

**Dirección Nacional de  
Transferencias y Análisis de Datos**

# **Multidimensional Poverty Indicators in Uruguay**

**MPPN Conference 2024  
Tashkent, Uzbekistan**



**Ministerio  
de Desarrollo  
Social**

# Measuring Poverty in Uruguay

- National Statistics Institute (INE) calculates the official poverty measure. Income-based metrics based on the Continuous Household Survey.



## Estimación de la pobreza por el método del ingreso

Año 2023

- Two discrete thresholds: indigence line and poverty line.
- Several virtues, but also clear limitations.

# Measuring Poverty in Uruguay

- Limitations: discrete categorization, higher fluctuations in short periods, narrow focus.
- Example: 3-person household in Montevideo:
  - If household income is \$ 47,810, household **not poor**.
  - If household income is \$ 47,809, household **poor**.
- Several studies have shown strong similarities between households just below and just above the income threshold.

# Measuring Poverty in Uruguay

- *A few examples of recent studies on multidimensional poverty in Uruguay:*
- *“Poverty’s thin line”* (CERES, 2020) – Economic Deprivation Similarity Index: in 2019, they identify more than 200.000 people with income up to 20% above the poverty threshold that shared similar characteristics with households with income up to 10% below the poverty threshold.
- *“Poverty in Uruguay: Beyond Income”* (CED, 2023) – households with income 25% above the poverty threshold share very similar characteristics in: household type, education, employment, expenses, etc.
- *“On one side and the other of the poverty line in Uruguay”* (Betancor, F., 2023): with matching techniques, finds that 56% of people under the income threshold share practically identical living conditions with people above the income threshold.
- *“Poverty, vulnerability and horizontal inequalities in Uruguayan adult population”* (Vigorito y Machado, 2021). Although our findings indicate that multidimensional poverty fell (31%) between 2006 and 2018, it decreased at a considerably lower pace than monetary poverty (78%).

# Measuring Poverty in Uruguay

- 2011 – publication of the Sociodemographic Atlas and Inequality in Uruguay, with a specific chapter of an análisis of **Unsatisfied Basic Needs**, 2011 Census.
- 2012 - Ministry of Social Development (MSD) begins estimating MPI with **CONEVAL methodology**: Income + social deprivations.
- 2018/2019 – MSD, National Statistics Institute, Ministry of Finance, the Budget and Planning Office and the Economics Institute of the University of the Republic sign an agreement to work on a proposal of multidimensional welfare measurement.
- 2020 – National Statistics Institute incorporates the creation of an MPI indicator in its **2020 – 2024 Strategic Plan**.
- 2021/22 – Launch of the IPM working sessions and OPHI Workshop and consultation rounds.
- 2023 – Presentation of first draft for IPM measurment (Alkire and Foster Methodology)

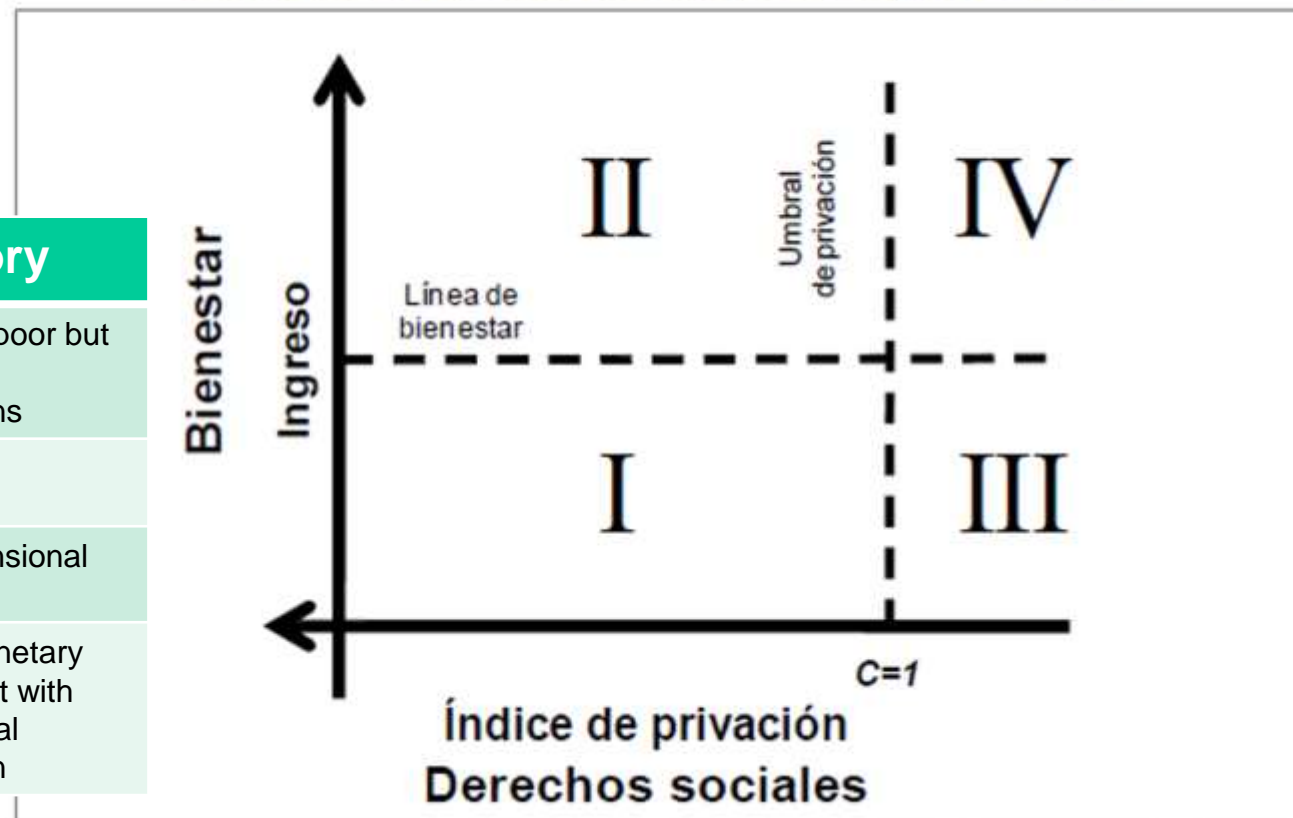
# Measuring Poverty in Uruguay

## MSD Multidimensional Poverty Indicator

Dimensions	# Indicators
Household	10
Education	2
Social security	4
Health	1

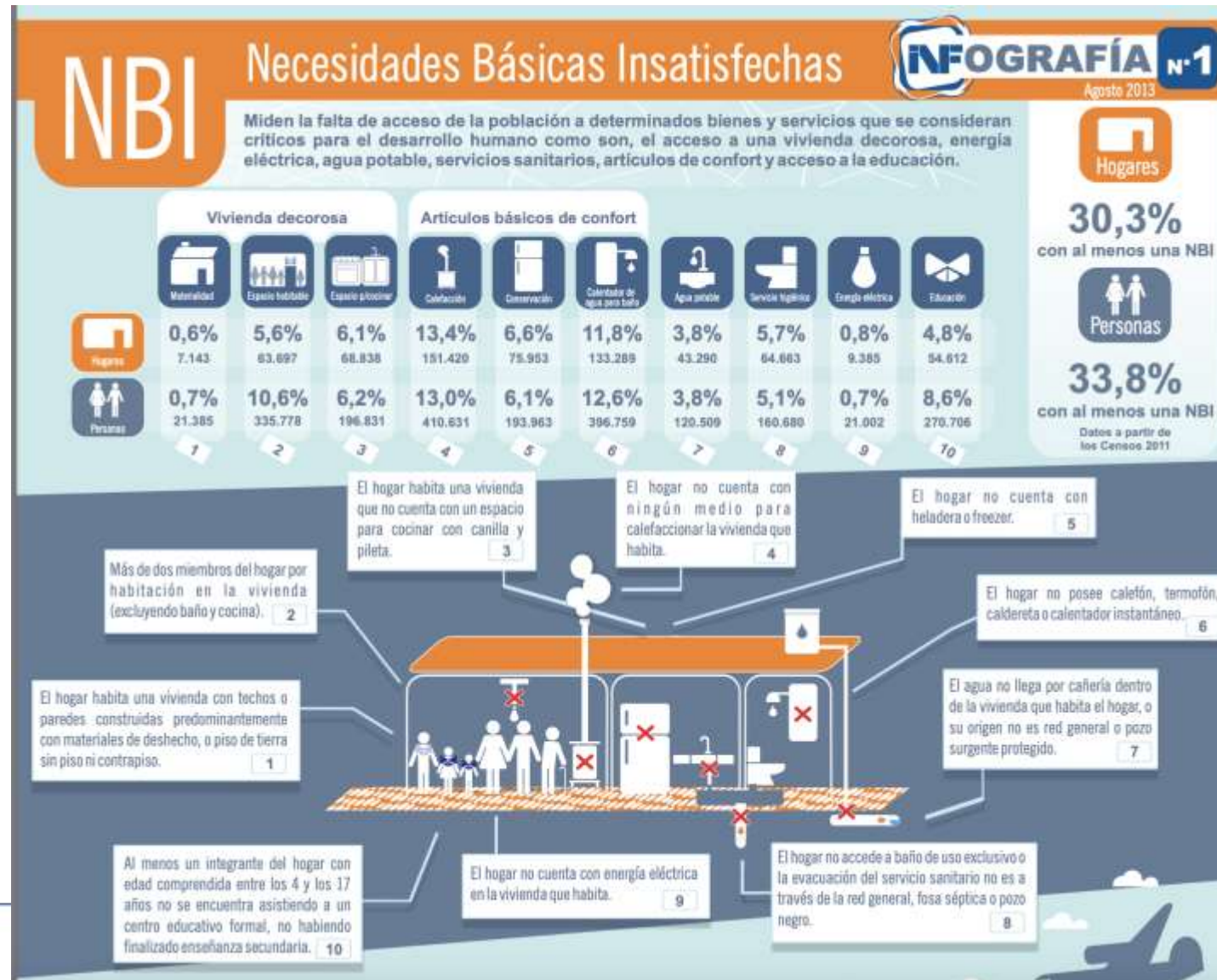
Cuadrant	category
I	Monetary poor but no social deprivations
II	Non-poor
III	Multidimensional Poor
IV	Above monetary poverty but with some social deprivation

Ilustración 1. Esquema resumen metodología CONEVAL





# Measuring Poverty in Uruguay



# Measuring Poverty in Uruguay

## Visualización de datos

Tabla de datos

Filtrar por:

Año

Cantidad de NBI



Cantidad de NBI	2014	2015	2016	2017	2018	2019	2020	2021
Sin NBI	77,7	78,3	79,4	79,8	81	81,3	.	83,1
Con 1 NBI	15,6	15,6	15,2	15,5	14,6	14,5	.	13,7
Con 2 NBI	3,7	3,5	3,2	2,8	2,7	2,8	.	2,1
Con 3 o más NBI	3	2,5	2,3	1,9	1,6	1,5	.	1
Total	100	100	100	100	100	100	.	100



# Measuring Poverty in Uruguay

- 2024 – Final round of consultations. National Statistics Institute DRAFT PROPOSAL:

Dimensions	Indicators	Dimensiones	Indicadores	Hogar privado si...	Ponderador
Education	Assistance	Educación	Asistencia	Al menos un integrante de 4 a 17 años no está asistiendo	1/12
	Delay		Rezago	Al menos un integrante del hogar de 6 a 19 años que está asistiendo a un centro educativo está rezagado 2 años o más	1/12
	Total years		Años de escolarización	Al menos una persona del hogar entre 18 y 59 años completó menos de 9 años de educación	1/12
Household	Overcrowding	Vivienda	Hacinamiento	La cantidad de personas mayores a 2 años por habitación destinada para dormir en el hogar es mayor a 2	1/16
	Tenancy		Tenencia segura	El hogar es propietario de la vivienda (la haya o no pagado) pero no del terreno, o es ocupante de la vivienda sin permiso del propietario	1/16
	Internet Access		Acceso a internet	El hogar no tiene banda ancha fija ni móvil	1/16
	Housing quality		Calidad de la vivienda	El hogar cuenta con al menos un problema grave en la vivienda	1/16
Social Protection	Access to health	Protección social	Acceso a salud	Al menos un integrante del hogar no tiene derechos vigentes en ninguna institución de salud	1/8
	Pensions		Pensiones	Al menos un integrante del hogar de 65 años o más no cobra jubilaciones ni pensiones y no está ocupado	1/8
	Employment		Empleo	Informalidad	Al menos un integrante del hogar entre 18 y 64 años es ocupado y no aporta a ninguna caja
Unemployment	Desempleo	Al menos un integrante del hogar entre 30 y 64 años se encuentra desempleado.		1/12	
Work and Study	Estudio y trabajo	Al menos un integrante del hogar entre 18 y 29 años no estudia ni trabaja		1/12	

Cuatro dimensiones, doce indicadores

Unidad de identificación: hogares  
Unidad de análisis: individuos

# Measuring Poverty in Uruguay

- 2024 – Final round of consultations. INE DRAFT PROPOSAL:
- On a first stage, data must be obtained from the Continuous Household Survey.
- Does not include access to goods: this would imply measuring welfare, not poverty.
- Indicator selection criteria based fundamentally on information availability.
- Definition of indicators and thresholds: aim at objective definitions, reduce subjectivity.
- Monetary components (ie income) not included.
- Tendency to simplify formulation of indicators.
  
- NEXT STEPS:
- Reach consensus on the proposal
- Carry out detailed analysis of intersection between monetary and multidimensional poverty
- Continue robustness testing analysis
- Calculate series for a period of time

*Source: National Statistics Institute, 2023.*

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# Measuring Poverty in Uruguay

- Multidimensional Indicator to target social policies: the **Index of Critical Deprivations** (Índice de Carencias Críticas – ICC).
- Designed to target households for cash transfers, it uses a *probit* model to predict the probability that a household belongs to the lowest income quintile **based on a large set of socioeconomic dimensions**: household type, level of education, safe and regular access to water and electricity, basic goods index, etc.
- This *proxy-means testing* not only helps overcome the lack of real income administrative data (due to informality), but also provides a better picture of “structural” poverty that is not easily captured with income-only metrics.

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**Thank You**



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