

OPHI

OXFORD POVERTY & HUMAN DEVELOPMENT INITIATIVE

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UNIVERSITY OF
OXFORD

Communicating the MPI for Policymakers and its Policy Uses

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11th December

Communicating the MPI to Policymakers

Why Have an MPI?

1. **Intuitive** – easy to understand
2. **Birds-eye view** – can be unpacked
 - a. by region, ethnicity, rural/urban, etc.
 - b. by indicator, to show composition
 - c. by ‘intensity’ to show inequality among poor
3. **Adds Value:**
 - a. focuses on the multiply deprived
 - b. shows joint distribution of deprivation
4. **Incentives** to reach the poorest of the poor
5. **Flexible:** you choose indicators/cutoffs/values
6. **Robust:** to wide range of weights and cutoffs
7. **Academically Rigorous**

Multidimensional Poverty Index (MPI)

The MPI is the product of two components:

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

Interpretation of MPI (Example: 0.350): the percentage of deprivations poor people experience, as a share of the possible deprivations that would be experienced if all people were deprived in all dimensions.

Partial Indices H and A

The MPI is the product of two components:

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

- ***Incidence***: the percentage of people who are poor, or the headcount ratio (***H***).
- ***Intensity***: the average deprivation score, or percentage of dimensions in which poor people are deprived, on average (***A***).

Other Analyses

- ***Uncensored headcount ratio (of an indicator)***: the percentage of people who are deprived in a given indicator
- ***Censored headcount ratio (of an indicator)***: the percentage of people who are MPI poor AND deprived in a given indicator
- ***Percentage contribution (of an indicator)***: the percentage of the total MPI that is determined by a given indicator (equivalent to the censored headcount ratio of the indicator * the weight of the indicator divided by the MPI)

Communications Tips

- **Expect questions about:**
 - What is the purpose of the measure?
 - Why these normative decisions (dimensions, indicators, weights, cut-offs)?
- **Explain key ideas:**
 - Overlapping deprivations
 - Intensity (not just who is poor, but how poor they are)

Communications tips

- ✓ Make a **communications plan**
- ✓ Ensure MPI has the genuine **support** of senior leaders
- ✓ Seek **professional communications training**/bring in professional communications expertise
- ✓ Get to know **journalists** and **media-savvy colleagues**

Principles of Effective Communications

- Know your audience
- How much time do you have?
- The elevator pitch – newspaper headline
- Use of technology, hands, eyes
- Language – habits
- Be honest – if you don't know, say so
- Be up front about your aim
- Tie it to local issue, area, reality, experience
- Relax

Policy Uses of the MPI

Policy makers are using their national MPIs to:

1. **Complement** monetary poverty statistics
2. **Track poverty** over time (official statistics) as SDG 1.2
3. **Allocate resources** by sector and by region
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Philippines, April 2019

BusinessMirror



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Home ▸ The Broader Look

The Broader Look

Beyond the data: What does being poor in the PHL mean?

By Cai Ordinario - April 18, 2019

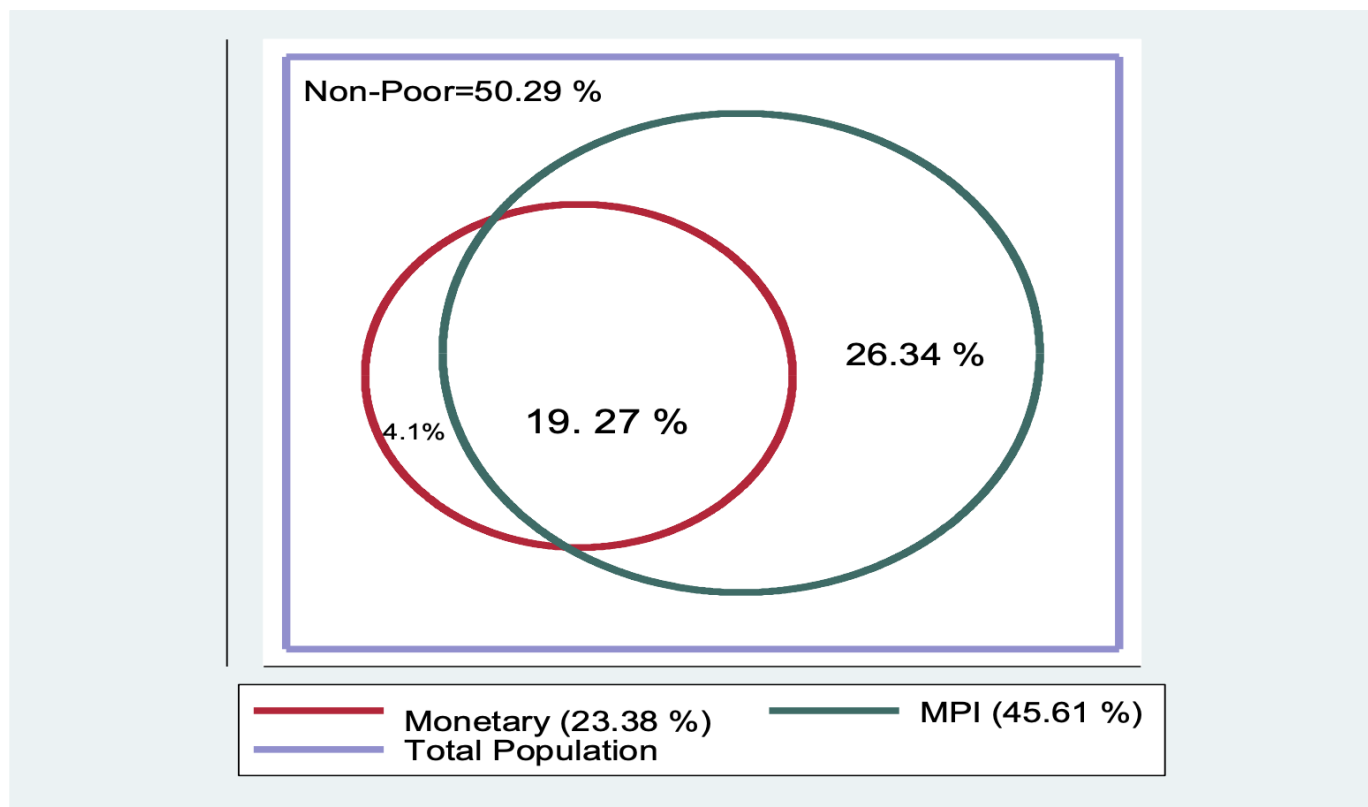
Ratio, requirements

CURRENTLY, the government has two measures to determine how many Filipinos remain poor. The first measure is based on the FIES while the other, which is the most recent one that was developed by the PSA, is the Multidimensional Poverty Index (MPI).

The poverty data computes for the threshold and from there determines how many households meet this income level. This can be done since the FIES collects both income and expenditure per household.

Ghana National MPI Report 2020

Figure 3.12: Comparison between monetary and non-monetary poverty



Namibia National MPI Report 2021

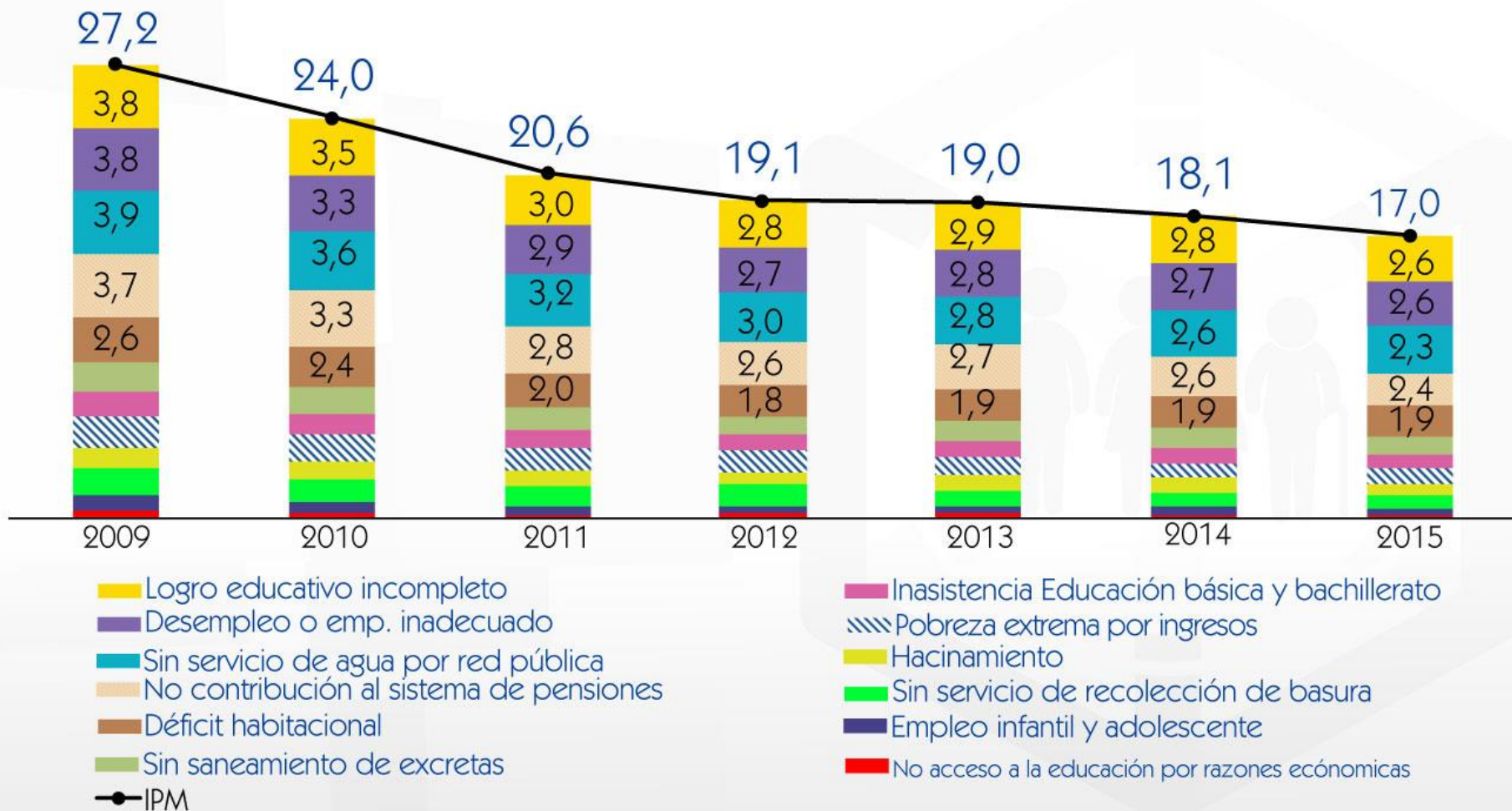
Table 10. Comparison of poverty measures, by regions

Region	Total Population	Monetary poor		MPI poor	
//Karas	80561	7409	9.2	15771	19.6
Erongo	165138	6106	3.7	27478	16.6
Hardap	81650	8726	10.7	21966	26.9
Kavango East	124286	51538	41.5	86989	70.0
Kavango West	85863	23854	27.8	68353	79.6
Khomas	377192	17846	4.7	96066	25.5
Kunene	85883	32536	37.9	55057	64.1
Ohangwena	244704	35738	14.6	138382	56.6
Omaheke	70511	24087	34.2	36269	51.4
Omusati	240629	48520	20.2	122097	50.7
Oshana	175053	16930	9.7	57966	33.1
Oshikoto	178370	25010	14.0	89180	50.0
Otjozondjupa	147087	29045	19.7	59574	40.5
Zambezi	92630	30910	33.4	56198	60.7
Namibia	2149556	358254	16.7*	931345	43.3

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Decomposition of the MPI

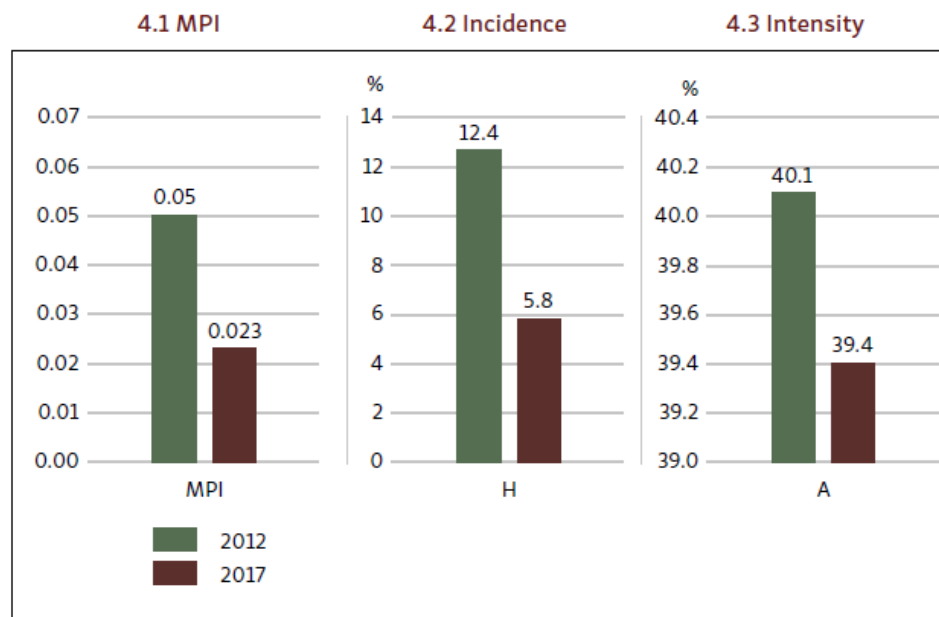


Bhutan

Bhutan's MPI Reduction 2012-2017:

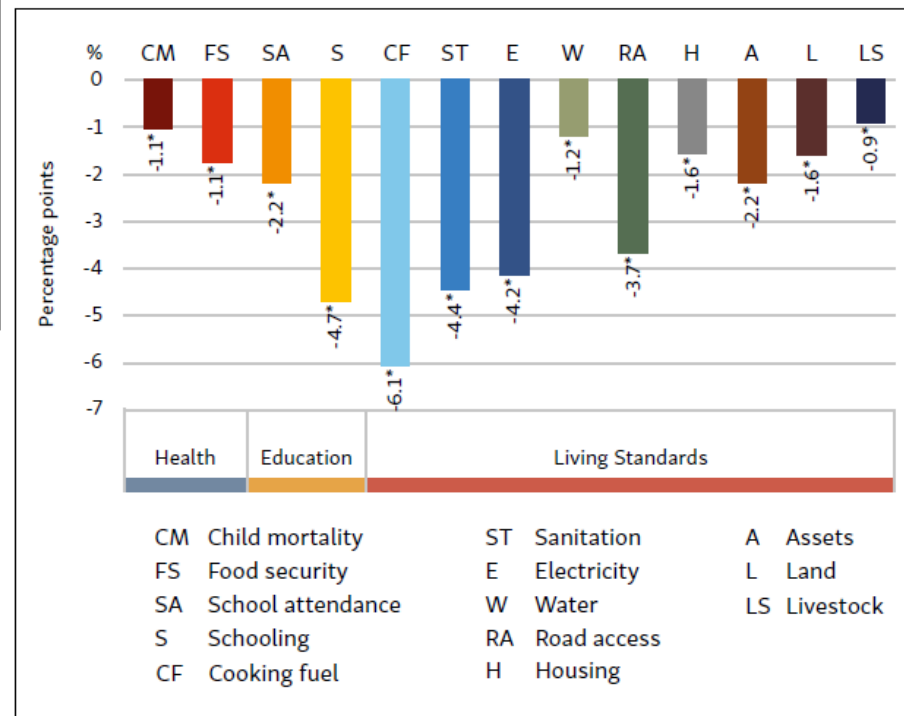
Incidence dropped 12.4% to
5.8%; Every indicator
reduced

FIGURES 4.1–4.3 Multidimensional Poverty in Bhutan, 2012–2017



Source: Authors' calculations based on data from BLSS 2017

FIGURE 4.8 Absolute Change in Censored Headcount Ratios between 2012 and 2017

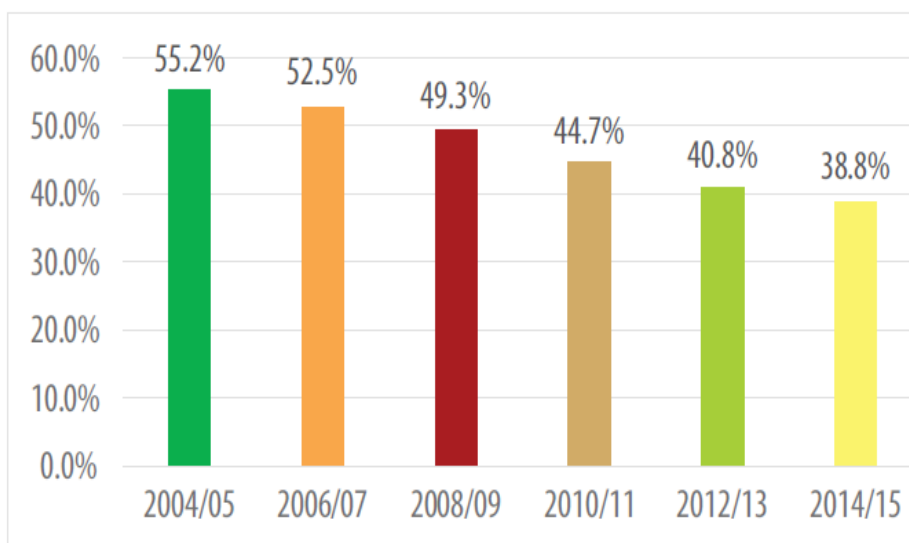


Source: Authors' calculations based on data from BLSS, various waves
Note: * 1% significance level, two-tailed test

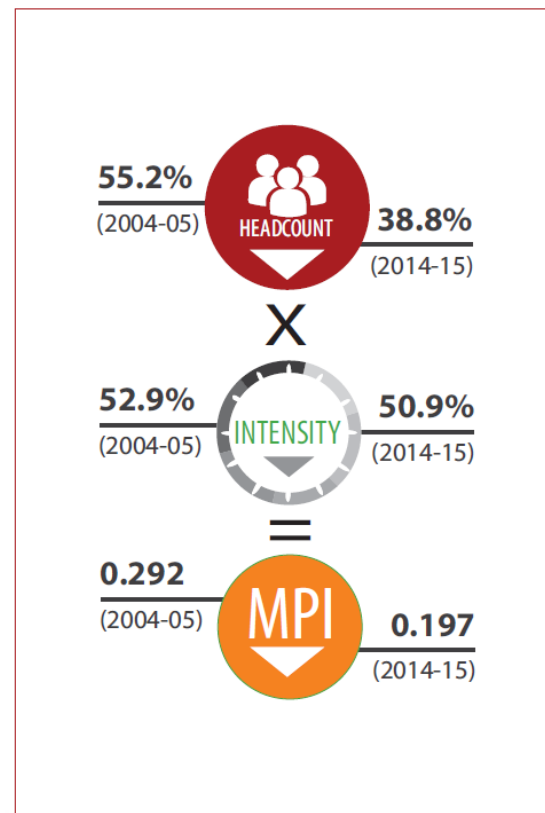
Pakistan: Visible Reduction

Figure 4.3

National Incidence (H), 2004-2015



Source: Authors' calculations based on data from various waves of the PSLM surveys



SDG Indicator 1.2.2.

1
NO
POVERTY



END POVERTY IN ALL ITS FORMS EVERYWHERE

1
NO
POVERTY



Target

1.2

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Indicators ▲

1.2.1

Proportion of population living below the national poverty line, by sex and age

1.2.2

Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

National MPIs in the 1.2.2. Database

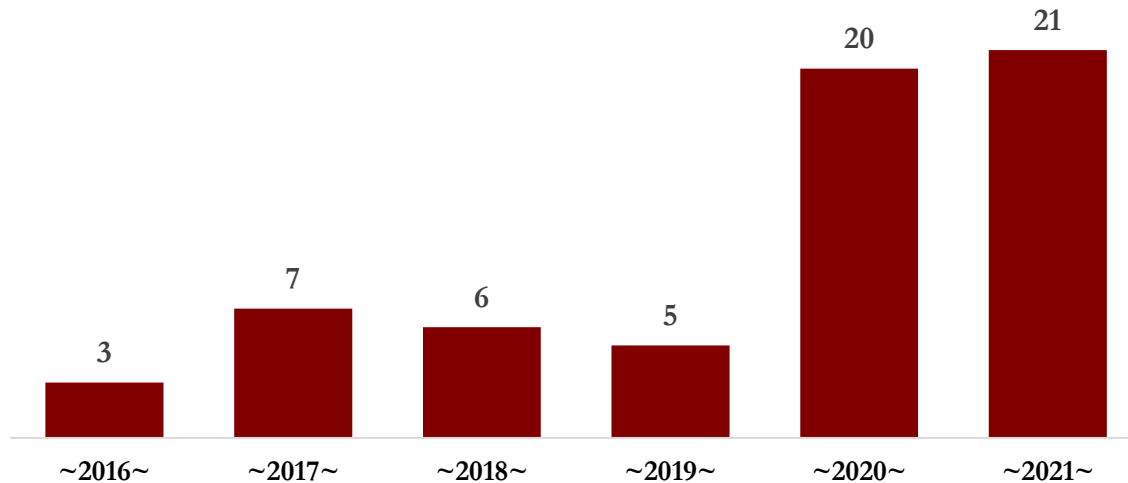
The following National MPIs are reported:

1. Afghanistan
2. Armenia
3. Bhutan
4. Chile
5. Colombia
6. Costa Rica
7. Dominican Republic
8. Ecuador
9. El Salvador
10. Ghana
11. Guatemala
12. Guinea
13. Guinea-Bissau
14. Malaysia
15. Mali
16. Mexico
17. Morocco
18. Mozambique
19. Nepal
20. Nigeria
21. Pakistan
22. Panama
23. Philippines
24. Rwanda
25. Saint Lucia
26. Seychelles
27. South Africa
28. Sri Lanka
29. Thailand

Voluntary National Reviews.

A total of 52 countries have discussed progress on multidimensional poverty in their VNRs at the HLPF

Countries Discussing Multidimensional Poverty in VNRs 2016-2021



VNRs are a good way to articulate policy uses of MPIs in the wake of the pandemic, as we invest in recovery.

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Costa Rica:

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



Does our allocation match our levels of poverty by region? (Not yet)

Region	Intensity (%)	MPI Pov Rate (%)	Expenditure
Central	25.86	15.17	¢205.544.667.095,39
Chorotega	29.01	31.37	¢57.097.420.823,67
Pacífico Central	26.74	26.21	¢47.887.090.732,15
Brunca	27.61	32.69	¢75.485.318.073,71
Huetar Atlántica	28.29	35.80	¢59.669.482.377,32
Huetar Norte	29.08	32.73	¢60.436.320.304,36
Nacional	27.22	21.66	¢514.225.278.725,60

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

Mostrar Datos de 2014

Indicator	% Deprived	Expenditure
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

Costa Rica



As the 2015, the MPI showed big mismatches between policy objectives in MPI and allocations. Then-President Solis issued a **Presidential Decree** that the MPI must be part of allocation formulae in the future.

The MPI reduction accelerated on a fixed budget.



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Honduras MVI for Targeting

Dimensions and indicators of the Multidimensional Vulnerability Index (MVI)

Dimension	Indicator
High-risk population	60 years old or more people
	People with chronic diseases
	Unemployment because of health problems
Health, food, household and services	Access to food
	Access to water
	Access to sanitation
	Overcrowding
Economic resilience	Housing payments
	Goods and assets
	Financial services
	Comunication
Financial means and work security	Type of employment
	Permanent employment
	Sector
	Social security

“Single Voucher” (Bono Unico): one-time subsidy of \$82 dollars (2,000 lempiras) delivered through an electronic voucher that can be exchanged for food, medicine and/or medical supplies to up to 260,000 persons over three months.

Targeting is based on the Honduras MVI.

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To encourage institutional coordination














Colombia: National Roundtable to Reduce Poverty and Inequality



Source: Angulo, R. (2016).

PROSPERIDAD SOCIAL

This allows us to design an integral and intersectoral public policy

Education	Childhood and youth	Employment	Health	Access to public utilities and household conditions
<p>Illiteracy 1 million households</p> <p>—</p> <p>Low educational achievement 2.1 million households</p>	<p>Lack of access to early childhood care services 307 thousand households</p> <p>—</p> <p>School absenteeism 293 thousand households</p> <p>—</p> <p>School underachievement 1.3 thousand households</p> <p>—</p> <p>Child labour 290 thousand households</p>	<p>Long – term unemployment 457 thousand households</p> <p>—</p> <p>Informal employment 2.2 million households</p>	<p>Lack of health insurance 670 thousand households</p> <p>—</p> <p>Lack of access to healthcare service 454 thousand households</p>	<p>Lack of access to improved water sources 677 thousand households</p> <p>—</p> <p>Inadequate wall materials 140 thousand households</p> <p>—</p> <p>Inadequate floor materials 408 thousand households</p> <p>—</p> <p>Critical overcrowding 545 thousand households</p> <p>—</p> <p>Inadequate sanitation 714 thousand households</p>
 	 	   	 	  

- In 2015 we had **9,6 million** people in multidimensional poverty in **2,2 million** households.
- To achieve our goal of **1,5 million** fewer people in multidimensional poverty we have to work with 6 different governmental sectors.
- Directing our actions to this population makes us **more efficient**. With the same resources we can achieve several goals simultaneously in a austerity scenario.

Source: Social Prosperity based on "ENCV 2015 – DANE"



Colombia

● 0%-10% avance

● 10%-25% avance

● >25% avance

Pobreza	Línea Base PND 2008	Dato 2011	Dato 2012	Análisis	Goal	
MPI (Multidimensional Poverty)	34.7%	29.4%	27.0%	●	22.5%	
A ⁽¹⁾ <ul style="list-style-type: none"> Educational achievement (≥15 yrs) Literacy (≥15 yrs) 	58.8%	54.6%	53.1%	●	52.8%	
	14.2%	12.0%	12.1%	● ★	12.0%	
B ⁽²⁾ <ul style="list-style-type: none"> School attendance (6-16) No school lag (7-17) Access to child care services (0-5) Children not working (12-17) 	5.4%	4.8%	4.1%	●	3.5%	***
	33.4%	34.1%	33.3%	●	33.1%	***
	12.1%	10.8%	9.4%	●	10.6%	***
	5.5%	4.5%	3.7%	●	2.9%	***
C ⁽³⁾ <ul style="list-style-type: none"> Long-term unemployment Formal employment 	9.6%	9.1%	10.0%	● ★	9.3%	***
	80.6%	80.4%	80.0%	●	74.7%	***
D ⁽⁴⁾ <ul style="list-style-type: none"> Health insurance Access to health services 	24.2%	19.0%	17.9%	●	0.5%	***
	8.9%	8.2%	6.6%	●	2.4%	***
E ⁽⁵⁾ <ul style="list-style-type: none"> Access to water source Adequate sewage system Adequate floors Adequate external walls No critical overcrowding 	12.9%	12.0%	12.3%	● ★	10.9%	***
	14.1%	14.5%	12.1%	●	11.3%	***
	7.5%	6.3%	5.9%	●	5.6%	***
	3.1%	3.2%	2.2%	●	2.1%	***
	15.7%	14.2%	13.1%	●	8.4%	***

*** Change 2011-2012 est. significant

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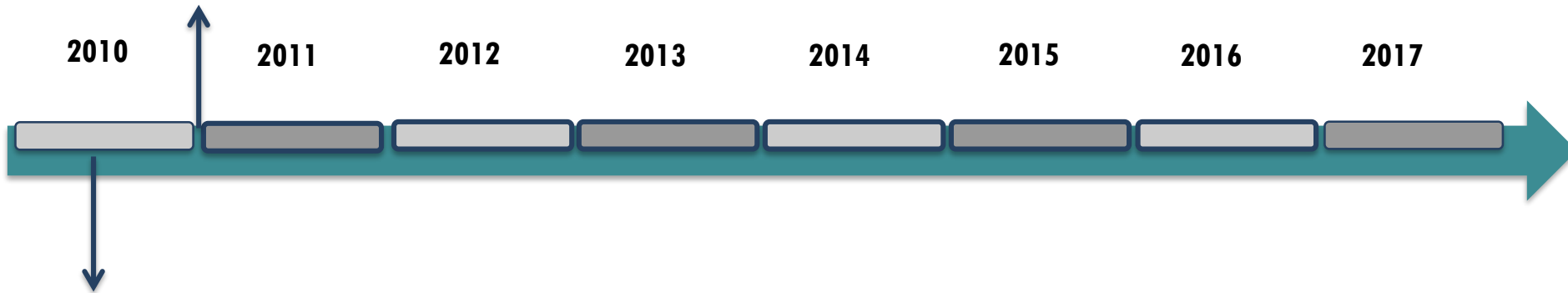
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Colombia

Public policy

- Free education (MinEducación)
- Integral strategy for early childhood (ICBF)

“De Cero a Siempre”



Alerts:

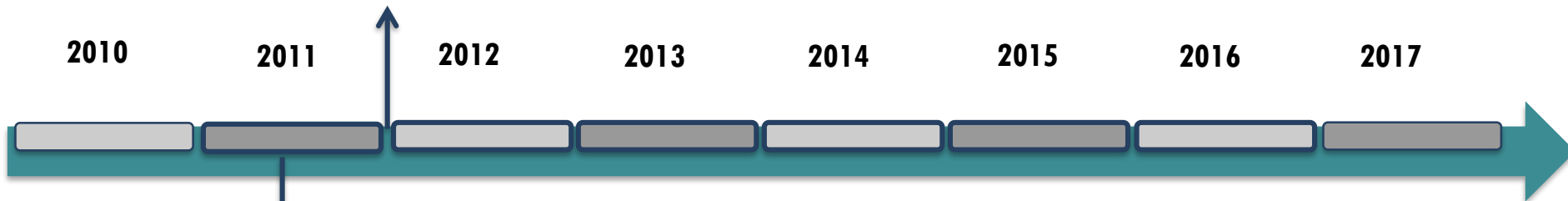
- Educational achievement
- Early childhood

Fuente: Prosperidad Social

Colombia

Public policy

- Free housing
- “100.000 Viviendas Gratis”**
(Ministry of housing)



Alerts:

- Housing conditions
- Reduction in multidimensional poverty slows down

Fuente: Prosperidad Social

Colombia

Public policy

- Redesign of “Mas Familias en Acción” (Social Prosperity) - higher coverage in rural areas

Unemployment protection mechanism (Ministry Hunger)

2010

2011

2012

2013

2014

2015

2016

2017

Alerts:

- Reduction in income poverty slows down
- Rural urban gaps

Fuente: Prosperidad Social

Colombia

Public policy

- Cash transfer program to higher education
“Jóvenes en Acción”
(Social prosperity)

2010

2011

2012

2013

2014

2015

2016

2017

Alerts:

- Social mobility
- Youth inactivity and unemployment

Fuente: Prosperidad Social

Colombia

Public policy

- National System of food security
- Food security differentiated programs

2010 2011 2012 2013 2014 2015 2016 2017

Alerts:

- Nutritional conditions of children
- Lack of articulation in rural programs

Fuente: Prosperidad Social

Colombia

Public policy

- Policies to consolidate protective floors for the poor and networks of protection for the vulnerable population

2010 2011 2012 2013 2014 2015 2016 2017



Alerts:

- High vulnerability of people emerging from poverty

Fuente: Prosperidad Social

Colombia

Public policy:

- Programs with emphasis on the rural , focus on the periphery and differentiation of family support programs
- Strategy “De cero a siempre” becomes law

2010

2011

2012

2013

2014

2015

2016

2017

Alerts:

- Gap growth continues: Colombia remains in the top 10 most unequal countries

Fuente: Prosperidad Social

Colombia

2010

2011

2012

2013

2014

2015

2016

2017

A horizontal timeline arrow pointing to the right, divided into segments for each year from 2010 to 2017. The arrow is teal with a dark teal outline. A blue arrow points downwards from the 2017 segment to the 'Alerts' text.

Alerts:

- Implementation of the peace deal
- 2030 agenda

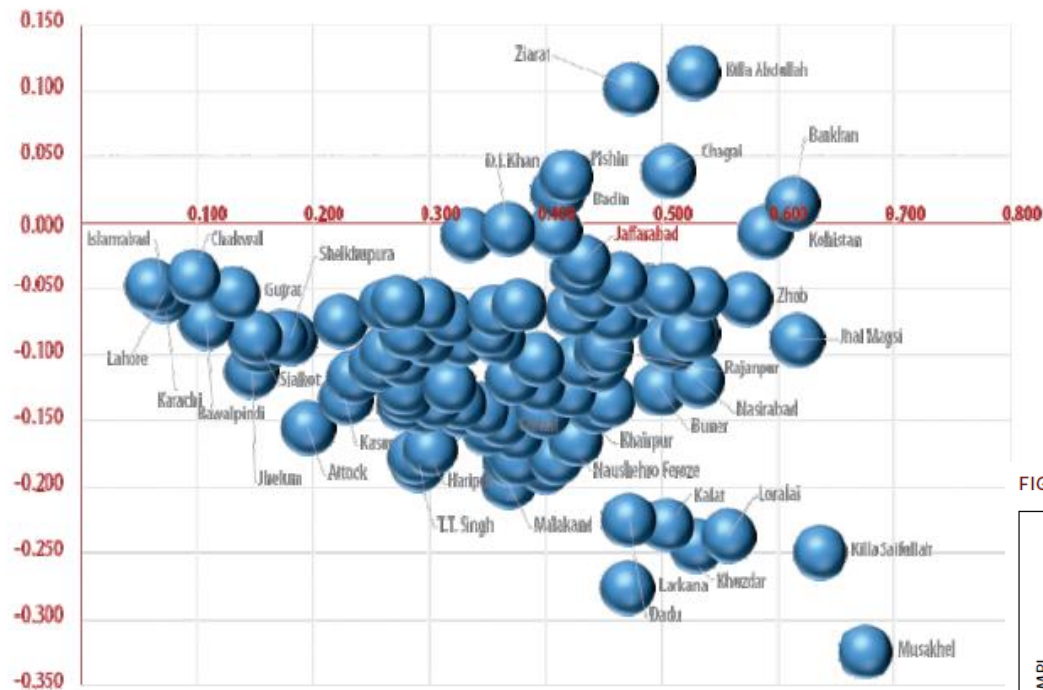
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Pakistan 2004/5 to 2014/15:

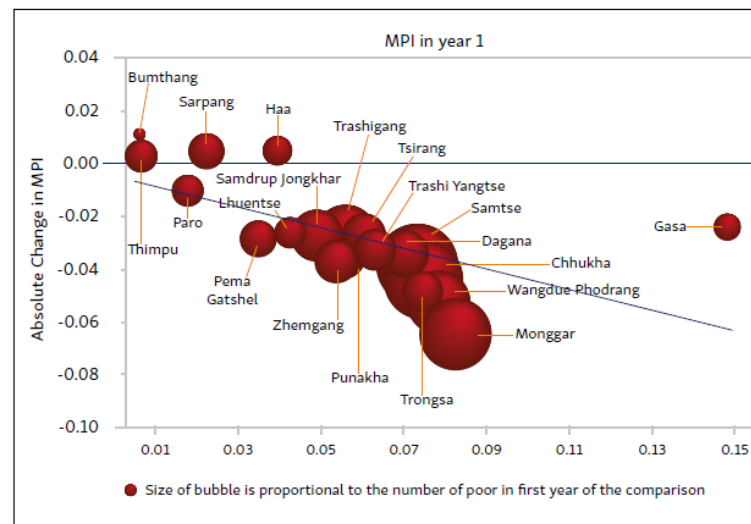
The poorest district reduced MPI fastest



Bhutan 2012-17:

broadly pro-poor

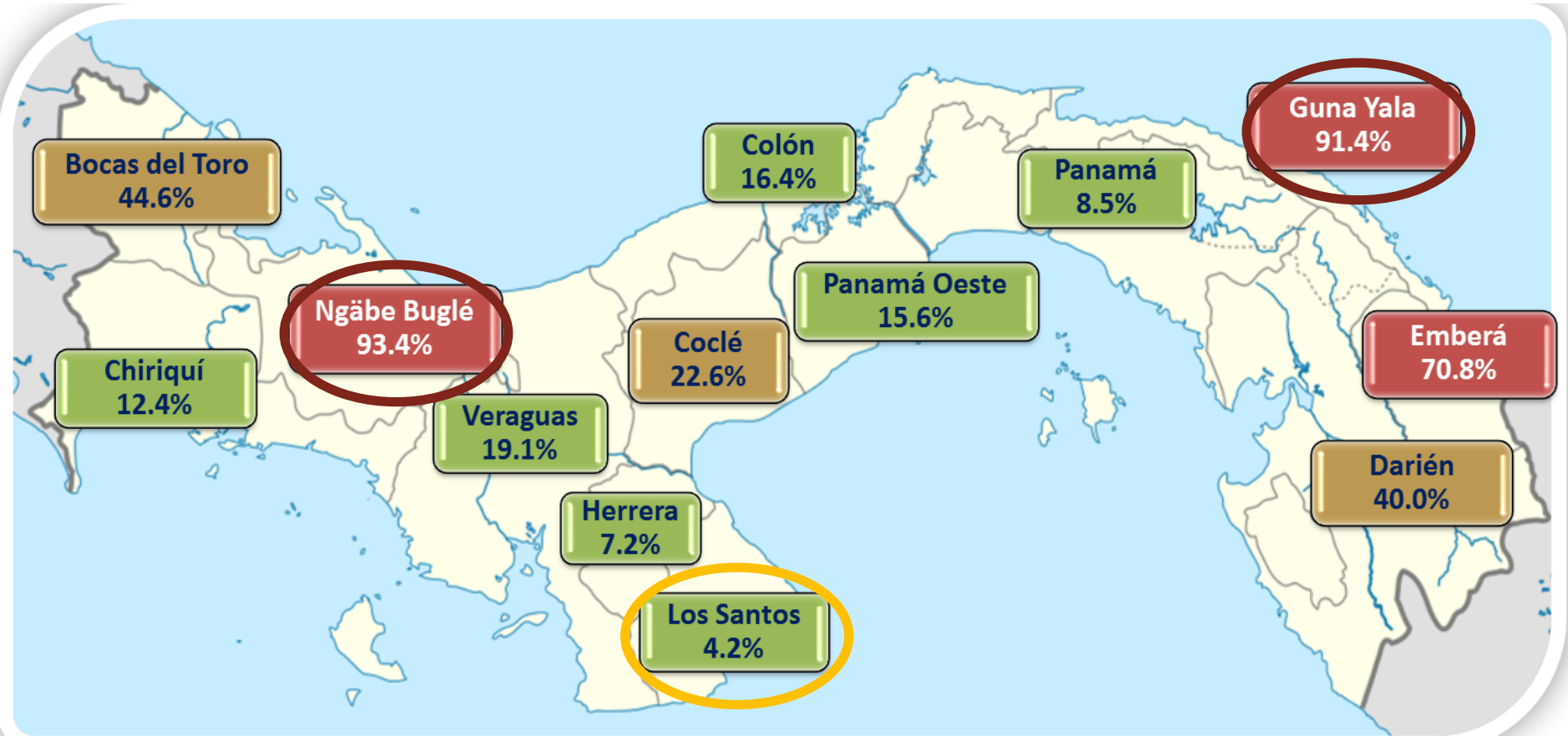
FIGURE 4.13 Poverty Reduction in Dzongkhags, 2012-2017



Source: Authors' calculations based on data from BLS, various waves

Panama 2017

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



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Botswana Launch of MPI Work



UNDP Botswana @UNDP_Botswana · Sep 16, 2019

Replying to @UNDP_Botswana

Botswana has accepted to move with a dimensional way of measuring poverty and have included this intention in the National Poverty Eradication Policy that hopefully will go to Cabinet soon

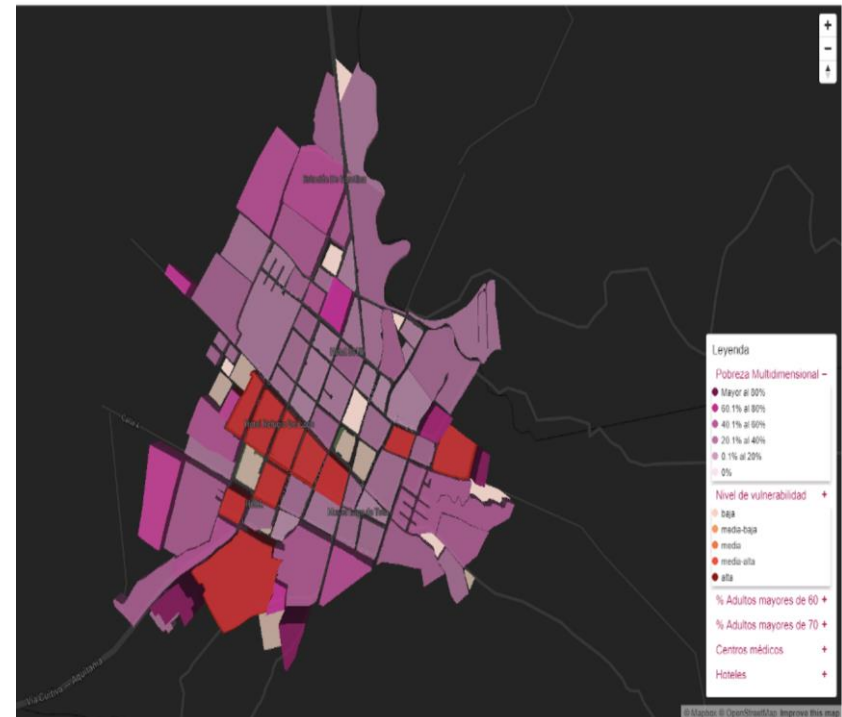
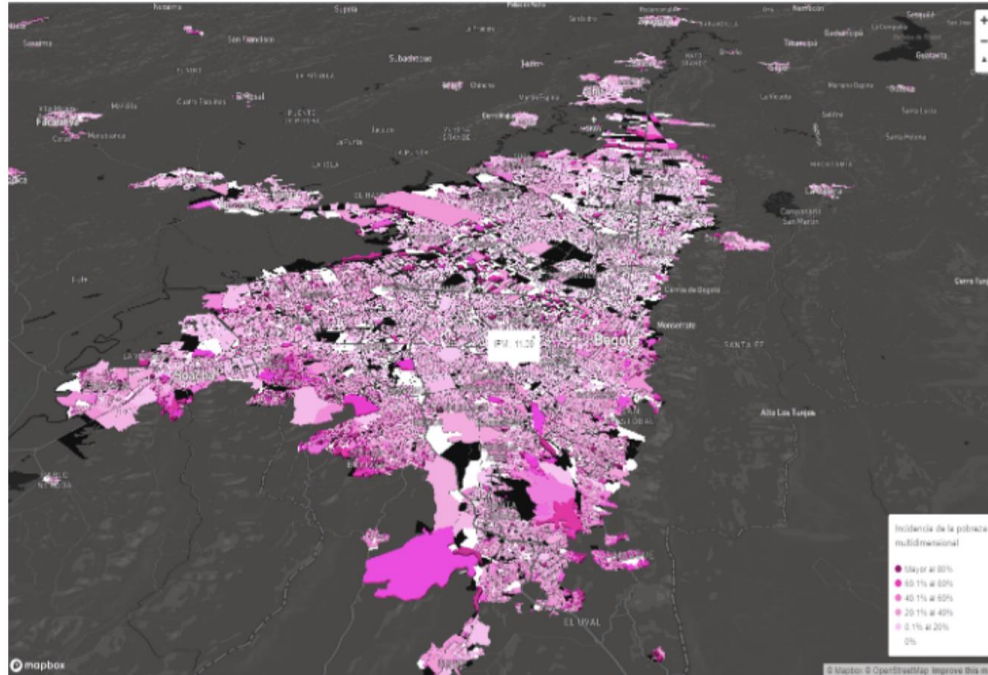


Botswana Government and 5 others



More than 100 attendees, including: Ministers, Permanent Secretaries, Statistician General, Governor of the Central Bank, UN Resident Coordinator, WB Country Representative, academics, civil society leaders, think tanks, etc.

Colombia MPI Interactive Databank



Thank You!

Questions? Comments?