

# OPHI

OXFORD POVERTY & HUMAN DEVELOPMENT INITIATIVE

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UNIVERSITY OF  
OXFORD

## Global MPI & New Data for SDGs

John Hammock, OPHI, University of Oxford

13 May 2015

[www.ophi.org.uk](http://www.ophi.org.uk)

Tabita, Kenya

Rabiya, India

Stéphanie, Madagascar

Agnès, Madagascar

Dalma, Kenya

Ann-Sophie, Kenya

Valérie, Madagascar



Tabita, Kenya

Rabiya, India

Stephanie, Madagascar

Agathe, Madagascar

Dalima, Kenya

Ann-Sophie, Kenya

Valerie, Madagascar



## *Breaking the Silos*

**Integrated Policies to reduce  
Multidimensional Poverty?**

**Why ?**

# A 50-country UNDP study identified what had worked to achieve the MDGs.

## Its first key message? Address deprivations together

There are important synergies among the MDGs... Given these synergistic and multiplier effects, **all the goals need to be given equal attention and achieved simultaneously**. This requires **multisectoral approaches and coordination** among various implementing agencies.



# A NEW GLOBAL PARTNERSHIP: ERADICATE POVERTY AND TRANSFORM ECONOMIES THROUGH SUSTAINABLE DEVELOPMENT

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The Report of the High-Level Panel of Eminent Persons on  
the Post-2015 Development Agenda

**The High Level Panel warned against a sustainable development agenda that was:**

- narrowly focused on one set of issues, failing to recognise that poverty, good governance, social inclusion, environment and growth are connected and **cannot be addressed in silos.**

# In the SDGs: Poverty is Multidimensional

## UNSG Synthesis Report Dec 2014:

**2.1 Shared Ambitions:** ... Member States will need to fill key sustainable development gaps left by the Goals, such as **the multidimensional aspects of poverty**

### **5.1 Measuring the new dynamics ...**

Poverty measures should reflect the multi-dimensional nature of poverty.

## Sixty-Ninth Session of the UN General Assembly Dec 2014.

(A/RES/69/238)

**5. Underlines the need to better reflect the multidimensional nature of development and poverty...**

**Open Working Group Goal 1 Target 1.2:** 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.



# The Addis Ababa Accord of the Third International Conference on Financing for Development

We further call on the United Nations, in consultation with the IFIs to develop transparent measurements of progress on sustainable development that complement GDP, building on existing initiatives. These should recognize **the multi-dimensional nature of poverty** and the social, economic, and environmental dimensions of domestic output. We will also support *statistical capacity building in developing countries*.

# Islamic Solidarity Fund for Development:

“The Fund views poverty as a multi-dimensional phenomenon, encompassing not only low income and consumption, but also low achievement in fundamental human rights including education, nutrition, primary health, water and sanitation, housing, crisis coping capacity, insecurity, and all other forms of human development.”

*MPPN had a side-event at the Islamic Development Bank: June 2014*

# Economic Commission for Latin America (ECLAC):

“*Social Panorama of Latin America 2014* addresses poverty from a multidimensional perspective.”

This multidimensional perspective on poverty will be continued at a regional level in future *Social Panoramas* using the AF methodology.

**Option: An ‘acute’ MPI + ‘moderate’ regional MPIs**



## Other Intersections:

**SADC:** use global **MPI** as a standard indicator to compare SADC members

**MEDSTAT:** Use global **MPI** to compare North African countries

**UNDP LAC:** Forthcoming regional report on poverty will present **national MPIs** from MPPN countries.

# Organisation for Economic Cooperation and Development (OECD):

- Create a new [multidimensional] headline indicator to measure progress towards eradicating all forms of poverty, which could complement the current income-poverty indicator.

Executive Summary,

*Development Cooperation Report 2013: Ending Poverty*

# Multidimensional Measurement Methods:

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## Multidimensional Poverty Measurement and Analysis

Sabina Alkire, James Foster, Suman Seth, Maria  
Emma Santos, Jose Manuel Roche, and Paola Ballon

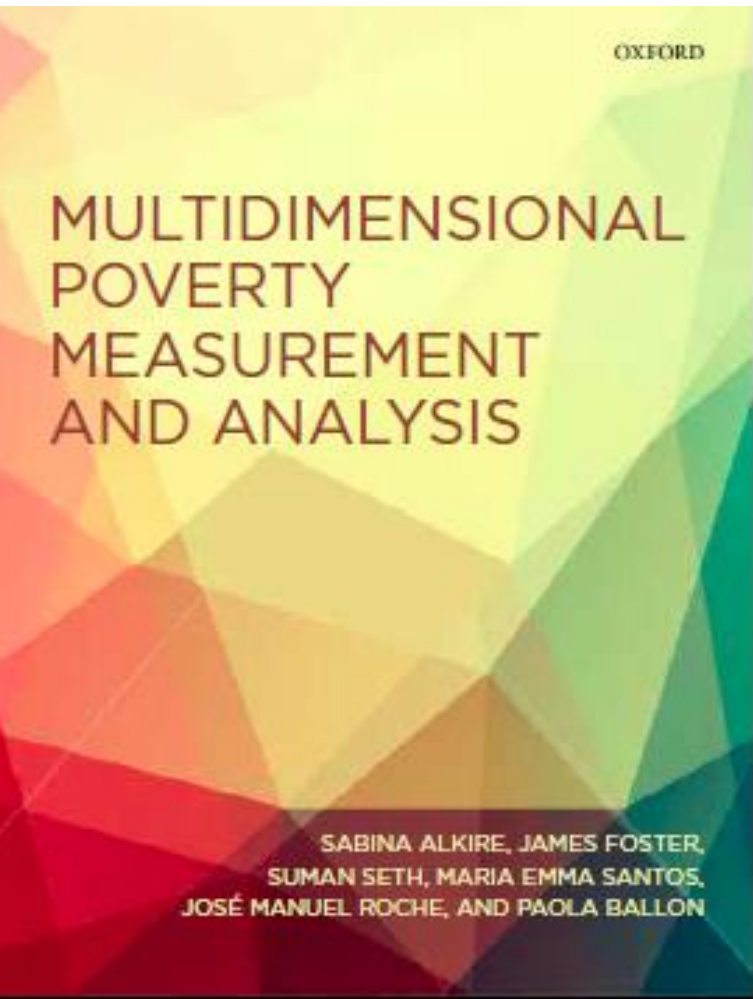
Comprehensive survey of methods used for  
measuring multidimensional poverty

Illustrates state-of-the-art of quantitative  
techniques used in multidimensional poverty  
studies

A unique guide to viewing poverty through a multi-  
dimensional lens

[multidimensionalpoverty.org](http://multidimensionalpoverty.org)

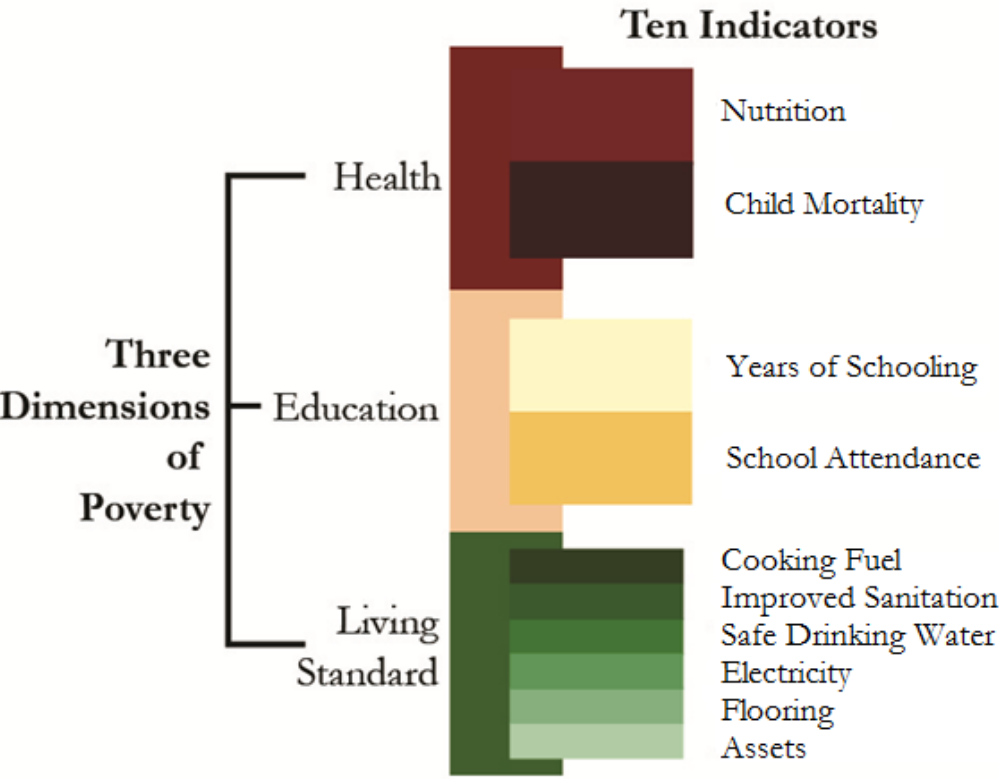
**June 2015**



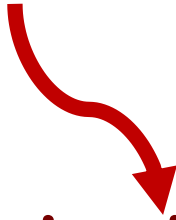
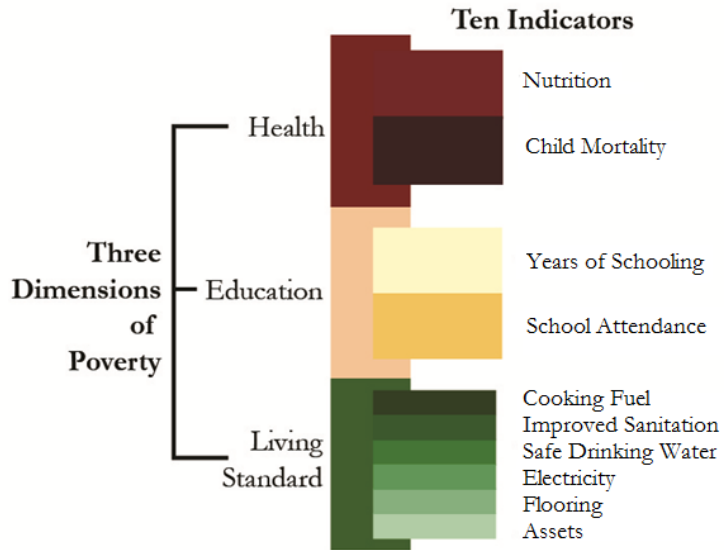
# The MPI as a tool for the SDGs

- Interlinkages (break Silos)
- Inclusiveness (leave No one behind)
- Disaggregated data
- Universality (acute & moderate poverty)
- Data Revolution (do-able, adds value)

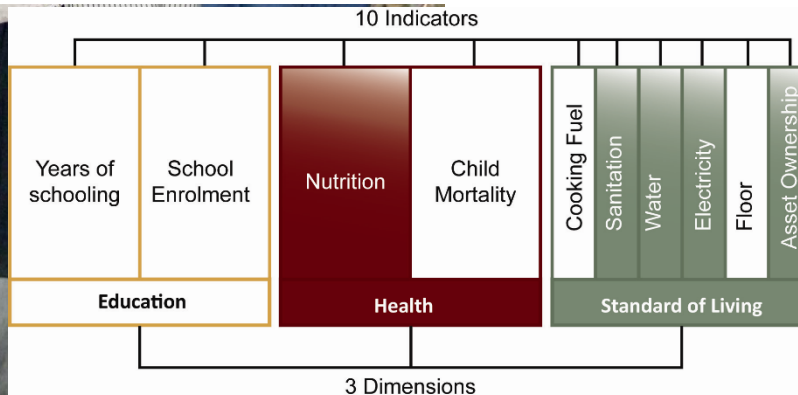
# Select Indicators, Cutoffs, Values



# Select Indicators, Cutoffs, Values



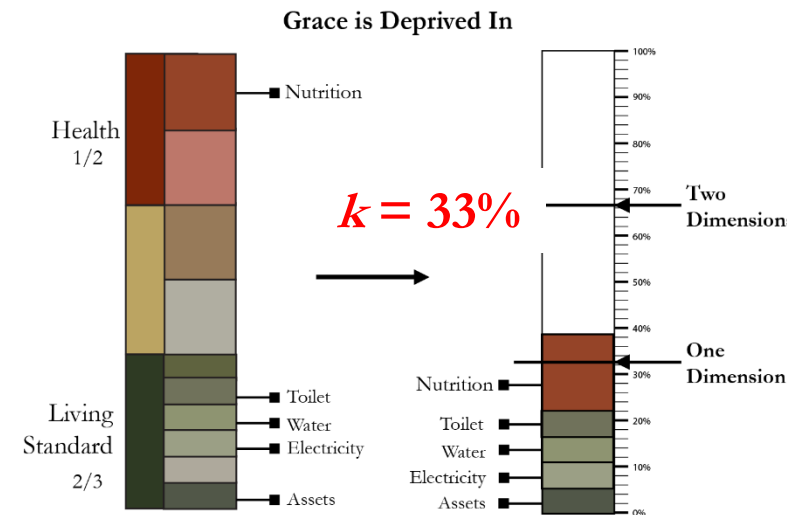
**Build a deprivation score for each person**



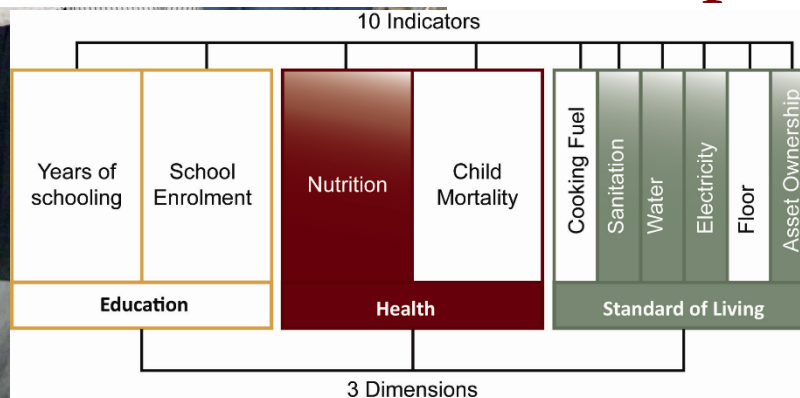
# Select Indicators, Cutoffs, Values

**Global MPI:** A person is multidimensionally poor if they are deprived in 33% or more of the dimensions.

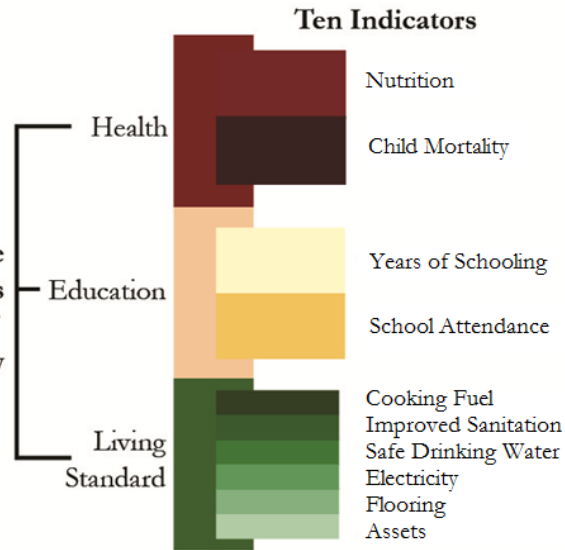
## Identify who is poor



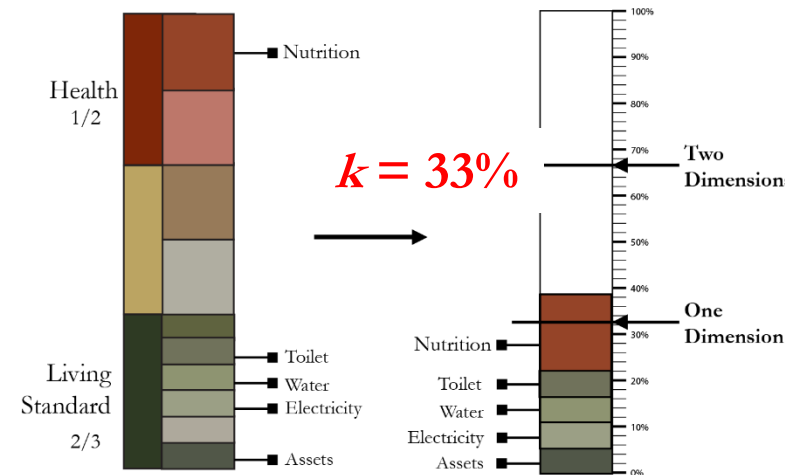
Build a deprivation score for each person



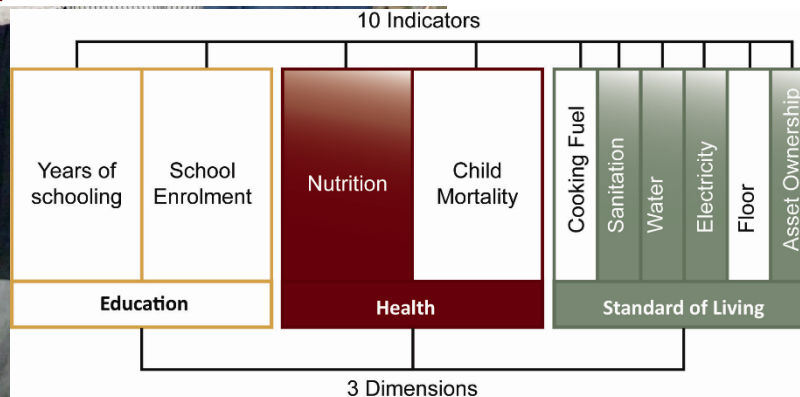
# 1. Select Indicators, Cutoffs, Values



# 3. Identify who is poor



# 2. Build a deprivation score for each person





# The MPI (Alkire-Foster)

The MPI is the product of two components:

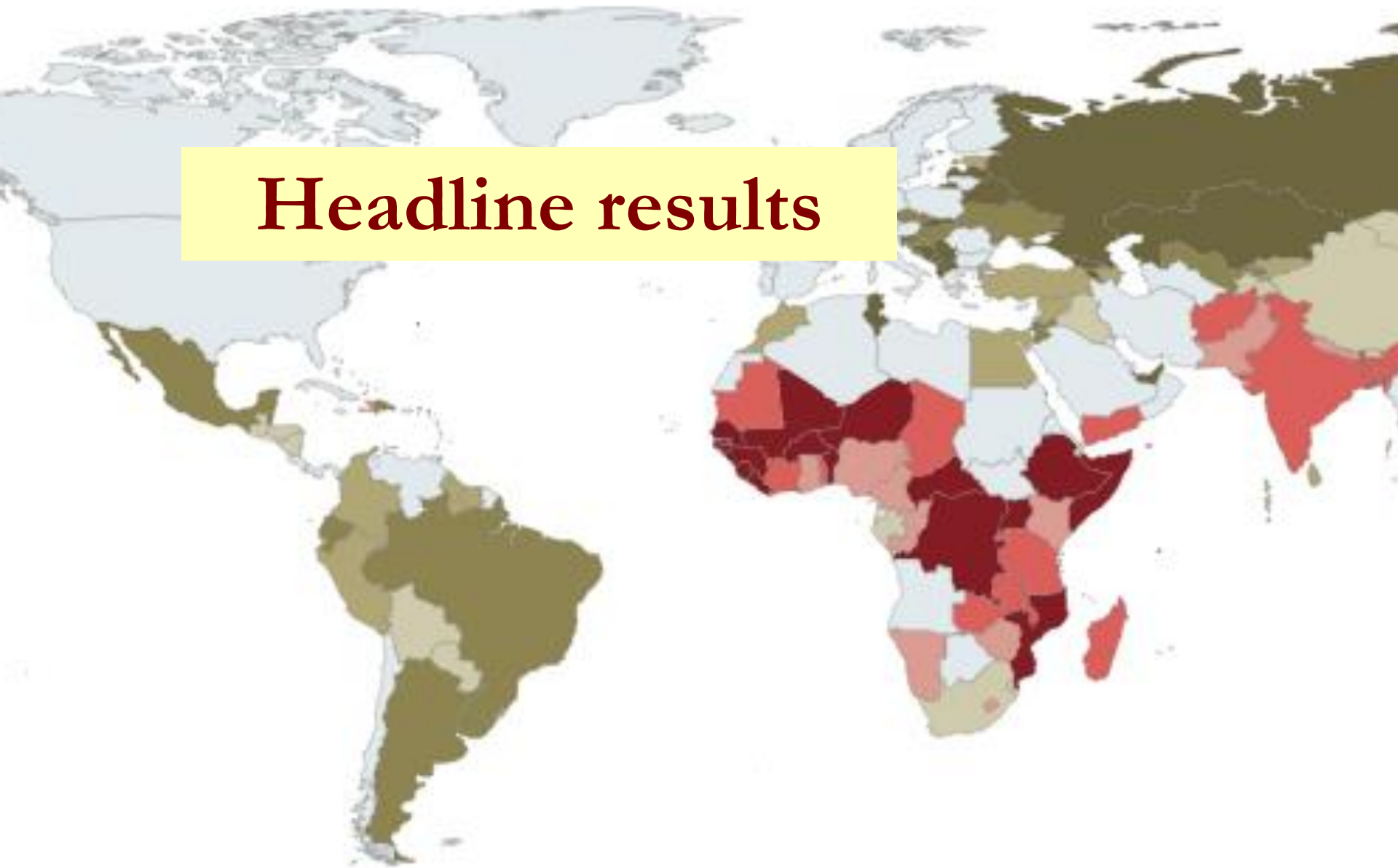
$$\text{MPI} = H \times A$$

- 1) *Incidence* ~  $H$  ~ the percentage of people who are poor.
- 2) *Intensity* ~  $A$  ~ the average percentage of dimensions in which poor people are deprived

The MPI is can be decomposed by **groups** &  
broken down by **indicators**

Alkire and Foster *Journal of Public Economics* 2011

# Headline results



# Headline results

A world map showing various countries highlighted in different shades of red and brown. Three callout boxes with arrows point to specific regions: 'Central African Republic' points to a dark red area in central Africa; 'Afghanistan' points to a dark red area in South-Central Asia; and 'Indonesia' points to a dark red area in Southeast Asia. The rest of the world is shown in lighter shades of brown and tan.

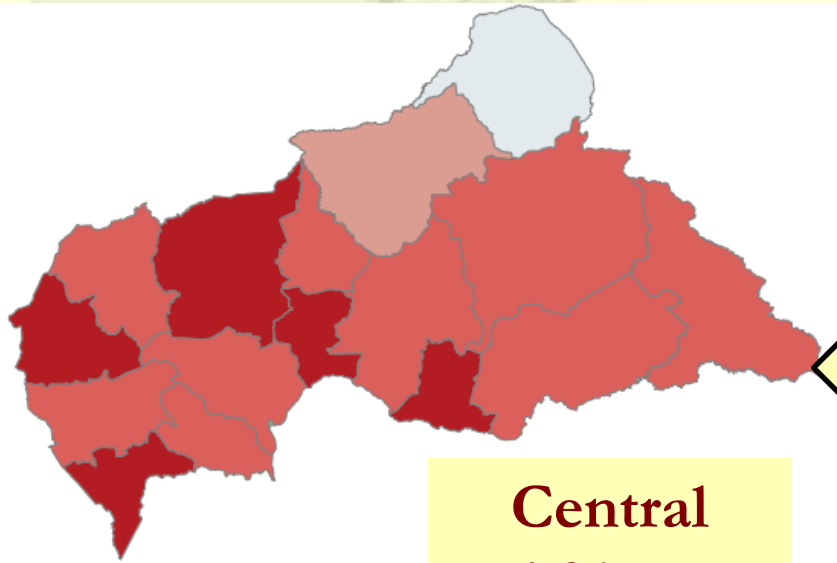
Central  
African  
Republic

Afghanistan

Indonesia

# Disaggregated Data

Full profiles online for 803 subnational regions  
plus rural-urban for 108 countries

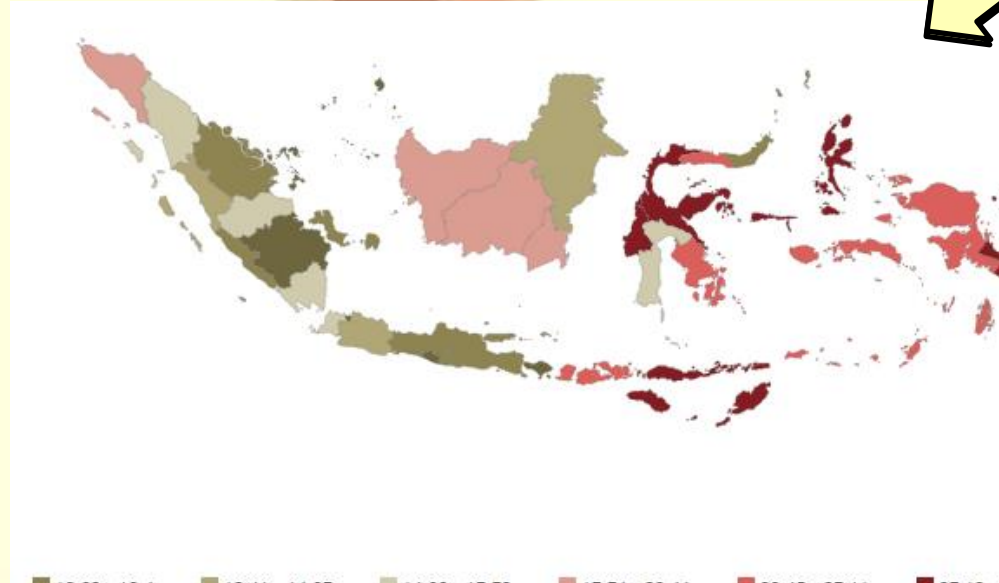


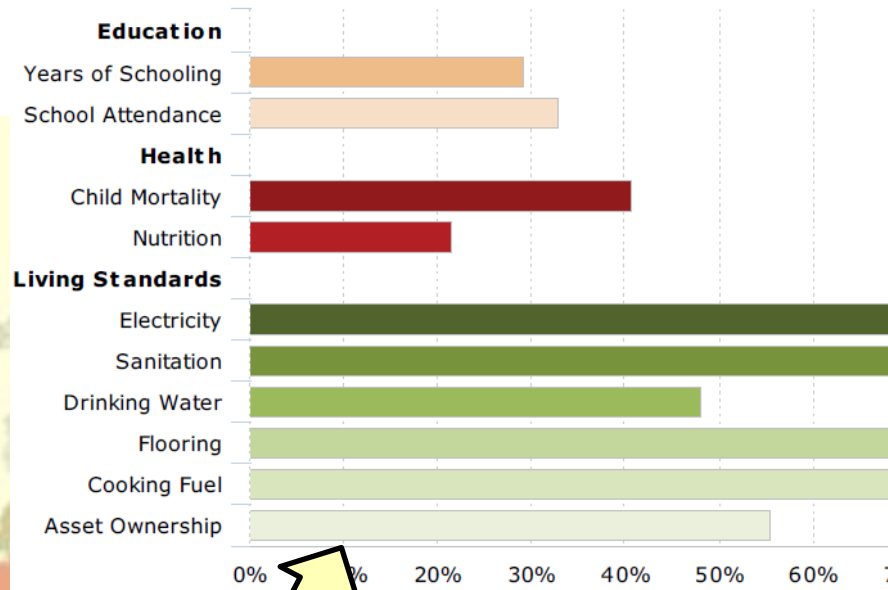
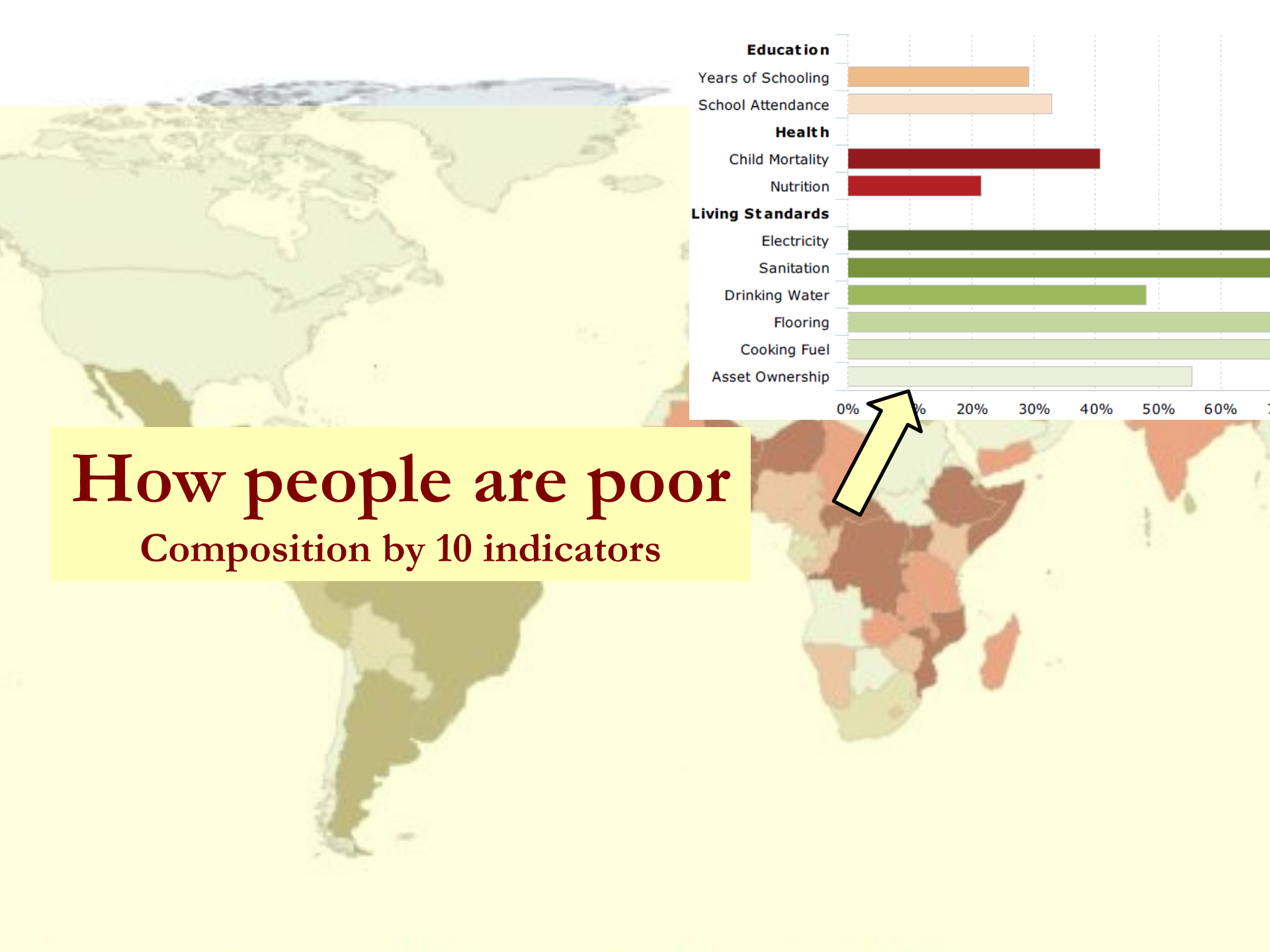
Central  
African  
Republic



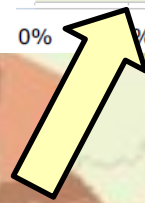
Afghanistan

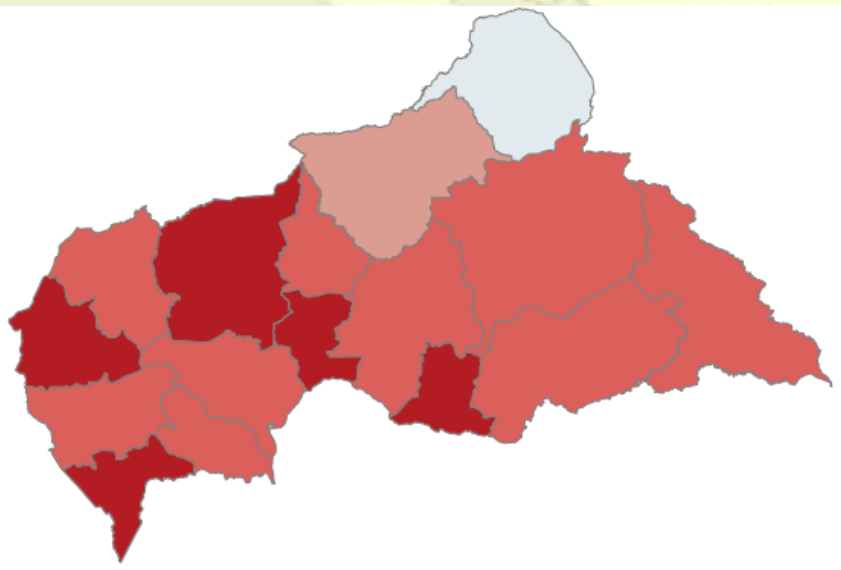
Indonesia



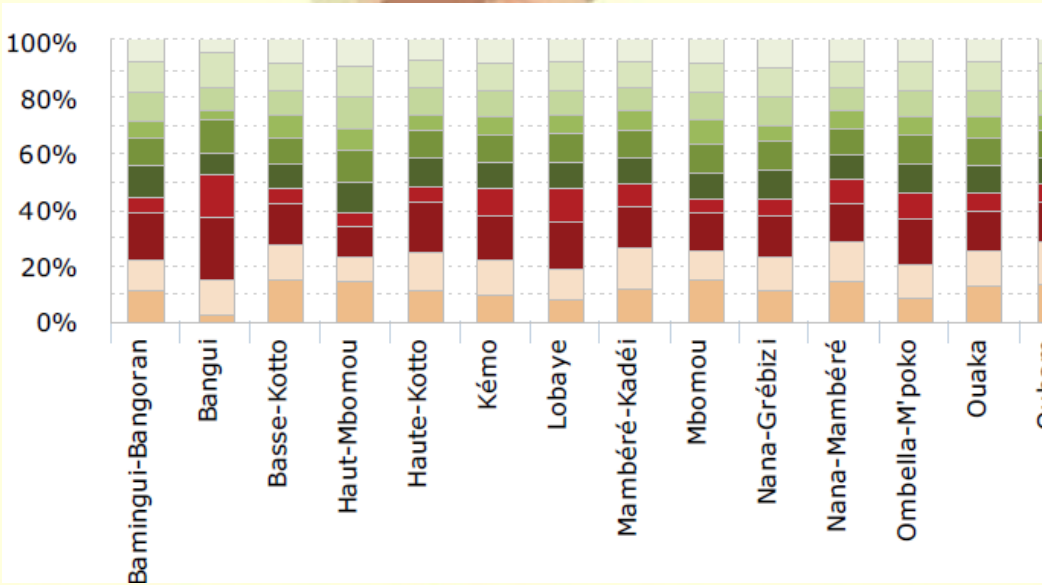


**How people are poor**  
Composition by 10 indicators



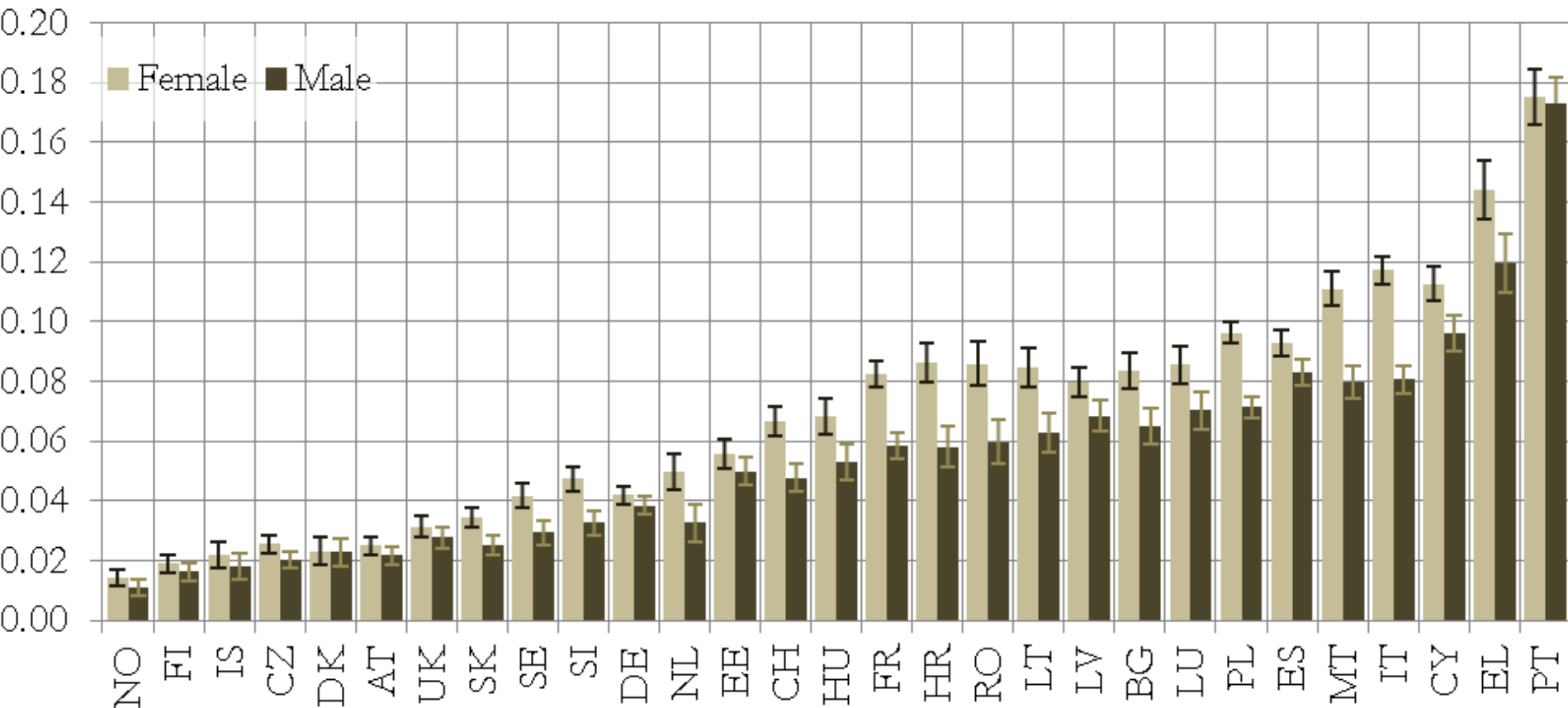


**Both**  
 Online for all datasets  
 that can be  
 disaggregated



# We also have trial measures over time for 31 European countries 2006-2012 (Alkire Apablaza & Jung 2014)

## These can be gender disaggregated



Women are often significantly poorer, and always have higher deprivations in education and health

# Proposed Survey Modules

- Frequent and accurate –
- **Representative at large-scale** – so they can be **disaggregated**
- **Multi-topic**
- **Gendered**
- **Internationally comparable core module**
- **Flexible:** able to incorporate additional modules and questions that reflect **national priorities**, ;
- **Reflect the post-2015 process**



# A global MPI 2015+

- It could extend the current 10-indicator MPI with minor changes
  - **Advantage: baseline is available now**
  - In June 2015 we will release MPI over time for ALL low income countries having an MPI, as well as for most high poverty countries worldwide)
- It could incorporate some additional SDG indicators and features
  - **Advantage: richer and potential stronger MPI**
  - MPPN have a set of light powerful survey modules, now being fielded on a voluntary basis, so that leading developing countries can illustrate what a stronger global MPI would look like – gendered, easy to update, etc.
- It will have a **moderate MPI** alongside an **acute** global MPI

# A Multidimensional Poverty Index (MPI2015+)

- improved indicators for water, sanitation, assets, electricity, housing, child mortality, school attendance, and energy.
- Possible new dimensions: work or violence, and new indicators such as health activity limitations.

# Some Policy Applications of MPIs:

- **Track poverty** over time (official statistics)
- **Compare** poverty by region, ethnicity, rural/urban
- **Monitor** indicator changes (measure to manage)
- **Coordinate** different policy actors
- **Target** the marginalized
  - **Geographic** targeting
  - **Household** beneficiaries
- **Evaluate** policy impacts

# High Resolution Lens

- Break down by population subgroup
  - Province, State, Ethnicity, Social Groups
- Break down by indicators
- Show (weighted) composition of deprivations
- Analyse changes across time
- Analyse robustness, inclusive growth, strategies

# Multidimensional Poverty Reduction in the SDGs

- Construct an improved **Global MPI 2015+** that reflects advances in the SDGs
- Strengthen the **data sources** for the Global MPI 2015+
- Support **National MPIs** that inform powerful policies

# MPI in Action

Official National MPIs

**Colombia**

**Mexico**

**Bhutan**

**Philippines**

**Chile**

Other national applications underway.



# National MPIs (Chile, launched Feb 2015)

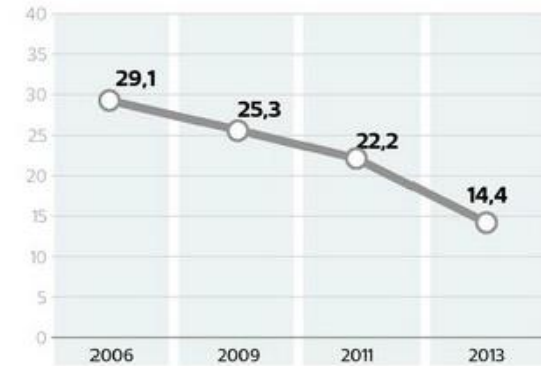
## El nuevo estándar oficial de medición

►► Era una de las dos innovaciones prometidas para la Casen 2013. “Nos hemos puesto más exigentes”, dijo la ministra de Desarrollo Social, María Fernanda Villegas, al referirse a la nueva metodología que se aplicará para medir los índices de pobreza y de pobreza extrema en el país. Este estándar constituirá desde ahora el reporte oficial del gobierno.

Según detalló la secretaria de Estado, con este nuevo criterio en 2013 una persona estaba en situación de pobreza si recibía un ingreso mensual inferior a \$136.911. Esto representa un incremento de 107% respecto del estándar que regía bajo la forma tradicional, situado en \$66.084 por individuo.

“Esto muestra con toda claridad lo que nos decía la gente; que no era posible considerar a alguien no pobre porque ganaba o tenía recursos por 66 mil pesos”, aseveró la titular de Desarrollo Social.

**Evolución del porcentaje de personas en situación de pobreza por ingresos basados en metodología nueva**



FUENTE: Casen 2013.

LA TERCERA

extrema pobreza si su ingreso es menor a \$91.274. Bajo el mecanismo tradicional, la canasta básica de alimentos que determinaba esta condición equivalía a un ingreso mensual bajo \$51.549.

La modificación se aplica también para hogares compuestos por dos, tres y cuatro personas. Por ejemplo, en el caso de una familia de

a \$361.310, mientras que para la pobreza extrema se eleva de \$158 mil a \$240 mil, es decir, crece 51,5%.

El nuevo estándar fue aplicado por el gobierno en la medición de pobreza, que se estableció en 14,4%. Además, se construyeron cifras comparativas hacia atrás hasta 2006, estableciendo que siete años antes.

## La pobreza multidimensional: 20,4%

►► Medir la vulnerabilidad social más allá del factor de ingresos económicos es a lo que apunta la nueva metodología incorporada a la Encuesta Casen 2013, denominada “pobreza multidimensional”.

Se trata de un sistema que contempla cuatro dimensiones: educación; salud; vivienda y trabajo, y seguridad social. Cada uno de ellos contiene tres indicadores, los que se ponderan con un 8,33%. Por ejemplo, en el caso del factor salud los indicadores que se consideran para determinar el nivel de vulnerabilidad son: malnutrición en niños de cero a seis años; adscripción al sistema de salud y prestaciones de atención.

De dicho modo se determinará la existencia de pobreza multidimensional cuando las carencias sumen un 25% o más en los indicadores que componen la medida.

“Esta nueva mirada nos

### POBREZA MULTIDIMENSIONAL

**Porcentaje de personas en situación de pobreza multidimensional según situación de pobreza por ingresos, año 2009-2013**



FUENTE: Casen 2013.

LA TERCERA

viven los hogares en nuestro país, sea tanto por la falta de ingresos necesarios para adquirir una canasta básica de consumo, como por sufrir carencias en otras dimensiones relevantes”, explicó la ministra de Desarrollo Social, María Fernanda Villegas.

A modo de ejemplo, indicó que “en servicio básicos, Chile tiene unos estándares

haya gente que no esté carente de ellos”.

Según los resultados entregados por Desarrollo Social, en 2013 un 20,4% de los chilenos se encontraba en situación de pobreza multidimensional. De ese total, un 5,5% está en condición de pobreza multidimensional y por ingresos, mientras un 14,9% está sólo

Many countries are developing national MPIs for policy. But it will take time to do ‘good’ MPIs widely.

# Colombia's Multidimensional Poverty Index (MPI)

Education

Childhood & youth conditions

Labor

Health

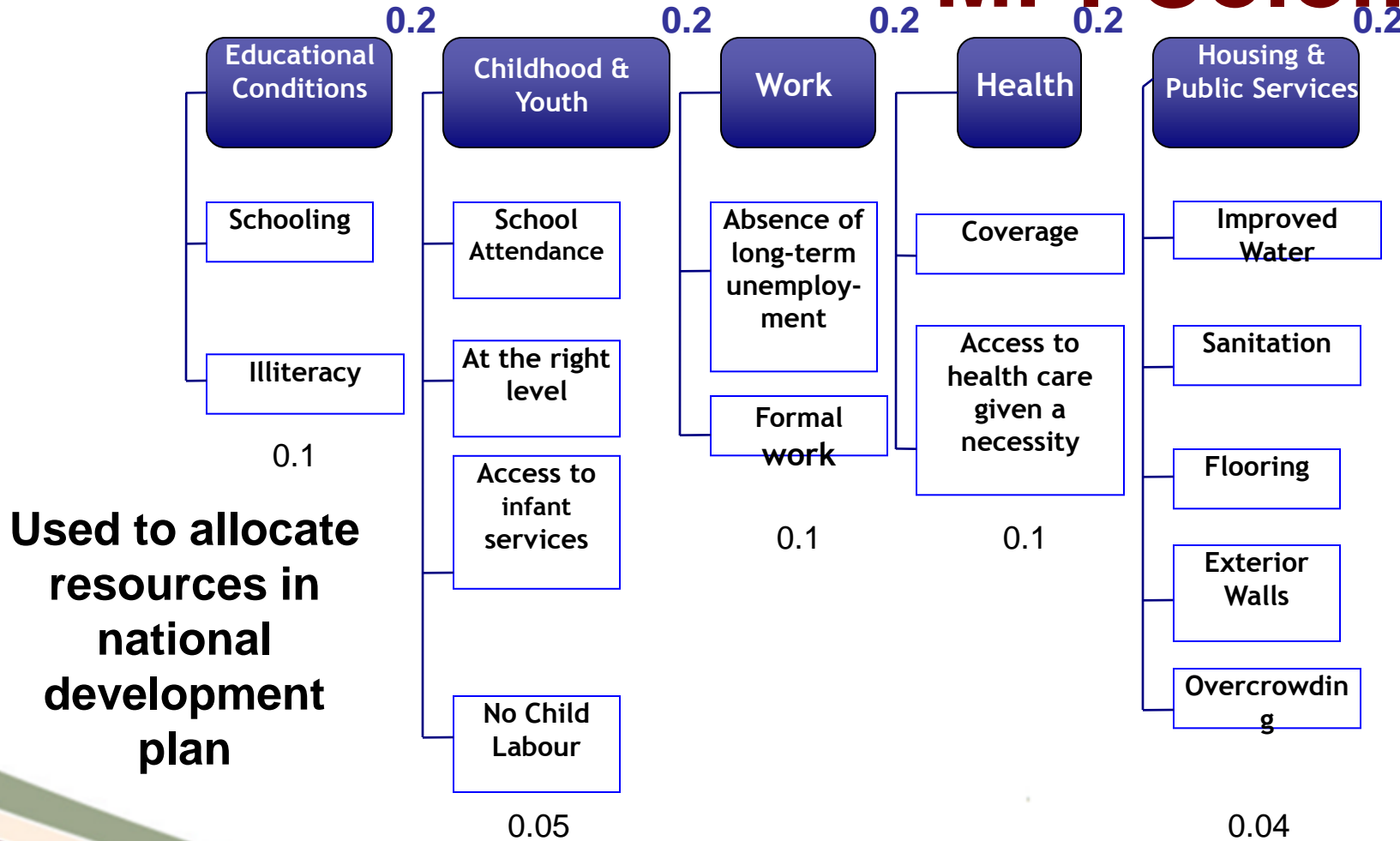
Public utilities & housing conditions





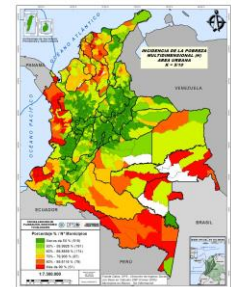


# Colombia 2011, 2013: MPI-Colombia

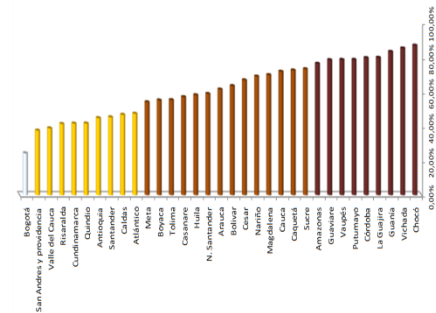


# M P I - 4 key aspects:

1. Reflects the objectives of social policy
2. Coordinates public policy sectors
3. Monitors public policy
4. Informs Decision-making:
  1. Geographic targeting
  2. Programme composition
  3. Graduation from CCTs



Different types of social programs depending on multidimensional poverty incidence



&



# High Official Commission

## Monitoring the national strategy for the reduction of poverty using official poverty measures

- Leaders
  - Presidency (Mandatory presence of the President of Colombia)
  - Department for Social Prosperity
  - National Planning Department

▪ Pe



— M

— N

—

NDP



2010

2011

2012

Hunger

2013

## 2012-2013 policies

- Improved CCT program  
“**Más Familias en Acción**”  
(Higher amount and beneficiaries on rural areas)  
Food Security Programa:  
Colombia Growth Without

## 2012 Alerts:

- Lower rhythm of income poverty reduction
- Gaps of rural to urban income poverty maintained

NDP



2010

2011

2012

2013



**2013 Alerts:**

- Social mobility
- Youth unemployment

**NDP**



**2010**

**2011**

**2012**

**2013**

**2012-2013 policies**

- CCT to increase human capital and youth employment
- “Jóvenes en Acción”**

**2013 Alerts:**

- Social mobility
- Youth unemployment

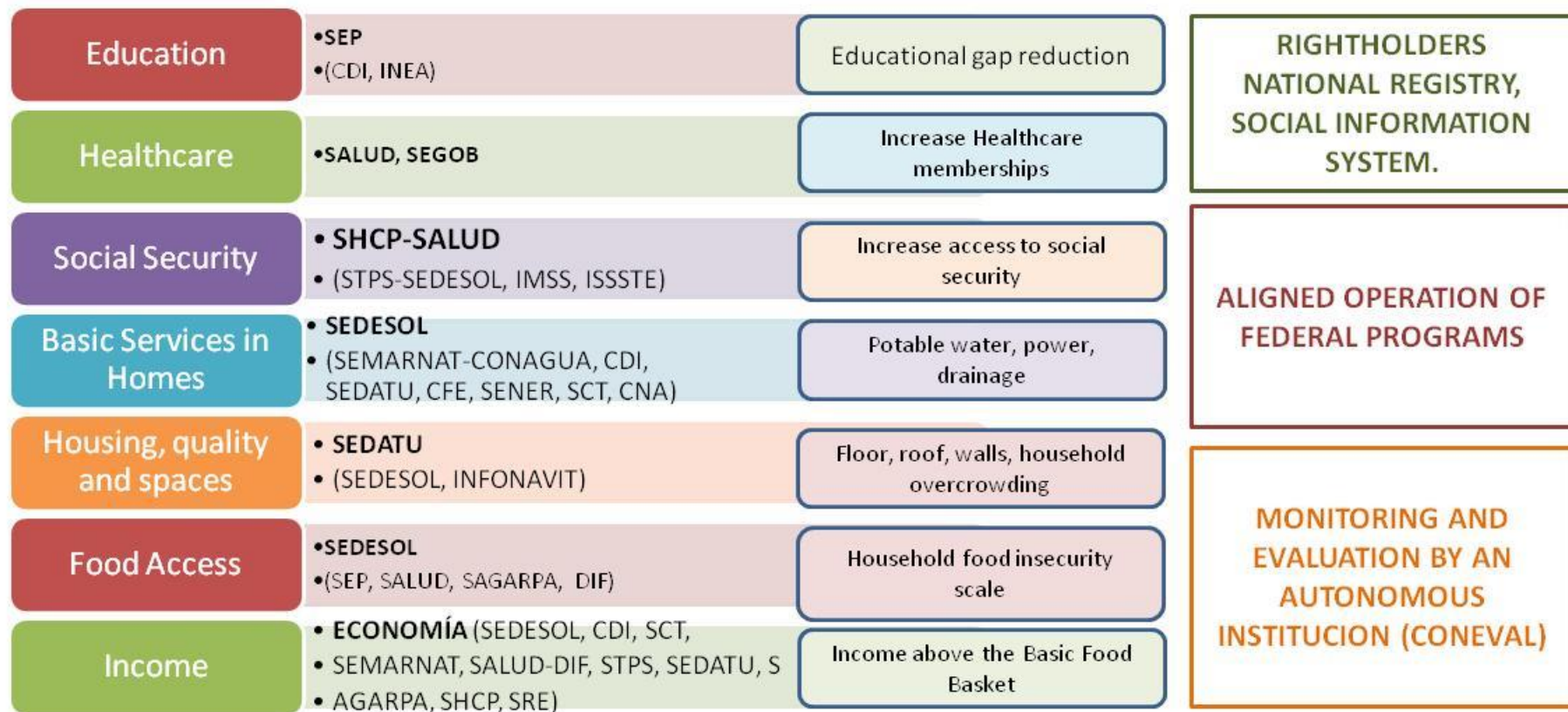
## In Mexico, measuring poverty in a multidimensional way helps governments do better in terms of policy

- In 2013 the new government set the objective to **reduce the number and percentage of people who are extreme poor** and also have food deprivation: Crusade Against Hunger.
- Because extreme poverty deals with various deprivations, including income, the government set **goals for various ministries.**
- **State governor are also willing to participate, because CONEVAL publishes multidimensional poverty figures for every State every two years.**

# Gabinete Especializado México Incluyente

The President of Mexico created the Cabinet Inclusive *Mexico (Incluyente)*. Every Ministry at the federal level assumes full compromise to reduce extreme multidimensional poverty.

## Cabinet México Incluyente

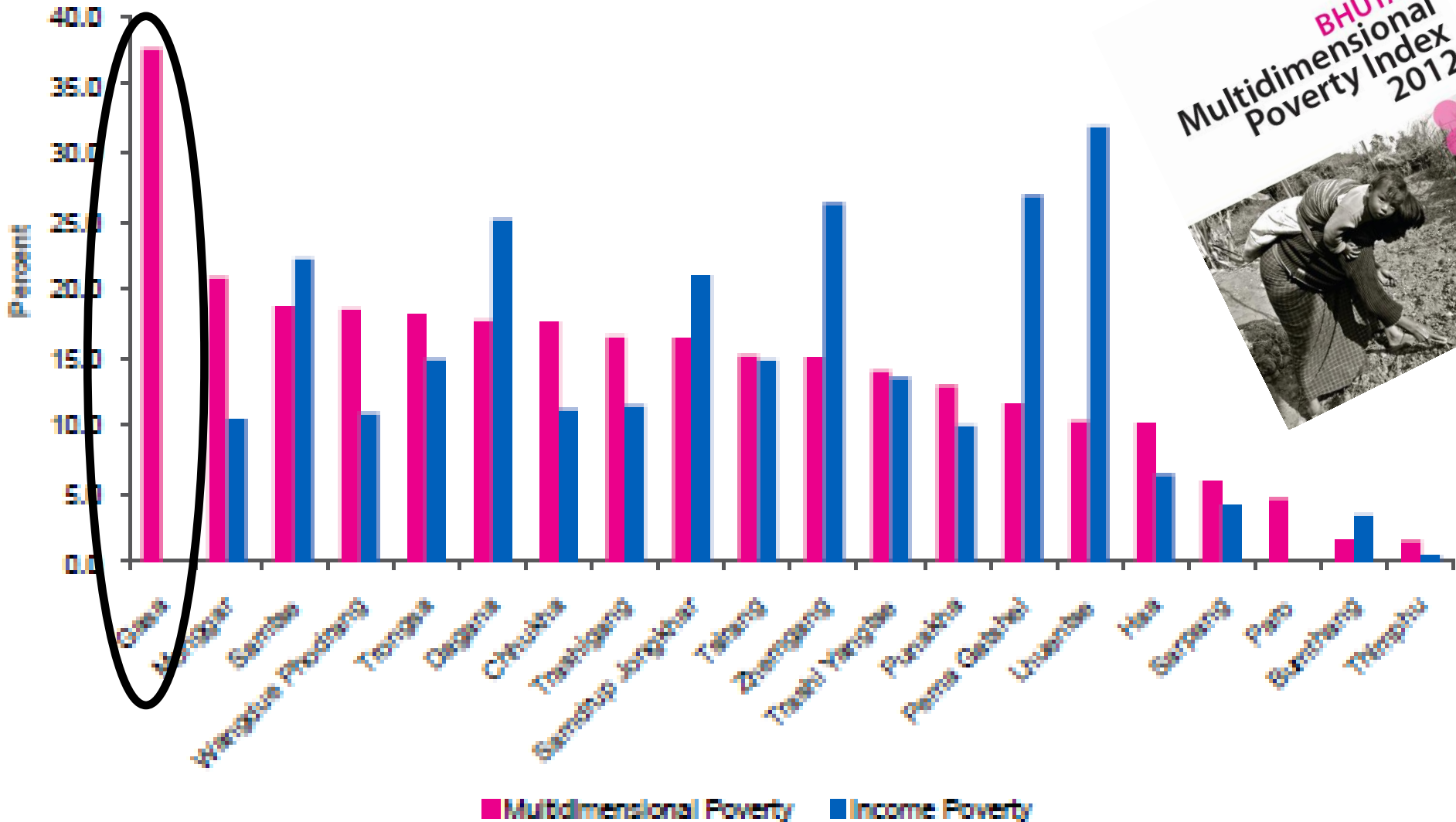




# In Bhutan: poorest district by MPI is not income poor

Only with two eyes can we see in 3-d

Figure 3.8 Comparison between Multidimensional Poverty and Income Poverty by Dzongkhag



# MPPN Third Meeting Cartagena 2015

Our network meets in June 2015!



Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)

BMZ



Federal Ministry for Economic Cooperation and Development

# The Multidimensional Poverty Peer Network



Launched in June 2013 at University of Oxford with:

- President Santos of Colombia
- Ministers from 16 countries in person
- A lecture from Professor Amartya Sen
- <http://www.ophi.org.uk/policy/policynetwork/>

**Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)**

**BMZ**



Federal Ministry  
for Economic Cooperation  
and Development

# Voices Action Commitment Wisdom

OPHI is Secretariat to the **Multidimensional Poverty Peer Network (MPPN)** that had 22 countries when launched by Colombia's President Santos and Amartya Sen in June 2013.

Angola, Bhutan, Brazil, Chile, China, Colombia, ECLAC, Ecuador, El Salvador, Dominican Republic, Germany, India, Iraq, Malaysia, Mexico, Morocco, Mozambique, Nigeria, OECD, the Organization of Caribbean States, Peru, Philippines, SADC, Vietnam 2013 MPPN



# Why Measure? Action ‘with vigour’

*Coordination ~ Policy Design ~ Monitoring ~ Targeting ~ Allocation*

“Positive changes have often occurred and yielded some liberation when the remedying of ailments has been sought actively and pursued with vigour”

Jean Dreze and Amartya Sen *India: An Uncertain Glory* 2013



Tabita, Kenya

Rabiya, India

Stephanie, Madagascar

Agathe, Madagascar

Dalima, Kenya

Ann-Sophie, Kenya

Valerie, Madagascar



Thank you

[www.ophi.org.uk/  
multidimensional-poverty-index](http://www.ophi.org.uk/multidimensional-poverty-index)

[www.mppn.org](http://www.mppn.org)