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OXFORD

Key and missing components of multidimensional poverty measurement

Sabina Alkire,

Bonn , 21 November 2011

International workshop 'The MDGs and Beyond' DIE/PEGNet BMZ

Tabita, Kenya



Rabiya, India



Stéphanie, Madagascar



Agathe, Madagascar



Dalma, Kenya

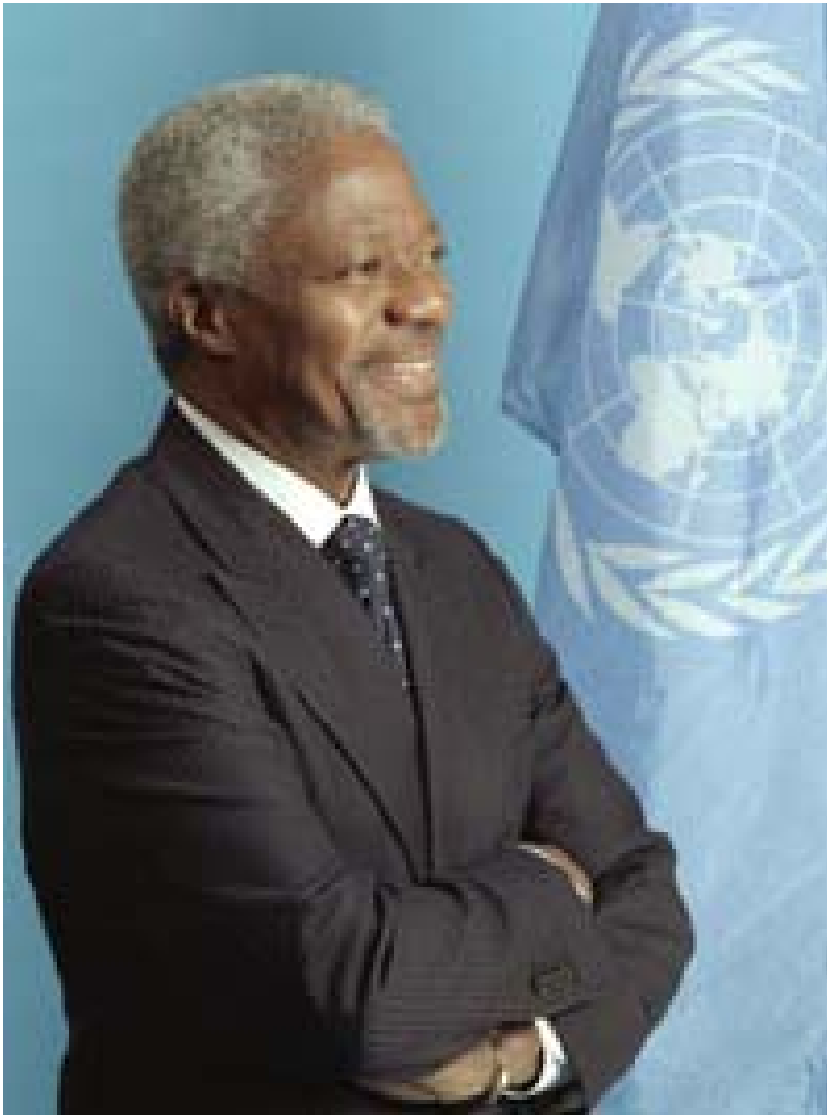


Ann-Sophie, Kenya



Valérie, Madagascar





Motivation for the MDGs

“We will spare no effort to free our fellow men, women, and children, from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are now subjected.”

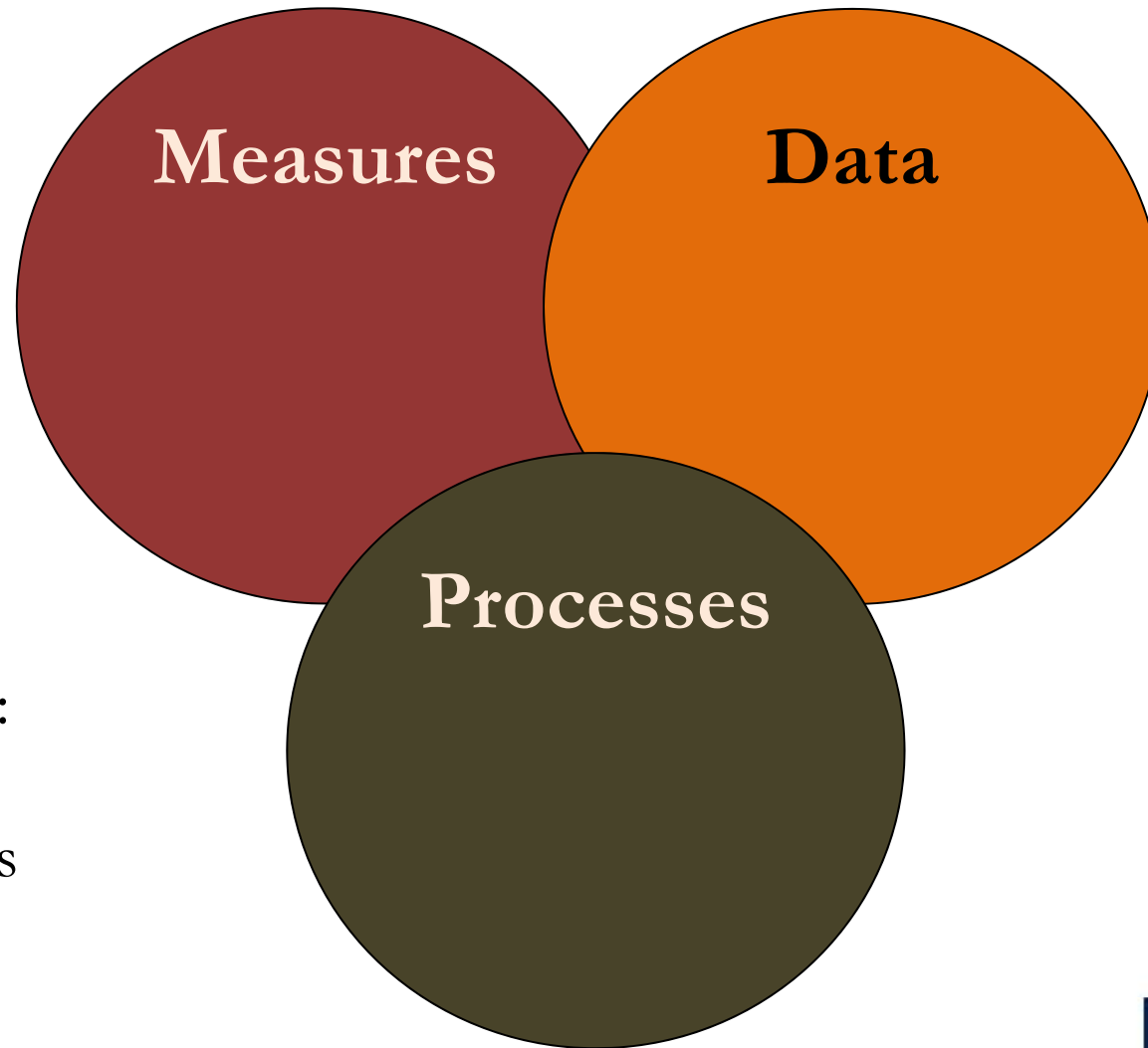
Kofi Annan

Three Assumptions

- **Why**: That post-MDGs will share the ethical motivation of the MDGs, to reduce abject human suffering.
- **Purpose**: That post-2015 MDGs aim to create momentum – political & financial, and be a focal point for research, advocacy, and collective action to reduce suffering.
- **How**: The 'tools' of post-MDGs (data, indicators, measures, processes, reports) must catalyse and sustain results – cost effectively. Reports/measures are not ends in themselves.

Measurement

Inputs



This presentation:
Some on data
Some on measures

Missing

Data

Work

Violence

Empowerment

Relationships

Missing data .

A key constraint in 2015?

- The MDGs focus on living standards, health, education, gender and the environmental conditions. We ignore well-known weaknesses in existing indicators.
- The number of proposed ‘ninth’ MDGs is not infinite.
- Proposals mainly fall into four categories, as above.
- Sources of proposals include poor people, experts, MDG Reports, PRSP documents, and research.

The Voices of the Poor found that poor people call these part of poverty.

Material Well-being (Work)

Freedom of Choice & Action (E)

Security (Safety from Violence)

Social Well-being (Connectedness)

Psychological Well-being

Bodily Wellbeing

Mental Wellbeing

The Sen-Stiglitz-Fitoussi Commission

Quality of Life – all from same survey

- Subjective well-being
- Health
- Education
- The Balance of Time
- **Political Voice & Governance**
- **Social Connections**
- Environmental Conditions
- **Personal Security**
- **Economic security including Work**

BUT... Data on these dimensions are **missing**
from MDG surveys & other hh surveys

Most MDG data come from 4 survey instruments:

- **Violence** is nearly invisible. (Domestic V in some DHS)
- Formal employment is covered in LSMS surveys but not **Informal employment** or **quality of work** usually; DHS/MICS are weak.
- **Voice/Empowerment** is systematically absent.
- **Shame Humiliation and Isolation** are absent.

We might wish to look ahead as data will constrain 2015 baseline

What's needed: see interconnections

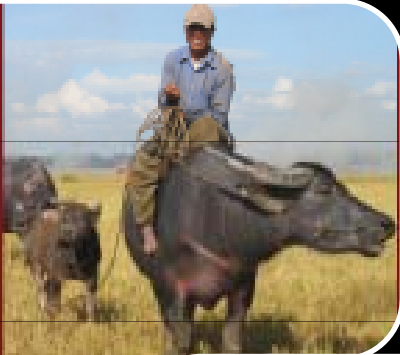
Dimensions	Health	Educa- tion	Income	Safety from Violence	Work	Empow.
Individual 1	NP	P	NP	P	P	P
Individual 2	NP	NP	P	NP	P	NP
Individual 3	P	P	P	NP	P	NP
Individual 4	P	P	P	P	P	P

Missing Data

5-8 min
survey
modules

**QUALITY OF
WORK**

Informal
employment,
security and
safety at work



**WITHOUT
SHAME**

Freedom from shame,
humiliation and
isolation



EMPOWERMENT

Agency and the
power people have
to shape their lives



**PHYSICAL
SAFETY**

Freedom from
violence against
people and
property



**PSYCHOLOGICAL
WELLBEING**

Happiness,
satisfaction and a
meaningful life



QUALITY OF WORK

Informal employment,
Income, security and safety
at work, fair treatment



A good job is generally associated with being out of poverty. Yet many jobs pay less than \$1 a day, are unsafe and insecure.

- At least 5 countries identified ‘decent work’ as a ninth MDG, or as a high priority target along the MDGs
- Of 19 composite indices of poverty and well-being, 14 included work-related indicators
- Informal work is predominate among poor & among women, so important to grasp.
 - 2 million people die each year from work-related accidents, illnesses or wounds in **formal** work sites (WHO 2010)
 - 268 million non-fatal accidents cause three lost days of work per injured worker; 160 million cases of work-related illnesses. All on **formal** worksites (informal higher).

PHYSICAL SAFETY

Freedom from violence against people and property; responses to violence



Violence undermines development gains in areas such as education, health, employment, income generation and infrastructure provision.

- Recognition of its importance:
 - *19 countries stressed security from violence in their PRSP or plan*
 - *Two countries developed a 9th MDG around security*
 - *At least 17 more place violence as a pillar of their national strategy alongside meeting the MDGs.*
- An estimated 90 percent of all violence-related deaths occur in low- and middle-income countries (Krug et al., 2002).
- Fragile and failed states, and countries in conflict, are disproportionately failing in progress on the MDGs.
- For every war death, more than 3 people die of crime & homicide (WHO Burden of Disease 2004; 2008 update)

WITHOUT SHAME

Freedom from shame, stigma, discrimination, humiliation and isolation



Experiences of shame are regularly cited by poor people as painful aspects of poverty, and can corrode social relations and lead people to turn away from public services.

- The stigma of poverty is a recurring theme among the poor
- Can result in increasing **isolation** from services and support
- Can undermine social relationships and provoke psycho-social maladies: low self-esteem, poor interpersonal relations, school-related difficulties, delinquency, social phobia, etc.
- May fuel horizontal inequalities and spill over into conflict.
- May discourage use of public services by poor

EMPOWERMENT

Agency and the power people have to shape their lives

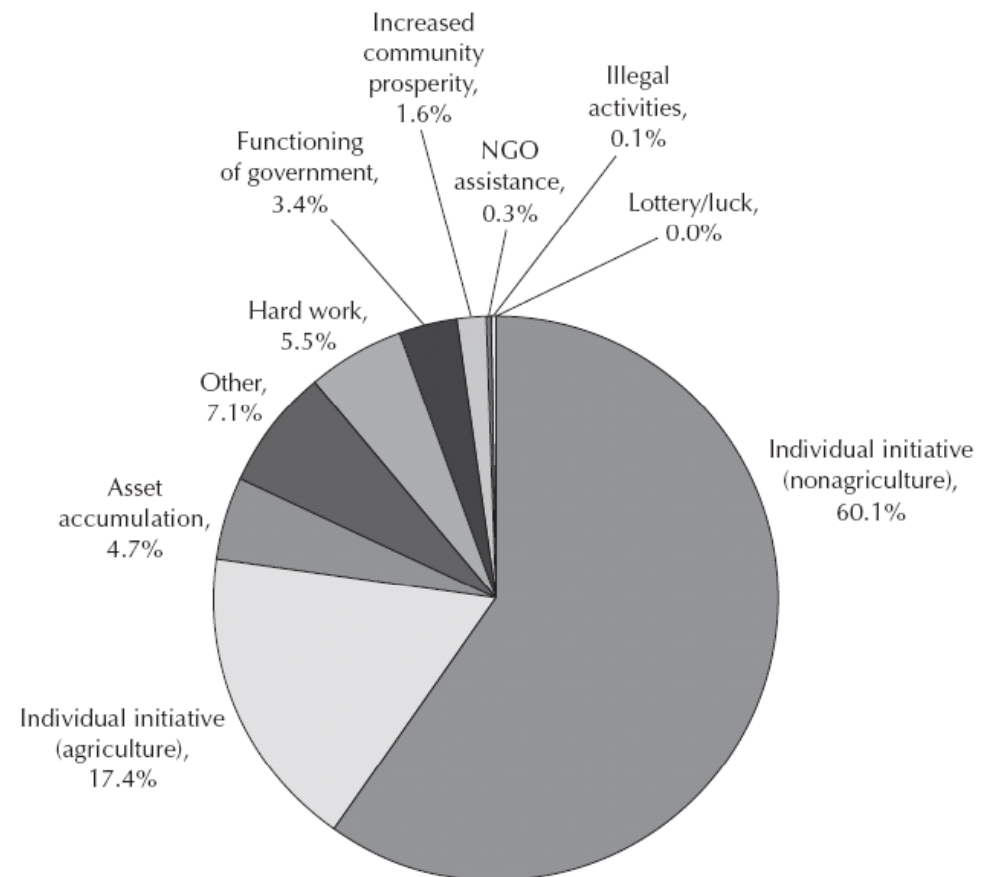


In an important 2009 study of people in 15 countries, over 75 per cent who moved out of poverty attributed this to their own initiative.

Arab Spring – most potent indication

- *Moving out of poverty 2009* found that 77.5% of those who exit poverty cite their ‘own initiative’ as the most important reason for moving out of poverty.

Movers most frequently cite initiatives as reasons for their move out of poverty



Source: Authors' analysis of household survey; all study regions; N = 3,991 movers.

New Goals need new Data

QUALITY OF WORK
Informal employment, security and safety at work



WITHOUT SHAME
Freedom from shame, humiliation and isolation



EMPOWERMENT
Agency and the power people have to shape their lives



PHYSICAL SAFETY
Freedom from violence against people and property



But...
Focus is key

(data needed anyway)

PSYCHOLOGICAL WELLBEING
Happiness, satisfaction and a meaningful life



Measures

Dashboards

Multidimensional

Reports & Analysis

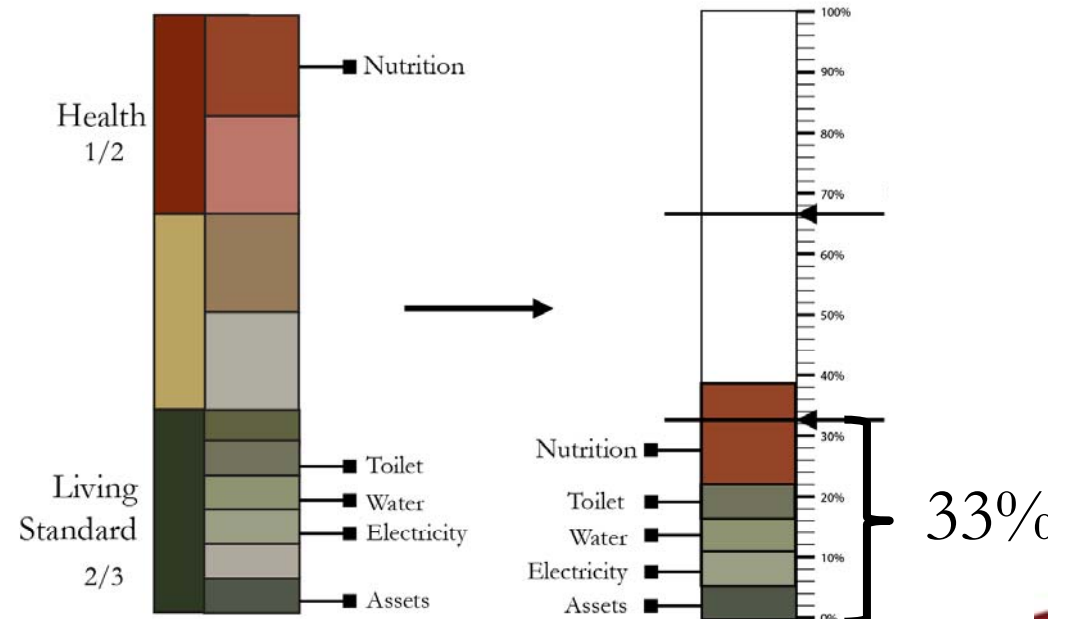
Multidimensional Measures

What is useful in these multidimensional measures?

1. **They show who is deprived in what *at the same time*. The MDGs do not.**

Who is poor?

A person is multidimensionally poor if they are deprived in 33% of the dimensions.

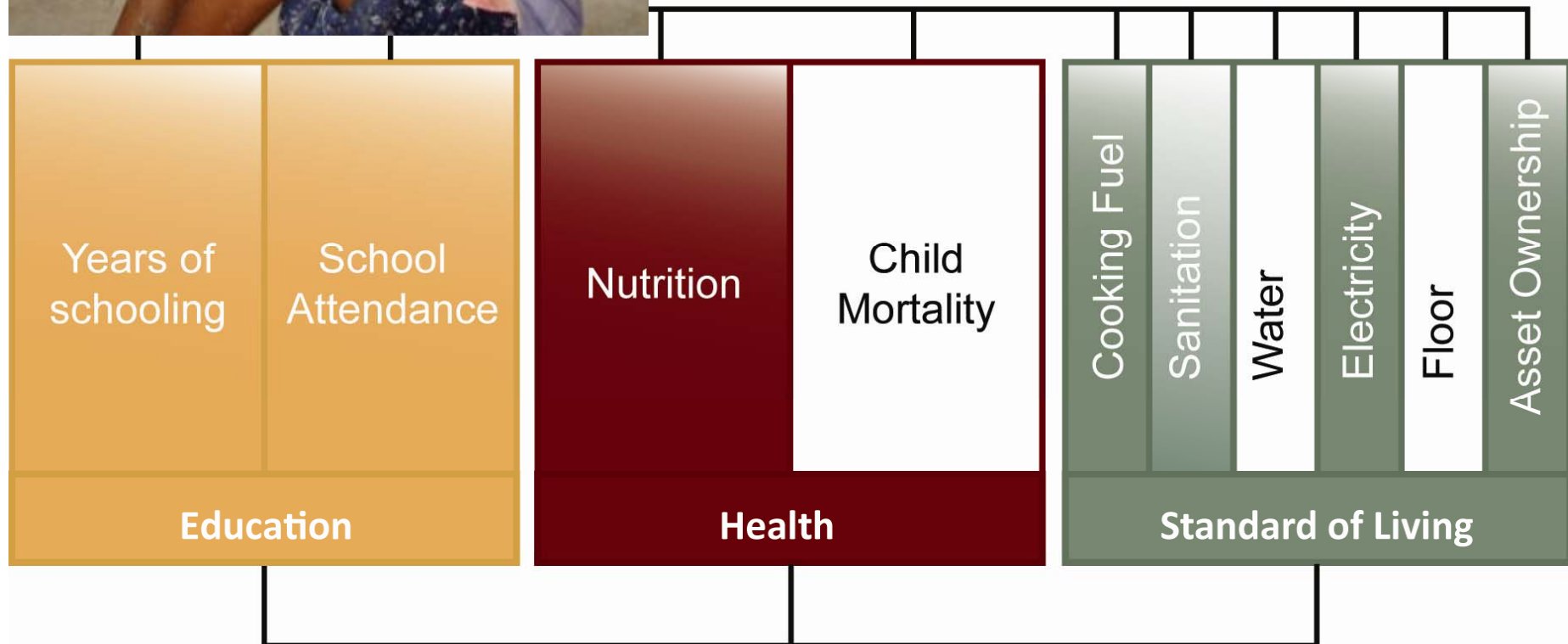




Endah's MPI

The MPI is built from each person's own profile of poverty, and keeps this information so we can zoom back to it later.

10 Indicators



3 Dimensions

Measures

Dashboards

Multidimensional

Reports & Analysis

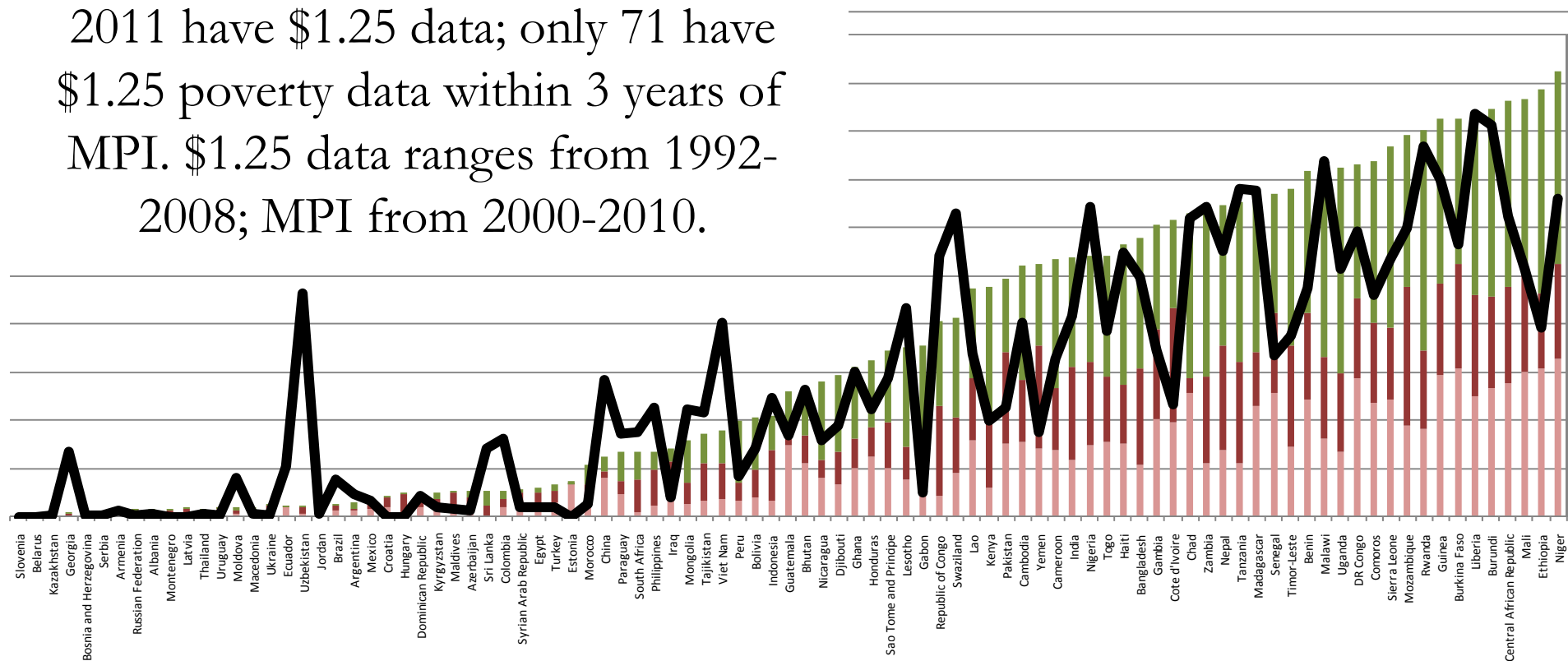
Seeing the Interconnections: Multidimensional Measures

What is useful in these multidimensional measures?

1. They show who is deprived in what *at the same time*.
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2. They give an overview, an above-the-fold, at-a-glance
view of the trends – nationally and by regions.

The MPI Headcount Ratios and the \$1.25/day Poverty

103 of our 109 Countries in 2011 have \$1.25 data; only 71 have \$1.25 poverty data within 3 years of MPI. \$1.25 data ranges from 1992-2008; MPI from 2000-2010.

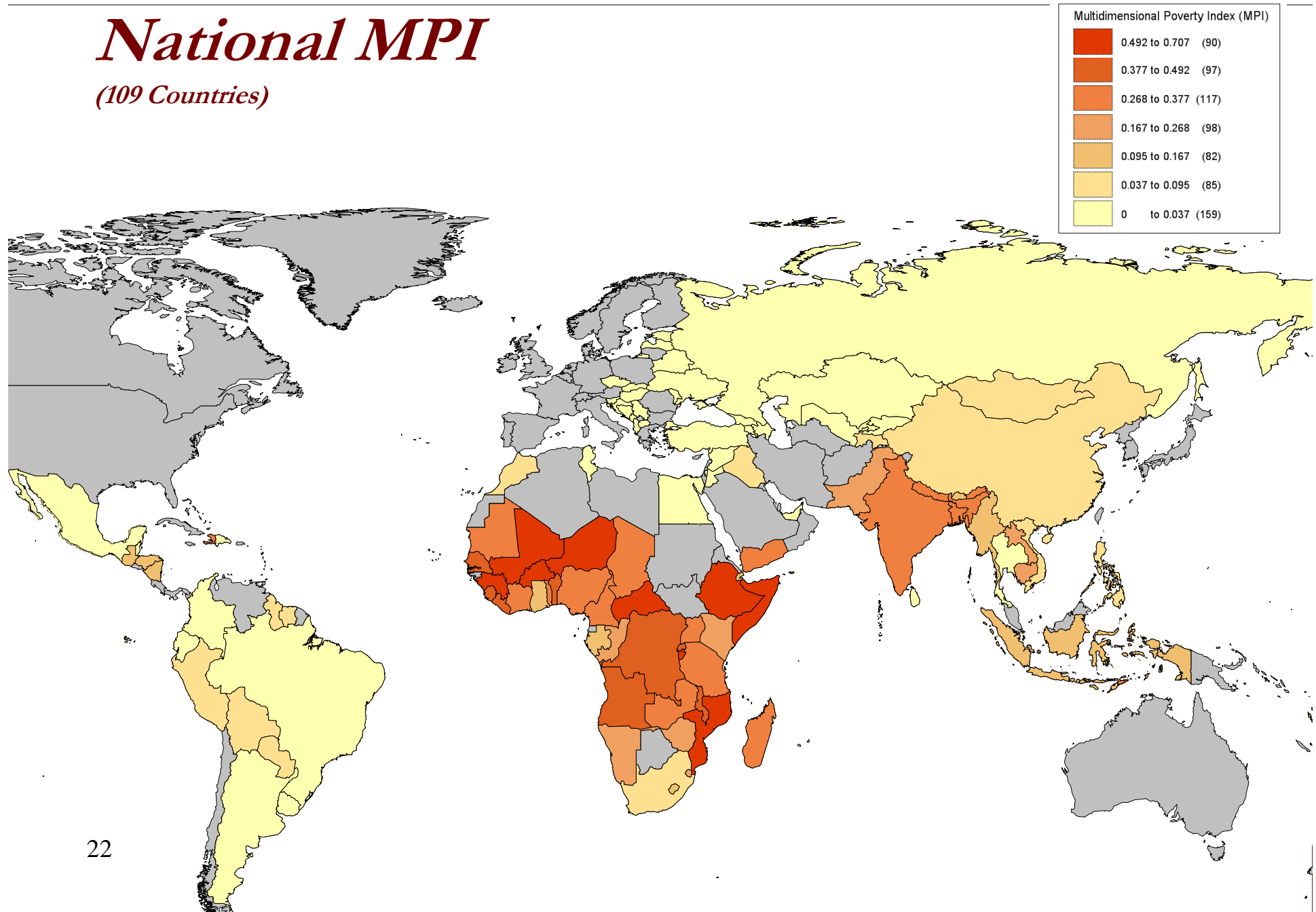


Some MPI 2011 'Fast Facts'

- **Extent:** 32% of people in 109 countries are poor
- **Region:** 50% of MPI poor people live in South Asia and 29% in SS Africa.
- **MICS:** 69% of MPI poor live in Middle Income Countries.
- **Rural:** 83% of MPI poor live in Rural areas.
- **Range:** MPI headcount in MICs ranges from 0-77%; MPI headcount in LICs: 5-92%.
- **Disparity:** National aggregates hide disparities by region and ethnic group.

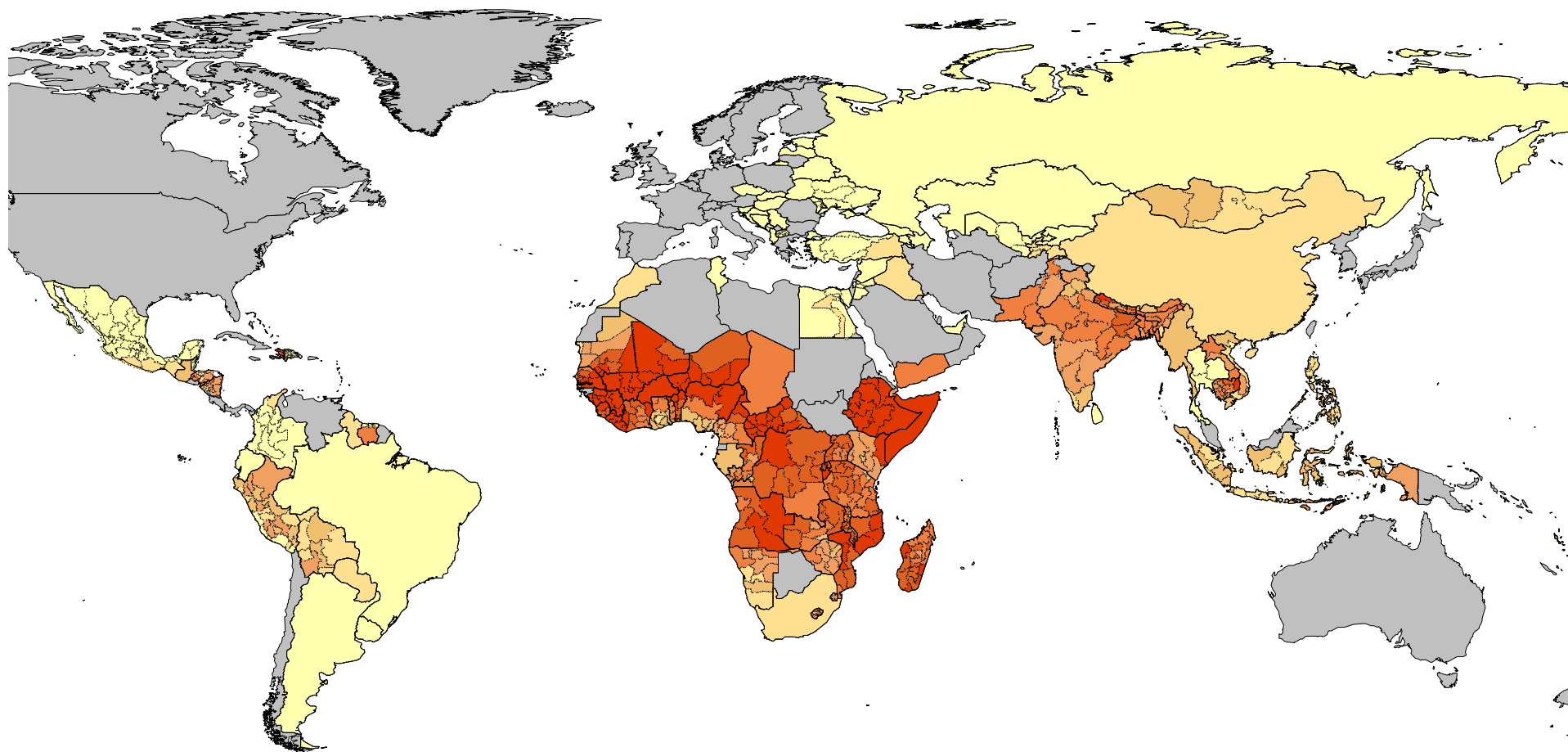
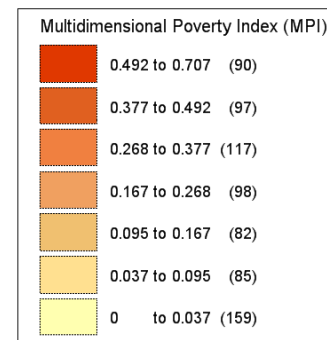
National MPI

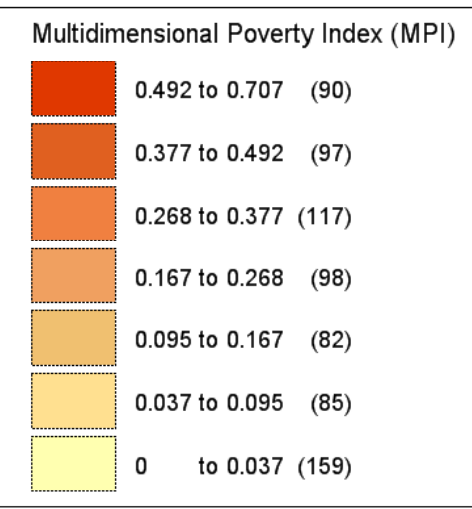
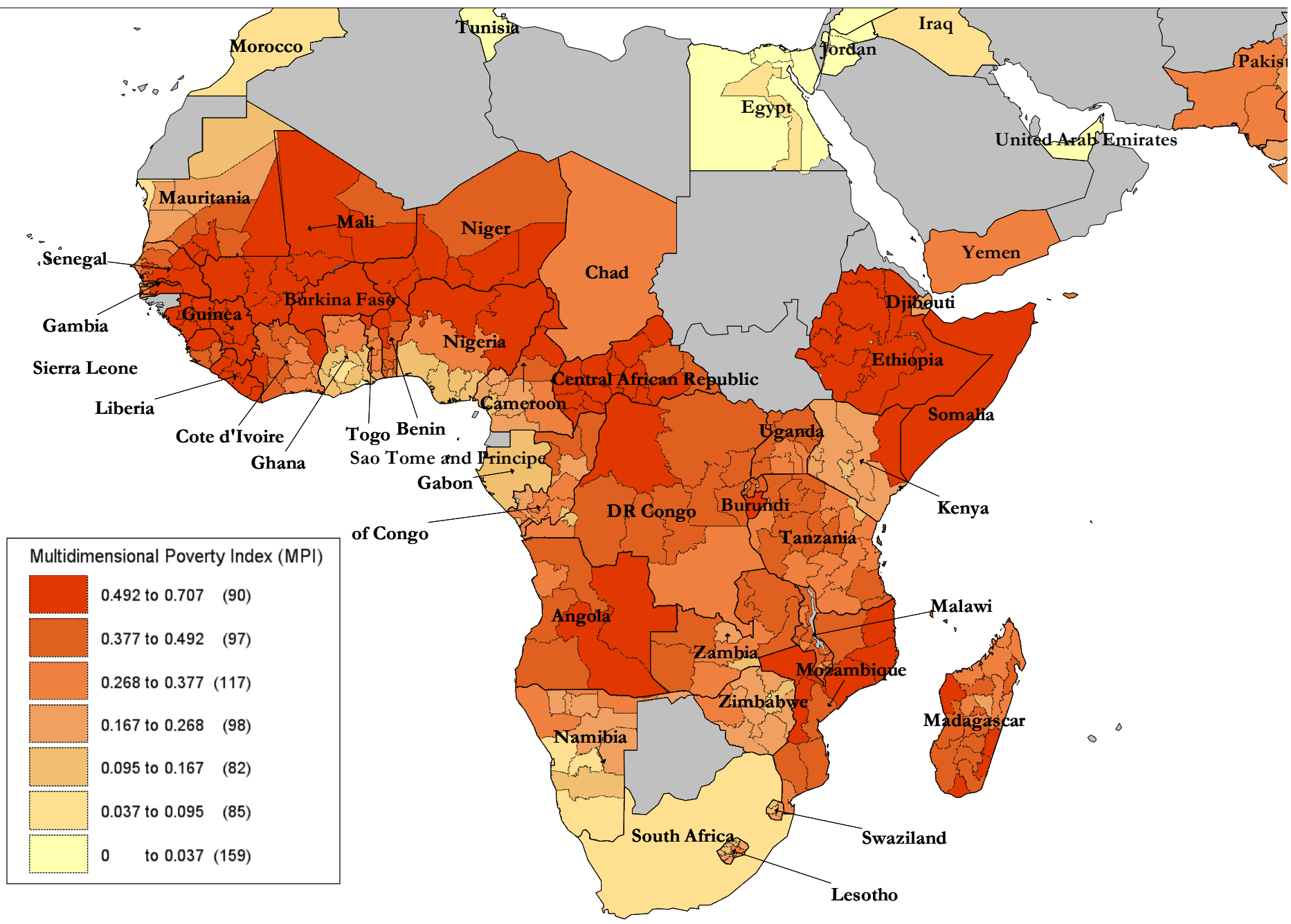
(109 Countries)

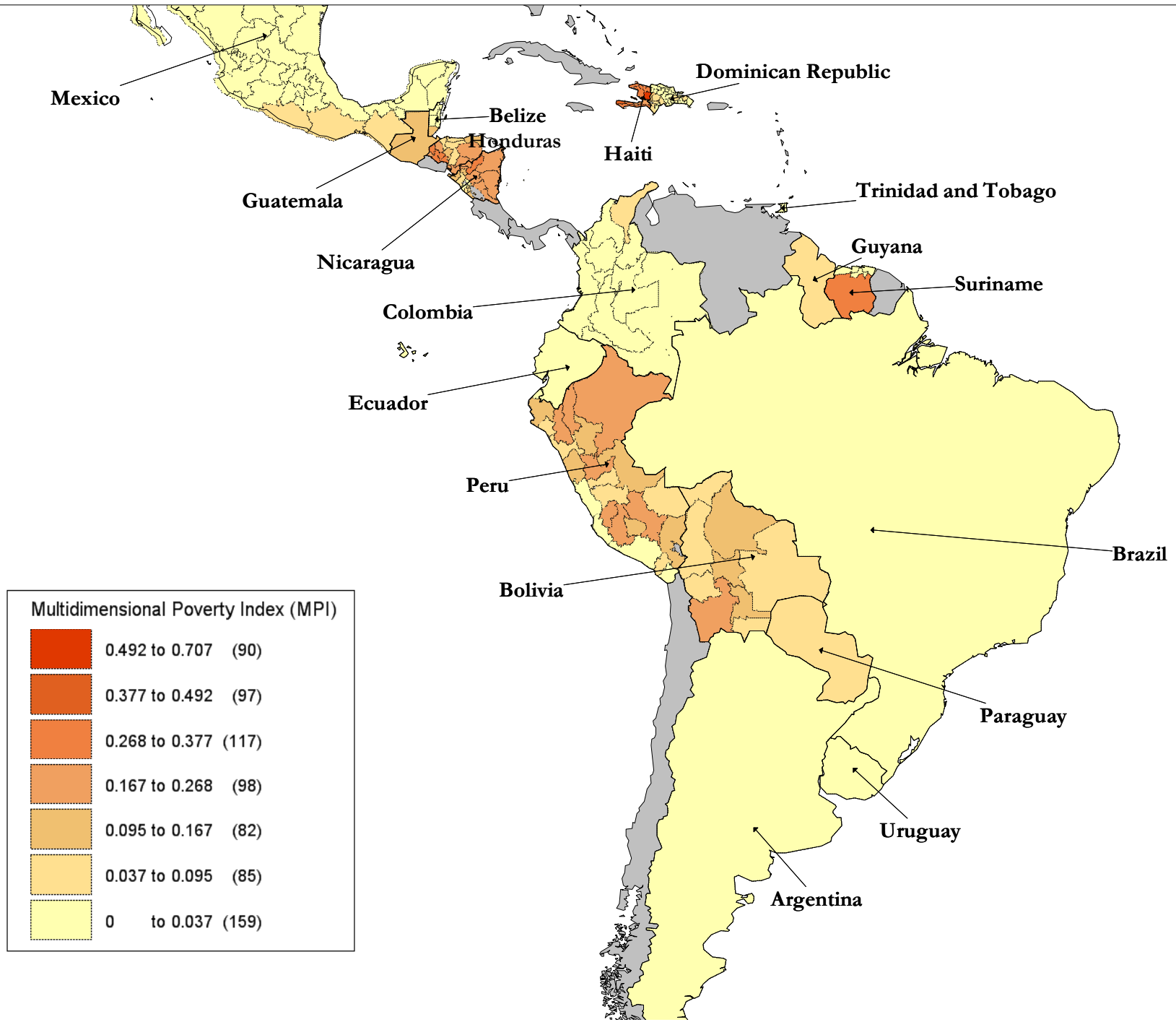


Sub-national MPI (66 countries)

(highest disaggregation available)





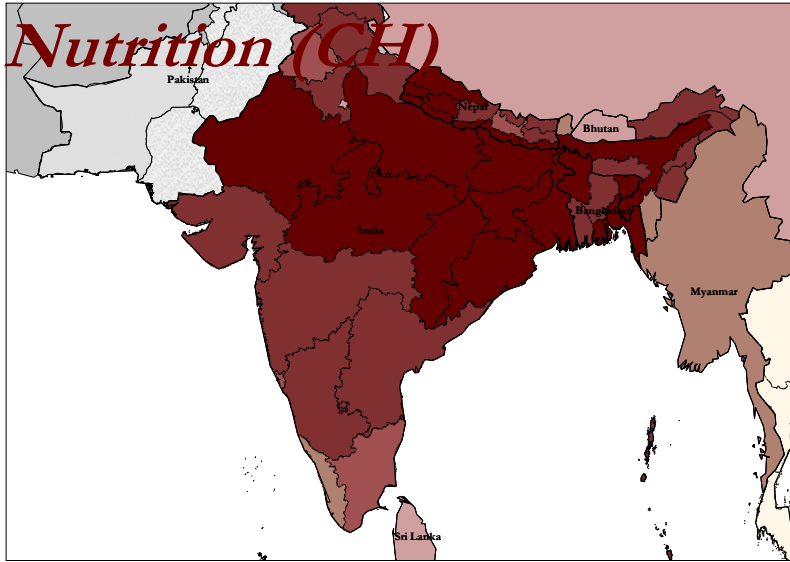


Multidimensional Poverty Index (MPI)

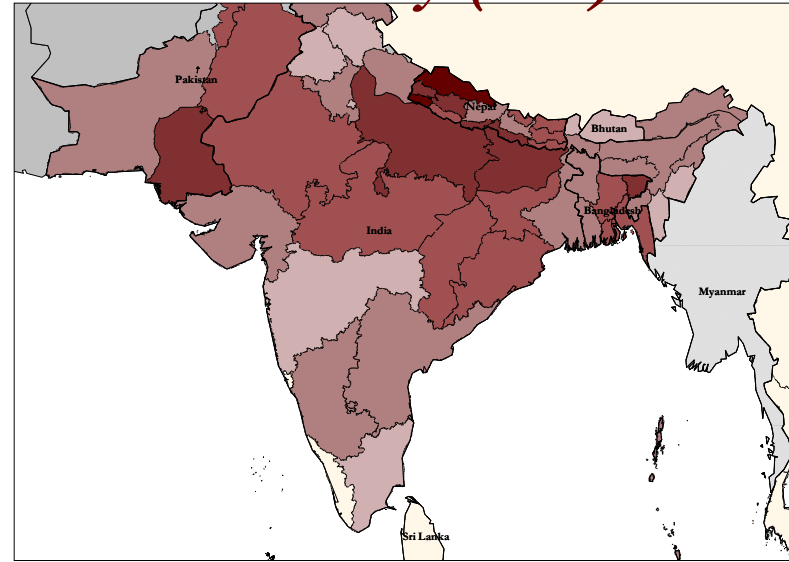
0.492 to 0.707	(90)
0.377 to 0.492	(97)
0.268 to 0.377	(117)
0.167 to 0.268	(98)
0.095 to 0.167	(82)
0.037 to 0.095	(85)
0 to 0.037	(159)

Mexico
 Belize
 Honduras
 Guatemala
 Nicaragua
 Colombia
 Ecuador
 Peru
 Bolivia
 Dominican Republic
 Haiti
 Trinidad and Tobago
 Guyana
 Suriname
 Brazil
 Paraguay
 Uruguay
 Argentina

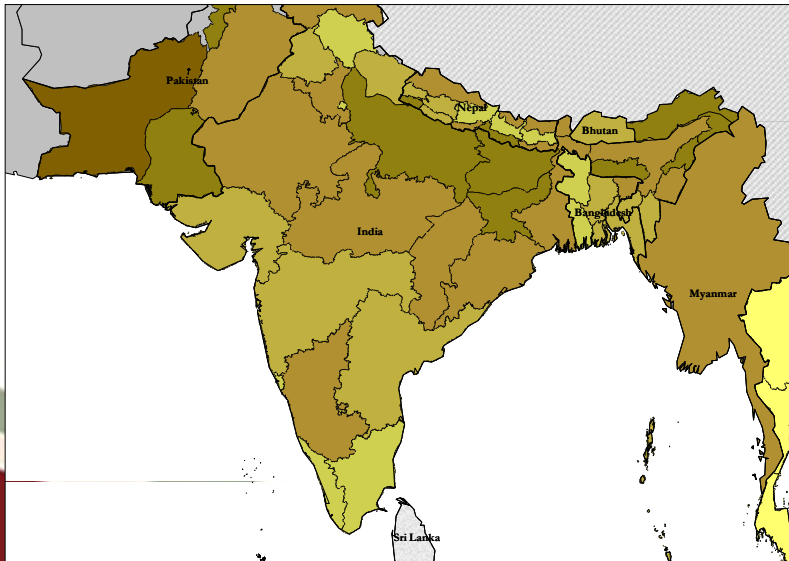
Nutrition (CH)



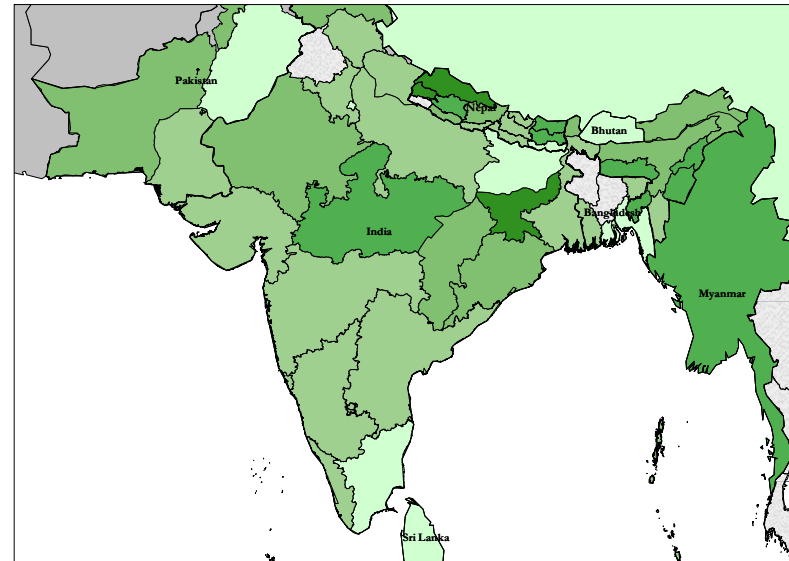
Child Mortality (CH)



School Attendance (CH)



Safe Drinking Water (CH)



Measures

Dashboards

Multidimensional

Reports & Analysis

Seeing the Interconnections: Multidimensional Measures

What is useful in these multidimensional measures?

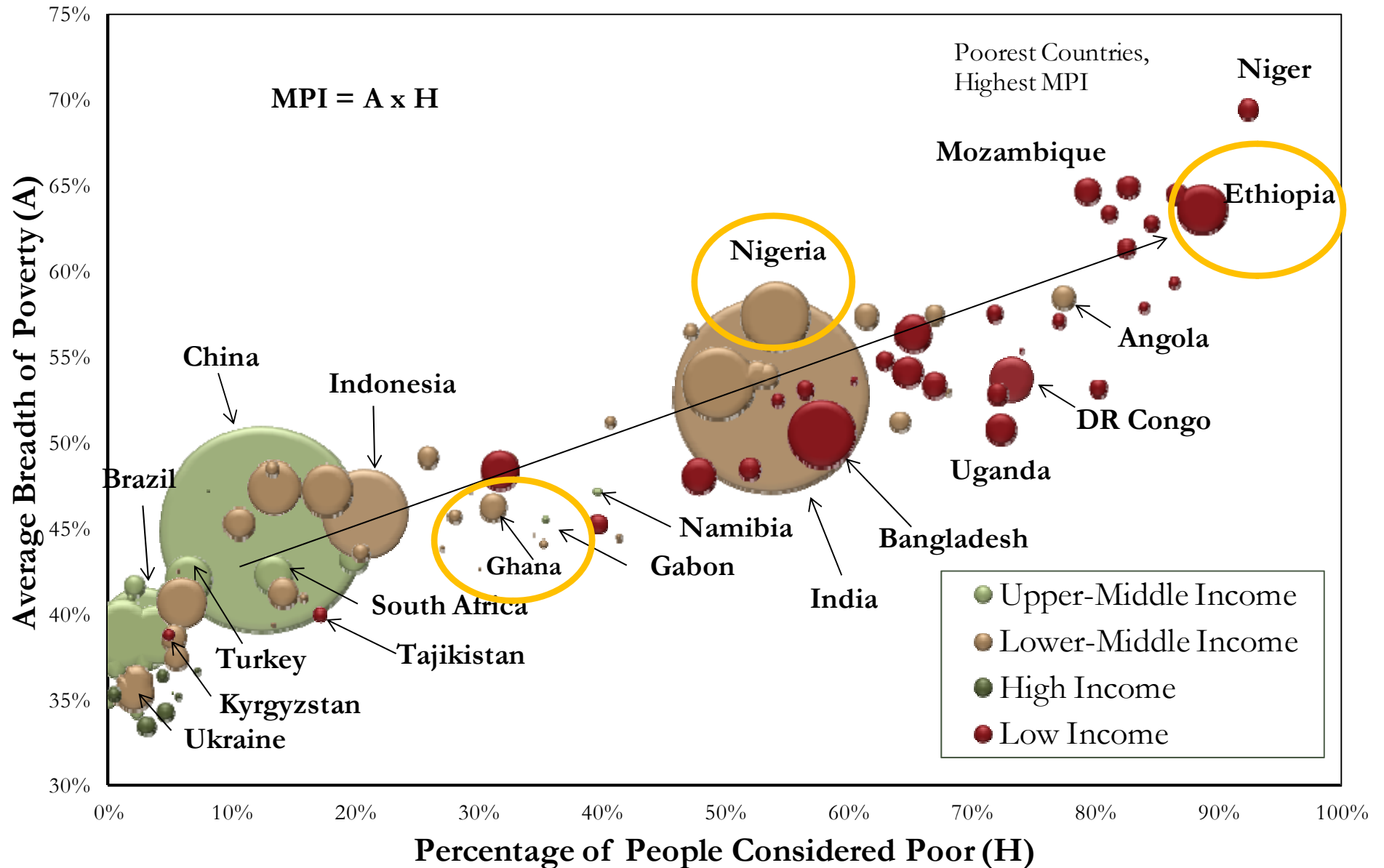
1. They show who is deprived in what *at the same time*.
The MDGs do not.
2. They give an overview, an above-the-fold, at-a-glance view of the trends – nationally and often by region.
3. **Alkire Foster measures can be broken down by region and by indicator, to show *how* change happened.**

Ghana, Nigeria, and Ethiopia

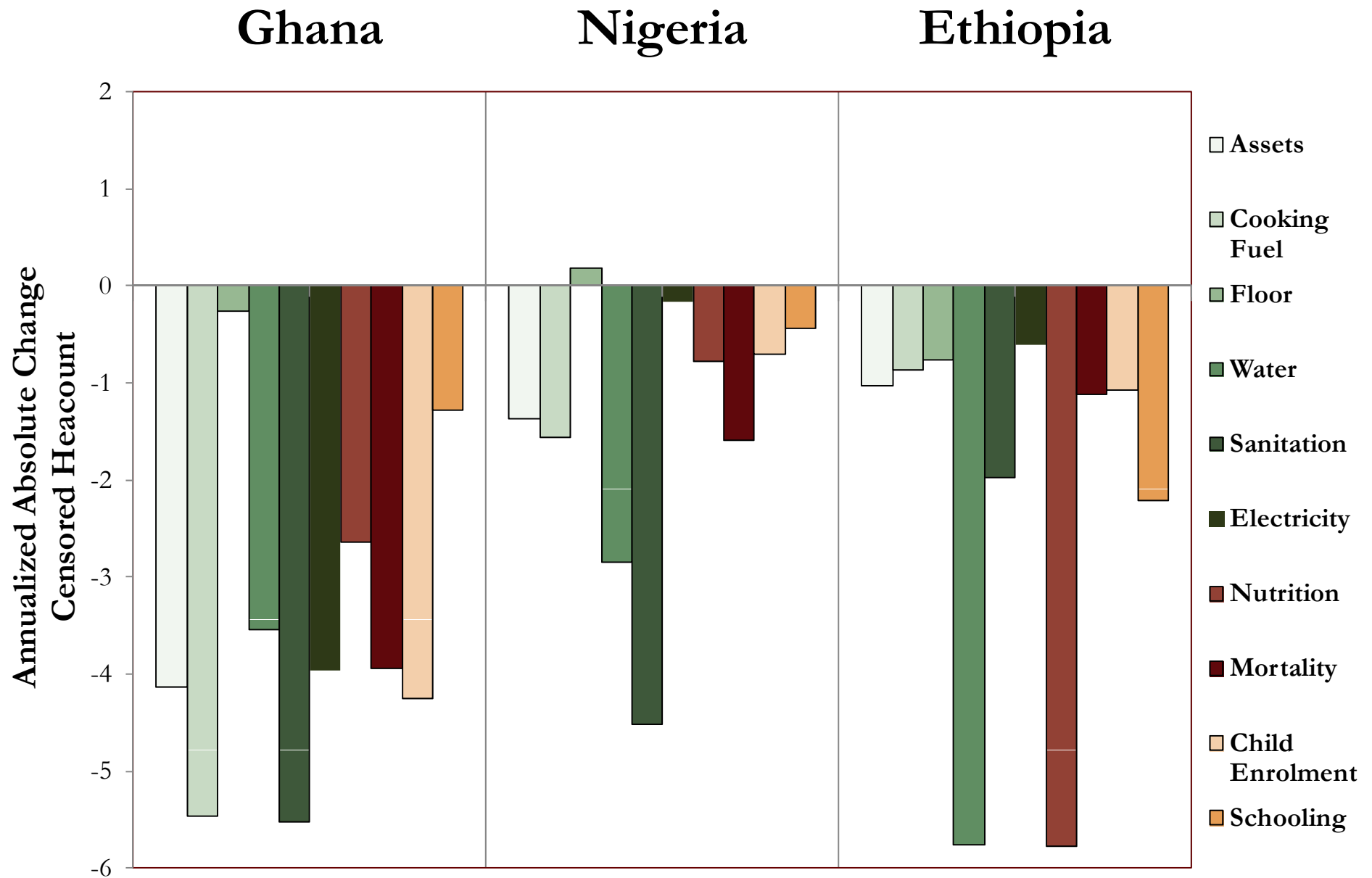
2003-8

2003-8

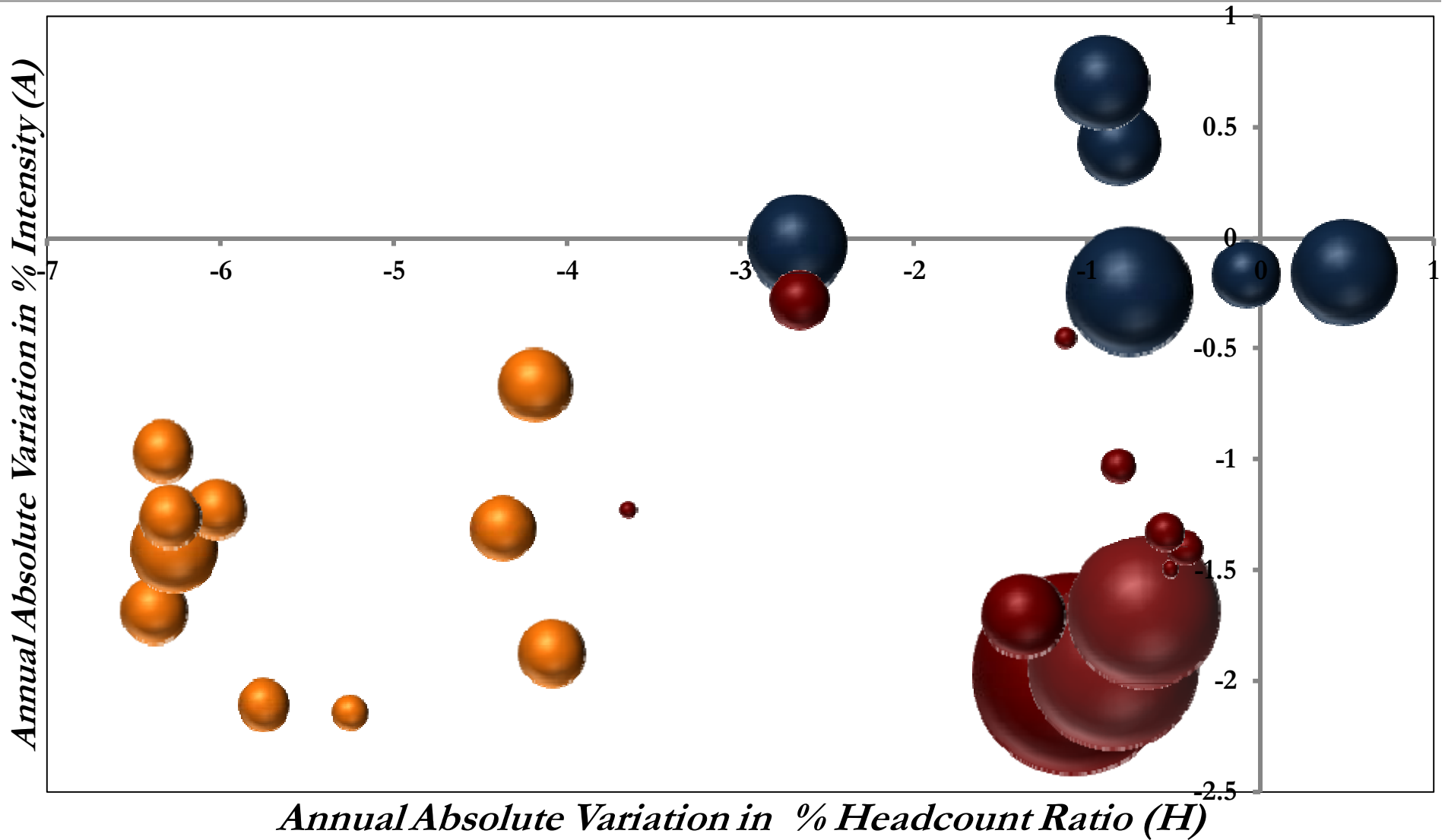
2000-5



Pathways to Poverty Reduction

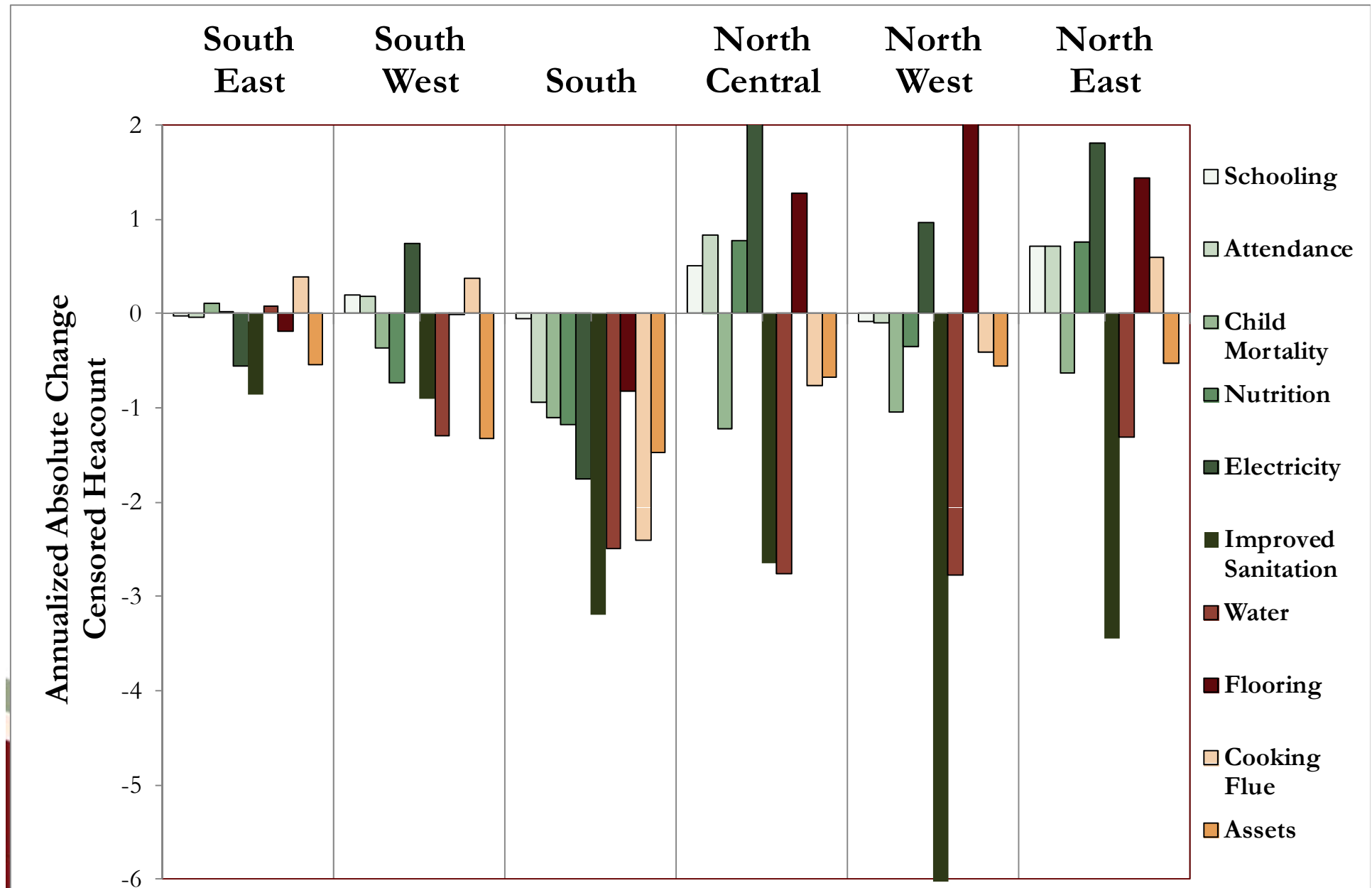


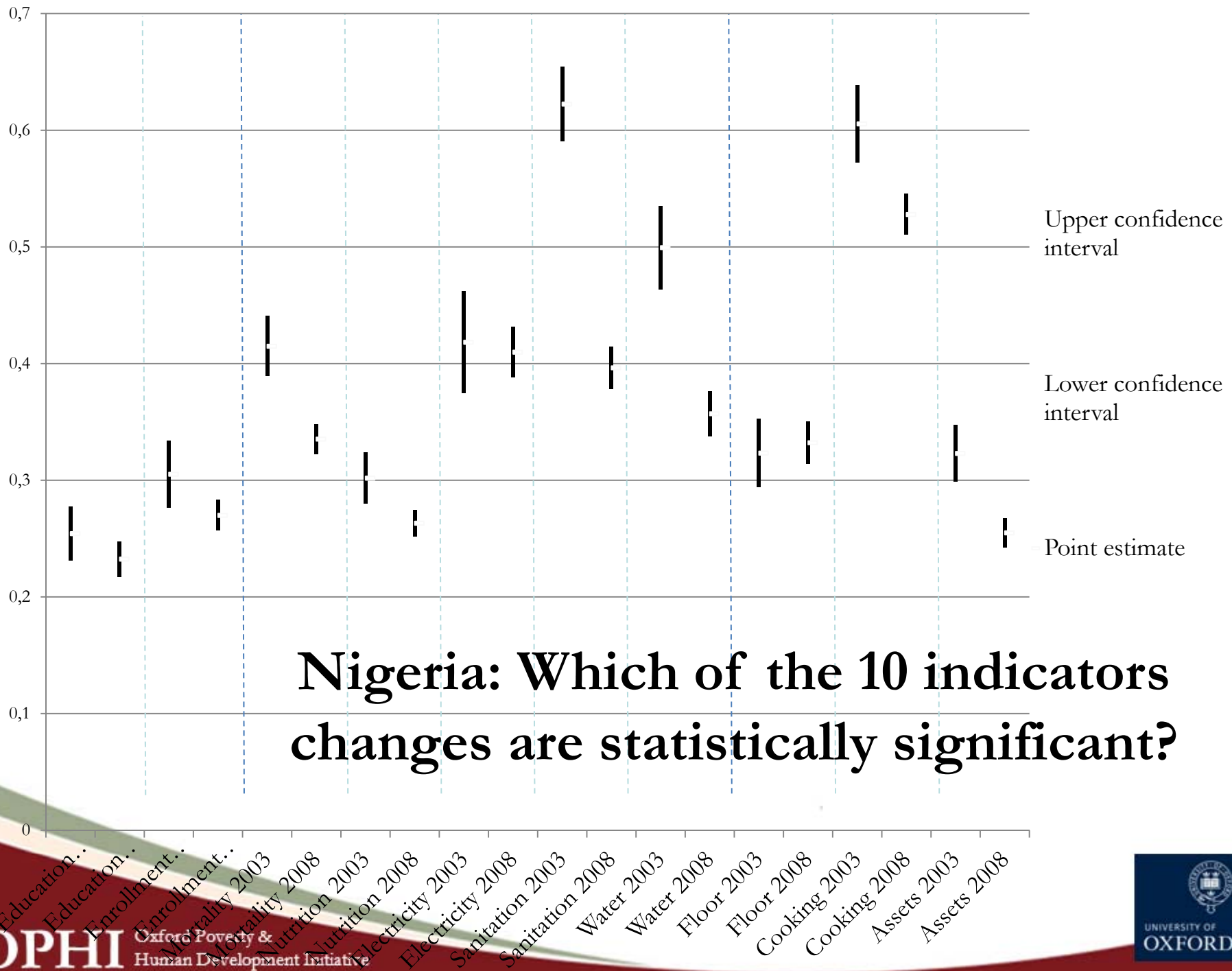
Changes in MPI by sub-national region



● Nigeria ● Ghana ● Ethiopia

Regions of Nigeria: How MPI changed





MPI Data Updates

(best estimates)

- In 2012, between 30 and 50 new and updated datasets will be available and more than one third of the MPI countries' data will date from 2010.
- By 2014, the MPI will probably have been calculated for over 100 new and updated datasets.

Measures

Dashboards

Multidimensional

Reports & Analysis

Seeing the Interconnections: Multidimensional Measures

What is useful in these multidimensional measures?

1. They show who is deprived in what *at the same time*.
The MDGs can not (And it matters).
2. They give an overview, an above-the-fold, at-a-glance view of the trends – nationally and often by region.
3. Alkire Foster measures can be broken down by region and by indicator, to show *how* change happened.
4. **The indicators, dimensions, cutoffs are flexible. You choose them for your own purpose.**
(data permitting)

Uses? Colombia launched an official national MPI to monitor progress towards their plan using the Alkire-Foster method.

Poverty committee: monitoring poverty reduction

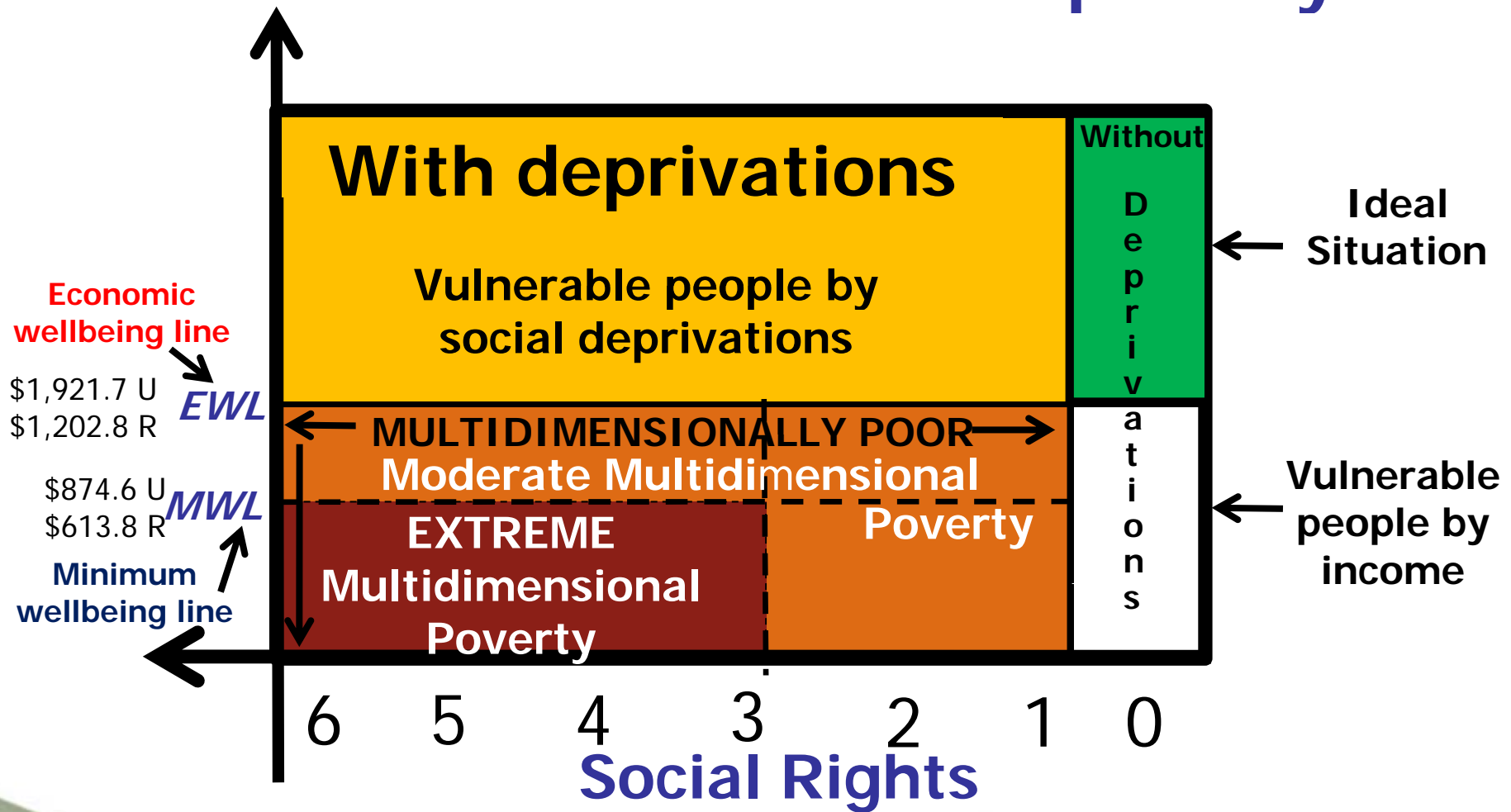
- Leaders
 - Counselor for the Presidency
 - National Planning Department
- Permanent members
 - Ministry of Health
 - Ministry of Labor
 - Ministry of Housing
 - Ministry of Agriculture
 - Ministry of Education
 - Ministry of Finance

No Deputies permitted.



MANDATORY PRESENCE
The President of Colombia

Mexico's AF measure shows extreme & moderate poverty



Bhutan's national MPI adjusts the global MPI using better national indicators – with participatory input.



A possibility?

1. Create an internationally comparable measure with some post-2015 MDGs, as a 'bell-weather' indicator alongside the detailed single indicator dashboard.
2. Encourage countries/groups to make 'National MPIs' reflecting their own priorities, goals & values.
(we already do this for income poverty)

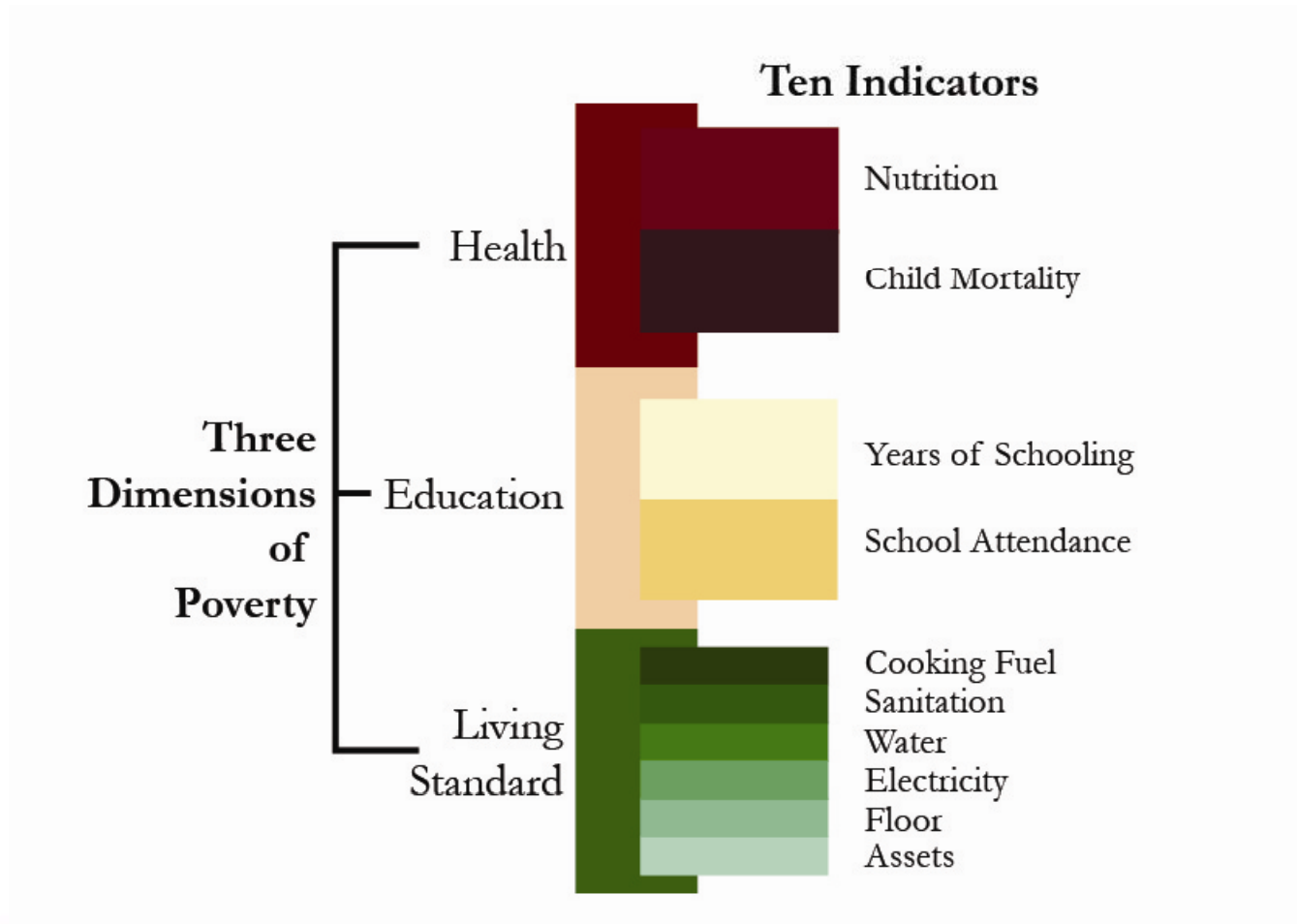
*Isn't this too much work? **Not technically. It is feasible.***

***Example:** Colombia's measure & report was made in 4 months by 3 persons under the age of 33 who do not have PhDs.*

Concluding Remarks:

1. MDG measures need to anticipate the data requirements – especially for a ‘baseline’ in 2015.
2. It is possible to include brief 5-min modules on: work, violence, empowerment, and relationships.
3. The value-added of a multidimensional measure is that it reveals coupled deprivations. MDGs don't.
 - ‘Synergistic’ policies address multiple MDGs; traps.
 - You can go inside a country to regions / groups
4. Consider an international MPI, and support for national MPIs if they will actually be used.

2. Dimensions and Indicators of MPI



3. Methodology: Aggregation

We construct the MPI using the Alkire & Foster M_0 :

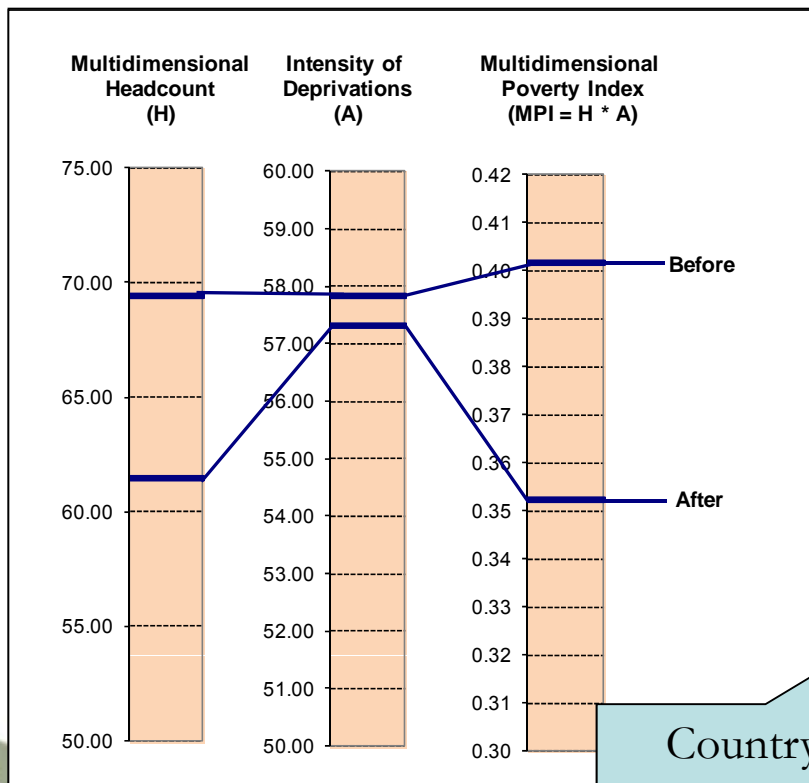
$$\text{Formula: } \text{MPI} = M_0 = H \times A$$

- H is the percentage of people who are poor. It shows the *incidence* of multidimensional poverty.
- A is the average proportion of weighted deprivations people suffer at the same time. It shows the *intensity* of people's poverty.

Policy implications...

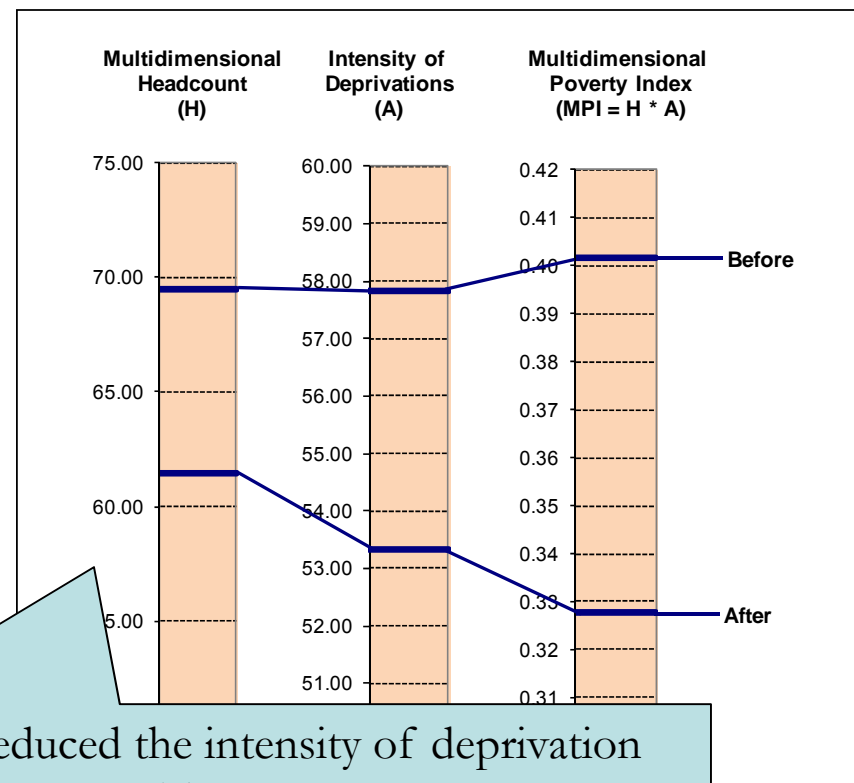
Country A:

Poverty reduction policy
(without inequality focus)



Country B:

Policy oriented to the poorest of the poor



Country B reduced the intensity of deprivation among the poor more. The final index reflects this.
(MPI satisfies **Dimensional Monotonicity**)