# Dimensions

Multidimensional Poverty Peer Network (MPPN)

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# Dimensions

Multidimensional
**MPPN**
Poverty Peer Network

OXFORD DEPARTMENT OF INTERNATIONAL DEVELOPMENT

OPHI
Oxford Poverty & Human Development Initiative

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The latest global Multidimensional Poverty Index (MPI) update, which analysed 103 countries, reveals a shocking fact: half of the people living in multidimensional poverty are children. By disaggregating information by age, the MPI demonstrates that life for young people is extremely fragile.

This statistic calls for urgent action from the international community. The MPI can be a key tool for supporting action as it allows governments and other actors to monitor poverty over time and to assign resources to those most in need. This is already happening in some countries. In this edition, we explore the case of Costa Rica, where the MPI is being used to define social sector budgets. We also speak with Ana Helena Chacón, Vice President of Costa Rica, who stresses the need to involve the private sector in the fight against poverty.

Recently, Panama and the Dominican Republic launched their national MPIs. In this issue we introduce a new column that will offer first-hand accounts of how multidimensional measures are implemented. In this month's inaugural column, Michelle Muschett, the Vice Minister of Social Development of Panama, writes about the key aspects of her country's process of establishing a national MPI.

Publicizing a new way of measuring poverty is a challenge. A short article in this issue outlines a workshop in Colombia that was designed to teach media editors about the concepts and results of multidimensional poverty measurement. This course has also been offered in Costa Rica, El Salvador, and Panama.

Finally, in this issue we present a new feature to complement our Data of the Month section in which we share the stories of people living in multidimensional poverty around the world in order to illuminate the situation of those most in need and reveal the human lives behind the data.

We invite you to read *Dimensions*.

# WHAT DOES THE GLOBAL MPI TELL US?

The new *Global Multidimensional Poverty Index (MPI) Report 2017* was released on June 1st at a special event at the University of Oxford's Department of International Development to mark the 10th anniversary of the Oxford Poverty and Human Development Initiative (OPHI). It also included the first ever child poverty disaggregation for every country, which found that half of multidimensionally poor people across 103 countries were children.

The new report investigates poverty across 5.4 billion people. Of these, 1.45 billion people are MPI poor, some 26.5% of people living in 103 countries. Around 48% of these poor people live in South Asia and 36% in Sub-Saharan Africa. Over one billion MPI poor people live in middle income countries.

Addressing the Sustainable Development Goals' (SDGs) aim to end poverty in all its forms and dimensions, the global MPI complements measures based on income and directly measures ten indicators that reflect poor health, lack of education, and low living standards. In 2017, MPI estimations for Algeria and El Salvador were added, and MPI

statistics were updated for 23 other countries including China, India, Mexico, and South Africa.
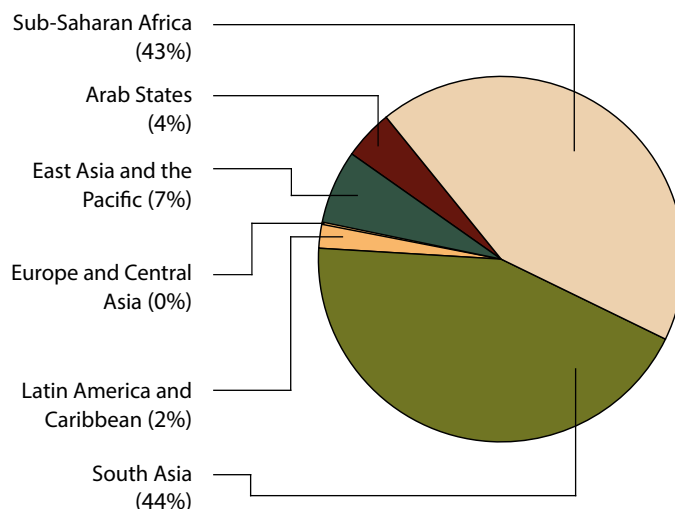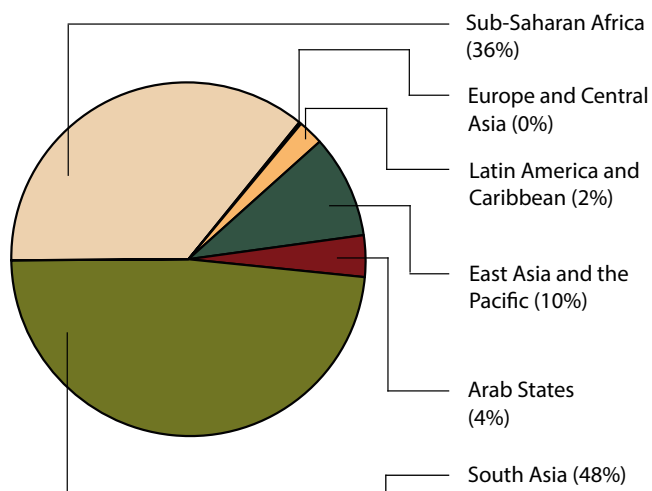
Turning to the poorest of the poor, OPHI found that nearly half of all MPI poor people are destitute – 706 million – and experience extreme deprivations such as severe malnutrition. Destitution rates are the highest in Sub-Saharan Africa, where in six countries and 117 subnational regions more than half of the citizens live in destitution. But India is home to more destitute people than Sub-Saharan Africa (295 million vs 282 million), and Pakistan is home to more destitute people (37 million) than either East Asia and the Pacific (26 million) or the Arab States (26 million).

Across the 103 low and middle income countries surveyed, children were found to constitute 34% of the total population – but 48% of the poor (the international definition of a child, used here, is anyone less than 18 years of age).

Nearly two out of every five children – 37%, for a total of 689 million children – are multidimensionally poor. Some 87% of these 689 million poor children are growing up in South Asia and in Sub-Saharan Africa – around 300 million in each region. Half of South Asia's children and two-thirds of Sub-Saharan children are multidimensionally poor.

**Fig. 1 Distribution of MPI poor persons by region**

Sub-Saharan Africa (36%)

Europe and Central Asia (0%)

Latin America and Caribbean (2%)

East Asia and the Pacific (10%)

Arab States (4%)

South Asia (48%)

**Fig. 2 Distribution of Poor Children**

Sub-Saharan Africa (43%)

Arab States (4%)

East Asia and the Pacific (7%)

Europe and Central Asia (0%)

Latin America and Caribbean (2%)

South Asia (44%)

Half of multidimensionally poor children live in 'alert' level fragile states, and child poverty levels are highest in fragile states.

Global MPI estimates are higher for children than for adults in all 103 countries. Children are also deprived in more indicators at the same time. In 36 countries, including India, at least half of all children are MPI poor. In Ethiopia, Niger, and South Sudan over 90% of all children are MPI poor.

The global MPI can also be disaggregated by disability status. In Uganda, 22% of people live in a household where someone has a severe disability, and the incidence of multidimensional poverty among these households is higher than among households where no one has a disability (77% vs 69%). As disability data improve, this disaggregation for the global MPI will become standard.

## Across the 103 low and middle income countries surveyed, children were found to constitute 34% of the total population – but 48% of the poor

Disaggregated analysis of the MPI is also available for 988 subnational regions. The poorest regions in the world are in Chad, Burkina Faso, Niger, Ethiopia, South Sudan, Nigeria, Uganda, and Afghanistan. Inside Afghanistan poverty rates vary from 25% in Kabul to 95% in Urozgan. Within Myanmar, where 30% of people are poor on average, poverty rates rise to 51% in Rakhine State. And in two of Chad's regions (Lac and Wadi Fira), 98–99% of people are poor. But how people are poor differs. In Lac, 34% of people are poor and have experienced a child's death; in Wadi Fira that figure is 20%. In turn, 97% are poor and lack clean drinking water in Wadi Fira and 64% in Lac. So even between two extremely poor regions, policy responses need to differ.

The global MPI provides a headline figure showcasing poverty in all its forms and dimensions. Yet

it can also be broken down to show in detail the steps
needed to change the poverty story – in particular for
the rising generation of younger people.

# MULTIDIMENSIONAL POVERTY AT THE HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT







F or two weeks, UN member states debated how to "eradicate poverty and promote prosperity in a changing world" at the 2017 High-Level Political Forum. In their National Voluntary Reports, many countries mentioned the global Multidimensional Poverty Index (MPI) or their national multidimensional indices as tools to inform Indicator 1.2.2 of the Sustainable Development Goals. In addition, several of them requested that the global MPI be considered as a new indicator in 2020 to monitor the reduction of multidimensional poverty. *For more information click here.*

# 'INVOLVING THE PRIVATE SECTOR IS THE RIGHT IDEA FOR RAMPING UP THE FIGHT AGAINST POVERTY'

*Dimensions* spoke with **Ana Helena Chacón Echeverría**, Second Vice President of Costa Rica, about collaborating with the private sector and how the government is using the national Multidimensional Poverty Index. This indicator, she claims, will make the distribution of public resources more efficient, and the hope is that it will also encourage transparency in institutional activities.

**W**hy has the government of Costa Rica decided to measure poverty multidimensionally?

In this administration, we believe that a change of focus in the fight against poverty was necessary. We saw the need to include a multidimensional measure

that allowed a comprehensive view of poverty and identified its causes in the national context.

This measure complements the traditional income method and provides a more precise analysis of poverty. Both measures will be used for analysis and social policy.

Horizonte Positivo has been a great ally in this effort. With their participation, the official launch of the MPI-CR took place in October 2015, with the goals of supporting the efficient targeting of resources, maximising the impact of these resources, and encouraging transparency of institutional activities. This alliance is one of the reasons that Costa Rica is the country that calculated its MPI in the



**Why was this done in collaboration with the private sector? How has this alliance benefitted the government?**
This administration prioritised the coordination and articulation of programmes at public institutions and emphasised the shared responsibility of other social actors at an intersectoral level.

A tripartite alliance was established with the government of Costa Rica, OPHI, and Horizonte Positivo 1, with the objectives of implementing the Multidimensional Poverty Index in Costa Rica (MPI-CR); promoting joint research; and developing tools for the measurement, design, and analysis of public policies.

shortest time and the only one in the world to do so with the support of the private sector.

**The MPI-CR is being used to develop departmental budgets. What was the political-technical process that enabled this to take place?**
The process was led by a commission that included representatives from the Presidential Social Council Advisory Team, Ministry of Planning (Mideplan), Ministry of Finance, Social Development and Family Allowances Fund (Fodesaf), and the Horizonte Positivo Association.

The objective was to incorporate the results of the MPI-CR as the main criteria for setting goals. This was done in order to elucidate the regional

distribution of poor households that are deprived in the indicators relevant to each institution. It was also to ensure that the investment of resources is based on evidence, allocating the appropriate amount of required support to each region.

In a first stage, some institutions and programmes were chosen for their ability to impact the results

guidelines issued by the Ministry of Finance and the Ministry of Planning that institutions must follow when developing their budgets.

For 2018, 18 programmes from 14 institutions have been selected to use the MPI-CR results as criteria for budget allocation.



of the MPI-CR. Training was provided to senior, including vice ministers and directors, and mid-level officials from different institutions to highlight the effects of using the MPI-CR in budget allocation and how to implement it.

This process had the political support of the Executive Cabinet through presidential directives that highlight the use of the MPI-CR as a useful tool to guide the distribution of resources.

Based on this initial work, and with the aim of institutionalising this process, there has been an effort to include the MPI-CR as a standard tool for setting goals and for budget distribution in the

**Costa Rica has played an important role in establishing the Multidimensional Poverty Peer Network (MPPN). Why have you decided to support this initiative? What joint actions would you like to support in the future?**
Ending poverty and reducing inequality are priorities of the United Nations member states that approved the 2030 Agenda for Sustainable Development.

The development of the MPI has led to an understanding of the qualitative aspects of poverty. These aspects are directly linked to social programmes and services, which are the responsibility of the institutions and should be aimed at those who need them most.

The MPI as a tool, then, is useful not only to elucidate the available data, but for budgetary planning and for the monitoring and evaluation of social policy. At the same time, this allows the poverty reduction strategy to be adjusted to accommodate the commitments made for 2030.

Sharing successful experiences is a key part of cooperation among countries. It is also relevant for strengthening public and private alliances and the contributions from academia in this effort to promote the use of comprehensive quantitative-qualitative methodologies.

**What recommendations would you give to other countries that are starting the process of creating an MPI? What factors facilitated the MPI-CR being used as a tool for better governance?**
Understanding the determinants of poverty is essential in the fight to eradicate it. It is necessary to

> The MPI as a tool is useful not only to elucidate the available data, but for budgetary planning and for the monitoring and evaluation of social policy

keep each country's reality in mind and to prioritise the most relevant areas in a national context when creating the national MPI. This measure complements income poverty measurement. The use of both measures allows a precise diagnostic of poverty.

The MPI is more than just a measurement instrument as it allows us to understand the determinants of poverty. This is a valuable tool because it supports both institutional management and public policy design.

Accordingly, we encourage countries that are embarking on the MPI process not to use it only to understand poverty but also as a technical tool to improve the quality of social policies.

As the National Institute of Statistics and Census (Instituto Nacional de Estadísticas y Censos or

INEC) is the institution in charge of creating the MPI in Costa Rica, the National Household Survey (Encuesta Nacional de Hogares or ENAHO) was established as the permanent and periodical data source to inform the MPI. The geographic representativeness of this survey, which can be disaggregated both at national and regional levels and by urban and rural areas, makes it possible to identify the exact geographic location of poor people, understand the causes of their condition, and re-direct public policies at a regional level, allowing greater precision in evaluating the progress of these policies.

The fight against poverty in the current administration has set in motion the coordinated actions of the state's institutions through the creation of inter-institutional and intersectoral responses to this problem. The joint interaction of the different actors who are responsible for the social development and provision of aid to the most vulnerable populations has been gradually achieved. Also, the public-private collaboration with Horizonte Positivo shows that involving the private sector is the correct decision when seeking to accelerate progress in the fight against poverty.

Note 1: The Horizonte Positivo Association is 'a think-and-do tank of the private sector that promotes intersectoral agreements between the government, academia, civil society, and the private sector, to reestablish governance and to cooperate in the design and reform of key public policies for human development in Costa Rica'.

*Editor's note: More information can be found in the article 'Using the MPI to Determine National Budgets in Costa Rica' in this same issue.*

# USING THE MPI TO DETERMINE NATIONAL BUDGETS IN COSTA RICA

Costa Rica's Multidimensional Poverty Index was created in 2015 through a partnership between the public and private sectors, along with OPHI, as a complement to income-based poverty measurement. Two years later, the index is being used as the main criterion for budget allocation in public institutions responsible for social programmes.

Costa Rica's Multidimensional Poverty Index (MPI-CR) was the result of a joint effort by the government of Costa Rica, the National Institute of Statistics and Censuses (INEC), the Horizonte Positivo association, and the Oxford Poverty and Human Development Initiative (OPHI). This public-private partnership was responsible for identifying the five dimensions and 19 indicators that make up the index. These indicators were chosen based on the information available in INEC's National Household Survey (ENAHO). This is an annual survey and the data within the survey is comparable since 2010. The Alkire-Foster methodology was used for this exercise.

A particular feature of the MPI-CR is its use of indicators that had not been considered in other countries' measures, such as Internet use and noncompliance with minimum wage or other labour rights. In Costa Rica, households with deprivations in 20% of the indicators are considered multidimensionally poor. In 2016, 20.5% of households were identified as poor by the MPI-CR.

AN MPI FOR BETTER INSTITUTIONAL GOVERNANCE

Between 1987 and 2016, public spending on Costa Rica's social sector increased considerably: more than sevenfold for education and by almost fivefold for both health and public investment for poverty reduction. However, poverty (measured in monetary terms) did not decline proportionally, and no systems were created to monitor or coordinate the poverty reduction programs. Many of the social benefits were delivered without being subject to technical guidelines or empirical evidence, and without knowing the needs of the population. Consequently, the poverty mitigation efforts were not producing the expected results.
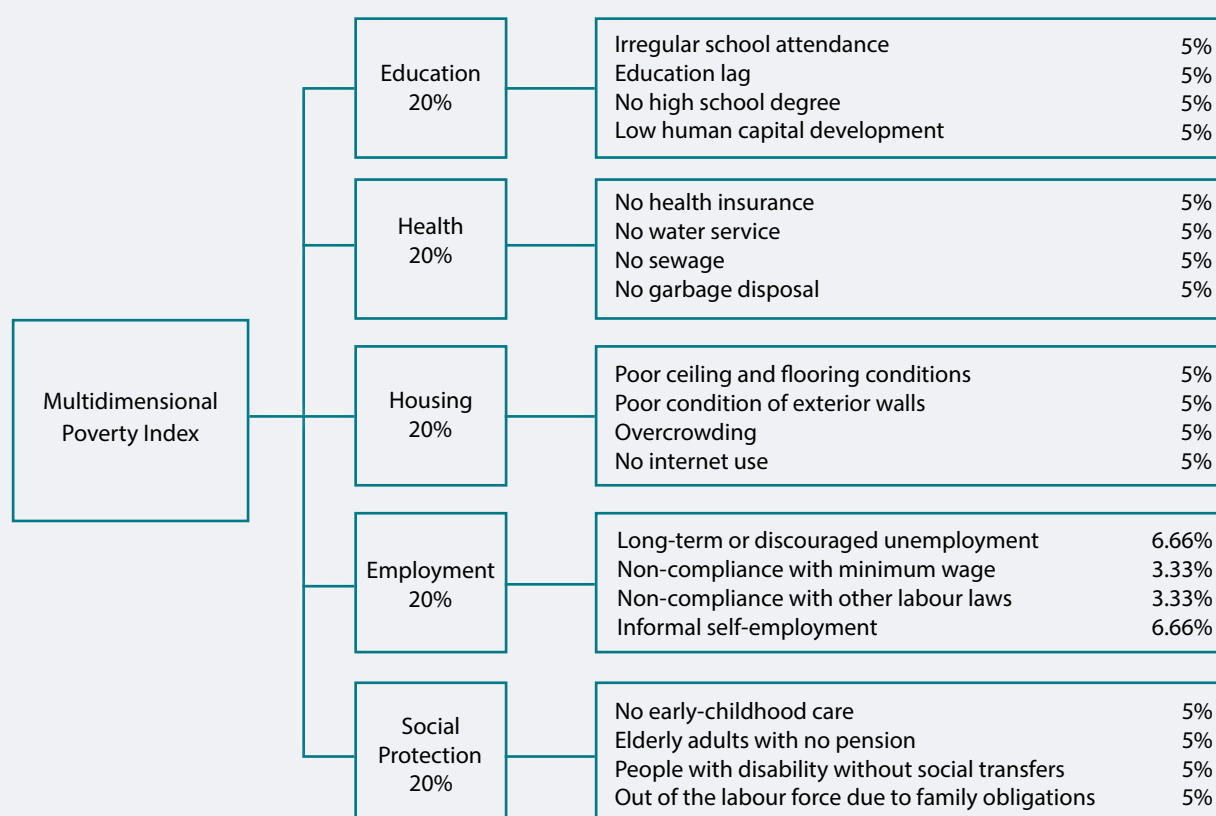
In late 2014, the Government of Costa Rica introduced the 2015–2018 National Development Plan (PND in Spanish), led by the Office of the Vice President, to coordinate the work of public

Educating and training mid-level officials has been essential for this measurement to be truly incorporated into the day-to-day work of public institutions.

institutions and their social programs in the different regions of the country in order to improve poverty reduction measures.

The Government of Costa Rica created a commission with representatives from the Presidential Social

**Figure 1. Dimensions, indicators, and relative weights of Costa Rica's MPI**

| | | |
|---|---|---|
| **Education 20%** | Irregular school attendance | 5% |
| | Education lag | 5% |
| | No high school degree | 5% |
| | Low human capital development | 5% |
| **Health 20%** | No health insurance | 5% |
| | No water service | 5% |
| | No sewage | 5% |
| | No garbage disposal | 5% |
| **Housing 20%** | Poor ceiling and flooring conditions | 5% |
| | Poor condition of exterior walls | 5% |
| | Overcrowding | 5% |
| | No internet use | 5% |
| **Employment 20%** | Long-term or discouraged unemployment | 6.66% |
| | Non-compliance with minimum wage | 3.33% |
| | Non-compliance with other labour laws | 3.33% |
| | Informal self-employment | 6.66% |
| **Social Protection 20%** | No early-childhood care | 5% |
| | Elderly adults with no pension | 5% |
| | People with disability without social transfers | 5% |
| | Out of the labour force due to family obligations | 5% |

Multidimensional Poverty Index

Source: Horizonte Positivo association

improving the allocation of resources to ensure that the largest investments went to the areas most in need.

This commission presented the proposal to use the MPI-CR for an efficient allocation of resources to the cabinet in March 2016, a meeting attended by the President and ministers from several institutions. The cabinet came to the following agreement: 'To request all officials and mid-level officials from the social sector ministries and institutions to use the Multidimensional Poverty Index [MPI-CR] as an official diagnostic and monitoring tool for social programs, as well as part of the criteria for allocating resources to the different regions of the country and programs with the largest impact on reducing the index' (Government Council Agreement N* 092-16).

Council Advisory Team, the Ministry of National Planning and Economic Policy (Mideplan), the Ministry of Finance, the Fund for Social Development and Family Benefits (Fodesaf), and the Horizonte Positivo association with the goal of incorporating the MPI-CR as an official measure for allocating resources and monitoring and evaluating social programs.

This commission used the MPI-CR to identify trends for each dimension and indicator at the national and regional level. It also compared those trends in deprivations with what was being done by the central government's social programs. The result was illuminating: There were significant opportunities for

Then, in May 2016, a Presidential Directive (N* 045) was issued stating that the MPI-CR must be used by a set of institutions for budgetary planning: 'The officials and mid-level officials of social sector ministries and institutions will use the Multidimensional Poverty Index [MPI-CR] as an official measure for allocating resources and for monitoring and evaluation of social programs'.

After the publication of this directive, a pilot plan was conducted with seven key institutions in which the MPI-CR was used for planning their 2017 budgets. Resources were allo-

cated following the PND goals for each institution but using MPI data for establishing new beneficiaries for 2017, as well as defining the total number of beneficiaries. Workshops were then held to train the institutions in how to target those resources using the MPI-CR data, using 2017 as a baseline. After a series of meetings, the final data were available. Some institutions argued that part of their resources had already been allocated to old beneficiaries, but they pledged to use the MPI-CR data for allocations to new beneficiaries.

line was established based on these programmes, and workshops were held to explain the MPI-CR, how to use it, which data to use, and how each institution can target resources using this index.

Simulations were then carried out for each indicator and region of the country using this data in order to estimate how the allocation of resources using the MPI-CR in the 18 programs would affect poverty levels. The current poverty level in Costa Rica is 20.5% (2016). If resources are distributed as proposed, poverty could fall by 1.8 or 2.1 percentage points.

**Figure 2.  2016 Pilot Plan: Scenarios**

| Institution | Final data | | |
|---|---|---|---|
| | PND 2017 goal | New beneficaries | Total beneficaries 2017 |
| FONABE | 95,000 | 10,429 | 115,858 |
| AVANCEMOS | 150,524 | 2,805 | 153,329 |
| INA | 44,564 | 34,444 | 34,444 |
| EMPLEATE | 9,189 | 9,189 | 9,189 |
| PRONAMYPE (Loans) | 785 | 1,033 | 1,033 |
| PRONAMYPE (Training) | 3,025 | 3,025 | 3,025 |
| PRONAE | 8,602 | 2,779 | 11,381 |
| BANHVI | 2,200 | 0 | 0 |
| FONATEL | 93,365 | 36,533 | 36,533 |
| CCSS | Not included | 6,000 | 155,088 |

Source: Horizonte Positivo association

Each institution estimated its potential number of final beneficiaries. For example, the PND allocated resources for 95,000 scholarships to the National Scholarship Fund (Fonabe). Fonabe stated that 10,429 new beneficiaries could be targeted using the MPI-CR (see figure 2). This has a direct impact on the index's education dimension, specifically on the indicator related to school attendance.

For 2018, the number of programmes has been increased to 18 from 14 different institutions. A base-

SOCIAL MANAGEMENT DASHBOARD

The Ministry of Finance also wanted to develop a tool that would help the government justify public spending to taxpayers using empirical evidence.

Thus, a Social Management Dashboard was proposed for this purpose, specifically, a traffic light system where a green light signals situations that are

going well, yellow those that need attention, and red those with problems. It is particularly important to identify the latter so that appropriate corrective measures can be made in real time to ensure that the program goals are fulfilled. This is not meant to be an intrusive tool; rather, its goal is to give people access to higher levels of wellbeing through the correct use of resources.

This dashboard will not only determine whether resources are being used correctly but also establish the number of beneficiaries who will be reached through these programs.

## HOW WAS THE MPI-CR INCORPORATED INTO PUBLIC POLICY?

Collaboration at different levels was one of the key variables in incorporating the MPI-CR into public policy. Senior- and middle-level officials showed great leadership by coordinating the work both within institutions, such as the Ministry of Finance and Planning, and with external actors, such as those in academia and the private sector.

This work has been well received by institutions interested in applying the MPI-CR. Educating and training mid-level officials has been essential for this measurement to be truly incorporated into the day-to-day work of public institutions.

The challenge ahead is to incorporate the MPI-CR into the budget process of every public institution so that it is used in a continuous and decisive way.

# PANAMA'S MULTIDIMENSIONAL POVERTY INDEX: BRIDGING THE TECHNICAL AND THE HUMAN

For **Michelle Muschett,** Panama's Vice Minister for Social Development, the national Multidimensional Poverty Index is the result of the work of a technical and political team that took full advantage of the opportunity to do its very best in the attempt to build a more socially just society, inspired by an authentic feeling of solidarity and respect for human dignity.

On Monday the 26th of June 2017, the Republic of Panama officially established its first Multidimensional Poverty Index (MPI-PA). It was authorized by presidential decree and adopted as an instrument of public policy and as an official measure of multidimensional poverty at the national level.

Within the central government, the MPI-PA identifies and measures the incidence and intensity of the main nonmonetary deprivations that affect the wellbeing of Panamanians. The government then seeks to use these statistics as a complement to income poverty measurement to reorient social policy with the goal of achieving an effective and comprehensive reduction of poverty levels.

Panama made public its intention to adopt a national MPI during the 70th session of the UN General Assembly. During this same session, Panama agreed to the 2030 Agenda for Sustainable Development, which it then used as a blueprint for national development.

In May 2016, the Cabinet for Social Affairs, with John Hammock and Mónica Pinilla from OPHI as guests, began proceedings by approving an action plan for the adoption of the MPI-PA. From the very beginning, the presence of OPHI, in addition to confirming its sound technical, academic, and intellectual reputation as a developer of the MPI, permeated the proceedings with the ethos for which it is renowned. This ethos, which insists that poverty must be understood through the daily experiences and values of the poor, is the real driving force behind OPHI's determined efforts to reduce poverty.

One of the first steps in this plan of action was the creation of a technical advisory committee. Led by the Ministry of Social Development (MIDES), in its role as head of social policy and technical coordinator of the Cabinet for Social Affairs (also known as the Social Cabinet), the committee also included the Directorate of Economic and Social Analysis of the Ministry of Economy and Finances, responsible for

the estimations and analysis of poverty data, and the National Institute of Statistics and Censuses (INEC), responsible for compiling the necessary data for the establishment of the MPI-PA. This committee worked closely with high level technical advisors from all the institutions that make up the Social Cabinet, with the aim of proposing and submitting for approval the main normative decisions that had to be made at the central governmental level in order to construct the MPI-PA.

The relationship between the technical criteria of the advisory committee and the decisions made by the Social Cabinet built a solid bridge between the technical and political aspects of the project. This, in addition to giving visibility to the frequently anonymous work of public servants dedicated to its mission, gradually strengthened an articulated and comprehensive vision of the role that should be played by different state institutions in moving human development forward in any country.

However, the work of the team involved in the design and construction of the MPI-PA went beyond efficiently fulfilling the technical role expected from their duties. Their actions were guided by the shared conviction that a more humane and just society is possible and that each of them, in their individual roles, had something to contribute to the transformation of this conviction into reality. This gave the advisory committee a special cohesion that allowed different positions to find a convergence zone by the simple fact that all shared the same vision: to develop a tool as close as possible to perfection within the existing technical and data requirement limitations that would allow key decisions to effectively improve the quality of life of those who most need it. The establishment of the MPI-PA ceased to be a purely technical aim; it became a tool for a far greater end.

The dimensions and indicators that now form the MPI-PA are the product of a broad consultation process. They reflect the comments from academics,

economists, public servants, members of civil society, and, most importantly, the experiences of Panamanians who live in poverty from all over the country. In order to carry out these consultations, the team had to adapt highly technical concepts and methodologies to communicate them to a wide range of audiences and obtain sound feedback. It was here where the human and the technical aspects of the project were bridged, which served to strengthen the significance of the work that was being carried out.

This bridge made it possible for genuine interest to spontaneously emerge in the forums and workshops that preceded the launch of the MPI-PA, which were aimed at disseminating the results to the media, specialists, public servants, and civil society. This interest was directed at taking full advantage as a country of the opportunities that establishing the MPI-PA created, recognizing that the fight against poverty is a task that affects us all. It is precisely in the alliances constructed from this uniting sense of

humanity where the usefulness and sustainability of the MPI-PA lies.

As President Juan Carlos Varela said, resolutely advancing towards an inclusive Panama goes far beyond the information provided by an index. Behind every number there is a human being, and, in order to connect with that person and understand her needs and aspirations, it is crucial to 'feel more'. This is the only way in which decisions made on political, technical, or indeed any other grounds, can be taken across the bridge that connects them to their more human side.

Today, now that Panama has established its MPI-PA, it can be said that it is much more than a simple, robust technical tool for guiding public policy: it is the result of the work of a technical and political team that, inspired by an authentic feeling of solidarity and respect for human dignity, took full advantage of the opportunity to do its very best in the attempt to build a more socially just society.

# MULTI... WHAT? TEACHING HOW TO EXPLAIN THE DIFFERENCES BETWEEN MULTIDIMENSIONAL AND MONETARY POVERTY

Talking about dimensions, the incidence of poverty, or deprivation cutoffs can be a headache for anyone who is not a specialist. In Colombia, the National Administrative Department of Statistics (DANE) developed a workshop for journalists that explains these concepts in a simple and practical way. This workshop has been run in several countries in the region. **Silvia Botello**\* from DANE gives us more details in this article.

In 2011, Colombia made an important change to the way in which poverty is measured. Together with a review of the methodology to measure monetary poverty, the government introduced a new methodology for measuring poverty – the Multidimensional Poverty Index for Colombia (MPI-C). This new scenario generated an important challenge: how to explain the existence of two poverty figures (monetary and multidimensional) to Colombians. In some cases, people asked why the results were different (in the case of Colombia, monetary poverty is significantly greater than multidimensional poverty); in others, people thought that MPI-C would replace the monetary poverty measure. The consequence of the latter was that Colombians were suspicious of the significant decrease in the number of poor people.

DANE, the institution in charge of measuring and disclosing poverty figures using the two methodologies, addressed this challenge by training media editors and reporters at a workshop on multi-dimensional poverty entitled 'The unknown dimension'. The workshop proved a successful tool and has by now been taught for several years in Colombia, as well as in other countries such as Costa Rica, El Salvador, and Panama.

## THE CHALLENGE OF COMMUNICATING THE MULTIDIMENSIONALITY OF POVERTY

The workshop is product of a collaboration between the technicians in charge of applying the methodology, communications officers, and those responsible for promoting statistical culture.

The workshop includes the tools deemed necessary for media professionals to comprehend and disseminate the concepts and results associated with multidimensional poverty. It also includes a discussion of the differences between multidimensional poverty and monetary poverty.

The workshop comprises four stages:

**1. Setting.** Introduction to the workshop, survey of current knowledge about poverty (e.g. about monetary poverty or unsatisfied basic needs), and the formation of working groups.

**2. Justification.** Keynote presentation on the Colombian MPI, including activities to expose participants to the dimensions of the MPI-C and a role-playing exercise in information gathering for the creation of the MPI-C in which attendees play the role of both interviewers and respondents. This activity seeks to create awareness regarding the statistical office's process of providing and gathering information.

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**Figure 1. Real examples of mistakes in reporting poverty data in the Colombian press**

Poverty decreased by three percentage points and indigence by 1.7% in the last year, according to the new MPI which measures 15 indicators using the Quality of Life Survey.

This slight decrease brought about an improvement in equity. The Gini coefficient, which calculates the level of inequality in income, went down 1.2 percentage points.

This is the positive side of the report submitted by DANE, the analysis of which, however, is still discouraging.

Multidimensional poverty only shows the total number of people in poverty, not extreme poverty (indigence). There is confusion between monetary and multidimensional poverty.



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**3. Application.** Attendees are invited to write a press release that uses country-specific information and conforms to specific criteria. The presenter uses real examples taken from the Colombian press that highlight the importance of running this workshop in order to improve and deepen the understanding of the subject (see Figure 1).

TIPS FOR REPORTING ABOUT POVERTY

- Consult official websites and, if possible, speak to experts in poverty measurement when there are uncertainties.

- Identify and use key documents related to the particular measurement, such as the methodology report, glossary, technical bulletin, and press release.

- Use the available official channels to get answers to your questions.

- If there are concerns, verify the information with the statistical office in order to achieve greater precision in the intended message.

- Make sure you understand the concepts associated with the measure; if the information is not properly understood, it is impossible to communicate it correctly.

- Always bear in mind the responsibility that journalists have in informing citizens about sensitive matters, such as those related to poverty.



The workshop includes the tools deemed necessary for media professionals to comprehend and disseminate the concepts and results associated with multidimensional poverty. It also includes a discussion of the differences between multidimensional poverty and monetary poverty.

**4. Synthesis.** The workshop concluded with a summary that, by means of a graphic representation, outlines the general aspects of the measurement exercise. This activity allows all the pieces of knowledge explored in the workshop to be put together.

**General aspects of the measurement exercise in Colombia**
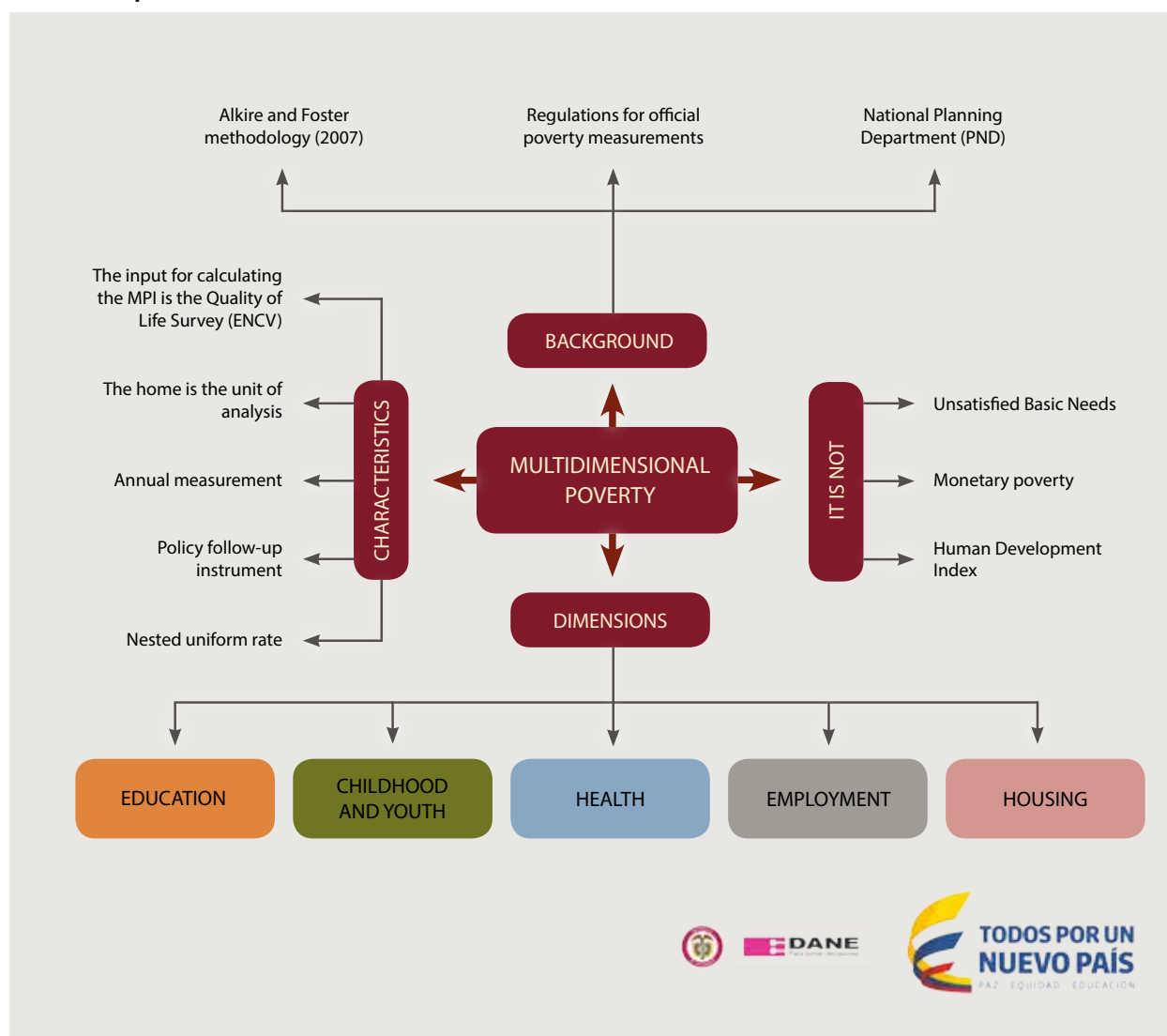


*Silvia Esperanza Botello Moncada is the current head of the Poverty Statistics Group within the National Administrative Department of Statistics (DANE) of Colombia. She has a Master's degree in Economics from Universidad de los Andes and a B.S. in Economics from Universidad Externado, both in Colombia.*

# BHUTAN:
# A DAY IN THE LIFE OF PHUBA

Phuba is 71 years old and lives in a small village in the Chukha region of Bhutan. She is a widow and has one son and two daughters. She lives with her son, her daughter-in-law, and her grandson,



Pelden. Her house is a hut with one room and no electricity or running water. No one in the family has completed five years of schooling, and, at 12 years old, Pelden has never been to school. The family faces food insecurity. They struggle to feed themselves to the extent that Phuba worries about their health. Phuba's son and his wife work for their neighbours; she earns about 60 Ngultrum (US$ 1.17) and he earns 80 Ngultrum (US$ 1.56).

Like all families in the village, Phuba cooks with wood, a fuel that causes eye and respiratory problems. The family uses a simple pit latrine for sanitation, which according to her is enough for their needs.

Phuba gets up at six in the morning and makes tea, followed by a breakfast of rice and curry for the family. Then she cares for the animals: two cows, two calves, and a pig. She works in other people's fields. She comes home sometime between five and six in the evening. The family eats together, talk with one another, and then they go to bed.

Phuba is poor according to the global Multidimensional Poverty Index. She faces deprivations in the six indicators highlighted with colours in the diagram next page.

Like all families in the village, Phuba cooks with wood, a fuel that causes eye and respiratory problems

10 Indicators

| Health | | Education | | Standard of Living | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Nutrition | Child mortality | Years of schooling | School attendance | Cooking fuel | Sanitation | Water | Electricity | Floor | Assets |
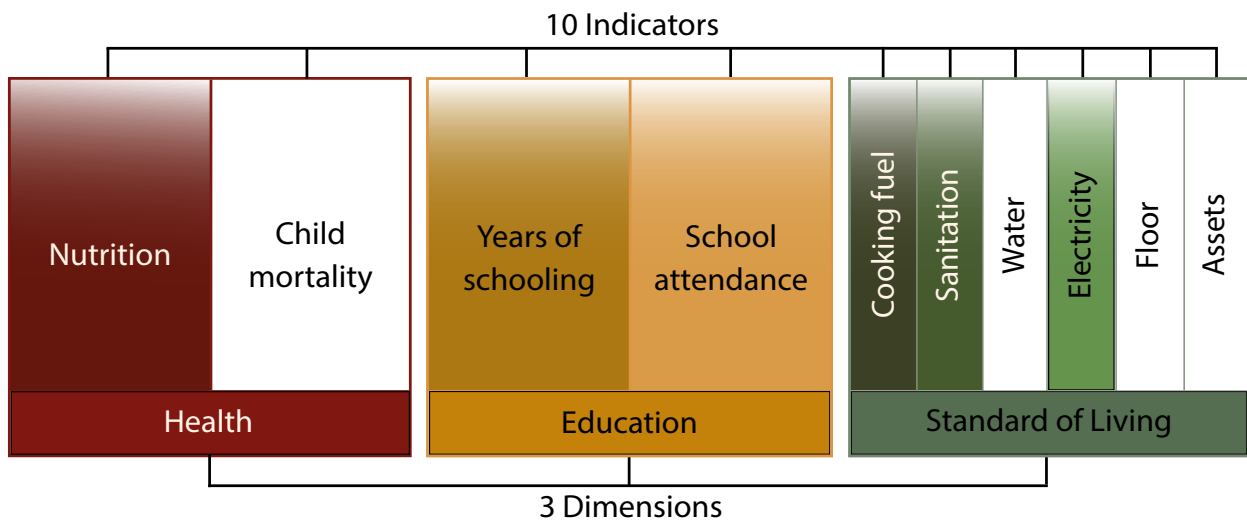
3 Dimensions

# DATA OF THE MONTH

## IS INTERNATIONAL AID REACHING THE MULTIDIMENSIONAL POOR?





The flow of international aid is part of any poverty reduction strategy in developing countries. Therefore, it is important to know to what extent this aid is reaching places where people face various kinds of deprivations at the same time. To analyse this issue, Alkire and Robles researched aid allocations for 101 of the countries in the 2017 global MPI; they included only the aid commitments that are associated with priority sectors that reflect MPI indicators. This adds up to $45 billion in 2015 constant USD.

The table shows the distribution of people living in multidimensional poverty according to the income level of the country they live in (low, medium, or high). It also shows the percentages of bilateral aid (cooperation between countries that make up the

Development Assistance Committee or DAC), of multilateral aid (of multilateral bodies such as the World Bank), and of both combined.

The intersection of this information provides some interesting data with respect to whether or not international aid is reaching those who need it most. As shown, 28% of the multidimensional poor live in low income countries. These countries receive 42% of the flow of aid for priority social sectors. At the same time, the large majority of the multidimensional poor (66%) live in lower middle-income countries that receive 49% of this aid. Furthermore, 6% of the multidimensional poor live in higher middle-income countries, which receive a generous 9% of aid.

As can be observed, the allocation of resources of international cooperation for priority areas differs significantly from the distribution of the multi-dimensional poor. The distribution, however, is different when broken down into different types of cooperation, showing that multilateral aid better re-flects the distribution of the multidimensional poor than bilateral aid.

## Allocation of ODA from DAC and IO countries for priority sectors and distribution of MPI poor. Income categories

| Total priority sectors | ODA from DAC countries three years before country-specific MPI | ODA from IO three years before country-specific MPI | ODA from IO and DAC three years before country-specific MPI | Share of MPI poor people |
|---|---|---|---|---|
| Low income | 44.1% | 40.7% | 42.1% | 28% |
| Lower middle income | 43.5% | 54.5% | 49.4% | 66% |
| Upper middle income | 12.4% | 4.9% | 8.5% | 6% |
| Total | 100% | 100% | 100% | 100% |

ODA = Official Development Assistance.
DAC = Development Assistance Committee (bilateral aid).
IO = International Organisations (multilateral aid), including the World Bank, regional development banks, some UN agencies and other multilateral agencies.

Source: Alkire, S. and Robles, G. (2017). 'Global Multidimensional Poverty Index 2017'. *OPHI Briefing* 47, University of Oxford.

# NEWS

## PANAMA AND THE DOMINICAN REPUBLIC RELEASE THEIR NATIONAL MPI

At the end of June, these two countries released their national data in order to support their measurement of monetary poverty and improve the focus of resources. *For more information click here.*

## GUATEMALA WILL DEVELOP A MULTIDIMENSIONAL POVERTY INDEX

The government of Guatemala has decided to formally launch the process to develop a national multidimensional poverty index. The Minister for Social Development, José Moreno, invited Dr. John Hammock, cofounder of OPHI, to visit Guatemala to discuss a possible national MPI with the government and a diverse group of actors who will be key to the development of this index. *For more information click here.*

## VICE PRESIDENT OF THE DOMINICAN REPUBLIC SPEAKS AT OXFORD

On the 6th of June, Margarita Cedeño de Fernández, Vice President of the Dominican Republic, spoke on 'Efforts to Tackle Multidimensional Poverty in the Dominican Republic'. This event took place in the Latin American Centre of the University of Oxford. *For more information click here.*

## MPPN ORGANISES A PARALLEL EVENT AT THE GENERAL ASSEMBLY OF THE OAS

On the 20th of June, the Secretariat for Social Development of the Republic of Mexico (Sedesol), OPHI, and the Department of Social Inclusion of the Secretariat for Access to Rights and Equity of the Organisation of American States (OAS) held a side event 'Multidimensional Poverty Measurement as a Tool for Leaving No One Behind'. *For more information click here.*
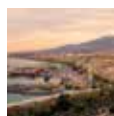
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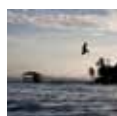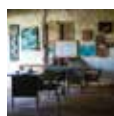
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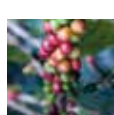
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