Policy and Politics of Multidimensional Poverty Measurement

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2013
You and Public Communication

- Know your audience
- Know the time
- Dress
- Methods—eyes/lecturn/hands
- Speech—language/habits
- Sweets
- Relaxation—tips
Political Considerations:

Why measure?
   Policy
   Incentives

How develop?
   Politically
   Technically

How Update?
   Institutions
   Authority
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These slides are taken from Gonzalo Hernandez Licona’s presentation at the World Bank, Aug 2010.
Political Considerations:

Why measure?

Policy

Consider the kinds of policy analysis and response the measure should be designed to support.
What policies should be carried out?

Economic Policies:
- Economic growth
- Job creation

Deprivations
Social Rights
What policies should be carried out?

Social Policies:
- Health
- Education
- Housing
What policies should be carried out?

Targeted policies

- Social Programs for the population in poverty
What policies should be carried out?

Universal policies
- Social Security
- Education for all
- Access to health services
- Economic growth
A complete strategy for the reduction of poverty

National Development Plan 2010-2014

“Prosperity for all”
Colombia: clear national targets in MD Poverty reduction by dimension and by indicator

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2008</th>
<th>2014</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multidimensional Poverty Headcount (IPM-Colombia)</td>
<td>34.7%</td>
<td>22.5%</td>
<td>-12.2%</td>
</tr>
<tr>
<td>Absolute number of poor people by IPM</td>
<td>15,415,986</td>
<td>10,701,598</td>
<td>-4,714,388</td>
</tr>
<tr>
<td>Absolute number of non-poor people by IPM</td>
<td>29,034,274</td>
<td>36,959,770</td>
<td>7,925,496</td>
</tr>
</tbody>
</table>

Figure from DNP Colombia 8/11
Political Considerations:

Why measure?
  Policy
  Policy II

Which people, institutions or networks will use the measure to monitor progress?
• Community level
• State Government of Minas Gerais
• Colombia—DPS and specific programs
• Mexico—CONEVAL, Ministry
Using the methodology

- Other Ministries, besides the Ministry of Social Development, understand better their role in reducing poverty in Mexico.

- We’re starting to evaluate social programs (ex post and ex ante) using this approach.

- Social programs are changing the way they identify their beneficiaries.

- The Strategy for poorer municipalities is using the methodology to target their programs.
Using the methodology

- By linking social deprivations with poverty, policy recommendations are strengthened.

- It is now possible to evaluate the effect of social policy not only on income poverty but also on specific social deprivations.

- There is a tendency to focus on cash transfers when poverty is measured only with income. Social policies for overcoming poverty should also pursue to universally guarantee social rights.
Using the methodology

- Since income poverty is influenced by a number of circumstances that social policy cannot control (sometimes the country cannot control), relevant social achievements may remain undetected.

- Finally, a remarkable feature of the methodology is that it does not only identify poverty (priority), but also it identifies the whole population without access to social rights, which is a complete way of looking at public policy.
National Cruzade against Hunger

ENRIQUE GONZÁLEZ TIBURCIO

June 6th, 2013
2. Target Population

People in Extreme Poverty: 11.7 Million people

People with food access deprivation: 28 million people

Target Population of the Crusade: 7.4 million people in extreme poverty and food access deprivation

Aim 2013: 400 Strategic Municipalities
3. Components

13 MEXICAN PRESIDENT’S PROPOSALS ENRIQUE PEÑA NIETO

CREATION DECREE OF THE NCAH

INTEGRAL SOCIAL DEVELOPMENT AGREEMENTS WITH FEDERAL ENTITIES

“INTER-MINISTRY” COMMISSION

NATIONAL COUNCIL

EXPERTS COUNCIL

“INTER-MINISTRY STATE COMMISSION”

COPLADE

“INTER-MINISTRY” CITY COUNCILS COMMISION

CITY COUNCILS

COMMUNITY COMMITTEES
Political Considerations:

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Incentives from measurement design: How do policy makers decrease headcount poverty measures?
They reach out to the person closest to the line.

Is this fair?
Incentives I: from Methodology

Unlike the Headcount, $M_0$ provides incentives to:

- Reduce the **percentage** of poor persons (H)
- Reduce the **average intensity** of poverty (A)

- Implication: use $M_0$ to reflect changes in poverty over time.
Incentives II: Calibration Decisions

Consider the incentives created by each choice:

• Space (service delivery, functionings)
  – If the space matches **programme outputs**, a direct M&E tool.
  – Will the measure inform **budget allocation**? How?

• Indicator selection & weights
  – Which institutions will be congratulated if poverty goes down? Who will be accused if poverty goes up?
  – What **achievements** will be undetected due to missing data? Can oversights be fixed?
  – What programmatic tradeoffs do weights imply?
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OPHI - Oxford Poverty & Human Development Initiative
Who gives input into a measure? Who designs it? Who releases it?

- Civil Service
  - Planning
  - Statistics
  - Ministries
  - Social Development
- Political leaders
- International Institutions?
- Business Leaders?
- Academics?
- Think Tanks / Policy groups?
- NGOs?
- Interest groups (unions, local government, provincial govt)
- Poor people & communities?
Some National Considerations

• **Political cycles:**
  – Elections may create an incentive to introduce a new measure, or discourage it.
    • MD poverty measurement based in AF can show results in the short-run; results take longer to be evident using income poverty measures.
  – Same with a switch of government
    • A new government may not be interested in showing MD poverty reduction trends from previous years.
    • Yet is also a good way of starting from a different benchmark.

• **Establishing trust in the new measure:**
  – Confusions will need to be settled if the income and multidimensional poverty measures have different headcounts.
  – If groups already gave input, they may trust already.
Examples

Building Support—Vietnam

Designing the Measure
• Colombia
• Mexico
• El Salvador
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Done
Political Considerations:

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Institutions
Authority
Updating should be discussed before a measure is released

Who is responsible for:
- generating data,
- providing and releasing authoritative updates
- updating methodology (changing $k$ etc)

**Angus Deaton:** “when a national poverty line is set using the calorie method, it is usually updated over time in a way that is inconsistent with the maintenance of the nutritional norm.”

“In countries as widely different as the US and India, the official poverty lines have **never** been updated”

“[B]ecause of the political issues … lines survive even beyond the time when they can be justified… Poverty lines are as much political as scientific constructions.”
Updating the Data and Index Policies and Programs
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

MANDATORY PRESENCE
The President of Colombia
The Global Multidimensional Poverty Peer Network (MPPN)
PARTICIPANTS

Angola, Bhutan, Brazil, Chile, China, Colombia, ECLAC, Ecuador, El Salvador, Dominican Republic, Germany, India, Iraq, Malaysia, Mexico, Morocco, Mozambique, Nigeria, OECD, the Organization of Caribbean States, OPHI, Peru, Philippines, SADC, and Vietnam
Launch of Global MPPN

• Presentation by President Santos of Colombia
• Roundtable discussion on the MPPN by Ministers
• Amartya Sen Lecture on “Discovering Women”
• One day symposium with National Government participants on National multidimensional poverty efforts
The Network Moving Forward

• Expansion of Multidimensional Poverty Index
  • Official national poverty measures
  • Subnational Pilots (China, Brazil)

• An Effective and Informed Voice in the Post 2015 Discussions
  • September side event with high level leadership

• The Promotion of Joint Research and Development of Practical Tools
The MPI 2.0

The Post 2015 MDG Discussion
Colombia agrees to co-host with Mexico and Germany a side event at the UN General Assembly
Measuring the Post-2015 MDGs

Steps:
• Choose new indicators (if new data)
• the voices of the poor and the marginalised should drive decisions.
• Global MPI 2.0
• National MPIs - all reported.