Introduction

MPPN Meeting, Cartagena
2 June 2014

Sabina Alkire and OPHI Secretariat
1. Welcome
2. Agenda
3. Measuring Multidimensional Poverty
4. The MPPN
WELCOME
Multidimensional Poverty Peer Network (MPPN)

- Connecting Policymakers Globally -

This meeting:
- over 20 countries represented
- 9 agencies
- over 50 participants
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
MEASURING MULTIDIMENSIONAL POVERTY

AF Methodology
How measure?
Select Indicators, Cutoffs, Values

Three Dimensions of Poverty

- Health
  - Nutrition
  - Child Mortality

- Education
  - Years of Schooling
  - School Attendance

- Living Standard
  - Cooking Fuel
  - Improved Sanitation
  - Safe Drinking Water
  - Electricity
  - Flooring
  - Assets
Select Indicators, Cutoffs, Values

Ten Indicators
- Nutrition
- Child Mortality
- Years of Schooling
- School Attendance
- Cooking Fuel
- Improved Sanitation
- Safe Drinking Water
- Electricity
- Roofing
- Assets

Three Dimensions of Poverty
- Health
- Education
- Living Standard

Build a deprivation score for each person
Global MPI: A person is multidimensionally poor if they are deprived in 33% or more of the dimensions.

Identify who is poor

$\kappa = 33\%$

Build a deprivation score for each person
1. Select Indicators, Cutoffs, Values

2. Build a deprivation score for each person

3. Identify who is poor

$k = 33\%$
The MPI (Alkire-Foster)

The MPI is the product of two components:

\[ \text{MPI} = H \times A \]

1) *Incidence* \( H \) \( \sim \) the percentage of people who are poor.

2) *Intensity* \( A \) \( \sim \) 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

    | Colombia            | Dominican Republic |
    |---------------------|--------------------|
    | China               | Ecuador            |
    | South Africa        | Vietnam            |
    | Philippines         | Turkey             |
    | Honduras            | Brazil             |
    | Mexico              | Paraguay           |
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

Cameroon

Afghanistan

Indonesia
Disaggregated Data
Full profiles online for 803 subnational regions
plus rural-urban for 108 countries
How people are poor
Composition by indicator for every country
Both
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.
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

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)
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 46th 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 MMPN 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 deliver 7-day training in Senegal (Nov. 2015)
National MPI: Chile, launched Feb 2015

Led by Mexico, Bhutan, Colombia, many countries are developing national MPIs for policy.
IPM-LA: Panorama Social

Indice de Pobreza Multidimensional (M0=H*A)

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 multidimensional lens

multidimensionalpoverty.org

June 2015