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Mexico was the first country to introduce an official multidimensional poverty measure; an index which, in addition to considering the lack of economic resources, includes other dimensions that social policy must address.

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What is measured can be improved
A poverty measurement based on income and social rights

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The methodology used by the National Council for the Evaluation of Social Development Policy (CONEVAL, Consejo Nacional de Evaluación de la Política de Desarrollo Social) links two distinct perspectives in a single coherent conceptual framework: economic well-being and social rights. This identifies the poor as the population lacking both, sufficient economic resources and basic access to social rights (such as access to food, health, education, social security or dignified housing). On the basis of this methodology it is possible to adopt a path of comprehensive social development based on a rights approach, monitor the different dimensions that impact human development and guide the design of public policies aiming at full universal social inclusion.
Multidimensional Poverty Measurement

According to the General Law of Social Development (LGDS, Ley General de Desarrollo Social), CONEVAL must establish guidelines and criteria to define, identify and measure poverty, taking into account the following indicators:

**Indicators of poverty**

- Income
- Education Lag
- Access to health services
- Access to social security
- Access to food
- Housing quality and space
- Access to basic housing services
- Degree of social cohesion

Thus, the measurement considers income and six dimensions in a social rights approach. This is complemented by the inclusion of social cohesion, recognizing the importance of contextual and relational factors, which may be analyzed in terms of their impact on society, and vice versa, but they can only be measured on a territorial level.

Given that these dimensions have a direct impact on the social development of the population, eliminating poverty requires multiple public actions resulting in well-paid jobs with basic benefits, such as protection against accidents or illnesses; school attendance of children and adolescents, and universal coverage of basic education; access to healthcare; minimum housing conditions, as well as adequate food, in quantity, quality and variety.
Poverty is measured at national and state level every two years, and every five years at municipal level. To accomplish this, CONEVAL uses information generated by the National Institute of Statistics and Geography (INEGI, Instituto Nacional de Estadística y Geografía)\(^1\). The source of this information, the frequency of measurement and the level of territorial disaggregation are designed to generate a rigorous diagnosis which provides decision-makers with the elements required for the design of public policies to improve the population’s quality of life.

\(^1\) The survey is a product of the joint work coordinated by CONEVAL and the INEGI. The source which supplies the information for the multidimensional measurement of poverty is the Socioeconomic Conditions Module of the National Survey of Household Income and Expenditure (MCS-ENIGH, Módulo de Condiciones Socioeconómicas de la Encuesta Nacional de Ingresos y Gastos de los Hogares) which is carried out every two years since 2008. This information is public.
Identification of the population in poverty

The identification of the population in poverty is based on an analysis of their economic conditions and social deprivations. The condition of being socially deprived for individuals reflects one or more of the following deprivations:

1. Educational lag
2. Lack of access to health services
3. Lack of access to social security
4. Housing with inadequate quality or insufficient space
5. Lack of basic housing services
6. Lack of access to food

The multidimensional poor are those who are deprived in at least one of the social dimensions and whose income falls below the well-being threshold (LBE, Línea de Bienestar Económico), calculated as the income needed to afford basic food and non-food baskets of goods and services. Within this group, identifying the population living in extreme poverty is of particular relevance. This is defined as having simultaneously an income below the cost of the basic food basket (minimum wellbeing threshold) and three or more social deprivations. These represent the poorest of the poor, who must be
prioritized by state policies- given their greater needs and precarious conditions. The moderately poor are those who are poor but not extremely poor.

**Identification of poverty**

The Mexican multidimensional poverty measure is used to identify the population living in poverty, as well as two vulnerable groups, due either to social deprivation (despite having enough income to acquire the food and non-food baskets, they suffer from at least one social deprivation), or to insufficient income (without social deprivations but income below the wellbeing threshold). The non-poor nor vulnerable population is the complement to these three groups: both with sufficient income and with no social deprivations.

In the social rights approach, this last group represents an important reference point for public policy aimed at eliminating poverty: every person, family, community and region in Mexico should converge steadily toward a minimum floor in both spaces: income and social rights.
Multidimensional Poverty Measurement: results

The multidimensional poverty measure characterizes the population accumulating the largest number of disadvantages, in addition to exposing their situation in terms of the different dimensions of poverty. The measure therefore allows targeting of institutional efforts to resolve specific deprivations.

The results for 2014 reveal the importance of reinforced and innovative public policy strategies to tackle poverty, as nearly half of the population is living in multidimensional poverty. Furthermore, one in every ten Mexicans lives in extreme poverty.

### Poverty Measurement, Mexico, 2014
Percentage, number of individuals and average deprivations by poverty indicator

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Percentage</th>
<th>Millions of individuals</th>
<th>Average Deprivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population living in poverty</td>
<td>46.2</td>
<td>55.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Population living in moderate poverty</td>
<td>36.6</td>
<td>43.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Population living in extreme poverty</td>
<td>9.5</td>
<td>11.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Population vulnerable due to social deprivations</td>
<td>26.3</td>
<td>31.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Population vulnerable due to income</td>
<td>7.1</td>
<td>8.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Population not living in poverty and not vulnerable</td>
<td>20.5</td>
<td>24.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Social Deprivation</td>
<td>72.4</td>
<td>86.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Population with at least one social deprivation</td>
<td>22.1</td>
<td>26.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Social Deprivation Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational gap</td>
<td>18.7</td>
<td>22.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Lack of access to health services</td>
<td>18.2</td>
<td>21.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Lack of access to social security</td>
<td>58.5</td>
<td>70.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Lack of housing quality and space</td>
<td>12.3</td>
<td>14.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Lack of access to basic housing services</td>
<td>21.2</td>
<td>25.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Lack of access to food</td>
<td>23.4</td>
<td>28.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Wellbeing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population whose income is less than the minimum wellbeing line</td>
<td>20.6</td>
<td>24.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Population whose income is less than the wellbeing line</td>
<td>53.2</td>
<td>63.8</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Estimates by CONEVAL based on the MCS-ENIGH 2014.
Analyzing the poverty measure into its specific dimensions allows us to identify the most widespread deprivations in Mexico. In 2014, as in all previous available years (2008-2012), access to social security had the largest number of deprived population. This reflects the limited coverage of formal employment in Mexico (jobs with insurance against health or labor risks and old-age pensions). Similarly, knowing the current state of each social deprivation and income indicator can inform the design of public policies targeted specifically to address these needs and ultimately achieve universal access to these economic and social rights.
Changes in Multidimensional Poverty

The possibility of comparisons over time is a distinctive characteristic of the multidimensional poverty measures developed and applied by CONEVAL. This reveals how the dynamic of poverty is a consequence of variations in the two spaces of economic wellbeing and social rights, and the individual components of the latter.

In particular, the analysis of the evolution of social deprivations between 2012 and 2014 helps to reveal progress in some of them, above all access to health services. In terms of economic wellbeing, it is imperative to reinforce economic policy actions to improve income among the poor population.

Change in the number of individuals living in poverty, 2012-2014

Territorial Distribution of Multidimensional Poverty

In addition to the specific situation in the spaces of economic wellbeing and social deprivations, the multidimensional measure is used to identify differences related to the geographical context of people living in poverty. It is possible to identify the regions where the population is subject to greater social and economic inequality. The information provided at the state level helps to pinpoint the states which have the highest proportion of poor and to highlight the inequality that exists between the northern and southern regions of the country. Finally, this information reveals that more than two thirds of the poor live in urban areas, but poverty rates are still much higher in rural areas.

The analysis of the territorial context is an important element in making public policy decisions to improve social welfare and defining priorities for allocating public resources in geographical areas where poverty has a greater presence. As mentioned, besides the breakdown by state, CONEVAL measures poverty at municipal level every five years which buttress an integrated diagnosis of the major problems and the allocation of more budgetary resources to the poorest areas or to those which have exhibited better results in handling the problem.

Percentage of population living in poverty by state. Mexico, 2014

Source: Estimates by CONEVAL based on the MCS-ENIGH 2014.
Multidimensional Measurement of poverty in Mexico: an economic wellbeing and social rights approach

Poverty and extreme poverty in municipalities, 2010

For example, in 2010, the most recent municipal poverty measurement available to date, the localities within municipalities with the highest population rates living in poverty were primarily rural, and that those with the greatest number of people living in poverty were mostly urban. More than half of the people living in poverty were concentrated in 190 of 2,456 municipalities that existed in the country in that year, representing mostly urban and metropolitan localities.

Municipal poverty estimates contribute to strengthen accountability in Mexico and improve the planning of the territorial allocation of social development policies.

Differences in multidimensional poverty by specific population groups

Poverty affects different population groups in different ways. Another advantage of the multidimensional measurement is that it can be used to analyze specific population groups. It is possible to have a closer look at poverty levels in each group, such as indigenous populations or children and adolescents. In 2014, both of these groups exhibited a greater prevalence of poverty compared to the national figures, particularly indigenous people: a more than half of those under the age of 18 years and seven out of every ten indigenous people were living in multidimensional poverty.

The decomposition of each of the indicators of multidimensional poverty in specific populations is useful for the design, improvement and implementation of programs focused on addressing the needs of infants, adolescents, the elderly, indigenous populations and persons with disabilities, just to mention some examples.
Indicators of poverty in different groups of the population, Mexico, 2014
Measurement of poverty, Mexico 2014;
Distribution of the population by poverty indicators in different groups of the population

![Graph showing indicators of poverty in different groups of the population, Mexico, 2014](image)

Source: Estimates by CONEVAL based on the MCS-ENIGH 2014.

In summary, the definition, identification and measurement of poverty from a multidimensional perspective undertaken by CONEVAL have helped to characterize the population living in poverty, as well as the poorest and vulnerable population groups, and their distribution within the country.

In this way, the information provided by the CONEVAL is a tool aimed to facilitate the analysis of poverty and the generation of strategies to promote and guarantee the fulfillment of social rights and to foster the social inclusion of the entire population.
Poverty is a multidimensional phenomenon which comprises aspects related to living conditions that threaten the dignity of people, limit their rights and freedoms, prevent the fulfillment of their basic needs and hamper their full social integration.

Mexico was the first country to introduce an official multidimensional poverty measure; and index which, in addition to considering the lack of economic resources, includes other dimensions that social policy must address. On the basis of this methodology it is possible to adopt a path of comprehensive social development based on a rights approach, monitor the different dimensions that impact human development and guide the design of public policies aiming at full universal social inclusion.