

The MPI as a governance tool to support the achievement of the SDGs

Revisiting socio-economic policies to address poverty in all its
dimensions in Middle Income Countries, Beirut, May 2018

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MPIs in Latin America

National MD measures in LAC

Colombia

Mexico

Chile

El Salvador

Costa Rica

Ecuador

Honduras

Panama

Dominican Rep.



Regional proposal by ECLAC

And others being developed.

National MD measures in LAC - Dimensions

| Dimension* | Chile | Colombia | Costa Rica | Ecuador | El Salvador | Honduras | México | Panamá | R. Dominicana |
|---|-------|----------|------------|---------|-------------|----------|--------|--------|---------------|
| Education | X | | X | X | X | X | | X | |
| Education and child care | | | | | | | | | X |
| Education conditions of the household | | | | | | | | | |
| Education lag | | | | | | | | | |
| Health | | | | | | | | | |
| Access to health services | | | | | | | | | |
| Health, basic services and food security | | | | | | | | | |
| Health, water, and food | | | | | | | | | |
| Access to food | | | | | | | | | |
| Child and youth conditions | | | | | | | | | |
| Income | | | | | | | | | |
| Living standards | | | | | | | | | |
| Basic services | | | | | | | | | |
| Access to basic services for the household | | | | | | | | | |
| Access to basic services and housing conditions | | | | | | | | | |
| Housing, basic services and access to internet | | | | | | | | | |
| Housing and internet use | | | | | | | | | |
| Housing conditions | | | | | | | | | |
| Housing | | | | | | | | | |
| Quality and room number of the household | | | | | | | | | |
| Housing and habitat | | | | | | | | | |
| Habitat, housing and healthy environment | | | | | | | | | |
| Environment, habitat and basic services | | | | | | | | | |
| Quality of the habitat | | | | | | | | | |
| Digital divide and coexistence | | | | | | | | | |
| Networks and social cohesion | | | | | | | | | |
| Employment | | | | | | | | | |
| Employment and social protection | | | | | | | | | |
| Livelihood and employment | | | | | | | | | |
| Employment and social security | | | | | | | | | |
| Access to social security | | | | | | | | | |
| Social protection | | | | | | | | | |

- 10 dimensional groups explain most of the measures in the region: education, health, child and youth, living standard, housing, basic services, local environment, social cohesion and networks, employment, and social security.
- 4 of them are in all measures: education, health, housing, and employment
- With the exception of local environment (including aspects of environment, local infrastructure, or physical safety), all are well-established dimensions.

National MD measures in LAC - Indicators

- 45 indicators, yet 12 of them (in yellow) represent a large proportion of each national measure.
- Most are well-established indicators, but some innovation.

| Theme* | Indicator** | Chile | Colombia | Costa Rica | Ecuador | El Salvador | Honduras | México | Panamá | R. Dominicana |
|-------------------|--|-------|----------|------------|---------|-------------|----------|--------|--------|---------------|
| Education | Years of Schooling | X | X | X | X | X | X | | X | X |
| | School Attendance | X | X | X | X | X | X | | X | X |
| | Schooling lag | X | X | X | | X | | X | X*** | X |
| | Free higher education | | | | X | | | | | |
| | Illiteracy | | X | | | | X | | | |
| | Low development of human capital | | | X | | X | | | | |
| | | | | | | | | | | |
| Health | Child mortality | | | | | | | | | X |
| | Nutrition | X | | | | | | | | |
| | Food security | | | | | X | | X | | X |
| | Health insurance affiliation | X | X | X | | | | X | | X |
| | Control during pregnancy | | | | | | | | X | |
| | Access to health care | X | X | | | X | | | X | X |
| | | | | | | | | | | |
| Living standards | Cooking fuel | | | | | | X | | | X |
| | Improved Sanitation | X | X | X | X | X | X | X | X | X |
| | Garbage collection | | | X | X | | | | X | |
| | Drinking water | X | X | X | X | X | X | X | X | X |
| | Electricity | | | | | | X | X | X | X |
| | Access to internet | | | X | | | | | X | X |
| | Housing materials | X | X | X | | X | X | X | X | X |
| | Overcrowding | X | X | X | X | X | X | X | X | X |
| | Housing deficit | | | | X | | | | | |
| | Asset ownership | | | | | | X | | | |
| | Land ownership | | | | | X | | | | |
| | Access to roads | | | | | | | | X | |
| | Housing ownership | | | | | | | | | |
| | Distance to basic services/ to working place | X | | | | | | | | |
| | Public spaces for leisure activities | | | | | X | | | | |
| | ID | | | | | | | | | X |
| | Social participation and support | X | | | | | | | | |
| | Decision-making | | | | | | | | | X |
| | Discrimination | X | | | | | | | | X |
| | Physical security | X | | | | | X | | | X |
| Environment | X | | | | | X | | | X | |
| Natural disasters | | | | | | | | X | X | |
| Income | | | | | X | | | X | | |
| | | | | | | | | | | |
| Employment | Employment | X | X | X | X | X | | | X | X |
| | Formal employment | | X | X | | X | X | | | X |
| | Child and adolescent labour | | X | | X | X | X | | | X |
| | Employment with non fulfillment of labour rights | | | X | | | | | X | |
| | Inadequate wages | | | | | | | | X | |
| | Not employed due to high family responsibilities | | | X | | | | | | |
| | | | | | | | | | | |
| Social Protection | Early child care | | X | X | | X | | | | X |
| | People with disabilities without transfers | | | X | | | | | | |
| | Social security | X | | | | X | X | X | | |
| | Retirement of people of retirement age | X | | X | X | | | | | |

- Some important innovation: e.g. physical safety, local environment, access to internet or environmental risks.
 - many of them are Tier 3 SDGs (more below)
- Most countries (except Mexico) have opted to design measures to complement monetary poverty measures – thus, income is not an indicator.
- Most countries have opted for equal weights, except for Mexico and Chile
- Cut-offs have been set between 25% and 33% of the weighted indicators (except México).

Missing dimensions of poverty data

- El Salvador – **Quality of the local environment** (access to recreational public spaces, physical safety, environmental risks).
- Chile – **local environment** (pollution, travel time between household and workplace, distance to basic services - health centre, schools, public transport); **safety nets and social cohesion** - participation in social networks, lack of discrimination, and physical safety.
- Costa Rica - **internet use** and **quality of employment**.
- Dominican Republic - **environmental risks, agency, access to internet, discrimination, and physical safety** (both for people and property).

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MPI as a Governance Tool

Policy makers are using their national MPIs to:

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8. Be Transparent so all stakeholders engage – NGOs, private sector, all parts of government.

Most countries publish national monetary and multidimensional poverty measures on the same day.

Example: Chile

El nuevo estándar oficial de medición

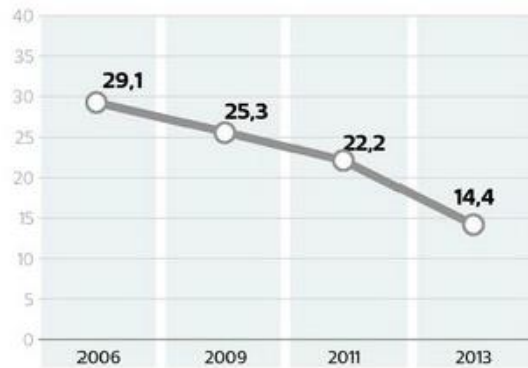
►► Era una de las dos innovaciones prometidas para la Casen 2013. “Nos hemos puesto más exigentes”, dijo la ministra de Desarrollo Social, María Fernanda Villegas, al referirse a la nueva metodología que se aplicará para medir los índices de pobreza y de pobreza extrema en el país. Este estándar constituirá desde ahora el reporte oficial del gobierno.

Según detalló la secretaria de Estado, con este nuevo criterio en 2013 una persona estaba en situación de pobreza si recibía un ingreso mensual inferior a \$136.911. Esto representa un incremento de 107% respecto del estándar que regía bajo la forma tradicional, situado en \$66.084 por individuo.

“Esto muestra con toda claridad lo que nos decía la gente; que no era posible considerar a alguien no pobre porque ganaba o tenía recursos por 66 mil pesos”, aseveró la titular de Desarrollo Social.

De la misma forma, una persona es indigente o está en

Evolución del porcentaje de personas en situación de pobreza por ingresos basados en metodología nueva



FUENTE: Casen 2013.

LA TERCERA

extrema pobreza si su ingreso es menor a \$91.274. Bajo el mecanismo tradicional, la canasta básica de alimentos que determinaba esta condición equivalía a un ingreso mensual bajo \$51.549.

La modificación se aplica también para hogares compuestos por dos, tres y cuatro personas. Por ejemplo, en el caso de una familia de cuatro integrantes, la línea de pobreza sube de \$264.336

a \$361.310, mientras que para la pobreza extrema se eleva de \$158 mil a \$240 mil, es decir, crece 51,5%.

El nuevo estándar fue aplicado por el gobierno en la medición de pobreza, que se estableció en 14,4%. Además, se construyeron cifras comparativas hacia atrás hasta 2006, estableciendo que siete años antes, esa tasa estaba en 29,1% (ver infografía).

La pobreza multidimensional: 20,4%

►► Medir la vulnerabilidad social más allá del factor de ingresos económicos es a lo que apunta la nueva metodología incorporada a la Encuesta Casen 2013, denominada “pobreza multidimensional”.

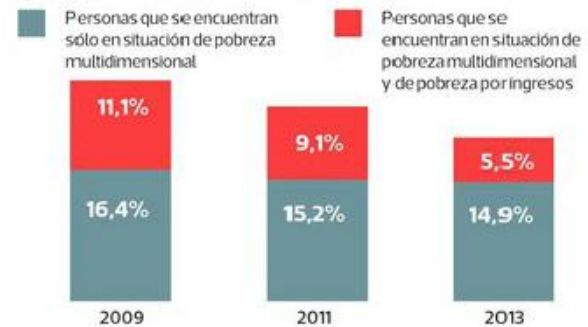
Se trata de un sistema que contempla cuatro dimensiones: educación; salud; vivienda y trabajo, y seguridad social. Cada uno de ellos contiene tres indicadores, los que se ponderan con un 8,33%. Por ejemplo, en el caso del factor salud los indicadores que se consideran para determinar el nivel de vulnerabilidad son: malnutrición en niños de cero a seis años; adscripción al sistema de salud y prestaciones de atención.

De dicho modo se determinará la existencia de pobreza multidimensional cuando las carencias sumen un 25% o más en los indicadores que componen la medida.

“Esta nueva mirada nos permite ahondar en más detalle en la situación en la que

POBREZA MULTIDIMENSIONAL

Porcentaje de personas en situación de pobreza multidimensional según situación de pobreza por ingresos, año 2009-2013



FUENTE: Casen 2013.

LA TERCERA

viven los hogares en nuestro país, sea tanto por la falta de ingresos necesarios para adquirir una canasta básica de consumo, como por sufrir carencias en otras dimensiones relevantes”, explicó la ministra de Desarrollo Social, María Fernanda Villegas.

A modo de ejemplo, indicó que “en servicio básicos, Chile tiene unos estándares extremadamente elevados, pero eso no significa que

haya gente que no esté carente de ellos”.

Según los resultados entregados por Desarrollo Social, en 2013 un 20,4% de los chilenos se encontraba en situación de pobreza multidimensional. De ese total, un 5,5% está en condición de pobreza multidimensional y por ingresos, mientras un 14,9% está sólo en situación de pobreza multidimensional.

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Costa Rica: Does our allocation match our levels of poverty by sector? (Not yet)

Mostrar Datos de 2014

| Indicador | % Carencia | Presupuesto Ejecutado |
|------------------------|------------|-----------------------|
| Sin acceso a educación | 22,8% | ¢217,477,650,077.62 |
| Rezago educativo | 27,6% | ¢0 |
| Sin bachillerato | 27,6% | ¢0 |
| Bajo capital humano | 61,3% | ¢8,570,200,000.00 |

MPI: used to diagnose Mismatches between objectives & Programmes/allocations

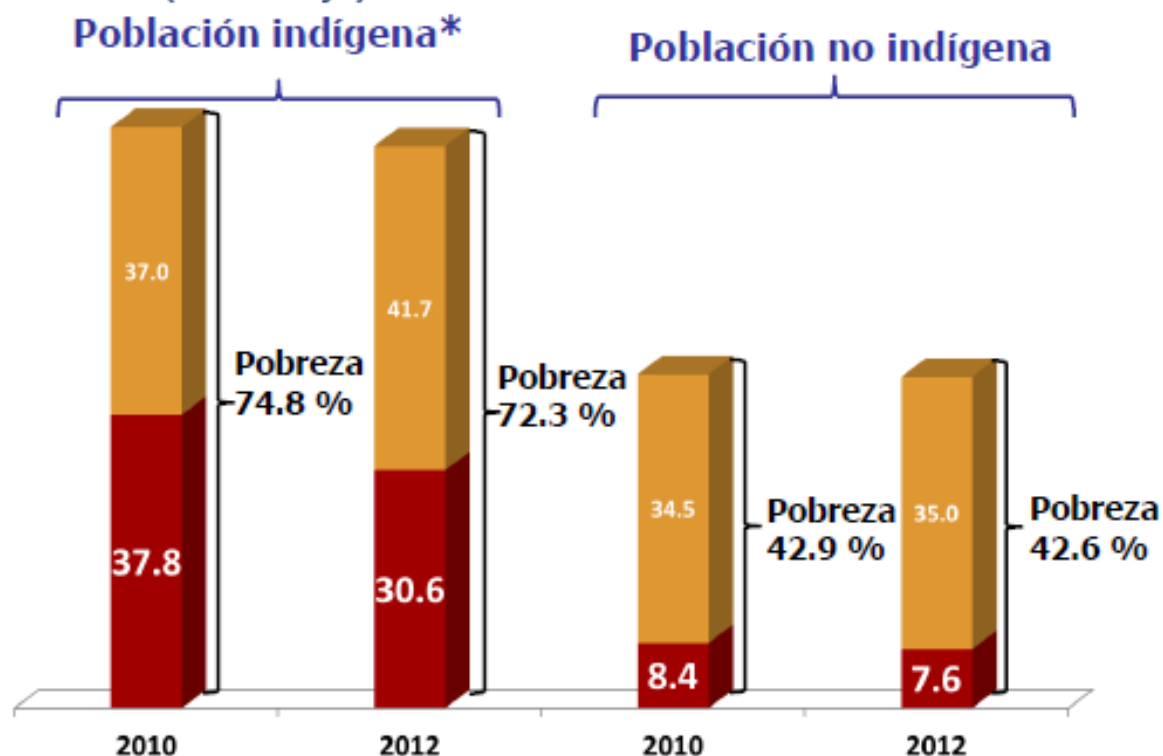
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Pobreza en población indígena y no indígena, 2010-2012

(Porcentaje)



■ Población en situación de pobreza moderada ■ Población en situación de pobreza extrema

*Definición de población indígena de acuerdo con criterios de la CDI, que se compone de población en hogares indígenas mas población hablante de lengua indígena en hogares no indígenas.

Fuente: estimaciones del CONEVAL con base en el MCS-ENIGH 2010 y 2012



2. TARGET POPULATION



Aim 2013: 400 Strategic Municipalities

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National Roundtable to Reduce Poverty and Inequality

- Leaders
 - HC for Social Prosperity
 - National Planning Department
- Permanent members
 - HC Governance
 - Social Action
 - Ministry of Health
 - Ministry of Employment
 - Ministry Housing
 - Ministry Agriculture
 - Ministry of Education
 - Ministry of Finance
 - ICBF
 - SENA
 - DANE



Headed by the President and attended only by the Minister or Head of institution

Source: Multidimensional Poverty Index – Applications Colombia. Presentation to the First Multidimensional Poverty Peer Network meeting by Bruce Mac Master, Director of the Department for Social Prosperity. Oxford, June 2013

Dashboard based on a stoplight system – sector specific goals

| Pobreza | | Linea Base PND 2008 | Dato 2011 | Dato 2012 | Análisis | Goal |
|---------------------------------------|---------------------------------------|---------------------|--------------|--------------|----------|--------------|
| MPI (Multidimensional Poverty) | | 34.7% | 29.4% | 27.0% | ● | 22.5% |
| A ⁽¹⁾ | ▪ Educational achievement (≥15 yrs) | 58.8% | 54.6% | 53.1% | ● | 52.8% |
| | ▪ Literacy (≥15 yrs) | 14.2% | 12.0% | 12.1% | ● ★ | 12.0% |
| B ⁽²⁾ | ▪ School attendance (6-16) | 5.4% | 4.8% | 4.1% | ● | 3.5% *** |
| | ▪ No school lag (7-17) | 33.4% | 34.1% | 33.3% | ● | 33.1% |
| | ▪ Access to child care services (0-5) | 12.1% | 10.8% | 9.4% | ● | 10.6% *** |
| | ▪ Children not working (12-17) | 5.5% | 4.5% | 3.7% | ● | 2.9% *** |
| C ⁽³⁾ | ▪ Long-term unemployment | 9.6% | 9.1% | 10.0% | ● ★ | 9.3% *** |
| | ▪ Formal employment | 80.6% | 80.4% | 80.0% | ● | 74.7% |
| D ⁽⁴⁾ | ▪ Health insurance | 24.2% | 19.0% | 17.9% | ● | 0.5% |
| | ▪ Access to health services | 8.9% | 8.2% | 6.6% | ● | 2.4% *** |
| E ⁽⁵⁾ | ▪ Access to water source | 12.9% | 12.0% | 12.3% | ● ★ | 10.9% |
| | ▪ Adequate sewage system | 14.1% | 14.5% | 12.1% | ● | 11.3% *** |
| | ▪ Adequate floors | 7.5% | 6.3% | 5.9% | ● | 5.6% |
| | ▪ Adequate external walls | 3.1% | 3.2% | 2.2% | ● | 2.1% *** |
| | ▪ No critical overcrowding | 15.7% | 14.2% | 13.1% | ● | 8.4% |

Source: Multidimensional Poverty Index – Applications Colombia. Presentation to the Multidimensional Poverty Peer Network meeting by Bruce Mac Master, Director of the Department for Prosperity, Oxford, June 2013

Simulations on microdata - Colombia

| Deprivation matrix Year 0 | | | | | | | | | | | | | | | | | Total number of deprivations |
|---------------------------|---|----------|------------------------------------|------------|------------------------------|----------------------|-------------------------------|-------------------|------------------|----------------------|---|-------------------------------------|-----------------|-------------------------|--------------------------|-------|------------------------------|
| Dimensions and weights | Educational conditions of household (20%) | | Children and youth condition (20%) | | | | Employment (20%) | | Health (20%) | | Access to public utilities and household conditions (20%) | | | | | | |
| indicators | Educational achievement | Literacy | School attendance | School lag | Access to childcare services | Children not working | No one in long-term unemploy. | Formal employment | Health insurance | Access to healthcare | Access to water source | Adequate elimination of sewer waste | Adequate floors | Adequate external walls | No critical overcrowding | | |
| Person 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| Person 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Person 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 5 | |
| Person 4 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 | |
| Person 5 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 10 | |
| | | | | | | | | | | | | | | | | | |

1. Identify social investment by sector



2. Simulate those investments in survey following sector-specific focalization rules



3. Generate new deprivation matrix simulating the changes



| Deprivation matrix Year 1 | | | | | | | | | | | | | | | | | Total number of deprivations |
|---------------------------|---|----------|------------------------------------|------------|------------------------------|----------------------|-------------------------------|-------------------|------------------|----------------------|---|-------------------------------------|-----------------|-------------------------|--------------------------|-------|------------------------------|
| Dimensions and weights | Educational conditions of household (20%) | | Children and youth condition (20%) | | | | Employment (20%) | | Health (20%) | | Access to public utilities and household conditions (20%) | | | | | | |
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| Person 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Person 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Person 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 5 | |
| Person 4 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 | |
| Person 5 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 9 | |
| | | | | | | | | | | | | | | | | | |

It could be done the other way around to estimate the cost of achieving specific SDGs

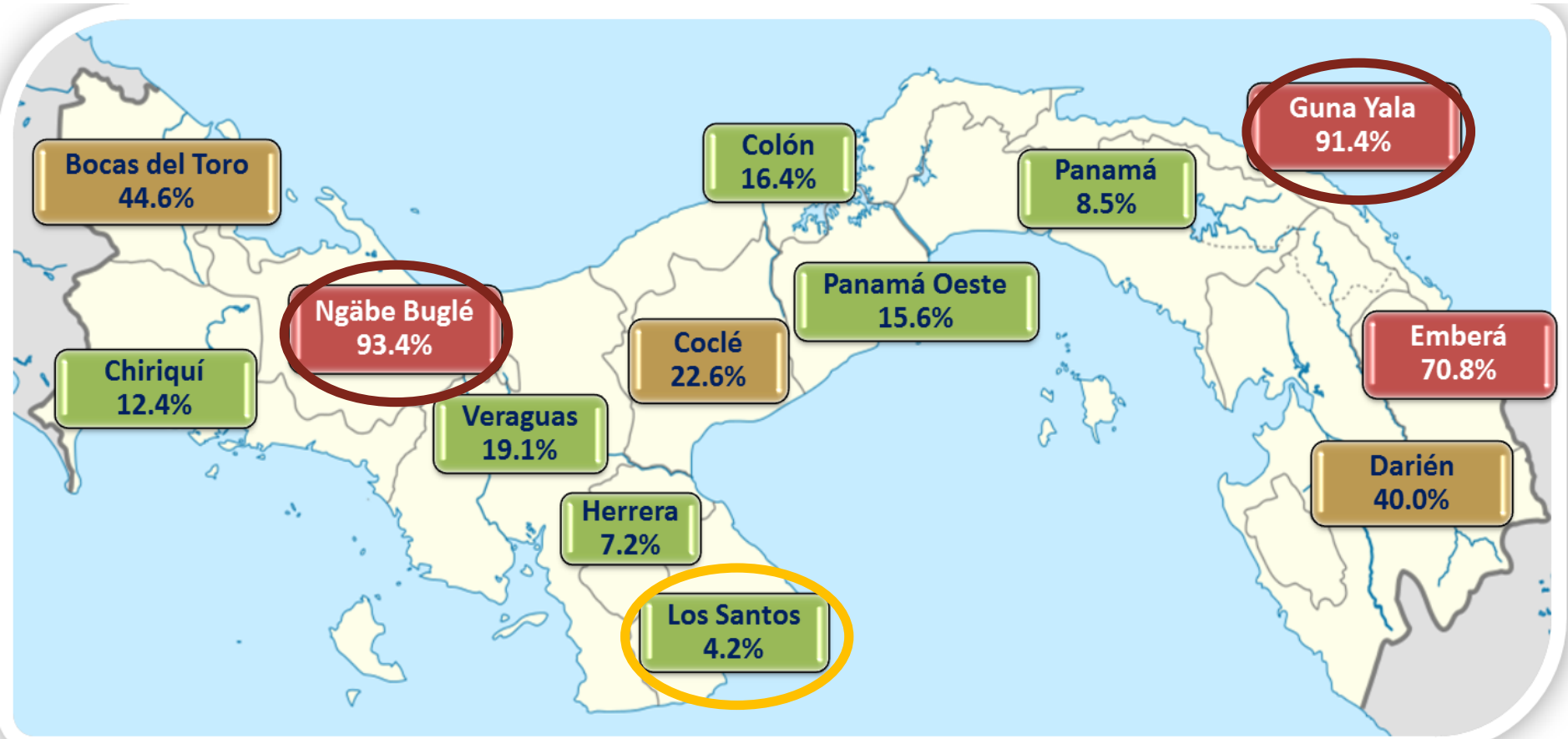
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Panama 2017: MPI rates vary nationally from 4.2% to over 90% in two Indigenous Comarcas

Leave No One Behind



Strengthening existing policies:

A family is “graduated” from  if:
como uno por la prosperidad de todos

Sufficient condition:



&



Not in extreme income
poverty

Not multidimensionally
poor

What if data is not representative of smaller political divisions of government as to implement MPI guided policies?

How to overcome data limitations?:

1. Increase coverage of data collection

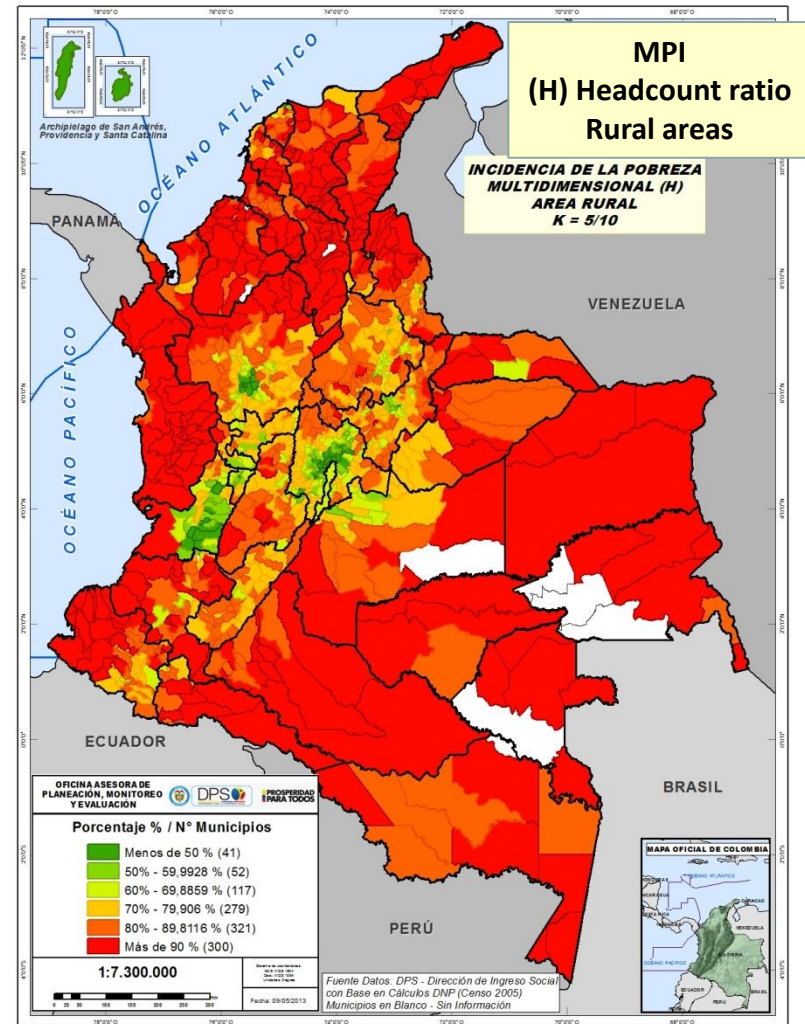
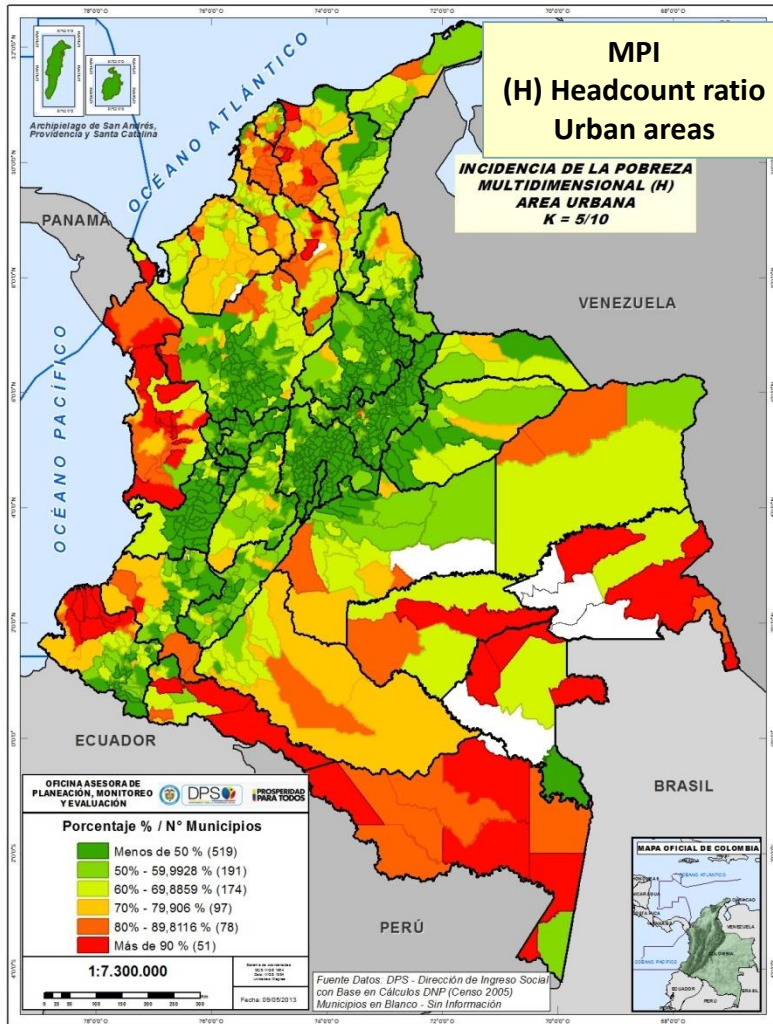
a. Data collection exercise goes down to Municipal level every 4 years.

2. Administrative data

a. Not every country has large datasets based on administrative data

MPI proxy based on Census Data 2005

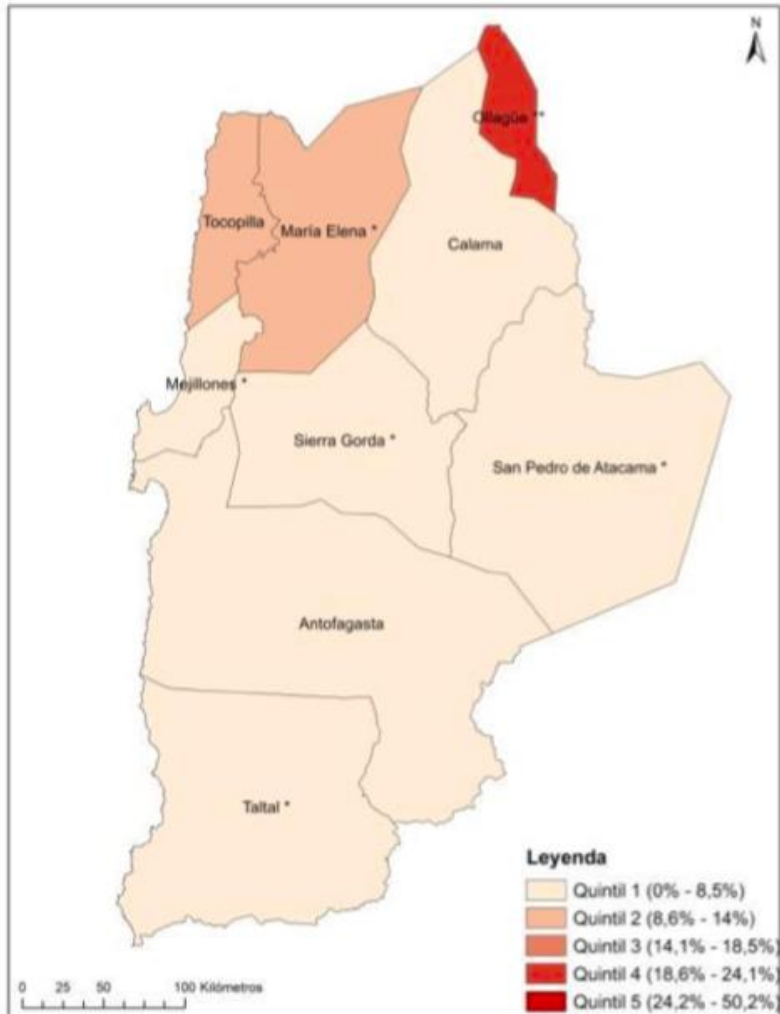
Municipal MPI Colombia Headcount ratio, urban-rural areas, 2005



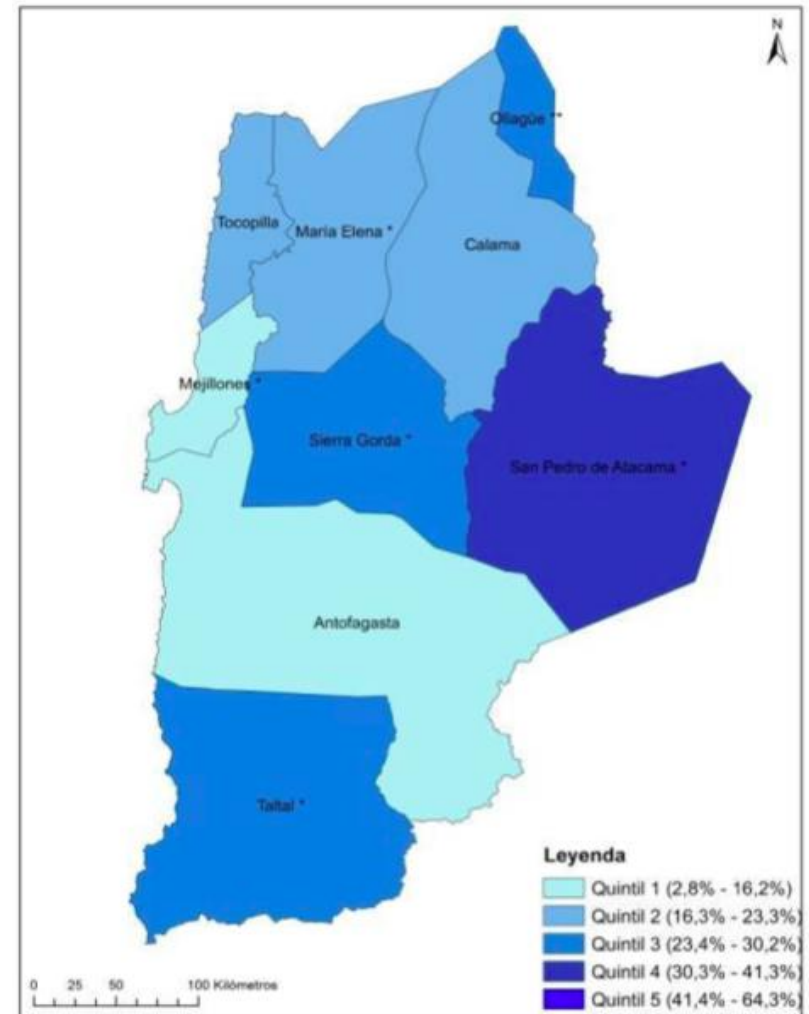
MPI proxy based on Small Area Estimations

Local governments, Antofagasta Region (2015)

Percentage of income poor people
(2015)



Percentage of multidimensionally poor people
(2015)



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MAPA SOCIAL

Una plataforma innovadora para compartir información de los proyectos sociales en Colombia y tomar decisiones estratégicas que mejoren las condiciones de vida de la población vulnerable.

EXPLORAR MAPA



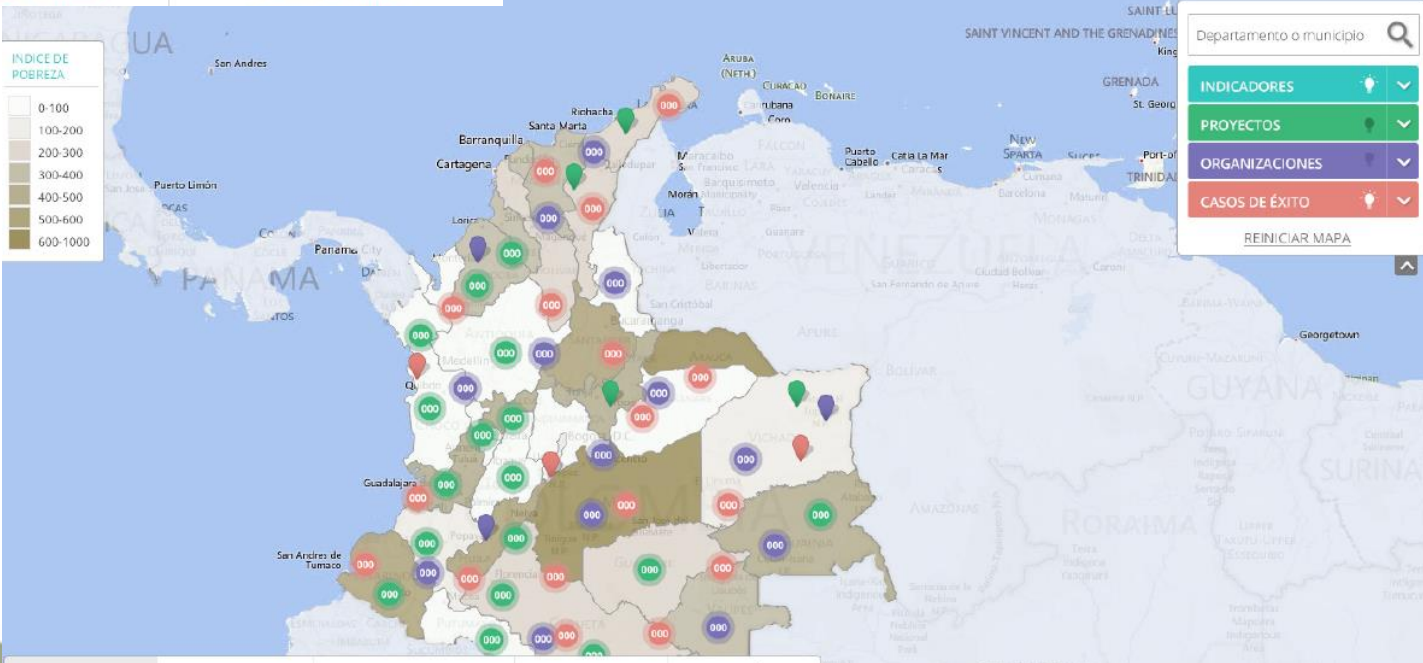
PROYECTOS



ORGANIZACIONES



CASOS DE ÉXITO



Departamento o municipio

- INDICADORES
- PROYECTOS
- ORGANIZACIONES
- CASOS DE ÉXITO

REINICIAR MAPA

| | | | | |
|---------------|-----------------|----------------------|----------------|----------------|
| BENEFICIARIOS | TOTAL PROYECTOS | PROYECTOS DEL SECTOR | ORGANIZACIONES | CASOS DE ÉXITO |
| 78.425 | 287 | 16 | 23 | 18 |
| | VER LISTADO ▶ | VER LISTADO ▶ | VER LISTADO ▶ | VER LISTADO ▶ |

Summing up:

- a. MPIs are popular in the region because of their advantages for identifying poverty and deprivations, but also because of their usefulness for public policy.
- b. They allow exposing local priorities and incorporating dimensions of poverty that are deemed relevant by countries.
- c. MPIs are being used to inform a wide range of policies that strengthen the fight against poverty and the achievement of SGDs.

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Thank you!