In 1990, nearly 50 per cent of the population of Latin America and the Caribbean was monetarily poor, according the Economic Commission for Latin America and the Caribbean (ECLAC) data (Angulo et al., 2018). Since then, poverty reduction has been a central concern for countries in the region. Despite the fact that this figure has been cut nearly in half, significant disparities remain hidden from view. Whether it is because poverty has many forms and dynamics, because of limitations in the design or focus of public policies, or because of problems in the way poverty has been measured, the fact remains that for certain segments of the population poverty reduction has taken place at a slower pace than the average.
This is the case for the indigenous population in the region. In 2010, 8.3 per cent of residents belonged to indigenous communities (Angulo et al., 2018). Of them, according to World Bank data, 24 per cent lived on less than USD 2.50 per day. That is more than double the number for non-indigenous populations. In turn, 9 per cent lived on less than USD 1.25 per day, which is triple the number for non-indigenous populations (Figure 1) (Angulo et al., 2018). Historic disadvantages that these groups have accumulated as a result of systematic processes of exclusion and discrimination that were transmitted intergenerationally are responsible for unequal opportunities as compared to the rest of the population (CONEVAL, 2014). Ending these differences has become a priority in the context of the Sustainable Development Goals (UN 2015).

To date, there are few initiatives aimed at identifying the particular attributes of poverty in the indigenous population. A monetary poverty indicator only takes one of the dimensions of poverty into account, but little is known about how this dimension interacts with other determining factors that create opportunities to improve quality of life, such as health, housing, education, social networks, and work. Furthermore, the question of how indigenous groups define poverty in cultural and material terms remains open, including whether or not the general population’s approach to measuring poverty is relevant for them.

Given this situation, the Multidimensional Poverty Index (MPI) appears to be a better suited tool for two reasons. First, it can be disaggregated by group and dimensions in order to understand, on the one hand, which of these lead to the greatest deprivations experienced by indigenous populations and, on the other, how each dimension contributes to the incidence of poverty experienced by these groups. Second, the MPI is receptive to incorporating these groups’ cultural attributes and can consider or exclude dimensions and indicators as well as redefine its thresholds or weightings based on its own definitions.

Understanding the components of indigenous poverty by indicators leads to better decision-making, which in turn results in public policies that better target this population. Figure 1 shows, for example, that there is greater prevalence of monetary poverty among indigenous people than among non-indigenous people. The MPI goes a step further. It allows us to answer the following questions: How much poorer are the indigenous poor and how different are they from the poor who have no indigenous affiliation?

Figure 1: Incidence Rate of Monetary Poverty in Latin America for the Indigenous Population circa 2000

Source: Angulo et al. (2018).
Which deprivations in which dimensions are most important in determining a poverty situation? Which interventions should be prioritized to deal with this condition most effectively?

The main limitation these countries face in the measurement of indigenous poverty is the availability of data. National statistics about these matters are generally based on two sources of information: (1) universal population and housing censuses and (2) household surveys. While the former are infrequent and make use of short questionnaires that do not include all of the questions necessary to make estimates about poverty, the latter, which occur more regularly, in general do not include questions about ethnic identity, and, as samples, have problems with the representation of the indigenous population.

This briefing uses the cases of Mexico and Colombia to analyze the measurement of multidimensional poverty based on ethnic categories.

MEXICO’S EXPERIENCE

The measurement of multidimensional poverty for Mexico’s indigenous population emerged from two concerns. The first relates to poverty in general. It has been established that the prevalence of poverty in the indigenous population — extreme poverty in particular — is systematically greater than for the rest of the population, and that it involves much broader factors than income. This is manifested as an accumulation of disadvantages that work against the principle of equal rights. The second relates to how an ‘indigenous’ population should be defined. With respect to the second concern, it was hypothe-

While there are countries with samples explicitly designed to obtain representative data from these groups, this is not the case for the vast majority of countries.
How does a social attribute become an obstacle to the basic enjoyment of human rights? The focus of multidimensional poverty is well suited to respond to this question in that, as it can be disaggregated, it sheds light on which aspects and which dimensions of the indigenous condition best explain the phenomenon of poverty, and, conversely, which attributes of ‘being indigenous’ best help to identify the population group that shares certain deprivations.

Prior to 2010, there were a variety of sources of statistical information and ways of defining the indigenous population. There was not agreement among the different state institutions on which of these would be considered and, therefore, the tools used for identifying these populations had changed over time. Therefore, a first step was to standardize the questions about ethnicity on the Population and Housing Census and the Socioeconomic Conditions Module of the National Survey of Household Income and Expenditure (MCS-ENIGH in Spanish). Thanks to a collaboration between the National Institute of Statistics and Geography (INEGI in Spanish) and the National Council for the Evaluation of Social Development Policy (CONEVAL in Spanish), and, in accordance with recommendations of international entities, the decision was made for both tools to include a common question about eth-

![Figure 2: Indicators of Social Deprivations by Population Group (2012)](image)

Source: Based on CONEVAL (2014).
nic identification in addition to the questions about spoken language that had been used for several years to identify the indigenous population.

Based on the information gathered in the 2010 Population and Housing Census and the 2008, 2010, and 2012 MCS-ENIGH, five analytical categories were built for the indigenous population: indigenous language speakers, population in indigenous homes, population that identifies itself as indigenous, indigenous language-speaking population living in non-indigenous households, and population that speaks an indigenous language but does not consider itself indigenous. Poverty in the general population and each subset of the indigenous population was characterized based on this data, identifying both the specifics of the latter with respect to the rest of the population and the heterogeneity among the analytical groups that make it up.

The measurement of multidimensional poverty in Mexico combines income-based poverty and social deprivations. Income is measured on a well-being line that indicates if income is sufficient to cover basic nutritional and non-nutritional needs, and a minimal well-being line that corresponds to people whose incomes allow them to cover nutritional but not non-nutritional needs. Well-being in terms of social rights includes the dimensions of education, health, social security, quality of housing spaces, and nutrition.

Based on this, populations are classified as poor (if they have one or more social deprivations and their income is below the well-being line), extremely poor (three or more social deprivations and income below the well-being line), moderately poor (poor but not extremely poor), vulnerable due to social deprivations (having an income above or equal to the well-being line, but experiencing one or more social deprivations), vulnerable due to income (no social deprivations, but income is below the well-being line), and not poor or vulnerable (no social deprivations and income above or equal to the well-being line) (CONEVAL, 2012).

An initial finding about indigenous poverty indicates that being indigenous is associated with more precarious living conditions. Being indigenous means a higher likelihood of experiencing deprivations in all of the dimensions that comprise Mexico’s multidimensional poverty measure, as well as income-based deprivations (Figures 2 and 3).

With regard to the differences between indigenous poverty and that of the general population, deprivations have decreased among the indigenous population at a pace similar to the rest however, indigenous

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**Figure 3: Economic Well-being Indicators by Population Group (2012)**

<table>
<thead>
<tr>
<th>% Population</th>
<th>Total population</th>
<th>Indigenous language speakers (ILS)</th>
<th>Population in indigenous homes</th>
<th>Population that identifies as indigenous</th>
<th>Indigenous language speakers (ILS) population that does not identify as indigenous</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>51,6</td>
<td>56,1, 56,9</td>
<td>56,1</td>
<td>56,1, 56,9</td>
<td>56,1, 56,9</td>
</tr>
<tr>
<td>B</td>
<td>77,9</td>
<td>74,7</td>
<td>49,0</td>
<td>42,5, 23,2</td>
<td>33,4</td>
</tr>
</tbody>
</table>

Source: Based on CONEVAL (2014).
poverty presents greater deprivations in all dimensions as compared to the general population. Moreover, indigenous people have been systematically shown to have lower income levels than the general population – even for jobs in similar sectors. This would suggest that public policies have had a limited impact on levelling the conditions for the poorest and that certain mechanisms of discrimination restrict the indigenous population’s access to higher income work. This information is of great value to discussions about public policies.

The five analytical categories based on the breakdown of this concept provide empirical evidence of what constitutes being indigenous, revealing important differences among the deprivations experienced within each category. The more structural the ethnic relationship – language and identity, for example – the greater the probability of presenting deprivations in one or more dimensions. In effect, the prevalence and intensity of poverty is greater among indigenous language speakers (ILS), while those who identify as indigenous have characteristics closer to those of the rest of the population. This methodology, by including indicators on networks and social cohesion, shows how the environment impacts deprivations experienced in the different dimensions and reveals the differences between the indigenous population in rural areas and those who have migrated to cities.

Having an official measurement of poverty by ethnic affiliation allows specific up-to-date measurements of their situations of poverty to be disaggregated into the five categories, while also contributing to the debate about what constitutes being indigenous. All of the above helps to design more effective and focused public policies.

COLOMBIA’S EXPERIENCE
The Colombian experience centres on adapting the methodology for poverty measurement and, in particular, the national MPI to the indigenous population. This is in contrast to the Mexican case, which, as we have seen, focuses on identifying and characterizing the indigenous population as a subset of the national population. In the case of monetary poverty, the measurements used for urban areas are not adequate since income and consumption in rural households, where the majority of the indigenous population lives, has its own features (for example,
the relevance of self-consumption). A specific index was created to define and measure the experience of poverty in indigenous populations. This was done by including or eliminating dimensions and revising indicators, thresholds, and weights based on how the indigenous people themselves defined well-being or, inversely, the condition of ‘being deprived of a broad enough series of capabilities to choose what to be or do in life’ (Angulo et al., 2018).

It should be noted that what follows is a description of a proposed Indigenous MPI that has not yet been adopted as an official methodology to characterize poverty in among this group. To date, it remains a proposal.

The national MPI of Colombia is an important tool for public policy that helps to define priorities for the National Development Plan, which focuses the government’s goals for the next four-year period. The MPI considers that a person is in a condition of poverty if she experiences deprivations in at least five of the 15 indicators that constitute the index (or 33 per cent of the total deprivations). These are grouped into five dimensions: education, child and youth conditions, work, health, and public housing services and housing conditions.

This index reveals a higher incidence of indigenous poverty as compared to the population that is not identified based on ethnicity, with simultaneous deprivations in more dimensions and a greater intensity of poverty (Figure 4). At the same time, the results indicate that the urban/rural divide explains a greater variation in the percentage of non-indigenous poverty versus indigenous poverty. They also show that indigenous poverty is more intense than poverty in the non-indigenous population, with the more deprived group being indigenous in rural areas (DNP 2011). Indigenous poverty has certain attributes that are overlooked as public policy objectives because there is no source of aggregated information that can offer a simultaneous view of deprivations across different dimensions. This is the main motivation for creating an Indigenous-MPI.

**STEPS TOWARD AN INDIGENOUS MPI**

A first step was to revise Colombia’s national MPI (Figure 5). Focus groups were created in six communities, with the goal of evaluating the importance and relevance of the dimensions and indicators for the indigenous population and reviewing the cut-off points. The groups consisted of between six to eight participants that included women, young people, leaders, and older people in each.

![Figure 4: Multidimensional Poverty Rate in Colombia by 'Indigenous and Non-indigenous Groups'](image)

<table>
<thead>
<tr>
<th>Population</th>
<th>%</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous</td>
<td>86.5</td>
<td>Non-indigenous</td>
</tr>
</tbody>
</table>

Source: Based on Angulo et al. (2013), with 2005 census data.

Colombia’s constitution was also reviewed in order to identify those areas where there is a regulatory imperative to ensure a particular level of well-being. For example, the basic text establishes that the languages and dialects of ethnic groups are official languages in their territories, and that teaching should be bilingual in communities with their own linguistic traditions. This has important implications for determining the well-being line, or, conversely,
deprivations in the educational dimension for indigenous communities. A Reduced MPI was created based on this revision (Figure 6). This includes only dimensions and indicators that are compatible with both indigenous and non-indigenous populations, and which are guaranteed as constitutional rights.

According to the results of this exercise, public policy lags when it comes to ensuring that the indigenous population meets minimum quality of life standards. While the official results indicate that the incidence of indigenous poverty based on the national MPI in Colombia is 2.2 times greater than that for the general population, using the Reduced MPI, it is 3 times greater (Angulo et al., 2018, based on data from the 2005 census). The relevance of these dimensions and indicators for the indigenous population itself remains an open question.

The joint effort to revise the constitution and the population’s preferences based on the focal groups’ results produced an ‘ideal’ MPI for the indigenous population, with six dimensions instead of the five of Colombia’s national MPI, and 16 indicators instead of 15. The relevant ones were kept. Dimensions that were relevant but did not address the well-being of the indigenous population, or did not have proper thresholds, were modified. Those that were not rel-
relevant were eliminated, and those that were relevant but not included previously were added.

The final step was to review the available information from the 2005 population census to identify if it was possible to calculate deprivations in each of the new indicators. Some had to be eliminated and others replaced by proxies, resulting in the Indigenous MPI as illustrated in Figure 7 on next page.

Each of the dimensions has a weight of 20 per cent in the aggregated index. The indicators for the dimensions of education, child and youth conditions, and housing and public services are weighted at 6.66 per cent. Those belonging to the other dimensions are weighted at 10 per cent. According to calculations, the national indicator overestimates the prevalence of indigenous poverty. Using the Indigenous MPI, the incidence of multidimensional indigenous poverty — defined as those people who experience deprivations in more than 33 per cent of the Indigenous MPI indicators — is 83 per cent (as opposed to 87 per cent using Colombia’s national MPI). The intensity, that is, the average percentage of deprivations experienced by the multidimensionally poor, is 55 per cent (as opposed to 61 per cent), and the MPI (this is the prevalence adjusted for intensity) is 0.457 (as opposed to 0.523).

The result of the exercise of producing the ‘ideal’ Indigenous MPI will be of use in the upcoming population census and household surveys in that it reveals which variables determine indigenous well-being, and, therefore, which additional questions could be incorporated in order to better reflect their situation. In addition, it shows the benefits of the MPI as a tool to describe specific subgroups, both by disaggregating results and adapting their parameters to the characteristics of the observed group. Furthermore, its methodology encourages the integration of quantitative and qualitative elements, which is relevant when it comes to attempts to measure a population’s well-being.
CONCLUSIONS

The governments of Latin America owe a debt to their indigenous populations. Poverty reduction policies have been less effective for these groups than for the rest of the population. A first step to overcome this discrepancy is to properly quantify and describe indigenous poverty. The MPI methodology is especially useful to this end, in contrast to monetary indicators, because it can identify the various simultaneous deprivations that create their specific situation of poverty with the use of a single tool.

The examples of Mexico and Colombia represent two ways of using the MPI to this end. In Mexico’s case, the same tool that is computed nationally is used to map indigenous poverty, based on questions that identify this particular group. In Colombia’s case, a special tool is used for the indigenous population, with dimensions and indicators tailored to them, resulting in a description of this group’s poverty that exists in parallel to the national one.

Countries must make the effort to adapt their tools to the population, whichever option is chosen. It is essential to have reliable information about this situation in order to produce more effective public policies.
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