

## Introduction

# MPPN Meeting, Cartagena 2 June 2014

Sabina Alkire and OPHI Secretariat

*Tabita, Kenya*

*Rabiya, India*

*Stéphanie, Madagascar*

*Agathe, Madagascar*

*Dalma, Kenya*

*Ann-Sophie, Kenya*

*Valérie, Madagascar*



# Multidimensional Poverty Peer Network (MPPN)

*- Connecting Policymakers Globally -*

1. Welcome
2. Agenda
3. Measuring Multidimensional Poverty
4. The MPPN

*Tabita, Kenya*

*Rabiya, India*

*Stephanie, Madagascar*

*Agatha, Madagascar*

*Dalmo, Kenya*

*Ann-Sophie, Kenya*

*Valérie, Madagascar*



# WELCOME

# Multidimensional Poverty Peer Network (MPPN)

*- Connecting Policymakers Globally -*

**This meeting:**

- over 20 countries represented**
- 9 agencies**
- over 50 participants**

*Tabita, Kenya*

*Rabiya, India*

*Stephanie, Madagascar*

*Agatha, Madagascar*

*Dalmo, Kenya*

*Ann-Sophie, Kenya*

*Valérie, Madagascar*



# AGENDA

# Motivation: hasten to fight unnecessary deprivation

while some people, particularly among the privileged classes, have done very well, many more continue to lead unnecessarily deprived and precarious lives. It is not that their living conditions have not improved at all, but the pace of improvement has been very slow for the bulk of the people, and for some there has been remarkably little change.

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



## 2 June 2015: schematic

- 10:00-11:00     Sharing of practice  
7 minutes each from countries
- 11:15            Keynote: President of Colombia
- 11:30            Colombia: Ministerial Round Table
- 14:00            Keynote: Vice President of Costa Rica
- 14:15            Sharing of practice, continued
- 15:00            Round Table on the SDGs  
Call for concerted action in next months
- 17:00            Highlights and Group Photo
- 19:00:     Dinner in Cartagena

# Day Two: schematic

9:30-13:00

Sharing of practice

Keynote: Antonio Prado, ECLAC

In-depth case studies with interchange

Keynote: Heike Kuhn, Germany

14:00-15:15

Parallel Sessions

MPPN Institutionalization

Agencies & Joint Action

15:35-17:00

Next Steps: Internal and Collaborative

19:00: Informal Dinner

Tabita, Kenya

Rabiya, India

Stephanie, Madagascar

Agatha, Madagascar

Dalima, Kenya

Ann-Sophia, Kenya

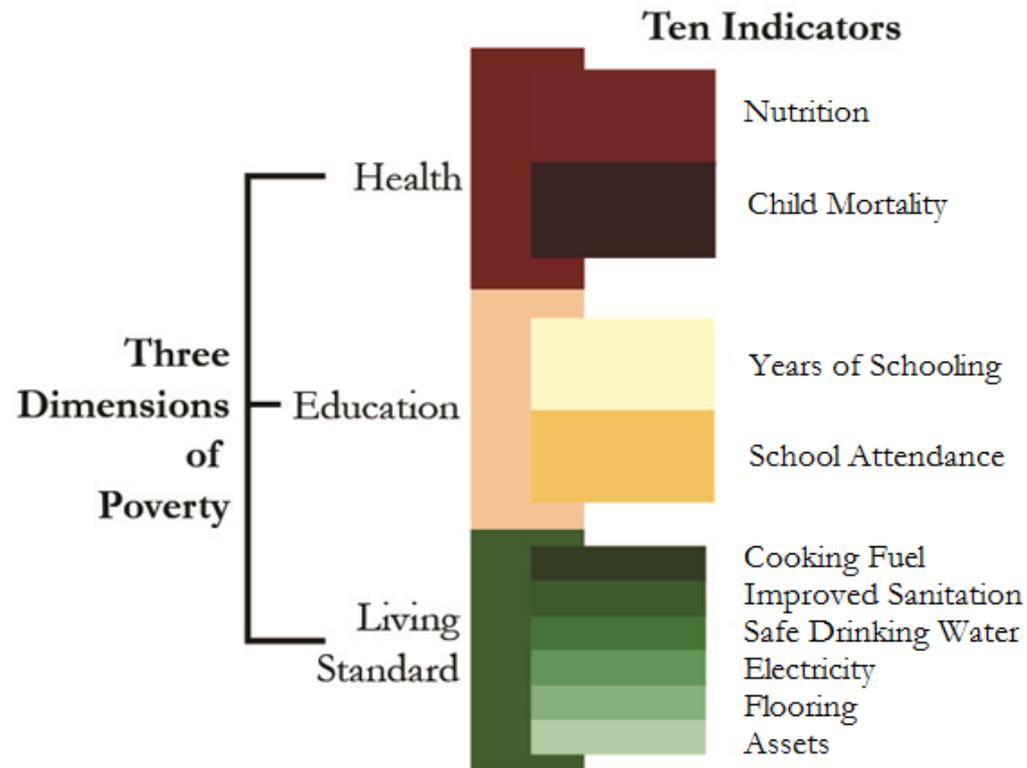
Valerie, Madagascar



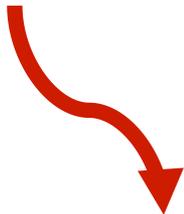
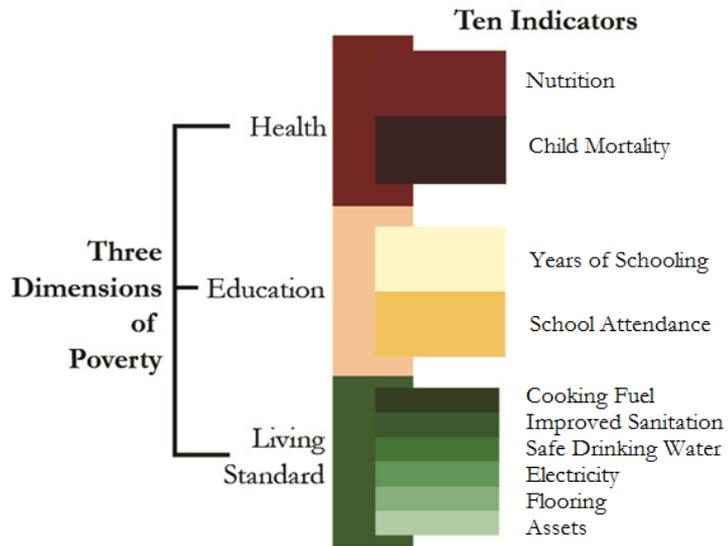
# MEASURING MULTIDIMENSIONAL POVERTY AF METHODOLOGY

# How measure?

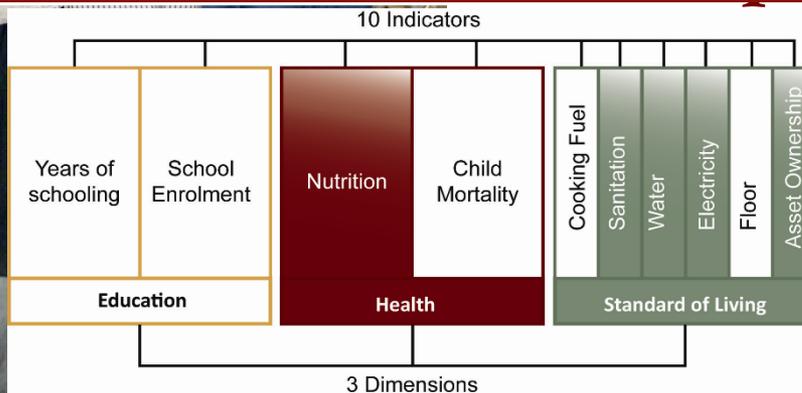
## Select Indicators, Cutoffs, Values



# Select Indicators, Cutoffs, Values



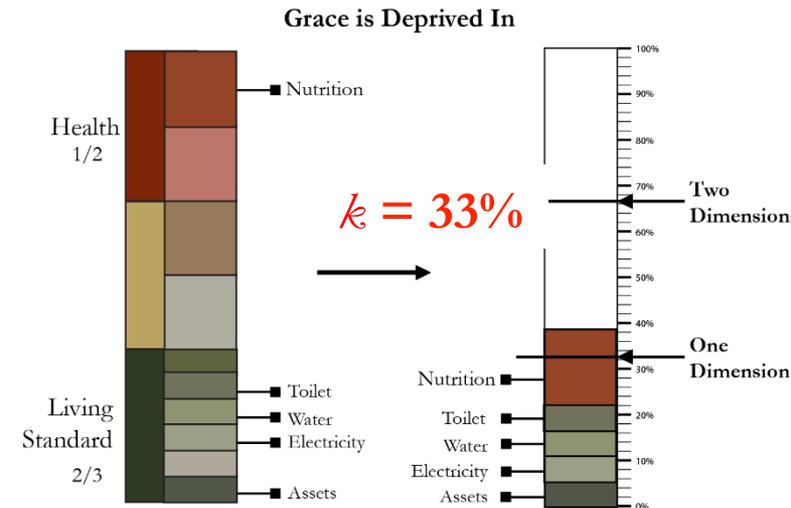
## Build a deprivation score for each person



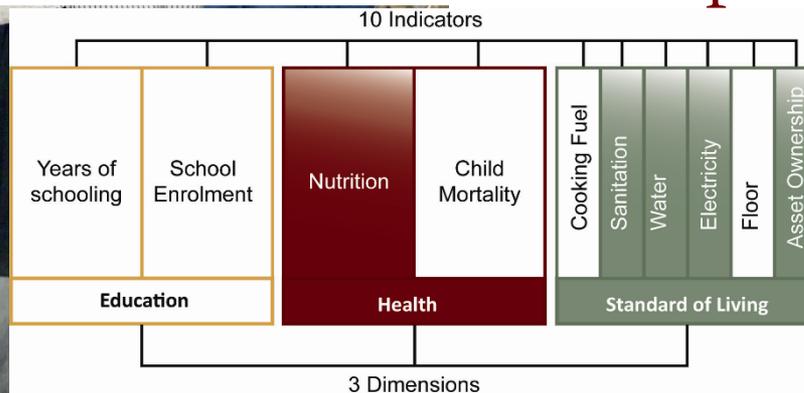
# Select Indicators, Cutoffs, Values

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

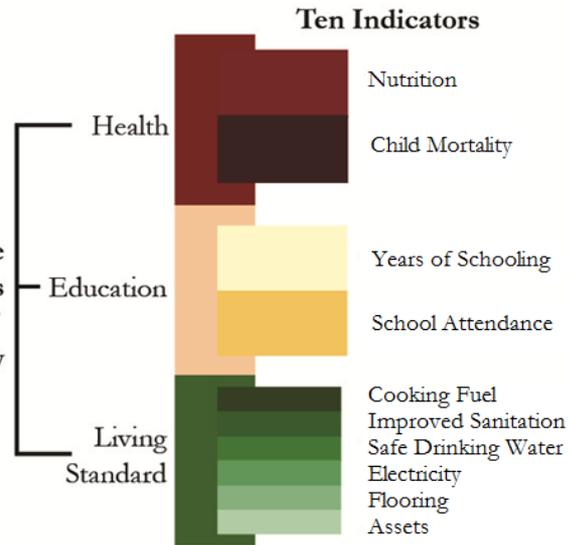
## Identify who is poor



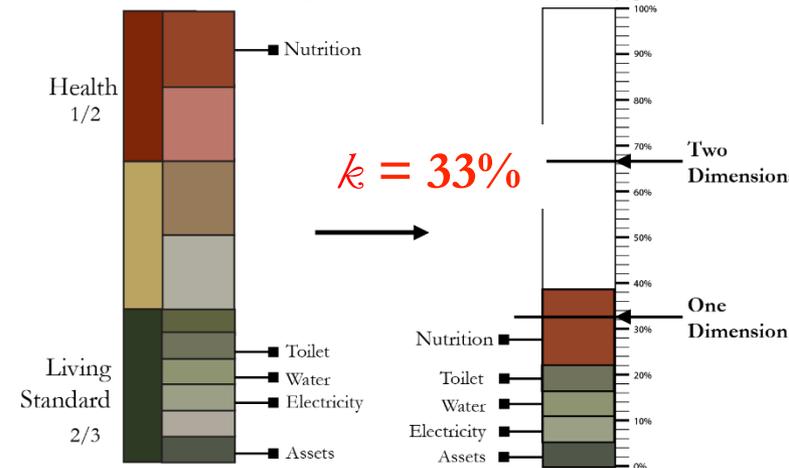
Build a deprivation score for each person



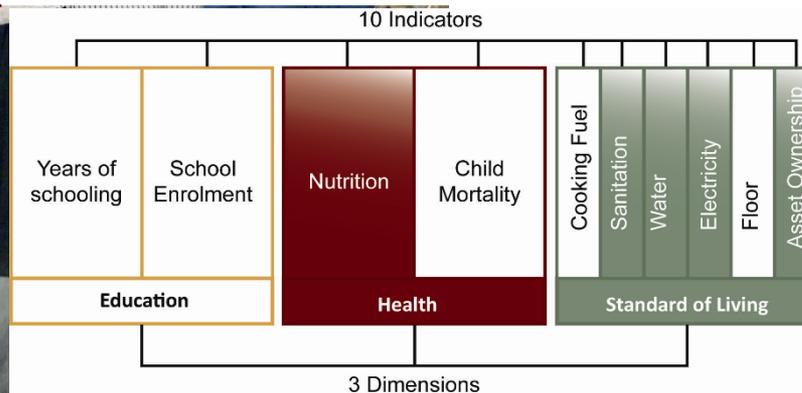
# 1. Select Indicators, Cutoffs, Values



# 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*  $\sim H$   $\sim$  the percentage of people who are poor.
- 2) *Intensity*  $\sim A$   $\sim$  the average percentage of dimensions in which poor people are deprived

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

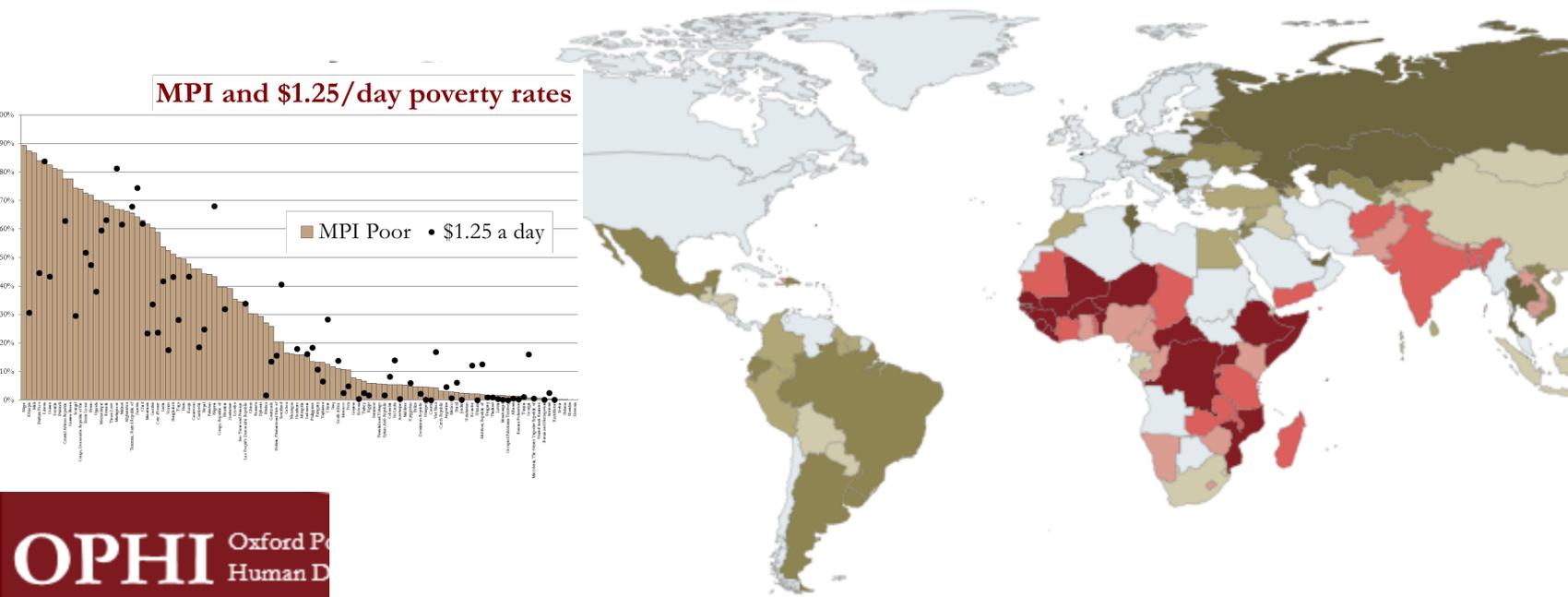
Alkire and Foster *Journal of Public Economics* 2011

# MPI: Two kinds ~ both useful

## Global MPI (comparable):

Example: **The Global MPI** estimated and analysed by OPHI and published by UNDP's HDRO can be **compared** across 110 countries. Facilitates 'lessons learned' across countries.

- Like \$1.25/day and \$2/day poverty measures & MDGs
- Useful for policy analysis, but limited national relevance



# MPI: Two kinds ~ both useful

## National (or subnational):

Example: **National MPIs** reflect national contexts and priorities. They guide policies like targeting and allocation and monitor changes. Mexico, Bhutan, Colombia, Chile=official

- Like National income poverty measures
- Vital for policy. Not comparable: tailor-made to context.

**Colombia**

**Dominican Republic**

**China**

**Ecuador**

**South Africa**

**Vietnam**

**Philippines**

**Turkey**

**Honduras**

**Brazil**

**Mexico**

**Paraguay**

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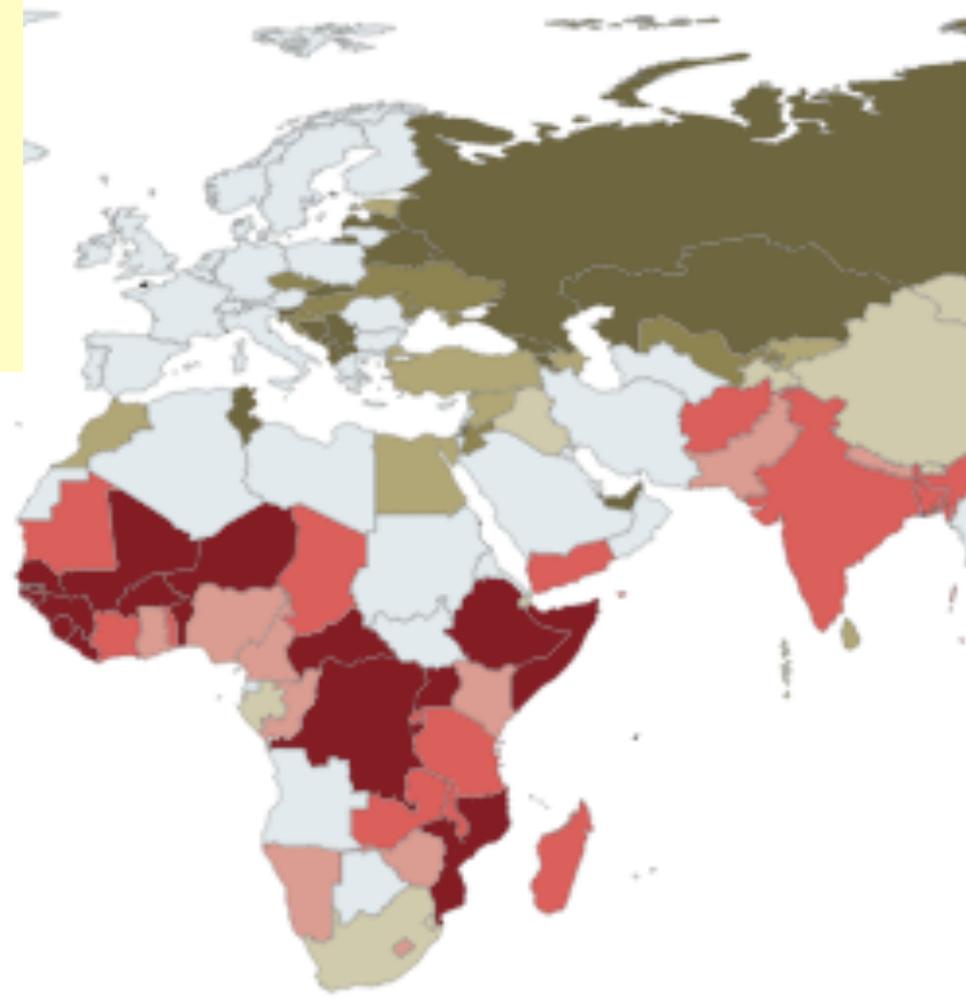


# HOW TO USE AN MPI

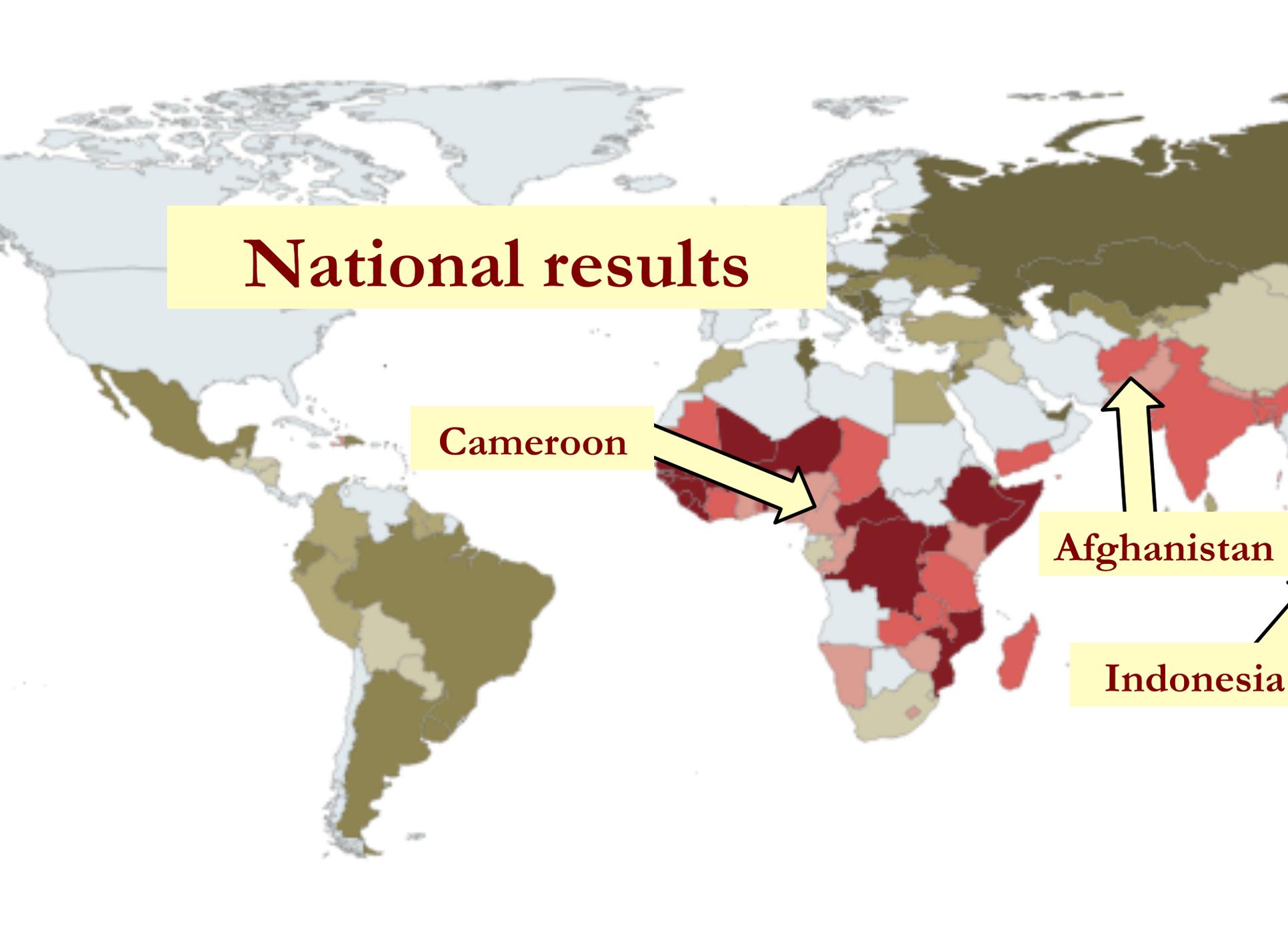
# Some Policy Uses of MPIs:

- **Track poverty** over time (official statistics)
- **Compare** poverty by region, ethnicity, rural/urban
- **Allocate** resources by sector and region
- **Monitor** indicator changes (measure to manage)
- **Coordinate** policy and policy actors
- **Target** marginalized regions, groups, or households
- **Evaluate** policy impacts
- **Map** interventions so NGOs/businesses engage

**What does a Global  
MPI show?  
Headline results**



# National results

A world map where countries are color-coded. A yellow box at the top left contains the text 'National results'. Three yellow callout boxes with arrows point to specific countries: 'Cameroon' points to a country in West Africa, 'Afghanistan' points to a country in South-Central Asia, and 'Indonesia' points to a country in Southeast Asia. The map uses a color scale from light blue to dark red.

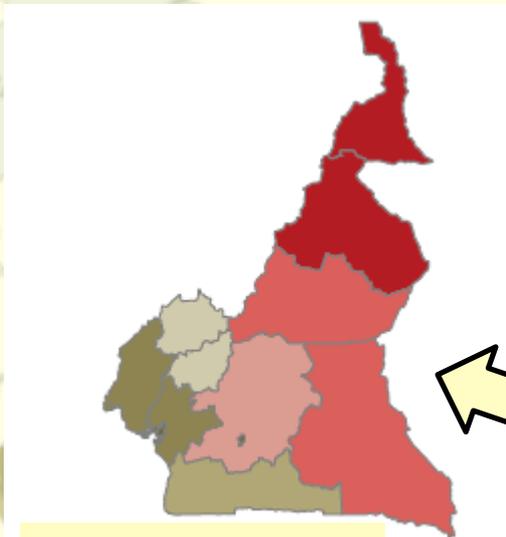
Cameroon

Afghanistan

Indonesia

# Disaggregated Data

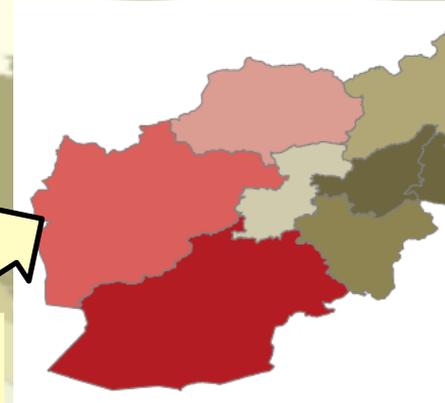
Full profiles online for 803 subnational regions  
plus rural-urban for 108 countries



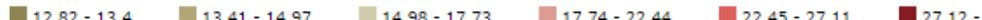
Cameroon



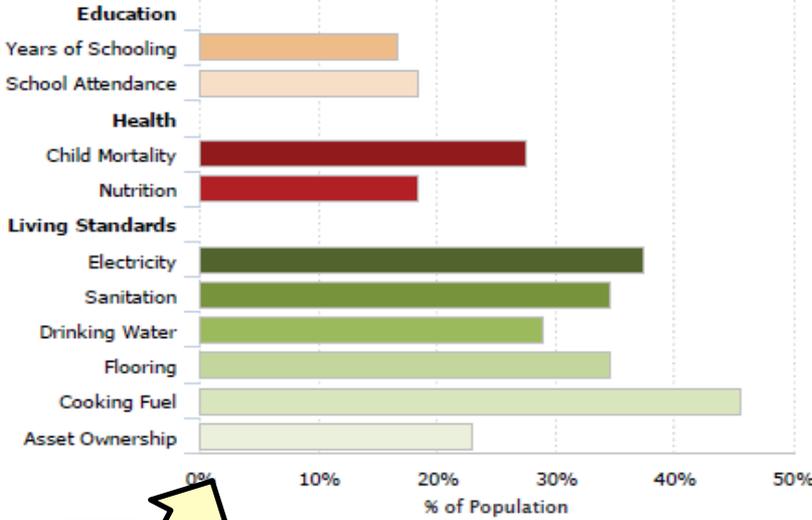
Afghanistan



Indonesia

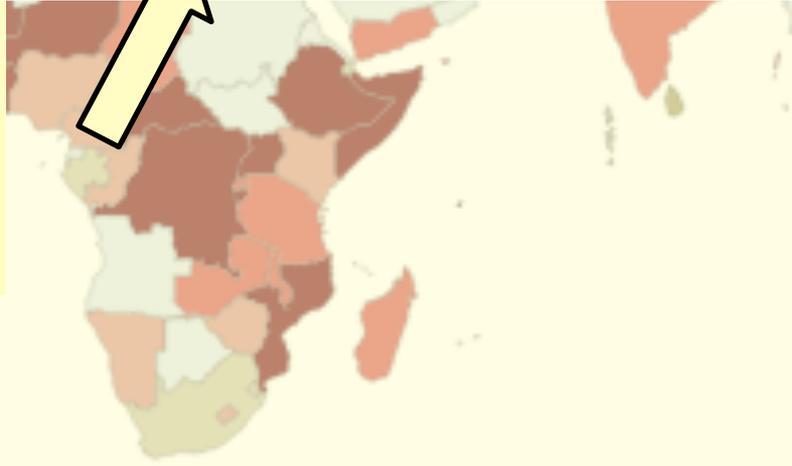


Censored Headcount Ratio of each indicator



# How people are poor

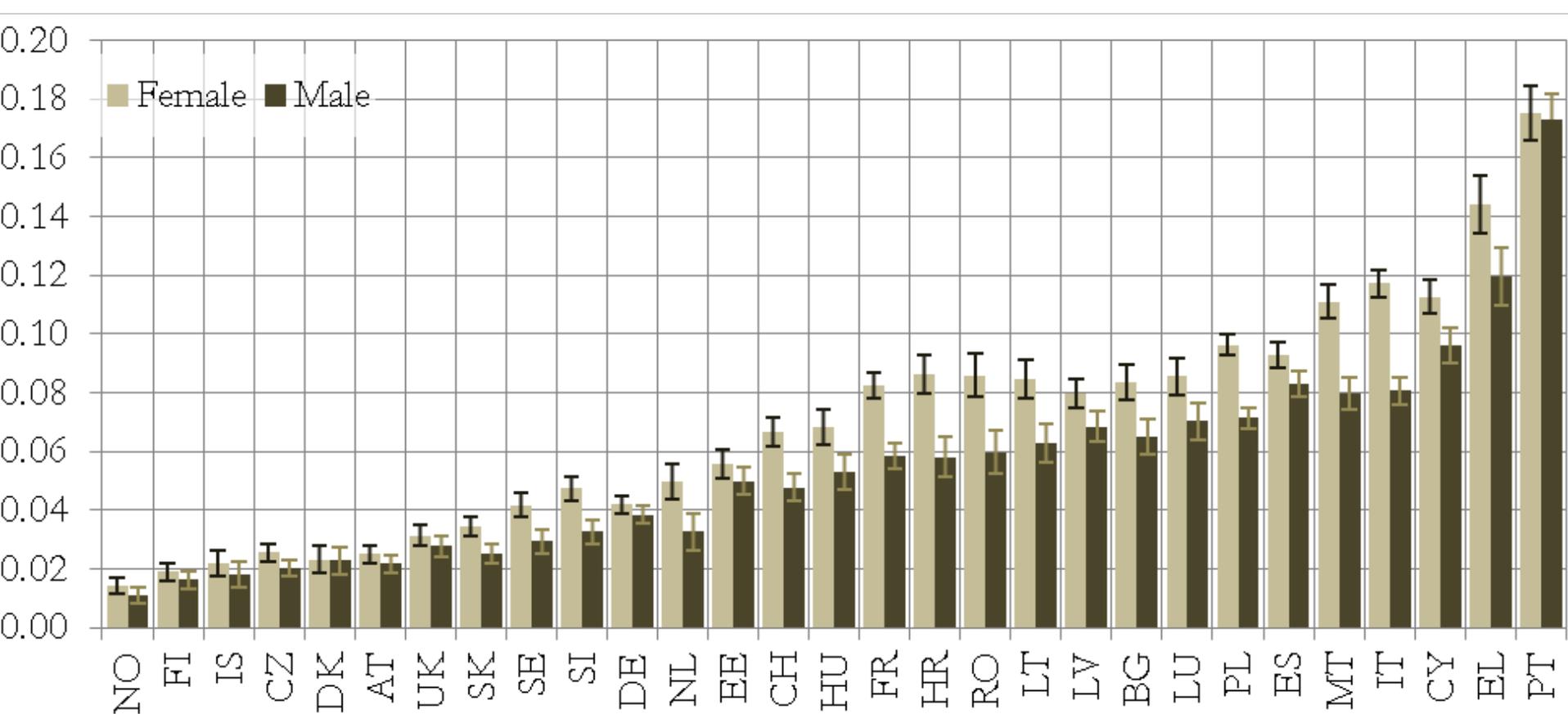
Composition by indicator  
for every country





# We have annual 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

The MPI is like a high resolution lens...



The MPI is like a high resolution lens...

You can zoom in



The MPI is like a high resolution lens...

You can zoom in

and see more



# Policy Interest – Why?

1. **Intuitive** – easy to understand
2. **Birds-eye view** - can be unpacked
  - a. by region, ethnicity, rural/urban, etc
  - b. by indicator, to show composition
  - c. by ‘intensity’ to show inequality among poor
3. **Adds Value:**
  - a. focuses on people with multiple deprivations
  - b. shows people’s simultaneous deprivations.
4. **Incentives** to reach the poorest of the poor
5. **Flexible:** you choose indicators/cutoffs/values
6. **Robust** to wide range of weights and cutoffs
7. **Academically Rigorous**

# Using the MPI also requires:

- **Communicating** MPI to policy actors, press and public:
  - Differences with established measures
  - What is it? How does it help us fight poverty?
- **Clarifying value-added** from established measures
  - Income, Unsatisfied basic needs
- **Motivating and engaging policy actors**
  - Provide Incentives to coordinate, and celebrate success
  - Learn emerging good practices at different levels of government.
- **Sustaining MPI across political cycles**, changes of personnel
- **Broadening awareness and support** for integrated MPI
  - Political parties, Private Sector, NGOs, Academia, Press,
  - Bilateral and Multilateral agencies, UN fora
- **Coordinating our voice** so SDGs build on best practices.

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# THE MPPN

# The Multidimensional Poverty Peer Network



Launched in June 2013 at University of Oxford with:

- President Santos of Colombia
- Ministers came 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



# The Global Multidimensional Poverty Peer Network (MPPN) had 22 countries in 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, OPHI, Peru, Philippines, SADC, and Vietnam

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

# MPPN Second Meeting, Berlin 2014

## Expanded National Measurement



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

# The MPPN's Agenda

- Support an Expand National MPIs (& subnational)
  - Interchange experiences and knowledge on MPI
  - Energize policy makers and strengthen personal ties.
  - Promote south-south exchanges of information, knowledge, tools and policy approaches.
- MPI2015+ as a SDG Indicator
  - Inform MPPN actors regarding global discussions
  - Advocate MPI as an indicator of Target 1.2
- Joint Research and Practical Tools

# Some MPPN Activities

*July 2014 – June 2015*

- OPHI/MPPN held large side-event at UN General Assembly (Sep. 2014)
- MPPN issued ‘Light Powerful’ Survey Modules to underlie a stronger MPI
- OPHI/ MPPN hosted special side-event on MD poverty at 46th session of UN Statistical Commission (Mar. 2015)
- Housseini & Hammock presented at the ADB and UNDP Africa Economists Cluster Meeting in Ivory Coast (Mar. 2015).
- OPHI/MPPN/Colombia/S Africa/CEPAL held special side-event on MD poverty measurement at Cartagena Data Festival (Apr. 2015)
- Costa Rica convened CELAC members to discuss MPI in the SDGs
- Hammock presented at SESRIC and the Islamic Development Bank.
- OPHI presented at UNECE conference on ‘Poverty Measurement’.

# UN Statistics Commission Mar 2015

## OPHI and MPPN host UN side-event on multidimensional poverty measurement



OPHI and the **Multidimensional Poverty Peer Network** – a group of senior representatives from over 40 governments and international institutions – hosted a special side-event on multidimensional poverty measurement at the 46<sup>th</sup> session of the UN Statistical Commission on Monday 2 March 2015.

The side event, which was standing-room only, highlighted how multidimensional poverty measurement can help to 'end poverty in all its forms everywhere' – a key component of the first goal of the final Open Working Group proposal for the Sustainable Development Goals (SDGs) and of the Secretary General's Synthesis report.

Featuring presentations by eminent panellists and discussion among all participants, the event demonstrated how national MPIs and an improved

Global Multidimensional Poverty Index (the MPI 2015+), supported by a data revolution, can help to eradicate extreme poverty post-2015 as part of the core poverty indicators of the SDGs.

# Some MPPN Activities

*July 2014 – June 2015*

- South-south cooperation
  - Chile announced grant to OECS to undertake studies on MD poverty.
  - OAS financed a trip to Colombia of several LAC countries to learn about Colombian MPI.
  - Colombia's DPS financed attendance of participants at the MPPN Annual meeting in Cartagena in June 2015.
  - Colombian DANE has given two training courses on how to communicate the MPI to the press (El Salvador and Costa Rica).
  - MPPN Secretariat/GIZ wrote proposal to develop capacity within countries to develop MPIs and build up pool of trainers and consultants from Southern countries.

# Some MPPN Activities

*July 2014 – June 2015*

- CONEVAL has engaged in dialogue with many countries including Algeria and Iran
- ECLAC published a regional MPI for LAC in their flagship report *Social Panorama*.
- UNDP-LAC is preparing a *Regional Human Development Report* related to MD Poverty.
- OPHI/SESRIC/IDB partnered to delivery 7-day training in Senegal (Nov. 2015)

# National MPI: Chile, launched Feb 2015

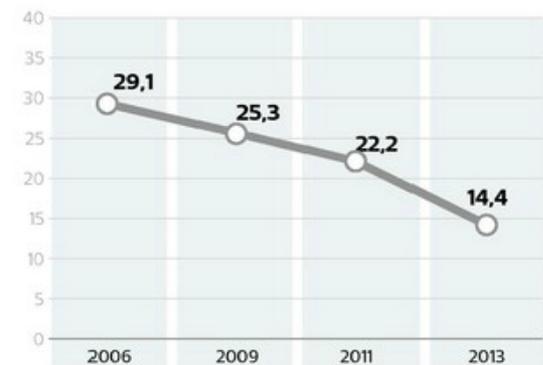
## El nuevo estándar oficial de medición

►► 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

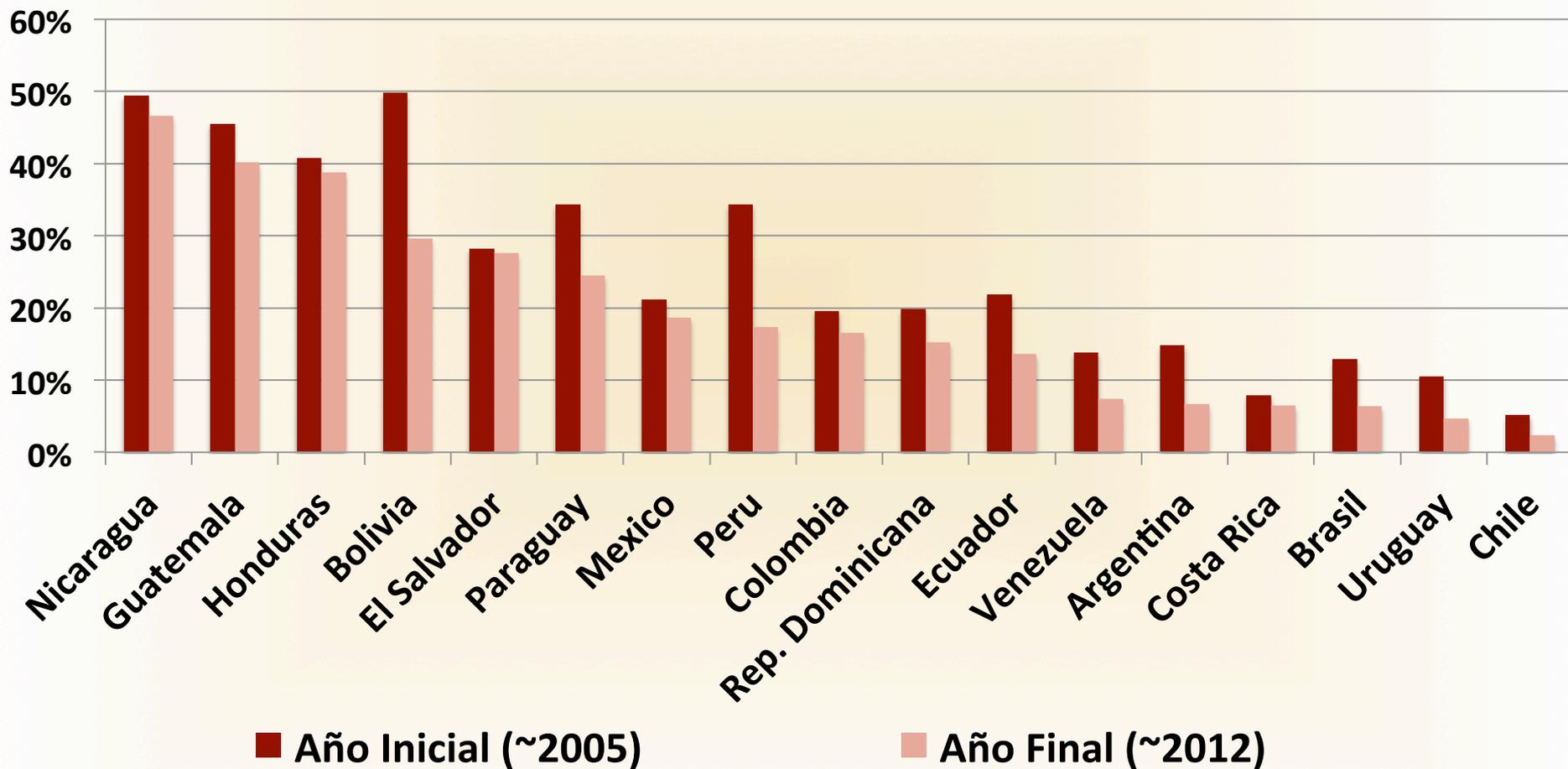
haya gente que no esté carente de ellos”.

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

Led by Mexico, Bhutan, Colombia, many countries are developing national MPIs for policy.

# IPM-LA: *Panorama Social*

## Indice de Pobreza Multidimensional (M0=H\*A)



# Academic Basis is now systematic:

**OXFORD**  
UNIVERSITY PRESS

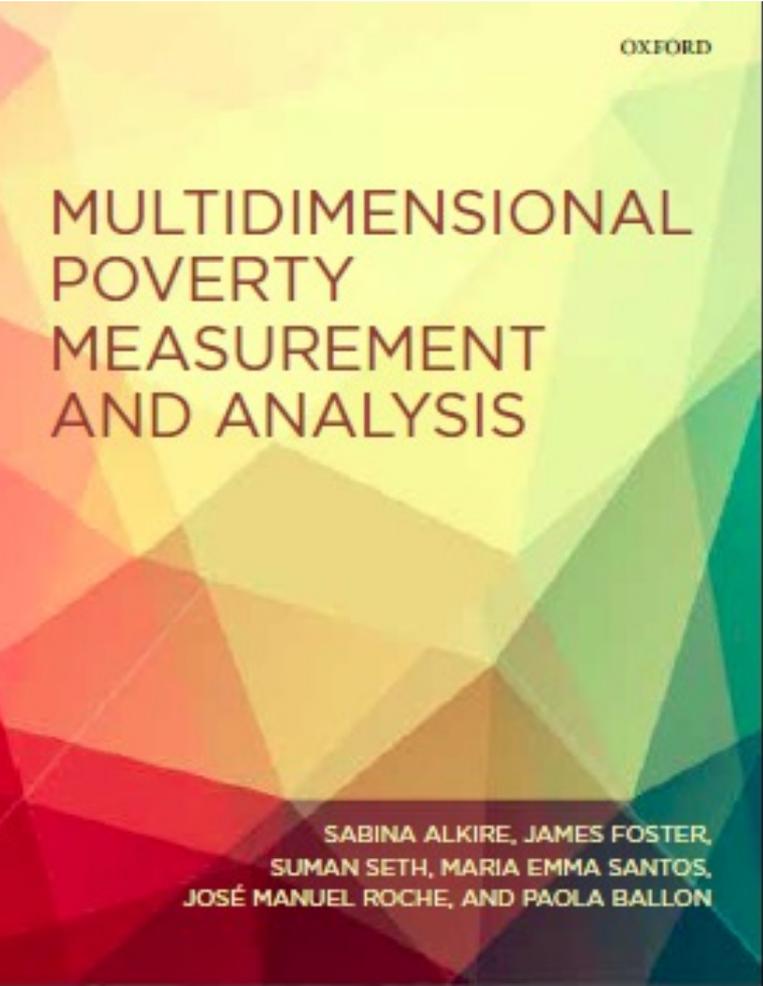
## Multidimensional Poverty Measurement and Analysis

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



MULTIDIMENSIONAL  
POVERTY  
MEASUREMENT  
AND ANALYSIS

SABINA ALKIRE, JAMES FOSTER,  
SUMAN SETH, MARIA EMMA SANTOS,  
JOSÉ MANUEL ROCHE, AND PAOLA BALLON

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

**June 2015**