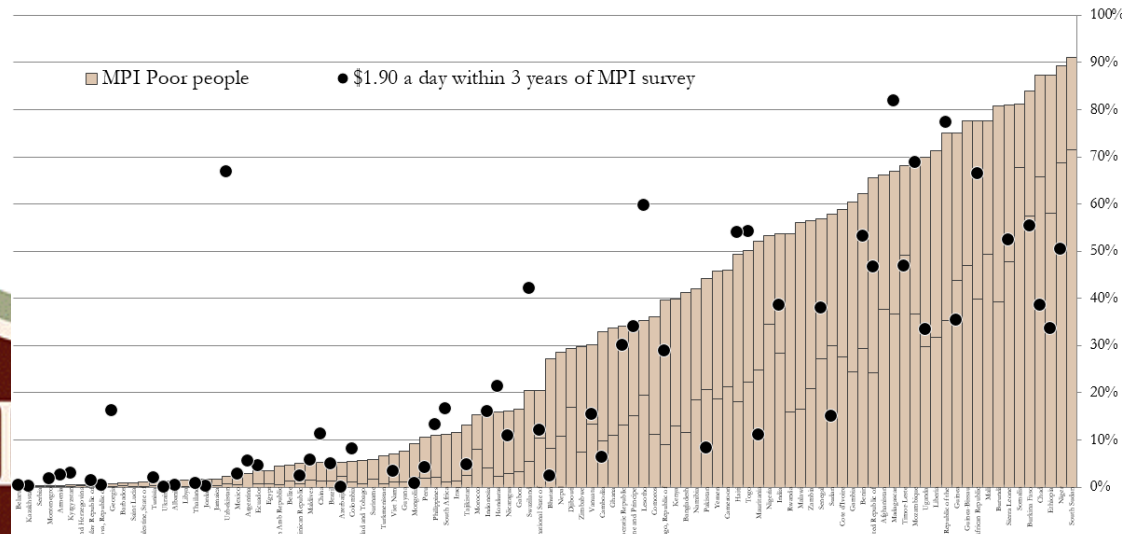# Overview using the Global Multidimensional Poverty Index (MPI)

- **Joint with UNDP;** now a global reference on poverty, complementing $1.90/day

- **Disaggregated** by 1200+ regions, children, rural/urban, female headship etc

- **Online Public Good**: country briefings, interactive databank, dofiles, data tables

- **New methodologies every year.   1.3 billion poor**
  - Example:: **Trends over time for 5 billion people   &   How COVID may have impacted MPI.**
  - Example **2/3 of poor people lack an educated woman at home**: Gendered/intrahousehold

The Headcount Ratios of MPI Poor and $1.90/day Poor differ

☐ MPI Poor people   ● $1.90 a day within 3 years of MPI survey

Figure 3. Incidence of MPI poverty by subnational region

Incidence (%)
- 0–20
- 20–40
- 40–60
- 60–80
- 80–100
- NA

OPHI

UNIVERSITY OF OXFORD

National MPIs: Tailor made for policy

- Designed to reflect national definitions of policy – participatory, plans, values
- Permanent metrics, widely communicated to shape policy & monitor change
- Reported as official national statistics, SDG 1.2.2, in VNRs
- Used for budgeting, targeting, policy design, coordination, M&E, covid

National MPIs: Mexico as the Pioneer

- In 2009, Mexico became the first country to release an official multidimensional poverty measure based on an adaptation of the adjusted headcount ratio (Alkire and Foster 2011 - AF).

- In 2023
  - 75 countries report a multidimensional poverty index against SDG indicator 1.2.2 – the target to <u>Reduce by half the proportion of men, women, and children living in poverty in all its dimensions.</u>
  - The MPPN.org South-South Network now counts with 63 countries and 20 international agencies focused on Multidimensional Poverty
  - Over 35 countries have official MPIs using the AF methodology

- All of these countries know about Mexico's MPI! Many also know about Oaxaca.

- Two differences between subsequent MPIs and Mexico's.
  - No country since Mexico includes income with a weight of 50% and cutoff of >50%.
  - All other countries compute intensity as the average deprivation score of the poor. (Mexico computes it as the deprivation score minus income of the poor).

OPHI
Oxford Poverty &
Human Development Initiative

UNIVERSITY OF
OXFORD

How do other countries see Mexico?

- Mexico was a founding member of the **Multidimenisonal Poverty Peer Network** (MPPN).

- Mexico hosted the 2016 **annual meeting of the MPPN** in Acapulco.

- Mexico spoke at **UNGA** side events (Ministers, President) and **UNSC** event (INEGI) in past years.

- **M&E:** Almost all states have improved in their M&E systems, measured by CONEVAL's Index of Progress on M&E for State governments. The work between States and CONEVAL is very interesting to other countries.

- **Localisation:** Mexico's use of local MPI data from census and in municipality level datasets is of great interest to other countries who are also seeking to localise their approach to poverty reduction.

- **Institutionalisation:** Mexico, through Congress, has an independent institution to measure poverty. This institutional structure is admired internationally, because it can give true assessments of poverty.

- **State Case studies:** In the Mexican context, **Oaxaca** has been vocal internationally in sharing how they reduced MPI through a better **budget** process. Oaxaca reduced poverty from 68 to 61% from 2016 to 2020. The governor spoke at the 23 Sept 2022 UN General Assembly event, and Yolanda wrote in our magazine *Dimensiones*.

- **Child Poverty:** Mexico's decision to analyse child poverty using the MPI but not make a separate child poverty measure have been noted. Many countries have followed this example; others are making a linked child MPI.

Some Official National MPIs

2009: Mexico; 2010: Bhutan; 2011: Colombia

2015: Chile, El Salvador, Costa Rica and Viet Nam

2016: Ecuador, Pakistan, Honduras, Mozambique and Armenia

2017: Panama, Dominican Republic, and Nepal

2018: Nigeria, Philippines and Rwanda

2019: Guatemala, Afghanistan, Sierra Leone, Angola, Thailand

2020: Seychelles, Maldives, Palestine and Ghana

2021: Namibia, Paraguay, S Africa, India, Sri Lanka, Malawi
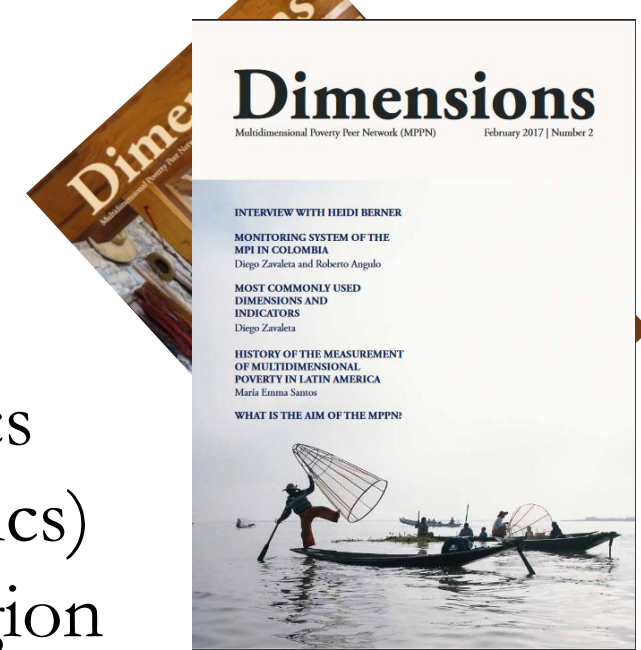
2022: Uganda, Samoa

National MPIs:

- **Launch:** Often includes Statistical and Policy leaders
- **National MPI Report:** Provides a in-depth resources interpreting National MPI results for policy action
- **Communications Materials:** Pamphlets, state briefings, animations, podcasts – often in multiple languages.
- **High Level Briefings:** By Sector and State, to ensure relevant government post-holders are knowledgeable about MPI results and have planned how to use it before it launches.
- **Journalist Training:** Facilitates accurate reporting if done before launch (without results)
- **Recognition:** For the region that reduced MPI the fastest, or other outstanding successes

Policy makers are using their national **MPI**s to end poverty:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
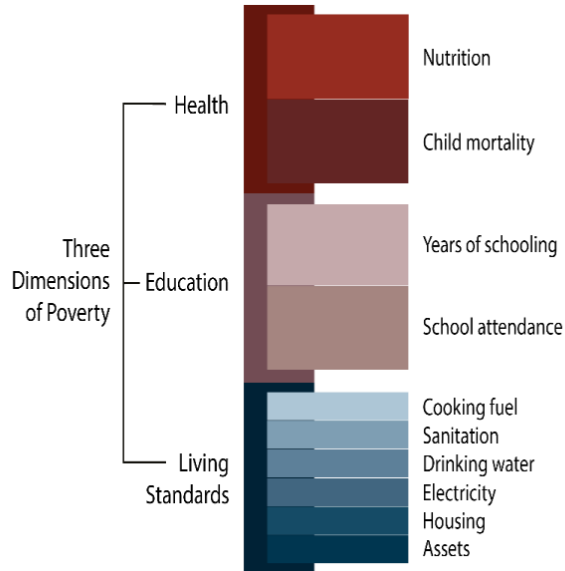   - Private Sector etc, all parts of government.

Emerging Methodological Innovations:

1. **Gender and Intrahousehold** analysis of individual data

2. **Linked Child MPIs** that add dimension(s) of each child's deprivations onto national MPIs for joined-up picture.

3. **Actionable Analyses** of deprivation strategies

4. **Geospatial merging** of MPI data with environmental data or other data sources.

How to use MPIs for policy ~ Recall Policy 'hooks'

Policy Priorities , SDGs, M&E

Select Dimensions & Indicators

- Health
  - Nutrition
  - Child mortality
- Education
  - Years of schooling
  - School attendance
- Living Standards
  - Cooking fuel
  - Sanitation
  - Drinking water
  - Electricity
  - Housing
  - Assets

Three Dimensions of Poverty

Vulnerable groups visible

Create a Deprivation Profile for each person or child

Identify Who is Poor
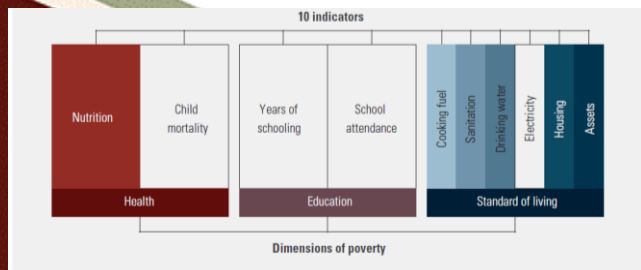
Targeting, Budgeting I

If they are deprived in at least some share of weighted indicators, such as 25%, 33%, etc. (the 'poverty cutoff')

This person: Deprivation Score 44%
Poverty cutoff 33%

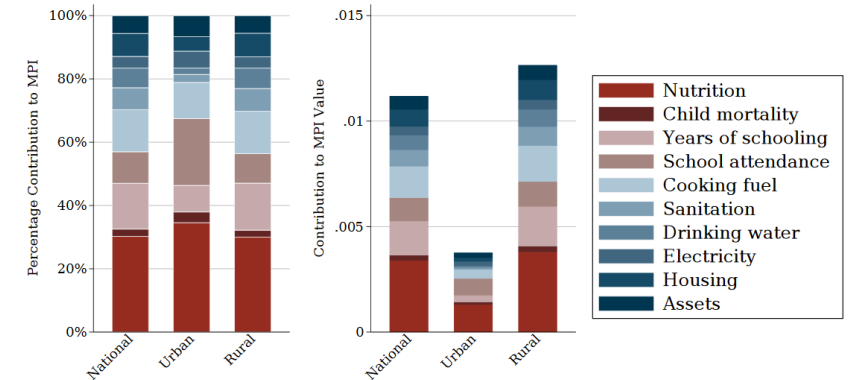They are identified as poor.

Compute & Disaggregate MPI (AF methodology)

$$MPI = H \times A$$

H (Incidence) = Percentage of pop who are poor
A (Intensity) = Average deprivation score among poor
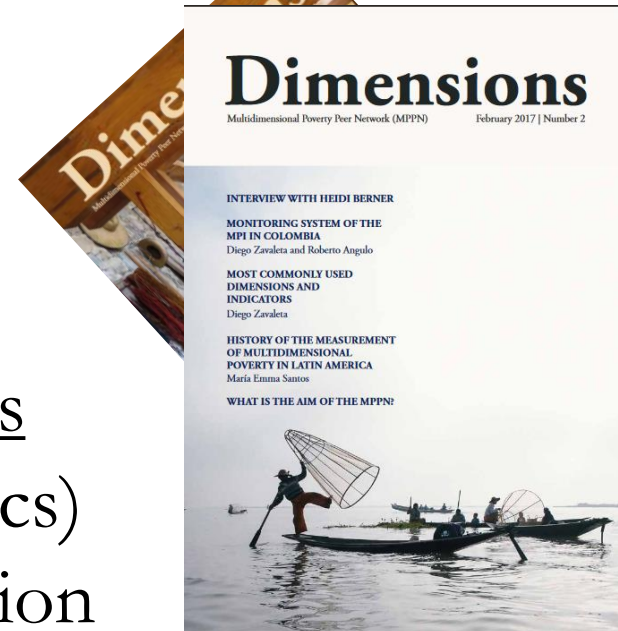
Plus a consistent Information Platform

- With disaggregation
- Indicator detail for each subgroup sums to MPI

M&E, Coordination, Budgeting II, Communication, LNOB, Transparency

UNIVERSITY OF OXFORD

Policy makers are using their national MPIs to end poverty:

1. **Complement** <u>monetary poverty statistics</u>
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
   - Private Sector etc, all parts of government.

OPHI Oxford Poverty & Human Development Initiative

UNIVERSITY OF OXFORD

The Broader Look

Beyond the data: What does being poor in the PHL mean?

By **Cai Ordinario** - April 18, 2019

CURRENTLY, the government has two measures to determine how many Filipinos remain poor. The first measure is based on the FIES while the other, which is the most recent one that was developed by the PSA, is the Multidimensional Poverty Index (MPI).

The poverty data computes for the threshold and from there determines how many households meet this income level. This can be done since the FIES collects both income and expenditure per household.

Search …

Pakistan
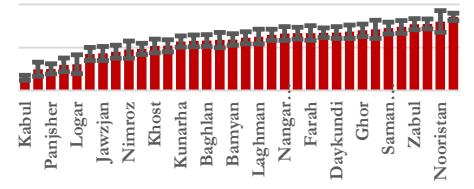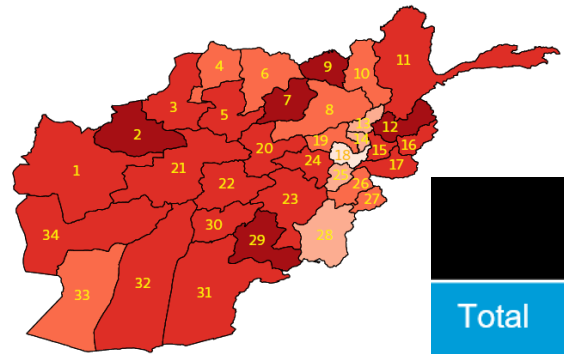
Govt formulating framework to lower poverty

(Web Desk) – The federal government has been formulating an effective plan for the implementation of the National Framework for Developing Social Protection Policies for lowering the ratio of poverty in Pakistan.

The draft framework is expected to be completed on the priority basis, and would be presented for approval at a competent forum.

According to sources in the Planning, Development and Reforms Division, the government utilises two parameters to ascertain and report level of poverty in Pakistan: Cost of Basic Need (CBN) and Multidimensional Poverty Index (MPI) methods.

AFGHANISTAN

Multidimensional Poverty Index
2016–2017

Report and Analysis

NSIA

unicef

OPHI

UNIVERSITY OF OXFORD

Multidimensional Poverty Index (MPI)

Kabul · Panjsher · Logar · Jawzjan · Nimroz · Khost · Kunarha · Baghlan · Bamyan · Laghman · Nangar. · Farah · Daykundi · Ghor · Saman. · Zabul · Nooristan
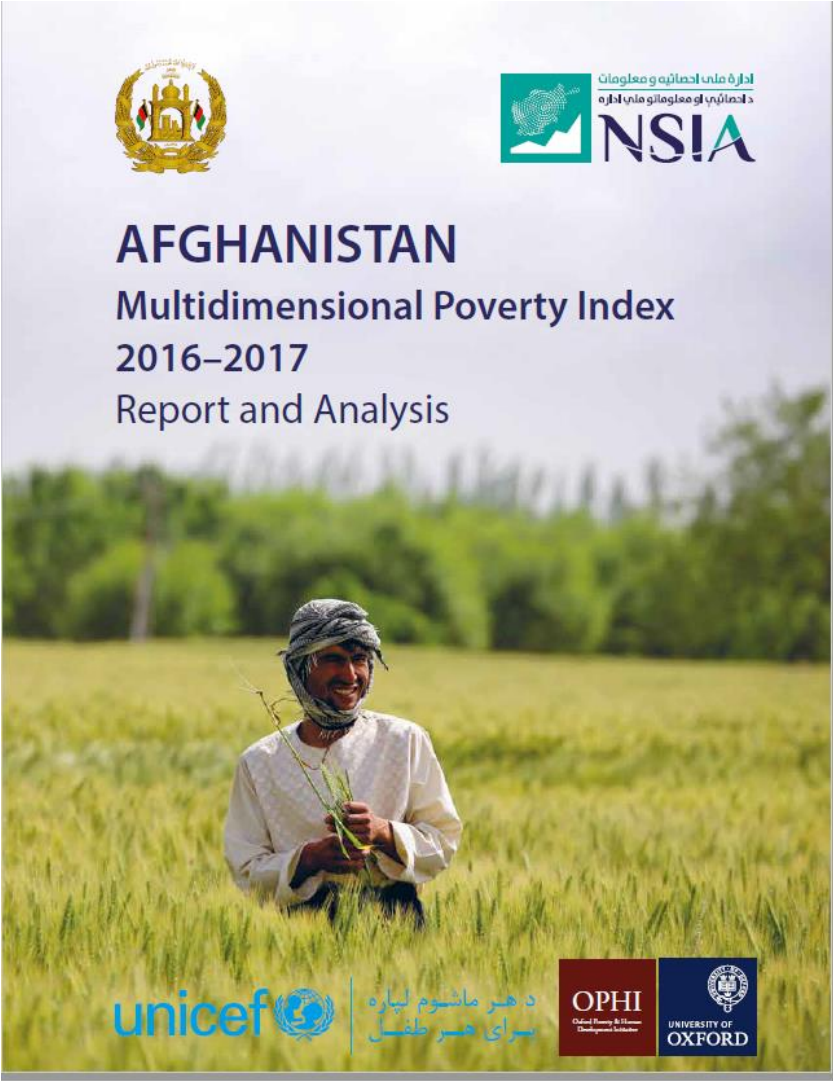
The Afghanistan Multidimensional Poverty Index (A-MPI)

Launched 2019

MPI poor			Monetary poor
Total	Poor	Non-poor	
45.5	15.4	30.1	Non-poor
54.5	36.3	18.2	Poor
100	51.7	48.3	Total

MPI and monetary poverty levels are similar – over 50% of people are poor. But one-third of income-poor people are not MPI poor and vice versa.

100%
36.3%
15.4%
18.2%
30.1%
0%

Income + MPI poor
Only MPI poor
Only income poor
Non-poor
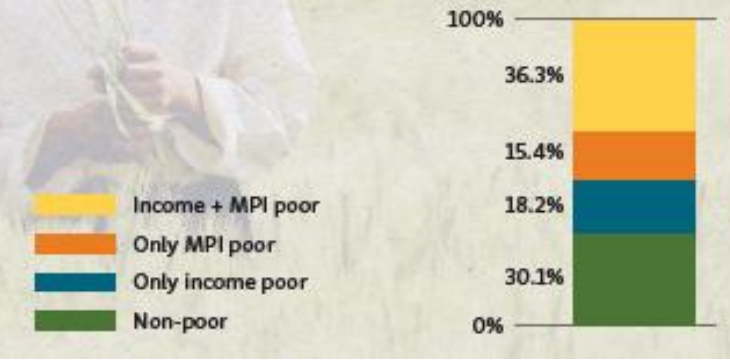
Dimension	Indicator (Deprivation)	SDG Target	Starting level (% deprived and MPI poor)	Absolute change between 2009 and 2016 (in ppts)
Health & Education	Obesity	2.2	12.2%	-0.4%
	Underweight	2.2	13.7%	-1.8%
	Access to Health Care	3.8	50.5%	-29.2%
Education and Information	Years of Schooling	4.1	60.0%	-47.8%
	Access to internet	9.c	61.4%	-46.1%
Housing	Safe drinking water	6.1	52.7%	-34.7%
	Toilet/Sewage	6.2	50.8%	-31.0%
	Overcrowding	11.	21.5%	-13.7%

Example:

Maldives' National MPI, released 2020

NATIONAL MULTIDIMENSIONAL POVERTY IN MALDIVES

Joint effort of
National Bureau of Statistics, Maldives
Oxford Poverty and Human Development Initiative (OPHI)
UNICEF Maldives Country Office

...y &
...opment Initiative

National Multidimensional Poverty Index (MPI) in Maldives

Multidimensional poverty index is an alternative to measure poverty and to capture acute deprivations that people face at the same time in different aspects of their lives.
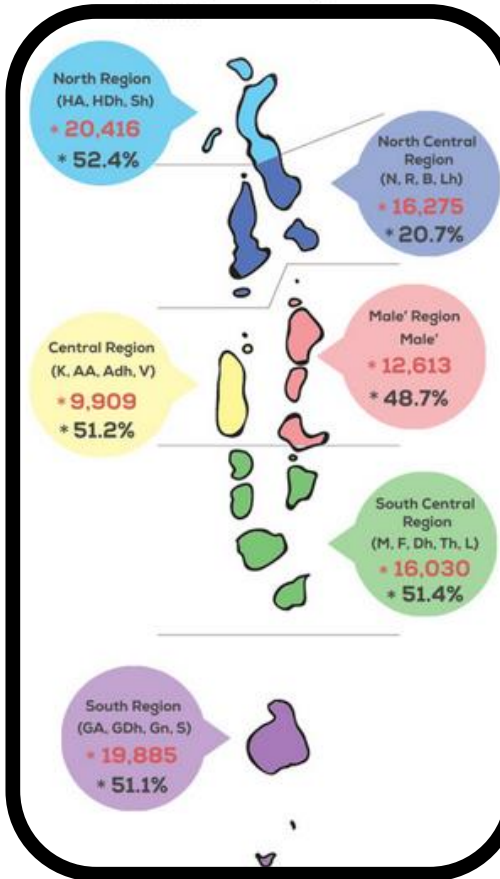
Maldives national MPI has **3** dimensions and **8** indicators.

3 Dimentions of poverty **8 Indicators**

Health — Underweight, Obesity, Access to health care
Education and Information — Years of schooling, Access to Internet
Living Standard — Safe drinking water, Toilet/sewage, Overcrowding

A person is MPI poor if he or she is deprived in **1/3** of the dimension or **k=34%**

National MPI shows

3 in every **10** person is multidimensionally poor in the country. (**28%** of the population)

Where do the MPI poor people live?

Across the regions, there is variation in the number of people who are poor However, the level of multidimensional poverty across regions is the

North Region (HA, HDh, Sh) * 20,416 * 52.4%
North Central Region (N, R, B, Lh) * 16,275 * 20.7%
Male' Region Male' * 12,613 * 48.7%
Central Region (K, AA, Adh, V) * 9,909 * 51.2%
South Central Region (M, F, Dh, Th, L) * 16,030 * 51.4%
South Region (GA, GDh, Gn, S) * 19,885 * 51.1%

* Denote % of poor in each region   * Number of poor in each region

Quadro 1 - Dimensões, indicadores e linhas de privação

Dimensão	Indicador	Linha de privação Um agregado familiar é privado se:	Peso da dimensão	Peso do indicador
Saúde	Nutrição	Ao menos uma criança menor de 5 anos tem malnutrição crónica (baixa altura por idade) ou malnutrição aguda (baixo peso por altura).	25%	8,3%
	Cuidados de saúde materna	Ao menos uma mulher em idade reprodutiva (15-49 anos), que esteve grávida nos últimos 2 anos, não fez pelo menos 4 consultas pré-natais ou o parto não foi assistido por um profissional de saúde qualificado.		8,3%
	Mortalidade infantil	Ao menos uma criança morreu antes de completar 5 anos, nos últimos 5 anos anteriores a entrevista.		8,3%
Educação	Registo civil	Ao menos um membro de 0-5 anos não tem registo de nascimento.	25%	8,3%
	Anos de escolaridade	Nenhum membro de 12 ou mais anos tem pelo menos 6 anos de escolaridade.		8,3%
	Frequência escolar	Existe pelo menos uma criança entre 6-14 anos que não frequenta a escola. (idade oficial obrigatória do ensino primário ao I ciclo do ensino secundário).		8,3%
Qualidade de vida	Combustível sólido para cozinhar	O principal combustível para cozinhar é carvão, lignite, carvão vegetal, lenha, palha, ramos, canas, produtos agrícolas, estrume ou outro.	25%	4,2%
	Acesso a electricidade	Não tem electricidade da rede em casa.		4,2%
	Tipo de material das paredes, chão e tecto da habitação	O piso da casa é de terra ou as paredes de materiais naturais ou não adequados ou o tecto de materiais naturais ou não adequado.		4,2%
	Posse de Bens	Não possui mais que um dos seguintes bens: rádio, televisão, telefone, computador, geleira/arca, bicicleta, motorizada ou carroça de tracção animal e não possui um carro ou camião.		4,2%
	Acesso a água apropriada para beber	Não tem acesso a fonte de água apropriada para beber a uma distância inferior a 30 minutos (ida e volta).		4,2%
	Acesso ao saneamento	Não tem acesso a algum tipo de saneamento apropriado ou se a instalação sanitária da casa é partilhada com outro agregado.		4,2%
Emprego	Trabalho infantil	Ao menos uma criança de 5-17 anos trabalha (utilizando os padrões da OIT e UNICEF).	25%	6,3%
	Desemprego entre adultos	Algum membro com 25-64 anos não trabalha, mas está disponível para trabalhar.		6,3%
	Desemprego juvenil	Algum membro com 15-24 anos não trabalha e não estuda.		6,3%
	Dependência	Por cada 5 membro do agregado familiar não existe pelo menos um membro com 15-64 anos que tem emprego remunerado.		6,3%

POBREZA MULTIDIMENSIONAL EM ANGOLA

Cartograma 2 - Incidência da pobreza multidimensional (H,%), IIMS 2015-2016

Cabinda 44,3%
Zaire 51,8%
Uíge 74,2%
Bengo 62,5%
Cuanza Norte 61,2%
Lunda Norte 77,4%
Malanje 67%
Luanda 23,7%
Lunda Sul 69,6%
Cuanza Sul 73,5%
Huambo 71,6%
Bié 78,3%
Moxico 76,2%
Benguela 55,2%
Huíla 74%
Namibe 52,1%
Cunene 77,6%
Cuando Cubango 71,8%

Incidência (H,%)
- [23,7% - 34,0%[
- [34,0% - 51,1%[
- [51,1% - 55,3%[
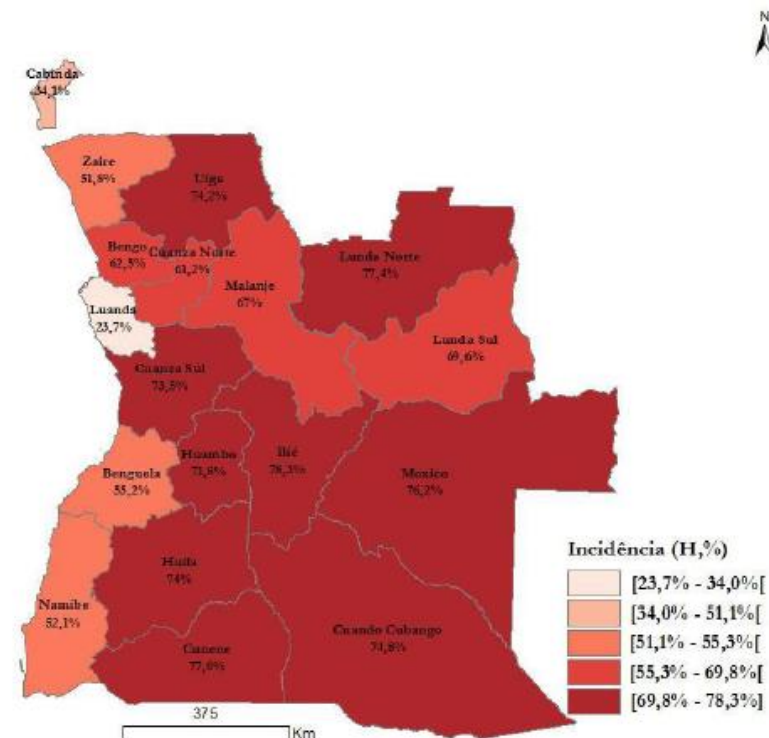- [55,3% - 69,8%[
- [69,8% - 78,3%[

375 Km

Table 2.1: Ghana's National MPI – Indicators, Deprivation Cut-offs, and Weights

Dimension	Indicator	Deprivation cut-off definition	Weight
Living Standards	Cooking fuel	Deprived if household uses solid fuels and cooking is not done outside the house or in the open/ or cooking is undertaken in enclosed spaces	1/21
	Water	Deprived if a household's drinking water is from an unclean source (tanker supply/vendor provided; unprotected well; unprotected spring; river/stream; dugout/pond/lake/dam/canal; other) or a round trip distance to collect water takes 30 minutes or more	1/21
	Assets	Deprived if household does not have more than one small asset (radio, TV, telephone, bike, motorbike, refrigerator, or computer) and does not own a car	1/21
	Housing	Deprived if household uses inadequate flooring (earth/mud, other) or walls (earth/mud, palm leaves/thatch (grass/raffia), other)	1/21
	Overcrowding	Deprived if household has more than 3 people per sleeping room, on average	1/21
	Electricity	Deprived if household does not have electric power	1/21
	Sanitation	Deprived if household has no toilet facilities, uses bucket/pan, public toilet, shared toilet outside the house, other	1/21
Education	School attendance	Deprived if any school-age child (4-15years) in the household is not attending school	1/9
	School attainment	Deprived if no household member has received an educational qualification	1/9
	School lag	Deprived if household has any member who is 2 or more years behind in school	1/9
Health	Nutrition	Deprived if household has any child under 5 who is undernourished (underweight or stunted)	1/6
	Health insurance	Deprived if anyone in the household is not covered by the national health insurance scheme	1/6

Note for Table 2.1:
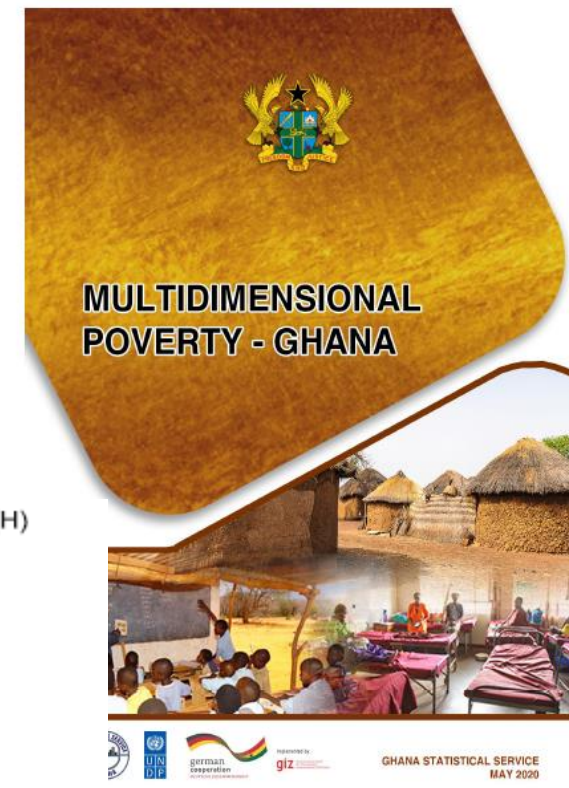
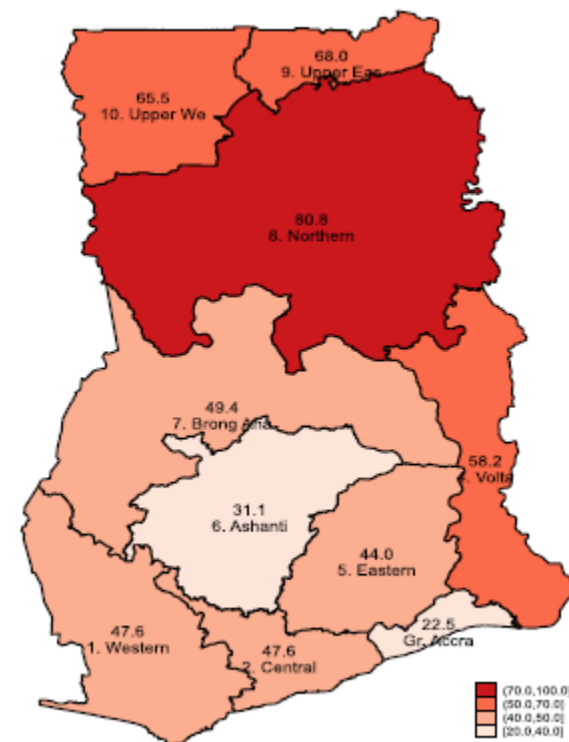Incidence of Multidimensional Poverty (H) in Ghana 2017, k=33%

MULTIDIMENSIONAL POVERTY - GHANA

GHANA STATISTICAL SERVICE MAY 2020

UNIVERSITY OF OXFORD

Tabela 4-1: Dimensões, indicadores, condição de privação e ponderadores

Dimensão	Indicador	Condição de privação do agregado familiar (AF)
Educação (1/6)	Alguém no Agregado Familiar concluiu o EP1 (1/6)	Se ninguém concluiu o Ensino Primário 1º Grau
Determinantes de saúde (2/6)	Fonte de Água Segura (1/6)	Se o AF não usa água canalizada (dentro de casa, fora da casa/quintal), água do fontanário, água de furo ou poço com bomba mecânica ou manual, água mineral ou água engarrafada
	Saneamento Seguro (1/6)	Se o AF usa latrina não melhorada, ou não tem nenhum tipo de retrete ou latrina
Condições Habitacionais (2/6)	Cobertura de Material Convencional (1/6)	Se a casa do AF não está coberta por laje de betão, telha, ou chapas (de lusalite ou zinco)
	Acesso à electricidade (1/6)	Se o AF não tem acesso à electricidade
Bens Duráveis (1/6)	Posse de Bens Duráveis (1/6)	Se o AF não tem pelo menos 3 bens duráveis de uma lista de bens duráveis mais comuns (bicicleta, carro, moto, televisor, rádio, telefone, computador, impressora, cama, geleira, congelador, aparelhagem)

Pobreza e bem-estar em Moçambique:
Quarta avaliação nacional
Inquérito ao Orçamento Familiar – IOF 2014/15

Ministério de Economia e Finanças
Direcção de Estudos Económicos e Financeiros

Figura 4-4: Mapas da incidência da pobreza (H), nível provincial. 1996/97-2014/15

1996/97   2002/03   2008/09   2014/15

0-10
10-20
20-30
30-40
40-50
50-60
60-70
70-80
80-90
90-100

OPHI

UNIVERSITY OF OXFORD
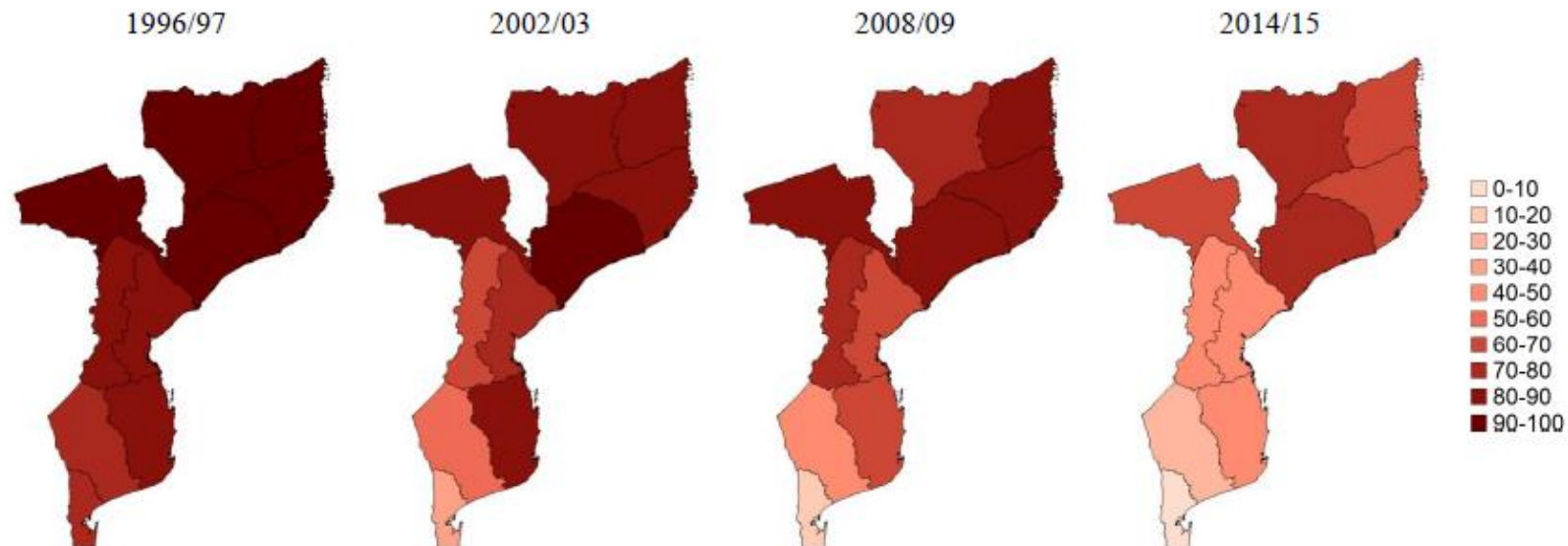
Nigeria

Dimensions	Indicators	Deprived if	Weight	TotalWeight
Education	Years of schooling	Any household member 15 years and above has not completed five years of schooling	1/9	1/4
	Child school attendance	Any child in the household between ages 5 and 15 years is not attending school	1/8	
Health	Child mortality	Any child less than 15 years in the household have????	1/8	1/4
	Nurtrition	Any adult for whom there is nutritional information is malnourished (BM|<18.5kg/m²)	1/8	
Living Standard	Lighting	The household has no electricity	1/24	1/4
	Sanitation	The houshold's sanitation facility is not improved (according to MDG guidelines), or it is improved but shared with other households	1/24	
	Use of Water	The household does not have access to safe drinking water (according to MDG guidelines)	1/24	
	Floor	The houshold has a dirt, sand or dung floor	1/24	
	Cooking fuel	The household cooks with dung, wood or charcoal etc	1/24	
	Asset	The household has less than two assets and does not own a car	1/24	
Unemployment	Unemployment	Any household member 15 years above is lookng for work and available for work	1/4	1/4

Fig.2.5 State level Multidimensional Poverty Index – UNDP 2018

MPI
- 0.06 – 0.12
- 0.13 – 0.18
- 0.19 – 0.27
- 0.28 – 0.35
- 0.35 – 0.45
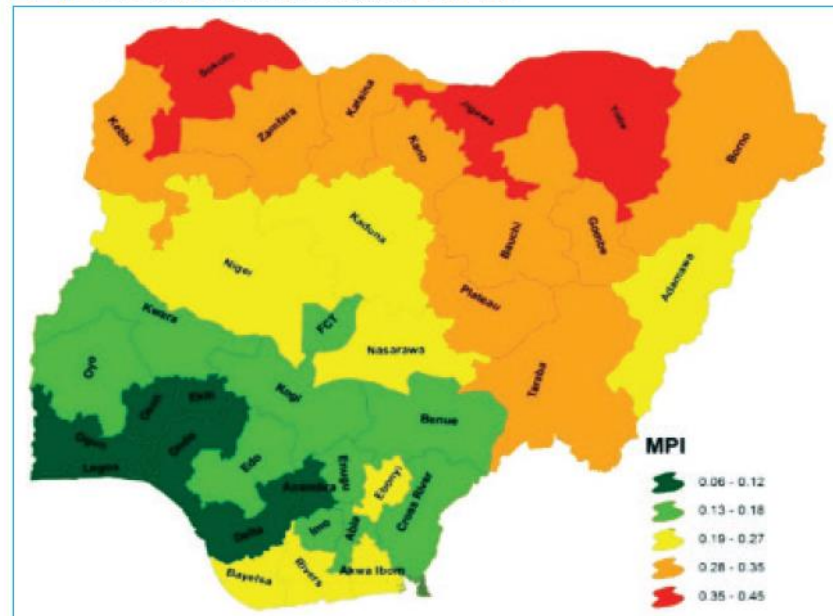
The UNDP Nigeria/NBS computation also shows that the intensity of poverty, which measures the percentage of dimensions in which poor people are deprived is highest in northern Nigeria
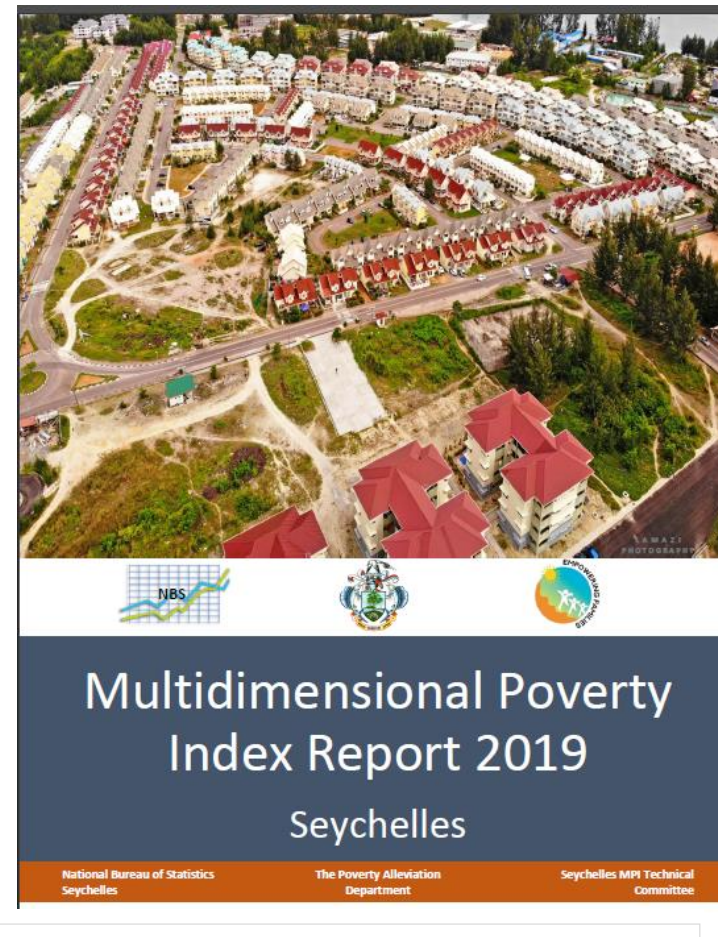
National Human Development Report 2018

Achieving Human Development in North East Nigeria

UNDP

Empowered lives.
Resilient nations.

UNIVERSITY OF OXFORD
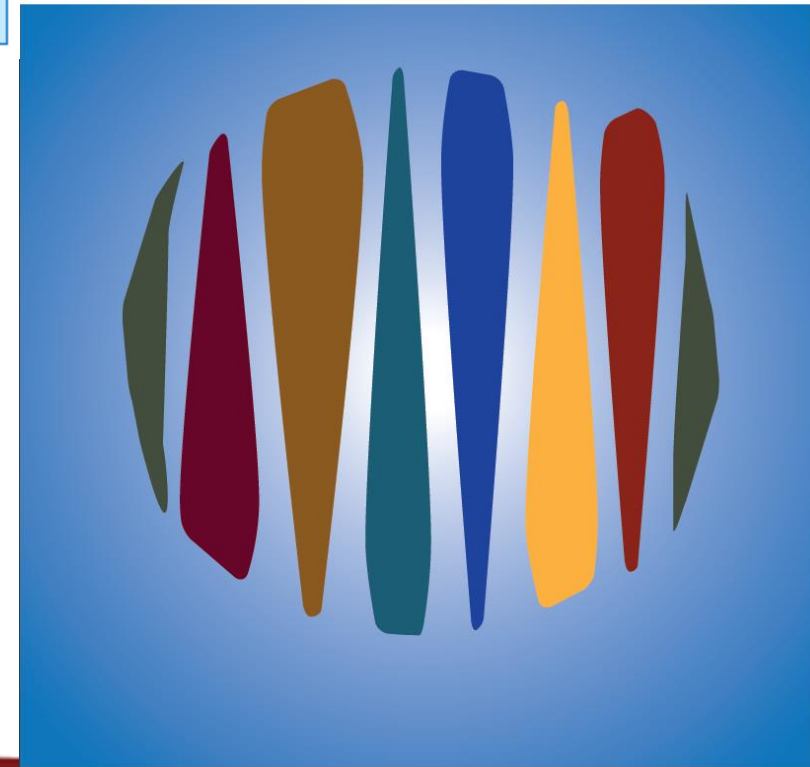
Table 1b: Dimensions and indicators of the 2019 MPI

Dimensions	Indicators	Deprivations
Living Standards	Overcrowding	Deprived if there are more than 2 people per room used for sleeping
	Housing	Deprived if the household lacks adequate walls, floor, or overall housing condition
	Electricity	Deprived if the household has no electricity connection or has been disconnected in the past 12 months
	Safe Drinking Water	Deprived if the household does not have access to safe drinking water or has been disconnected in the past 12 months
	Crime	Deprived if any household member has experienced a crime in the past 12 months
Health	Undernutrition	Deprived if any household member is malnourished (children 0-5 are underweight, stunted, or wasted; teens have low BMI-by-age, or adults have low BMI)
	Obesity	Deprived if a majority of household members are obese
	Substance use/abuse	Deprived if any household member uses illegal drugs or any household member abuses alcohol
	Teenage pregnancy	Deprived if any girl under the age of 19 gave birth in the past 5 years
Education	School Attendance	Deprived if anyone aged 15-16 is not attending school to the age at which he/she would complete S5
	Highest level of education attained	Deprived if one household member (aged 18 years) or more has not completed secondary level education
Employment	Unemployment	Deprived if any household member aged 15 years or more is unemployed
	Informal employment	Deprived if any household member is in informal employment
	Youth, Not in Employment, Education or Training (NEET)	Deprived if any household member aged 15-24 is not in employment, education or training

Multidimensional Poverty Index Report 2019
Seychelles

National Bureau of Statistics Seychelles   The Poverty Alleviation Department   Seychelles MPI Technical Committee

Figure 5a: Incidence of poverty by household size, 2019 Q3
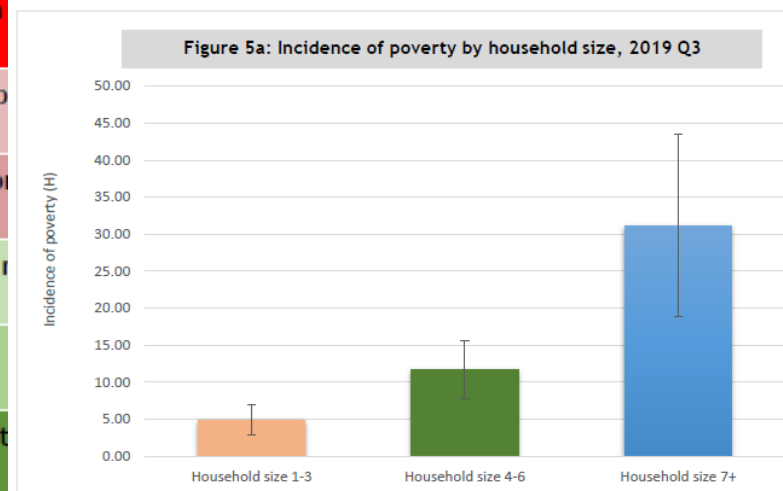
Indicator 1.2.2: Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions (SAMPI scores)

Indicator 1.2.2 uses the South African Multidimensional Poverty Index (SAMPI) – a broader definition of poverty that recognises the multidimensional nature of poverty and which goes beyond income to include access to basic services (Stats SA, 2014b). This poverty index is presented in two measures in terms of headcount and poverty intensity.
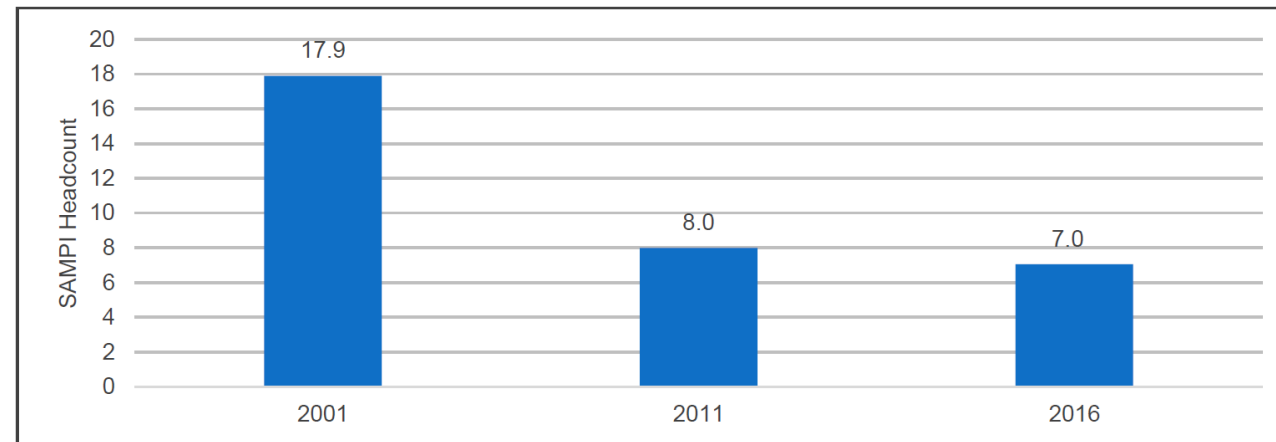

*Figure 9: South African Multidimensional Poverty Index (SAMPI) headcount.
Data sources: Census 2001, Census 2011, CS 2016, Stats SA*

South Africa developed the *South African Multidimensional Poverty Index* (SAMPI). This is the broader definition of poverty that recognises that poverty is multidimensional and goes beyond income to include access to basic services (Statistics South Africa (Stats SA), 2014b). The Multidimensional Poverty Index (MPI) measures serious deficits in health, education and living standards, looking at both the number of deprived people and the intensity of their deprivations. This index includes information from eight to ten indicators that are grouped into three dimensions, namely health; education and living standards.

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** <u>over time (official statistics)</u>
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
   - Private Sector etc, all parts of government.

OPHI Oxford Poverty &
Human Development Initiative

UNIVERSITY OF OXFORD
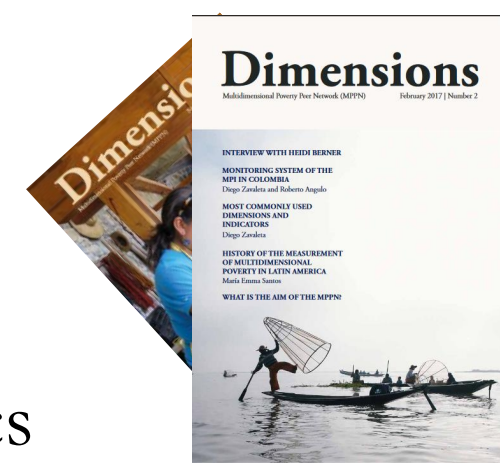
Multidimensional poverty incidence in **Paraguay** reduced from 41.6% in 2012 to 24.9% in 2020

The urban/rural gap is lower, with poverty **intensity** in rural areas reducing importantly
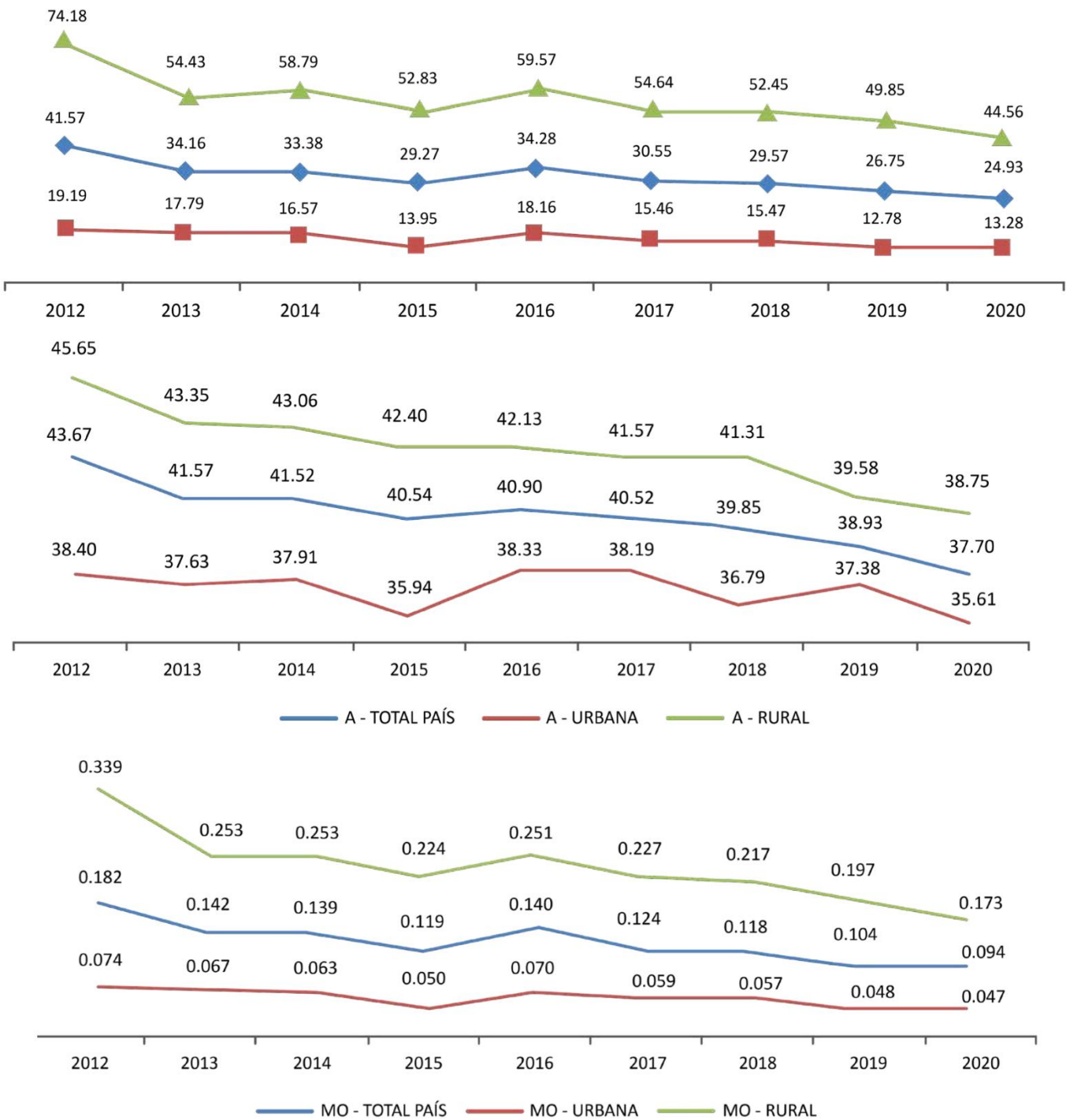
Nepal: MPI halved 2006-2014. Poverty rate fell from 59% to 28%

RE 4.1 Multidimensional Poverty in Nepal, 2006–2014
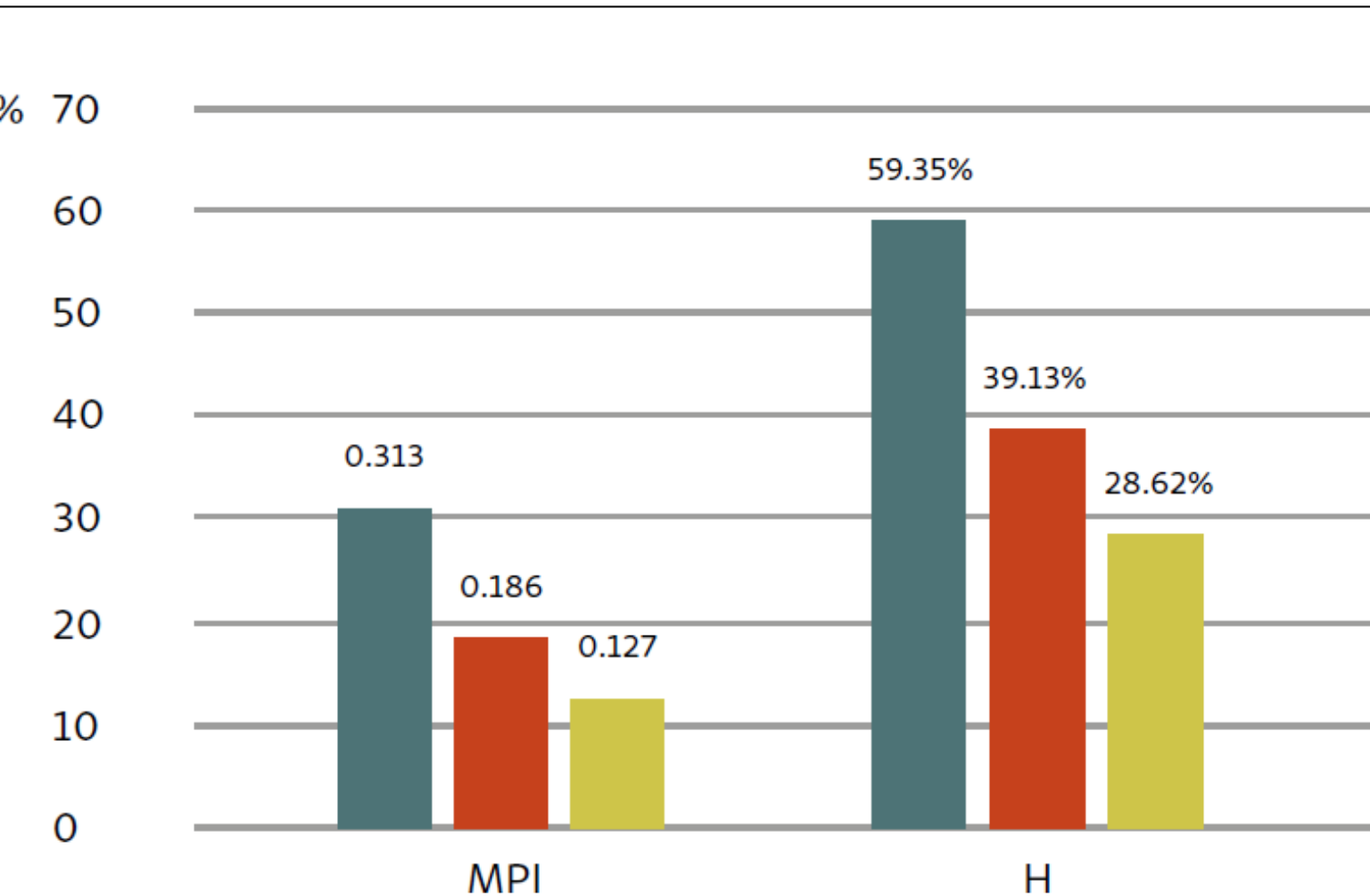
FIGURE 4.6 Absolute Change in Censored Headcount Ratios between 2006 and 2014
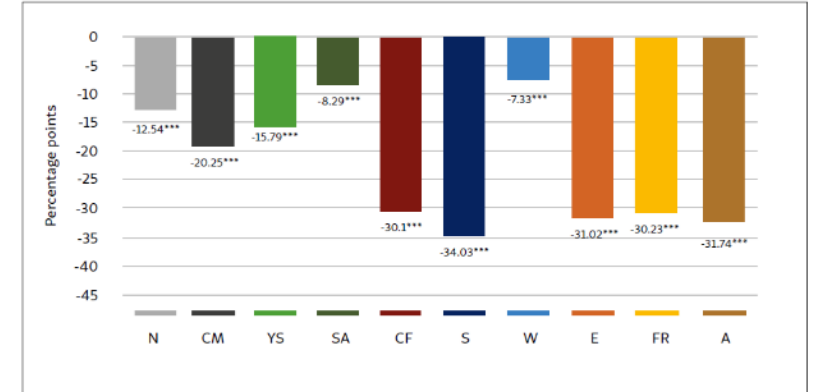
Source: Calculations based on data from MICS 2014 and DHS 2006

Every Indicator
reduced significantly.

Bhutan's MPI Reduction 2012-2017:
Incidence dropped 12.4% to 5.8%; Every indicator reduced

FIGURES 4.1–4.3 Multidimensional Poverty in Bhutan, 2012–2017

4.1 MPI

4.2 Incidence

4.3 Intensity
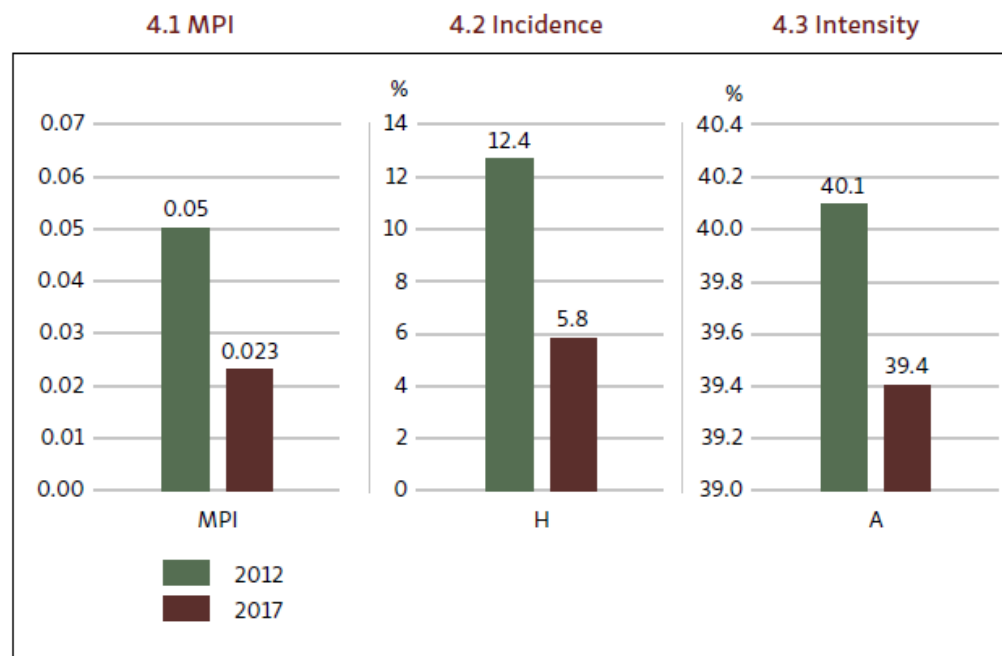
2012
2017

Source: Authors' calculations based on data from BLSS 2017

FIGURE 4.8 Absolute Change in Censored Headcount Ratios between 2012 and 2017

| | Health | Education | | Living Standards | |

CM	Child mortality	ST	Sanitation	A	Assets
FS	Food security	E	Electricity	L	Land
SA	School attendance	W	Water	LS	Livestock
S	Schooling	RA	Road access		
CF	Cooking fuel	H	Housing		
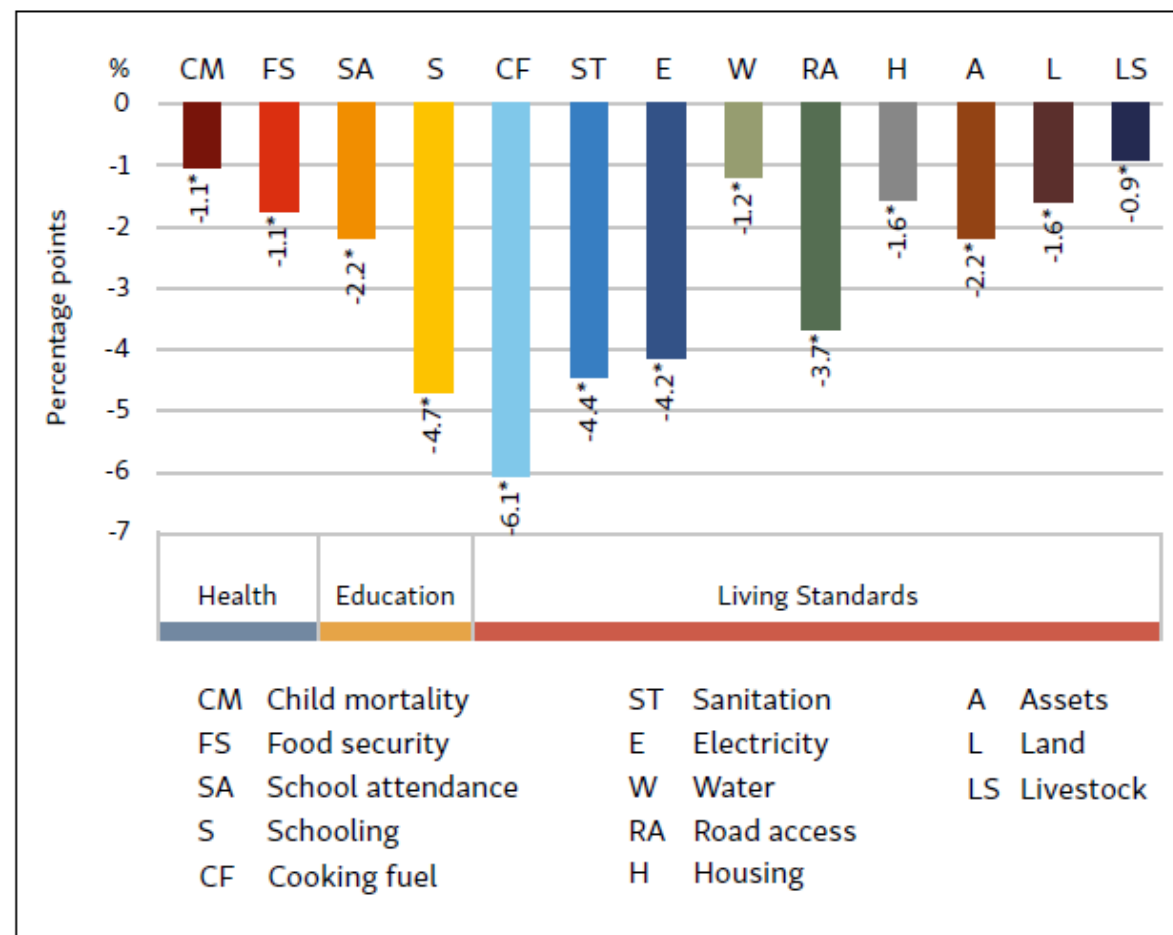
Source: Authors' calculations based on data from BLSS, various waves
Note: * 1% significance level, two-tailed test

OPHI
Oxford Poverty &
Human Development Initiative

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
    - Private Sector etc, all parts of government.

UNIVERSITY OF OXFORD
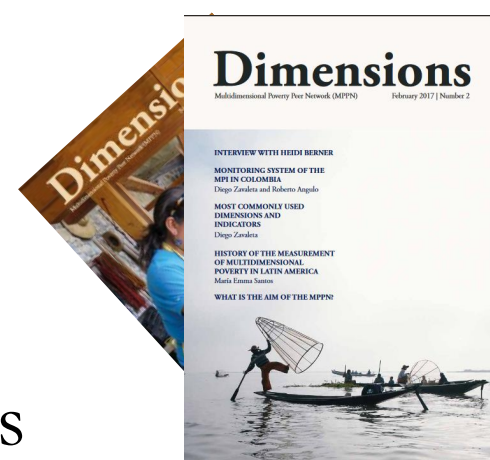
Case Study: Costa Rica:

1987 – 2016: public spending on Costa Rica's social sector increased

- more than sevenfold for education

- almost fivefold for both health and public investment for poverty reduction.

But monetary poverty did not decline. And social programmes lacked technical guidelines or empirical evidence about people's needs.

The 2015–2018 National Development Plan implementation, led by the Vice President, was designated to coordinate the work of public institutions and their social programs in the different regions of the country in order to improve poverty reduction measures.

A Presidential Social Council Advisory Team was created with the goal of incorporating the MPI-CR as an official measure for allocating resources and monitoring and evaluating social programs.

OPHI Oxford Poverty & Human Development Initiative

UNIVERSITY OF OXFORD

Costa Rica:

This commission used the MPI-CR to simulate potential trends for each indicator nationally & by region, compared these with existing trends, and found significant opportunities for improving the allocation of resources.

In a Cabinet meeting in March 2016, attended by the President, the Cabinet agreed 'To request all officials and mid-level officials from the social sector ministries and institutions to use the Multidimensional Poverty Index [MPI-CR] as an **official diagnostic and monitoring tool** for social programs, as well as **part of the criteria for allocating resources** to the different regions of the country and programs with the largest impact on reducing the index' (Government Council Agreement N* 092-16).

In May 2016, a Presidential Directive (N* 045) was issued stating that the MPI-CR **must be used** by a set of institutions **for budgetary planning**: 'The officials and mid-level officials of social sector ministries and institutions will use the Multidimensional Poverty Index [MPI-CR] as an official measure for allocating resources and for monitoring and evaluation of social programs'.

The next year Costa Rica had **accelerated MPI reduction** without further increasing the budget.

Costa Rica
Incidencia por Región

Costa Rica:

Starting MPI: used to diagnose
Mismatches between objectives &
Programmes/allocations

COSTA RICA
GOBIERNO DE LA REPÚBLICA

PUENTE
AL DESARROLLO

Does our allocation match our levels of poverty by region? (Not yet)

Region	Intensity (%)	MPI Pov Rate (%)	Expenditure
Central	25.86	15.17	₡205.544.667.095,39
Chorotega	29.01	31.37	₡57.097.420.823,67
Pacífico Central	26.74	26.21	₡47.887.090.732,15
Brunca	27.61	32.69	₡75.485.318.073,71
Huetar Atlántica	28.29	35.80	₡59.669.482.377,32
Huetar Norte	29.08	32.73	₡60.436.320.304,36
Nacional	27.22	21.66	₡514.225.278.725,60

OPH

UNIVERSITY OF
OXFORD

Costa Rica: Does our allocation match our levels of poverty by sector? (Not yet)

IPM →

Mostrar Datos de 2014

Indicator	% Deprived	Expenditure
Sin acceso a educación	22,8%	₡217,477,650,077.62
Rezago educativo	27,6%	₡0
Sin bachillerato	27,6%	₡0
Bajo capital humano	61,3%	₡8,570,200,000.00

MPI: used to diagnose Mismatches between objectives & Programmes/allocations

OPHI Oxford Poverty & Human Development Initiative

COSTA RICA GOBIERNO DE LA REPÚBLICA

PUENTE AL DESARROLLO

UNIVERSITY OF OXFORD

Costa Rica:

As the 2015 MPI showed big mismatches between policy objectives in MPI and allocations, then-President Solis issued a Presidential Decree that MPI must be part of allocation formulae in the future.

The MPI reduction accelerated on a fixed budget.

COSTA RICA
GOBIERNO DE LA REPÚBLICA

PUENTE
AL DESARROLLO

OPHI
Oxford Poverty &
Human Development Initiative

UNIVERSITY OF
OXFORD

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
   - Private Sector etc, all parts of government.

OPHI Oxford Poverty & Human Development Initiative

UNIVERSITY OF OXFORD

Panama: MPI rates vary from 4.2% to over 90% in two Indigenous Comarcas

Leave No One Behind
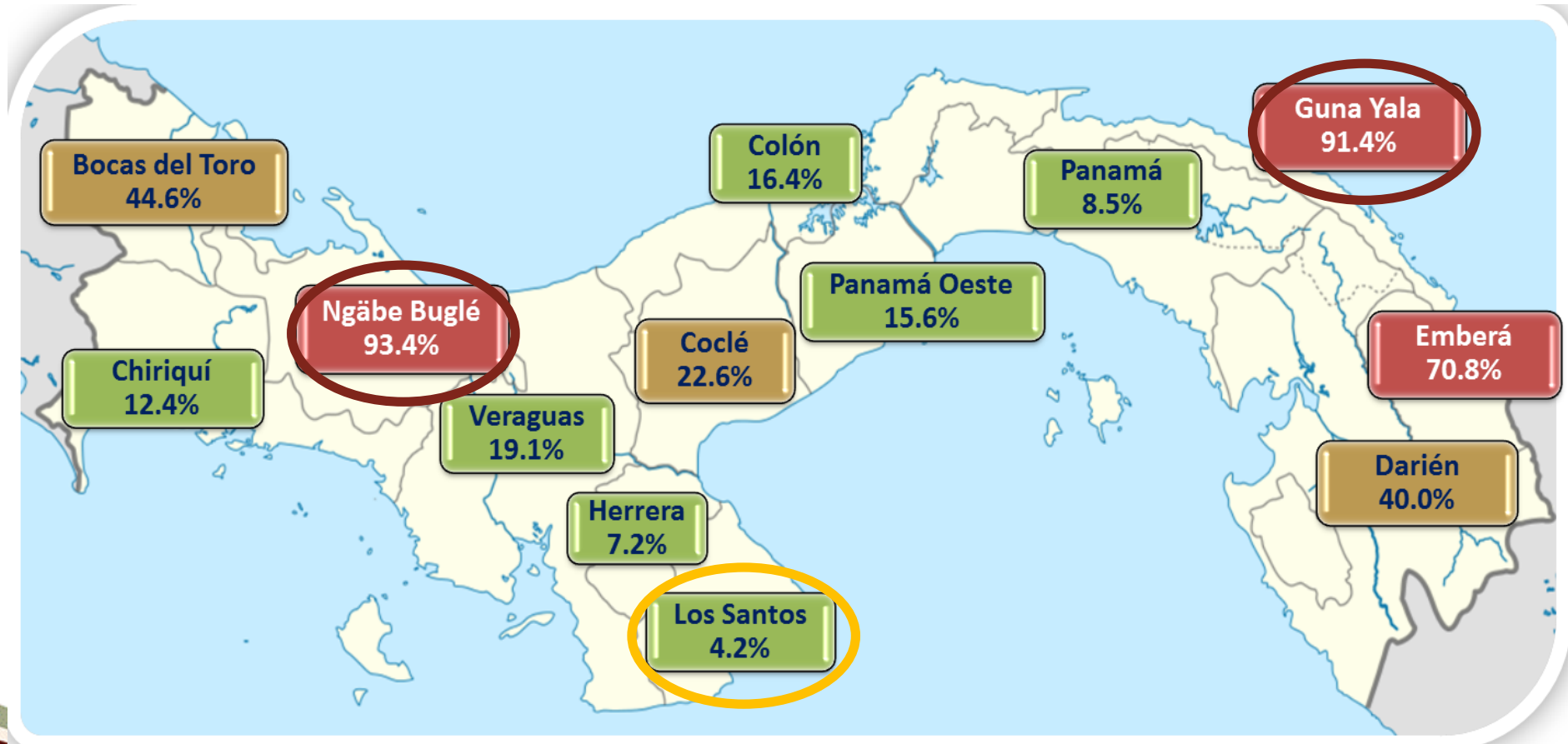
Colombia – household targeting uses MPI & Monetary Poverty
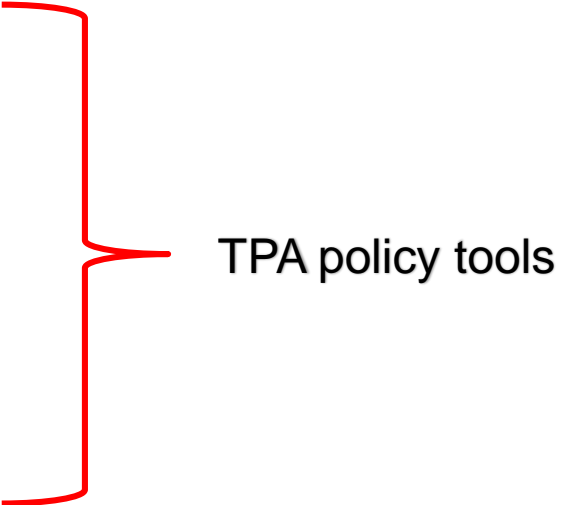
As a criterion for entry and exit from the strategy for overcoming poverty

| Location of households | Characterization | Workplan | Track and Promotion | Closing Session |
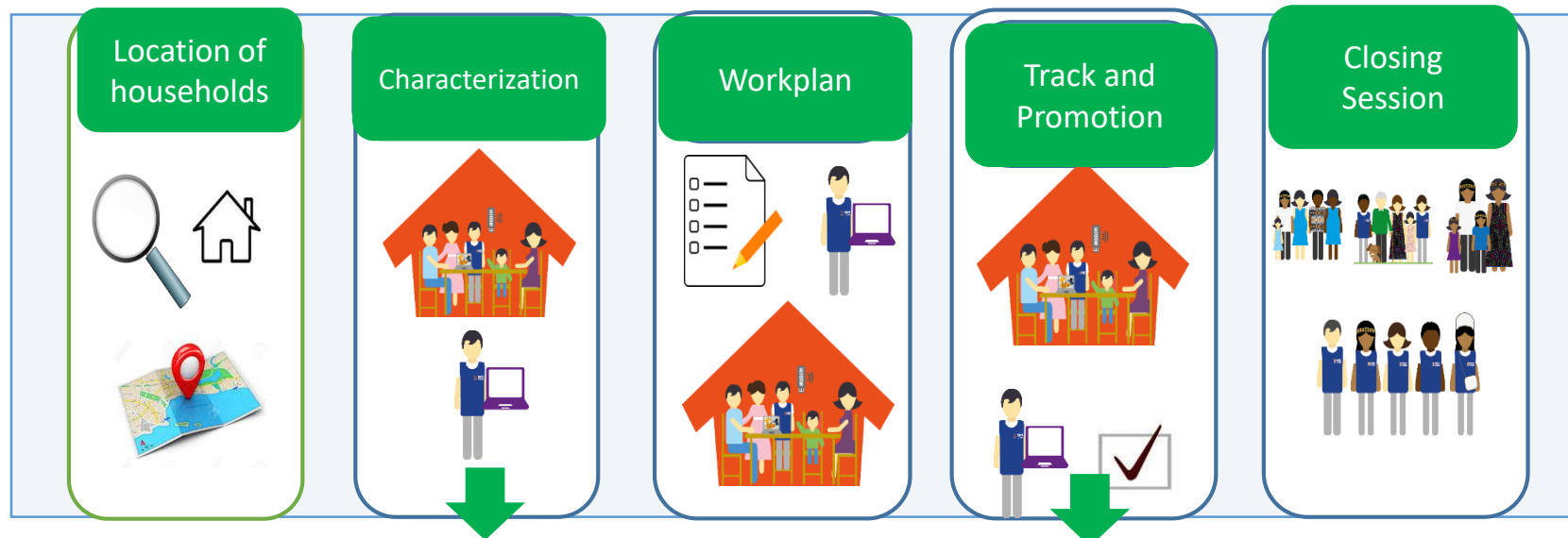
Entry: If household is in extreme income poverty and multidimensional poverty

Exit: If household **has overcome** extreme income poverty and multidimensional poverty

PROSPERIDAD SOCIAL

China: last 'mile' of targeting: to the doorstep

- China eliminated absolute poverty in all its forms for 90 million by 2020.

  – Per capita disposable income, above 2300 yuan (2010 constant price)
  – Two do not worries
    - Food (and clean drinking water)
    - Clothing
  – Three guarantees
    - 9-year compulsory education
    - Basic medical services
    - Safe housing, and safe drinking water

TPA policy tools

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so all stakeholders engage – NGOs,
   - Private Sector etc, all parts of government.

OPHI
Oxford Poverty &
Human Development Initiative

UNIVERSITY OF
OXFORD
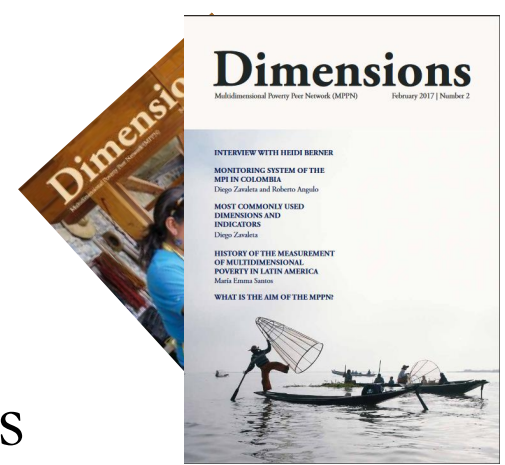
Policy Design – Address Interlinked Deprivations
(breaking silos is cost-effective)

Example: In the 2017/18 DHS, according to the global MPI, 83 million Pakistanis were poor (44 million of these were children).

13% of the poor were deprived in **BOTH water and sanitation** at the same time (plus other deprivations)

41% had someone who was **undernourished** and no one who had 6 years of school

50% were deprived in sanitation **AND** housing **AND** clean cooking fuel

To encourage institutional coordination

National Roundtable to Reduce Poverty and Inequality

Source: Angulo, R. (2016).

Leadership on Poverty – How to coordinate?

You need the creation of synergies among the ministries, and the only way to create those synergies is by convincing them or obliging them to work together. …It is the responsibility of the person on top, to convert these differences into a synergy. And that was a permanent part of my job as President, and this is what I did with the implementation of our policy to fight poverty.

Juan Manual Santos, former President of Colombia
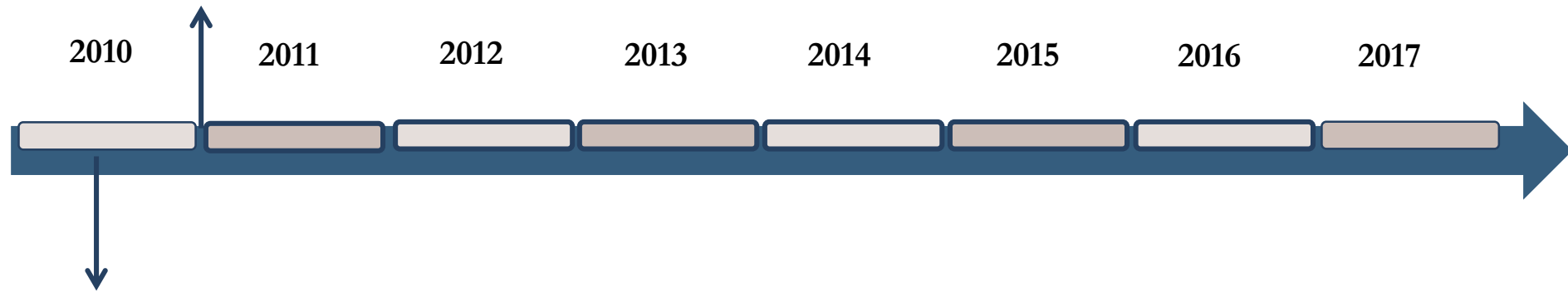
Public policy
•Free housing
"100.000 Viviendas Gratis"
(Ministry of housing)

2010   2011   2012   2013   2014   2015   2016   2017
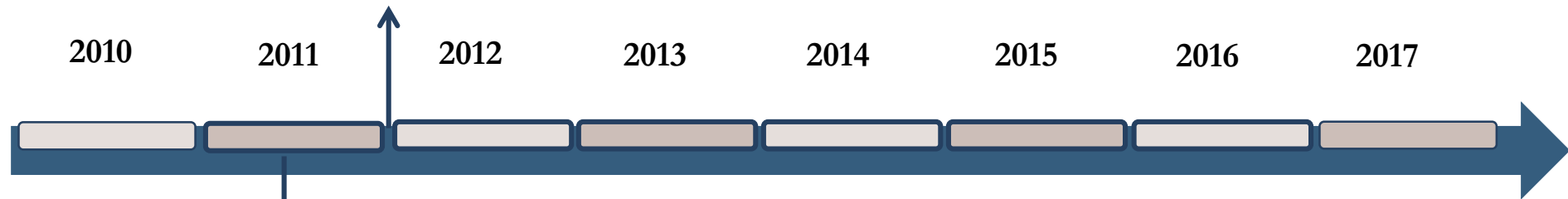
Alerts:
-Housing conditions
- Reduction in
multidimensional poverty
slows down

Fuente: Prosperidad Social

Public policy
•Cash transfer program to higher education
"Jóvenes en Acción"
 (Social prosperity)

2010   2011   2012   2013   2014   2015   2016   2017
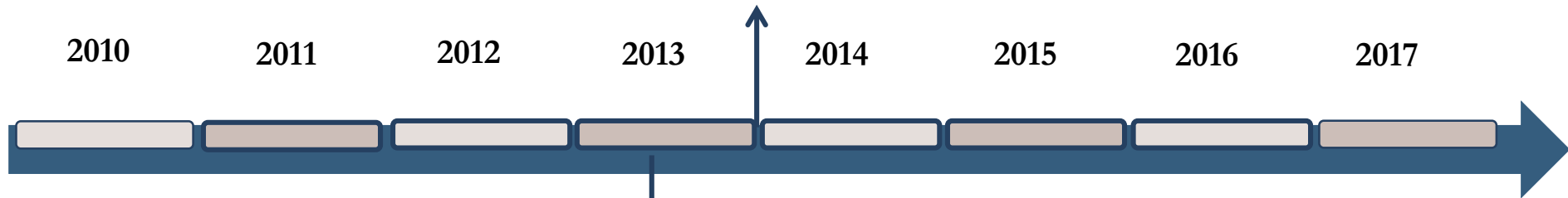
Alerts:
-Social mobility
-Youth inactivity and unemployment

Fuente: Prosperidad Social

Public policy
•National System of food security
•Food security differentiated programs

2010   2011   2012   2013   2014   2015   2016   2017

Alerts:
-Nutritional conditions of children
-Lack of articulation in rural programs

Fuente: Prosperidad Social

Public policy
•Policies to consolidate protective floors for the poor and networks of protection for the vulnerable population

2010   2011   2012   2013   2014   2015   2016   2017

Alerts:
-High vulnerability of people emerging from poverty

Fuente: Prosperidad Social

Public policy:
•Programs with emphasis on the rural , focus on the periphery and differentiation of family support programs
•Strategy "De cero a siempre" becomes law

2010   2011   2012   2013   2014   2015   2016   2017

Alerts:

-Gap growth continues: Colombia remains in the top 10 most unequal countries

Fuente: Prosperidad Social

2010   2011   2012   2013   2014   2015   2016   2017

Alerts:
-Implementation of the peace deal
-2030 agenda

Fuente: Prosperidad Social

Covid-19 and
National MPIs: used extens

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **Be Transparent** so NGOs, Private Sector, all levels of government, engage.

Dimensions
Multidimensional Poverty Peer Network (MPPN)   February 2017 | Number 2

INTERVIEW WITH HEIDI BERNER

MONITORING SYSTEM OF THE
MPI IN COLOMBIA
Diego Zavaleta and Roberto Angulo

MOST COMMONLY USED
DIMENSIONS AND
INDICATORS
Diego Zavaleta

HISTORY OF THE MEASUREMENT
OF MULTIDIMENSIONAL
POVERTY IN LATIN AMERICA
María Emma Santos

WHAT IS THE AIM OF THE MPPN?

Nepal 2014-2019 : pro-poor

FIGURE 4.8: Absolute Changes in MPI across Provinces, 2014-2019
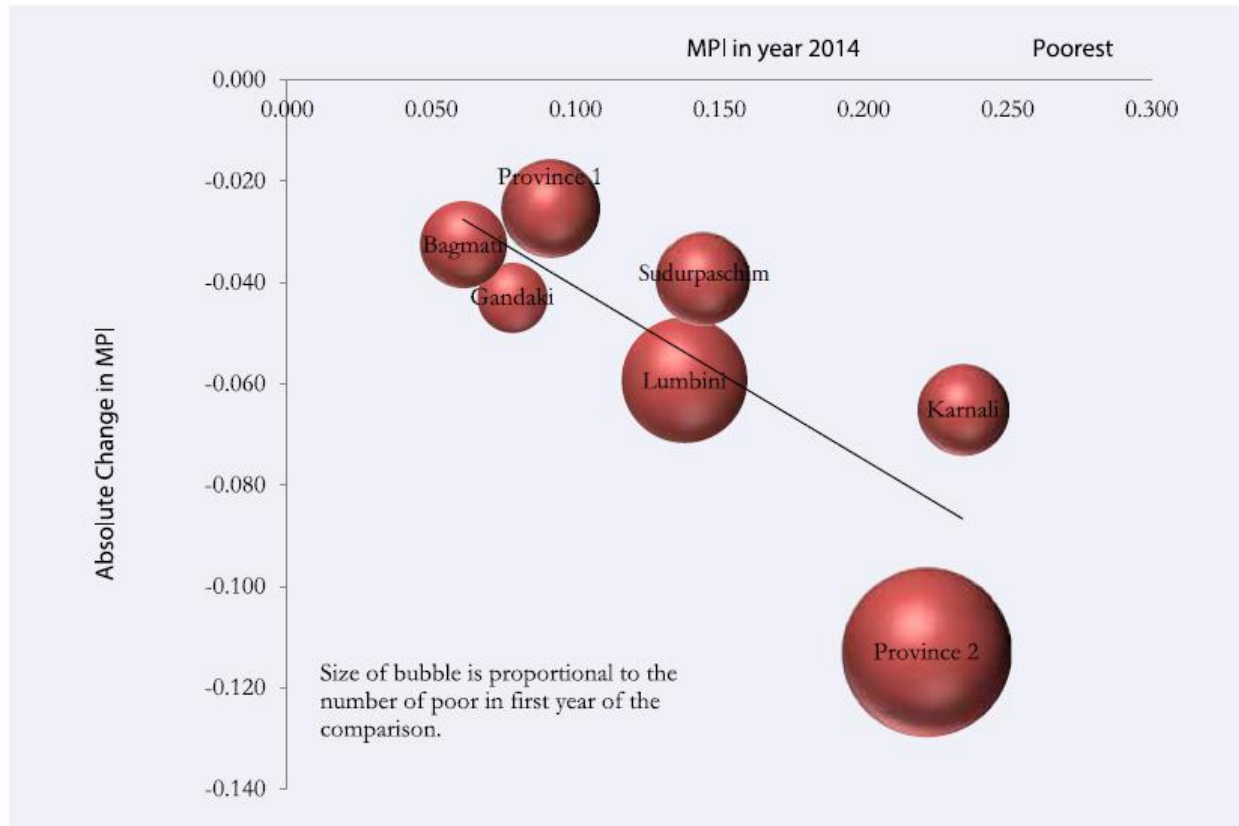
Source: Calculations using the NMICS 2014 and NMICS 2019.

Bhutan 2012-2017 : mainly pro-poor
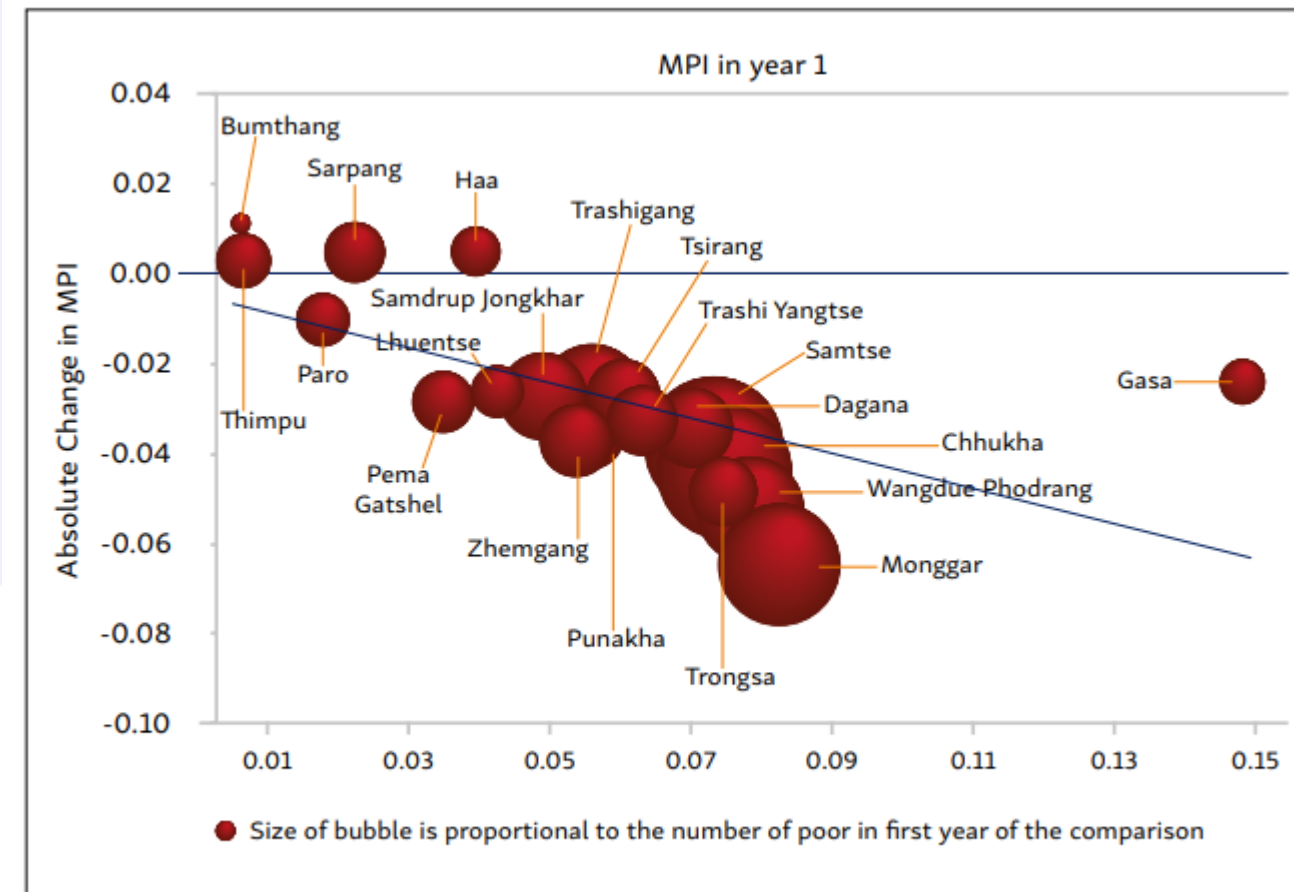
Source: Authors' calculations based on data from BLSS, various waves

OPHI
Oxford Poverty &
Human Development Initiative

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics)
3. **Allocate resources** by sector and by region
4. **Target** marginalized regions, groups, or households
5. **Coordinate** policy across sectors and subnational levels
6. **Adjust** policies by what works (measure to manage)
7. **Leave No One Behind** see the poorest & track trends
8. **<u>Communicate with all:</u>** NGOs, Private Sector, students, all parts of government.
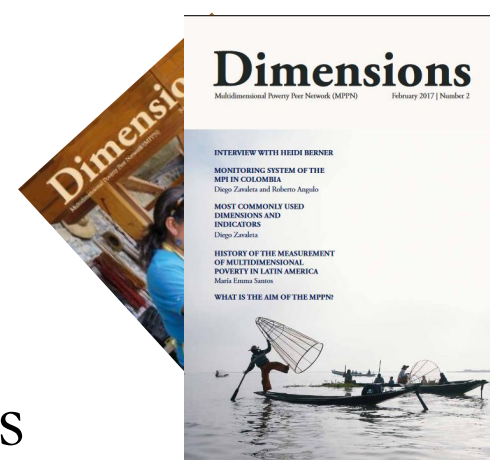
SOPHIA-Oxford: BUSINESS Multidimensional Poverty Index

The business Multidimensional Poverty Index (bMPI) Targets Employee Vulnerability
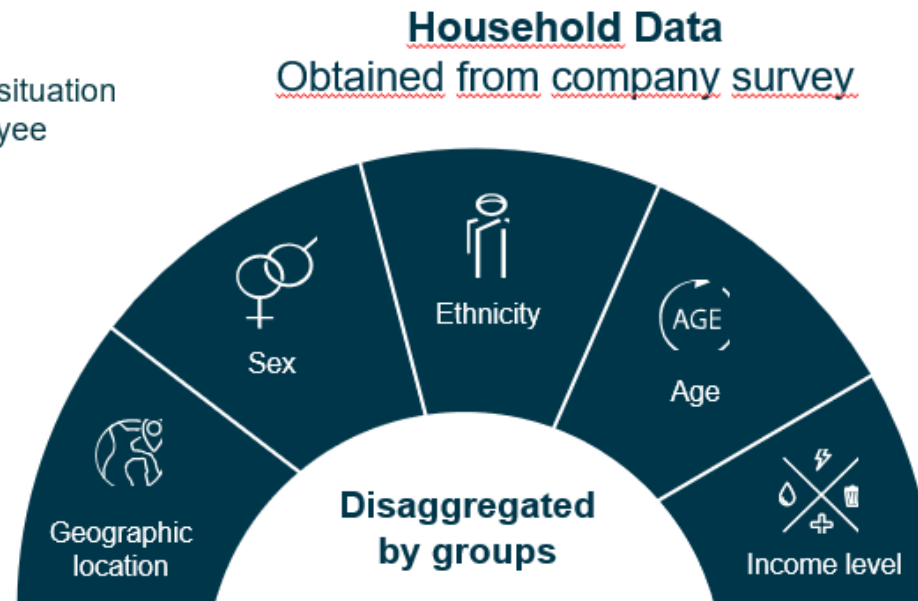### … adapted from the National MPI

The company carries out a household survey among its employees

The data is analyzed, and the company receives a report on the global situation of its labor force, with details on the deprivations that affect each employee

The company receives technical support in the design of an action plan to help employees overcome their deprivations

The company receives technical support in the implementation of the action plan and in monitoring its effects on the quality of life of the employees

The survey is repeated to measure the impact of the solutions implemented

Household Data
Obtained from company survey

Sex

Ethnicity

AGE

Age

Geographic location

Disaggregated by groups

Income level

Wise Responder / Sopha engages business in reducing poverty using the National MPI

UNIVERSITY OF OXFORD

Emerging Methodological Innovations:

1. **Gender and Intrahousehold** analysis of individual data

2. **Linked Child MPIs** that add dimension(s) of each child's deprivations onto national MPIs for joined-up picture.

3. **Actionable Analyses** of deprivation strategies

4. **Geospatial merging** of MPI data with environmental data or other data sources.

OPHI Oxford Poverty & Human Development Initiative

UNIVERSITY OF OXFORD

Child poverty gaps

Percentage of child population due to social deprivation, by ethnicity, México (2016)

Mexico also uses its national MPI, based on social rights, to guide actions for children
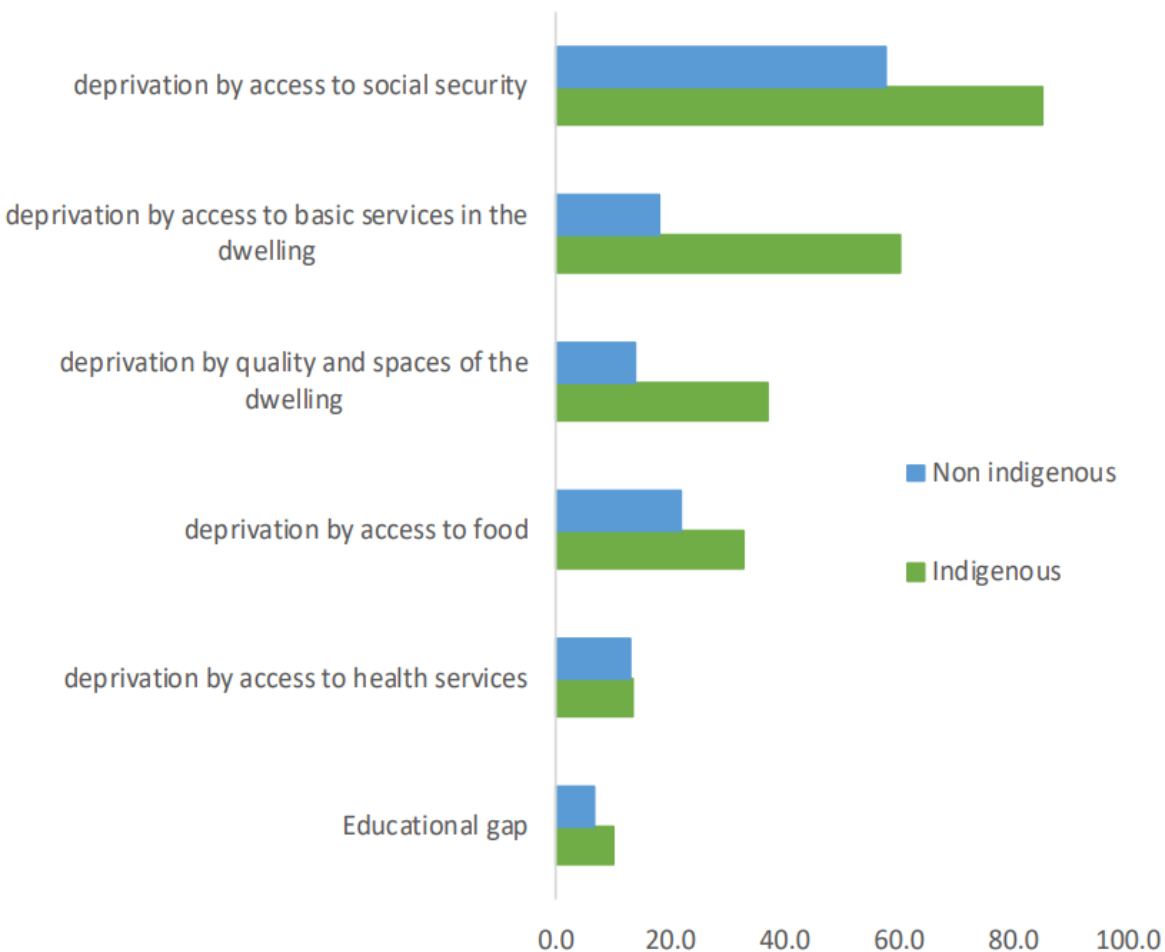
○ Attributes such as ethnicity are linked to racial discrimination that keep indigenous children in a situation of historical backwardness.

○ The level of poverty of these abovementioned children is of 78.5% vs. 47.8% of non-indigenous children.

Source: CONEVAL based on MEC of the 2016 ENIGH survey.

UNIVERSITY OF
OXFORD

Many countries discussing how to use MPIs to address children – some in *Dimensions* Magazine.

Thailand & Panama built two unrelated MPIs

MPPN
Multidimensional Poverty Peer Network

OPHI
Oxford Poverty & Human Development Initiative

UNIVERSITY OF OXFORD

| About | Participants | Multidimensional Poverty | MPI | Resources | News and Events | Dimensions | SDGs |

MPPN > Dimensions articles > Child Poverty: How to Measure and For What Policy Purpose?

Child and Adolescent Poverty and Social Rights in Mexico: A Multidimensional Poverty Measurement Approach

15 August, 2019

By Gonzalo Hernández Licona, Ricardo Aparicio and Paloma Villagómez*

MPI and MODA: Disentangling the Differences Between a Policy Tool and Advocacy Instrument

Child Poverty: How to Measure and For What Policy Purpose?

15 August, 2019

By Martin Evans, OPHI research associate.

Share

Building a Child Poverty Measure to Inform Policy

15 August, 2019

By Ana Vaz (OPHI research officer), Christian Oldiges (OPHI co-director of metrics and policy) and Sabina Alkire (OPHI Director).

Example: Sri Lanka has an official National MPI and a linked Child MPI.

▶ When the National MPI is disaggregated by age, only 14% of children under 5 years of age are poor.

▶ The national plan, UNICEF and government priorities recognize nutritional deprivations in children to be a national priority. It also recognizes, from other data sources, that there are high levels of stunting, and issues related to cognitive development.

▶ So to explore the situation of children 0-4 years old, the 2019 HIES added more information to the survey for national analysis, so that it is possible to build a Child MPI linked to the National MPI
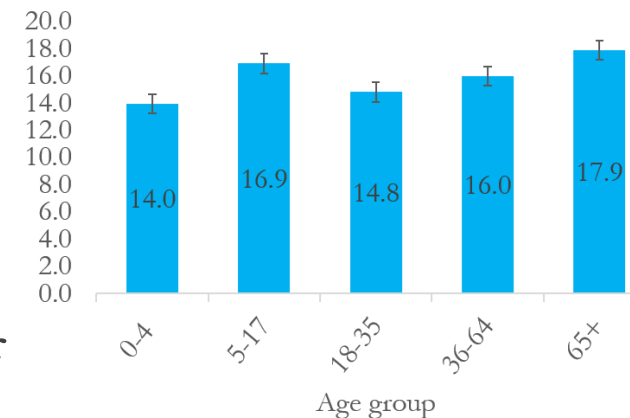
What Sri Lanka's Child MPI adds:

- The pioneering individual **Child MPI is an official companion statistic to the NMPI.**

- **Measured at the individual level and covering children aged 0-4 years old.**

- The Child MPI includes every indicator of the national MPI (all poor children by NMPI remain poor) and **extends it to consider two important deprivations in Sri Lanka: undernutrition and early childhood development**.

- By this linked Child MPI, **42.2% of children 0-4 years of age are multidimensionally poor**, and an alarming **1/3 of young children are poor and undernourished.**

- The CMPI profiles **important gaps in preschool attendance and in active parental stimulation of cognitive development**, deprivations that experienced during childhood can last a lifetime.

- Positive findings: **no differences in poverty levels between girls and boys**

- **Key policy priorities** to reduce poverty among children under the age of 5 yeas old in Sri Lanka: address undernutrition, safe drinking water, access to health facilities, and early childhood development deprivations.