## Press release: Oxford Poverty & Human Development Initiative, University of Oxford

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# Latin America leads the fight against multidimensional poverty

Countries across Latin America are pioneering a new approach to measuring and combatting poverty, which focuses on targeting the multiple disadvantages poor people may experience across different areas of their lives.

The governments of Mexico, Colombia and Chile, as well as the state government of Minas Gerais in Brazil, have each adopted an official multidimensional measure - known as a Multidimensional Poverty Index (MPI) - giving them the information they need to transform the way they fight poverty.

Joining the continental policy shift, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras and the nine members of the Organisation of Eastern Caribbean States, among others, are also in the process of developing their own MPIs.

Alongside Latin America, a rapidly increasing number of countries around the world are working on multidimensional poverty measures, including Pakistan, Philippines, Malaysia, Tunisia and Vietnam. The governments of Bhutan and of Ho Chi Minh City, Vietnam have also already launched official MPIs. Policymakers from South Africa and China use tailormade MPIs to inform national policy, and Western Asia is exploring a regional measure.

Now more than 100 policymakers and senior officials, from countries across Latin America and the wider world, are preparing to meet in Cartagena, Colombia to share experiences of developing multidimensional poverty measures. Hosted by the Colombian Government, they will come together from 2-3 June 2015 for the high-level meeting of the <a href="Multidimensional Poverty Peer Network">Multidimensional Poverty Peer Network</a> (MPPN), a South-South initiative of over 40 countries and institutions -coordinated by the <a href="Oxford Poverty & Human Development Initiative">Oxford Poverty & Human Development Initiative</a> (OPHI), University of Oxford - that promotes the use of such measures for more effective poverty eradication.

At the high-level meeting President Santos of Colombia will highlight how Colombia's national MPI has been used as a powerful tool for policy design and coordination - one that incentivises action and makes success visible.

He has told the MPPN: "I am a firm believer that it is our duty to lead ambitious social changes within our countries. Fortunately, the Multidimensional Poverty Peer Network will be the platform to help this happen. The sole idea of applying this MPI tool in more countries is inspiring."

Tatyana Orozco, Director of the Colombian Government's Department for Social Prosperity, which develops poverty-reduction programmes informed by the MPI, said: "The MPI-Colombia enables us to see exactly how and where people are poor - it puts a spotlight on the social aspects of poverty and allows us to target policies at those most in need."

Based on methodology developed by OPHI, MPIs go beyond traditional income-based measures of poverty to show the combined disadvantages poor people suffer. Policymakers can incorporate dimensions of poverty - such as health, education or living standards – that are relevant to their specific national or regional context, enabling them to design more effective poverty-reduction programmes. MPIs can also be broken down to show what

poverty is like in different areas of a country or among different groups of the population, and to reveal where it is most acute.

Sabina Alkire, Director of OPHI, said: "The question of how multidimenisonal poverty measures can re-energise the fight against poverty is high on the agenda as the United Nations prepare to finalise the Sustainable Development Goals in September this year."

OPHI and the MPPN are calling for integrated measures of multidimensional poverty – global and national MPIs - to be incorporated in the SDGs, to ensure that poverty in all its forms can successfully be reduced.

#### **Further information**

For further information, please contact Claire Battye, OPHI Research Communications Officer, on +44 (0)1865 271 528 / claire.battye @qeh.ox.ac.uk.

To arrange an interview with OPHI Director Sabina Alkire, or to attend the high-level meeting of the Multidimensional Poverty Peer Network, contact Felipe Roa-Clavijo, OPHI Outreach Assistant, on +57 315 335 5028 / felipe.roa-clavijo@sant.ox.ac.uk.

Alternatively contact Julia Zulver, OPHI Outreach Assistant on +57 318 535 4664 / julia.zulver@gmail.com.

#### **NOTES TO EDITORS**

#### Oxford Poverty and Human Development Initiative (OPHI)

OPHI is a research centre within the Oxford Department of International Development at the University of Oxford. OPHI is led by Sabina Alkire and works to develop and apply new ways of measuring and analysing poverty, human development and welfare, drawing on the work of Nobel Laureate economist Amartya Sen. For more information about OPHI, please visit www.ophi.org.uk/.

#### Calculation of poverty using a Multidimensional Poverty Index (MPI)

The MPIs launched by Mexico, Colombia, Chile and Bhutan, as well as Ho Chi Minh City in Vietnam and Minas Gerais in Brazil, and the Global MPI estimated by OPHI and published in UNDP's *Human Development Reports*, are constructed using the <u>Alkire Foster (AF) Method</u>, a methodology developed by OPHI Director Sabina Alkire and Professor James Foster, OPHI Research Associate. Alkire and Foster are both Professors of Economics and International Affairs at George Washington University.

The AF Method involves counting the different types of deprivation (indicators of poverty) that individuals or households experience at the same time, such as a lack of education or employment, or poor health or living standards. These deprivation profiles are analysed to identify who is poor, and then used to construct a multidimensional poverty index (MPI).

The indicators of poverty may be equally weighted or take different weights. People are identified as multidimensionally poor if the weighted sum of their deprivations is greater than or equal to a poverty cut off – such as 20%, 30% or 50% of all deprivations. Further information on using the AF Method to construct an MPI is available on the OPHI website.

### **Multidimensional Poverty Peer Network (MPPN)**

The MPPN provides international support to policymakers engaged in or exploring the construction of multidimensional poverty measures, including input into the design of the measures, and the political processes and institutional arrangements that will sustain them.

The network has three main <u>areas of work</u> as encapsulated by the <u>Communiqué</u> agreed at the <u>high-level meeting</u> of the network in Berlin in July 2014. Participants work together to promote:

- 1. National multidimensional poverty measurement;
- 2. Global multidimensional poverty measurement such as in the post-2015 process;
- 3. Joint research.

OPHI acts as the secretariat of the MPPN. For more information about the MPPN, please visit <a href="https://www.mppn.org/">www.mppn.org/</a>.

### High-level meeting of the MPPN, 2-3 June 2015

The event will take place in Hotel Las Americas, Cartagena, Colombia. It is hosted by the Government of Colombia.

Participants representing the following countries and institutions are confirmed: Afghanistan, Angola, Brazil, Burkina Faso, Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Mongolia, Nepal, Nigeria, Paraguay, Philippines, Senegal, South Africa, Tunisia, Turkey, Uruguay, Vietnam, plus the Federal Ministry for Economic Cooperation and Development (Germany), InterAmerican Development Bank, Islamic Development Bank, Organisation of American States, Southern African Development Community (SADC), UNDP in Latin America and the Caribbean (UNDP-LAC), UNDP-Africa, UN Economic and Social Commission for Western Asia (UNESCWA), World Bank, OPHI.