

Multidimensional Poverty Index for Paraguay

Secretaría Técnica de Planificación del
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Towards a Multidimensional Poverty Index for Paraguay

1) Data EPH 1997-2015

- Annual household survey, representative nationally and regionally.

2) Dimensions and indicators

- These were discussed in the Poverty Committee so that they can determine the dimensions and indicators that reflects what poverty means in the context of Paraguay.

3) The selection of Dimensions, Indicators, and weights were based on existing literature on MPis, National Development Priorities, and Data Availability.

- 4 dimensions and 20 indicators were selected

4) Methodology

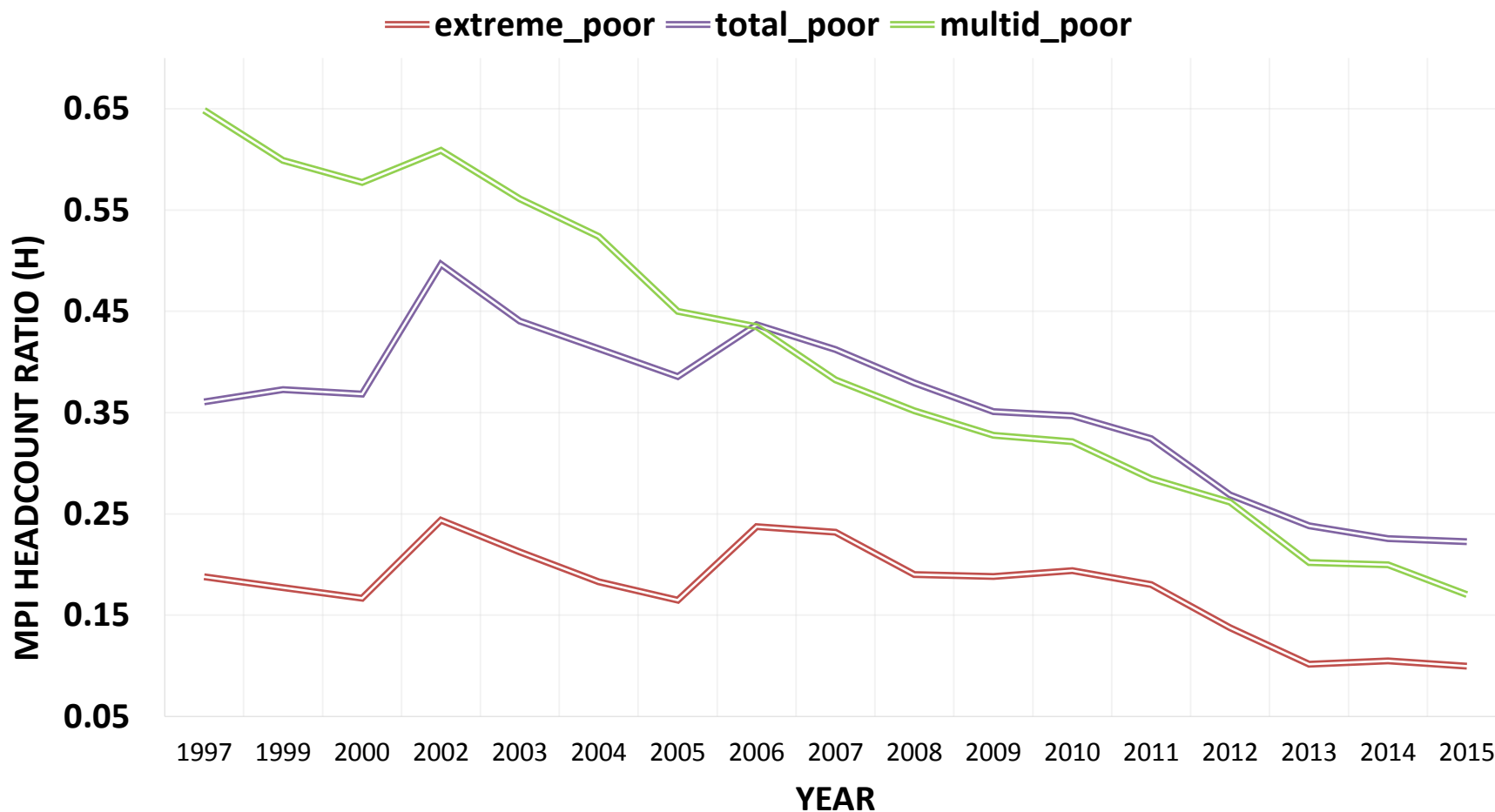
- We used the Alkire and Foster methodology to build the MPI. A cut-off point of $k = 0.25$ was chosen, so a person is multidimensional poor if they are deprived in the equivalent of one dimension.

Deprivations Indicator: Individual is deprived if.....		Weights (%)
Health, Water, and Sanitation		25
Water source	Household does not have access to piped drinking water inside the house or on the property.	5
Water supply	Household does not receive drinking water from ESSAP, SENASA, a community or private network, or a pozo artesiano.	5
Sanitation	Household does not have a toilette connected to alcantarillado, fosa septica o pozo.	5
Kitchen & cooking fuel	Cooking fuel & Household does not have a kitchen and cooks with wood or coal.	5
Healthcare	Any sick or injured household member did not seek medical treatment due to lack of resources or the quality of medical care available.	5
Housing & Basic Goods and Services		25
Housing materials	Household uses dirt, cardboard, straw, mud or other precarious materials for the roof, wall, or floor.	4.166
People per room	Household has three or more people per bedroom.	4.166
Durable goods	Household does not own a car and does not own two or more of the following goods: motorcycle, washing machine, or refrigerator.	4.166
Electricity	Household does not have electricity.	4.166
Telephone	Household does not have a cell phone or land line.	4.166
Access to information	Household does not have internet or a TV with cable or antenna.	4.166
Education		25
Delayed education	Household has at least one member (6 to 20 years old) with less than 12 years of schooling, who is currently enrolled in school and is two years delayed with respect to their schooling grade for age.	5
Child enrollment	Household has at least one member of mandatory schooling age (6 to 14 years old), who is not currently enrolled in school.	5
Schooling achievement	Household has at least one adult member that did not complete mandatory schooling, defined as the following: nine years of schooling for people between the ages of 20 and 33, and six years of schooling for people over the age of 33.	5
Literacy	Household has at least one member (15 years or older), who is illiterate.	5
Early dropout	Household has at least one member (15 to 17 years old), who is not attending school.	5
Employment		25
Under - or unemployed	Household head or spouse is unemployed or underemployed.*	6.25
Salary	Household head or spouse works 30 hours or more a week, but earns less than the minimum wage.	6.25
Child labor	Household has at least one child (10 to 14 years old), who is active in the labor market.	6.25
Work or study	Household has at least one young adult (15 to 19 years old), who neither works nor attends school.	6.25



*works 30 hours a week or less and wants to work more

Multidimensional Poverty Index Headcount Ratio and Income Poverty



MPI Headcount ratio per State

