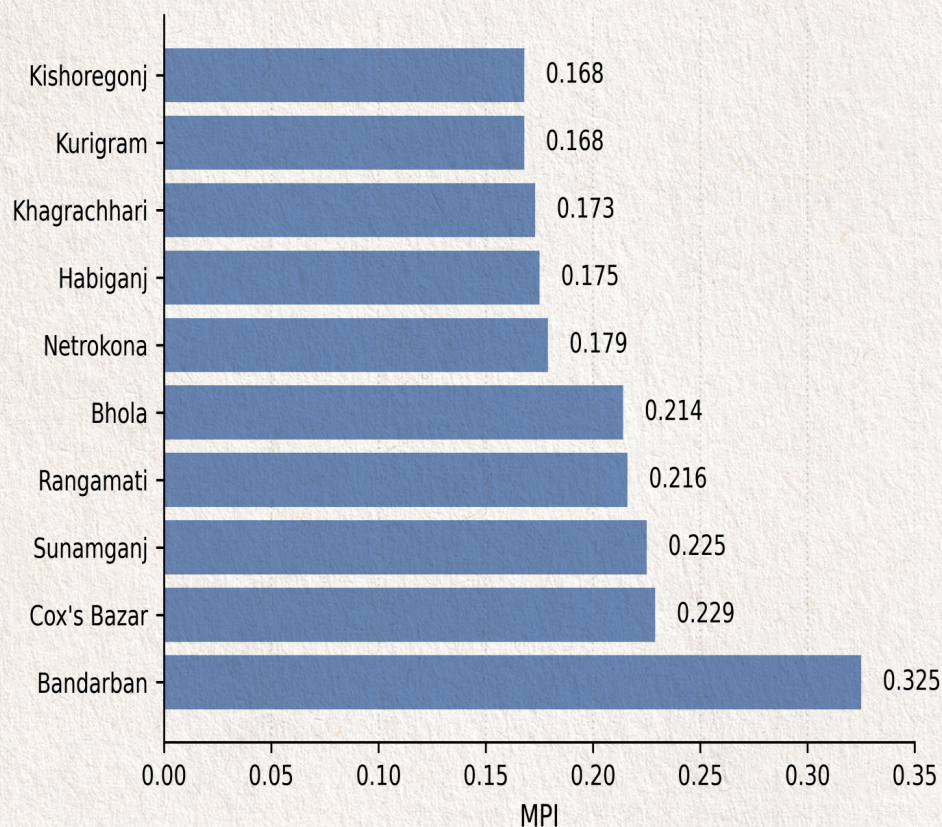


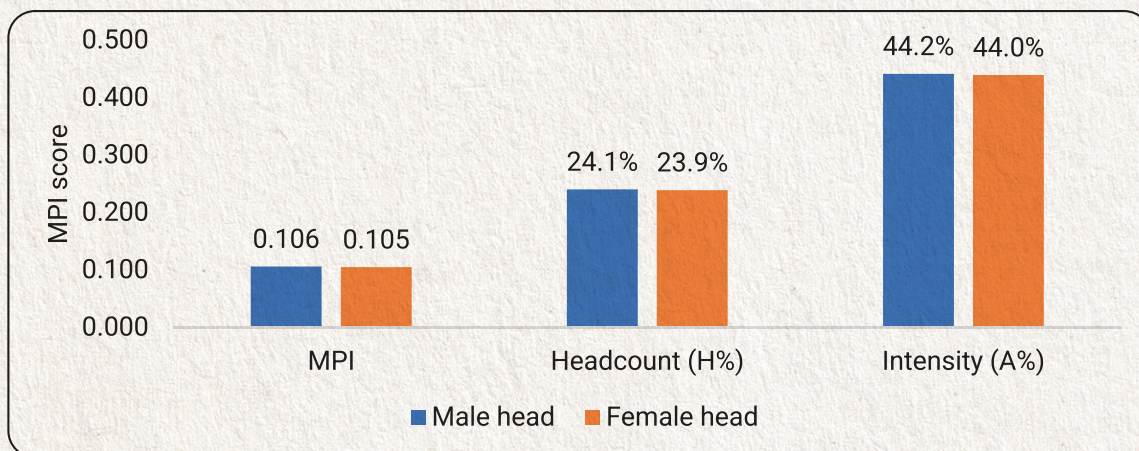
Figure 6: Top ten Districts with the highest MPI



V. Multidimensional Poverty by Gender of the Household Head

The MPI is not significantly different between male-headed households and female-headed households. While the likelihood of being MPI poor is similar across the two groups, the intensity of multidimensional poverty is slightly higher for male-headed households (44.19% versus 43.98%).

Figure 7: National MPI, Incidence of poverty (H), and Intensity of poverty (A) by Gender of Household Head



According to the national MPI, children are the most vulnerable age cohort. Across age groups, both children aged 0 to 9 years and those aged 10 to 17 years have the highest National MPI at 0.130. Children under the age of 18 represent more than a third (38.88%) of the population in Bangladesh.

VI. Indicators contributing most to the National MPI

Across regions, the highest contributors to multidimensional poverty are deprivations in child school attendance, years of schooling, nutrition, housing, internet access, sanitation, and assets. In Bangladesh, 20% of the population, or more than 30 million people, are multidimensionally poor and deprived in housing, internet access, and sanitation.

VII. Policy recommendations from the National MPI

The concept of leaving no one behind aligns well with the spirit of the MPI, which aims to capture a broader understanding of poverty beyond just income-based measures. The following key policy recommendations emerge from the National MPI results.

- Adoption of the National MPI (SDG 1.2.2) as an official poverty statistic complementing the monetary poverty measure. When used as an official statistic of poverty, it can inform policy decisions, guide resource allocation, inspire poverty research and, ultimately, reduce poverty in all its forms. The National MPI is also the key data source for Target 1.2, which seeks to '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'.
- Guiding policy interventions and resource allocation. The results of the National MPI highlight priority areas for policy interventions and investment decisions. The National MPI illuminates the rural-urban divide and points towards government interventions that target the multidimensionally poor in rural areas. According to the National MPI for Bangladesh, it seems paramount to improve the quality of schooling and learning outcomes for all age groups.
- The poorest suffer from multiple deprivations. The multidimensionally poor are mostly deprived in housing quality, including unimproved floors, roofs, or walls. This is closely followed by a lack of internet access, absence of improved sanitation services, and ownership of fewer assets than the specified list. Focusing on what is causing high levels of poverty, the MPI and its associated information platform can be used to develop interventions for specific areas or sub-groups to ensure they receive appropriate benefits to reduce their deprivations.
- As per the National MPI, children are the most vulnerable group. Children aged 0-9 years old are equally likely to be multidimensionally poor as children aged 10-17 years (28.6% vs 28.8%). To improve the lives of the children in the poorest districts, government support should focus on improving housing conditions, providing access to safe drinking water, improving sanitation facilities, and promoting the use of clean cooking fuel.
- Targeting the most vulnerable. The National MPI reveals pockets of multidimensional poverty that have not been identified before. The pockets of the multidimensional poverty are in the divisions of Sylhet, Mymensingh, Barishal and Chattogram and the five poorest districts include: Bandarban, Cox's Bazar, Sunamganj, Rangamati and Bhola. The National MPI can be used to focus interventions on those areas or population subgroups that are most in need to ensure that no one is left behind.

Note on this policy brief: *This policy brief is based on the Report “National Multidimensional Poverty Index for Bangladesh”. We thank BBS, MPI Drafting Team and OPHI for their contribution.*

