

# Dimensions

Multidimensional Poverty Peer Network (MPPN)

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The Multidimensional Poverty Peer Network (MPPN) brings together high-level government representatives from all over the world whose shared objective is to eliminate poverty in their countries and who consider multidimensional indicators to be very powerful tools for achieving this goal.

Each year, the MPPN holds a meeting where country representatives and participating institutions (65 as of now) get together to share experiences and to learn from what other countries have done about multidimensional poverty.

The last meeting was held in Acapulco in November of 2016, where more than one hundred people from different corners of the world joined together to reflect and learn from each other. One fact that should be noted is the important increase in the participation of African countries in the meeting. The MPPN is rapidly expanding in this continent. As indicated by a network member after the conclusion of the meeting: multidimensional poverty is not only a point of view, it has become a movement of people who share a passion for what they do and have a common objective.

In its short three and a half years of existence, this growing network of countries has already made history. By assuming a new point of view on poverty, it has focused on a series of problems that were not being considered. This is not a minor challenge in political or technical terms. But these meetings – and *Dimensions* magazine – have led the way in examining how countries have met these challenges.

In this second edition of *Dimensions* magazine, we present to you a small part of all that is mentioned above. First, we share an interview with Heidi Berner from the Social Development Ministry of Chile, where she speaks about Chile's national MPI. Three articles showing advances in multidimensional measurements in Latin America follow. Finally, there is a summary of what we witnessed at the Acapulco meeting of the MPPN as expressed through the voices of its participants.

We invite you to read and share *Dimensions* magazine.

**John Hammock**

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## Congratulations to the President of Colombia, **Juan Manuel Santos**

We want to take advantage of this space to congratulate the President of the Republic of Colombia, Juan Manuel Santos, for winning the Nobel Peace Prize. President Santos is, together with Amartya Sen, one of the founders of the Multidimensional Poverty Peer Network. Undoubtedly, he is a leader for peace and the reduction of poverty in all its dimensions.



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## “NOWADAYS WE DO NOT CREATE PUBLIC POLICIES FOR HOUSING THAT DO NOT TAKE THE LOCAL ENVIRONMENT INTO ACCOUNT”

Chile launched an official Multidimensional Poverty Index in 2015. A year and a half later, this index was modified to add ‘local environment’ to the housing dimension and a fifth innovative dimension: networks and social cohesion. Dimensions magazine spoke with Heidi Berner, Undersecretary of Social Evaluation of the Chilean Ministry of Social Development, about these additions and the way the government is using the MPI in the design and implementation of public policies.

**A**mong the countries that have carried out a process of creating an official poverty measure, Chile is the only one in which the measure has been reformulated shortly after its launching. Can you tell us more about this situation?

The multidimensional poverty measure had as a key input a report made by the Commission for the Measurement of Poverty. This commission,

appointed by former President Piñera [2010–2014], was very broad because it incorporated academics from different fields, politicians, and members of civil society working on poverty issues. This report suggested updating the existing income poverty measure to include current consumption patterns and to incorporate a multidimensional poverty measure.



The Commission recommended working with traditional multidimensional poverty dimensions: health, education, employment and social security, and housing. Additionally, it suggested incorporating the dimension of local environment and social networks. When we came into government [current government of President Michelle Bachelet, 2014–2018], we took this report as a starting point and began working with other additional actors: ECLAC, OPHI, and a Casen panel [a group of independent experts in charge of the revision of the main household survey called ‘Casen’] which were at that moment supporting the process of conducting the survey. With all these analyses, we reached the conclusion that the questions included in the 2013 Casen survey (the one we use for poverty data) regarding local environment and social networks were not solid enough to be included at that time in the measurement.

It is important to note that the desire to include local environment and networks in the measurement of multidimensional poverty was present from the beginning, but they were not being well captured in the household survey. For that reason, when we launched the measurement methodology in December 2015, in the presence of Sabina Alkire and James Foster, we made a commitment to include local environment and social networks in the next measure drawn from the 2015 Casen survey. For this, we convened a Committee of Experts to guarantee



the correct incorporation of the right questions in the 2015 Casen survey and later to advise on the measurement of multidimensional poverty based on this database. While it is true that it seems we changed the original measure rather quickly, it was always established that this was an important issue, but we just did not have the necessary data to include it.



**There is a perception that these types of changes can generate certain conflicts or be very chaotic. Did you find any resistance to carrying forward these changes?**

This process was different because there was a clear demand from civil society, academia, and those in charge of public policies. Nowadays, for example, we do not create public policies for housing that do not consider the local environment where those households are located, including access to public transport, health facilities, and educational establishments. From that perspective, there was no resistance. Actually, politically speaking, it would have been much more delicate for us not to incorporate this change, given that it was already on the agenda and that it is consistent with the public policies we are promoting as a government.

**How does Chile use the Multidimensional Poverty Index (MPI) for its public policies?**

It is used in different ways. In the case of housing, for example, the MPI is completely aligned with the work done by the Ministry of Housing. First, the Ministry of Housing has policies that seek to reduce the quantitative housing deficit, that is, people who require a house because, among other things, they live with a significant level of overcrowding. For the Ministry of Housing, overcrowding is an important

factor when selecting recipients for housing benefits. Therefore, overcrowding is included in the multidimensional poverty index.

Second, the Ministry of Housing implements policies that seek to reduce the qualitative deficit, that is, to improve housing that is in poor condition through programmes that help people repair their houses. These issues are also reflected in the MPI. When new residential complexes are constructed, the Ministry of Housing provides the parameters that must be followed when building a neighbourhood. These parameters include the distance from the education and health facilities and access to public transportation, variables that are included in the local environment indicator of the multidimensional poverty measure.

**What we did was to create a Social Household Register consistent with multidimensional poverty**

Regarding education, we use the MPI as a guide to identify, through the Social Household Register, deprived households, especially those with children who do not attend school. What we did was to create a Social Household Register consistent with multidimensional poverty. If you generate registers, you can know exactly the location of families and children who have the problems you are capturing in the MPI. This could not have been done if the



registration system was based only on income, as you would hardly know which households are the ones that really suffer multidimensional poverty problems. That is what we did with the Social Household Register. These two instruments have been created from a common logic.

To give you an example, in the Metropolitan Region, we have school enrolment administrative data. Currently, we are looking for those children who do not attend school, amounting to 2.3% [of all children] (according to the MPI) – which may not seem like much, but we are talking about more than 25,000 children who do not attend school in Santiago. This is a relevant number for us, and therefore we are designing policies that allow us, based on the other instrument that is the Social Household Register, to find those children identified through the MPI and to effectively generate support programmes that enable them to reintegrate into the school system.

**Including local environment and networks in the modification of the index is highly striking and innovative. Can you tell us what this consists of?**

The first change we made in the index was in the “housing” dimension, where we incorporated the local environment; it is now called “housing and local environment”. This is because the housing indicators that originally existed in our multidimensional



poverty index were strictly related to the material aspects of the house as well as overcrowding. But the local environment indicators were conceived with a more holistic perspective, with reference to the local area where the house is located.

Currently in Chile, when we think about housing, in addition to solving problems of access to safe drinking water, sewage, state of the dwelling, and overcrowding, we now think about what happens to a member of the household if he or she has to commute more than an hour to get to a health facility or it takes more than an hour for the children to get to school. That is why we consider it relevant to include an indicator that shows a house's





relationship to its local environment. We think of this environment as relating to access to basic services beyond safe drinking water and sewage, such as education, health, and access to public transportation.

Regarding networks and social cohesion, we thought it had to be an altogether different dimension from the other four. As a country, we have learned that we must shift from a representative democracy to a participatory democracy. Following that logic, it is important to analyse if households have access to support networks when facing a problem. We measure this support through different questions such as “Do you know anyone from outside your household who can support you if...” and we mention a set of problems. The next question is “Do you participate in a community organisation, in a sports club?” The third asks if they participate in a

trade union, if they are working, et cetera. Then, if they answer three times ‘no’, we are talking about a household with few connections to the system it inhabits. It is a social cohesion deficit that, it seems to us, is very relevant to comprehensive poverty and inequality reduction policies.

Another issue we found very important when measuring networks and social cohesion is discrimination. In Chile there have been several studies showing that one of the subjects frequently raised by people living in poverty is having felt discrimination. We also wanted to measure this discrimination but not just in terms of income – discrimination can be because I am a woman, an older person, a child, an immigrant, or because of my sexual orientation, among others.

Another emerging issue in Chile’s public policies is the level of violence that we come into contact with and, in particular, establishing if people live in places where they systematically face shootings and drug trafficking. Our public security policy is tackling those issues and, therefore, this dimension gives them an indicator that will systematically measure such occurrences.



# ROUNDTABLE AND DASHBOARD FOR THE REDUCTION OF POVERTY IN COLOMBIA

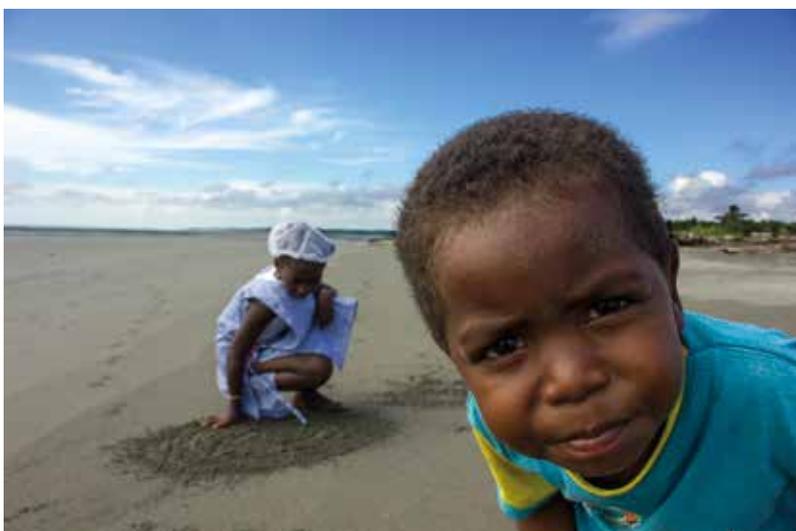
"In Brief" is a section of *Dimensions* magazine that provides short versions of the Multidimensional Poverty Peer Network's policy briefings series. In this issue, we summarize a briefing on Colombia by **Diego Zavaleta** and **Roberto Angulo**.

Colombia launched its official multidimensional poverty measure in 2011 – the Colombian Multidimensional Poverty Index (C-MPI). The index was first used to establish specific policy goals for multidimensional poverty reduction as well as sector-specific targets within the National Development Plan – a mandatory and binding strategy that all incoming administrations must have approved by Congress at the beginning of their mandate.

A crucial innovation in the Colombian process was the design of a monitoring system to track the



progress of the Development Plan. This system was based on two main components. The first was a poverty roundtable – a board chaired by the President of Colombia and attended by all ministers and authorities whose work affected particular indicators of the C-MPI. The second component was a dashboard system where progress in different indicators, including the 15 components of the C-MPI, was monitored.



The Poverty and Inequality Roundtable was a high-level committee of the executive branch of government established to monitor poverty reduction in the country. The roundtable was convened and led by the President of Colombia to monitor the poverty reduction strategy. This committee met for the first time in

2011 and was convened at least twice a year for the rest of President's Santos' first term in office.

The roundtable included all ministries and institutions directly involved in the national poverty and inequality reduction strategy, namely, the ministries of education, health, housing, rural development, labour, and economy, as well as three ministerial-level administrative departments: the National Planning Department (Departamento Nacional de Planeación or DNP), the Department for Social Prosperity (Departamento para la Prosperidad Social or DPS), and the National Statistics Department (Departamento Administrativo Nacional de Estadística or DANE). Other institutions with relevant roles in the strategy were also included depending on the agenda of the specific meeting. The DNP or DPS served as the technical secretariat for the roundtable. Participation in these meetings was compulsory for the ministers and directors – only on limited occasions were subordinates allowed to replace the highest-ranking official of the institution.

The roundtable reviewed the poverty and inequality dashboard and took corrective decisions if milestones were not being reached. The dashboard encompassed four overall indicators that could be updated on a yearly basis: the monetary poverty index, the Gini coefficient, the C-MPI, and the number of families that had overcome extreme poverty within the UNIDOS Network (a comprehensive strategy for overcoming poverty). These indicators corresponded to each of the official goals in the National Development Plan.

"The Poverty and Inequality Roundtable and the dashboard proved useful tools for multidimensional poverty reduction through different channels"

The dashboard also included the 15 individual indicators of the C-MPI. The annual results were contrasted with the estimates generated by microsimulations in order to evaluate progress and take corrective actions if needed. Progress towards

the achievement of these goals was illustrated through a traffic-light system, where a red dot attached to an indicator indicated a 0%–10% advance towards the quarterly or yearly goal, a yellow dot represented a 10%–25% advance, and a green dot represented 25% or more.

The Poverty and Inequality Roundtable and the dashboard proved useful tools for multidimensional poverty reduction through different channels.

First, they provided a practical and straightforward management tool for the highest authorities in the country to monitor their progress towards clearly established goals. The design of the C-MPI (with a clear policy orientation and indicators that were very sensitive to concrete policy outcomes) and the simplicity of the monitoring system exposed the successes and failures of each responsible manager.

Moreover, ministers (who usually tend to focus primarily on their own sectors) were exposed to the overall situation regarding poverty reduction





in the country and the need to properly coordinate actions between sectors in order to enhance poverty reduction.

Finally, they created internal and external accountability so that both the government and the general public were aware of the specific results of the plan and who was responsible for them. However, an important concern is the sustainability of these tools, as the lack of institutionalisation made them ultimately dependent on the will of the President or a very high authority to require their use.

[Read the full article here.](#)



## WHAT ARE THE DIMENSIONS AND INDICATORS MOST COMMONLY USED BY COUNTRIES IN THEIR NATIONAL MPIs?

In the following article, Diego Zavaleta presents the dimensions and indicators that the Latin American countries are using in their indices of multidimensional poverty. It also identifies the main lessons that emerge from these experiences.

**T**he creation of a multidimensional poverty measure implies a series of normative decisions regarding various aspects, including the dimensions, the indicators, the cut-off points, and the weights to be used. These decisions sound intimidating to many people.

In the case of choosing dimensions, for example, people ask themselves questions that are not trivial: How to choose a group of dimensions that is wide enough to do justice to the complex reality of poverty and at the same time is concise enough to result in a meaningful measure while avoiding the loss of data in a myriad of indicators? How to guarantee that no important topic is left out and, at the same time, highlight certain priorities? If we wish to include new dimensions in order to more accurately reflect lived experience, how do we ensure that these new and relatively untested additions do not excessively displace more traditional dimensions and extensively proven indicators from the index?



These are certainly complex questions that require multiple pieces of information. What is the purpose of the measure? What is the public consensus regarding what living in poverty means? What commitments has the state undertaken? What do theory and empirical evidence tell us? Decision making regarding these issues also faces a series of practical restrictions, such as political considerations, data restrictions (do we have the data to measure what we want?), the budget, and the capacity to carry out a survey that covers the desired topics.

In this magazine we will address several topics regarding normative decisions over time. On this occasion, we would like to start by showing the dimensions and indicators that countries are using and some lessons that these experiences teach us.

To begin with, it is important to mention that countries have been answering these initial questions in very different and less complicated ways than first anticipated. Colombia, for example, used already

defined national priorities and ample consultations with academics and experts on the subject to resolve them; Mexico, defined its dimensions and indicators as endorsed in its Constitution and in a law supported by all political parties; Bhutan, Pakistan, and El Salvador engaged in participatory processes with people living in poverty, and Chile worked through a Presidential Committee formed by civil society representatives.

But, what specific dimensions and indicators are countries and international comparability initiatives using? The case of Latin America – the region of the world where these measures have been incorporated more quickly into official statistics – provides a solid example. In the last few years, a total of seven countries in Latin America have made public official multidimensional poverty measures and another six are actively working to develop them. There are also proposals for a regional index that allows for comparisons between countries, such as the proposal put forward by the Economic Commission for Latin



America and the Caribbean (ECLAC). There is also the global MPI published by The Oxford Poverty and Human Development Initiative (OPHI) and the UNDP's Human Development Report. Tables 1 and 2 compare the dimensions and indicators used by the various countries, which already have official measures, as well as the indexes of global (global MPI) and regional (ECLAC) comparability.

Tables 1 and 2 show several interesting aspects. The first is that **thus far a lot of overlap exists in the**

**dimensions chosen by different countries and the initiatives to characterize poverty – that is, the total number of dimensions that underlie most indexes is relatively small** (Table 1). Regardless of the specific name used (the exact names chosen by the countries to define their dimensions are used in Table 1), the discussion thus far has revolved around ten large dimensional groups: education, health, childhood and adolescence, standard of living, housing, basic services, habitat or local environment, social networks and cohesion,

**Table 1. Dimensions used in multidimensional poverty measures - Latin America and the Caribbean**

Dimension*	Global MPI (UNDP/OPHI)	ECLAC	Chile	Colombia	Costa Rica	Ecuador	El Salvador	Honduras	Mexico
Education	X	X	X		X	X	X	X	
Educational conditions of the household				X					
Schooling lag									X
Health	X		X	X	X			X	
Access to health services									X
Health, basic services and food security							X		
Health, water and food						X			
Access to food									X
Child and youth conditions				X					
Income									X
Living standards	X	X							
Basic services		X							
Access to basic services for the household									X
Access to basic services and housing conditions				X					
Housing and internet use					X				
Housing conditions							X		
Housing		X						X	
Quality and number of rooms in the household									X
Housing and local environment			X						
Habitat, housing and healthy environment						X			
Quality of the habitat							X		
Networks and social cohesion			X						
Employment				X	X			X	
Employment and social protection		X							
Employment and social security			X			X	X		
Access to social security									X
Social protection					X				

\* The names of the dimensions reflect the exact labels used by countries

employment, and social security. Except for "habitat or environment" (which involves an interesting array of aspects, such as the local environment, the neighbourhood or community's infrastructure,

### Countries have widened the way to evaluate poverty and have brought it closer to how people understand this situation, while maintaining a preference for extensively tested indicators

or physical safety) these dimensions correspond to topics that have been treated as priorities for many years.

The second relevant aspect is that, although the number of indicators shows some diversity (39 indicators), only a low number of them (the 14 in yellow in Table 2) represent a very high percentage of each national measurement. This shows that a

large number of national measures use a reduced subgroup of indicators. Once again, the great majority of these are widely known.

Finally, among the rest of the indicators (not in yellow) there are many that for years have been part of the set of indicators used to analyse development, such as infant mortality.

These results show an emerging pattern: Countries have widened the way to evaluate poverty and have brought it closer to how people understand this situation, while maintaining a preference for extensively tested indicators. However, some innovation is also apparent, such as in the case of the incorporation of physical safety or environmental indicators (aspects which, by the way, are now recognised by the new Sustainable Development Goals). All this shows an essential trait of these indices: that **they can be adapted to reflect specific contexts and to incorporate aspects that people consider vital** to understanding poverty in accordance with their own reality.



**Table 2. Indicators used in multidimensional poverty measures - Latin America and the Caribbean**

Theme*	Indicator**	Global MPI (UNDP / OPHI)	ECLAC	Chile	Colombia	Costa Rica	Ecuador	El Salvador	Honduras	Mexico
Education	Years of schooling	X	X	X	X	X	X	X	X	
	School attendance	X	X	X	X	X	X	X	X	
	Schooling lag		X	X	X	X		X		X
	Free higher education						X			
	Illiteracy				X				X	
	Low development of human capital					X		X		
Health	Child mortality	X								
	Nutrition	X		X						
	Food security							X		X
	Health insurance affiliation		X	X	X	X				X
	Access to health care			X	X			X		
Living standards	Cooking fuel	X							X	
	Basic sanitation	X	X	X	X	X	X	X	X	X
	Garbage collection					X	X			
	Drinking water	X	X		X	X	X	X	X	X
	Electricity	X	X						X	X
	Access to internet					X				
	Housing materials	X	X	X	X	X		X	X	X
	Overcrowding		X	X	X	X	X	X	X	X
	Housing deficit						X			
	Asset ownership	X	X						X	
	Land ownership							X		
	Housing ownership		X							
	Distance to basic services / to working place			X						
	Public spaces for leisure activities							X		
	Social participation and support			X						
	Discrimination			X						
Physical safety			X				X			
Environment		X					X			
Income		X				X			X	
Employment	Employment		X	X	X	X	X	X		
	Formal employment				X	X		X	X	
	Child and adolescent labour				X		X	X	X	
	Employment with non-fulfilment of labour rights					X				
	Not employed due to high family responsibilities					X				
Social protection	Early child care					X		X		
	People with disabilities without transfers		X	X				X	X	X
	Social security		X	X		X	X			
	Retirement of people of retirement age									

\* This grouping by theme do not necessarily reflect the dimensions in which the indicators are included in each country. For example, Colombia has a dimension of child and adolescent care, which includes child labour.

\*\* Indicators in yellow reflect the most common indicators used in the region.

## BRIEF HISTORY OF THE MEASUREMENT OF MULTIDIMENSIONAL POVERTY IN LATIN AMERICA

**María Emma Santos** describes the region's experience in measuring multidimensional poverty, which dates back forty years. Currently, seven of the eleven countries (or cities) with a national and official multidimensional poverty index are in Latin America. This article is based on the second part of the OPHI working paper "*Measuring Multidimensional Poverty in Latin America: Previous Experience and the Way Forward.*"

Poverty is one area where measurement is so key because it guides the allocation of funds within poverty reduction policies, affects political accountability in the area, and, most importantly, it affects the success in reaching the poor and improving their lives.

The release of the Multidimensional Poverty Index (MPI), an internationally comparable index to measure acute poverty in the developing world fostered debate on how poverty should be measured. Such debate reinforced an already increasing interest within the Latin America region in the design of national multidimensional poverty indices.

Latin America has a long tradition in multidimensional poverty measurement within the Basic Needs Approach (BNA). Back in the 1970s, household surveys were uncommon in the region and thus measuring monetary poverty in a systematic and regular way was not possible. In this context, the BNA served as a framework to choose some key indicators that were available through the census and to allow poverty monitoring.

The method was first implemented in Chile in 1975, constructing a map of extreme poverty, but it gained prominence after the seminal study called "Poverty in Argentina, Unsatisfied Basic Needs Indicators





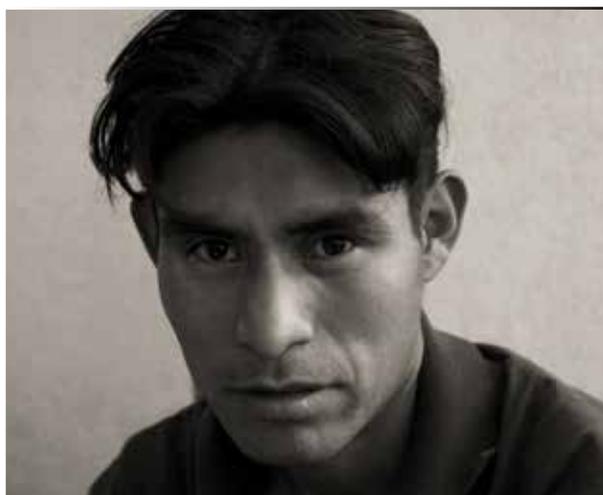
Data from the National Census of Population and Housing 1980” conducted by the Institute of Statistics and Census of Argentina (INDEC in Spanish) and the Economic Commission for Latin America and the Caribbean (ECLAC) in the early eighties. The study stated three principles that would guide the selection of indicators:

1. That the indicators represented the degree of failure to satisfy some specific group of basic needs;
2. That these indicators were significantly associated with [income] poverty;
3. That these indicators were comparable across regions of the country so that poverty maps could be constructed.

A fourth implicit principle was that the indicator needed to be available in the census data. In practice, the second and fourth principles dominated the process. Within the project, ECLAC conducted an empirical study using data from a survey in

Argentina, which had both information on income and indicators contained in the census data. The recommended indicators to be used were those that had been shown to be good (strong) predictors of income poverty (both absolute and relative poverty lines were considered). In other words, while the study formally recognized poverty as a multidimensional problem, the underlying poverty concept used was that of insufficient income.

The set of indicators of Unsatisfied Basic Needs (UBN) chosen by INDEC and ECLAC were:





1. Households with more than three people per room (overcrowding);
2. Households with precarious housing;
3. Households with no kind of toilet;
4. Households with children of school age (6–12 years old) not attending school;
5. Households with four or more people per working member (high dependency ratio) and whose household head's education is at most second grade of primary education. (Indicator of Economic Capacity, taken as a surrogate for income).

Very similar sets of indicators were used to measure UBN poverty by the statistical institutes in most Latin American countries. UBN indicators typically belonged to four broad dimensions:

1. Access to minimum housing standards;
2. Access to basic services that guarantee minimum sanitary conditions;
3. Access to basic education;
4. Economic capacity to achieve minimum consumption levels.

he UBN method to measure poverty uses what is called a counting approach to identify the poor. Such an identification approach entails counting the number of dimensions in which people suffer deprivation.

In Latin America, equal weights were used for each indicator, even though some of them can be linked to the same dimension – predominantly housing and education. The UBN poor are those who experience

What we measure affects what we do; and if our measurements are flawed, decisions may be distorted.

Sen, Stiglitz, Fitoussi, 2009

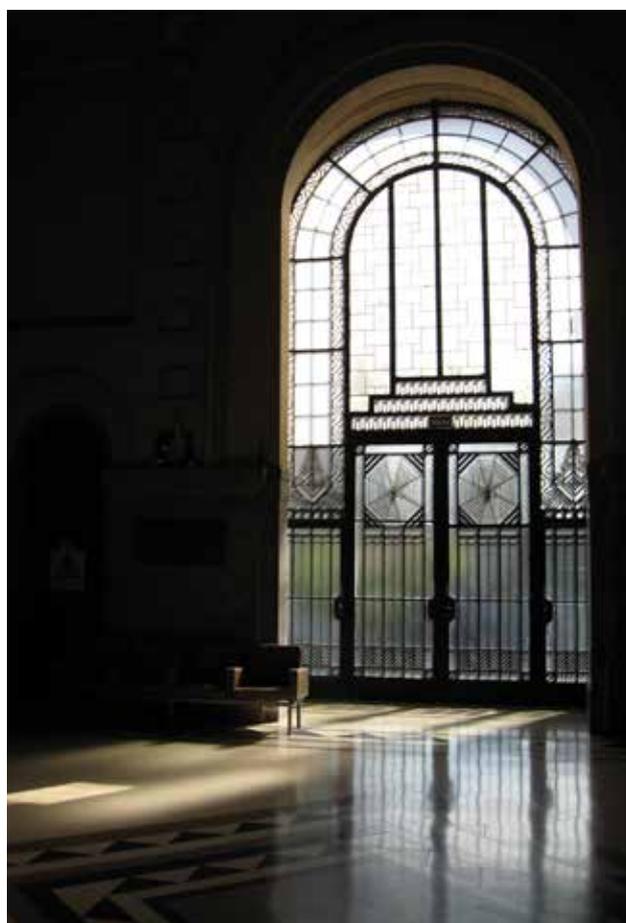
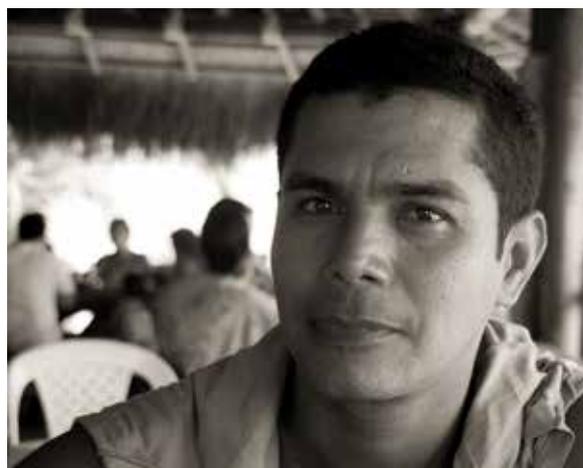
at least one deprivation. However, information on UBN has been typically presented with a range of statistics, including the proportion of households and people experiencing each unsatisfied basic need and different combinations of them.

In terms of the aggregation measure used in the UBN approach, this has been the headcount ratio, with its well-known limitations, namely being insensitive to the depth of deprivations, as well as being insensitive to the breadth of poverty. Taking advantage of the disaggregated level of information provided by census data, the methodology was used to construct detailed poverty maps, which became a valuable tool for policy.

#### THE INTEGRATED METHOD AND THE 'IMPROVED' INTEGRATED METHOD

As household surveys started to be regularly implemented in Latin American countries, the measurement of poverty with the income method also became widely implemented following the methodology outlined by Altimir (1979). Then, a natural interest in crossing the UBN method with the income method emerged, as this was now possible using household surveys (which contained the UBN indicators plus information on income). With this motivation, Beccaria and Minujin (1985) and Katzman (1989) proposed the “Integrated Method” to measure poverty which identified four sets of people: (1) **chronically poor**: the income and UBN poor; (2) **structural poverty**: the UBN poor but income non-poor; (3) **recently poor**: the income poor but UBN non-poor, and (4) **socially integrated**: not poor by any method.

Empirical evidence from the integrated method showed that the income method and the UBN method were complementary, identifying diffe-



rent slices of the population and that clearly the correspondence between the two groups was far from perfect (Boltvinik 1991).

However, Boltvinik noted that the complementarity between the two methods was just a coincidence, essentially a consequence of the sequence in which poverty measurement had been implemented. He highlighted that combining the two methods had some conceptual redundancies, such as including the indicator of “economic capacity” in the UBN method (unnecessary given that the income poor were identified). He then proposed an “Improved Integrated Method to Measure Poverty”, which involved changes in each method separately, as well as in their combination. This method was applied in Mexico, but it was not implemented on a broader scale.

## RECENT MULTIDIMENSIONAL MEASUREMENTS

There are two countries in the region that were pioneers in developing official multidimensional poverty measures. One is Mexico, which launched its measurement in 2009; the other one is Colombia, which launched its measure in 2011. Each country has undergone different processes to construct their measures in such a way that they enjoy acceptance and consensus.

Mexico’s measure was motivated by the approval of the General Law of Social Development (LGDS in Spanish) in January 2004. The law was the outcome of a long process of debate and reflection in which voices from political, social, and intellectual spheres participated. The independent Council for the Evaluation of Social Policy (CONEVAL), created in 2006 as a consequence of this law, designed the multidimensional measure.





In the case of Colombia, poverty reduction was set as a national priority in the National Development Plan. The government commissioned the Department of National Planning (DNP) to design the measure to monitor such a goal. Based on the Alkire-Foster methodology, the DNP designed a measure composed of 15 indicators belonging to five dimensions: educational conditions of the household, childhood and youth, work, health, and housing and public services. Since 2012, this multidimensional measure has been used to define the regions for the allocation of the conditional cash transfer program “Más Familias en Acción”. The measure is also used to monitor regional policies and to define goals on specific interventions.

In 2011, El Salvador started the process of designing a national multidimensional poverty measure in order to monitor poverty trends and guide social policy. The technical and advisory board created for that purpose revised the experience in the country and in the world and have conducted focus groups with people living in poverty. They have identified eight dimensions: employment, housing, education, security, recreation, health, nutrition, and income. El Salvador launched its MPI in 2015.

Since 2012, the state of Minas Gerais in Brazil is also implementing a multidimensional poverty measure in 132 of its municipalities (using the



Alkire-Foster methodology) to target its poverty reduction program called “Travessia”.

We can see that Latin America has been developing multidimensional poverty measures since the seventies. These forty years have made the region a pioneer in implementing these kinds of measures. Nowadays, eight out of the twelve countries with a multidimensional poverty index are in the region.

1. Editor’s note: Mexico presented its measure at the end of 2009, but it was made official through publication in the official bulletin in 2010.
2. Editor’s note: By 2015, three other countries in the region introduced official Multidimensional Poverty Indexes (MPI): Chile, El Salvador and Costa Rica. Ecuador and Honduras officially launched its MPI in 2016. There are currently six countries in Latin America that are in different stages of the design of their national measures.



# WHAT IS THE AIM OF THE MPPN? REFLECTIONS FROM THE 2016 ANNUAL MEETING

In June 2013, high-level representatives from 16 countries met in Oxford in the United Kingdom to launch the Multidimensional Poverty Peer Network, a platform for countries working towards eradicating poverty in its many dimensions. After almost four years, the network has grown to include 53 countries and 14 international organizations.

Each year, the MPPN convenes high-level representatives, including ministers and deputy prime ministers, to share their countries' experiences with multidimensional poverty measures. Last November, the fourth annual high-level meeting was held in Acapulco, Mexico, and we wanted to know the participants' opinions on the role of the network and that of the meeting.

## WHAT IS THE PURPOSE OF THE MEETING AND THE NETWORK?

More than a hundred participants attended the meeting in Acapulco, some of whom had to travel thousands of kilometres to reach the capital city of the state of Guerrero. One of them was Ou Quingping, Vice-Minister, State Council Leading Group

Office for Poverty Alleviation and Development in China, who emphasized that the MPPN is an international benchmark for the reduction of poverty: "which indicates that the international community has a deeper understanding of poverty." Quingping added, "We are pleased to see that some developing countries have applied the concept of multidimensional poverty in the Sustainable Development Goals. We believe that's progress."

Héctor Cárdenas, Minister of Social Action of Paraguay, stated that "the meeting itself is very interesting. It allows one to see the stages of the Multidimensional Poverty Index's development in other countries." "This event is fundamental (...) this is global, it is a matter of humanity. Borders are excuses that delimit our responsibility to a specific population, but it is an issue for all of humanity. The problem is not limited by borders," said Michelle Muschett, Deputy Minister of Social Development of Panama.

South Africa was represented by Pali Lehohla, Director-General of Statistics, who highlighted that the network is a guide that shows the path to countries that are implementing multidimensional measures, thereby providing a cohesive route of



implementation for all and “giving rationality to the discussion”. For her part, Ana Monge of the Social Council of the Presidency of Costa Rica stated that the network’s exchange of experiences gives great support to participating governments: “It is fundamental to implement these lessons and give our own contributions.”

The MPPN also includes a set of international agencies. Luis Felipe López-Calva from the World Bank stressed that such meetings “are very important for the countries that are beginning to use these tools and also for those who have a permanent dialogue with governments. It is very interesting for me to see the experiences of different countries.”

Betilde Muñoz-Pogossian, Director of the Social Inclusion Department of the Organization of American States, was a first-time participant at the MPPN annual meeting. She stated that the meeting is an important forum for “learning from the public policies that have been designed to combat poverty. That is the value of having a network where we all work together to measure it and determine how to tackle it.”

Khalid Abu-Ismael of the United Nations Economic and Social Commission for Western Asia (UN-ESCWA) stressed the importance of this meeting both in the technical discussion of and networking for policy implementation. “There is a lot to learn about what can be done and what should be avoided ... It is interesting to go from the mostly academic towards what really works.”

For Martin Evans from UNICEF, the MPPN provides an opportunity to learn about current practices using MPIs as they relate to children: “We are pleased with the help provided by the MPPN on this issue.”

Noel González, Coordinator of AMEXCID International Fora, stated that “this network has great value. For the Mexican Agency for Development and Cooperation, this is an area in which we can participate to support and promote the exchange of this type of knowledge from what is known as South-South Cooperation.”

#### WHAT HAVE BEEN THE ACHIEVEMENTS OF THE MPPN?

“We should be proud of what the network has achieved. Just one year ago we had 35 members, today we have more than 50,” said Tatyana Orozco, Director of the Department of Social Prosperity of Colombia, one of the first countries in the world to implement a national measure of multidimensional poverty and also a founding member of the MPPN.

According to Orozco, another of the achievements of the MPPN, is the fact that the UN’s Sustainable

Development Goals propose the elimination of poverty in all its dimensions including the measurement of poverty beyond income through target 1.2.

Gonzalo Hernández Licona, Executive Secretary of the National Council for the Evaluation of Social Development Policy (CONEVAL) of Mexico highlighted, as one of the achievements of the MPPN, that the World Bank report “Monitoring Global Poverty”, led by the late Sir Tony Atkinson, included multidimensional poverty measurement within its recommendations.

He also pointed out that the MPPN’s efforts have resulted in ten countries initiating official national

**“China was one of the first countries to join the MPPN and we are pleased with its development. We will continue to support it.”  
Ou Qingping, China**

measures of multidimensional poverty in just four years – “a real mark of success” according to González Licona.

“We have seen the development of the MPPN from the outset, from having few members to now with more than 50 countries and international agencies ... China was one of the first countries to join the MPPN and we are pleased with its development. We will continue to support it,” said Ou Quingping, Vice-Minister, State Council Leading Group Office for Poverty Alleviation and Development in China.

#### FUNDAMENTAL WORK

The Chilean representative, Heidi Berner, Under-Secretary of Social Evaluation of the Ministry of Social Development, stressed that “the work of this network ... is fundamental for these issues, which transcend national governments, to be resolved”.

Marie-Josée Bonne, Special Adviser to the Ministry of Social Affairs, Community Development and Sports of The Seychelles, stated her desire for the network to continue to support countries in the development of their respective national MPIs.

Finally, Susset Rosales, a researcher from Cuba’s Ministry of Economy and Planning, noted the work the Oxford Poverty and Human Development Initiative has done for the network, “the act of bringing together all these countries in search of techniques to design and then implement policies to defeat poverty is utterly fabulous to me and very necessary.”

Complete testimonies are available [here](#).

#### MPPN’S STATEMENT

The representatives approved a five-point statement:

- Endorsed the use of the MPI in the SDGs to track Target 1.2
- Agreed to support the development of national MPIs, which reflect the definition of poverty and policy priorities of each country
- Agreed to develop policy tools that link to multidimensional measures
- Called for the strengthening and expansion of the network in seeking financial support and including additional participating countries and institutions
- Endorsed the use of the MPI to shape the programming of international actors

# November 2016, Acapulco

## Connecting Policymakers Globally



## 4th Annual Meeting of MPPN in Mexico

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



## DATA OF THE MONTH

### MULTIDIMENSIONAL POVERTY AND MONETARY POVERTY: ARE THE FIGURES ARE SIMILAR?

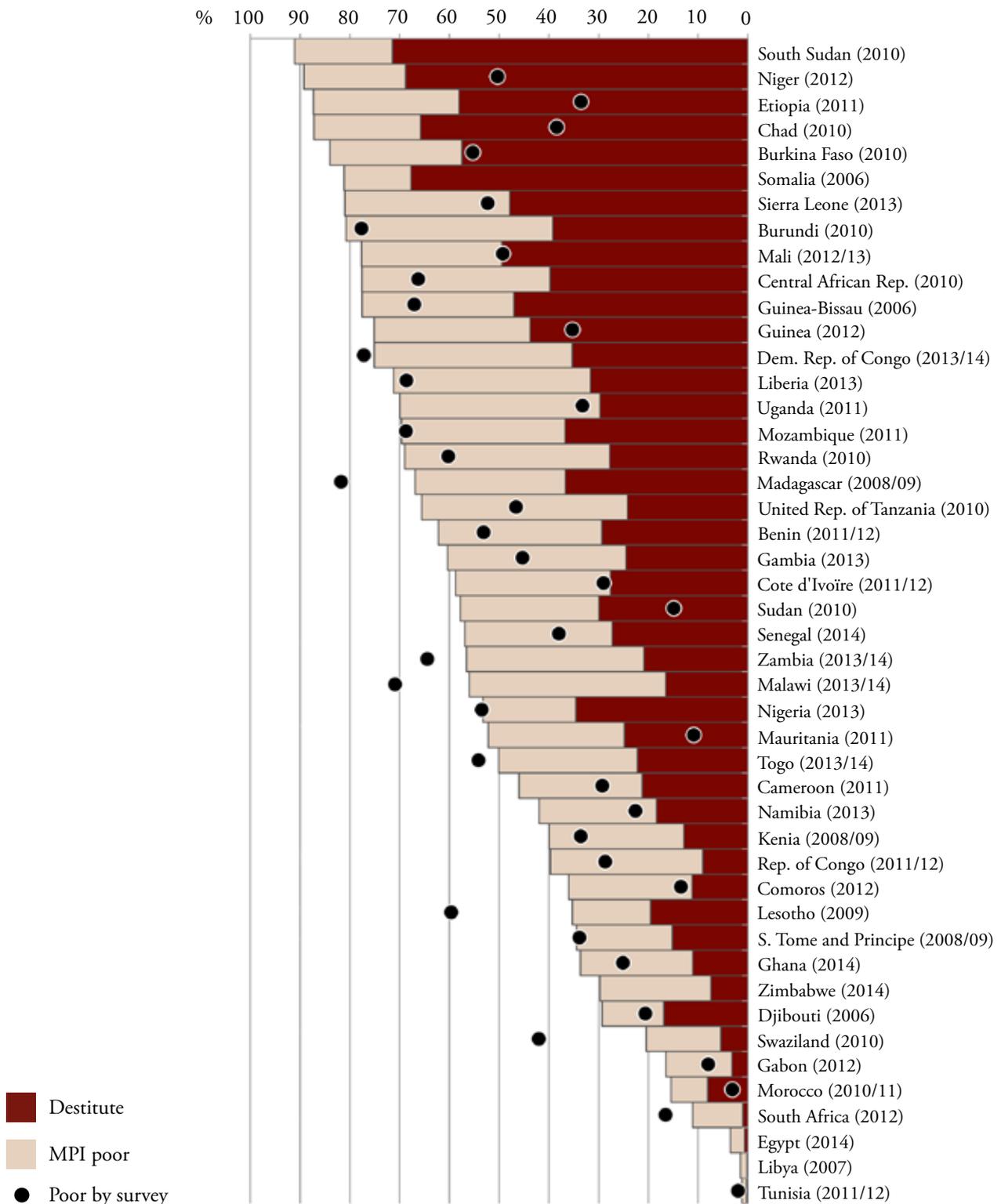
Did you know that there could be large differences in the number of poor people depending on the way in which poverty is measured? Comparing the levels and changes in income poverty and multidimensional poverty reveals a complex history and reinforces the need to complement traditional monetary measures with a multidimensional approach.

Let's use the example of Africa to illustrate this situation: a region that has eight of the ten countries in the world with the greatest differences between people who are multidimensionally poor (using the global MPI) and income poor, according to the USD 1.90 measure per day. As can be seen in the graph, there are important variations between income poverty (the black dots) and multidimensional poverty (bars). Additionally, the latter shows two

levels: "multidimensional poverty" (the entire bar) and the "destitute" (the darkest portion of the bar) – the group of people in multidimensional poverty but identified using even more extreme criteria, somewhat analogous to "poverty" and "extreme poverty" by income.

Countries such as Ethiopia show significantly higher levels of multidimensional poverty (and even destitution) than income poverty. In contrast, countries like Lesotho illustrate the opposite effect, with higher levels of income poverty. In some cases, there are also countries where poverty levels are similar regardless of what measure is used.

Overall, Africa has a smaller number of income poor people than multidimensional poor (388 million versus 544 million, respectively). This is because multidimensional poverty measures reveal aspects of poverty that can go unnoticed if we only consider income.



Note: The date next to the name of the country reflects the date of the survey used to calculate multidimensional poverty for that country. In turn, data for income poverty (the black dot) comes from the closest year to that of the survey used for multidimensional analysis for which data is available.

Source: Alkire, S., Jindra, Ch., Robles, G., and Vaz, A. (2016). "Multidimensional Poverty in Africa." *OPHI Briefing* 40, University of Oxford.

## NEWS

### ARMENIA LAUNCHES NATIONAL MPI

The Armenia Multidimensional Poverty Index was launched by the National Statistics Service in Armenia along with the World Bank as part of the annual report “Social Panorama and Poverty in Armenia”. The selection of MPI dimensions was based on a series of consultations with key stakeholders. The index considers the following dimensions: basic needs, housing, education, work, and health. More information [here](#).



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### NAIROBI: HIGH-LEVEL PANEL ENDORSES MULTIDIMENSIONAL POVERTY FOCUS

The Mexican Agency for International Cooperation for Development (AMEXCID), with the support from the Multidimensional Poverty Peer Network, organized the session “Multidimensional Poverty: Southern Experiences” as part of the Second High-Level Meeting of the World Development Association (Partnership for Effective Development Cooperation) in Nairobi, Kenya. The session, moderated by OPHI’s John Hammock, included a discussion on the importance of a multidimensional approach to both measuring poverty and developing effective cooperation. More information [here](#).



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### AMARTYA SEN GAVE A DISTINGUISHED PUBLIC LECTURE AT OXFORD

“Democracy and Social Decisions” was the title of Professor Amartya Sen’s lecture delivered on January 18 at Oxford University. More information [here](#).





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