



Consejo Nacional de Evaluación
de la Política de Desarrollo Social

Measuring poverty in Mexico

2nd Meeting of the post-MDGs Contact Group

“The Millennium Development Goals: Achievements towards 2015 and Challenges ahead for Formulating the Second Generation”

February, 2012

www.coneval.gob.mx

- Why?: The institutional approach to measure poverty in Mexico
- How?: The new methodology to measure poverty in Mexico
- How much? Poverty in the municipalities, the states and the country.

Why?: The Institutional approach to measure poverty in Mexico



**Social Development
Law
(2004)**

CONEVAL

- Public institution
- Academic researchers
 - Board members
 - Elected by the States, Congress, Municipalities, Executive
- Technical autonomy

**Evaluation of the Social
Development Policy**

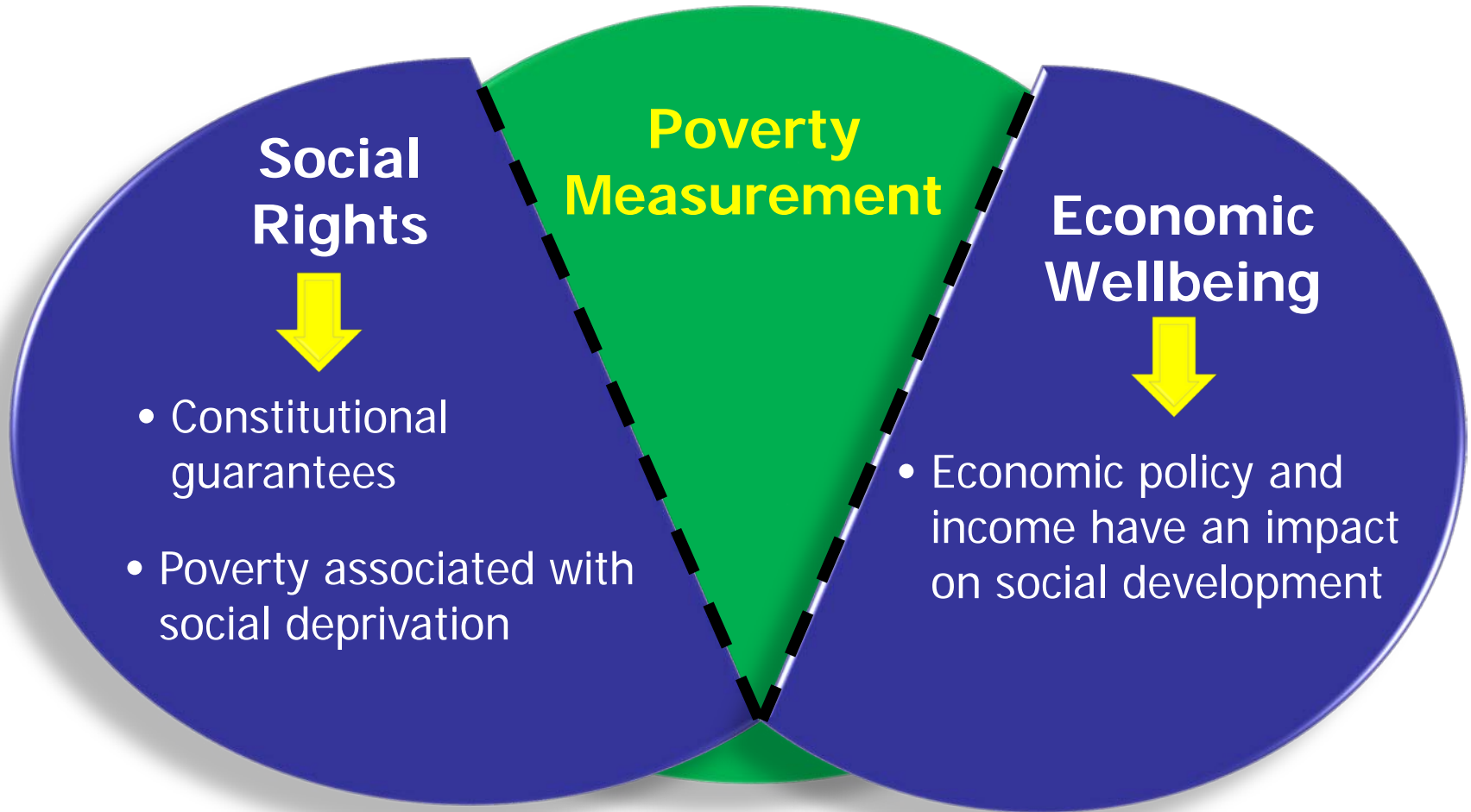
**Poverty
Measurement**

Social
Development
Law

Dimensions for
poverty
measurement

Periodicity
States
(2 years)
Municipalities
(5 years)

- Current income per capita
- Educational gap
- Access to health services
- Access to social security
- Quality of living spaces
- Housing access to basic services
- Access to food
- Degree of social cohesion



Advantages of the social rights approach

- It aligns poverty measurement with the normative regulations of the Mexican government.
- It solves satisfactorily problems of weights and thresholds:
 - Since human rights are indivisible & interdependent, they all have the same relative importance. That's why all indicators of social deprivation have the same weight.
 - The Mexican regulation sets thresholds for several dimensions.

Process

Discussions, criteria & design of data sources

2006

2007

2008

2009

Consultation
with
experts

Five
Specific
consultations

Survey
Design

•Bourguignon, Thorbecke,
Kakwani, Lustig, Skoufias,
Walton, Khandor, Reddy,
Feres, López-Calva, ...
among others.

National
and
international
seminars

Discussions

Final
discussions
& results of
studies

Data
delivery

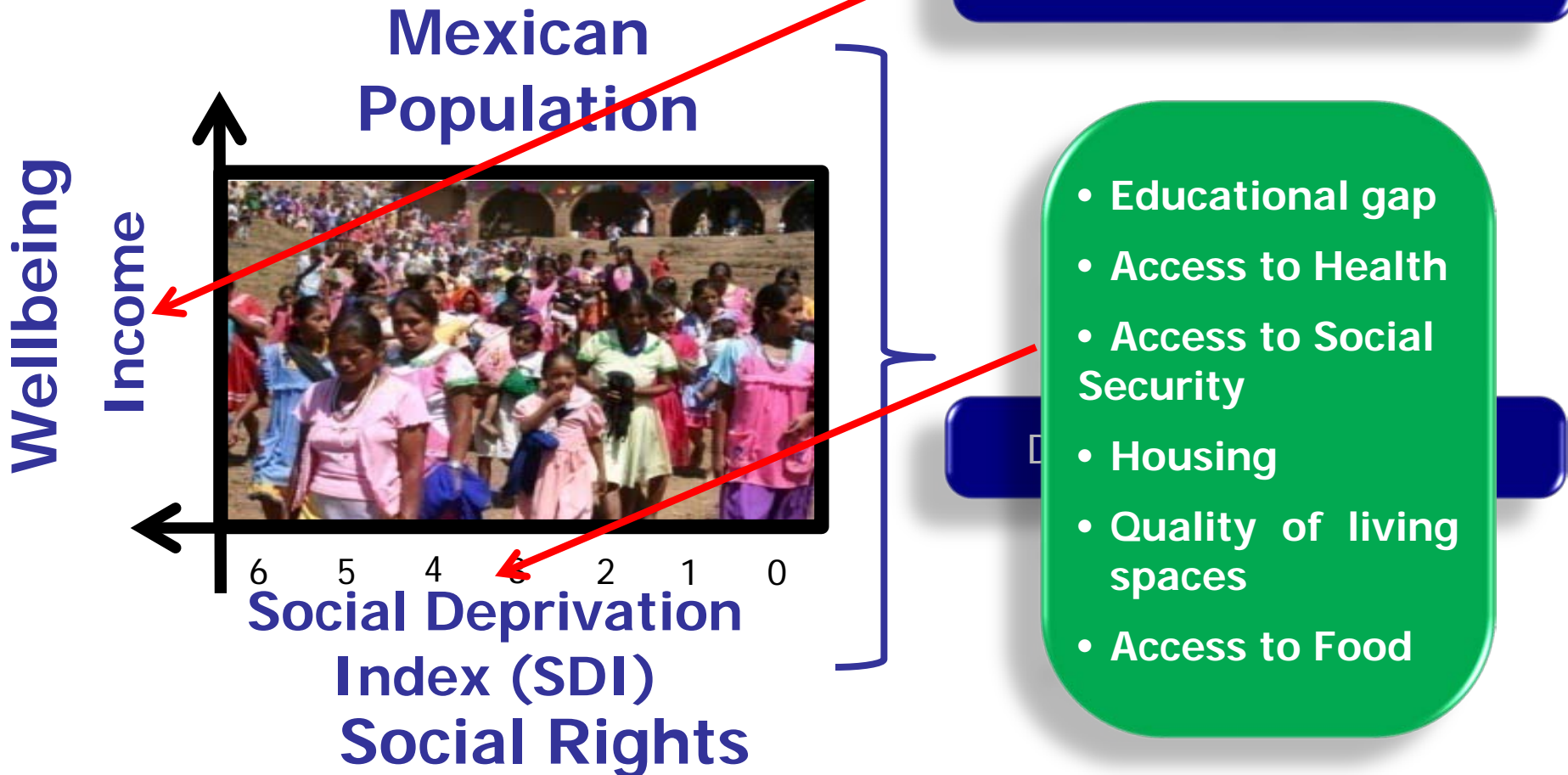
Presentation
(December)

Building the methodology

How?: The new methodology to measure poverty in Mexico

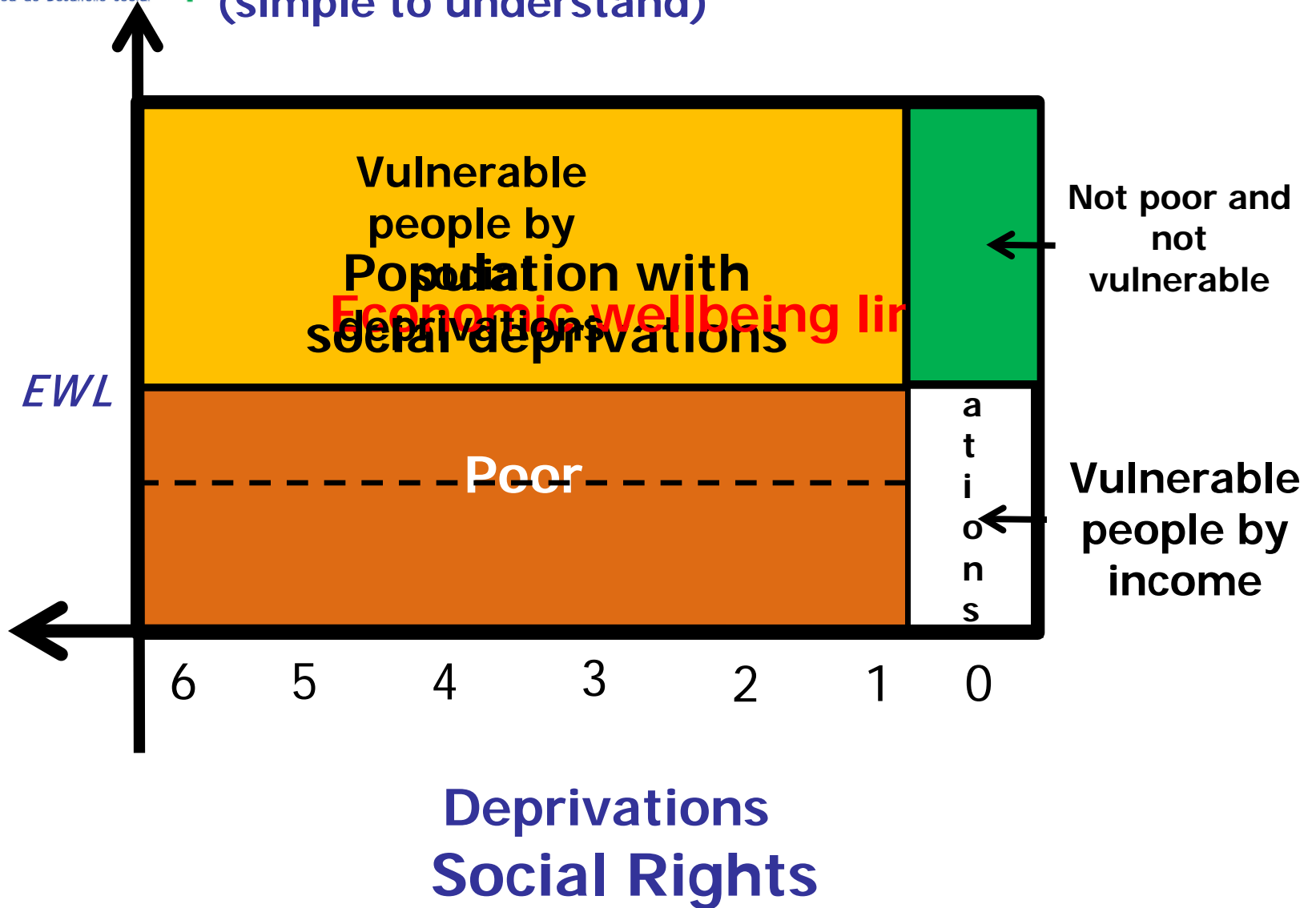


What are the main features of the methodology?

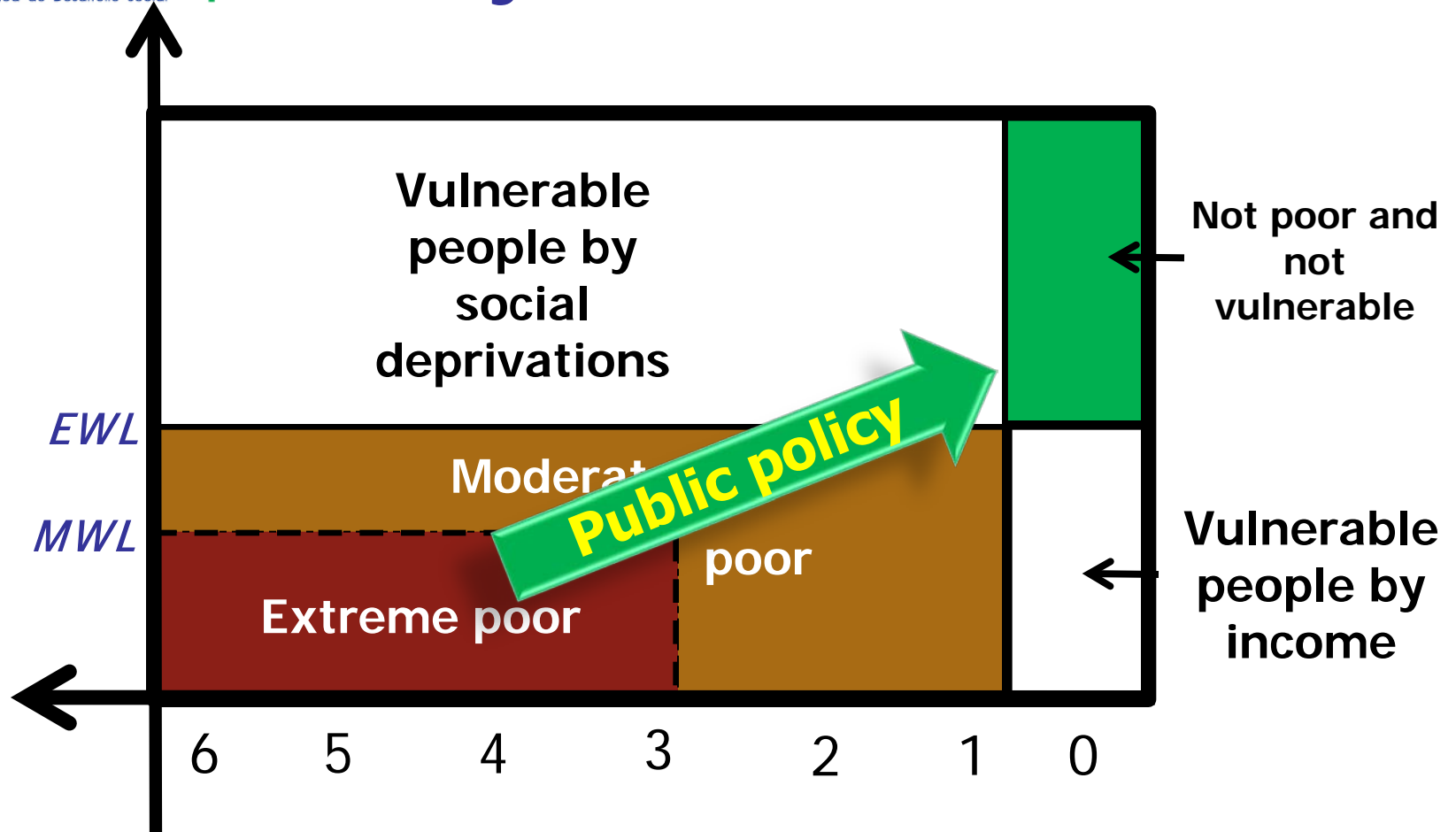


Main features

(simple to understand)





Poverty identification

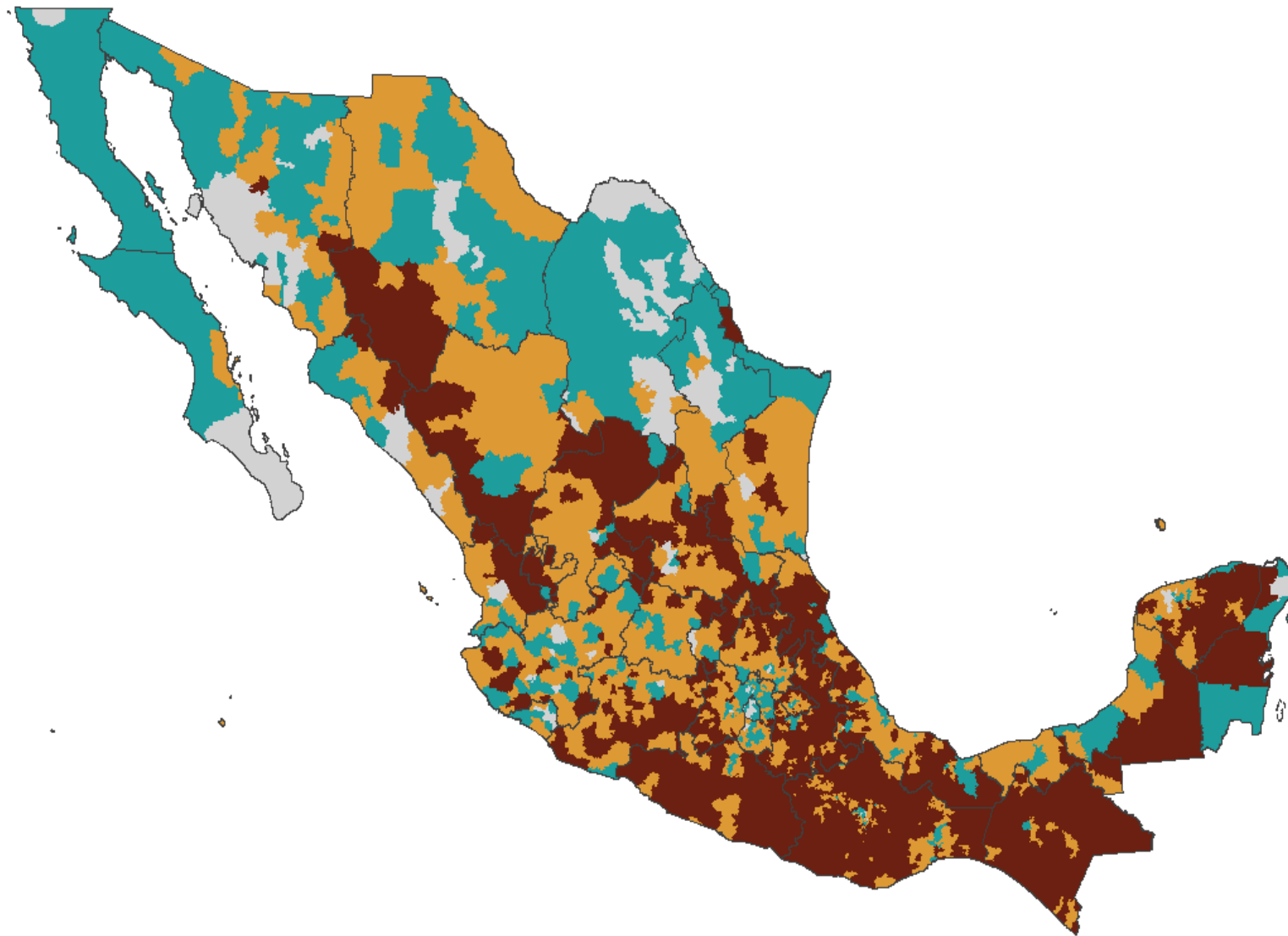


**Deprivations
Social Rights**

How much?: Poverty in the municipalities, the states and the country



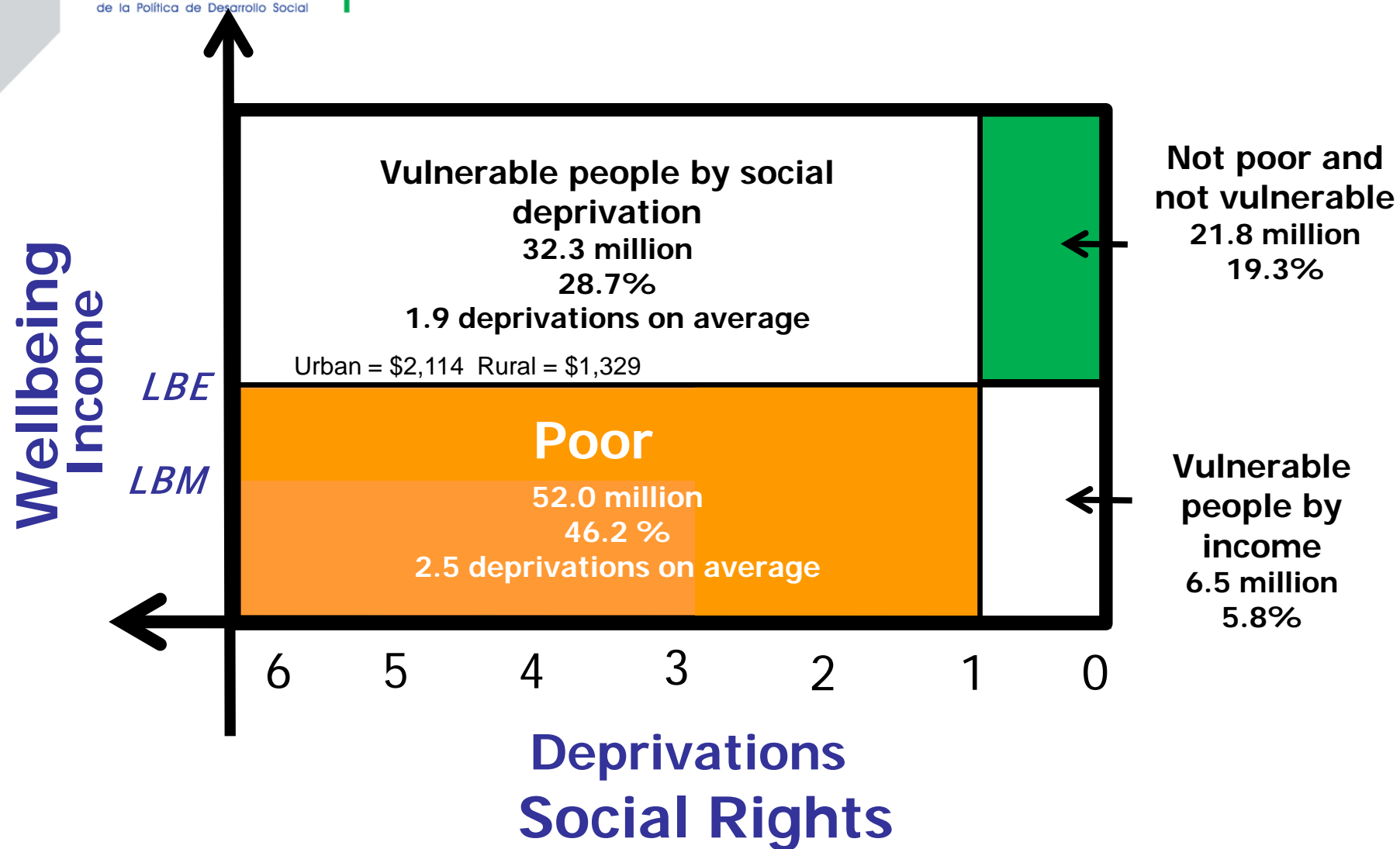
Percentage of poverty by municipalities, 2010



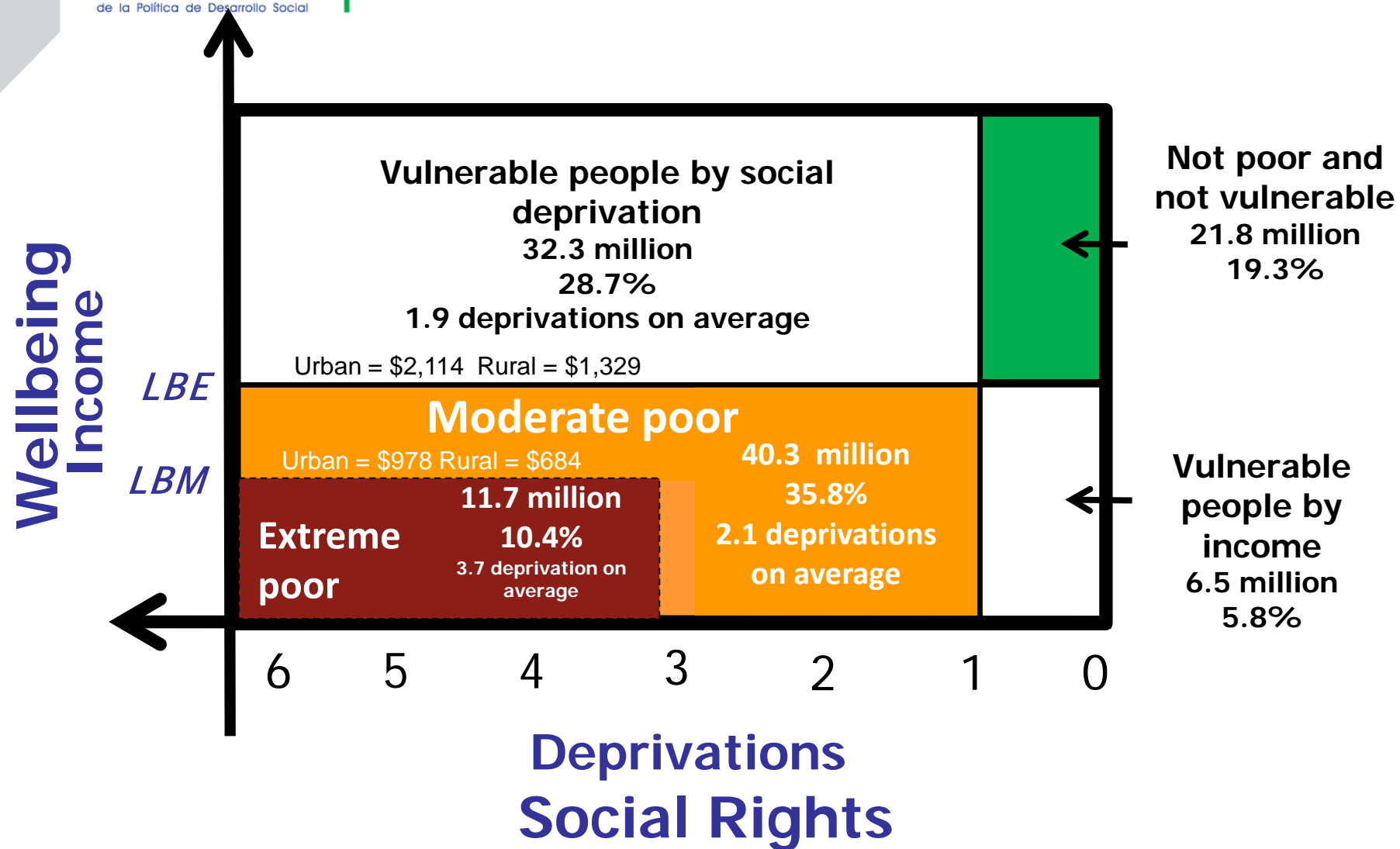
Percentage of poverty by state, 2010



Total population 2010 (112.6 million)



Total population 2010 (112.6 millions)

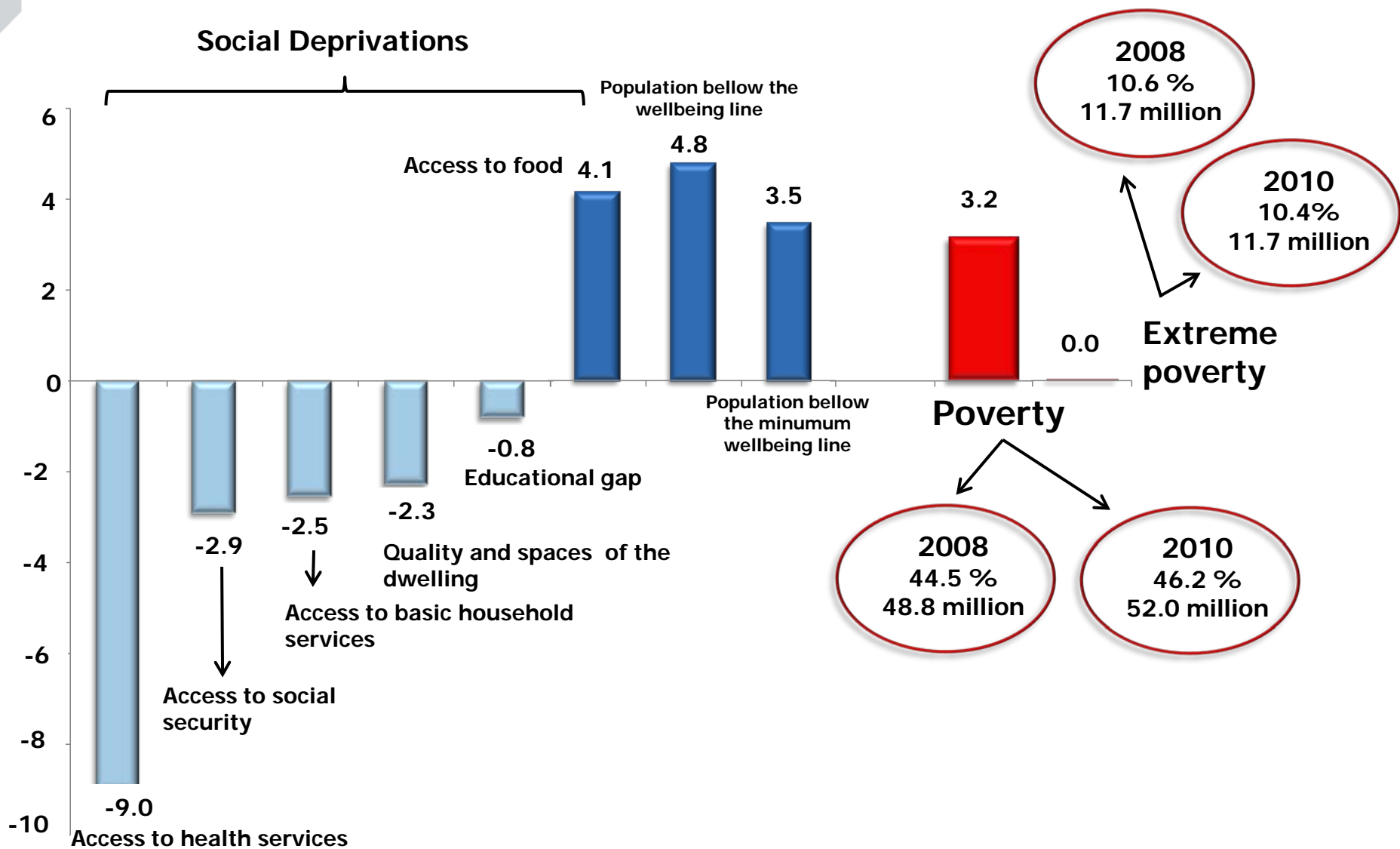


Changes in poverty 2008-2010



Change in poverty dimensions, 2008-2010

Million people



Using the methodology

- Other Ministries, besides the Ministry of Social Development, understand better their role in reducing poverty in Mexico
- There is a tendency to focus on cash transfers when poverty is measured only with income. Social policies for overcoming poverty should also pursue to universally guarantee social rights.

Using the methodology

- Income poverty is influenced by a number of circumstances (Lehman Brothers, Greece, etc.), that the local social policy cannot control. But relevant social achievements are visible with a multidimensional approach.
- An important feature of the methodology is that it does not only identify poverty (priority), but it also identifies the **whole population without access to social rights**.

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Supporting slides

A decorative horizontal band with a solid green background and a white wavy line pattern.

THRESHOLDS

How to determine thresholds?

Social rights

Legal criteria

**Use of legal norms,
if they exist**



Consultation with specialists

**Experts
criteria**

Public institutions

Health, Housing, Social
Security, Education

How to determine thresholds of social deprivations?

Educational
gap

Population aged
3-15 years

She or he is not
attending a formal
educational center

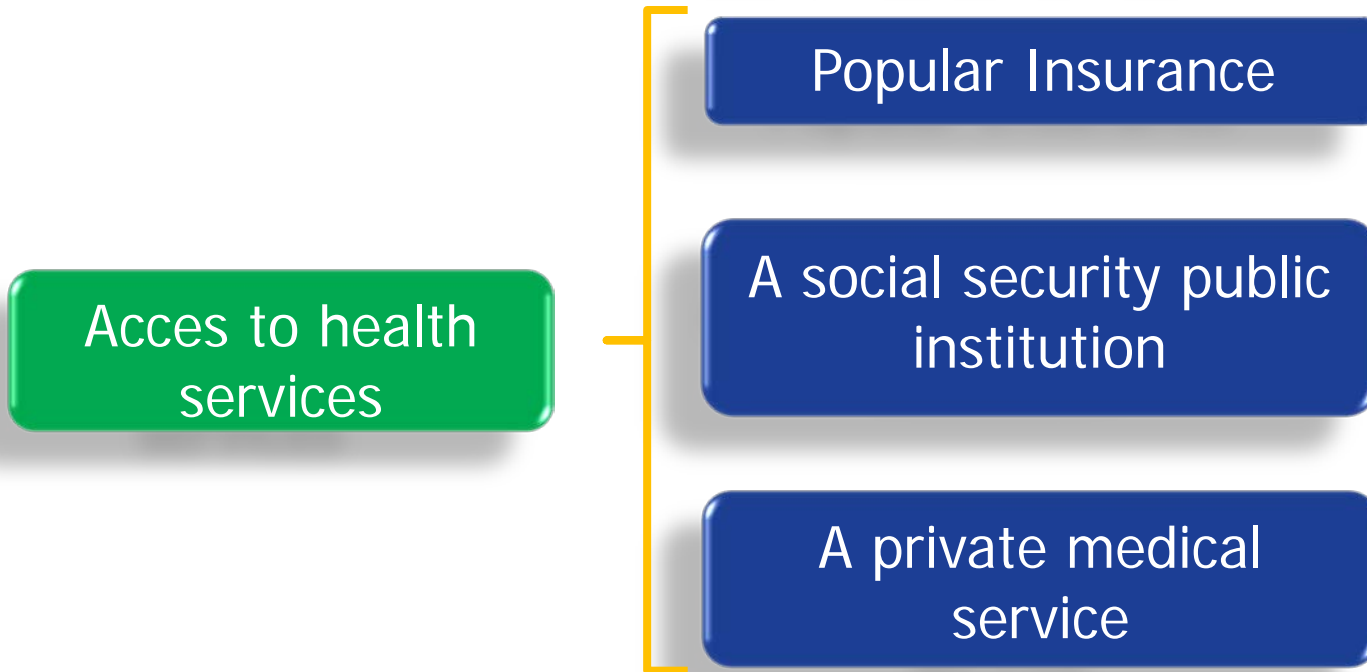
Population aged
16 years
or older

- When someone was born before 1981 and lacks the mandatory basic education current at the time he or she should have completed it. Primary

- When someone was born before 1982 and lacks the mandatory basic education current at the time she should have completed it. Secondary

How to determine thresholds of social deprivations?

When a person is not enrolled in or not entitled to receive medical services from:



How to determine thresholds of social deprivations?

Access to
social
security

Direct
access

•If the worker does not receive medical services as a work benefit or through voluntary enrollment and a retirement investment plan

Family
nucleus

•If a person is not enrolled in an institution that provides medical services by voluntary enrollment.
•If the spouse, child, parent, -law of the head of household is not enrolled in a medical institution

Other family nucleus
and voluntary
enrollment

If the person does not have a relative who has access to social security

If the person is not beneficiary of a social program of pensions for senior citizens

How to determine thresholds of social deprivations?

Quality of living spaces

Roofs



When the material is cardboard sheets or residue material

Walls



When the material is mud or daub&wattle; reed, bamboo or palm; cardboard, metal or asbestos sheets; residue material

Floors



When the material of the floor is soil

Overcrowding



When the ratio of people per room is greater than 2.5

How to determine thresholds of social deprivations?

Housing access to basic services

Water



- When it is obtained from a well, river, lake, stream, or truck.
- When piped water is carried from another dwelling or gotten at a public faucet or hydrant

Drainage service



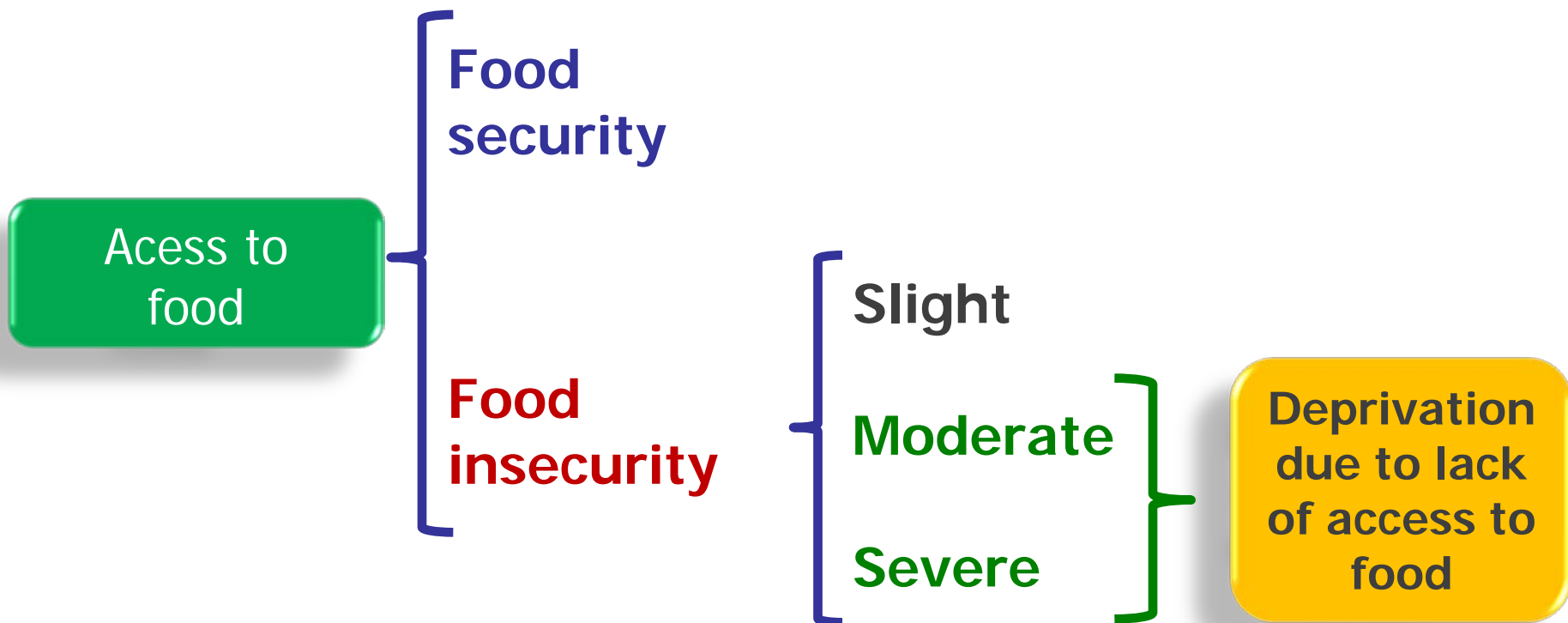
- No drainage service.
- When the drain is connected to pipes leading to a river, lake, sea, ravine or crack

Electricity



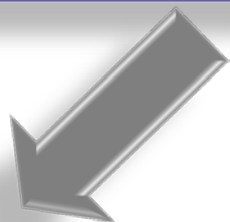
When there is no electricity

How to determine thresholds of social deprivations?



How to determine thresholds? Economic Wellbeing

Food basket



Minimum economic wellbeing line

Changes on current consumption patterns

Calorics requirements & micronutrients

Rural & urban settings

Non food basket



Economic wellbeing

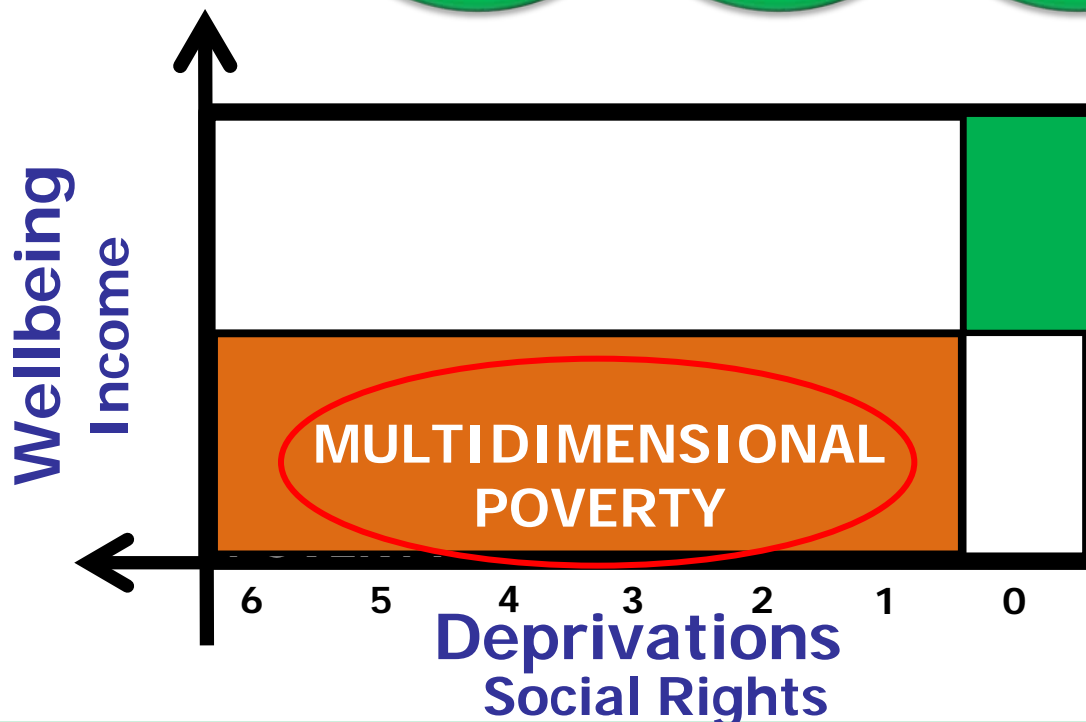
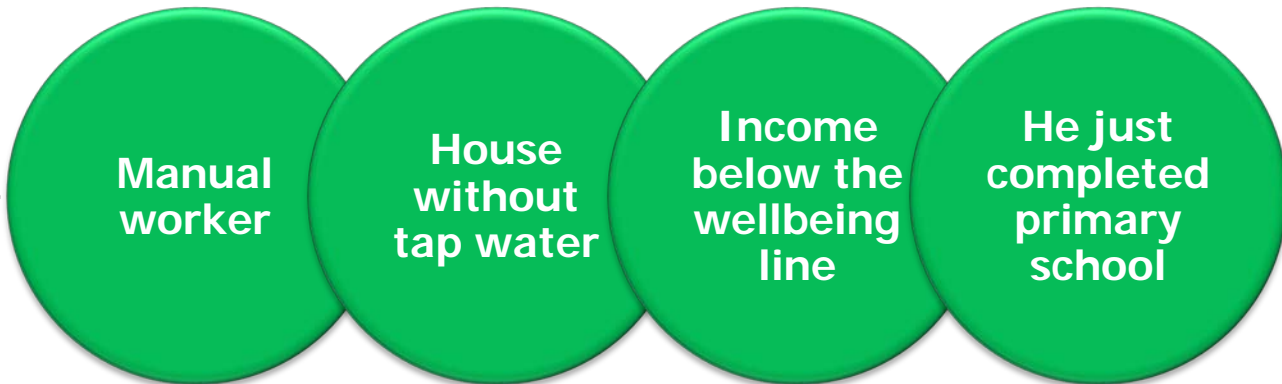
Necessary goods & services

Goods and services have an income elasticity < 1

Rural & urban settings

EXAMPLES

Examples



Examples

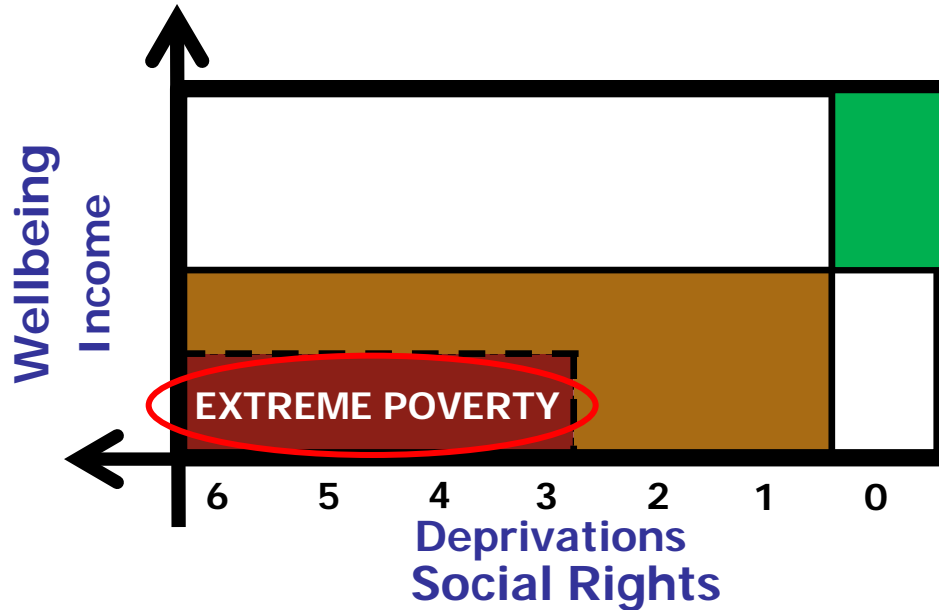


She is 15
years old
She quit school to
help her
family

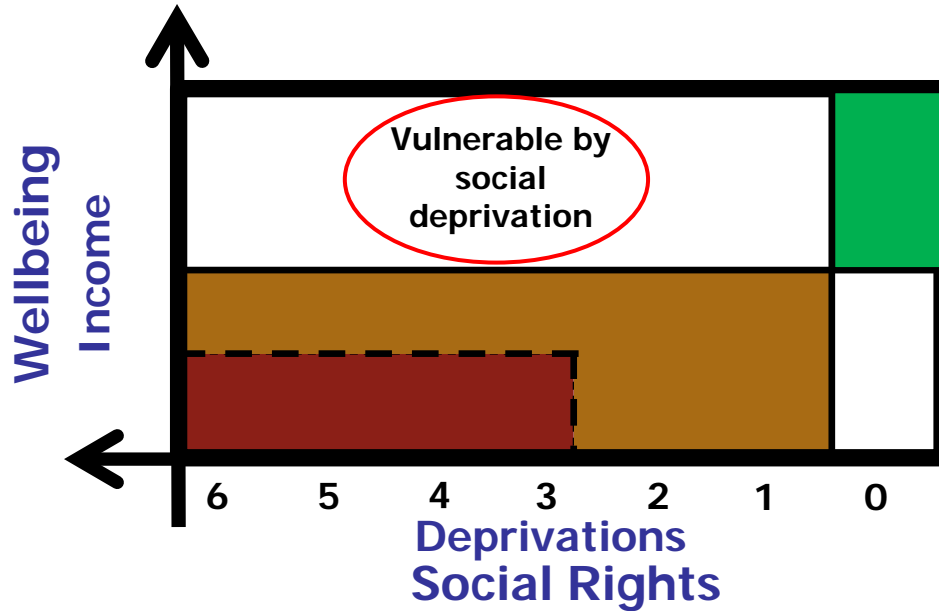
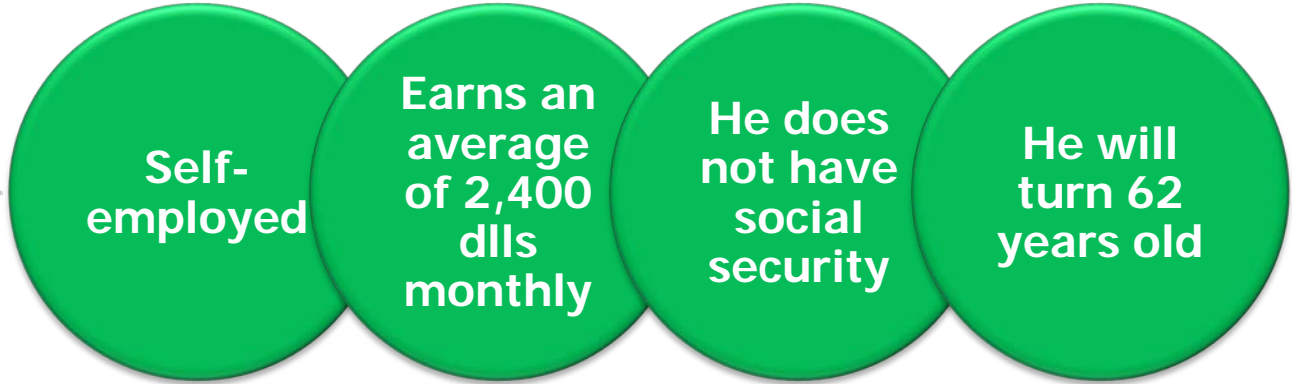
She lives in
a house
with one
bedroom
for 8
people

She
completed
the 1st year
of secondary
school and
does not
have social
security

Sometimes
her family
eats once a
day due to
lack of
resources



Examples



Examples



Her sales fell

She owns her home which has all services

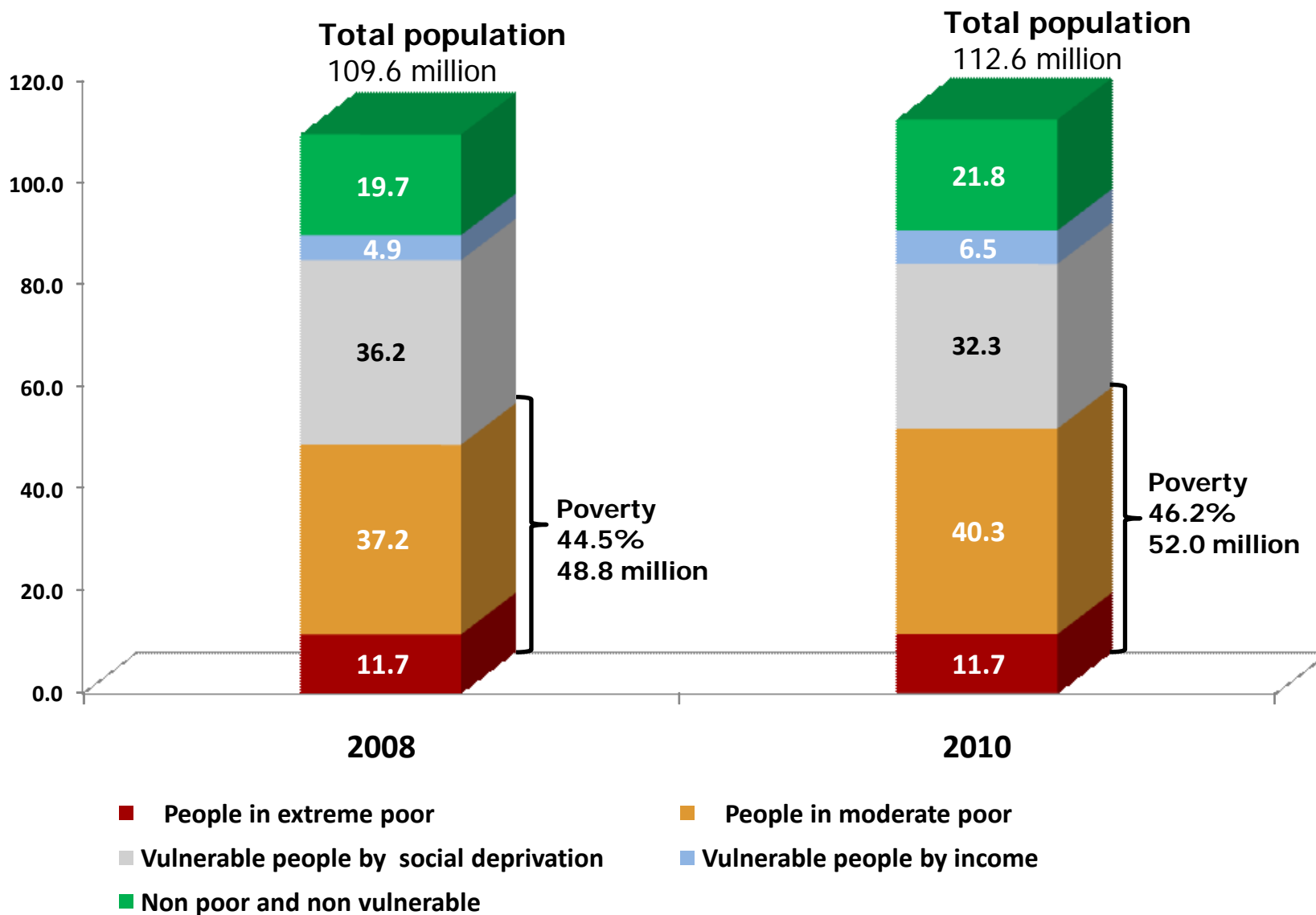
She pays voluntary social security. She finished high school

For the last four months her company costs are larger than her income



Change in poverty 2008-2010

(Distribution of the number of people)



- Universal**
- Inalienable**
- Interdependent**
- Indivisible**
- Interrelated**
- Absolute**
- Inherent**
- Inviolable**
- Irreversible**
- Progressive**

Indivisible

All rights have equal status and cannot be divided

Universal

Everybody is entitled to them

Interdependent

Unfulfillment of any right affects the others