National Practices of Multidimensional Poverty as a Policy Tool

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National Multidimensional Poverty Indices (MPIs)

How are National MPIs Different from the Global MPI?

Like with monetary poverty, in which there is an internationally comparable poverty line (now $2.15/day) and national poverty lines, multidimensional poverty also has **two key metrics:**

- The **global MPI** is <u>internationally comparable</u>, covers 100+ countries, and is computed and updated annually by UNDP and OPHI. It uses mostly DHS and MICS datasets.

- **National MPIs** are official national statistics that are <u>tailored to national contexts and priorities</u>. They are used for guiding national policies and reporting to SDG 1. They are not comparable across countries. They can use different data sources (DHS, MICS, HBS, HIES, LFS, census, etc.). Dozens of countries around the world have official national MPIs.

Common Dimensions in National MPIs

- Education
- Health
- Living Standards
- Employment & Social Protection
- Children & Youth
- Environment
- Social Cohesion
- Basic Freedoms

Common Indicators in National MPIs

- School attendance
- Years of schooling
- Water
- Sanitation
- Electricity
- Housing materials
- Overcrowding
- Unemployment
- Asset ownership

National MPI Examples: Uganda

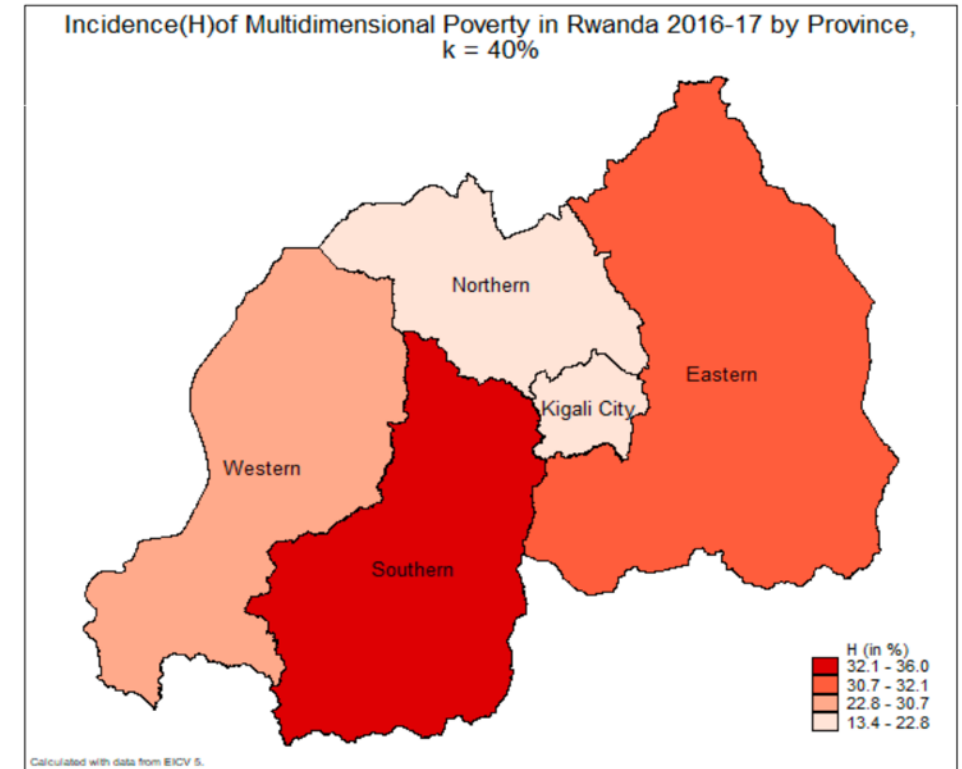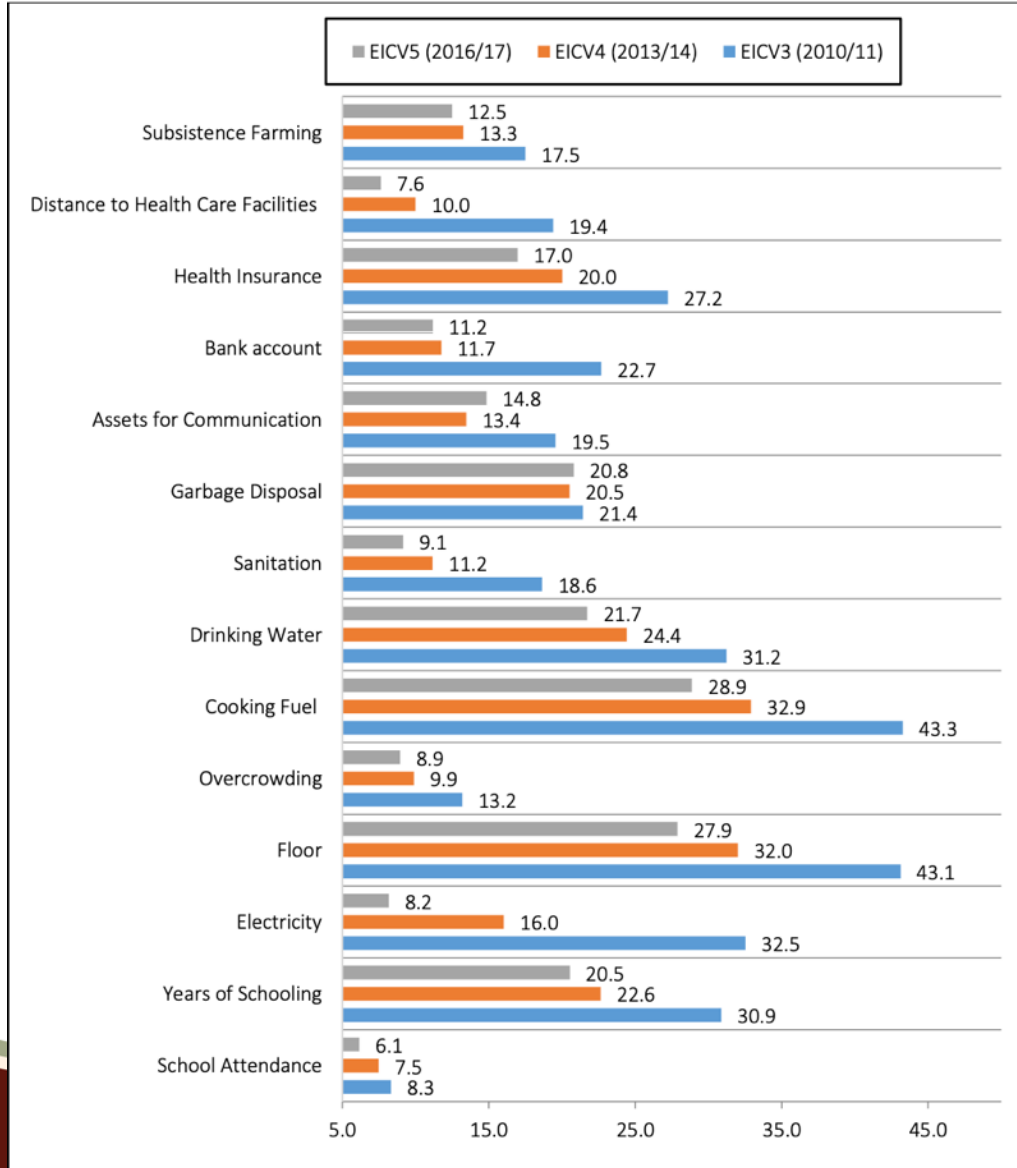| Dimension	Indicator	Deprivation cut-off	Indicator Weights	Dimension Weight
Education	Years of schooling	Deprived if no household member above 14 years of age has completed 6 years of schooling.	1/8	1/4
	School attendance	Deprived if any child aged 6 to 18 years is not attending school.	1/8	
Health	Access to health services	Deprived if at least one household member was sick in the 30 days preceding the survey and did not seek for care due to a range of reasons.	1/12	1/4
	Improved water	Deprived if the household has no access to an improved source of water or if the average time taken to and from the improved water source is more than 30 minutes.	1/12	
	Improved toilet facility	Deprived if the household does not use an improved toilet facility and the toilet facility is not shared.	1/12	
Living stan-dards	Overcrowding	Deprived if the household is overcrowded (three or more people per room).	1/16	1/4
	Electricity	Deprived if the household has no access to clean energy sources such as electricity, solar, generators and thermal electricity.	1/16	
	Housing material	Deprived if the household has unimproved walls or roof or floor.	1/16	
	Asset ownership	Deprived if the household does not have at least one communi-cation or transport asset (bicycle, motorcycle, motorboat, radio, phone, TV) and has no car.	1/16	
Employment and financial inclusion	Child labour	Deprived if any household member 5 to 17 years is engaged in work.	1/12	1/4
	Productive employment	A household is deprived if the head is subsistence farmer only or casual labourer in agriculture.	1/12	
	Financial services	Deprived if no member of the household (16 years and above) has/uses financial products or does not use mobile money.	1/12	

National MPI Examples: Uganda

Sub-region	Monetary poor 2016/17	Monetary poor 2019/20	Multidimensional poor 2016/17	Multidimensional poor 2019/20
National	21.4	20.3	44.3	42.1
Kampala	2.6	1.6	2.7	0.4
Buganda South	9.0	6.9	18.3	17.9
Buganda North	11.0	13.6	29.0	31.5
Busoga	37.5	29.4	49.9	45.1
Bukedi	43.7	34.6	65.4	42.2
Elgon	34.5	13.2	55.6	40.5
Teso	25.1	22.0	52.7	55.6
Karamoja	60.2	65.6	86.7	84.9
Lango	25.6	23.5	56.3	57.0
Acholi	33.4	67.7	70.3	63.6
West Nile	34.9	16.9	62.8	59.1
Bunyoro	17.3	9.8	42.0	45.7
To0ro	11.1	12.8	49.0	45.5
Ankole	6.8	13.3	37.3	42.6
Kigezi	12.2	27.6	38.8	48.4

Source: Computations based on UNHS 2016/17 and UNHS 2019/20.

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National MPI Examples: Rwanda

Dimension	Indicator	Deprivation Cut-off	Indicator Weight	Dimension Weight
Education	School Attendance	At least one school-aged child (7-15 years) in the household is not attending school	12.5%	25%
	Years of Schooling	There is no household member that has completed at least 6 years of schooling	12.5%	
Housing	Electricity	Household does not have improved electricity (not connected to electricity from EWSA or other electricity distributors, bio gas, generator, solar panel, batteries + bulb)	7.5%	25%
	Floor	Household does not have improved floor (not wooden floor, clay tiles, cement, or bricks)	7.5%	
	Overcrowding	Household has more than 4 members per sleeping room	7.5%	
	Cooking Fuel	Household uses non-improved cooking fuel (doesn't use gas, biogas, solar power, electricity, or oil kerosene)	2.5%	
Public Services	Sanitation	Household does not have improved sanitation (no flush toilet or pit latrine with slab)	8.33%	25%
	Drinking Water	HH does not have access to safe drinking water (no piped water into dwelling, piped water into yard/plot, public tab/standpipe, tube well or borehole, protected well, protected spring, or rainwater, OR source of water is more than 500m in rural areas and more than 200m in urban areas)	8.33%	
	Garbage Disposal	Household does not dispose of garbage in publicly managed refuse area, rubbish collection service, or composting heap in own property	8.33%	
Social Services & Economic Activity	Bank Account	No household member has a bank account	5.0%	25%
	Health Insurance	There is at least one household member with no health insurance	5.0%	
	Assets for Communication	Household does not own any of the following assets: radio, TV, any type of phone (fixed or mobile), computer	5.0%	
	Distance to Health Care Facilities	Household lives more than 3km away from a health center or hospital	5.0%	
	Subsistence Farming	Household is only engaged in agricultural work	5.0%	

National MPI Examples: Rwanda

Bar chart legend: EICV5 (2016/17), EICV4 (2013/14), EICV3 (2010/11)

Indicator	EICV5 (2016/17)	EICV4 (2013/14)	EICV3 (2010/11)
Subsistence Farming	12.5	13.3	17.5
Distance to Health Care Facilities	7.6	10.0	19.4
Health Insurance	17.0	20.0	27.2
Bank account	11.2	11.7	22.7
Assets for Communication	14.8	13.4	19.5
Garbage Disposal	20.8	20.5	21.4
Sanitation	9.1	11.2	18.6
Drinking Water	21.7	24.4	31.2
Cooking Fuel	28.9	32.9	43.3
Overcrowding	8.9	9.9	13.2
Floor	27.9	32.0	43.1
Electricity	8.2	16.0	32.5
Years of Schooling	20.5	22.6	30.9
School Attendance	6.1	7.5	8.3

Incidence(H)of Multidimensional Poverty in Rwanda 2016-17 by Province, k = 40%

H (in %): 32.1 - 36.0; 30.7 - 32.1; 22.8 - 30.7; 13.4 - 22.8

Calculated with data from EICV 5.

Intensity gradient	EICV3 (2010/11) %	EICV4 (2013/14) %	EICV5 (2016/17) %
40% - 49.99%	17.4	13.8	10.2
50% - 59.99%	15.2	17.2	13.5
60% - 69.99%	18.5	13.8	15.1
70% - 79.99%	14.1	16.1	17.6
80% - 89.99%	16.3	18.4	21.7
90% - 100%	18.5	20.7	21.9
Total	100.0	100.0	100.0

National MPI Examples: Nigeria

https://www.nigeriapovertymap.com
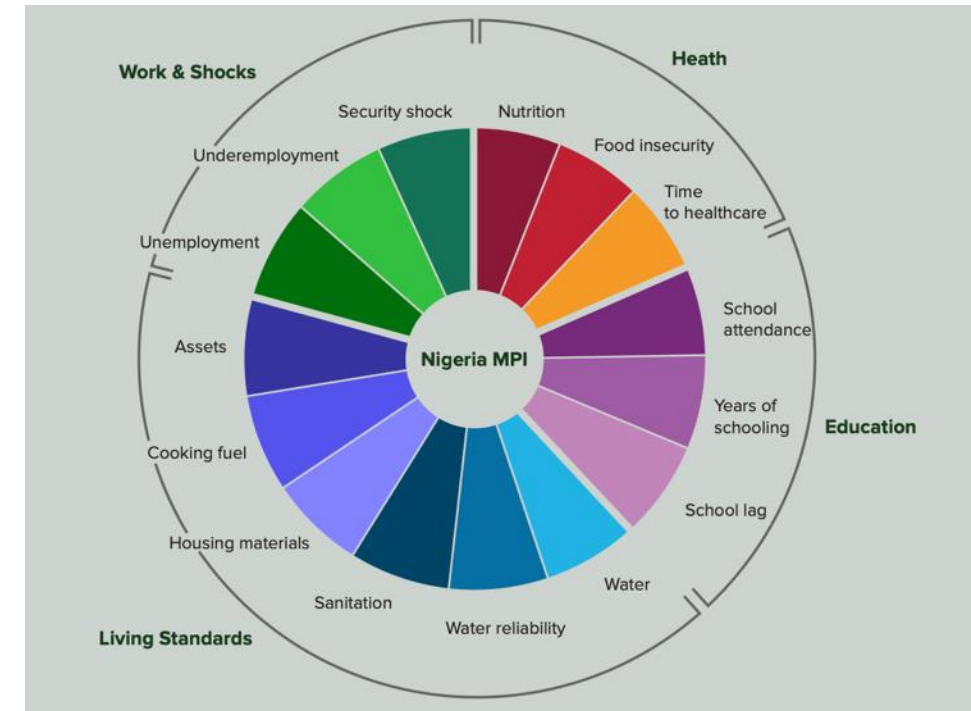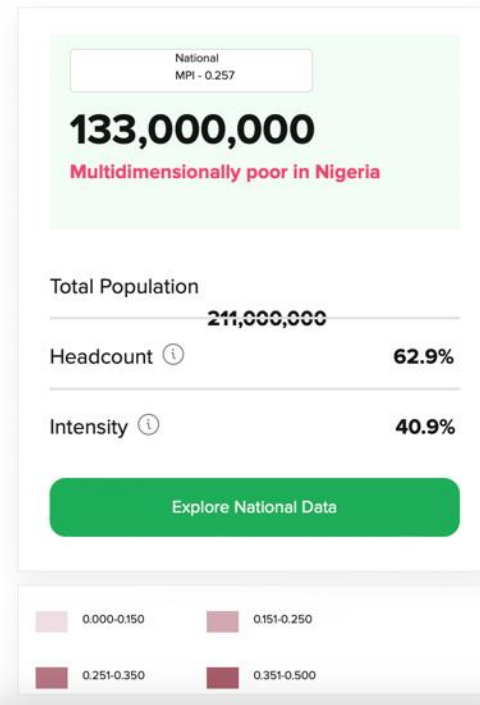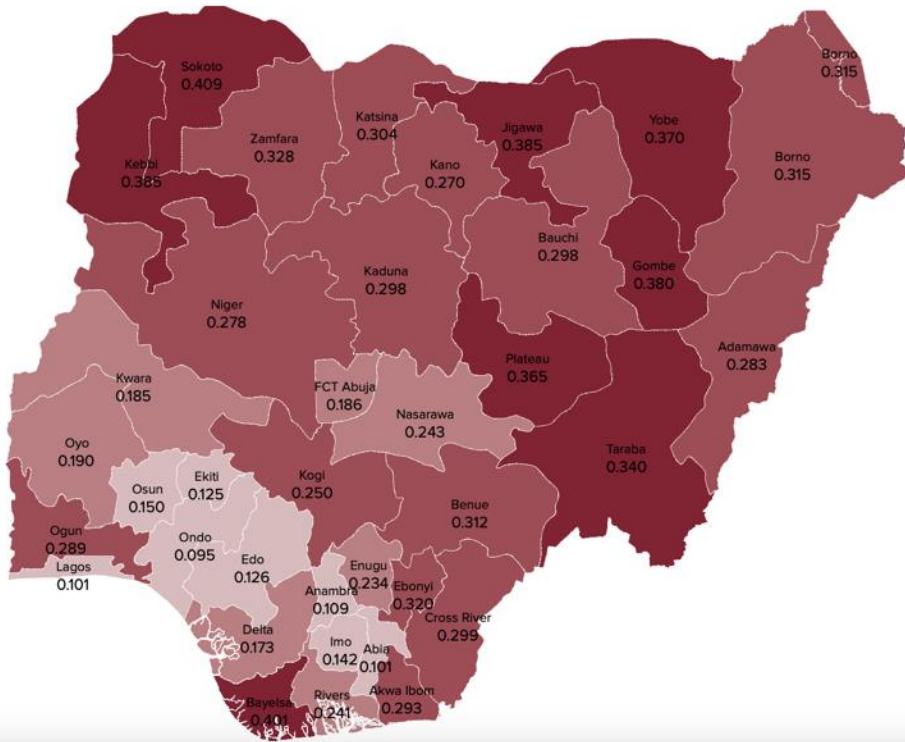
Policy Uses of MPIs

Common Policy Uses of MPIs

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (as 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
7. **Leave No One Behind** see the poorest & track trends
8. **Report on the SDGs** especially for indicator 1.2.2
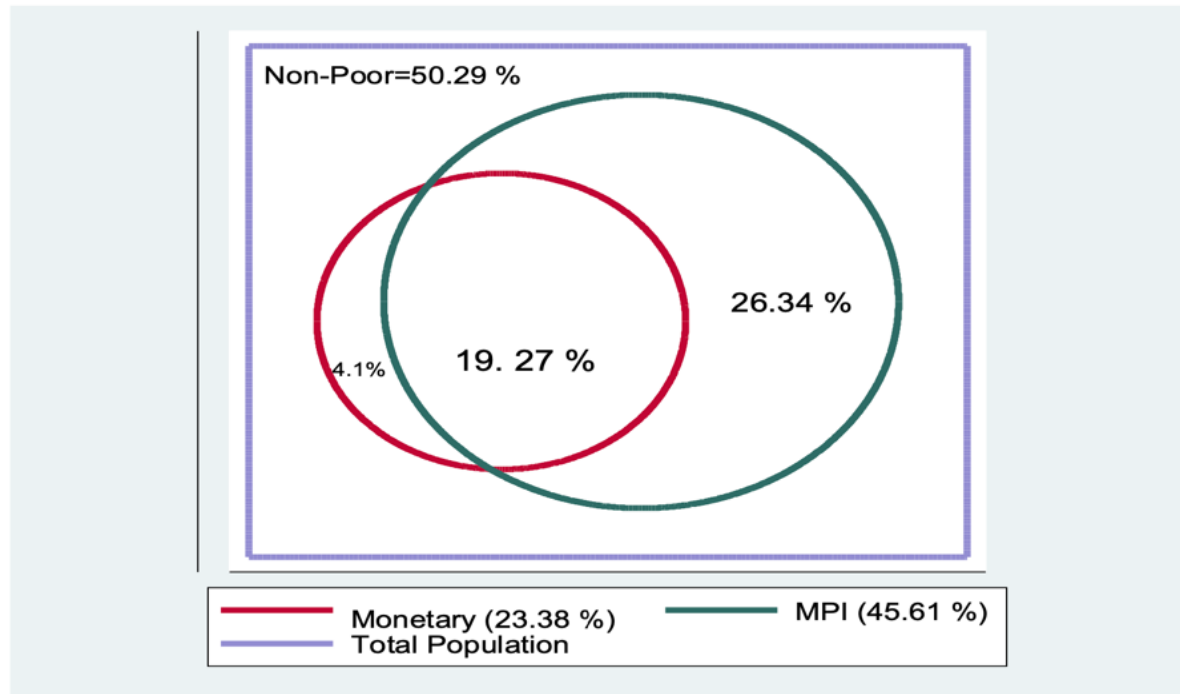9. **Be Transparent** so all stakeholders engage and are held accountable

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1. **Complement** monetary poverty statistics

Figure 3.12: Comparison between monetary and non-monetary poverty

In Ghana, most monetary poor were also multidimensionally poor, but more than 1/4 of population were multidimensionally poor, but not monetary poor
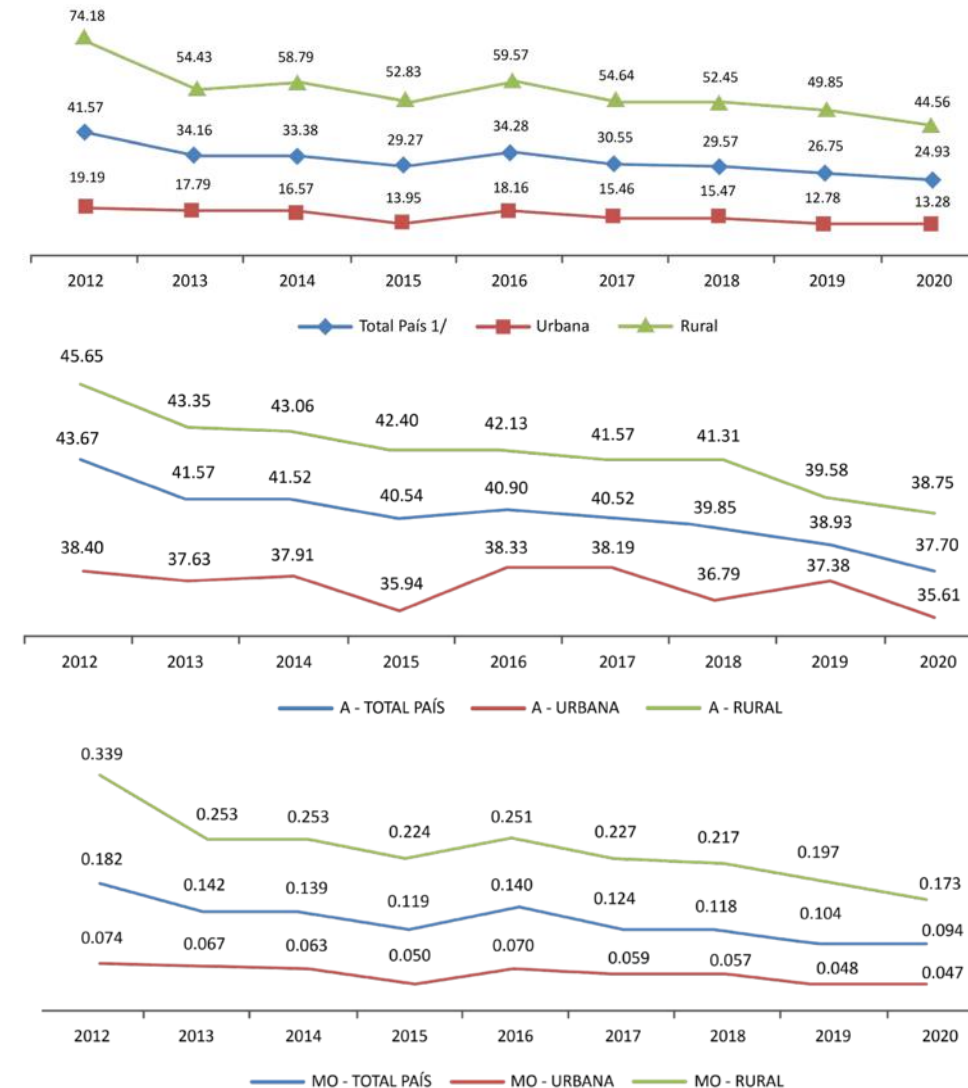
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2. **Track poverty** over time (as official statistics)

Multidimensional poverty incidence in **Paraguay** reduced from **41.6%** in 2012 to **24.9%** in 2020.

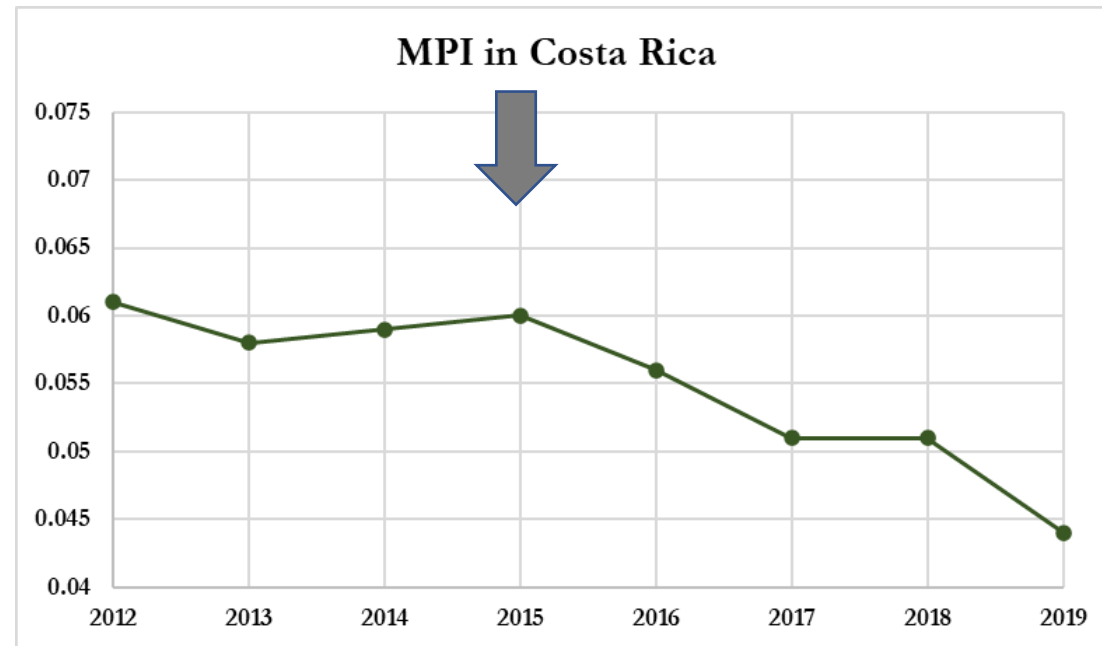The urban/rural gap decreased.

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Common Policy Uses of MPIs

3. **Allocate resources** by sector and by region

When 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 budget allocation formulae in the future.

The MPI reduction accelerated on a fixed budget.
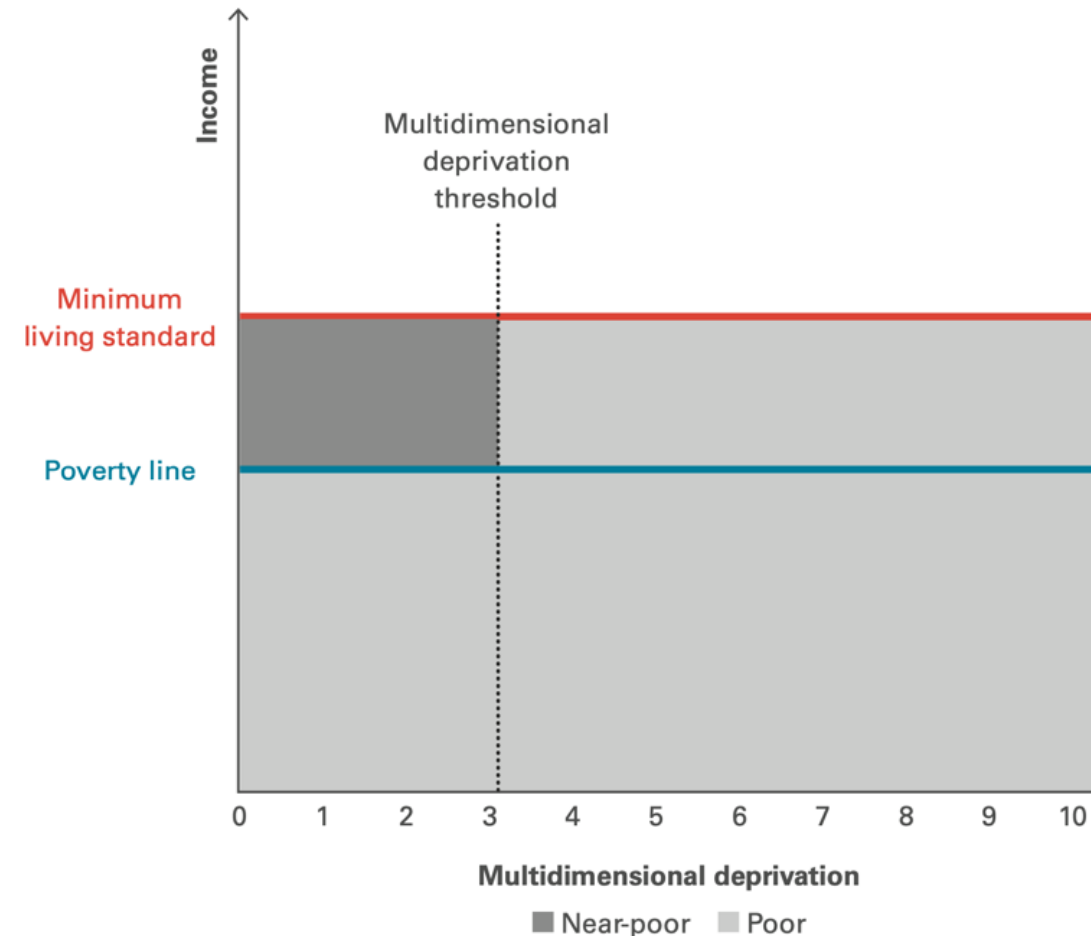

MPI in Costa Rica

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Common Policy Uses of MPIs

4. **Target** marginalized regions, groups, or households

Vietnam uses a Poverty Census to identify people living in multidimensional poverty. This is updated annually at the local level using information from registers, survey questionnaires, and community monitoring. This is used (along with monetary poverty) to identify priority groups of eligible beneficiaries for poverty reduction programs.

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5. **Coordinate** policy across sectors and subnational levels

Colombia formed a roundtable of Ministers and the President to meet and assess progress towards the MPI targets.
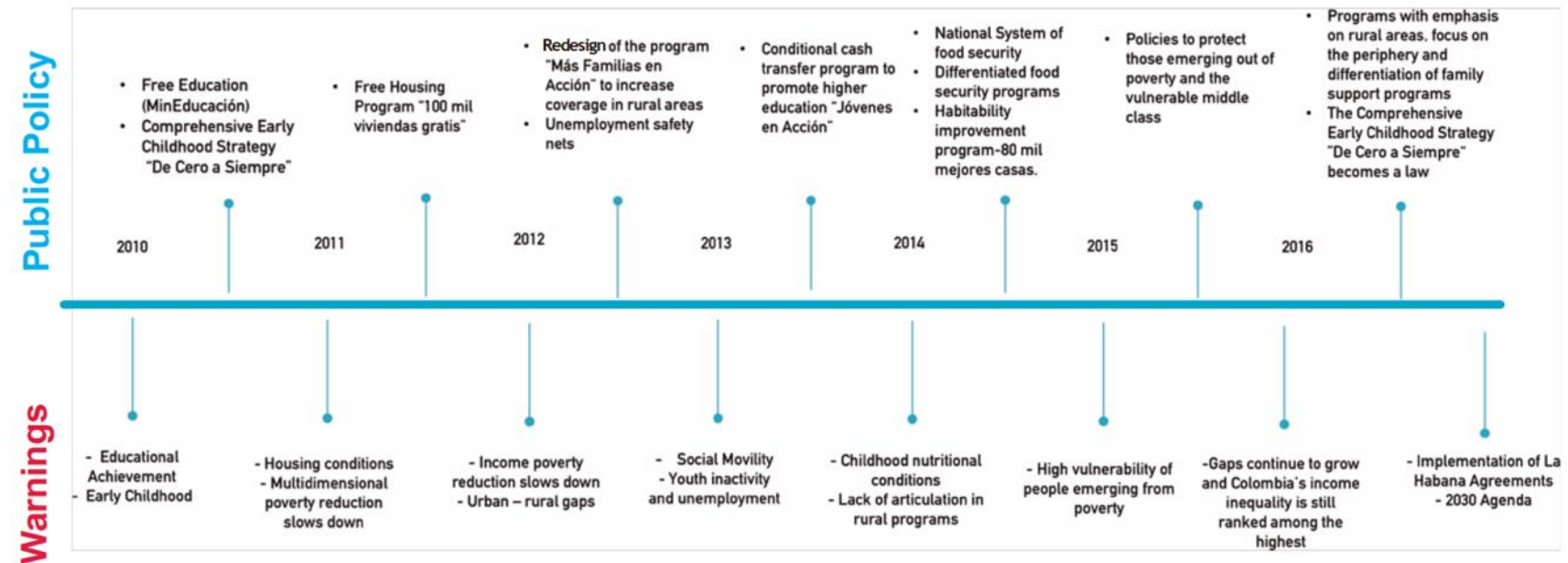
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Common Policy Uses of MPIs

6. **Adjust** policies by what works

The Colombia roundtable identified warnings from MPI and developed policy responses

Strategic policy decisions are made based on the diagnosis of the Poverty Committee

Public Policy

- 2010
  - Free Education (MinEducación)
  - Comprehensive Early Childhood Strategy "De Cero a Siempre"
- 2011
  - Free Housing Program "100 mil viviendas gratis"
- 2012
  - Redesign of the program "Más Familias en Acción" to increase coverage in rural areas
  - Unemployment safety nets
- 2013
  - Conditional cash transfer program to promote higher education "Jóvenes en Acción"
- 2014
  - National System of food security
  - Differentiated food security programs
  - Habitability improvement program-80 mil mejores casas.
- 2015
  - Policies to protect those emerging out of poverty and the vulnerable middle class
- 2016
  - Programs with emphasis on rural areas, focus on the periphery and differentiation of family support programs
  - The Comprehensive Early Childhood Strategy "De Cero a Siempre" becomes a law

Warnings

- – Educational Achievement
- – Early Childhood
- – Housing conditions
- – Multidimensional poverty reduction slows down
- – Income poverty reduction slows down
- – Urban – rural gaps
- – Social Movility
- – Youth inactivity and unemployment
- – Childhood nutritional conditions
- – Lack of articulation in rural programs
- – High vulnerability of people emerging from poverty
- –Gaps continue to grow and Colombia´s income inequality is still ranked among the highest
- – Implementation of La Habana Agreements
- – 2030 Agenda

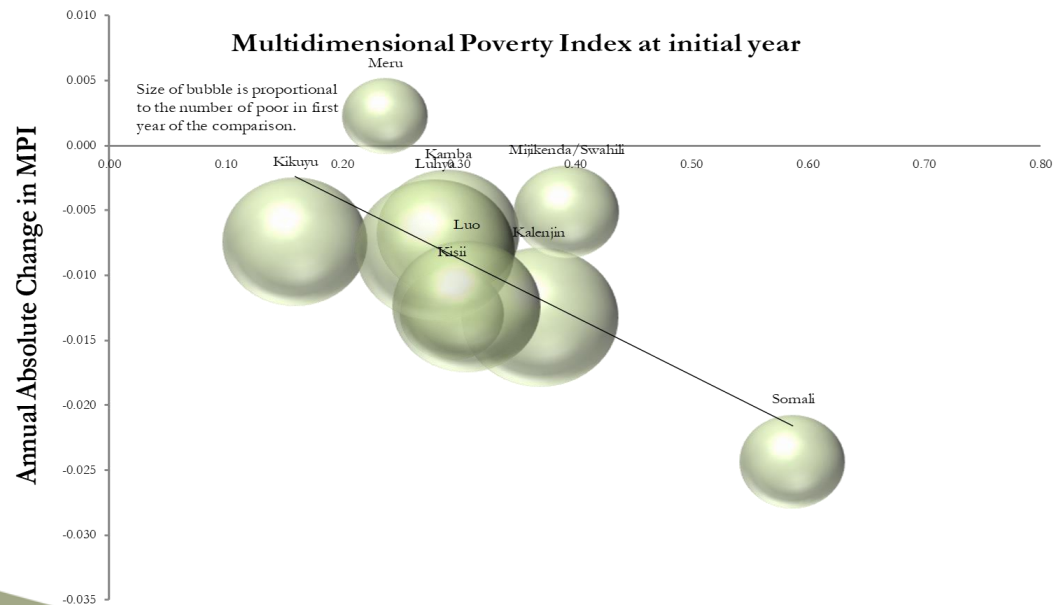Source: Department for Social Prosperity

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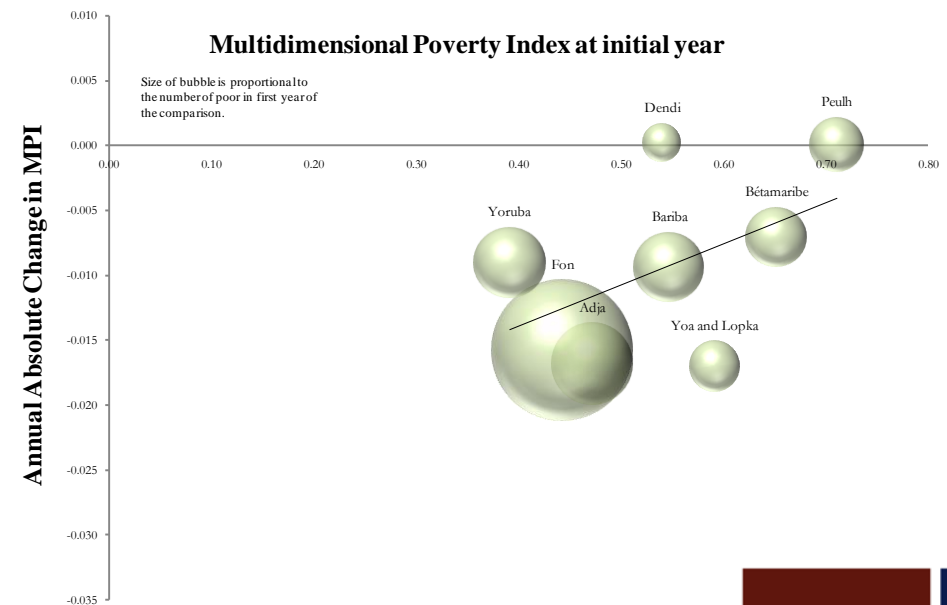
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Kenya global MPI ethnicity data, 2008/09-2014

Benin global MPI ethnicity data, 2006-2011/12

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8. **<u>Report on the SDGs</u>** <u>especially for indicator 1.2.2</u>

SDG indicator 1.2.2 is the "proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions"

There are two ways in which countries report the MPI for SDG indicator 1.2.2:

- Global SDG Indicators Database
- Voluntary National Reviews

SDGs THAT LINK TO NATIONAL MPIs

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Common Policy Uses of MPIs

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- Until 2002, Mexico did not have an official poverty measure.
- In 2001, as part of a restructuring process to **increase credibility** of poverty figures, the government consulted with national and international experts.
- In 2004, the Mexican Congress adopted the **General Law of Social Development**, which defined social rights and established the autonomous National Council for the Evaluation of Social Development Policy (CONEVAL), which was responsible for poverty estimations and had a Steering Committee of academic researchers.
- To increase credibility, CONEVAL **publishes its calculation formula** on its website and uses publicly available data.

Multidimensional Poverty Peer Network (MPPN)

Multidimensional Poverty Peer Network

The MPPN is a network of 64 countries and 19 international agencies that aims to provide a forum for peer learning on the measurement and policy of multidimensional poverty.

South Africa is on the Steering Committee of the MPPN (represented by Stats SA)

The MPPN organizes a number of knowledge sharing activities, including:
- Annual meeting (South Africa hosted in 2018)
- Regular teleconferences
- Thematic webinars
- High-level side events to the UN General Assembly and Statistics Commission
- *Dimensions* magazine
- MPPN website is a repository of information from participants

Thank you!

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