

A Guidance Note



*Empowered lives.
Resilient nations.*

Leaving poverty behind

Using multidimensional poverty measures to tackle poverty and achieve the SDGs in Asia and the Pacific



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This is the second in a series of two reports prepared to support UNDP country offices in Asia and the Pacific in their efforts to end poverty in all its forms, everywhere. The first report takes stock of the calculation and use of multidimensional poverty measures in countries of the region. This accompanying guidance note backs the practical application of multidimensional poverty measures as a policy tool.

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Acronyms

DHS	Demographic and Health Survey
GDP	Gross domestic product
MICS	Multiple Indicator Cluster Survey
MPI	Multidimensional Poverty Index
MPPN	Multidimensional Poverty Peer Network
OPHI	Oxford Poverty and Human Development Initiative
PPP	Purchasing power parity
SDGs	Sustainable Development Goals
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

Part I

Background of Multidimensional Poverty Measurement and Applications



What is multidimensional poverty?

Poverty is a complex, multidimensional phenomenon encompassing both income and non-income deprivations. Apart from the paucity of income, various non-income deprivations that can affect people's well-being include inadequate education, lack of health care, low-quality housing, lack of water and sanitation, or work in a hazardous environment, among others. Although

income continues to be a widely used measure of poverty, it cannot capture the full spectrum of deprivations that make people poor. Monetary measures are therefore not enough to guide policies to eradicate poverty as envisaged by Sustainable Development Goal (SDG) 1, on ending all forms of poverty everywhere, or to contribute to the achievement of all other SDGs. The goals require a multidimensional approach that includes non-income deprivations.

There are at least three reasons to use a multidimensional approach to

measuring poverty. First, poverty and well-being are multidimensional. This reality has been increasingly accepted both nationally and internationally. At the national level, the happiness approach, with multiple dimensions and indicators, has advanced in countries like Bhutan and been endorsed by the United Nations General Assembly.¹ New Zealand's move towards a new "well-being budget" that emphasizes citizen well-being over economic growth is another noteworthy effort.²

At the international level, the Stiglitz-Sen-Fitoussi Commission in 2008 and the Atkinson Commission in 2016 described well-being and poverty as multidimensional (Box 1). The latter recommended that the global Multidimensional Poverty Index (MPI) be used to complement the income poverty line of US \$1.90 per day (purchasing power parity or PPP).

A second important reason to use a multidimensional approach is the commitment to the SDGs. With the adoption of the 2030 Agenda for

Box 1: Well-being and poverty have many aspects

The Stiglitz-Sen-Fitoussi Commission constituted by former French President Nicolas Sarkozy held that well-being is multidimensional. Based on academic research and a number of concrete initiatives, the Commission identified the following key dimensions that should be taken into account: material living standards (income, consumption and wealth), health, education, personal activities including work, political voice and governance, social connections and relationships, environmental conditions (present and future), and economic as well as physical insecurity.

Later, the Atkinson Commission created by the World Bank argued that poverty is multidimensional and suggested a non-monetary multidimensional poverty measure covering the following dimensions: nutrition, health status, education, housing conditions, access to work and personal security. The Commission also recommended complementing income poverty measures with a global MPI. The World Bank subsequently accepted some of the recommendations of the Atkinson Commission.

Source: Stiglitz et al. 2009, World Bank 2017.

Sustainable Development at the United Nations in 2015, 193 UN Member States committed to achieving 17 global goals by 2030, promising to “leave no one behind” and to “endeavour to reach the furthest behind first.” SDG 1 addresses multidimensional poverty, aiming to “end poverty in all its forms everywhere.” Under the goal, target 1.2 is 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. Progress on this target depends on taking a multidimensional approach to assessing and tracking poverty.

Finally, a third reason for taking a multidimensional approach is to measure non-income deprivations, such as child mortality, primary school completion rates or undernourishment, that do not highly correlate with levels and trends of income poverty.³ By a specific income threshold, a person can be income poor, but not necessarily multidimensionally poor. Or he/she can be income rich, yet multidimensionally poor.⁴

To measure multidimensional poverty, the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) launched the MPI in the 2010 *Human Development Report*, allowing comparison across countries. Several countries have subsequently adapted the MPI to their national

context. To distinguish between the two, this guidance note refers to the global MPI and national MPI. It focuses primarily on the latter.

The main motivation for producing the guidance note is to foster the application of multidimensional poverty measures, in particular the MPI, as policy tools in Asia and the Pacific. In line with UNDP’s global launch of its national MPI handbook⁵ in 2019, the organization’s Bangkok Regional Hub reviewed the measurement and uses of multidimensional poverty measures, in particular the MPI, in Asia and the Pacific.⁶ The review found that more than half of the countries in Asia have been measuring multidimensional poverty, mainly through the MPI.⁷ But only a few countries are actively using multidimensional poverty measures for developing policies and programmes, and defining resource allocations explicitly to target poverty.⁸

This guidance note complements the national MPI handbook and builds on the findings of the regional review. It has two main parts. The first part introduces the MPI, followed by a brief note on deprivations in Asia and the Pacific, and how the MPI can serve as a policy tool to address these. The second part offers some guidelines to foster the uses of multidimensional poverty measures for planning and programming, and for targeting at local level.

Multidimensional poverty and the SDGs

The 17 SDGs are strongly interconnected. The first SDG on ending all forms of poverty has links with all of the other goals.⁹ For example, progress in achieving SDG 1 has direct and indirect positive impacts on health and well-being (SDG 3), quality education (SDG 4),

gender equality (SDG 5), clean water and sanitation (SDG 6), and potentially reduced inequalities (SDG 10). In turn, eradication of all forms of poverty also requires achieving good health, quality education, clean water and sanitation, and reduction of inequality, among other advances.

As other examples of links, promoting economic growth, full employment and decent work for all (SDG 8) are

Box 2: Counting approaches: the Alkire-Foster method as a prominent measure of multidimensional poverty

The most widely used multidimensional poverty measures since the 1970s have been 'counting approaches', with most applications using a headcount ratio. While a headcount is easy to understand and communicate, it does not provide enough motivation for policymakers to focus on reducing the deprivations of the poorest of the poor.

In 2007, Sabina Alkire and James Foster created a new method for measuring multidimensional poverty. It uses a counting approach to identify 'who is poor' by considering the range of deprivations that people suffer, combined with the Foster-Greer-Thorbecke methodology, the

most widely used income poverty measure. The resulting measure aggregates information to reflect poverty in a way that is robust, and can be broken down by regions and groups. It shows who is poor, where they live, and the dimensions and indicators in which they are deprived.

To identify the poor, the Alkire-Foster method counts overlapping or simultaneous deprivations that a person or household experiences in various indicators of poverty. The indicators might have different weights. People are identified as multidimensionally poor if the weighted sum of their deprivations is greater than or equal to a poverty cut-off.

necessary for poverty eradication. Building resilience to environmental shocks and sustainably managing environmental resources (SDGs 12 to 15) can reduce vulnerabilities to poverty. Peaceful and inclusive societies (SDG 16) depend on strengthening social cohesion through forging a sound social contract and reducing poverty and inequalities.

What is the Multidimensional Poverty Index?

The MPI is part of an influential class of poverty measures advanced by Alkire and Foster based on the 'counting' approach (Box 2).¹⁰ Since the launch of the MPI in 2010, UNDP and OPHI have measured a global version of the index for more than 100 countries.

Having identified who is poor, the Alkire-Foster method then summarizes information to show the deprivations the poor experience as a proportion of all possible deprivations. The simplest measure in the class of Alkire-Foster measures is the MPI, which is the product of two components:

- *The incidence of poverty (H)*: the percentage of people who are identified as multidimensionally poor, or the multidimensional poverty headcount. The poverty line or cut-off for the global MPI is one-third or more of the weighted indicators ($c \geq 0.33$). This also includes those who are in severe poverty or deprived in half or more than half of the weighted indicators ($c \geq 0.5$). Those lying

between one-fifth and one-third of the cut-off (between 0.20 to 0.33) are near-poor who are vulnerable to poverty.

- *Intensity of poverty (A)*: the average percentage of (weighted) indicators in which poor people are deprived. In simple terms, this means how intense multidimensional poverty is, on average, for those who are poor.

This product ($H \times A$) is called the adjusted headcount ratio, or M_0 in the Alkire-Foster method, or the MPI. The measure is rigorous, easy to disaggregate or to 'unpack' down to the indicator level, and useful for policy. It is flexible, which makes it adaptable to different contexts.

Source: Alkire and Foster 2007, 2009 and 2011.

MPI measurement entails at least the following steps:

- Select dimensions and indicators
- Set deprivation cut-offs for each indicator
- Set weights for each dimension or indicator
- Decide the poverty cut-off
- Compute the incidence and intensity of poverty or the MPI

Details on these steps appear in the national MPI handbook.¹¹ Four factors that are critical for measurement are the number of dimensions and indicators, the indicator cut-off, indicator weights and the aggregate poverty cut-off. For example, a higher weight given to indicators in which most households are deprived will produce a higher poverty rate. Similarly, a lower poverty cut-off (above which people are deprived) produces a higher poverty rate. If the poverty cut-off decreases from 33 percent to 20 percent of the weighted indicators, for example, the proportion of people who are deprived in 20 percent of indicators will be higher than those deprived in a third of the indicators.

Through the selection of dimensions and indicators, a country's MPI can reflect key poverty-related SDG priorities. It can guide the response to the SDG call for integrated, multisectoral policies, and for disaggregating indicators by regions, and population groups to identify and

prioritize those furthest behind. An MPI closely aligned with the SDGs:

- Measures poverty in multiple forms and dimensions.
- Complements monetary poverty measures.
- Addresses multiple SDGs and their indicators, simultaneously.
- Directly reflects interlinkages across indicators at the household level.
- Can be disaggregated by region, age, disability status, and other sociodemographic characteristics to identify the poorest, and to leave no one behind.
- Can be nationally specific or internationally comparable. A national MPI reflects poverty according to national definitions but cannot be compared across countries. Regional and global MPIs permit comparisons and cross-learning across countries.
- Can be used as a tool for improved governance.¹³

For policymakers, the MPI provides strong evidence of the causes of poverty and deprivation, and how each dimension and indicator contributes to overall poverty. The most useful feature of the Alkire-Foster method is that it allows the addition of any dimension or indicator as well as disaggregation by geographical areas, population groups and indicators. This supports the formulation of context-specific national development plans.

Since the MPI provides both the headcount and intensity of poverty in a single measure, it can indicate ways to reduce poverty by both decreasing the number of poor people and by alleviating their deprivations. For example, five deprivations of the poor can be cut to four or less and finally to zero over time. The measure of intensity also helps planners to focus on households or individuals left furthest behind, and fulfil one of the major pledges of the 2030 Agenda.

Capturing reductions in both the incidence and intensity of poverty is one of the MPI's key strengths, creating useful incentives to reduce both the number of poor people and the number of deprivations. The index thus overcomes a well-known problem

associated with traditional 'headcount only' poverty measures that can result in moving people from just below to just above the poverty line, while leaving the poorest behind.¹⁴

The global MPI provides disaggregated statistics on the main contributors to poverty in three equally-weighted dimensions: health, education and standard of living. Ten indicators include nutrition, child mortality, years of schooling, school attendance, drinking water, sanitation, cooking fuels, electricity, housing and assets. As the global MPI compares multidimensional poverty across countries (Box 3), the dimensions and indicators have been the same since 2010, though with some refinement in the specification of indicators.

Box 3: Asia and the Pacific—home of half of the multidimensionally poor people

In 2019, the global MPI was calculated for 101 countries. It indicated that 1.3 billion people—23.1 percent of the total population—are multidimensionally poor with overlapping deprivations in health, education and living standards. About 661 million (49.9 percent) were in Asia and the Pacific, with 548 million (41.3 percent) in South Asia alone.

Of the 1.3 billion people in poverty, half were children under age 18, and a third were under age 10. Two-thirds of multidimensionally poor people lived in middle-income countries. In 10 selected countries where changes were analysed over time, deprivations declined faster among the poorest 40 percent of the population than among the total population.

Source: UNDP and OPHI 2019, UNDP 2019a.

Unlike the global MPI, a national MPI can have different dimensions and indicators as well as a different poverty cut-off, although several countries have adhered, to the extent possible, to the global index's three dimensions and 10 indicators as well as the poverty cut-off. One distinct difference between the national and global MPIs is that the latter is purely a non-income measure, whereas national MPIs may not be. Some countries, such as Malaysia and Mexico included income in their national MPI, but most countries find it more convenient and more powerful to have distinct, complementary poverty measures.¹⁵

Deprivations in Asia and the Pacific: Who has been left behind and why?

Despite significant progress on poverty reduction and human development throughout Asia and the Pacific,¹⁶ some 661 million women, men and children still live in multidimensional poverty.¹⁷ The region lags behind on several fronts, including:

- 38 percent of children under 5 in Oceania, 32 percent in Central and South Asia, and 13 percent in East and South-east Asia were stunted (inadequate height for age) in 2018, compared to 22 percent globally.
- South Asia alone was home to almost half of the world's population of illiterate people in 2016.
- An estimated 673 million people (9 percent of the global population) still practised open defecation in 2017, the majority of them in South Asia.
- In 2018, 46 percent of young women in Central and South Asia, 22 percent in East and South-east Asia and 16 percent in Oceania were not in education, training or employment, compared to the global average of 30 percent.
- 12 percent of employed people in Central and South Asia and 20 percent in Oceania were living below \$1.90 a day in 2018, higher than the global poverty rate of 8 percent.
- Only 16 percent of people in Central and South Asia and 59 percent in East and South-east Asia were covered by at least one social protection measure in 2016, compared to the global average of 45 percent.
- Globally, the share of national output used to remunerate workers is declining, implying rising inequality. In 2017, labour received only 45.8 percent of GDP in Central and South Asia, compared to 51.4 percent globally.
- Of the over 1 billion people living in urban slums globally in 2018, 370 million were in East and South-east Asia, and 227 million in Central and South Asia.

- In 2018, only 21 percent of people in Oceania, 39 percent in Central and South Asia, and 49 percent in East and South-east Asia had convenient access to public transport, compared to 53 percent globally.
- Only 64 percent of mountainous areas in Central and South Asia and 71 percent in East and South-east Asia were covered by forests, grasslands or shrublands, and croplands in 2017, compared to 76 percent globally on average.

These wide gaps in SDG-related priorities leave a large chunk of the population in Asia and the Pacific vulnerable to a complex mix of challenges stemming from socioeconomic deficits and risks as well as environmental deterioration.

How can multidimensional poverty measures help in ending poverty?

Eradicating extreme poverty remains a global challenge. Half of the world's nations are not on track for achieving SDG 1.¹⁸ Economic growth can contribute to poverty alleviation, as shown by many studies. But it will not address multidimensional poverty independent of other interventions.

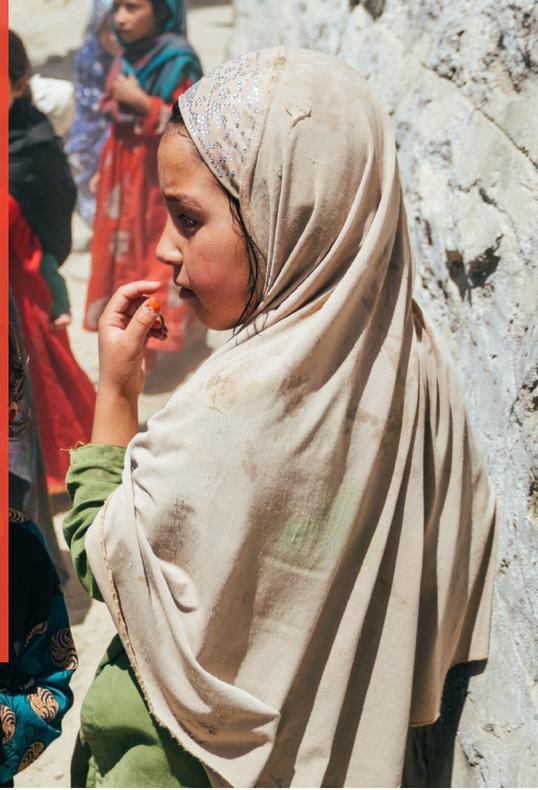
The link between economic growth and non-monetary dimensions of poverty is less strong and even non-existent in some cases.¹⁹ If income is not used for well-being, overlapping deprivations in health, education, assets, livelihoods and other areas prevail, requiring programmes that specifically target these non-income deprivations to achieve all forms of poverty reduction.²⁰

With often wide development gaps remaining in Asia and the Pacific, governments have a strong incentive to invest in non-monetary components of well-being and expand inclusive social policy measures, in line with the aspirations of the 2030 Agenda and the commitment to leave no one behind. Progress depends on policy tools such as multidimensional poverty measures to effectively target programmes to poor people and to monitor their deprivations. Multidimensional poverty measures such as the MPI can guide investments in building the human capabilities of poor individuals as well as in improving housing, assets and infrastructure for poor households and communities. Since multidimensional poverty measures can be disaggregated across areas, dimensions or population groups, they can help coordinate policies across sectors and levels of government.²¹



Part II

Multidimensional poverty measures as policy tools—fostering uses in Asia and the Pacific



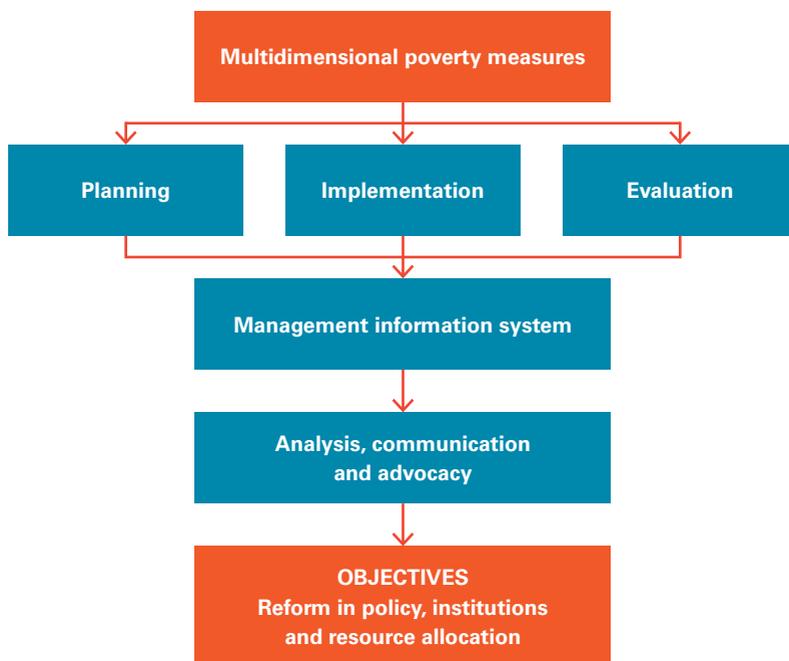
Current applications of multidimensional poverty measures

Multidimensional poverty measures can be used in each phase of a planning cycle, from initial design of programmes, which requires the identification of beneficiaries or target groups and decisions on programme components, to assessments of programme effectiveness and impacts during and at the end of implementation. Using

multidimensional poverty measures can help in reforming policies and institutions and directing resource allocation (Figure 1). In supporting regular tracking of progress, they can also help in phasing out programmes, as has been the case in Viet Nam, where an annual review assesses people in overlapping poverty and the need for State support.²²

Effective use of a multidimensional poverty measure at the local level depends on the level of disaggregation. For example, when an MPI is computed at the district level, it can

Figure 1: Overview of the uses of multidimensional poverty measures



help in identifying deprived districts, and accordingly inform choices about resource allocation and programmes for districts most in need.

Global and national MPIs currently use sample survey data, and are limited to providing estimates at the national level, or for rural and urban areas, and for the subnational level to a limited degree. Data typically come from national household surveys such as the Demographic Health Survey (DHS) and Multiple Indicator Cluster Survey (MICS) or other national household

surveys such as Pakistan’s Social and Living Standards Measurement Survey or Viet Nam’s Household Living Standards Survey. National sample surveys are designed to provide robust estimates of indicators only down to the regional or provincial level or at most the district level in some countries, however (Box 4). This constrains MPI measurement at a lower level of administrative units and limits its wider application as a policy tool.

Box 4: The DHS and MICS sample designs provide robust MPI estimates at higher levels of administrative units

Since 1984, the DHS Program has provided technical assistance to more than 400 surveys in over 90 countries. This has advanced global understanding of health and population trends in developing countries by collecting nationally representative data on fertility, family planning, maternal and child health, gender, HIV/AIDS, malaria and nutrition. The programme operates in 15 countries of South and South-east Asia, including the Philippines and Pakistan.

The main objective of the 2017 DHS in the Philippines, for example, was to provide current estimates on fertility levels, marriage, sexual activity, family planning, nutrition, childhood mortality, maternal and child health, violence against women, and HIV/AIDS and other sexually transmitted infections. It covered the national level, urban and rural areas, and 17 administrative regions.

The 2017-2018 DHS in Pakistan yielded representative estimates at the national level, and for urban and rural areas, four provinces (Punjab, Sindh, Khyber Pakhtunkhwa and Baluchistan), two regions (Azad Jammu and Kashmir, and Gilgit Baltistan), the Islamabad Capital Territory and the Federally Administered Tribal Areas. In total, there were 13 second-level survey domains.

The United Nations Children's Fund (UNICEF) launched the MICS as an integrated survey over two decades ago, and has carried out more than 300 surveys in over 100 countries including Pakistan and Thailand, generating data on key indicators of the well-being of children and women, and helping shape policies for improving their lives. In 2019, MICS surveys were conducted in Fiji, Kiribati, Nauru, Samoa, Tonga and Tuvalu, which will help ease data constraints in the Pacific.

The 2017 MICS for Pakistan provided estimates for a large number of indicators on the situation of women and children at the provincial level, in urban and rural areas, and in 3 regions (Gilgit, Baltistan and Diامر) and 10 districts. In Thailand, the primary objective of the 2015-2016 MICS was to produce statistically reliable estimates of indicators at the national level, for urban and rural areas, and for five regions (Bangkok, Central, North, North-east and South). The survey included oversampling for 14 provinces to prepare separate reports for each. A multistage, stratified cluster sampling approach was used for the selection of the survey sample.

Source: USAID n.d. and UNICEF n.d.

How to promote the uses of multidimensional poverty measures

To foster the deeper and broader application of multidimensional poverty measures, current MPI measurement practices should extend beyond the provision of national and provincial estimates, and identify overlapping deprivations at a much disaggregated level, including at the household level, as has been done in Viet Nam. Most social protection and poverty programmes require data on households and their members. Yet MPI measurement based on a national sample survey is generally not useful for targeting social protection or other State support programmes to individuals or households, given data limitations. Therefore, alternative ways of collecting data and identifying deprivations should be pursued. This guide suggests two complementary approaches for multidimensional poverty measurements, described on the following pages. These can be implemented sequentially, if necessary.

1. Continue measuring the national MPI using national household surveys

The first approach adheres to the current practice of measuring multidimensional poverty based on national household survey data. This approach can be used at the national level for:

1.1 Complementing income-based poverty measures

Measures of income poverty and multidimensional poverty can complement each other. Countries such as Afghanistan, Bhutan, Malaysia, Nepal, Pakistan, Philippines, Thailand and Viet Nam have successfully used this approach.²³ The midterm review of the 11th plan of Malaysia (2016-2020) advanced several initiatives to increase the income and purchasing power of the bottom 40 percent of households based on income (the so-called B40) and reduce socioeconomic inequalities. These initiatives are aimed at enhancing the capability of households to increase their employability, boost entrepreneurship and uplift productivity. Accompanying measures to enhance social protection are intended to cushion households

facing socioeconomic uncertainties. Using the MPI strengthens the delivery and monitoring of these initiatives.²⁴

1.2 Setting national goals and targets

Only income poverty used to feature as the development target of developing countries. In recent years, a multidimensional poverty headcount target has started appearing in national development plans, including in Bhutan, Nepal, Pakistan, the Philippines and Viet Nam, among others. The Philippines' 2014-2016 plan pledged to reduce the incidence of multidimensional poverty by 16 to 18 percent.²⁵ The Government of Nepal aims to bring down extreme poverty (PPP \$1.90 per day) to 4.9 percent and multidimensional poverty to 10 percent of the population by 2030.²⁶ The recently approved National Framework for Sustainable Development Goals in Pakistan set a federal target for reducing multidimensional poverty to 19 percent of the population by 2030, down from the current level of 38.8 percent.²⁷

1.3 Coordinating policies across sectors and levels of government

A national MPI can help coordinate policies across sectors and levels of government, based on disaggregated

estimates. This can guide both vertical and horizontal coordination, including across sectoral ministries of education, health, employment and housing, as in Colombia.²⁸

1.4 Developing multisectoral programmes that reflect interconnected deprivations

The decomposition of the MPI by dimensions and indicators provides useful information for formulating, implementing and monitoring integrated programmes. Tracking implementation can help in course corrections and improvements. The proportion of overall poverty explained by a dimension can provide an indication of the share of the budget to be allocated to that particular dimension compared to other dimensions or sectors.

1.5 Tracking SDG target 1.2 on halving poverty in all its forms

Some countries have started using a national MPI to track indicator 1.2.2 of SDG target 1.2, which seeks 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, by the end of

2030. For example, Pakistan's national SDG framework adopts its 2014-2015 national MPI estimate as the base value for tracking indicator 1.2.2.²⁹ The Government plans to compute the MPI every other year, with the next round of measurement scheduled for 2020.

1.6 Informing resource allocation at the subnational level

National MPIs have served as tools for resource allocation at subnational levels in countries such as Bhutan, Pakistan and Viet Nam. Bhutan, for example, has used an MPI since 2013 as one of five criteria for allocating national resources to local governments. The MPI is given high importance with a 45 percent weight.³⁰

2. Measuring multidimensional poverty from a census survey for targeting and tracking deprivations at local level

While the current practice of MPI measurement should continue to provide data for planning and monitoring at the national level as described in the preceding section, a complementary mechanism should be designed for

targeting communities, households and individuals for social protection and other essential forms of support. This complementary approach could draw on novel ways to gather data and information at the local level, as has been done in Mexico and Viet Nam. These countries have collected data on multidimensional poverty indicators from all households in selected poor communities and identified their deprivations. Taking such an approach involves the following broad steps to identify and target communities, households and individuals:

2.1 Targeting at the lower level of administrative units

Targeting at the village, intradistrict or block level should start with an analysis of evidence presented by the national MPI. Depending upon budget availability, some districts with high levels of multidimensional poverty can be chosen for targeted assistance. Once these are selected, a census survey can be conducted if the districts are small. Otherwise, they can be divided into subdistricts or blocks to identify the poorest of these.³¹ Measurement and identification can take place in at least two ways:

- (i) *Integrating data sources.* Integrating two or more data sources can provide a disaggregated estimate of deprivation on some indicators

of well-being or deprivation. For example, a national household survey can be combined with a census survey to provide a disaggregated estimate of deprivations through the small area estimation method.³² In addition, a household survey, such as a MICS, can be combined with administrative data, such as from health institutions. Data integration tools can help estimate deprivations at a very low level of administrative units—for example, at the subdistrict or block level or if possible at the *gram panchayat* (village committee) level.

- (ii) *Collecting background data and information.* This method can be applied when the use of the small area estimation method is not possible given the absence of a recent census and/or national household (sample) survey. Various checklists and questionnaires can be used to collect information at lower administrative levels about community assets such as infrastructure, including roads, electricity, markets, banks and industrial establishments. The process generally entails organizing a consultation with various governmental representatives across the sectors of the administrative unit as well as non-governmental groups. Information on community assets helps define deprived blocks or communities most in need of social

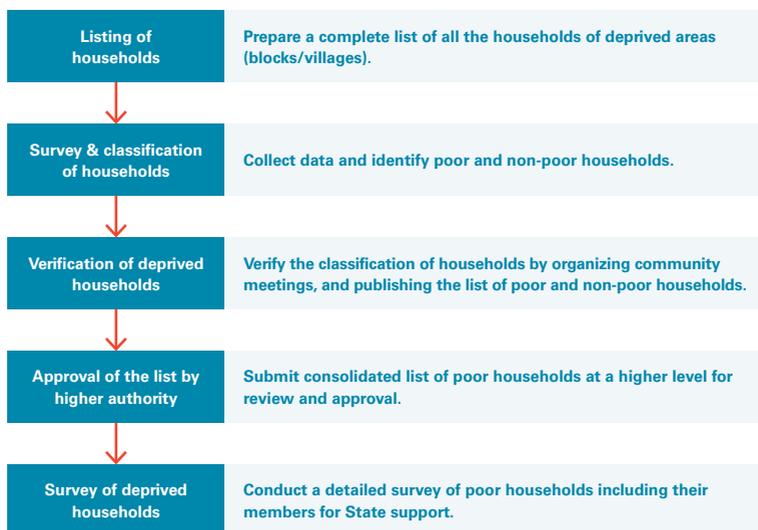
protection programmes and other measures to leave no one behind.

2.2 Targeting at the household and individual levels for the effective implementation of social protection

To better understand deprivations in households, a census survey can be conducted in the beginning at the household level in villages or blocks identified as poor in the preceding process. The survey can also collect information about individual members to inform the targeting of individual benefits.³³ This process involves several steps, including listing all households, conducting household surveys for identifying and verifying poor households, and collecting detailed information for State support (Figure 2). The process can be conducted annually but only for monitoring and tracking deprived households and their members. An annual review can help to define appropriate budget allocations.

Implementation of these steps requires building consensus on indicators and seeking necessary information at the community, household or individual levels. While the national MPI can guide the selection of indicators, data for some impact or outcome level indicators may be difficult to obtain

Figure 2: Identifying and monitoring deprived households



from each household. This may require changes in the specification and/or inclusion of some proxy indicators specific to the local context. Steps to take include:

Select indicators for targeting

- Review the current national MPI indicators, and if necessary, suggest proxies for some multidimensional poverty indicators, taking into account the process (time, complexity) of data collection.
- Organize a stakeholder workshop on indicator selection and weights, stressing selection criteria, the desirable properties of indicators, reasons for inclusion or exclusion, etc.

- Revise and finalize the list of chosen indicators.
- Decide a cut-off at the individual indicator level and the aggregate level.

Prepare instruments and guidelines

- Develop instruments to collect data on indicators at the household and individual levels.
- Prepare guidelines and instructions to collect data from forms/questionnaires or directly through using a tablet or mobile phone, so that no additional efforts are required for data entry.

- Develop computer programmes for data entry and processing to categorise households into poor, near-poor and non-poor.
- Develop a summary form at the village or block level to prepare a synthesis of results.
- Pilot and refine the instruments.

Development of a management information system

To institutionalize multidimensional poverty measurement and effectively use data to track poverty over time at various levels, including among households and individuals, governments should establish a data repository, such as an integrated and user-friendly management information system. It should link data collected from various communities, and facilitate and organize the flow of information, allowing speedy use by analysts, policymakers, programme implementors and other stakeholders, including to track the deprivation status of households and individuals. Annual tracking can help governments define the provision of social protection or other State support to deprived individuals and households. Privacy protections for individual and household data should be in place in order to

prevent the information from being misused in ways that could cause harm.

Communication and advocacy

Communication should be part of multidimensional poverty measurement initiatives from the very beginning. It should build, ideally, on the political will demonstrated by top national leaders in deciding to develop a poverty measure. Communication messages should be tailored to specific audiences. For instance, technical and methodological messages need to be conveyed to statisticians and the central statistical organization, whereas messages to policymakers might emphasize how poverty measures can play a vital role in accelerating progress across the SDGs.

The business community has been an enthusiastic and powerful partner of multidimensional poverty reduction in Latin America; NGOs can also be stalwart allies in poverty reduction. Among citizens, public messaging and incorporation of MPI materials into higher level education courses could be vital.

A communication strategy on multidimensional poverty measurement can be part of an overall national communication strategy of a government. As noted in the national MPI handbook, three communication plans should cover specific stages of the process. The first plan should be implemented during the design of a multidimensional poverty measure. Another should be prepared for its launch, and the last should cover the period after the launch to showcase how the measure is providing useful information to guide public actions.³⁴

Institutional framework

The institutional framework for poverty measurement should be embedded in existing national systems. Creating a separate or a parallel system could otherwise undermine their integrity. Specific modalities depend on the institutional structures of local governments and provincial or central governments. In Viet Nam, for example, commune leaders are ultimately responsible for generating data with the support of volunteers and the commune chairperson. Data are sent to districts and then provinces for approval and analysis, and use in making budget allocations.

Conclusion

Inclusive social protection and poverty programmes are vital for achieving SDG 1 as well as the 2030 Agenda and the SDGs as a whole, which call on all countries to leave no one behind, and focus first on those furthest behind. Identifying the poorest or most deprived people is a necessary first step in this direction.

A multidimensional poverty measure provides not only information on who is poor, but also on aspects of well-being where people are most deprived. As an important example of these measures, an MPI can provide essential insights for developing inclusive policies, addressing overlapping deprivations and accelerating the reduction of development gaps. Using such a tool for resource allocation by sectors or administrative units can ensure that more resources go where deprivation is greatest. The MPI can also help in tracking progress on SDG target 1.2, and in monitoring and evaluating poverty programmes. Thus, it is an important planning and policy tool.

The usefulness of a multidimensional poverty measure also depends on how much disaggregated information it provides. While a national MPI computed from national household surveys using the Alkire-Foster method can offer disaggregated estimates

of deprivation by indicators and dimensions, it cannot provide poverty estimates at very low administrative levels. Therefore, a national MPI should be accompanied by other subnational poverty identification measures. Using multidimensional poverty measures at various levels—national, subnational, household and individual—is necessary for designing sound poverty programmes, ensuring efficient targeting and effective implementation, tracking deprivation status, and monitoring and evaluation. A wider application of multi-dimensional poverty measures can help achieve the goal of eradicating all forms of poverty everywhere.

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Endnotes

- 1 United Nations General Assembly resolution 65/309 dated 19 July 2011 invited the UN Secretary-General to seek the views of UN Member States and relevant regional and international organizations on the pursuit of happiness and well-being, and to communicate such views to the General Assembly at its 66th session for further consideration. Resolution 66/281 subsequently proclaimed the 20th of March as the International Day of Happiness. The resolution recognizes the relevance of happiness and well-being as universal goals and aspirations in the lives of human beings around the world.
- 2 Sigal 2019, Ellsmoor 2019.
- 3 Bourguignon et al. 2010.
- 4 OPHI 2015.
- 5 UNDP and OPHI 2019.
- 6 UNDP 2019b.
- 7 The metadata of SDG indicator 1.2.2 have not yet been defined. While countries are selecting dimensions and indicators based on their needs and data availability to estimate national MPIs, several have not made changes to the global MPI dimensions and indicators.
- 8 UNDP 2019b.
- 9 The goals on sustainable consumption and production, inequality, poverty, and growth and employment each have links with 10 other goals or more. For detail, see Blanca 2014.
- 10 Datt 2010.
- 11 UNDP and OPHI 2019.
- 12 Recent efforts have been made to use a multidimensional approach to measure the gender poverty gap. The multidimensional gender poverty gap is similar to the poverty gap measured by the conventional money-metric approach in several national poverty lines. For details, see Rogan 2016.
- 13 UNDP and OPHI 2019.
- 14 UNDP 2011, p. 50. In the case of income poverty, the poverty gap measure also addresses poverty intensity, along with the poverty headcount estimates, but this is not simple to interpret. Intensity in the Alkire-Foster method is about the number of indicators an individual is classed as deprived in, not how badly an individual is deprived in any single indicator. Thus, an individual who was just below the cut-off in three indicators would be classed as having more 'intense' poverty than an individual much farther below the cut-off in two indicators.
- 15 UNDP and OPHI 2019.

- 16 The region of Asia and the Pacific varies depending on context, but it generally includes East Asia, South Asia, South-east Asia and Oceania.
- 17 All data presented in this section come from United Nations 2019 and UNDP 2019a.
- 18 Sachs et. al. 2019.
- 19 Bourguignon et al. 2010, Independent Group of Scientists appointed by the Secretary-General 2019.
- 20 Drèze and Sen 2013.
- 21 MPPN 2018.
- 22 UNDP 2019b.
- 23 Chatterjee et al. 2014.
- 24 Government of Malaysia 2018, MPPN 2019. According to James Foster, theoretically, a natural joining of income poverty and multidimensional poverty could happen either by merging the two approaches (a person is poor if she or he is either income or multidimensionally poor) or by an intersection between the two, leading to something like the definition that has emerged in Mexico (a person is poor if she or he is both income and multidimensionally poor). At present, income and multidimensional poverty measures are mainly kept separate for sound data reasons. See Foster n.d. for more details.
- 25 See: MPPN, “Philippines,” at: https://www.mppn.org/paises_participantes/philippines/.
- 26 See: MPPN, “Nepal,” at: https://www.mppn.org/paises_participantes/nepal/.
- 27 Government of Pakistan 2018, p. 8.
- 28 UNDP and OPHI 2019.
- 29 Government of Pakistan 2018.
- 30 OPHI 2015, Royal Government of Bhutan 2013.
- 31 This process should not leave out the poor in relatively rich districts.
- 32 Small area estimation is a widely used indirect estimation technique for micro-level geographic profiling. Traditional sample surveys designed for national estimates do not provide large enough samples to produce reliable direct estimates for small areas such as counties or villages. The use of valid statistical models can provide small area estimates with greater precision; however, bias can occur due to an incorrect model or failure to account for informative sampling. OPHI has been assessing to what extent the method is sufficient to guide policy. In addition, it is also exploring other methods.
- 33 China’s ‘Accurate Targeting Programme’, for example, targeted about 90 million persons on the basis of livelihood and monetary poverty, the two no-worries (food and clothing), and the three guarantees (education up to 9 years, access to health care and housing).
- 34 UNDP and OPHI 2019.

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