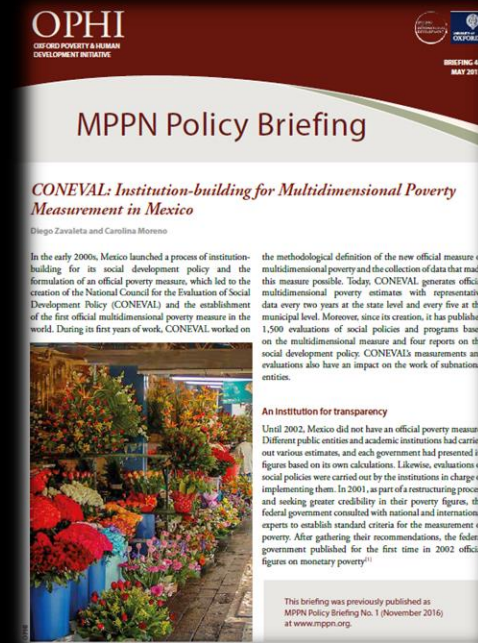


Feedback Session



Felipe Roa-Clavijo

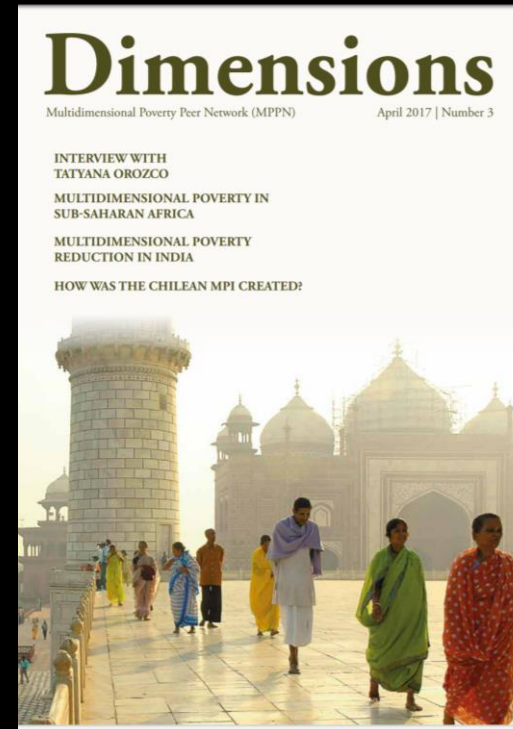
Oxford Poverty and Human Development Initiative



November 2016



February 2017



April 2017



August 2017

How have Multidimensional Poverty Indexes been developed?

What institutional processes have been carried out?

Which countries are applying the MPI? How are they using it

“IN MEXICO, SOCIAL POLICY HAS BEEN MORE FOCUSED ON MULTIDIMENSIONAL POVERTY MEASUREMENT”

Created in 2006, the National Council for Evaluation of Social Policy (CONEVAL, for its acronym in Spanish) has become the leading source for poverty measurement and evaluation of Mexico's social policies. *Dimensions* spoke with Heidi Berner, Undersecretary of Social Evaluation and Executive Secretary, Gonzalo Hernández Licona.

Why did Mexico decide to measure multidimensional poverty?

It all began with wanting to have a clear poverty measure. Up until the year 2000, Mexico did not have an official poverty measurement. Then, in 2002, an income-based measure was developed by the government along with the Secretariat (Ministry) of Social Development. Thus began the Mexican adventure in measuring poverty, but only by income. After two or three years of publishing poverty information under this methodology, it turned out that poverty was, in fact, decreasing.

What happened was politically interesting because the opposition in Congress was skeptical about a measurement that was provided by the government and that also affirmed that poverty was decreasing.

In Mexico, as in many other countries in Latin America, it is a common thing to be suspicious about the government's actions.



For this reason, I decided to do two things: first, in order to have a government working alongside by the State, the way was to have all political parties measurement was the Mexican measurement independent

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

Chile launched an official Multidimensional Poverty Index in 2011. Later, this index was modified to add 'local environment' and a fifth innovative dimension: networks and social cohesion. *Dimensions* spoke with Heidi Berner, Undersecretary of Social Evaluation and Executive Secretary, Gonzalo Hernández Licona.

Among 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 the government, was very broad and involved different civil society organizations. It suggested us to measure to include and to include income measurement.



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‘POVERTY IS A MULTIDIMENSIONAL PHENOMENON WITH A MULTIDIMENSIONAL RESPONSE’

Colombia was one of the first countries to create a multidimensional poverty measurement in 2011. *Dimensions* spoke with Tatyana Orozco, Department for Social Prosperity, about how the government is using the Colombian Multidimensional Poverty Index.

Colombia is probably the country that has made the most advances in using its multidimensional poverty index to inform public policy (in targeting, municipal mapping and as graduation criteria for conditional cash transfer programmes). Could you tell us a little about why the government has found this tool so useful?

Mainly because poverty is a multidimensional phenomenon which requires a multidimensional political response. Policies which are geared towards reducing poverty cannot operate in isolation because these dimensions have strong interconnections. For example, a child who is frequently absent from school could be missing their education in order to be a breadwinner. This implies that both the child and the household are deprived in terms of education and work.

In Colombia, working with dimensions has enabled us to establish common goals and improve dialogue between ministers and the bodies responsible for creating and enacting poverty reduction policies. These can be based on education, healthcare,

Also, at the count to improve to the creation of Zero to Five programmes, growth and evaluations, and one banner for

‘INVOLVING THE PRIVATE SECTOR WAS THE RIGHT IDEA FOR RAMPING UP THE FIGHT AGAINST POVERTY’

Dimensions spoke with Ana Helena Chacón Echeverría, Second Vice President of Costa Rica, about collaborating with the private sector and how the government is using the national Multidimensional Poverty Index. This indicator, she claims, has allowed for a more efficient distribution of public resources and the hope is that it will increase transparency in institutional activities.

Why has the government of Costa Rica decided to measure poverty multidimensionally?

In this administration, we have seen the need to include



OPINION COLUMN

PANAMA'S MULTIDIMENSIONAL POVERTY INDEX: BRIDGING THE TECHNICAL AND THE HUMAN

For Michelle Muschett, Panama's Vice Minister for Social Development, the national Multidimensional Poverty Index is the result of the work of a technical and political team that took full advantage of the opportunity to do its very best in the attempt to build a more socially just society, inspired by an authentic feeling of solidarity and respect for human dignity.

On Monday the 26th of June 2017, the Republic of Panama officially established its first Multidimensional Poverty Index (MPI-PA). It was authorized by presidential decree and adopted as an instrument of public policy and as an official measure of multidimensional poverty at the national level.

Within the central government, the MPI-PA identifies and measures the incidence and intensity of the main nonmonetary deprivations that affect the wellbeing of Panamanians. The government then seeks to use these statistics as a complement to income poverty measurement to reorient social policy with the goal of achieving an effective and comprehensive reduction of poverty levels.

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.

The 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?



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WHAT DOES THE GLOBAL MPI TELL US?

The new *Global Multidimensional Poverty Index (MPI) Report 2017* was released on June 1st at a special event at the University of Oxford's Department of International Development to mark the 10th anniversary of the Oxford Poverty and Human Development Initiative (OPHI). It also included the first ever child poverty disaggregation for every country, which found that half of multidimensionally poor people across 103 countries were children.

The new report investigates poverty across 5.4 billion people. Of these, 1.45 billion people are MPI poor, some 26.5% of people living in 103 countries. Around 48% of these poor people live in South Asia and 36% in Sub-Saharan Africa. Over one billion MPI poor people live in middle income countries.

Addressing the Sustainable Development Goals' (SDGs) aim to end poverty in all its forms and dimensions, the global MPI complements measures based on income and directly measures ten indicators that reflect poor health, lack of education, and low living standards. In 2017, MPI estimations for Algeria and El Salvador were added, and MPI



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HOW WAS THE CHILEAN MULTIDIMENSIONAL POVERTY INDEX CREATED?

The Multidimensional Poverty Index in Chile (MPI-CL) was the product of a broad dialogue that brought people from different professional and political backgrounds together. What bodies were established to develop the MPI-CL? The following article provides some of the highlights of this process.

Chile began exploring the idea of incorporating a multidimensional poverty index into their official poverty measures in 2009, towards the end of Michelle Bachelet's first administration. A crisis developed in 2012 when the validity of the data on poverty was called into question, triggering a need to review the measures. The president at that time, Sebastián Piñera, brought together a panel of experts from various organisations and political backgrounds to participate in what was known as the Presidential Advisory Commission of Experts to Update Poverty and Extreme Poverty Lines (Comisión Asesora Presidencial de Expertos para la Actualización de la Línea de la Pobreza y la Pobreza Extrema), whose mission was to brief the president on all aspects of measuring poverty and extreme poverty and to offer proposals on the matter.

COMMISSION TO MEASURE POVERTY

The commission was created in December of 2012 and comprised nine people from academia, non-governmental organisations, multilateral organisations, and government, all of them experts on poverty matters. The body engaged in dialogue with a broad group of people from various civil society organisations, Congress, governmental agencies, universities, and international organisations and specialists.

The commission's president was Rodrigo Jordán, vice president of the Foundation for Overcoming Poverty (Fundación para la Superación de la Pobreza), an institution tasked with generating information and proposals for overcoming poverty and social exclusion. This foundation had worked on the idea of creating social thresholds for Chile based on a multidimensional perspective on poverty. This perspective allowed for internal discussion at the commission to include subjects beyond income.

After 13 months of work, the commission presented two proposals. The first suggested updating the monetary poverty measure, given that the existing one had been created in 1987 and had not been revised since then. Therefore, it did not reflect the current consumption patterns of households in Chile.

The second proposal stated that a new measure of multidimensional poverty, based on the Alkire-Foster methodology, should be incorporated into Chile's official statistics and identified the dimensions this should include.

The commission proposed 14 indicators to measure deprivations in five dimensions: education, health, employment and social security, housing, and local environment and networks. Further, it recommended giving equal consideration to each



MULTIDIMENSIONAL POVERTY AT THE HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT



For two weeks, UN member states debated how to “eradicate poverty and promote prosperity in a changing world” at the 2017 High-Level Political Forum. In their National Voluntary Reports, many countries mentioned the global Multidimensional Poverty Index (MPI) or their national multidimensional indices as tools to inform Indicator 1.2.2 of the Sustainable Development Goals. In addition, several of them requested that the global MPI be considered as a new indicator in 2020 to monitor the reduction of multidimensional poverty. [For more information click here.](#)

DATA OF THE MONTH

ARE CHANGES IN THE INCIDENCE OF MULTIDIMENSIONAL POVERTY AND MONETARY POVERTY SIMILAR?

For many years it was argued that, for someone experiencing poverty, an increase in income would almost automatically have a positive trickle-down effect on other aspects of their life. If this were the case, one would expect changes in levels of monetary poverty within a country to correlate with the results given by other means of measuring poverty. But how do changes in multidimensional poverty really compare to changes in monetary poverty? The answer varies from country to country.

Based on data from 27 countries that have reduced their levels of multidimensional poverty, it can be concluded that there is no consistent pattern between changes in the incidence of multidimensional and monetary poverty.

The graph below demonstrates that figures for the incidence of multidimensional and monetary poverty can vary significantly in their rates of change – and even in the direction of that change.



For instance, countries like Rwanda, Ghana, Bolivia, Nigeria, Haiti, and Lesotho reduced the incidence of multidimensional poverty much faster than the incidence of poverty based on US\$1.90/day. The opposite occurred in countries like Niger, Indonesia, and Namibia.

For their part, Kenya, Benin, and Zambia managed to reduce multidimensional poverty despite registering increases in terms of monetary poverty.

These results demonstrate the relevance of complementing monetary measurements with multidimensional measurement. If progress were measured only in terms of a reduction in monetary poverty, Nepal, Niger, Cambodia, Uganda, and Indonesia, in that order, would be considered leaders in the reduction of poverty, and the huge advances made in Rwanda, Ghana, and Bolivia would be invisible.

DATA OF THE MONTH

IS INTERNATIONAL AID REACHING THE MULTIDIMENSIONAL POOR?



The flow of international aid is part of any poverty reduction strategy in developing countries. Therefore, it is important to know to what extent this aid is reaching places where people face various kinds of deprivations at the same time. To analyse this issue, Alkire and Robles researched aid allocations for 101 of the countries in the 2017 global MPI; they included only the aid commitments that are associated with priority

sectors that reflect MPI indicators. This adds up to \$45 billion in 2015 constant USD.

The table shows the distribution of people living in multidimensional poverty according to the income level of the country they live in (low, medium, or high). It also shows the percentages of bilateral aid (cooperation between countries that make up the



MPPN Policy Briefing

CONEVAL: Institution-building for Multidimensional Poverty Measurement in Mexico

Diego Zavaleta and Carolina Moreno

In the early 2000s, Mexico launched a process of institution-building for its social development policy and the formulation of an official poverty measure, which led to the creation of the National Council for the Evaluation of Social Development Policy (CONEVAL) and the establishment of the first official multidimensional poverty measure in the world. During its first years of work, CONEVAL worked on



the methodological definition of the new official measure of multidimensional poverty and the collection of data that made this measure possible. Today, CONEVAL generates official multidimensional poverty estimates with representative data every two years at the state level and every five at the municipal level. Moreover, since its creation, it has published 1,500 evaluations of social policies and programs based on the multidimensional measure and four reports on the social development policy. CONEVAL's measurements and evaluations also have an impact on the work of subnational entities.

An Institution for transparency

Until 2002, Mexico did not have an official poverty measure. Different public entities and academic institutions had carried out various estimates, and each government had presented its figures based on its own calculations. Likewise, evaluations of social policies were carried out by the institutions in charge of implementing them. In 2001, as part of a restructuring process and seeking greater credibility in their poverty figures, the federal government consulted with national and international experts to establish standard criteria for the measurement of poverty. After gathering their recommendations, the federal government published for the first time in 2002 of figures on monetary poverty⁽¹⁾

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MPPN Policy Briefing

National Roundtable and Dashboard for Poverty Reduction in Colombia

Diego Zavaleta and Roberto Angulo

Colombia launched its official multidimensional poverty measure in 2011 – the Colombian Multidimensional Poverty Index (C-MPI).⁽¹⁾ The index was first used to establish specific policy goals for multidimensional poverty reduction (headcount ratio) 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. These goals



were defined based on microsimulations using the public investment programme and sector-specific budgets. 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 reflected. The monitoring system based on the C-MPI indicators achieved important successes as a policy coordination and accountability tool.

Birth of a monitoring system Informed by the C-MPI

In 2010, a new administration took office in Colombia. The incoming president, Juan Manuel Santos, had campaigned on a platform of poverty reduction, employment, and security, and thus instructed his team to define a National Development Plan based on these pillars. He also instructed that management instruments be designed to guarantee fulfilment of the plan.

A crucial innovation for the poverty reduction pillar was the use of microsimulations to produce concrete goals

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MPPN Policy Briefing

Defining MPI Dimensions through Participation: The Case of El Salvador

Carolina Moreno

Introduction

In late 2009, El Salvador began the process of creating a multidimensional poverty measure. A central question was how to define the constitutive dimensions of this new multidimensional poverty index. How should the dimensions that best reflect what Salvadorian society considers to be the core aspects of poverty be chosen? The United Nations Development Programme (UNDP) of El Salvador and the TECHO organisation, with the support of the Technical and Planning Secretariat (STPP in Spanish) of the Presidency, held a series of 23 focus groups in different areas of the country that asked people living in poverty what poverty meant to

them, the dimensions of poverty, and the strategies that they used in order to survive.

An analysis of the focus groups' responses identified the key deprivations from the participants' perspective. Five dimensions and 20 indicators that are currently part of the multidimensional measurement of poverty were established. The series of focus groups determined the definition of the dimensions and indicators of the Multidimensional Poverty Index of El Salvador (MPI-ES).⁽¹⁾

