Global MPI & New Data for SDGs

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www.ophi.org.uk
Breaking the Silos

Integrated Policies to reduce Multidimensional Poverty?

Why?
A 50-country UNDP study identified what had worked to achieve the MDGs.

Its first key message? Address deprivations together

There are important synergies among the MDGs... Given these synergistic and multiplier effects, all the goals need to be given equal attention and achieved simultaneously. This requires multisectoral approaches and coordination among various implementing agencies.
The High Level Panel warned against a sustainable development agenda that was:

• narrowly focused on one set of issues, failing to recognise that poverty, good governance, social inclusion, environment and growth are connected and cannot be addressed in silos.
In the SDGs: Poverty is Multidimensional

**UNSG Synthesis Report Dec 2014:**

2.1 Shared Ambitions: ... Member States will need to fill key sustainable development gaps left by the Goals, such as the multidimensional aspects of poverty.

5.1 Measuring the new dynamics ... Poverty measures should reflect the multi-dimensional nature of poverty.

**Sixty-Ninth Session of the UN General Assembly Dec 2014.**

(A/RES/69/238)

5. Underlines the need to better reflect the multidimensional nature of development and poverty...

**Open Working Group Goal 1 Target 1.2:** by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
The Addis Ababa Accord of the Third International Conference on Financing for Development

We further call on the United Nations, in consultation with the IFIs to develop transparent measurements of progress on sustainable development that complement GDP, building on existing initiatives. These should recognize the multi-dimensional nature of poverty and the social, economic, and environmental dimensions of domestic output. We will also support statistical capacity building in developing countries.
Islamic Solidarity Fund for Development:

“The Fund views poverty as a multi-dimensional phenomenon, encompassing not only low income and consumption, but also low achievement in fundamental human rights including education, nutrition, primary health, water and sanitation, housing, crisis coping capacity, insecurity, and all other forms of human development.”

MPPN had a side-event at the Islamic Development Bank: June 2014
Economic Commission for Latin America (ECLAC):

“Social Panorama of Latin America 2014 addresses poverty from a multidimensional perspective.”

This multidimensional perspective on poverty will be continued at a regional level in future Social Panoramas using the AF methodology.

Option: An ‘acute’ MPI + ‘moderate’ regional MPIs
Other Intersections:

**SADC**: use global MPI as a standard indicator to compare SADC members

**MEDSTAT**: Use global MPI to compare North African countries

**UNDP LAC**: Forthcoming regional report on poverty will present national MPIs from MPPN countries.
Organisation for Economic Cooperation and Development (OECD):

- Create a new [multidimensional] headline indicator to measure progress towards eradicating all forms of poverty, which could complement the current income-poverty indicator.

Executive Summary,

*Development Cooperation Report 2013: Ending Poverty*
Multidimensional Measurement Methods:

Multidimensional Poverty Measurement and Analysis

Sabina Alkire, James Foster, Suman Seth, Maria Emma Santos, Jose Manuel Roche, and Paola Ballon

Comprehensive survey of methods used for measuring multidimensional poverty

Illustrates state-of-the-art of quantitative techniques used in multidimensional poverty studies

A unique guide to viewing poverty through a multidimensional lens

multidimensionalpoverty.org

June 2015
The MPI as a tool for the SDGs

- Interlinkages (break Silos)
- Inclusiveness (leave No one behind)
- Disaggregated data
- Universality (acute & moderate poverty)
- Data Revolution (do-able, adds value)
Select Indicators, Cutoffs, Values

Three Dimensions of Poverty

Health
- Nutrition
- Child Mortality

Education
- Years of Schooling
- School Attendance

Living Standard
- Cooking Fuel
- Improved Sanitation
- Safe Drinking Water
- Electricity
- Flooring
- Assets
Select Indicators, Cutoffs, Values

Build a deprivation score for each person
Global MPI: A person is multidimensionally poor if they are deprived in 33% or more of the dimensions.

Identify who is poor

$k = 33\%$

Build a deprivation score for each person
1. Select Indicators, Cutoffs, Values

2. Build a deprivation score for each person

3. Identify who is poor

$k = 33\%$
The MPI (Alkire-Foster)

The MPI is the product of two components:

\[ \text{MPI} = H \times A \]

1) *Incidence* \(\sim H\) \(\sim\) the percentage of people who are poor.
2) *Intensity* \(\sim A\) \(\sim\) the average percentage of dimensions in which poor people are deprived

The MPI is can be decomposed by *groups* & broken down by *indicators*

Alkire and Foster *Journal of Public Economics* 2011
Headline results
Headline results

Central African Republic

Afghanistan

Indonesia
Disaggregated Data
Full profiles online for 803 subnational regions
plus rural-urban for 108 countries

Central African Republic

Afghanistan

Indonesia
How people are poor
Composition by 10 indicators
Both Online for all datasets that can be disaggregated
We also have trial measures over time for 31 European countries 2006-2012 (Alkire Apablaza & Jung 2014)
These can be gender disaggregated

Women are often significantly poorer, and always have higher deprivations in education and health
Proposed Survey Modules

• Frequent and accurate –
• Representative at large-scale – so they can be disaggregated
• Multi-topic
• Gendered
• Internationally comparable core module
• Flexible: able to incorporate additional modules and questions that reflect national priorities,
• Reflect the post-2015 process
A global MPI 2015+

- It could extend the current 10-indicator MPI with minor changes
  - **Advantage:** baseline is available now
  - In June 2015 we will release MPI over time for ALL low income countries having an MPI, as well as for most high poverty countries worldwide)

- It could incorporate some **additional SDG indicators** and features
  - **Advantage:** richer and potential stronger MPI
  - MPPN have a set of light powerful survey modules, now being fielded on a voluntary basis, so that leading developing countries can illustrate what a stronger global MPI would look like – gendered, easy to update, etc.

- It will have a **moderate MPI** alongside an **acute** global MPI
A Multidimensional Poverty Index (MPI2015+)

• improved indicators for water, sanitation, assets, electricity, housing, child mortality, school attendance, and energy.

• Possible new dimensions: work or violence, and new indicators such as health activity limitations.
Some Policy Applications of MPIs:

- **Track poverty** over time (official statistics)
- **Compare** poverty by region, ethnicity, rural/urban
- **Monitor** indicator changes (measure to manage)
- **Coordinate** different policy actors
- **Target** the marginalized
  - **Geographic** targeting
  - **Household** beneficiaries
- **Evaluate** policy impacts
High Resolution Lens

- Break down by population subgroup
  - Province, State, Ethnicity, Social Groups
- Break down by indicators
- Show (weighted) composition of deprivations
- Analyse changes across time
- Analyse robustness, inclusive growth, strategies
Multidimensional Poverty Reduction in the SDGs

- Construct an improved **Global MPI 2015+** that reflects advances in the SDGs
- Strengthen the **data sources** for the Global MPI 2015+
- Support **National MPIs** that inform powerful policies
MPI in Action

Official National MPIs

Colombia
Mexico
Bhutan
Philippines
Chile

Other national applications underway.
Many countries are developing national MPIs for policy. But it will take time to do ‘good’ MPIs widely.
Colombia’s Multidimensional Poverty Index (MPI)

- Education
- Childhood & youth conditions
- Labor
- Health
- Public utilities & housing conditions
Colombia 2011, 2013: MPI-Colombia

Educational Conditions
- Schooling
  - School Attendance
  - At the right level
  - Access to infant services
- Illiteracy
  - No Child Labour
  - Access to infant services
  - School Attendance
  - At the right level

Childhood & Youth
- Work
  - Absence of long-term unemployment
  - Access to health care given a necessity
  - Coverage
  - Improved Water
  - Sanitation
  - Flooring
  - Exterior Walls
  - Overcrowding

Used to allocate resources in national development plan
- 4 key aspects:

1. Reflects the objectives of social policy
2. Coordinates public policy sectors
3. Monitors public policy
4. Informs Decision-making:
   1. Geographic targeting
   2. Programme composition
   3. Graduation from CCTs
High Official Commission

Monitoring the national strategy for the reduction of poverty using official poverty measures

- Leaders
  - Presidency (Mandatory presence of the President of Colombia)
    - Department for Social Prosperity
    - National Planning Department

- Permanent members
  - Ministry of Health
  - Ministry of Labour
  - Ministry of Housing
  - Ministry of Agriculture
  - Ministry of Education
  - Ministry of Finance

High Official Commission
2010

2011

2012

2013

**2012-2013 policies**

- Improved CCT program
  "Más Familias en Acción"
  (Higher amount and beneficiaries on rural areas)

- Food Security Programa: Colombia Grown Without Hunger

**2012 Alerts:**

- Lower rhythm of income poverty reduction
- Gaps of rural to urban income poverty maintained
2013 Alerts:
- Social mobility
- Youth unemployment
2012-2013 policies

- CCT to increase human capital and youth employment
  “Jóvenes en Acción”

2013 Alerts:
- Social mobility
- Youth unemployment
In Mexico, measuring poverty in a multidimensional way helps governments do better in terms of policy.

- In 2013 the new government set the objective to reduce the number and percentage of people who are extremely poor and also have food deprivation: Crusade Against Hunger.
- Because extreme poverty deals with various deprivations, including income, the government set goals for various ministries.
- State governors are also willing to participate, because CONEVAL publishes multidimensional poverty figures for every State every two years.
The President of Mexico created the Cabinet Inclusive *Mexico (Incluyente)*. Every Ministry at the federal level assumes full compromise to reduce extreme multidimensional poverty.

<table>
<thead>
<tr>
<th>Cabinet México Incluyente</th>
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<tbody>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>• SEP</td>
</tr>
<tr>
<td>• CDI, INEA</td>
</tr>
<tr>
<td>Educational gap reduction</td>
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<tr>
<td><strong>Healthcare</strong></td>
</tr>
<tr>
<td>• SALUD, SEGOB</td>
</tr>
<tr>
<td>Increase Healthcare memberships</td>
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<tr>
<td><strong>Social Security</strong></td>
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<tr>
<td>• SHCP-SALUD</td>
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<tr>
<td>• STPS-SEDESOL, IMSS, ISSSTE</td>
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<tr>
<td>Increase access to social security</td>
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<tr>
<td><strong>Basic Services in Homes</strong></td>
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<tr>
<td>• SEDESOL</td>
</tr>
<tr>
<td>• SEMARNAT-CONAGUA, CDI, SEDATU, CFE, SENER, SCT, CNA</td>
</tr>
<tr>
<td>Potable water, power, drainage</td>
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<tr>
<td><strong>Housing, quality and spaces</strong></td>
</tr>
<tr>
<td>• SEDATU</td>
</tr>
<tr>
<td>• SEDESOL, INFONAVIT</td>
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<tr>
<td>Floor, roof, walls, household overcrowding</td>
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<tr>
<td><strong>Food Access</strong></td>
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<tr>
<td>• SEDESOL</td>
</tr>
<tr>
<td>• SEP, SALUD, SAGARPA, DIF</td>
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<tr>
<td>Household food insecurity scale</td>
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<tr>
<td><strong>Income</strong></td>
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<tr>
<td>• ECONOMÍA (SEDESOL, CDI, SCT, SEMARNAT, SALUD-DIF, STPS, SEDATU, S AGARPA, SHCP, SRE)</td>
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<tr>
<td>Income above the Basic Food Basket</td>
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**Oxford Poverty & Human Development Initiative**

**RIGHTHOLDERS NATIONAL REGISTRY, SOCIAL INFORMATION SYSTEM.**

**ALIGNED OPERATION OF FEDERAL PROGRAMS**

**MONITORING AND EVALUATION BY AN AUTONOMOUS INSTITUCION (CONEVAL)**
In Bhutan: poorest district by MPI is not income poor
Only with two eyes can we see in 3-d
MPPN Third Meeting Cartagena 2015
Our network meets in June 2015!

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)
The Multidimensional Poverty Peer Network

Launched in June 2013 at University of Oxford with:
• President Santos of Colombia
• Ministers from 16 countries in person
• A lecture from Professor Amartya Sen
• http://www.ophi.org.uk/policy/policynetwork/

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ)
OPHI is Secretariat to the Multidimensional Poverty Peer Network (MPPN) that had 22 countries when launched by Colombia’s President Santos and Amartya Sen in June 2013.
Why Measure? Action ‘with vigour’

Coordination ~ Policy Design ~ Monitoring ~ Targeting ~ Allocation

“Positive changes have often occurred and yielded some liberation when the remedying of ailments has been sought actively and pursued with vigour”

Jean Dreze and Amartya Sen  India: An Uncertain Glory  2013
Thank you

www.ophi.org.uk/
multidimensional-poverty-index

www.mppn.org