Views on Development

Multidimensional Poverty in the Post-2015 SDGs

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In September 2014, the Government of Mexico, the Multidimensional Peer Poverty Network (MPPN) – a network of over 30 countries – and the Oxford Poverty and Human Development Initiative (OPHI) brought together experts, ministers, and senior officials at a Special Side Event at the United Nations General Assembly. Entitled "Universal Multidimensional Poverty Measures for the Effective Implementation of the Sustainable Development Goals", participants called for the creation of a new global multidimensional poverty measure – the Multidimensional Poverty Index (MPI) 2015+. This measure, participants affirmed, will be able to monitor poverty in its multiple forms and also enhance the effectiveness of measures used to eradicate it. The Sustainable Development Goals (SDGs), which will succeed the Millennium Development Goals in 2015, should use an MPI 2015+ alongside the extreme income poverty measure to track advances in the first SDG on extreme poverty.

Why do we need to measure multidimensional poverty?

Multidimensional Poverty is a way of conceptualizing poverty that goes beyond traditional income measures. It captures the different dimensions of people's lives at the same time, and so reflects poor peoples' experiences of overlapping deprivations. These depravations,

such as lack of education, poor health, inadequate living conditions, lack of income, disempowerment, poor quality of work, and violence, are able to capture the complexity of what it means to be poor. They can, in turn, powerfully inform policies to relieve poverty.

Why, though, is it important to use a multidimensional approach? Perhaps the most important justification comes from poor people themselves, who define their lived experiences of poverty as multidimensional. Participatory exercises have revealed that poor people describe their situations of poverty as including poor health, nutrition, lack of sanitation and water, social exclusion, low education, bad housing conditions, violence, shame, and disempowerment, among others. By examining solely income, researchers and policymakers can miss the 'bigger picture' in terms of poverty reduction strategies. Conversely, a multidimensional approach gives policymakers an augmented ability to design strategies and programs to target the different yet interconnected facets of poverty in a specific society.

The theory and its practical applications

In 2008, OPHI developed the Alkire Foster method for measuring multidimensional poverty. This is a counting method that defines poverty in several dimensions, with specific indicators for each dimension. For example, one dimension might be education, with an indicator of years of schooling. At the national level, each country decides which dimensions and indicators to include in its measure, based on its own priorities, values and data constraints.

At the international level, a Global MPI for over 100 countries was developed by OPHI and has been published in the annual United Nations Human Development Reports since 2010. This Global MPI uses three major dimensions to compare acute poverty across countries. It will continue to be published unless supplanted by the MPI 2015+, which would utilize more and better data. The figure shows the dimensions and indicators used in

Figure 1: Dimensions and Indicators of Poverty
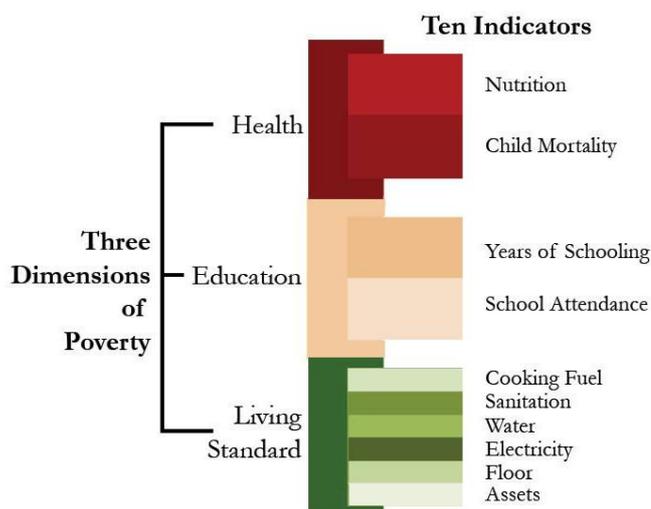
Source: Own Illustration

the current Global MPI. In this measure to be considered multidimensionally poor you must be poor in at least one-third of the dimensions.

This year, OPHI released the Global MPI 2014, covering 108 countries with 25 indicators at the national level for each - in addition to many of these countries' subnational regions, totaling 780 in all. The Global MPI is a strong example of the power of multidimensional poverty measures to complement to pure income measures. Analyses of this multidimensional poverty data shined a light on topics like destitution, dynamics of poverty reduction, rural-urban comparisons, and inequality among the poor. These themes afford a different vision of the composition of global poverty. For instance, the report notes that half of those who were multidimensionally poor can be considered multidimensionally destitute – the poorest of the poor being deprived in more than half (rather than one-third) of the social dimensions in the measure. We also, saw a strong reduction of multidimensional poverty in some countries – like Rwanda, Ghana, Bolivia and Bangladesh – that did not have such good reduction of $1.25/day income poverty during the same period. This shows that changes in income poverty and multidimensional poverty do not necessarily move hand in hand. It also reinforces the argument that multidimensional poverty complements income poverty; one needs both since often there is little overlap between those income and those multidimensionally poor.

At the national level the MPI has proved very useful to policy makers in their anti-poverty programming. Mexico, Colombia, Bhutan and the Philippines have adopted national measures and Costa Rica, Chile and Vietnam are not far behind. Governments have found the MPI powerful because unlike an income poverty measure, which only tells you who is poor, a multidimensional measure also shows the ways in which people are poor. A national MPI can be decomposed, for example by indicator, geography, and ethnic group, thereby enabling more precise targeting of poverty initiatives. As governments struggle with limited resources, an MPI improves efficiency and effectiveness of policies, increases coordination and the evaluation of social programs, and provides data that shows changes in poverty over time.

We will need a new global MPI 2015+ to assess progress in achieving the SDGs

The MPPN Side Event at the United Nations clearly outlined the need for the SDGs to commit to multidimensional poverty and its measurement. Participants contended with one voice that poverty is more than a lack of income, and furthermore that a pure income measure ($1.25/day poverty indicator) in the post-2015 agenda will prove an insufficient headline figure for the many dimensions of poverty.

The call for a new global MPI 2015+ built on the final United Nations Open Working Group[1] proposal for the SDGs that included a target on halving poverty in all its forms under goal 1, as well as the indicator proposals of the United Nations Sustainable Development Solutions Network (SDSN)[2], which included a revised MPI as a headline poverty indicator. OPHI and the MPPN build on these proposals, seeking to elaborate options for a new global MPI 2015+. This new global MPI 2015+ would be built on better and more data.

The final report of the Open Working Group stresses that by 2030, the goal is to eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day. It then goes on to say that by 2030 the goal is also to "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." The Secretary General's report issued in early December affirms this goal and again calls for a multidimensional approach to poverty.[3]

In its publication on "Indicators and a monitoring framework for Sustainable Development Goals" SDSN endorses the concept of multidimensional poverty, the Alkire Foster method to measure it, and supports the proposal of the MPPN for a rapid multi-topic household survey methodology to be adopted by the United Nations and collected bi-annually. This joins the call for data revolution and provides the "essential nuts and bolts of monitoring the SDGs in every country." SDSN adds: "Preference should be given to indicators that lend themselves to disaggregation by (i) character-

istics of the individual or household (e.g. gender, age, income, disability, religion, race, or ethnicity); (ii) economic activity; and (iii) spatial disaggregation (e.g. by metropolitan areas, urban and rural, or districts)."[4]

If new data are requested, such that a global MPI 2015+ reflects core poverty-related SDGs, the next issue is what data are required. OPHI and MPPN developed a set of Post 2015 Light-Powerful Survey Modules. These Modules propose obtaining frequent data from the same survey instrument on a subset of poverty-related SDGs. The modules reflect the technical, cultural, and political insights of MPPN members, who judged them to be feasible and informative across a wide range of country contexts.[5] The basic indicators of these modules can be disaggregated, and can track changes over time. Moreover, a global MPI 2015+ could be constructed using this questionnaire that includes improved indicators as well as some new topics such as violence and teenage pregnancy. At present, these survey modules are being piloted by several MPPN member countries. The aim is that they be added to existing international data gathering instruments.

It is evident that multidimensional poverty paints a different picture of the lived realities of the world's poor than do income poverty measures. As such, OPHI and the MPPN not only call for a new global MPI 2015+ to be part of the SDGs, but also advocate for national MPIs, developed by each country with its own indicators and policy relevant needs, in order to catalyze effective poverty reduction policies. While the global post-2015+ MPI would track the SDGs worldwide and provide the opportunity for cross-country comparisons, national MPIs are important to drive the national policies and programs to impact poverty. This parallels what is done in income poverty—with each country developing its own monetary poverty line while the international goal focuses on extreme poverty of $1.25. In the same way, both a global MPI and national MPIs are important.

Moving Forward

The final Communiqué of the MPPN's High Level Meeting in Berlin in July 2014 states unequivocally, "poverty is unacceptable."[6] Poverty eradication remains an overarching

[1] The OWG was set up by resolution of the General Assembly and was one of the primary venues for countries to discuss and reach consensus on the new SDGs.

[2] The SDSN established by the Secretary General of the United Nations and headquartered at Columbia University mobilizes scientific and technical expertise from academia, civil society, and the private sector in support of sustainable development problem solving at local, national, and global scales.

[3] http://sustainabledevelopment.un.org/content/documents/5527SR_advance%20unedited_final.pdf

[4] http://unsdsn.org/wp-content/uploads/2014/11/141125-Indicator-working-draft-WEB.pdf

[5] http://www.ophi.org.uk/wp-content/uploads/MPPN_SDG-Pov_QuexPost2015_Sept-14a.pdf?0a8fd7

[6] http://www.mppn.org/wp-content/uploads/Berlin-Communique-8July2014-MPPN.pdf

objective of the international community and is core to the SDGs. Increasingly, poverty is recognized to be multidimensional. Lasting poverty eradication needs to tackle poverty in its many dimensions. Fortunately, the methodology needed to derive global multidimensional poverty measurement now exists. Its power is evidenced by the increased numbers of governments creating national MPIs, as well as by the publication since 2010 of the existing Global MPI by the Human Development Repot Office/UNDP. There is growing political will to use this multidimensional poverty framework. To further this work and to truly ensure that we eradicate poverty in all its forms everywhere, we need for an improved global MPI 2015+ as part of the SDGs to complement the extreme income poverty measure. The time has come. ∎