Compendium of Experiences and Lessons Learned from the Measurement of Multidimensional Poverty in the Americas

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Inter-American Committee on Social Development (CIDES)

Working Group 1 (WG 1):

"Measurements of multidimensional poverty and the design of public policies intended to guarantee the well-being and the enjoyment of a good quality of life"

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Chair, Working Group 1

Employment and Social Development Canada
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Contributions

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I.

Introduction

Introduction

At the regional level, poverty rates experienced a significant reduction from the 1990s onwards; this trend began to reverse starting in 2015, and it was further aggravated by the consequences of the COVID-19 pandemic. As the countries of the region begin to emerge from this health crisis, it is necessary to renew efforts towards the fulfillment of Target 1.2 of the United Nations Sustainable Development Goals (SDGs), which aims to reduce by at least half the proportion of people living in poverty in all its dimensions by 2030. Faced with this challenge, it is more important than ever to have accurate, multidimensional, and useful measurements of poverty to aid a comprehensive approach to poverty reduction.

Understanding the heterogeneities and the various simultaneous deficits faced by households has become an essential tool for the development of policies that promote more effective actions to reduce poverty. This paradigm shift, from the conception of poverty as a mere lack of economic resources to the recognition of various expressions of this phenomenon, is reflected in this compendium, in which fourteen countries of the region share their experiences in multidimensional poverty measurement with an emphasis on its applicability to improve public policies aimed at eradicating poverty in all its forms.

Within the framework of the Organization of American States (OAS), the countries of the region have made significant progress in recognizing—through various forums and instruments of the inter-American system[1] —that poverty has multiple dimensions. At the Second Meeting of Ministers and High Authorities of Social Development (II REMDES) held in Cali, Colombia in 2010, the OAS Member States asserted that "poverty and inequality are multidimensional phenomena that require intersectoral and coordinated frameworks within the framework of a national development strategy". This declaration has propelled the work of the OAS in facilitating spaces for Member States to share their experiences and progress made through their respective national methodologies.

Most recently, at the Fourth Meeting of Ministers and High Authorities of Social Development (IV REMDES) held in Guatemala in 2019 under the theme "Overcoming Multidimensional Poverty and Closing the Gap of Social Equity: Towards an Inter-American Social Development Agenda"; the OAS Member States adopted an "Inter-American Declaration on Social Development Priorities", which seeks to intensify regional efforts to jointly address the main social problems that confront the hemisphere.

To facilitate the implementation of this declaration, the OAS Member States drafted and adopted a Plan of Action for the first time at the inter-American level in the area of social development. This plan created three working groups with the objectives of advancing commitments related to multidimensional poverty reduction, promoting comprehensive social protection systems, and working towards hemispheric cooperation. These working groups are responsible for advising the Inter-American Committee on Social Development (CIDES) on the fulfillment of priorities established in the Declaration adopted in Guatemala, implementing the activities defined in the Plan of Action, facilitating the exchange of experiences, and following up on related hemispheric initiatives.

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[1] Such as: the Social Charter of the Americas and its Plan of Action; the activities promoted by the Inter-American Social Protection Network (IASPN); instances of political dialogue within the framework of the OAS (General Assembly, Summit of the Americas, Ministerial Meetings, Permanent Council, and Inter-American Council for Integral Development, among others).

In this regard, Working Group 1 (WG1), entitled "Measurements of multidimensional poverty and the design of public policies intended to guarantee the well-being and the enjoyment of a good quality of life", headed by the Social Welfare Secretariat of Mexico (Chair) and the Department of Employment and Social Development of Canada (Vice-Chair) and its members, the Ministry of Social Development of Guatemala and the Ministry of Social Development of Paraguay, set out to develop the following activities planned for the period 2021-2022: 1) to organize a virtual workshop to strengthen the institutional capacities of the teams that lead the design and implementation of tools for measuring multidimensional poverty in the region and 2) to publish a compendium of experiences in measuring multidimensional poverty in the Americas. Both activities have been made possible through the financial contribution of the Government of Canada in its role as Vice-Chair of the group.

The aforementioned workshop, entitled "Multidimensional Poverty Indices, Good Practices and Lessons Learned from the Americas and the Impact of the COVID-19 Pandemic on Poverty" took place on April 26 and 27, 2022 with the participation of experts from the University of Oxford Poverty and Human Development Initiative (OPHI) and representatives of Member States and national sectoral institutions responsible for measuring and/or combating poverty. The interventions made during the workshop were a key input for the elaboration of this compendium that includes the main contributions of the workshop.

In this respect, this compendium has been constructed collaboratively through inputs provided by participating Member States who shared their experiences, promising practices, and lessons learned in the development and implementation of multidimensional poverty measurements through a questionnaire distributed in March 2022 by the OAS Secretariat for Access to Rights and Equity (SARE/DSI). In addition, some Member States chose to contribute to the compendium by presenting their experiences through the drafting of a chapter on how multidimensional poverty is measured in their country, how these measurements translate into the improvement of their public policies, and what challenges they have faced and lessons they have learned in the process of building and implementing these measurements. The inputs collected through the questionnaire, the workshop presentations, and the national chapters have all been incorporated into this publication.

During the Fifth Meeting of Ministers and High Authorities of Social Development (V REMDES) in Santo Domingo, Dominican Republic, the ministers and high-level authorities will adopt a new Inter-American Declaration on Social Development Priorities and its subsequent Plan of Action that will continue the work of the working groups. In this way, WG1 will continue to promote the agenda linked to the measurement of multidimensional poverty and the design of public policies for welfare during the next triennium until the VI REMDES in 2025 through a series of activities such as the dissemination of this compendium as a tool to strengthen national processes for the creation, implementation, and applicability of multidimensional poverty measures, as well as the promotion of technical cooperation exchanges with the aim of closing capacity gaps in the design and implementation of solutions appropriate to the local context.

II.

Measuring Multidimensional Poverty: Current regional context [2]

Measuring Multidimensional Poverty: Current regional context

The way in which States define and measure poverty determines the type of public policies and national strategies for its reduction. This includes the targeting and selection of beneficiaries, the allocation of resources, the coordination of all of the actors involved in design and implementation, and the necessary institutional arrangements for the implementation of such policies and strategies.

In the Americas, up until mid-2022, there have been 12 countries that have adopted instruments to measure poverty with a multidimensional approach—adapted to their respective contexts—becoming the pioneer region in the world in the adoption of this type of approach. In addition, 21 of the 35 OAS Member States participate in the Multidimensional Poverty Network (MPPN), a platform that provides technical support and training to policymakers who are implementing or exploring the possibility of adopting multidimensional poverty measures.

In the specific case of Latin America, efforts to measure poverty with a multidimensional approach date back to the 1970s and 1980s, with the adoption of the Unsatisfied Basic Needs (UBN) approach by most countries in the region. This method arose as a response to the difficulty of measuring monetary poverty systematically and regularly due to the lack of household surveys, offering a technical and normative framework to characterize well-being deprivations. The UBN approach already recognized poverty as a multidimensional phenomenon, even though the underlying concept of poverty was based on insufficient income. However, this focus was displaced by the emergence of household surveys towards the end of the 1980s that made it possible to measure monetary poverty directly and on a regular basis.

The launch of the Global Multidimensional Poverty Index (MPI) in 2010, developed by United Nations Development Programme (UNDP) and OPHI, fostered international debate as to how poverty should be measured to capture its many, often intangible facets that go beyond its monetary aspect. That same year, the Mexican government officially adopted the first national multidimensional poverty measure. Its construction process began in 2004[3] under the leadership of the Secretariat of Social Development (SEDESOL), currently the Secretariat of Welfare, and the National Council for the Evaluation of Social Development Policy (CONEVAL). This measure, based on the Alkire-Foster method, combines income poverty and lack of social rights. In 2011, Colombia officially adopted the Multidimensional Poverty Index (MPI), also based on the Alkire-Foster method, with the aim of complementing monetary measures and monitoring poverty reduction at the national level, followed by El Salvador, Chile, and Costa Rica in 2015; Ecuador and Honduras in 2016; Panama and the Dominican Republic in 2017; Guatemala in 2019; and Paraguay in 2021.

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3 Officially, poverty measurement began in Mexico in 2004 with the publication of the General Law for Social Development, followed by the first measurement in 2008 and culminated in 2010 with the publication of Mexico's "Guidelines and general criteria for the definition, identification and measurement of poverty".

An important aspect behind the adoption of multidimensional poverty measures in the region is that each process and each measure is unique since they respond to the reality of each country and its corresponding public policy priorities. In this sense, the countries of the Americas have been innovative with regard to the inclusion of indicators on gender, environment, security, perception of discrimination, childhood, and adolescence, among others, as well as in the development of Multidimensional Vulnerability Indices (MVI) to respond to the effects of the pandemic and adaptations of their national MPIs through the population census in order to achieve further disaggregation of multidimensional poverty data to the most precise possible sub-national level.

Despite the uniqueness of each process and innovations introduced by several countries in the region, all countries of the Americas that have an official MPI apply a methodological framework that is at once robust and flexible. In addition, they share the purpose of using it to i) monitor the evolution of poverty over time and ii) guide public policy decision-making to eliminate poverty in all its forms. The States also agree on the importance they attach to the possibility of having data disaggregated by ethnicity, age, gender, and territory, among others, that make it possible to identify the socioeconomic heterogeneities and multiple deficiencies prevailing in the different vulnerable groups. This possibility of disaggregation is particularly relevant in the case of Latin America, which is characterized as the most unequal region in the world.[4] Knowing the degree to which these vulnerable groups suffer from multiple deficiencies is an essential condition to guide public policies aimed at leaving no one behind as part of a process of sustainable and fair development. Additionally, knowing the intensity with which these people experience poverty allows governments to implement strategies to improve the lives of these populations.

Although the adoption of robust and flexible multidimensional poverty measures represents an important step in efforts to reduce poverty, it does not automatically translate into poverty reduction. It is its sustained use as a public policy tool that allows this reduction to materialize. In this sense, the experience in the region is very diverse, as evidenced by this compendium. There is a group of countries with high degrees of technical and institutional maturity to make their multidimensional poverty measurements powerful public policy tools. Another group of countries has high technical capacities to measure and update their measurements in a stable manner over time, but they still face the challenge of strengthening institutional mechanisms that allow their metrics to become key instruments for anti-poverty policies. Finally, other countries face the challenge of making their measure official and guaranteeing its continuity through changes in government.

This heterogeneity of experiences means that the countries of the region have different capacities to use their MPIs as guiding elements for public action today. The arrival of the health, social, humanitarian and economic crises derived from the COVID-19 pandemic, combined with the consequences of the war in Ukraine, have accentuated pre-existing

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[4] Y. Gaudin and R. Pareyón Noguez (2020) "Brechas estructurales en América Latina y el Caribe: una perspectiva conceptual-metodológica". Project Documents (LC/TS.2020/139; LC/MEX/TS.2020/36), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC).

vulnerabilities in the population of the Americas, threatening to roll back up to two decades of progress in the fight against poverty and inequality. [5, 6] Given this context, several countries of the Americas have become global examples for their innovative data collection methods, the adaptation of multidimensional poverty measurements for the early detection of vulnerabilities, and the implementation of innovative interventions to mitigate the negative effects that disproportionately threaten the population living in poverty. However, several others still face the challenge of determining the impact that these crises are having on poverty to implement the corresponding public policy actions.

The countries that have managed to successfully use their multidimensional poverty measurements for the design, execution, and monitoring of public policies, as well as to respond to their vulnerable populations in times of crisis, begin from political leadership at the highest level, added to institutions that facilitate not only the construction, but also the continuity and preservation of their methodologies for measuring multidimensional poverty over time. These institutional structures often rest on regulatory frameworks that support and protect these measures and promote decision-making integrating technical, political, and bureaucratic aspects, as well as effective inter-institutional and inter-sectoral coordination around these measurements. This infrastructure allows the design of long-term public policy strategies, recognizing that the reduction of multidimensional poverty is a State policy that requires continuity and a long-term vision.

The exchange of experiences, promising practices, and lessons learned from the development and implementation of multidimensional poverty measurements included in this compendium is essential so that the countries of the Americas can learn from each other and so that the region can resume the trends of poverty reduction prior to the pandemic, which suggested that the region in general was on track to meet the goal set by objective 1.2 of the Sustainable Development Goals (SDGs): by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions. [7]

5 Cárdenas, Mauricio; Guzmán Ayala, Juan J. (2020) "Planning a Sustainable Post-Pandemic Recovery in Latin America and the Caribbean". UNDP LAC C19 PDS No. 21. UNDP Latin America and the Caribbean.
6 Alkire, Sabina; Nogales, Ricardo; Quinn, Natalie; Suppa, Nicolai (2021) "Global multidimensional poverty and COVID-19: A decade of progress at risk?" *Social Science & Medicine*, 291, 114457.
7 Moreno, H. and Pinilla-Roncancio, M. (2021) "Multidimensional Poverty and COVID-19 in Latin America and the Caribbean: Recent Trends and the Route Ahead", OPHI Briefing 57, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

III.

Participating OAS Member States

ARGENTINA [8]

Measuring Multidimensional Poverty

Argentina has expressed its continued interest in adopting a multidimensional poverty index; however, this phenomenon is currently not measured using an established multidimensional poverty index. Rather, the country applies the Permanent Household Survey (EPH), a national program for the systematic and continuous production of social indicators run by the National Institute of Statistics and Census (INDEC), to make it possible to understand the sociodemographic and socioeconomic characteristics of the population.

In addition, the National Council on Coordination of Social Policies coordinates the areas of the state that implement social policy, collecting and sharing the information needed to manage the available resources properly and in an increasingly effective way.

Historically, Argentina has gone through various social and economic crises, which have led to the need to identify the segments of the population with new deprivations, monetary or otherwise. The opportunity arose to develop a new measurement tool to detect these deprivations and synthesize them in an index, allowing for a more thorough assessment of standard of living and creating a mechanism to evaluate poverty-reduction policies and programs.

Unlike measures of poverty based on income, non-monetary poverty measures directly identify deprivations without having to rely on assumptions related to optimal behavior of households or on the monetary resources available to the working population to meet their needs. This measure seeks to highlight the aspects or dimensions in which people are suffering certain deprivations and helps to show how these deprivations are interrelated. This allows policy-makers to allocate resources and design actions more effectively.

Applying income poverty measures and multidimensional poverty measures simultaneously enables a government administration to better understand the complexity and heterogeneous nature of poverty and to provide the necessary answers through the implementation of public policies that are more efficient and have a greater impact on people's well-being. At the same time, these measurements provide a deeper look at the social situation of the moment. They also have the advantage of being able to use those indicators and weights that may be relevant at the national level, creating poverty measurements that are adapted to the country's own specific needs and that reflect disaggregated local indicators and data.

Applicability of Multidimensional Poverty Measures: Public policies and promising practices to promote well-being

There is consensus about the need for multidimensional strategies to tackle the social impacts of a crisis such as the one Argentina is facing. While economic growth is a necessary condition to overcome this crisis, that alone is not enough. Growth must be bolstered with policies to address the various aspects of people's social situation, including deficits in access to care, to education, to health, to a healthy environment, and to decent jobs. Reducing poverty requires a coordinated multisectoral strategy that can be sustained over time.

In the short term, certain cash transfer policies will continue to play a key role, given their proven capacity to cushion the effect of income reduction in the poorest households. In a context in which six of every ten children live in households under the poverty line, one pivotal strategy for intervention has sought to strengthen cash transfers in households with children and adolescents, tending toward a universal income for children. It will also be essential to transition from the

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[8] This section was prepared with input from the Ministry of Social Development of Argentina.

income-based policies adopted in the emergency to a plan consistent with the gradual recovery of economic activity and fiscal conditions, one that at the same time will make it possible to ensure minimum social protection floors for everyone. In this context, alternative proposals have been discussed, such as policies related to guaranteed minimum income or basic income. These types of initiatives may be guided by principles of progressivity, adequacy, immediacy, dynamism, and measurability.

In the medium term, the strategy to tackle the social impacts of the crisis should consider key actions to break the intergenerational cycle of poverty, including policies to guarantee sexual and reproductive rights; expand access to spaces for raising, teaching, and caring for children; ensure that teens stay in school and complete their studies; and provide access to an improved environment. Moreover, given the importance of access to good jobs as a way to overcome poverty, it will be essential to reinforce the impact of policies related to employment and to the social and grassroots economy. Finally, it will be critical to establish minimum levels of investment in public policy through the most progressive tax collection system possible.

In Argentina, prevention, comprehensive protection, and social promotion add up to public policies that cover everyone throughout life, from early childhood to old age.

In this regard, through the "National Early Childhood Plan," Argentina has worked to ensure that children have equal opportunities for development in the first years of their life, regardless of where they were born and their social status.

The "Youth Inclusion Program," promoted by the Secretariat of Social Inclusion, seeks to create and strengthen social promotion and inclusion strategies. The program is geared toward young adults from 18 to 29 years of age who are in a precarious situation, providing access to resources that guarantee their rights. Based on various agreements signed between the Secretariat of Social Inclusion and municipalities, provinces, and civil society institutions that work on this issue, this mechanism strives to finance socio-productive, socio-employment, and socio-community projects driven by young people.

Through the creation of the "National Social Protection Plan," geared specifically toward families in extremely vulnerable circumstances, the Argentine state aims to disrupt the intergenerational cycles of poverty, ensuring social rights and the full exercise of citizenship through the empowerment of individuals, their households, and their communities through income transfers, family support, and community development.

In terms of employment generation, Argentina has developed the "Empower Employment" National Socio-Productive and Local Development Program. The goal is to help strengthen employment and create new job opportunities through the development of productive, community, and employment social projects and stay-in-school efforts, with the aim of promoting full social inclusion for people who are socially and economically vulnerable.

In connection with that program, the National Registry of Workers in the Popular Economy (RENATEP) has been an outstanding tool, one that seeks to recognize, formalize, and guarantee the rights of those who are part of the grassroots economy, providing them access to tools that allow them to boost their employment prospects. Being part of this registry allows them to access work programs, social security, and training; participate in marketing networks; and have access to credit tools and financial inclusion tools.

In addition, the "National Food Security Plan" seeks to ensure that all citizens have access to adequate nutrition. Along these lines, the "Argentina against Hunger" Plan is implemented as part of the strengthened actions carried out under the "National Food and Nutrition Security Plan", which aims to promote and strengthen access to the "Basic Food Basket". Its main public policy is the Food Card (*Tarjeta Alimentar*), which deposits a monthly amount in cardholders' accounts so that they can buy food and personal hygiene products.

Another program, Sowing Food Sovereignty (*Sembrar Soberanía Alimentaria*), is a financing mechanism that aims to strengthen organizational and management procedures in food-related enterprises, as well as to consolidate area networks involved in food production, manufacturing, and distribution for local and regional markets. Meanwhile, the "Pro-Huerta" Program encourages people to start their own vegetable and fruit gardens (providing training, seeds, and tools) to help feed themselves, their families, and the community and to sell any excess supply.

The food and nutrition programs have been a key social investment for combating poverty. In this sense, food security and food sovereignty must be a central priority for states and a focus of public policy, to enable more and better human and social development.

With regard to structural poverty, Argentina is working on establishing urban services in 4,400 poor neighborhoods that are home to 4 million people. These areas require a comprehensive approach to be able to provide basic services, drinking water, and suitable conditions for human development, to ensure that people have a piece of land, access to basic services, a roof over their head, and a job. This is being done through what are known as "Socio-Urban Integration Policies in Low-Income Neighborhoods. The program "Argentina United for the Integration of Low-Income Neighborhoods" proposes to fund the creation and implementation of socio-urban integration projects for neighborhoods that have registered with the National Registry of Low-Income Neighborhoods (Registro Nacional de Barrios Populares, RENABAP) and are in the process of integrating into the urban social fabric. It contemplates the participation of community organizations and low-income workers who are part of the "popular economy," and is geared toward families in low-income neighborhoods. This program proposes to promote the integration of the country's vulnerable neighborhoods, with a priority on those that belong to RENABAP.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

In Argentina, the social and economic impacts of the COVID-19 pandemic deepened the social vulnerability that the country was already experiencing. The crisis unleashed by the pandemic has affected society as a whole; however, it had a differentiated impact on households that were already poor and vulnerable, earning low and medium-low incomes, and that were part of certain particularly hard-hit sectors. A significant proportion of poor households with certain family compositions (parents with children, women heads of household, and/or extended families) had a harder time dealing with the challenges posed by the crisis. Moreover, most of these population groups have had precarious labor market participation and experienced greater educational, housing, and health-related deprivations.

In this sense, Argentina used indicators to measure the impact of the pandemic on multidimensional poverty. Taking into account the limitations that arise from the available data sources, the indicators that were

considered were: flimsy housing materials, overcrowding, insecure housing tenure, deficient sanitary conditions, location of home in vulnerable area, lack of school attendance among children of compulsory school age, lagging behind in school, insufficient educational achievement, difficulties in finding paid employment, job insecurity, insufficient pension coverage for older people and lack of dual health coverage. Each of these indicators was applied to households and their members to consider the vulnerabilities they may present. To account for the multidimensional nature of poverty, it was determined that a household that was deprived in at least two indicators in different dimensions would be considered to be in poverty; for example, one deprivation in the housing dimension (overcrowding) and another in the education dimension (falling behind in school).

The Ministry of Social Development (MDS) and the Government of Argentina deployed a series of strategies and actions to mitigate the consequences of the emergency brought about by COVID-19, with special consideration given to the needs of the most vulnerable populations. In this context, the national government, along with the provincial and municipal governments and a vast network of social and local organizations (community organizations, clubs, neighborhood centers, and churches, among others), continue to work hand in hand to ease the effects of the crisis and, in turn, create the conditions that can point the way to a solution. These actors have been at the heart of the intervention strategy.

In emergency situations, the state, as the guarantor of citizens' rights, must take measures to respond with urgency and put forth a social agenda to contain the situation. In this context, the Ministry of Social Development defined five priority pillars of action, which include various public policies and programs to ensure the rights of the Argentine population. These pillars of intervention are as follows:

- Pillar 1 → "Argentina against Hunger": food security and food sovereignty policies;
- Pillar 2→ Policies related to labor inclusion, broader access to non-bank credit, and solidarity funding;
- Pillar 3 → Policies to care for children, adolescents, and older adults, centered around the geographical

- Pillar 4 → Social protection policies for the most vulnerable populations and support in emergency situations;
- Pillar 5 → Socio-urban integration policies in low-income neighborhoods.

Lessons Learned

In line with the 2030 Agenda's Sustainable Development Goals, the Government of Argentina views poverty as a complex, multidimensional phenomenon, one that goes beyond the one-dimensional measurement of poverty by income. The way in which poverty is conceived and its structural causes addressed is essential to defining social policies. Changing to a multidimensional approach requires the efforts of all areas of government to build a path toward comprehensive social protection with equity.

The incorporation of this type of measurement made it possible to overcome the limited consideration of a simple set of basic needs, substituting the traditional method of unmet basic needs (UBN) with a broader array of other dimensions and indicators associated with the fulfillment of the social rights established in the Argentine Constitution and through commitments made in international agreements. Moreover, the decision to keep both measurements separate (direct and indirect methods) sets the stage to later develop a classification of households that maintains the distinction between the two alternative types of methodological approaches.

The eradication of poverty in all its forms implies a joint, long-term policy effort. All the national programs and plans laid out above aim to fulfill this fundamental goal for the progress of Argentina and all its citizens, so as to ensure that the nation's actions and growth are sustainable and to eradicate poverty and bring about sustainable development, leaving no one behind.

CANADA [9]

Measurement of multidimensional poverty

In August 2018, the Government of Canada released *Opportunity for All: Canada's First Poverty Reduction Strategy*. Preceding the release of this strategy, the government engaged in a comprehensive public consultation to help inform and shape the strategy's key components. Through these consultations, thousands of Canadians shared first-hand accounts of living in poverty, how government measures have been helpful in reducing poverty, and where further work could be done to provide additional support.

The strategy is aligned with the goals and targets of the 2030 Agenda and contains long-term commitments to guide current and future government actions and investments to reduce poverty, including establishing the Market Basket Measure (MBM) as Canada's Official Poverty Line (COPL), introducing poverty reduction targets using a baseline of 2015 for a 20% reduction by 2020 and a 50% reduction by 2030, introducing Canada's Official Poverty Dashboard, and creating a National Advisory Council on Poverty (NACP). The NACP advises the Minister of Families, Children and Social Development on poverty reduction and produces an annual report on progress towards Canada's poverty reduction targets, which is tabled in parliament.[10] Beyond children and seniors, the strategy covers areas such as housing, food security, clean water, health, transportation, early learning and childcare, and skills and employment, which will help address multiple dimensions of poverty.

Additionally, the comprehensive public consultation process underscored the need for accountability for both current and future governments. To address this demand, on June 21, 2019, the "Poverty Reduction Act" came into force to anchor foundational pieces of the Poverty Reduction Strategy in law. This act established the poverty reduction targets mentioned above, the

COPL as Canada's official measure of poverty, and the NACP.

Apart from the pieces included in federal legislation, the Canadian government made several other commitments within the Poverty Reduction Strategy that reflect Canada's diversity. One of these commitments is to work with National Indigenous Organizations and others to identify and co-develop indicators of poverty and well-being from First Nations, Inuit and Métis's perspectives. The aim of these indicators is to reflect the multiple dimensions of poverty and well-being experienced by Indigenous peoples in ways that are culturally relevant. Furthermore, Canada committed to develop and implement an official poverty line for its three northern territories of Yukon, the Northwest Territories, and Nunavut, called the Northern Market Basket Measure (MBM-N). When the Market Basket Measure was developed, the necessary data inputs to calculate it were not available for Canada's territories. In addition, the basket of goods and services used to calculate the MBM did not adequately reflect life in the territories. The MBM-N addresses these issues and is currently in its last stages of development. Furthermore, within the Poverty Reduction Strategy, Canada committed to continue to improve and expand data collection (e.g., expanding the Canadian Income Survey to include the collection of food security and unmet health care needs data, etc.) to allow for a more detailed analysis of poverty and factors associated with poverty across specific groups, such as Indigenous persons, racialized communities, persons with disabilities, lone-parent families, immigrants, older persons, and others.

Canada's Official Poverty Line (COPL) is the first official measure of poverty in Canada's history, fulfilling a gap consistently identified through the comprehensive public consultation process. As stated above, COPL is calculated using Canada's designed measure of the MBM. The COPL reflects the combined costs of a basket of

[9] This section was prepared with input from the Department of Employment and Social Development of Canada.
[10] Employment and Social Development Canada (2019) "Canada's Poverty Reduction Strategy – An Update." https://www.canada.ca/content/dam/esdc-edsc/documents/programs/results/2050-Layout-EN.pdf

goods and services that individuals and families require to meet their basic needs and achieve a modest standard of living in communities across Canada. The basket includes items such as healthy food, appropriate shelter and home maintenance, clothing, transportation, and other goods and services that allow for engaging in the community. A key feature of the COPL is its ability to calculate the cost of different baskets across the country that reflect the diversity of Canada among both its provinces and northern territories, as well as its rural and urban areas. The COPL currently reflects distinct poverty thresholds for 53 different regions, including 19 specific communities across Canada. Families and individuals who do not have a disposable income to afford the cost of this basket within their region are considered to be living below the COPL – that is, living in poverty. Importantly, the MBM is updated regularly, approximately every 5 years, to ensure that it reflects the current cost of a basket of goods and services representing a modest, basic standard of living in Canada. The thresholds are also indexed to inflation annually.

Canada's Poverty Reduction Strategy also introduced Canada's Official Poverty Dashboard, [11] which includes 12 multidimensional indicators to track progress toward poverty reduction, recognizing that poverty is more than the lack of income and impacts many aspects of a person's life such as health, food security, housing needs, and others. These indicators fall under the three pillars of 1) dignity, 2) opportunity and inclusion, and 3) resilience and security. The dignity pillar gives priority to those most in need and seeks to eliminate deprivation of basic necessities, such as safe and affordable housing, healthy food, and health care. The four indicators that are associated with this category are deep income poverty, unmet housing needs and chronic homelessness, unmet health needs, and food insecurity. The opportunity and inclusion pillar is aligned with the right to equality and non-discrimination under domestic law. The four indicators that are included within this category are relative low income, bottom 40% income share, youth engagement, and literacy and numeracy. Finally, the resilience and security pillar aims to support the middle class by protecting Canadians from falling into poverty and by supporting income security and resilience. The four indicators that correspond to this category are median hourly wage, average poverty gap, asset resilience, and low-income entry and exit rates.

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[11] Dimensions of Poverty Hub (statcan.gc.ca)

The Government of Canada considers the dashboard to be a useful tool to track progress among the multi-faceted aspects of poverty that go beyond income measurement.

An additional key component of Canada's Poverty Reduction Strategy is the creation of the National Advisory Council on Poverty (NACP). The mandate of the NACP is to provide advice on programs and activities that support poverty reduction in Canada, track and report on progress on poverty reduction efforts through an annual report, and continue a national dialogue with Canadians on poverty including the academic community and other experts, Indigenous persons, and persons with lived expertise of poverty. Chosen from over 800 applications from across Canada, the Advisory Council brings together a committed and diverse group of nine members, including leaders, experts, academics, and practitioners who work in the field of poverty reduction and members with lived experience of poverty.[12] The NACP published its first annual report in 2020, its second report in 2021, and its third report in the fall of 2022.

Photo provided by Canada

Relevance of multidimensional poverty measurements: public policies and promising practices for the promotion of wellbeing

One key feature of Canada's Poverty Reduction Strategy is that it is effectively embedded in other key government initiatives and frameworks, such as the Quality of Life Framework that integrates concepts of well-being into national policy development and budget decision-making. By virtue of its interconnectedness, its usefulness as a tool to inform decision making is amplified. Canada's poverty reduction targets and indicators reflect the Sustainable Development Goals (SDGs) for 2030. Canada's longer-term target set out to reduce poverty by 50% by 2030 reflects the country's commitment to SDG 1: "end poverty in all its forms everywhere." After wide public consultations, Statistics Canada, Canada's national statistics agency, launched the Canadian Indicator Framework for the SDGs to track and report on progress on its priorities for achieving the 2030 Agenda for Sustainable Development.

In addition to the key elements of the Poverty Reduction Strategy, other government programs including the Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and initiatives under the National Housing Strategy continue to assist low- to middle-income Canadians and contribute to poverty reduction efforts.

The Canada Child Benefit (CCB) is a tax-free benefit that provides support to low- to middle-income families to help with the cost of raising children. The CCB provides support to over 3.5 million families, including over 6 million children. Most families receiving the maximum CCB amounts are single-parent families, with over 90 percent of them being led by single mothers. To ensure that the CCB continues to help Canadian families over the long term, the CCB is indexed every July, when a new benefit year begins, to keep pace with the cost of living. The CCB uptake rate has been high at over 95% since its introduction. This means that a small percentage of eligible Canadians are currently not accessing benefits. To help ensure all eligible families receive the CCB to which they are entitled, the Government of Canada provides ongoing funding to improve access to the CCB and other benefits. Some of these measures include expanding outreach efforts to Indigenous communities

and conducting pilot outreach activities for urban Indigenous communities.

In 2018, the Government of Canada introduced the new Canada Workers Benefit (CWB). The CWB, which came into effect for the 2019 tax year, is a refundable tax credit that helps supplement the earnings of low-income workers by letting them take home more income while they work. It has two parts: a basic amount and a disability supplement. The CWB keeps up with increases to the cost of living since it is indexed to inflation. To ensure that everyone entitled to the CWB receives it, in the 2019 tax year the Canada Revenue Agency, which is responsible for administering this benefit, began automatically determining if a taxpayer is eligible for the Benefit, regardless of whether they applied for it. Eligible recipients are now automatically enrolled to receive the Benefit.

The Guaranteed Income Supplement (GIS) provides a monthly non-taxable benefit to Old Age Security (OAS) pension recipients who have a low income and are living in Canada. The GIS is income-tested on the applicant's annual income or, in the case of a couple, their combined income. In 2016, to help seniors who are living in poverty or who are at the greater risk of living in poverty, the majority of whom are women, the Government of Canada increased the GIS for the lowest-income single seniors. This increase of up to $947 annually is helping to improve the financial security of close to 900,000 vulnerable seniors and has helped to reduce the number of single

seniors living in poverty by 52,000 between 2015 and 2017. While the GIS take-up rate is high (91.2% in 2016), the Government of Canada has been working to increase GIS take-up even further. This work includes the implementation of GIS Automatic Enrolment in 2017 and the introduction of the OAS and GIS combined application form in 2018. This ensures that all new pensioners who file a tax return are assessed for the GIS year after year without having to apply. The Government also increased the OAS pension for seniors aged 75 and over by 10 percent on an ongoing basis as of July 2022. This change increases benefits for approximately 3.3 million seniors, providing additional payments of $766 to full pensioners in the first year, indexed to inflation going forward. This will give seniors more financial security later in life, particularly when they face increased care expenses and greater risk of running out of savings.

On November 22, 2017, the Government of Canada announced Canada's first National Housing Strategy (NHS), which has grown from a $40-billion plan to a more than $72-billion, 10-year plan that will give more Canadians a place to call home. The NHS sets out to achieve measurable and ambitious targets of building 160,000 new housing units, renovating and modernizing 300,000 existing units, providing affordability support to 385,000 households, and reducing chronic homelessness by 50% by 2027-28. In addition to these targets, the federal government aims for at least 25% of the strategy's investments to support the needs of women and their children. As part of the NHS, Reaching

Home: Canada's Homelessness Strategy, a community-based program aimed at preventing and reducing homelessness across Canada, was launched in 2019. Reaching Home provides funding and support to urban, Indigenous, territorial, and rural and remote communities to help them address their local homelessness needs.

The NHS prioritizes the housing needs of the most vulnerable Canadians, including people and populations experiencing systemic barriers and discrimination. The *National Housing Strategy Act,* federal legislation enacted in 2019, recognizes the importance of housing to the dignity and well-being of people in Canada and furthers the progressive realization of the right to adequate housing. It requires the federal government to maintain a national housing strategy that prioritizes the housing needs of the most vulnerable, and it created new participatory and accountability mechanisms in the form of a Federal Housing Advocate and National Housing Council.[13]

Broader strategic context and impact of the COVID-19 pandemic

In response to the COVID-19 pandemic, the Government of Canada introduced a series of temporary measures and benefits to help support Canadians through the pandemic. Recent poverty data from the year 2020 released from Statistics Canada showed that the Government's emergency supports have, on balance, worked as intended to protect income security for individuals and businesses in response to the economic shutdown and restrictions put into place during the COVID-19 pandemic. Although work disruptions resulted in significant earnings losses, COVID-related pandemic benefits mitigated the impact of earnings losses as households experienced an increase in total disposable income of 10% between 2019 and 2020. However, a number of different populations, such as recent immigrants, people with disabilities, working-age singles, and lone parents, continue to face higher poverty rates than the overall population.

Over the last decade, several developments have identified long-standing concerns that standard economics cannot provide a full picture of. This has prompted governments around the world to pay increased attention to other dimensions that matter to people's quality of life, such as greater equality alongside traditional measures. In response, the Government of Canada launched the Quality of Life Framework in April 2021. The framework contains five broad domains representing all the different determinants of quality of life that go beyond income and integrates them into policy development and budget decision-making. These five domains are based upon the principles of fairness, inclusion, sustainability, and resilience, and they are as follows: prosperity, health, society, environment, and good governance. The Canadian Indicator Framework and the Quality of Life Framework are both consistent with the Poverty Reduction Strategy and its objectives, effectively reinforcing one another. The impetus of this framework was the global pandemic and the reflections that it provoked into what matters most to citizens, as well as the impact of government actions on enhancing the security and quality of life of their citizens. The crisis demonstrated that what matters to communities is not always easily measured or described in economic or financial terms only. In addition to the health and safety of Canadians, the crisis has drawn attention to a range of issues such as mental health, family violence, access to green space, social connection, job security, access to childcare, and the quality of long-term care. It also highlighted long-standing inequities such as low paid essential work, gender imbalances in caregiving responsibilities, and gaps in Canada's social safety net.

Photo provided by Canada

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13   Ibid.

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Going forward, Canada is committed to continue working towards reducing, in a sustainable manner, the poverty rate in the country by 50% by 2030 compared to the 2015 level, in alignment with SDG 1. Canada will continue to pursue and integrate better data to help inform decision-making and continue to make use of recent frameworks introduced to guide actions, including examining the poverty impact on specific groups and where further action could be taken to build on the vast array of investments that have already been made. This will require an inclusive approach that looks at both social and economic policies and will introduce new investments and commitments in various domains such as childcare and affordable housing. Creating a transparent process for how poverty is measured will allow all Canadians to join the conversation in assessing how the Government is doing and determining where more could be done to meet poverty reduction targets.

CHILE [14]

Measuring Multidimensional Poverty

The estimation of the MPI in Chile is done based on the data collected through the National Socioeconomic Characterization Survey (the CASEN Survey). This is a multipurpose survey that has been carried out by the Chilean Ministry of Social Development and Family since 1987, and it is the primary national measuring instrument used to capture different dimensions of information related to people's living conditions. The survey's representativeness at the national and regional level and by geographical area makes it possible to analyze any territorial differences that may become evident through the methodology for measuring multidimensional poverty and other measures of socioeconomic conditions in households. The survey includes all the questions that are necessary to measure each of the deprivations that make up the Multidimensional Poverty Index, or MPI (education, health, work and social security, housing and environment, and networks and social cohesion). [15]

Historical Evolution of Measuring Poverty in Chile

Until 2013, the methodology that Chile had used to measure poverty by income had not changed since it was established in 1987. Although this facilitated comparisons, the passage of time and changes in preferences meant that the measurement did not reflect the current patterns of family consumption; nor did it account for changes in the sociodemographic composition of the population and the respective changes in households' needs and in how these needs were met. The methodology for measuring poverty by income therefore needed an update that would allow for a better way to quantify and characterize people experiencing poverty.

In 2013, a Presidential Advisory Committee on Measuring Poverty (CMP) was convened to address this situation. This committee made proposals to update the methodology for measuring poverty by income, as well as to adopt a multidimensional poverty index.

The proposals put forth by the CMP were analyzed by an Interinstitutional Technical Roundtable (MTI), a work and discussion forum made up of the Ministry of Social Development and the National Institute of Statistics (INE), with the expert advisory assistance of the Economic Commission for Latin America and the Caribbean (ECLAC). In addition, as a complement to the efforts being carried out through the MTI, the Ministry of Social Development convened the participation of other ministries and public services, encouraging dialogue and shared reflection on potential dimensions, indicators, and thresholds to be considered to develop a Multidimensional Poverty Index for Chile (MPI-CL). The participating ministries and public services included the sector-specific ministries associated with the various dimensions of the multidimensional poverty measure (Ministry of Labor and Social Security, Ministry of Education, Ministry of Health, and Ministry of Housing and Urban Development); a set of services associated with the Ministry of Social Development (National Disability Service, National Service for Senior Citizens, National Service for Women, National Indigenous Development Corporation, National Institute of Youth); and other public entities of a social nature (technical team from the National Council on Childhood).

The Presidential Advisory Committee's initial proposal for a multidimensional measurement covered four dimensions: education, health, work and social security, and housing. The proposal also considered a set of specific indicators to characterize a fifth dimension for analysis referred to as "local environment and networks," based on questions included for the first time in the 2013 CASEN Survey.

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[14] This section was prepared with input from the Department of Analysis of the Social Situation, Social Observatory Division, Under Secretariat for Social Evaluation of the Ministry of Social Development and Family of Chile.

[15] Details about the methodology used to construct the MPI, applying these five dimensions, have been collected in a CASEN document: *Metodología de medición de pobreza multidimensional con entorno y redes*. CASEN, December 26, 2016. It is available [in Spanish] under the "Methodology" section at this website address:
http://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-casen-2015

The indicators contained in that proposal were evaluated by the Presidential Advisory Committee from a conceptual and methodological perspective. They were subsequently analyzed from a statistical standpoint by the Ministry of Social Development (once the 2013 CASEN database was available). The ministry also received technical advisory support from OPHI to analyze available alternative indicators.

The evaluation of results obtained from the "local environment and networks" indicators proposed by the Presidential Advisory Committee helped to expand the view of poverty from a multidimensional perspective but also uncovered problems at different levels. These problems refer to aspects such as the conceptual definition, design, and operationalization of the indicators in the CASEN Survey questions, as well as the accuracy of the estimates generated. Given this situation, it was considered prudent to exclude the "local environment and networks" dimension in the first version of the multidimensional poverty measure, so as to continue discussing and evaluating alternatives for new indicators.

Considering how important the local environment and support networks are to a household's level of well-being, the decision to delay the inclusion of these two elements in the multidimensional poverty measure sought to ensure that the questions and the data to be used would better reflect these issues and thus maintain the validity and consensus reached with respect to the multidimensional measure presented initially. Therefore, in 2015, a Ministerial Advisory Committee on Local Environment and Networks was established. Made up of academics and representatives of civil society organizations, it aimed to support the process for evaluating the incorporation of these aspects into Chile's multidimensional poverty measure.

This process was informed by contributions made during an interactive workshop organized by the Ministry of Social Development, in which civil society offered insights regarding multidimensional poverty measures and, specifically, regarding the possible incorporation of indicators that would measure deprivations associated with the local environment and social networks available to households.

The Committee on Local Environment and Networks presented proposals and recommendations that led to the development of new questions that were evaluated in CASEN field trials in 2015 and later included in the final questionnaire of the 2015 CASEN Survey. Based mainly on these questions, the committee proposed that indicators be created and thresholds defined to evaluate their incorporation into the multidimensional poverty measure.

As with the previous process, the evaluation of this proposal and the creation and validation of a new measure of multidimensional poverty had the ongoing assistance and technical support of OPHI, as well as feedback from ministries and public services. The process also included contributions from the Interinstitutional Technical Roundtable, comments from ECLAC, and advice from a panel of experts convened in conjunction with the 2015 CASEN Survey. This new measure of multidimensional poverty, with its five dimensions, made it possible to obtain an assessment for the 2015-2017 period.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

The main effect of the COVID-19 pandemic related to measuring poverty in Chile was evident in the data collection process for the main source of information used to estimate both poverty indicators (income and multidimensional): the CASEN Survey. In 2020, the context of the COVID-19 pandemic presented new challenges to measuring multidimensional poverty based on this survey. Given the restrictions imposed by the health situation, the 2020 version of the survey was done primarily by telephone and was called "CASEN in Pandemic 2020." This change in modality meant that the content of the survey had to be shortened to meet international recommendations related to the time spent collecting information by telephone.

These restrictions meant that for the "CASEN in Pandemic 2020" version of the survey it was possible to estimate only 10 of the 15 deprivation indicators defined in the multidimensional poverty methodology, along with one sub-indicator (related to overcrowding, in the housing deprivation section).

The five deprivation indicators that had to be excluded in the measurement were those related to "networks and social cohesion" and those related to "habitability" and

"local environment" in the "housing and local environment" category. Because of that, there is no synthesized measure of multidimensional poverty for 2020. However, with the data collected, it is possible to analyze the 10 areas of deprivation that were measured, which have provided an important input to guide public policy decisions, particularly in the context of the health crisis. An analysis of these deprivations can be found in a document prepared by Chile's Ministry of Social Development and Family in conjunction with the United Nations Development Programme (UNDP). [16]

Moreover, although the indicators included in the "networks and social cohesion" dimension could not be measured in the "CASEN in Pandemic 2020" survey, a set of indicators on that dimension were able to be collected in the complementary Social Welfare Survey (EBS), a two-phase CASEN survey, which supplemented the information obtained through "CASEN in Pandemic 2020."

It should be noted that Chile's Ministry of Social Development and Family will soon carry out the 2022 CASEN Survey, between November 2022 and January 2023. If the health situation permits, the household survey will be done in person and will make it possible to calculate and update the country's MPI.

Lessons Learned

Among the aspects worth noting in the development of the multidimensional poverty measure in Chile is the inclusion and intersectoral collaboration seen throughout the process. As detailed above, a continual, coordinated effort was carried out at the level of ministries, public services, institutions, and civil society for the entire process, leading to the determination of the indicators that make up each of the dimensions considered. In addition, from a communication standpoint, the MPI has been established as a source of information that complements the income poverty measure, so that today the discussion around poverty issues is informed by both sets of data, reflecting the multidimensional nature of the phenomenon.

In this regard, the measurement of multidimensional poverty in Chile has made it possible to track and make progress toward meeting the SDGs, particularly those established in Goal 1.2 of the 2030 Agenda: "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." This goal reflects the importance of measuring multidimensional poverty by providing a measure that supplements and broadens the scope of the income poverty measure.

Likewise, monitoring the deprivations associated with each dimension makes it possible, first, to constantly review the extent to which various SDGs have been met and, second, to create assessments so that public policy can intervene in the areas that are most deprived. That is why the various deprivations that compose the dimensions of the MPI are connected to a number of goals under the 2030 Agenda.

16 DCASEN (2020) "Análisis de Carencias de Pobreza Multidimensional Casen en Pandemia 2020".
http://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-casen-en-pandemia-2020

ECUADOR [17]

Measuring Multidimensional Poverty

The source of the data used to calculate multidimensional poverty in Ecuador is the National Employment, Unemployment, and Underemployment Survey (ENEMDU), carried out periodically by the National Institute of Statistics and Census (INEC).

"This indicator measures the fulfillment of the rights of well-being established in the Constitution of the Republic, which include access to: work and social security; water and food; health; healthy environment; habitat and housing; education; and communication and integration. In this regard, the indicator has four dimensions—education; work and social security; water, health, and food; and habitat, housing, and healthy environment—which form the basis for 12 indicators, which are weighted in the calculation of the index. Thus, a person is considered poor when he/she is deprived in at least four indicators. In the same manner, a person is considered extremely poor when he/she is deprived in at least six indicators." [18]

Multidimensional poverty in Ecuador, then, is measured in accordance with the structure established by the National Institute of Statistics and Census, using historical data available since 2009 and published regularly in the INEC Statistics and Methodology Journal.

These measurements are carried out in Ecuador using the Alkire-Foster (AF) method, which allows for simultaneous evaluation of the various deprivations or rights violations faced by Ecuadorian households. As with the monetary measure, the multidimensional methodology requires disaggregated data at the level of individuals or households, which is why the source used in Ecuador since 2009 has been the ENEMDU Survey. As every poverty measure does, the AF method addresses the problem of identification and aggregation. [19] To identify the multidimensionally poor, it uses a dual-criterion method which has two phases. In the first, a set of indicators is created, with a deprivation threshold set for each indicator.

In the second phase, a cutoff point is defined to determine the number of deprivations a person must have in order to be identified as poor. Finally, to obtain an aggregated measure, the method is based on the Foster-Greer-Thorbecke family of indicators [20] applied in the multidimensional context. [21] The application of the AF method for Ecuador consists of creating a set of indicators that reflect well-being rights. For each indicator, there is a set weight or relative importance and a deprivation threshold. People whose rights are infringed are identified as "deprived" in the specific indicator.

In addition, if a household includes at least one "deprived" person, the household is in turn identified as "deprived." Subsequently, all individuals who have more than a certain number of weighted deprivations are identified as multidimensionally poor, with the household being the unit of identification. Finally, the aggregation phase creates indicators similar to those used in measuring income or consumption poverty such as, for example, the FGT incidence rate (0), the FGT gap (1), and the FGT severity index (2).

Unlike unidimensional measures, the AF method adjusts poverty by its intensity. The incidence rate adjusted for the intensity of the poverty results in the MPI.[22]

[17] This section was prepared with input from the Ministry of Economic and Social Inclusion of Ecuador through the Under Secretariat of Integrated Child Development and the Under Secretariat on Disabilities.
[18] Boletín ODS Ecuador. *Pobreza multidimensional.*
[19] Sen, A. K. (1976) "Poverty: an ordinal approach to measurement". *Econometric, Journal of the Econometric Society,* 219-231.
[20] Foster, J., Greer, J., and Thorbecke, E. (1984) "A class of decomposable poverty measures". *Econometric: Journal of the Econometric Society*, 761-766.
[21] Sen, A. K. and Foster, J. (1997) "On Economic Inequality: with a substantial annex 'after a Quarter Century'". Clarenden Press, Oxford.
[22] INEC, Castillo Añazco, Roberto; Jácome Pérez, Fausto (2022).

Applicability of Multidimensional Poverty Measures: Public policies and promising practices to promote well-being

Measuring the MPI by using the INEC methodology integrates the results obtained based on the dimensions considered. These dimensions represent the main pillars by which infringements of people's rights are assessed. The index applied in Ecuador groups four of these together: (i) education; (ii) work and social security; (iii) health, water, and food; and (iv) habitat, housing, and a healthy environment. "The dimensions are structured around the statistical interpretation of the second chapter of the Ecuadorian Constitution on well-being rights (Articles 12 to 34); this makes it possible to establish the deprivation of the right in each sphere and associate it with the existing statistical information to achieve a convergence between conceptual deprivation and the indicator created." [23]

The methodology used by INEC to structure the MPI for Ecuador allows the country to obtain information that characterizes poverty and extreme poverty based on the recognition of the well-being variables, supplemented by the monetary measure of poverty. This approach allows for an analysis of multidimensional poverty as the deprivation of the exercise of people's rights as established in the Constitution, and enables public policy decision-making regarding the provision of services.

The information gleaned from measuring multidimensional poverty in Ecuador has thus been key to the ability to make assertive public policy decisions. One of the advantages of obtaining household data—as opposed to individual-level data—on six of the twelve MPI indicators has been the possibility of assessing solidarity within households and, in line with the focus on social policies, taking that type of information into account in the application of many interventions and programs, such as the "Human Development Benefit" (*Bono de Desarrollo Humano*).

Analyzing poverty makes it possible to focus attention on priority groups and therefore to be more efficient in responding to their needs, taking into account the risk factors for the most vulnerable segments of the population in Ecuador. When considering persons with disability, for example, it is essential to focus on and produce data on the development of soft and hard skills, as well as on food, health, education, and other factors that limit people's ability to live a decent life.

The multidimensional analysis can show how many deprivations households are experiencing at the same time, providing a broad overview of the situation. This enables the annual state-level action plans to establish what contribution each government entity can make to reduce poverty and reduce inequality and discrimination.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

In terms of the impacts of the COVID-19 pandemic on the generation and availability of data from certain statistical operations, breaks or ruptures were identified in the historical series of certain indicators. These were associated with changes to the methods for collecting and capturing data and with closures of institutions, organizations, and businesses, which limited access to sources of information and made it more difficult to measure the phenomena being examined.

The pandemic has had a severe impact on multidimensional poverty; national unemployment and underemployment rates have increased, and families' purchasing power has decreased, especially with regard to food, medicine, and basic services. As of December 2021, the data indicated that the multidimensional poverty index in Ecuador was 19.7 percentage points at the national level: 10.9 in urban areas and 38.4 in the rural sector. In this regard, the Ecuadorian state has developed an array of strategies to tend to the vulnerable population and prevent the multiple effects of poverty from increasing. The Ministry of Economic and Social Inclusion thus adapted its contributions and benefits to the conditions imposed by the health crisis, in order to ensure continuity of the services available, establishing virtual and hybrid methods of delivering services. In some cases, these methods were affected by a lack of connectivity and access to the Internet. Services geared toward priority groups were maintained, ensuring attention to people living in extreme poverty, poverty,

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23 Ibid.

poverty, and vulnerability; cash transfers and in-kind benefits, among other services, were increased. While this constitutes a significant step forward in public policy, the current challenge for the state apparatus is to reconstruct and consolidate social programs and investments in areas such as health and education so that the hardest-hit segments of society will be less vulnerable.

Lessons Learned

As a multidimensional methodology grounded in access to rights as a cross-cutting subject of analysis, the MPI for Ecuador lays a foundation for different government actions that can bring about change in people's living conditions with policies that respond to the SDGs and to the needs of the population.

One of the benefits has been the possibility of having data disaggregated by ethnic group, disability, territory, and gender, among other factors, which enables a progressive, specific analysis of socioeconomic conditions in the country.

As with measuring poverty in monetary terms, the multidimensional methodology requires having disaggregated data at the individual or household level; since 2009, the source used in Ecuador has been the

ENEMDU Survey. In 2020 and 2021, the ENEMDU Survey implemented certain methodological changes associated with the size and distribution of the sample considered, the degree of representativeness of the estimators, and the construction of factors given weight. This hampered the possibility of making historical comparisons of the official statistics.

Ecuador took the following actions to address this issue, with the aim of preserving the comparability of the statistics:

- Maintained the traditional sample design scheme, standardizing the calculation of weighting factors at the primary sample unit level;
- Recalculated the indicators from September 2020 to May 2021;
- Updated the population projections as an input for calculating the weighting factors.[24]

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24 INEC. "2021 National Employment, Unemployment, and Underemployment Survey (ENEMDU)".

EL SALVADOR [25]

Measuring Multidimensional Poverty

The process of measuring multidimensional poverty in El Salvador falls under the Development, Protection, and Social Inclusion Law (LDPS) approved in April 2014. This law recognizes that poverty affects various dimensions of people's lives, restricts their potential to develop their capacities, and therefore limits their opportunities to live a decent life, understanding that households or individuals experiencing multidimensional poverty are deprived of their fundamental rights.

The agency in charge of measuring multidimensional poverty in the country, in keeping with the law mentioned above, is the General Office of Statistics and Census (DIGESTYC), and the data collection process is done via the Multipurpose Household Survey (EHPM). The survey was first carried out in 2014 and since 2016 has been done annually. A portal that monitors the indexes and indicators of multidimensional poverty includes charts and graphs depicting the annual results obtained through the DIGESTYC surveys.

The measurement of multidimensional poverty complements the measurement of monetary poverty. It considers other areas that are essential for people's development and welfare, incorporating five dimensions of well-being: i) education; ii) housing conditions; iii) work and social security; iv) health, basic services, and food security; and v) quality of environment. These five dimensions are evaluated using the following indicators of well-being: 1) school absence; 2) educational lag; 3) inadequate early-childhood care; 4) low adult educational level; 5) inadequate roofing materials; 6) inadequate flooring and wall materials; 7) overcrowding; 8) insecure land tenure; 9) underemployment and job instability; 10) unemployment; 11) lack of access to social security; 12) child labor; 13) lack of access to health services; 14) lack of access to drinking water; 15) lack of access to sanitation services; 16) food insecurity; 17) lack of public recreational spaces; 18) incidence of crime; 19) restrictions due to a lack of security; and 20) exposure to environmental harms and risks. Households are considered to be in multidimensional poverty when they are deprived in at least 7 of the 20 defined indicators.

The process of designing and implementing the multidimensional poverty methodology in El Salvador consisted of five key steps:

- **Step 1: Determining the unit used to analyze and measure poverty**
  The methodology developed adopts the usual practice in survey analysis, taking the household as the unit of measure—in other words, the unit made up of the individuals who share a common food and housing budget. Although poverty has an impact on individuals' needs and aspirations, the EHPM Survey —the main source of information used for El Salvador's Multidimensional Poverty Index (MPI-ES)— is not designed to be representative of individuals, and most of the information obtained is reliable at the household level. Establishing the household as the unit of analysis makes it possible to assess people's situation in terms of shared circumstances, and to do an analysis at the individual level when the scale of data allows, recognizing that it is individuals who are holders of rights.

- **Step 2: Selecting the dimensions and indicators of poverty**
  One of the most important decisions in the process of developing a multidimensional methodology for measuring poverty is the selection of the dimensions and indicators that will make up the index. In the case of El Salvador, this decision was based on the guidelines in the Development, Protection, and Social Inclusion Law, establishing that the measurement of poverty "should use, at least, the dimensions of household income per capita, access

to food, education, health services, employment, social security, housing, and basic services" (Article 46). The law also states that the indicators should be consistent with the criterion of progressivity and should consider best international practices in this area (Article 43); to that end, El Salvador studied the experiences of Mexico and Colombia, among other countries. In addition to regulatory factors, El Salvador also took into account technical criteria related to the effective availability of annual data at the household level, as well as opinions expressed in the context of a consultative process in which various sectors participated (government, academia, cooperation agencies, social policy experts, community leaders, and those who use and generate statistical data, among others).

One characteristic of the process of selecting the dimensions and indicators of multidimensional poverty in El Salvador was that the opinions and perceptions of people who live in poverty were taken into account. With this in mind, a qualitative investigation was developed throughout the country,[26] with the use of focus groups, to identify how people who live in poverty define their own situation, what are the main deprivations they face, and other factors. The result of that process led the MPI-ES to incorporate the five dimensions mentioned above. Once these dimensions were selected, their respective indicators were established to objectively measure the evolution of each of the dimensions over time. The indicators had to come from the same source of data (in this case, the EHPM Survey); help make the various measurements of poverty more robust (incidence, intensity, and MPI); be relevant in terms of the dimensions and the focus on rights and on life cycle; and facilitate comparisons among population groups and periods of time.

- **Step 3: Establishing deprivation thresholds for each indicator**
  The deprivation threshold establishes the reference value to determine whether or not a person or household is deprived in an indicator. The definition of the MPI-ES thresholds took into account two areas of focus: i) a focus on rights, which requires minimum values that are compatible with those established under national law; and ii) a focus on

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26 UNDP (2015) "Informe Anual PNUD El Salvador 2014". https://www.undp.org/es/el-salvador/publications/informe-anual-pnud-el-salvador-2014

rights, which requires minimum values that are compatible with those established under national law; and ii) a focus on capacities, which implies that the established thresholds can determine levels of attainment of a decent life in the Salvadoran context. To define the thresholds, the advisory agencies undertook arduous consultations, using as reference points the legal framework in effect in El Salvador, bibliographic sources available on the issue, and international experiences. Unlike other planning instruments and poverty approaches designed previously in El Salvador, the thresholds established to determine the existence of deprivation do not distinguish between urban and rural households. This has represented a significant qualitative leap in the measurement of poverty, as it recognizes that there should be no discrimination with respect to living standards associated with rights that should be universal.

Step 4: Aggregating deprivations from individual indicators at the household level

Some of the indicators address the situation at the household level (such as those related to housing conditions, quality of the environment, and access to basic services), while others are individual attributes and refer to the situation of one or more individuals who make up the household. (This is the case with the indicators that refer to education, work, and social security.) Given that the household has been defined as the unit of analysis used to measure multidimensional poverty in El Salvador, the individual indicators must be aggregated by household. In this sense, before determining whether a household is poor in multidimensional terms, it is necessary to determine how many people who make up the household are deprived in the selected indicators. To do this aggregation process, El Salvador has determined that a household is considered deprived in an indicator if at least one of the individuals who belongs to the household reports being deprived in that indicator.

Step 5: Reporting deprivations at the household level

To develop measurements of multidimensional poverty and determine whether a household is poor in multidimensional terms, the deprivations identified in each household are recorded. Under the Alkire-Foster method, once the dimensions,

indicators, weights, and thresholds have been determined, the indicators are converted into only two values: zero (0), indicating that the threshold has been crossed and therefore there is no deprivation; and one (1), indicating that there is deprivation. However, there is no single method used to count deprivations; in fact, the Alkire-Foster method proposes different strategies. Of those, El Salvador—following the Mexican experience (CONEVAL)—adopted the following strategy: to develop an intermediate aggregation to determine deprivations for each dimension and later aggregate the number of dimensions in which deprivation is indicated.

The measurement of multidimensional poverty in El Salvador thus considers three calculation mechanisms:

1 Incidence or rate of multidimensional poverty (H): percentage of households with seven or more deprivations (considered multidimensionally poor);

2 Intensity of multidimensional poverty (A): proportion of deprivations, on average, experienced by households that are multidimensionally poor;

3 Multidimensional Poverty Index: index that reflects the proportion of deprivations that people living in poverty are experiencing, out of the total that they could experience. This index results from multiplying the incidence of poverty (H) by the intensity of poverty (A).

Applicability of Multidimensional Poverty Measures: Lessons learned

Measuring multidimensional poverty serves to expand the view of poverty, understanding that it is not possible to evaluate it solely in terms of variations in income. To ensure people's fundamental rights it is necessary to comprehensively understand and address the dimensions that constitute well-being. In El Salvador, this measurement has made it possible to identify disparities in concrete terms, in line with each dimension, in geographical areas or among the most vulnerable population groups, and use that information to prioritize resources and efforts to close the gaps, especially with regard to the structural causes of inequality.

One of the practices worth noting in the experience of applying the MPI-ES has been the regular, periodic

collection of the data required to calculate multidimensional poverty, obtained primarily through the Multipurpose Household Survey. That survey includes several of the indicators considered in the MPI, and so it made practical sense to add a questionnaire to extract data on indicators unique to the index. Obtaining most of the data through the continuous survey has made it possible to measure multidimensional poverty without interruption. In selecting the dimensions to include in the MPI- ES, special consideration was given to the fact that most of them were contemplated in the Multipurpose Household Survey.

The multidimensional measurement of poverty allows for a broader analysis of the structural determinants of poverty and for more effective guidance on designing public policies to overcome poverty. One positive result of implementing this measurement in the country is the possibility of identifying multidimensional poverty gaps by area and by department when households are considered, and by sex, area, and department in the case of individuals.

Having this measurement made it possible to incorporate its results as a foundation for designing social policies such as the "Poverty Eradication Strategy." Implemented in the country beginning in 2016 and continuing today, the strategy has a direct impact on multidimensional poverty indicators in El Salvador.

Multidimensional poverty measures have also been useful for tracking and reporting progress related to the Sustainable Development Goals defined in the 2030 Agenda of the United Nations.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

During the time of the COVID-19 pandemic, El Salvador was able to continue collecting the information needed to measure multidimensional poverty by making certain adjustments to the data-collection methodology, given the mobility restrictions. It was able to return to the original methodology in 2021.

The emergency situation brought about by COVID-19 prompted the Government of El Salvador to fast-track the adoption of response measures as it sought to address the new needs stemming from the pandemic and rein in poverty in its multiple dimensions. Through various coordinated efforts among institutions, it deployed a timely social protection strategy adapted to meet the moment, including the following measures:

➡ **Social protection and protection of family income:**
The most extensive and largest cash transfer in the country's history was carried out, strengthening families financially and slowing down the spread of COVID-19 infections.

➡ **Food security:**
Food baskets were handed out across the country to mitigate the consequences of the suspension of economic activity, which had a more intense effect on lower-income segments of the population. Farms seeds were distributed to grow staple crops, and support continued to be provided for the national production of cattle, fish, and poultry.

➡ **Economic reactivation:**
This included a suspension of payment collection for basic services, the provision of tax concessions for food and hygiene/disinfectant products, flexible terms for companies to pay taxes and debt, and productive financing support for micro, small, and medium-size enterprises (MSMEs).

➡ **Health:**
Supplies and medicines were purchased and personnel hired at unprecedented levels. Two hospitals were built and spaces were revamped in the country's hospital network.

➡ **Education:**
School infrastructure was improved, and the strategy of innovation and access to technological resources to close the digital divide was promoted, especially in the most vulnerable parts of the country (1.2 million computers or tablets were given out to students in the public school system).

El Salvador is in the process of monitoring the impact of the pandemic on the various dimensions of well-being, mainly in indicators related to education, health, and food security, so that it can take priority action in these areas to reduce the negative effects.

GUATEMALA [27]

Measuring Multidimensional Poverty

Multidimensional poverty is measured in Guatemala by means of the MPI (MPI-GT), developed using the Alkire-Foster method. This tool was created with the support of OPHI and the participation of United Nations agencies that have a presence in the country (UNDP, UNICEF, WFP), among other contributors (EU, OAS). In 2019, the creation and structure of the index (its dimensions and the indicators included in it) were made official by means of Government Agreement 230-2019.

The MPI-GT was created in the context of the 2030 Agenda for Sustainable Development; its design was aligned with the process of linking the Sustainable Development Goals (SDGs) with Guatemala's National Plan for Development, which yielded the National Development Priorities. The MPI-GT will also be the indicator used to monitor SDG 1.2, related to reducing poverty in all its dimensions, in line with the national definitions mentioned in SDG 1.2.

From the standpoint of the public sphere, multidimensional poverty is measured specifically using this index; however, there are other complementary measures such as the Human Development Index, the Social Progress Index, and others that have been designed and implemented in coordination with nongovernmental and international organizations. Most of such indexes use the same sources of official information (census data, surveys, administrative records), and therefore being able to update them depends on how current these sources are.

Applicability of Multidimensional Poverty Measures: Public policies and promising practices to promote well-being

The MPI-GT contributes to the formulation of public policies by making it possible to coordinate and provide empirical support to actions in the priority territories; estimate the number of households defined as "deprived" under the multidimensional poverty approach; and geolocate households using digital mapping, among other contributions.

Currently, Guatemala uses MPI-GT indicators to formulate and update various public policies. Efforts have made to update the following:

⮕ **National Youth Policy 2022–2032**
Among the indicators this policy considers is information about deprivations and how these are different in the youth population. The MPI-GT will be used to analyze the results of the policy in future measurements.

⮕ **Social Development and Population Policy**
The proposal is that when this policy is updated, it will include rates of deprivation, based on censored and uncensored datasets,[28] as tools for monitoring the policy's components, as well as the evolution of the MPI-GT as an indicator of the overall performance of the policy.

⮕ **Gender-sensitive Register of Households**
The MPI-GT is implemented using this tool to capture information in municipal census data, which enables the creation of household profiles to coordinate and guide social programs, focusing on deprivations through a multidimensional lens.

Areas of Success

▶ Guatemala had high-level support in creating the MPI-GT.
▶ The MPI-GT was approved at the presidential level and became official in the country.

Promising Practices

▶ One good practice that could be considered in developing MPIs in other countries is to link the definition of dimensions and indicators to other development planning and policy-making processes. In the case of Guatemala, the definition of the MPI-GT coincided with an effort to align the "K'atun, Our Guatemala 2032" National Development Plan with the UN 2030 Agenda for Sustainable Development. Through a qualitative analysis of critical points, this linkage produced an agenda of National Development Priorities, which were used to establish "Strategic Development Goals." These goals, translated into thresholds, were considered in the deprivation thresholds, which in turn became the indicators included in the dimensions of the MPI-GT.

▶ This means that the MPI-GT is linked to priorities, which in turn are in line with the 2030 Agenda for Sustainable Development, adding weight to the index by connecting it in the medium and long term to a global agenda.

Lessons Learned

▶ The formulation of a national MPI should take into account the political cycle to ensure that its creation and launch coincide with a favorable political juncture. It should avoid cases in which the application and use of multidimensional poverty measures could be jeopardized by a change in administration.

▶ In the case of Guatemala, it was critical to have expert international technical cooperation to position this issue as important for the country and to make the creation of the index a reality.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

The consequences stemming from the COVID-19 pandemic did not have a direct impact on the measurement of poverty in Guatemala; however, the pandemic did create certain difficulties in terms of using the supplementary information available to target efforts. For example, to implement the "Bono Familia" program (large-scale cash transfers made in 2020 to provide resources to households during the lockdowns),

administrative data on electricity usage was used (consumption threshold of 200kW/h per month as of February 2020) to target the transfers as effectively as possible (considering all households with electricity and the possibility of including households with no access to that service, applying certain data-collection instruments through home visits). The aim was to reduce the inclusion error (giving cash transfers to households with a high level of consumption and income), optimizing the implementation of the benefit by using the information at hand and limited additional efforts. These practices expanded the use of data for targeting efforts, taking advantage of what was available. States produce data on their populations, and by taking this information into account, however imperfect it may be, they can filter the data with approximate criteria and identify—as in this case—those households with a higher socioeconomic level. This is an innovation with lessons to be learned for the future.

The Guatemalan state has implemented a series of strategies during the COVID-19 pandemic to combat poverty and help to reduce its multiple dimensions. These include:

➡ **Bono Familia:**
These were cash transfers to households selected using an administrative criterion (electricity usage below 200kWh in February 2020), as well as targeted households with no access to electricity, using censuses of communities identified through poverty mapping (2018 population census). Using this method, 2.5 million households with electricity and more than 140,000 households without electricity were served.

➡ **Food assistance:**
With the support of the World Food Programme (WFP), food was distributed throughout the country to families identified in both urban and rural areas.

➡ **Support for grassroots businesses:**
Cash transfers were made to merchants identified by local authorities, who provided certified lists with information on small-scale merchants affected by the lockdowns.

JAMAICA [29]

Measuring Multidimensional Poverty

Jamaica is in the process of developing a MPI, complementary to the consumption-based poverty measurement. This MPI will make it possible to identify and quantify the different areas of deprivation, improving the process of targeting poverty by addressing the heterogeneity of the dimensions that comprise this social problem.

The process of constructing the MPI in Jamaica has been possible through financial support from the Caribbean Development Bank and technical support from OPHI, which provided guidance on the methodology designed by Alkire-Foster. Two key instances are foreseen for its elaboration: 1) Collective discussions through focus groups throughout the island and 2) Creation of the index and validation. The project is expected to be completed by June 2023.

Jamaica conceives poverty as a development issue that, in addition to the monetary or income sphere, includes other cross-cutting dimensions. As mentioned, the country uses an absolute measure of poverty (complementary to the multidimensional measurement) represented by a poverty threshold based on the level of consumption (consumption expenditure necessary to maintain the minimum acceptable standard of living). Additionally, a food poverty threshold is defined, for which the basic food basket is considered; this threshold is based on the minimum caloric requirement recommended to maintain an average family of five people (two adults and three children).

People whose consumption is below the poverty line are considered to be in absolute poverty, while those who consume below the food poverty line are considered to be in extreme poverty. Among them, the country pays special attention to the most vulnerable population groups—differentially exposed to poverty conditions—children and youth, the elderly, people with disabilities, and the homeless. Likewise, the population residing in the rural areas of Jamaica faces greater deprivation, which translates into higher levels of poverty. According to estimates by OPHI, deprivations in terms of nutrition, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, and assets are significantly higher in rural areas than in urban areas. [30]

The United Nations Development Programme "Human Development Report 2020" notes that in 2014, 4.7% of the Jamaican population was in multidimensional poverty and 6.4% was vulnerable to multidimensional poverty. [31]

Applicability of multidimensional poverty measurements: public policies and promising practices for the promotion of well-being

The Jamaican government has a framework for action called "Vision 2030 Jamaica – National Development Plan," [32] which is the first long-term strategic development plan, covering a 21-year period from 2009 to 2030. The plan is aligned with the SDGs.

The National Development Plan has four goals and 15 outcomes. The four national goals are: 1) Jamaicans are empowered to reach their full potential; 2) the Jamaican society is secure, cohesive, and just; 3) Jamaica's economy is prosperous; and 4) Jamaica has a healthy natural environment.

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29 Section elaborated with inputs provided by the Planning Institute of Jamaica through its participation in the workshop: "Multidimensional Poverty Indices, Good practices and Lessons Learned from the Americas and the Impact of the COVID-19 Pandemic on Poverty", organized by Working Group 1 of the Inter-American Committee on Social Development, CIDES, OAS (April 2022).

30 Oxford Poverty and Human Development Initiative (OPHI) (2021) "Global MPI Country Report 2021: Jamaica (Latin America and the Caribbean)". https://ophi.org.uk/wp-content/uploads/CB_JAM_2021.pdf

31 United Nations Development Programme (2020) "The Next Frontier: Human Development and the Anthropocene". https://hdr.undp.org/sites/default/files/Country-Profiles/JAM.pdf

32 Planning Institute of Jamaica (2020) "Vision 2030 Jamaica: A National Development Plan". https://www.vision2030.gov.jm/wp-content/uploads/sites/2/2021/04/vision-2030-jamaica-national-development-plan-1.pdf

In reference to the national poverty situation, Outcome 3 of the plan, "effective social protection," seeks to mainstream the issues of vulnerability into all public policies and to expand opportunities that enable the poor to develop sustainable livelihoods.

The National Policy on Poverty (NPP) and National Poverty Reduction Programme (NPRP) aim to eradicate extreme poverty by 2022 (eradication defined as below 3 percent) [33] and reduce the national prevalence of poverty to less than 10.0% by 2030. This goal is defined in the national strategic development plan through a comprehensive approach:

- Describes the priority assigned by the government to poverty issues;
- Outlines the fundamental principles, strategies and approaches to poverty reduction;
- Establishes responsibility for coordinating the National Poverty Reduction Programme;
- Promotes improved coordination, integration, collaboration and effectiveness of poverty reduction programmes;
- Establishes an effective mechanism to positively and directly influence the prevalence of poverty;
- Identifies key areas of action and population groups to be prioritised;
- Makes the case for the necessary mobilization of resources for poverty programmes;
- Provides and ensures a structured and coordinated approach to monitoring and evaluation of poverty reduction interventions.

The guiding principles articulated in the National Policy on Poverty (NPP) and the National Poverty Reduction Programme (NPRP) were elaborated considering eight basic principles for strengthening the capacities of individuals, households, and communities. These principles are summarized as: 1) respect for human rights; 2) inclusive and participatory development; 3) shared prosperity; 4) empowerment and personal responsibility; 5) equitable access to basic goods and services; 6) evidence-based monitoring and evaluation; 7) transparency and accountability, and 8) sustainable development approaches.

According to the National Policy on Poverty (NPP) and the National Poverty Reduction Programme (NPRP) launched by the Government of Jamaica in 2017, the prevalence of poverty in the country has been consistently higher in rural areas. Although efforts to combat poverty in the country have been mainly led by the State, there are a multiplicity of initiatives driven by non-governmental and civil society organizations that operate articulately with the corresponding State instances.

The Government of Jamaica is undertaking determined efforts to achieve its commitment to eradicate extreme poverty and reduce national poverty to less than 10% by 2030. The NPRP provides a coordinated and systematic approach to poverty reduction strategies, avoiding duplication and addressing coverage gaps, improving monitoring, evaluation, and accountability, and strengthening cooperation.

COVID-19 impact on multidimensional poverty

Jamaica has been heavily impacted by the consequences of the COVID-19 pandemic; GDP was adversely impacted, and loss of employment resulted in lower disposable incomes, which is likely to have resulted in increased poverty levels during the periods of most severe impact. The impact of the pandemic on the Services Industries was more severe, evidenced by the impact on the tourism sector, an important source of employment, government revenue and foreign exchange within the domestic economy. Data from the Ministry of Tourism indicates that at least 50,000 employees in the tourism sector were laid off, an impact that is likely to be greater if the informal sector is considered.

In response, the Jamaican government implemented numerous interventions to mitigate the impact of the COVID-19 pandemic. These measures include reductions in the tax burden on individuals and businesses and support in the form of cash transfers to vulnerable persons (businesses, students, the elderly and the homeless). Under the National Poverty Reduction Programme (NPRP), institutions and agencies adapted their programmes to meet the new and growing needs of the population (increased cash benefits, psychosocial care packages, among other public services).

33 Planning Institute of Jamaica (2017) "National Policy on Poverty and National Poverty Reduction Programme".
https://www.pioj.gov.jm/wp-content/uploads/2019/09/NationalPolicyOnPovertyNationalPovertyReductionProgramme.pdf

The response measures utilized included the launch of the COVID-19 Allocation of Resources for Employees (CARE) [34] programme to assist workers and businesses during the pandemic. CARE is a temporary cash transfer programme to individuals and businesses to cushion the economic impact of COVID-19, which is seen as an important milestone, especially for those most at risk.

The implementation of these programmes has and continues to spur recovery both in the labour market and economy, with full recovery anticipated by FY2023-24.

34 General Audit Department (2020) "Audit of the COVID-19 Allocation of Resources for Employees (CARE) Programme".
https://auditorgeneral.gov.jm/wp-content/uploads/2020/12/Audit-of-the-COVID-19-Allocation-of-Resources-for-Employees-CARE-Programme_November-2020.pdf

MEXICO[35]

Measuring Multidimensional Poverty

In the General Law on Social Development (LGDS), unanimously approved by all the country's political forces and promulgated in 2004, was created the National Council for the Evaluation of Social Development Policy (CONEVAL). The law indicates that CONEVAL shall establish the guidelines and criteria used to define, identify, and measure poverty in Mexico, and establishes the frequency with which the measurement of multidimensional poverty is produced and published: every two years at the state and national level and every five years at the municipal level. The LGDS establishes that the poverty situation in the country is assessed in terms of access to six basic social rights, in addition to financial income.

In fulfillment of its mandate, from 2007 to 2010, CONEVAL set about developing and defining the guidelines for measuring poverty; publishing in 2010 the "Guidelines and general criteria for defining, identifying, and measuring poverty" (Lineamientos 2010), along with a key technical document as an annex, called "Methodology for the multidimensional measurement of poverty in Mexico."[36] The evolution of poverty in the 2008-2018 period was calculated based on the 2010 Guidelines, with the aim of being able to compare data over time and have evidence of the progress made and the challenges still being faced in the area of social policy.[37]

Since 2004, the LGDS has established the bases for defining and measuring poverty. It indicates that poverty should consider not only economic well-being, as measured by individual/household income, but also two other essential spheres: social rights and a territorial focus to report on the relational and community context.[38]

In this regard, it specifies that "(...) a person is in a situation of multidimensional poverty when he/she is not for social development, and his/her income is insufficient to acquire the goods and services required to meet his/her needs...."[39]

Specifically, the "income" dimension is designed along two defined poverty lines:

❶ Poverty line by income
This considers the value of the monthly food basket and non-food basket, per person, per month. It measures the cost to cover basic needs in addition to the necessary caloric and energy intake: necessary items that are hard to substitute; households' perception of needs; frequency of consumption in households.[40]

❷ Extreme poverty line by income
This considers the value of the monthly food basket, per person, per month. It looks at the cost of food products in 37 generic categories estimated in 46 cities in the country, based on: frequency of consumption, expenditures as a percentage of total income; weighting by percentage of expenditure and frequency of consumption; and the updated version of the National Consumer Price Index (INPC) by product.

The calculations for both the "poverty line by income" and the "extreme poverty line by income" are differentiated for rural and urban sectors (given the higher cost of the food and non-food baskets in urban areas). Both measurements are updated on a monthly basis; they take into account changes in the food and non-food baskets, using the National Consumer Price Index (NCPI).

With respect to the "social rights" dimension, this is measured through the creation of six specific social deprivation indicators:[41]

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35 This section was prepared with input from Mexico's Social Welfare Secretariat and the National Council for the Evaluation of Social Development Policy (CONEVAL).
36 CONEVAL "Metodología para la medición multidimensional de la pobreza en México."
37 CONEVAL "10 años de medición de pobreza en México, avances y retos en política social."
38 CONEVAL "Metodología para la medición multidimensional de la pobreza en México."
39 Ibid.
40 CONEVAL "Evolución de las Líneas De Pobreza Por Ingresos."
41 CONEVAL "Metodología para la medición multidimensional de la pobreza en México."

Educational lag

This indicator looks at the population that meets one of the following criteria: (i) between 3 and 21 years old, has not completed compulsory education, and does not attend formal schooling; (ii) 22 years of age or older, born in 1998 or later, and has not finished compulsory education (upper secondary education); (iii) 16 years of age or older, born before 1982, and lacks the education level that was compulsory at the time he/she should have completed it (complete primary education); (iv) 16 years of age or older, born since 1982, and lacks the education level that was compulsory at the time he/she should have completed it (complete secondary education).

Access to health services

A person is considered deprived of access to health services when he/she does not have an affiliation or the right to receive medical services from a health-care provider, including public health insurance ("Seguro Popular");[42] public social security institutions (Mexican Social Security Institute – IMSS; Social Security and Services Institute for State Workers – ISSSTE, federal or state; Pemex; Army or Navy), or private medical services.

Access to social security

A person is considered deprived of access to social security under the following criteria:

- ▷ Economically active salaried worker: A person is not considered deprived in this area if he/she has access, through employment, to the benefits established by the legal provisions in effect.
- ▷ Non-salaried or independent worker: A person has access to social security when he/she has access to medical services as a work benefit or by voluntarily contracting services as established under IMSS rules, and also has a retirement service or work retirement fund.
- ▷ For the general population, a person is considered to have access to social security when he/she enjoys some sort of retirement or pension or is a family member of a person with access to social security.
- ▷ In the case of the population of retirement age (65 or older), a person is considered to have access to social security if he/she is a beneficiary of some social pension program for senior citizens with a monthly payment that is larger or equal to the average value of the food basket (calculated as the simple average of the income-based poverty and extreme poverty lines in rural and urban areas, respectively).

People who do not meet any of these criteria are considered to be deprived in terms of access to social security.

Housing quality and space

People are considered to be deprived in terms of housing quality and space when they live in homes with at least one of the following characteristics:

- ▷ The home has dirt floors.
- ▷ The roof of the home is made of cardboard or scrap materials.
- ▷ The home has walls made of earth or mud thatch; reeds, bamboo, or palm; sheets of cardboard, metal, or asbestos; or scrap materials.
- ▷ There are more than 2.5 people to a room (overcrowding).

Access to basic services in the home

People are considered to be deprived in terms of basic services in the home if they live in a home with at least one of the following characteristics:

- ▷ The water comes from a well, river, lake, arroyo, or tank; or else the home has piped water hauled from another home or from a public tap or hydrant.
- ▷ The home has no wastewater service or the sewage pipe empties into a river, lake, the sea, a ravine, or a fissure.
- ▷ The home has no electricity.
- ▷ Food is cooked or heated with firewood or charcoal without a chimney.

Access to quality, nutritious diets

Households are considered to be deprived in terms of access to a quality, nutritious diet when they present a moderate or severe degree of food insecurity or when they are limited in the amount of food they consume. In determining food insecurity, a distinction is made between households with members under 18 years of age and those with no members under 18, specifically:

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42 Beginning in 2019, the "Seguro Popular" was first replaced by the "Health Institute for Well-Being (INSABI)", which was later replaced by the program "IMSS-Bienestar" (IMSS – Well-Being), aimed at providing health services and medicine to people who did not have social security.

▷ For all households with no members under age 18, food insecurity is identified when an adult, due to lack of money or resources:

- lacked a varied diet;
- skipped breakfast, lunch, or dinner;
- ate less than he/she should have;
- was left without food;
- felt hungry but did not eat;
- made a single meal;
- went the whole day without eating.

▷ In the case of all households with members under age 18, food insecurity is identified when, due to lack of money or resources, both the adults and minors:

- lacked varied nutrition;
- ate less than necessary;
- reduced their portions at meals;
- felt hungry but did not eat;
- made a single meal;
- went the whole day without eating.

The Evolution of Measuring Multidimensional Poverty in Mexico

The 2010 guidelines and criteria for defining, identifying, and measuring poverty established that, in order to ensure that the measurements had a certain continuity, changes to the methodological criteria would be made at intervals of not less than 10 years.[43] Therefore, the necessary changes to the methodology for measuring multidimensional poverty were published in October 2018, under an agreement to modify the guidelines (*Lineamientos* 2018),[44] and these were implemented beginning with the 2020 measurement. These modifications were mainly due to changes in the laws that guarantee access to the social rights associated with poverty, as well as to proposals from different areas that sought to strengthen the measurement of poverty.

This section will now discuss the updates included in the measurement of multidimensional poverty as of 2020. Based on the amendment to Article 3 of the Mexican Constitution (done in 2012), upper secondary education is considered compulsory, and therefore this criterion was incorporated into the indicator on lagging behind in school. In addition, in 2013 some articles of the General Law on Social Development (LGDS) were amended, expanding the minimum indicators by which to define and measure poverty, taking into account, for example, access to paved roads. Subsequently, in 2016, the LGDS was updated again to incorporate the concept of a nutritious, high-quality diet based on definitions of the United Nations Food and Agricultural Organization (FAO), the World Food Programme (WFP), and the National Institute of Public Health (INSP).

In August 2021, then, CONEVAL released the results of the multidimensional measurement of poverty nationally and by federal entity for the 2018-2020 period, based on the "Guidelines and general criteria for defining, identifying, and measuring poverty" (Lineamientos 2018) and the National Survey of Household Income and Expenditures (ENIGH) for 2018 and 2020, done by the National Institute of Statistics and Geography (INEGI). With the publication of this information, CONEVAL began a new poverty measurement series, which aims to provide citizens and decision-makers with a social overview that has been updated to reflect the changes in social deprivations defined by the thresholds. By this measure, 13 of the 32 federal entities across the country reported a reduction in the percentage of the population living in poverty. The federal entities that showed the biggest drop in the percentage of the population in poverty reported reductions of between 5 and 3 percentage points, respectively.[45]

43 Official Journal of the Federation (DOF) "Lineamientos y criterios generales para la definición, identificación y medición de la pobreza". https://www.coneval.org.mx/Medicion/MP/Paginas/Lineamientos_DOF.aspx
44 DOF (2018) "Agreement updating the "Lineamientos y criterios generales para la definición, identificación y medición de pobreza" https://www.dof.gob.mx/nota_detalle.php?codigo=5542421&fecha=30/10/2018#gsc.tab=0
45 CONEVAL, press release, August 5, 2021 CONEVAL presenta las estimaciones de pobreza multidimensional 2018 y 2020. https://www.coneval.org.mx/SalaPrensa/Comunicadosprensa/Documents/2021/COMUNICADO_009_MEDICION_POBREZA_2020.pdf

Applicability of Multidimensional Poverty Measures: Public policies and promising practices to promote well-being

Measuring poverty from a multidimensional perspective lays a foundation for public policy planning, mainly of an economic and social nature. It makes it possible to target efforts and resources to reduce and eradicate poverty, contributing to a greater effectiveness and efficiency of social programs. It also places people in space and time, enabling the formulation of public policies that are adjusted to regional characteristics (urban and rural), social characteristics (social deprivations), and income. Moreover, incorporating different dimensions facilitates simple connections between social programs and the dimensions being considered, and thus helps shape effective public policy decisions.

The impact of the measurement of multidimensional poverty affects 49 million people who are potential beneficiaries of federal social programs and of the actions of the Fund for Social Infrastructure Contributions (FAIS).[46] Over the course of a decade of measuring multidimensional poverty, Mexico has been able to monitor actions in the area of social development, as well as the evolution of access to social rights and to the elements that make up this dimension.

Recently, in the context of the COVID-19 health crisis, the results of the 2020 measurement of multidimensional poverty served to guide and strengthen the implementation of programs and social development policy actions designed to encourage income recovery and address social deprivation, through interinstitutional coordination at the three levels of government.[47]

In terms of methodological aspects, the measurement of poverty in Mexico incorporates indicators that are not contemplated in other measures. By looking at well-being comprehensively, it places a priority on the income dimension and on access to social rights.

Focusing on social rights to measure poverty not only aligns the measurement of poverty with the mandate of the Mexican Constitution and the LGDS, but it also helps to overcome some methodological hurdles. Specifically, it solves the problem of weighting and thresholds; by assigning the same importance to all the social rights, the weight is the same for all dimensions of the social sphere.[48]

Mexico's multidimensional methodology for poverty is an innovative contribution that has had an impact in various countries, as Mexico was the first nation to have an official multidimensional measure of poverty. Since 2008, Mexico has shared its experience with 41 countries and 55 international organizations.[49]

In addition, the multidimensional approach promoted by Mexico has been used at the international level to create and monitor the 2030 Agenda, particularly as it refers to the goals of reducing inequality and overcoming poverty.[50] Specifically, it makes it possible to track progress on eight Sustainable Development Goals (No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Clean Water and Sanitation; Affordable and Clean Energy; Reduced Inequalities; and Sustainable Cities and Communities). In this sense, Mexico's vast experience in measuring multidimensional poverty has driven its ongoing, strengthened participation in the SDGs.

It should be noted that in 2015, the United Nations Statistical Commission created an inter-agency expert group to prepare the indicator framework for the SDGs and included Mexico as one of the 28 participating countries. That same year, Mexico launched the "Data Tool for Sustainable Development" as a government initiative used to visualize, explore, and compare indicators related to the SDGs and review strategies to reduce poverty and inequality.

46 The FAIS is one of the eight funds that make up the Ramo 33. Since its creation in 1998, it has been key to the construction of well-being and access to social rights. Its objective is to finance projects, basic social actions and investments that directly benefit priority attention zones (ZAP), localities with high and very high levels of social backwardness and population in extreme poverty. Government of Mexico. Press Release, April 11, 2022 *El Fondo de Aportaciones para la Infraestructura Social* https://www.gob.mx/bienestar%7Cfais/acciones-y-programas/el-fondo-de-aportaciones-para-la-infraestructura-social
47 Ibid.
48 CONEVAL "Medir la pobreza con varias dimensiones: el aporte metodológico de México al mundo". https://www.coneval.org.mx/Informes/home/Medir_la_pobreza_mediante_m%C3%BAltiples_dimensiones.pdf
49 CONEVAL "10 años de medición de pobreza en México, avances y retos en política social". https://www.coneval.org.mx/coordinacion/entidades/Documents/Comunicados_Pobreza_2018/COMUNICADO_MEDICION_POBREZA_2018_CDMX.pdf
50 Ibid.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

The data generated on poverty and income and the lessons gleaned regarding social development enabled Mexico to: (i) assess the scope of the problem the country is facing; (ii) identify alternatives and mechanisms to prioritize social protection for the most vulnerable; and (iii) weigh the fiscal, regulatory, and operational implications of the courses of actions carried out during the emergency.[51] Specifically, the mechanisms used to measure poverty from a multidimensional standpoint served to approximate the effects of the situation with regard to income poverty, labor poverty, and the risk that, in the absence of social policies, middle-income groups might face conditions of poverty.

In this regard, CONEVAL estimated the potential effects of the COVID-19 crisis on levels of income poverty. Estimates were done based on the statistical sources used to measure poverty (National Survey of Household Income and Expenditures, ENIGH) and short-term labor poverty (National Occupational and Employment Survey, ENOE). For the former, CONEVAL came up with two scenarios based on the distribution of the impact among different population groups. The first scenario simulated an overall drop in income equivalent to 5 percent, and; the second showed a more pronounced reduction in income for households in urban poverty. In each scenario, income poverty was recalculated in line with the CONEVAL methodology, and the poverty lines in effect as of March 2020 were adjusted to reflect the Bank of Mexico's inflation projections as of August 2020.[52] The results identified the following:

- Under both scenarios, the total number of people experiencing income poverty increases by 7.2 to 7.9 percentage points (between 8.9 and 9.8 million people).
- The total number of people experiencing extreme poverty by income increases by 4.9 to 8.5 percentage points (between 6.1 and 10.7 million people).
- Without public policies to address the middle-income population, the number of people experiencing income poverty would increase.

- The crisis can change the population's income situation.

Given the challenge generated by the COVID-19 pandemic, this analysis served to reaffirm the need to expand and strengthen the emergency response measures deployed, based on priority programs that would improve operational capacity, through the appropriate targeting that has made it possible to measure multidimensional poverty.

Notably, CONEVAL, in its 2016-2020 report, found that the percentage of the population earning less than the income poverty line went from 49.8 percent in 2018 to 52.8 percent in 2020. This was an increase of 2.9 percentage points, which was far below the initial projections due to the impact of the new social programs as well as the expanded coverage of benefits to address the needs of the most vulnerable segments of the population.

The production and use of the data available, as well as the targeting, monitoring, and periodic evaluation exercises, have made it possible to continuously track the population with the greatest needs during the pandemic. Here are three of the activities carried out in this period, based on the tools for measuring multidimensional poverty:

Identifying COVID-19 risks and containment measures
Based on the data-collection structure applied to measuring multidimensional poverty, a "Map of Intervention Gaps" (MBI) to address COVID-19[53] was created, which provides useful information about 15 types of interventions and four sets of risks associated with the pandemic. An aggregated "MBI COVID-19" chart includes the classification of 299 public interventions.[54]

Collecting data for decision-making
Given the conditions imposed by the pandemic, the collection of relevant social information provided by civil society was critical. During this period, several surveys were carried out such as: (i) the Telephone Survey on COVID-19 and the Labor Market (ECOVID-

51 CONEVAL "La política social en el contexto de la pandemia por el virus SARS-CoV-2 (COVID-19) en México".
https://www.coneval.org.mx/Evaluacion/IEPSM/Documents/Politica_Social_COVID-19.pdf
52 Ibid.
53 CONEVAL De la emergencia a la recuperación de la pandemia por la COVID-19: la política social frente a desastres.
https://www.coneval.org.mx/Evaluacion/IEPSM/Paginas/Politica_social_frente_desastres.aspx
54 CONEVAL La política social en el contexto de la pandemia por el virus SARS-CoV-2 (COVID-19) en México.
https://www.coneval.org.mx/Evaluacion/IEPSM/Documents/Politica_Social_COVID-19.pdf

ML), designed to gather information about the effects of the health situation on the labor market and offer timely information to decision-makers; (ii) the Survey to Measure the Impact of COVID-19 on Education (ECOVID-ED), carried out to discover the consequences of the temporary cancellation of in-person classes in the country's educational institutions to prevent the spread of COVID-19; (iii) the Business Demographic Study (EDN), designed to identify the transformations that have occurred across the collection of enterprises—micro, small, and medium-size—that carry out economic activity in the manufacturing, commercial, and private non-financial services sectors in the country; and (iv) the Survey on the Impact of COVID-19 on Businesses (ECOVID-IE), which has aimed to gather information on the impacts of the COVID-19 pandemic on Mexican companies.[55]

→ Evaluating and monitoring

An evaluation process is developed annually to assess active social programs. Of note in the 2020-2021 cycle is the inclusion, in the monitoring tools, of some sections designed to report on public actions taken to respond to the health emergency, allowing them to be revised and adjusted. [56]

Anti-poverty Measures during the COVID-19 Pandemic

Given the prospects of the health, human, and economic crisis brought about by COVID-19, it became necessary to design a strategy to address the effects of the emergency, especially on the most vulnerable groups in the areas that refer to economic well-being and the exercise of social rights. In 2020, by presidential decree, 19 social development programs and initiatives were included in the set of 38 targeted programs to address the crisis, giving priority to people living in rural areas who were affected by higher levels of marginalization.

CONEVAL has worked in close coordination with the federal agencies that do evaluations to permanently monitor the activities of the federal government and to analyze the impact of each of the abovementioned strategies on the social rights of the beneficiaries of federal programs. For example, the document "Social policy in the context of the SARS-CoV-2 (COVID-19) pandemic in Mexico" [57] details the impact of each of the federal actions on well-being, disaggregating the results by the various population categories hardest-hit by the pandemic (population in poverty, distinguishing urban and rural populations; formal workers; informal workers; unemployed population; and MSMEs).

Specifically, Mexico's Social Welfare Secretariat promoted the following measures, adapting their implementation to the circumstances imposed by the COVID-19 pandemic:

▶ Through the program "**Pension for the Welfare of People with Permanent Disabilities**" and "**Pension for the Welfare of the Elderly,**" it advanced two support payments covering two-month periods, directly benefiting 8 million senior citizens and 801,000 people with permanent disabilities.

▶ Through the program "**Support for the Welfare of Children of Working Mothers,**" financial support payments were made so that single-parent families could provide proper attention and care to their children. Additional support was provided for households caring for children with disabilities.

55 INEGI *Perspectiva en cifras COVID-19*. https://www.inegi.org.mx/investigacion/covid/

56 For more information, see pages on programs managed by the Social Welfare Secretariat: *Fichas iniciales de monitoreo y evaluación 2019-2020, and Fichas de Monitoreo y Evaluación 2020-2021.* https://www.gob.mx

57 CONEVAL La política social en el contexto de la pandemia por el virus SARS-CoV-2 (COVID-19) en México. https://www.coneval.org.mx/Evaluacion/IEPSM/Documents/Politica_Social_COVID-19.pdf

- The program *"Sowing Life" (Sembrando Vida)* encouraged agricultural production and commercialization by providing monthly payments to members of the rural population whose income fell below the rural welfare line and who had 2.5 hectares of land available to work on agroforestry projects located in areas with high potential for the environment, forestry, and food production. The program provided support to 430,000 farmers, 200,000 more than before the pandemic.

- A program called Tandas para el Bienestar issued 292,000 interest-free microcredits to help people strengthen or start small businesses; 70 percent of these were issued to women entrepreneurs. In 2001, the program was expanded to cover all the country's municipalities.

Measuring Multidimensional Poverty: Lessons learned

Over the past 12 years, the implementation of measurements of multidimensional poverty in Mexico has demonstrated the benefits of being able to identify priority areas for action and promote the robust design and strengthening of public policies that are ever more timely, effective, and efficient. It has also made it possible to initiate work towards the inclusion of a measure of **subjective well-being**, which will serve to strengthen the current measurement of multidimensional poverty, offering a new perspective on welfare policies.

The current economic measures of well-being should be accompanied by citizens' perceptions, which would mark a significant step forward in this area. It is imperative to consider subjective well-being in evaluating current social programs designed to improve people's quality of life. Measuring subjective well-being reveals the costs and benefits of adopting different decisions in different geographical areas. To do that, the instruments that measure subjective well-being must be able to disaggregate the data, at least at the level of locality.[58]

Along these lines, the current administration is working on a new proposal to move from measuring multidimensional poverty toward an approach that makes it possible to measure comprehensive well-being and the effective reduction of inequality. That implies not only measuring poverty indexes but going beyond and adopting a measure of well-being that takes into account whether needs are met and includes the conditions that are necessary for the development of the capacities and well-being of the individual in society, considering the life plan that each person deems convenient for him/herself. Consequently, it is necessary to consider citizens' perceptions as well as geographical context, community dimensions, overall environment, road access, and the services available.

The aim with the new measurement is to include tools that can evaluate the progress the Mexican population has made in terms of well-being and can support decision-making on public policy to ensure the effective exercise of human rights. The intention is not to focus solely on a social policy centered around poverty and extreme poverty but on the progressiveness of social policy to achieve well-being in the broadest sense of the term.

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58 Caldera; Ortega; Sanchez (2021) *Bienestar Subjetivo: Autopercepción en Beneficiarios de un Programa Social en Guanajuato, México.* Vol.29, N.1, Pp.195-216. Epub Nov 08.

PANAMÁ [59]

Measuring Multidimensional Poverty

Currently, Panama measures multidimensional poverty through its national MPI based on the Alkire-Foster method. This measurement includes an identification method (ρk) that makes it possible to identify who is experiencing multidimensional poverty, considering the range of deprivations the person is suffering, as well as a method of aggregating measures of poverty ($M\alpha$).

The multidimensional poverty approach is part of the global agenda that has taken shape through the SDGs, proposed by the countries that make up the United Nations and adopted by Panama as a guide for development. The SDGs establish as their first objective to "end poverty in all its forms everywhere," with this specific goal: "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." Panama has joined this effort to comprehend poverty in all its dimensions, and since 2017 it has adopted three measures of multidimensional poverty:

➡ 2017

The national MPI is measured based on five dimensions and 17 indicators. It was designed with the aim of identifying and measuring the incidence and intensity of the main non-monetary needs or deprivations that affect the living conditions of Panamanians, and using these as criteria to complement the measurement of income poverty in the reorientation of social policy, in order to comprehensively achieve an effective reduction in poverty. The source of the data used is the household survey, which allows for disaggregation at the level of provinces, districts (comarcas), and urban and rural areas, calculated annually.

➡ 2018

The MPI for Children and Adolescents (IPM-NNA in Spanish) measures poverty based on five dimensions and 10 indicators. These were identified in a participatory process that involved key actors, specialists from civil society, and especially children and adolescents in Panama. The purpose of this index is to identify the incidence and intensity of the main deprivations experienced by the population between 0 and 17 years of age in Panama, recognizing that children and adolescents have different needs and suffer poverty in a different way, and therefore require a specific analysis that could improve the design and implementation of policies geared toward ensuring their welfare and proper development. The index is calculated biannually, using the household survey as the source of data.

➡ 2021

The Local MPI (IPM-C in Spanish), applied at the level of districts and villages (corregimientos), is measured based on five dimensions and 10 indicators, using the population and housing census as the primary source of information. Its purpose is to identify, based on the evidence available, the main non-monetary deprivations that occur simultaneously and have a direct impact on the living conditions of the Panamanian population in villages across the country. It also aims to improve geographic targeting of the strategy to reduce poverty in all its dimensions; support the development of effective and sustained interventions that can guide the design and implementation of public policies; and complement the current national measures of multidimensional and income poverty.

Applicability of Multidimensional Poverty Measures: Public policies and promising practices to promote well-being

The Local MPI has served as the basis for selecting the 300 most deprived and most vulnerable villages that participate in the poverty-reduction strategy called "COLMENA," which is currently the main tool poverty reduction tool in Panama.

Interventions to reduce poverty require an ever-increasing availability of targeted data to measure different aspects of this problem. The Government of Panama has implemented a strategy to strengthen the capacity of local governments to lead social interventions in their communities, in response to the challenge of eliminating inequality and poverty in the country. The Technical Secretariat of the Social Cabinet in Panama's Ministry of Social Development began an unprecedented process to categorize geographical areas, applying criteria corresponding to the country's political-administrative divisions to identify the villages with the most pressing needs for public services, a process that would in turn allow for the design of geographically differentiated strategies. In this regard, the village-focused MPI made it possible to determine the population living in poverty and also quantify the areas of deprivation being endured and identify what dimensions have the greatest effects on the quality of life of the residents of each village.

In addition, the results obtained from measuring multidimensional poverty in Panama have been essential to monitor and advance implementation of the first Sustainable Development Goal—which aims to end poverty in all its forms and dimensions—and to be able to make the necessary public policy adjustments to meet this goal.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

For more than a decade, Panama has implemented various methods to measure poverty, primarily from a monetary standpoint. More recently, keeping in mind SDG 1, Panama adopted the method of measuring poverty from a multidimensional perspective. The results of these measures have been published in a series of reports by the Ministry of Economy and Finance and the Ministry of Social Development. Having this data available served as a technical reference point for the national government to be able to attend directly to the population amid the crisis and the conditions imposed by the pandemic.

The context of the pandemic prompted the consideration and analysis of situations of vulnerability. This was a key concept, for example, in the implementation of the "Panama Solidarity Plan" ("Plan Panamá Solidario"), which was developed primarily to take into account those citizens who had not been living

in poverty but were suffering socioeconomic impacts, facing fragile circumstances, or experiencing a temporary state of poverty.

This analysis considers that every vulnerable situation includes "external" risk factors to which individuals or population groups are subject and "internal" factors that have to do with powerlessness, a lack of the means to successfully address such risks. It is therefore necessary to recognize three coordinates around which vulnerability revolves: "exposure," or the risk of being exposed to crisis situations; "capacity," or the risk of not having the resources needed to deal with such situations; and "potential," or the risk of suffering serious consequences as a result of the crisis. [60]

Currently, the "Panama Solidarity Plan" provides a cash transfer to citizens affected by the pandemic to cover part of their basic needs for food, hygiene products, and medications during the national state of emergency decreed due to the COVID-19 health crisis. Measures implemented by the national government, such as the "Panama Solidarity Plan" and the "Protect Yourself Panama Plan" (Plan Protégete Panamá), were strategic in considering the population data available from measuring multidimensional poverty and constituted good practices that proved useful for the design of what will be the "Social Management System for the COLMENA Strategy" currently under construction.

Using the different measurements of poverty to design a mechanism for the identification and nominal selection of individuals has shown certain limitations. First, the implementation of social support measures requires a consideration of context. The effects of the COVID-19 pandemic and the measures adopted to contain it were not limited solely to the population in poverty; rather, certain middle-income urban segments of the population, users of the financial system, lost income due to the suspension of contracts, layoffs, and the temporary shutdown of operations of various companies, especially MSMEs, and they now require more state support.

A second limitation has been that in order to function, these nominal mechanisms that are used to identify and select citizens depend primarily on databases and administrative computer records available to the state. For studies based on representative samples of the population, such records could optimize the identification and selection of beneficiaries; however, in this type of study the informants' identity is protected by the principle of "statistical secrecy" governing national statistics in Panama.

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60 Chambers, R. (1983) "Rural Development – Putting the Last First". Longmans Scientific and Technical Publishers, Essex, UK, 246 pp.

PARAGUAY [61]

Measuring Multidimensional Poverty

The MPI is still in the early stages of implementation in Paraguay; the first bulletin on multidimensional poverty was published in 2021. The process of constructing the methodology to calculate poverty was carried out from 2018 to 2021, through multiple general and bilateral meetings (with technical experts from the public institutions linked to the dimensions of the MPI) to analyze and reach consensus on fundamental aspects. These included the purpose of the National MPI, unit of analysis, dimensions, indicators, weights of the dimensions and indicators, cutoff point or multidimensional poverty line, and a plan for communicating results.

The MPI, as a complement to the monetary measure of poverty, has been built based on data from the Permanent Household Survey (EPH), the main household survey of the National Institute of Statistics (INE) and of the country, with representativeness at the national and departmental level. This is a multi-topic survey implemented since 1997. It investigates characteristics of housing, access to basic services, health, education, employment, and income, and is also used to measure income poverty.

Beginning in 2017, the EPH was transformed from a survey done at a certain point in time (fourth quarter of every year) to an ongoing year-round survey, and its results on the labor market are published quarterly. However, for reasons related to topics and comparability over time, the calculation of the MPI is done using the fourth-quarter results of every year. The multidimensional poverty measure in Paraguay covers four dimensions of analysis: work and social security, housing and services, health and environment, and education.

Challenges to Measuring Multidimensional Poverty and the Impact of the COVID-19 Pandemic

The fallout from the COVID-19 pandemic did not have a direct impact on data collection in Paraguay. In this regard, the methodology used to calculate the MPI was not adjusted to gather specific information linked to the health crisis and understand the impacts of the crisis on multidimensional poverty. Nevertheless, in considering variables related to health, for example, it could be useful to do specific studies to draw inferences that could serve to analyze the repercussions of the pandemic.

During the COVID-19 pandemic, it has been critical for the state to address multiple needs of the population and to try to have a positive influence on poverty levels. To that end, the country has implemented a package of incentives, both for the private sector and to support the population that is vulnerable from an economic and health standpoint. These incentives include the following:

- The "Pytyvo" Program, cash transfers for informal workers;

Photo provided by Paraguay

- The "Ñangareko" Program, cash transfers for the population in poverty;
- Special transfers for participants in the "Tekoporã" Program (geared toward the protection and promotion of poor and vulnerable families);
- Community soup kitchens (*Ollas populares*) and transfers of foodstuffs;
- Food handouts in low-income neighborhoods, a program carried out by Office of the First Lady;
- Lines of credit for independent professionals; micro, small, and medium-size enterprises (the "FOGAPY" Program); businesses in border cities; companies linked to gastronomic enterprises, tourism, and event-related services;
- Subsidies for laid-off workers from the private sector;
- Exemption from payment of electricity bills; and
- Reimbursement for costs of medication related to COVID-19.

Lessons Learned

The task of constructing the MPI for Paraguay has required multiple efforts to reach consensus on necessary inter-agency agreements, such as the definition of the established thresholds. The committee that led the process was broad-based, and each participating institution took on the responsibility of delving into the indicators related to the services it provides. This meant that existing differences in paradigms also needed to be considered.

The process of putting together the MPI identified the lack of certain essential data, given that several of the indicators used to measure structural poverty were not included in previous measurements, such as data on malnutrition. It was especially important, then, to have the advisory support of experts in the social sphere, who contributed to the paradigm shift that was needed to create the indicator. This allowed for consensus to be reached between mathematicians and social technical experts, to be able to establish the correct weights and thresholds.

The MPI as a complement to the measurement of monetary poverty can be used by state institutions to identify deprivations that must be addressed for poverty reduction, as well as to design and monitor public policies with a focus on rights. However, because the index is at such an incipient stage in Paraguay, it has yet to be connected in practice to the formulation, evaluation, and adjustment of existing public policies. This will be a next step in the process of implementing the MPI in Paraguay.

Photo provided by Paraguay

IV.

Chapters by OAS Member States

COLOMBIA[62]

Methodology for Measuring National Poverty

Multidimensional poverty is defined as a phenomenon with multiple dimensions; in other words, it includes factors other than income. People experiencing poverty face restrictions in terms of access to health, education, work, services for children and youth in the household, and even living conditions in the home, which is why this indicator seeks to incorporate these factors and monitor the areas of deprivation of those who are most vulnerable.

The index includes five dimensions that encompass 15 indicators. Each indicator has a defined threshold; thus, when a household (the unit of analysis used for this purpose) does not reach the established threshold it is considered deprived in that area. A household and all its members are multidimensionally poor if they are deprived in at least 33.3 percent of the 15 indicators. [63]

Multidimensional poverty is calculated using the National Quality of Life Survey (ECV), which for the 2010-2016 series was representative of the nation as a whole, seats of municipal government, populated and dispersed rural centers, and seven regions. In 2017, the ECV was representative only of municipal seats, and since 2018 it has been representative of the nation as a whole, municipal seats, populated and dispersed rural centers, nine regions, and 32 departments across the country. The official results are published on the website of the National Administrative Department of Statistics (DANE). [64]

Using information from the 2018 National Population and Housing Census, Colombia also created the Census-Based Municipal Multidimensional Poverty Measure, which has five dimensions: household educational circumstances; circumstances of children and youth; health; work; and living conditions and access to residential public services. Households that are deprived in at least 33.3 percent of the weighted sum of these indicators are considered to be in poverty.

The measure is composed of 15 variables and five dimensions, as with the original MPI structured around the National Quality of Life Survey; however, the estimate based on the census data uses approximations for two of the 15 variables due to availability of information. Additionally, DANE for the first time used administrative records to create an indicator with information not included in the census questionnaire. [65]

Agency in Charge and Period of Implementation of the Methodology

The agency responsible for calculating the MPI in Colombia (MPI-CO) is the National Administrative Department of Statistics (DANE), based on data from the National Population and Housing Census (CNPV). [66] The methodology was applied in the 2010-2019 period.

Promising Practices

Colombia announced the launch of its MPI in 2011. The launch was accompanied by important institutional innovations and the creation of public policies informed by this index. One crucial innovation was the creation of a dashboard, along the lines of a traffic light, to support the efforts of a Poverty Roundtable ("Mesa de Pobreza") led by the President of the Republic.

This dashboard includes the goals for reducing multidimensional poverty, as well as the goals for each component of the MPI for a four-year period (corresponding to a presidential term in Colombia), all of them framed in terms of the National Development Plan

62 Chapter written by Colombia's Administrative Department for Social Prosperity.
63 To calculate this percentage, the weight of each indicator is taken into account. In the case of Colombia, the indicator assigns the same weight to all the dimensions, so each one carries a weight of 20 percent, and within each dimension, every indicator has the same weight.
64 See statistics on the DANE site, under the "Anexos" tab, https://www.dane.gov.co/index.php/estadisticas-por-tema/pobreza-y-condiciones-de-vida/pobreza-y-desigualdad
65 Angulo, Díaz y Pardo (2011) Índice de Pobreza Multidimensional para Colombia (IPM-Colombia) 1997 – 2010. https://colaboracion.dnp.gov.co/CDT/Estudios%20Econmicos/382.pdf
66 The DANE website can be found at https://www.dane.gov.co/index.php/estadisticas-por-tema/pobreza-y-condiciones-de-vida/pobreza-multidimensional

(PND). To define these goals, the National Department of Planning (DNP) undertook an innovative exercise to simulate policy scenarios and set goals for each MPI indicator, as well as the overall goal with respect to multidimensional poverty.

The design of the MPI coincided with the period of elections and change of government in Colombia in 2010. The incoming President, Juan Manuel Santos, assigned two tasks to his team: (i) to ensure that his administration's National Development Plan placed an important and explicit emphasis on the reduction of poverty and inequality, and (ii) to design management tools for good governance that could support the monitoring process, in order to obtain concrete results. First, the National Department of Planning—which in Colombia is responsible for poverty estimates and the design of the national MPI—was asked to propose indicators that would serve to track the poverty reduction strategy.

Second, the team of advisers in the Office of the President was asked to design a Poverty Roundtable to monitor the poverty reduction strategy; this would be headed by the president and would include the participation of all the ministers and administrative department heads involved in poverty reduction efforts (two other roundtables of this type were formed to focus on employment and on defense and security.)

The DNP team decided to carry out so-called simulations and public policy scenario construction for the MPI-CO. Specifically, the exercise constructed counterfactual scenarios based on microdata from the Quality of Life Survey, simulating different investment costs in social sectors, rules for targeting, and access to social goods and services, depending on the public policy in question. In other words, counterfactual scenarios for multidimensional poverty were estimated using the microdata to simulate changes over the four-year presidential administration. As it was based on the survey microdata, the exercise made it possible to obtain scenarios by dimension, indicator, and overall MPI goal.

Several steps were carried out to make this happen. The first was to review the public spending priorities (operations and investment) of the National Development Plan. This fiscal framework made it possible to determine an approximate amount of social investment spending for the incoming administration.

Once the amounts of annual spending and investment were determined, the National Department of Planning met with each ministry and state institution from the social sector to develop an investment plan for the four-year term and establish specific goals. These goals were then laid out as sector-specific goals in the National Development Plan. It is important to clarify that all these goals had an annual budget assigned to them and could be allocated by geographical territory, given that some of them corresponded to definitions of regional spending distribution established by law. This step, which is a routine process that the national government undertakes to prepare the National Development Plan every four years, served as a framework for the exercise of constructing scenarios based on the MPI.

The team in charge of the MPI-CO used these discussions to identify all the specific investment or spending commitments within each ministry or institution that would have a direct impact on the MPI-CO indicators (for example, the construction of low-income housing for people in extreme poverty).

Goals and Outcomes

The possibility of analyzing multiple dimensions of poverty was one of the reasons for adopting an MPI for Colombia. The methodology fulfills a series of properties that are useful for the analysis of multidimensional poverty, and because it is constructed with variables that can be changed through public policy, it became a useful instrument for designing and tracking public policy on poverty reduction in Colombia.

The main outcome achieved has been the creation of a tool that for nearly 10 years has made it possible to track the effect of public policy decisions on the conditions of multidimensional poverty in the Colombian population.

Main Challenges for Implementation

➡ Monitoring of public policy

In Colombia, the National Department of Planning created a multidimensional poverty measure with the Alkire and Foster methodology in mind. Its main advantages are that (i) it is an indicator that shows incidence, gaps, and severity; (ii) it has the axiomatic properties that are desirable in measuring poverty, established by Amartya Sen (1976, 1979); (iii) it enables public policy to be monitored, since the variables are defined in such a way that they determine who is responsible for meeting them; and (iv) it is an instrument that allows policy to be targeted toward population groups with multiple areas of deprivation, which makes it more useful to the extent that it can meet the needs of the neediest (DANE, 2014).

➡ Institutional arrangements

In 2012, the document "CONPES 150" established regulations and institutional arrangements for measuring poverty in Colombia. The official poverty measures Colombia adopted were those of monetary poverty (and extreme monetary poverty) and the multidimensional poverty measure developed by the National Department of Planning. Since 2018, the Committee of Experts on Measuring Poverty (created by CONPES 150) has worked on an inter-agency basis to revise and redesign the MPI to include areas of deprivation relevant to the new social context in Colombia and exclude those that have largely been overcome and are seen only marginally.[67]

In 2020, in the context of Decree 1111,[68] the national government created the Equity Roundtable (Mesa de Equidad), headed by the President of the Republic, in order to establish guidelines to reduce poverty and bring about social equity. In the context of this Equity Roundtable, the National Department of Planning and the Social Prosperity agency created a dashboard, which is the main tool for tracking and monitoring indicators on poverty and inequality.

➡ Methodological adjustments and updates

In 2020, DANE began an effort to integrate administrative records with the household surveys, for the purpose of more accurately measuring phenomena such as poverty. This was the case with monetary poverty; administrative records related to pensions, health, and institutional support were integrated with multidimensional poverty, and three sources of different data were triangulated to estimate the indicator related to school absence. The results of the monetary poverty measure indicate that the surveys can be strengthened by using these records.[69]

In addition to the official poverty measures, DANE has been working to generate statistical data that would give it complementary information on poverty and quality of life in the population. This is the case with the "Social Pulse Survey," which has the technical support of the United Nations Children's Fund (UNICEF) and arises from the need to have information on the impact of the COVID-19 situation on society and which yields information related to consumer confidence, subjective well-being, household support networks, the welfare of households that include children and adolescents, and the awareness of and access to national and local policies to assist households. Its geographic coverage is 23 major cities in Colombia.

Lessons Learned in the Design and Implementation of these Measures

The main lessons learned in designing and implementing the MPI in Colombia have to do with the relationship between the measurement of poverty and public policy. In this regard, the dimensions, indicators, and cutoff points of the MPI Colombia were defined based on the following elements:

[67] DNP (2012) CONPES 15 of 2012 *Metodologías oficiales y arreglos institucionales para la medición de la pobreza en Colombia.*
[68] 2020. Decree 1111 of 2020. *Por medio del cual se adiciona el numeral 5 del artículo 1.1.3.1 y la Parte 5 al Libro 2 del Decreto 1084 de 2015, Único Reglamentario del Sector de Inclusión Social y Reconciliación, se reglamenta el artículo 211 de la Ley 1955 de 2019 y se definen las reglas de organización y funcionamiento de la Mesa de Equidad.*
[69] DANE (2021) "Committee of Experts on Measuring Poverty".
https://www.dane.gov.co/files/investigaciones/condiciones_vida/pobreza/2020/comunicado_expertos_pobreza_multidimensional_20.pdf

- a review of the variables frequently used in other indicators implemented in Latin America;
- the Colombian Constitution;
- a review of the literature on the priority dimensions and variables used frequently in multidimensional indexes applied to Colombia;
- the direct relationship with the national government's social policy;
- the "Voices of the Poor" studies on Colombia;
- the thresholds defined by the Millennium Development Goals for Colombia and by the respective sector-related policies;
- the availability of information from a single source of statistics (the DANE Quality of Life Survey); and finally,
- discussions with experts and those in charge of different sectors.

The index, in and of itself, is therefore a tool for monitoring economic and sector-specific policy, and it is also used to report every year on the aggregated results of the progress made. In addition, the MPI-CO has been able to monitor the impacts of the pandemic. This is evident in the changes registered in deprivations related to children and adolescents, the labor market, and health, all areas that were hard-hit by the pandemic.

GRENADA [70]

The Central Statistical Office (CSO) of Grenada, within the Ministry of Finance, Economic Development, Physical Development, Public Utilities & Energy, is the department tasked with the responsibility to a) take any census and b) to collect, compile, analyze, abstract and publish statistical information relating to the social, agricultural, economic, commercial and industrial activities and conditions of the inhabitants of Grenada.

In 2018-2019, the Central Statistical Office (CSO) conducted the Grenada Survey of Living Conditions and Household Budget Survey (SLCHBS). The SLCHBS 2018–2019 is the third in a series of household surveys. The previous SLCHBS was done in 2008–2009 and is used in this report as a benchmark for trends comparison. The objective of these surveys is to assess the state of living conditions in Grenada, examine poverty and inequality trends, and develop a basket of goods and services that can be used to estimate the Consumer Price Index (CPI) for the country. The survey contains information on household expenditures, housing conditions, demographics, education, health, food security, safety and crime, persons with disabilities, and labor market indicators. This narrative document provides information from the poverty and equity report as part of the Grenada Survey of Living Conditions and Household Budget Survey (SLCHBS) conducted in 2018-2019 by the Central Statistical Office (CSO).

The poverty and equity report provides a basic understanding of the poverty situation in Grenada. Grenada only collects poverty data every 10 years; thus, the report is based on the latest available Survey of Living Conditions and Household Budget Survey (SLCHBS), carried out by the Central Statistical Office (CSO) between April to May of 2018–19. The report is a collaboration between the Central Statistical Office (CSO) and the World Bank's Poverty and Equity Global Practice, motivated by the need to strengthen poverty monitoring to assess progress in poverty reduction and, at the same time, contribute to evidence-based policy making in Grenada. The report provides updated poverty statistics using the survey mentioned above. As in other Caribbean countries, poverty in Grenada is measured through a consumption aggregate constructed by the CSO, and poverty lines estimated using the minimum food intake methodology in 2008. To compare results from previous years, the poverty line for 2018 was determined by updating the poverty line calculated in 2008 considering inflation. Additionally, it includes other nonmonetary measures of poverty, namely the Multidimensional Poverty Index and the Human Opportunity Index, to create a comprehensive picture of people living in poverty by considering other welfare indicators.

Measuring Poverty and Inequality

In its most basic form, poverty measurement refers to identifying those individuals or households who live below a predefined threshold of welfare. Such a threshold is generally known as a poverty line and the welfare aggregate that ranks the population from poorest to richest is usually measured in monetary terms like income or consumption expenditures. Given that Grenada's household surveys are consumption based, the official poverty measure of the country considers this welfare aggregate.

The 2018 Grenada poverty profile presented in this report is based on an updated 2008 poverty line to better reflect changes in living standards and population spending patterns. The Central Statistical Office of Grenada (CSO) has conducted the Survey of Living Conditions and Household Budget Survey (SLCHBS) at 10-year interval since 1998. These surveys' objective is to assess the Grenadian population's living standards and generate necessary data for socioeconomic planning at the country and parish level. For instance, the SLCHBS is the primary source of official poverty and inequality figures in Grenada, and it provides critical information for monitoring progress on living conditions and poverty reduction and identifying poor and vulnerable

populations, and thus provides inputs to inform the government on the effects of the social policies implemented for poverty eradication.

Poverty estimates for years before 2018 are based on the poverty methodology established in 2007–08, using the SLCHBS. The national poverty rates computed in 2007–08 were updated with the corresponding Consumer Price Index (CPI) values for the period 2007–08 to 2018–19, taking into consideration the average value of the CPI for the months in which both surveys collected data on food and non-food items. The new national poverty line is estimated at EC\$6,782 (USD\$2509 approx.) per year per person at 2019 prices—a 16 percent increase from EC\$5,842 (USD\$2161 approx.) per year per person in 2007–08, reflecting a higher cost of living in the country. In 2018–19, median consumption per capita was EC\$8,256 (USD\$3054 approx.) per year—22 percent higher than the total poverty line. The food poverty line is set at EC\$2,899 (USD\$1072 approx.) per year per person, comprising 43 percent of the poverty line. For the average Grenadian household, food constitutes approximately 21.9 percent of total consumption.

Measurements of well-being that are not directly linked to income

Poverty is a complex concept. A widespread view argues that to address poverty successfully, some important aspects of the phenomenon cannot be measured in monetary terms; we need to understand it from different dimensions and use metrics beyond the monetary. This section explores nonmonetary measures such as the MPI, the Human Development Index (HDI), and housing infrastructure.

The Multidimensional Poverty Index in Grenada

To summarize household deprivation in different dimensions, the MPI for Grenada is constructed based on available information from the latest SLCHBS (2018–19). This is the first time this index has been built for the country and the government of Grenada plans to update it, based on subsequent surveys, to monitor multidimensional poverty every 10 years (or every time a new SLCHBS is available). Grenada's MPI encompasses various forms of deprivation experienced by the poor in their daily lives by capturing nonmonetary dimensions of

human life, such as education, health, living standards, employment, and risk management, and linking the country context to them. This is a complementary measure to official monetary poverty (based on household consumption) and will serve as a way to monitor multidimensional poverty and its indicators throughout the country while updating the measure with each subsequent survey. The Grenadian MPI reflects simultaneous deprivations in a set of 18 indicators chosen based upon a detailed analysis of relevance and data availability. To identify whether or not a household in Grenada is deprived in an indicator, a deprivation cutoff is set for each indicator. This yields a set of 18 binary variables for every household, each variable taking the value of 1 if the household is deprived in that indicator and 0 otherwise.

Once the set of binary variables is calculated, each household is assigned a deprivation score that indicates the proportion of deprivations weighted by each indicator's relative importance in the structure of the MPI. This score takes values between 0 (the household does not experience any weighted deprivations) and 1 (the household experiences weighted deprivations in all 18 indicators). So, to identify households in multidimensional poverty in Grenada, the score of each household is compared to a poverty cutoff (known as the k-value). In Grenada, the poverty cutoff was set at 40 percent, based on the reasoning that this threshold is equivalent to being deprived in two complete dimensions or the equivalent of weighted indicators. All households deprived in several weighted deprivations equal to or greater than this cutoff are identified as multidimensionally poor. Once these households are identified, the MPI is computed as the product of two component indexes: the multidimensional headcount ratio and multidimensional poverty intensity.[71]

The multidimensional headcount ratio (*H*) is the proportion of the population who are multidimensionally poor. The multidimensional intensity of poverty (*A*) measures the proportion of weighted indicators in which, on average, multidimensionally poor households are deprived. In other words, *H* measures the incidence of poverty while *A* measures intensity. The MPI combines these two aspects of poverty in the following way: *MPI = H * A*, thus measuring both the incidence and intensity of poverty.

71 National Statistics and Information Authority (2019).

The Human Opportunity Index in Grenada

This section employs an operational measurement of equity called the Human Opportunity Index (HOI), which focuses on access of Grenadian children ages 0–18 to basic goods and services.[72] We use this index to measure children's opportunities based on access to basic services considered critical for individual development; universal access to such services—by public or private provision—is a socially valid and feasible objective. Specifically, this measurement considers both average coverage and distribution of basic opportunities among circumstance groups. These groups are defined according to predetermined circumstances at birth, such as race, gender, family income, parent's education level, and place of residence, for which children cannot be considered responsible and that therefore, from the standpoint of equity of opportunity, should not affect their access to basic goods and services.[73] This measure can also be seen as a synthetic measure of how far a society is from universal access to an essential good or service and how equitably access is distributed across individuals (circumstance groups). By focusing on children ages 18 and under, the HOI excludes the effect of effort and choices. So, for a given service, the difference between the HOI and its coverage reflects how circumstances affect the likelihood of accessing this service. The larger the gap between these two rates, the more unequal the access is. [74]

In the case of Grenada, the predetermined circumstances considered in the analysis include 1) wealth quintiles based on the possession of assets in the household, 2) possession of other assets (washing machine, internet in the house, and electric kitchen appliances), 3) gender, 4) family characteristics, 5) household head's education, 6) household head's working sector, 7) parish of residence, and 8) household's expenditure decile. The opportunities considered in the analysis include 1) starts school on time (at ages 6–7), 2) attends elementary school (during ages 6–13), 3) attends secondary school (during ages 14–18), 4) finishes six years of education on time (ages 12–16), 5) dwelling has tap water, and 6) dwelling is connected to sanitation network.

Key Findings

▷ Along with a positive economic growth, Grenada's poverty rate decreased significantly from 37.7 percent in 2008/09 to 25.0 percent in 2018/19. However, extreme poverty increased from 2.4 percent in 2008/09 to 3.5 percent in 2018/19. As for inequality, it increased slightly for 2018/19 in relation to 2008/09, with the Gini index moving from 0.37 to 0.40 at the national level. Other inequality measures show similar trends: for example, in 2008 a person in the top 10 percent of the national population consumed 5 times more than a person in the other 90 percent and, in 2018, almost 7 times more, exposing an increase in inequality.

▷ Since 2008, the maternal mortality ratio decreased from 30 to 25 deaths per 100,000 births and notable improvements have been made in terms of access to improved water sources and access to electricity. Progress has also been made in school enrollment, both for primary and secondary.

▷ Grenada's MPI shows that 34.3 percent of the population live in households considered multidimensionally poor.

▷ A poor household has almost twice the family size of a nonpoor household. Household heads from poor households must support more members per worker in the house, as shown by the dependency rate of 1.02 for poor households and 0.70 for nonpoor household. On average, female-headed households are observed to be poorer than male-headed households.

▷ Nonpoor households have better-quality housing and more access to public services, such as drinking water, electricity, and a toilet, in their dwellings.

▷ Poverty is much higher for unemployed individuals (38.8 percent), compared to those who are employed (20.8 percent).

▷ Among the employed, poverty levels are higher for individuals working in human health and social work activities.

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72 Barros et al. (2009).
73 Ibid.
74 World Bank (2016).

▷ Average school attendance rate drops earlier for the poor at age 15, versus age 17 for the non-poor, which also reflects on the low percentage of people attaining tertiary education, especially among the poor.

▷ Around 23.3 percent of households reported that they ate less than they should in the past 12 months; this proportion rose to 49 percent for poor households. Moreover, 27 percent of all surveyed households reported they were worried they would run out of food in subsequent months.

Observations/Recommendations

◖Poverty would have declined to 16.9 percent in 2018/19 if inequality had not risen during this period, as shown by the Datt-Ravallion decomposition of poverty. Thus, distribution-improving policies may be needed to promote an equitable growth path.

◖The decrease in poverty allowed for improvements in indices that denote vulnerability, such as maternal mortality ratio, access to water sources and electricity, as well as overall school enrollment. In that sense, the multidimensional poverty index, measured for year 2018 for the first time, exposes that 34.3 percent of the population live in households considered multidimensionally poor, including 22 percent of the population that are living above the monetary poverty line.

Conclusions

Over a period of ten years, between 2008 and 2018, Grenada experienced significant economic expansion, which propelled growth in consumption. This, in turn, led to a considerable reduction in poverty, which decreased from 37.7 percent in 2008 to 25.0 percent in 2018. However, this trend was slower for the lowest part of the expenditure distribution, causing extreme poverty rate to rise from 2.4 percent in 2008 to 3.5 percent in 2018. This potentially explains the slight increase in inequality during this period, with a Gini index moving from 0.37 to 0.40 at the national level. In this sense, the country should implement more distribution-improving policies to promote a more equitable growth path.

On average, poor households look different from their non-poor counterparts in several aspects. One of them is the number of household members, which is twice as large for the poor than for the non-poor. In that context, the dependency rate in poor household is higher than in non-poor households, meaning the former has more members to support per worker than the latter. Additionally, female-headed households tend to be poorer than male-headed households.

As for housing and public services, access and quality are, as expected, higher for nonpoor households. As regards education, specifically school attendance, it seems to follow a similar pattern for both poor and nonpoor up to age 15, where differences between the two groups begin to be apparent. Moreover, poverty is significantly higher among unemployed people, compared to those employed or even people not in the labor force. In terms of health and food security, poor households are in general more vulnerable than non-poor households, in terms of access and resources.

PERU [75]

Methodology for Measuring National Poverty

The official measurement of poverty in Peru corresponds to income poverty, which is measured annually by the National Institute of Statistics and Computer Science (INEI) based on the data collected through the National Household Survey (ENAHO).

This is the survey that has allowed the INEI to monitor the evolution of poverty, well-being, and living conditions in households in Peru since 1995.

The ENAHO sample covers the whole country geographically, in urban and rural areas at the national level, covering the 24 departments and the constitutional province of Callao, for a total sample size of 36,862 homes. The sample has a panel component of approximately 30 percent of the total. Data collection in the field is done using a tablet device, and the measurement instrument comprises five questionnaires that include 405 questions and 329 items.

The INEI uses the absolute and objective monetary approach to measure the incidence of poverty. By this notion of poverty, anyone who lives in a household where per capita spending falls below the poverty line threshold is considered poor. This is identified as monetary poverty because it does not take into account non-monetary dimensions of poverty, such as malnutrition, unmet basic needs, social exclusion, and capacities, among other factors. The elements considered relate exclusively to monetary expenditure or income, as well as other means of acquisition such as own consumption and own supply, payment in kind, and public and private donations.

One of the components in measuring poverty is the well-being indicator. To measure poverty using the poverty line method, income or spending were selected as the indicators of well-being. Expenditure estimates consider all types of income, whether monetary or the various forms of acquiring goods and services that do not involve monetary payment on the part of households. This latter group includes own consumption and own supply, in-kind payments derived from households' own economic activities, and those elements of household income received through transfers, whether from other households or from public and private institutions. Spending on health and public education has been excluded due to the lack of adequate pricing to value these services consumed by households. The consumption of water from rivers or irrigation ditches has also been excluded from the indicator, because the degree to which these assets are transformed is virtually nil and there is no commercial value that would allow for an adequate valuation.

To ensure the greatest transparency in the methodology and procedures used for the official estimate of monetary poverty, on April 12, 2010, Peru established the Consultative Committee on Estimating Poverty and Other Related Indicators (hereinafter, Consultative Committee on Poverty), by means of Supreme Resolution No. 097-2010-PCM of the Presidency of the Council of Ministers. The Consultative Committee on Poverty is led by the head of the INEI and includes representatives of the public and private sectors, academia, and civil society. The aim of the Consultative Committee on Poverty is to ensure the quality and transparency of and confidence in the field data used to measure poverty and other related indicators.

Currently, Peru has no official measurement of multidimensional poverty. However, there is consensus about the need to reflect the multidimensional nature of poverty and identify its most relevant dimensions. Thus, the "Vision for Peru to 2050" National Agreement, approved in April 2019 by public consensus, refers explicitly to the goal of working toward a country in which "multidimensional poverty has decreased considerably." Moreover, in the framework of the Sustainable Development Goals (SDGs) laid out in the 2030 Agenda, to

which Peru has subscribed, Goal 1 ("End poverty in all its forms everywhere") establishes the following in Goal 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." The INEI, as the governing body of the National Statistical System (SEN), takes on the task of tracking and monitoring this goal.

The Consultative Committee on Poverty has also recommended that discussion of the methodology for measuring multidimensional poverty as a complement to monetary poverty be included on its agenda.

To this end, the Consultative Committee on Poverty agreed to set up a working group on multidimensional poverty to discuss the relevance, use, and importance of measuring multidimensional poverty in terms of public policy. This working group is made up of representatives of the French National Research Institute for Sustainable Development (IRD-France), the United Nations Development Programme (UNDP), the Pontifical Catholic University of Peru (PUCP), the Group for the Analysis of Development (GRADE), the Anti-Poverty Roundtable (Mesa de Concertación para la Lucha Contra la Pobreza, MCLCP), the Ministry of Development and Social Inclusion (MIDIS), the Central Reserve Bank of Peru (BCRP), and the National Institute of Statistics and Computer Science (INEI).

Among the agreements reached by this working group:

- There is consensus on the multicausality of poverty, which includes different dimensions, as well as on the relevance and usefulness of measuring multidimensional poverty in terms of public policy.
- The approach used to measure multidimensional poverty should focus on rights, with the National Policy on Development and Social Inclusion (PNDIS) serving as the point of reference.

- There is consensus on the construction of a framework of indicators and dimensions, based on the common dimensions of the Ministry of Social Development and Inclusion, the National Agreement, the National Center for Strategic Planning, (CEPLAN), the SDGs, and the Anti-Poverty Roundtable.

Period of Implementation of the Methodology

The discussion on measuring multidimensional poverty in Peru is a process that is still ongoing.

The Consultative Committee on Poverty will continue to meet this year to identify the next steps and continue working on a technical agreement to ensure a sustainable implementation of the multidimensional poverty measure.

Promising Practices

As part of the discussions held in the meetings of the working group on multidimensional poverty created in Peru, and based on the work being done, a set of issues can be identified as key to the success of the work on measuring multidimensional poverty. These issues include the following:

➡ Having a map of the most relevant actors from the public sector, academia, and the citizenry

Mapping the actors is important, since many of the decisions that must be made are not the exclusive purview of the Consultative Committee on Poverty; therefore, it is necessary to involve more specialists from different sectors who can bring their experience to the discussions related to goals, purposes, dimensions, and preeminence. It is also necessary to create a space for policy dialogue so that the multidimensional poverty indicator will be relevant from a public policy standpoint and so that the sectors will know how to use this information once it is available.

In this sense, it should be considered that certain actors who are not specialists in the subject matter may offer proposals on issues that they view as important but that may not be relevant at the outset. It is important, then, to distinguish three levels of actors:
- The Consultative Committee on Poverty, where

where discussions are underway about how to proceed;
- Technical actors who are more instrumental in defining and implementing the indicators;
- General actors, where the goal is to create consensus on poverty measures.

➡ Holding discussions with those who have already been working on the multidimensional poverty issue in the country

The participation of the Ministry of Development and Social Inclusion (MIDIS) is important in the conceptual discussion about multidimensional poverty in the country.

In this respect, MIDIS recently presented an update of the National Policy on Development and Social Inclusion (PNDIS), which establishes the general framework for coordinated interventions among the three levels of government connected to that sector. The PNDIS, as a management tool, can make explicit the multidimensional lens through which MIDIS now approaches the issue of poverty; this will enrich the way that the state understands, evaluates, and acts to reduce poverty in all its forms and dimensions. The Ministry of Development and Social Inclusion is therefore the primary potential user of the results obtained from measuring multidimensional poverty.

In the academic sphere, as well, there has already been some progress in measuring multidimensional poverty in Peru.

Goals and Outcomes

As a result of the activities carried out through the Consultative Committee on Poverty and the working group on multidimensional poverty in Peru, the following outcomes can be identified:

➡ Training

The INEI organized a Workshop on Measuring Multidimensional Poverty, which took place March 1–3, 2016. Training was provided by experts from OPHI, the entity that drafted the proposed methodology for the Multidimensional Poverty Index (MPI) adopted by many countries and international organizations. The workshop included the participation of national experts, members of the Consultative Committee on

Poverty, and officials from the various ministries.

⮕ **Systematization of experiences**
One of the results that came out of the discussions within the Consultative Committee on Poverty was the systematization of the region's experiences in the implementation of multidimensional poverty measures.

International studies have been done to capture the debate on processes used to identify the different dimensions of analysis, along with issues of interest such as:

- How the issue of unit of analysis has been addressed (households or individuals).
- The public debate over defining the dimensions to be included.
- How this measurement of poverty was adopted, as well as how it has been used effectively when applied to public policy.

For example, to examine the different points of view regarding the goals and purpose of the measurement, Peru analyzed the experiences of Ecuador, Chile, Colombia, Costa Rica, Mexico, and El Salvador. In terms of the indicators and dimensions that are part of measuring multidimensional poverty in countries of the region, Peru looked at the cases of Colombia, Chile, El Salvador, Costa Rica, Ecuador, Honduras, Mexico, Venezuela, Spain, Argentina, Uruguay, and Panama.

⮕ **Mapping of the most relevant actors from the public sector, academia, and the citizenry**
As explained above, the Consultative Committee on Poverty discussed and prepared a map of actors for the agreement with other external institutions.

⮕ **Inventory of indicators and dimensions**
An initial list of indicators and dimensions is now available, as a result of the activities of the working group on multidimensional poverty in Peru. Each of the indicators listed will need to be shared with various actors or subgroups to seek out their opinions, and discussed jointly to reach consensus on the appropriate number of dimensions. Currently, the list of indicators is in the process of being discussed for its evaluation and approval by the full

Consultative Committee on Poverty.

This initial inventory has been created based on a review of the information available through the different surveys carried out by the INEI: National Household Survey (ENAHO), National Survey of Budget Programs (ENAPRES), Demographic and Family Health Survey (ENDES), National Labor Market Survey (ENAMEL), national population and housing censuses, and various administrative records. Consideration has also been given to the dimensions common to the Ministry of Development and Social Inclusion, the National Agreement, the National Center for Strategic Planning (CEPLAN), the SDGs, and the Anti-Poverty Roundtable (MCLCP).

The information available helps to identify the indicators on which there is consensus, as well as to identify other indicators that are important and about which no information is currently available but that should be understood explicitly to discuss how they could be considered and measured.

With respect to the indicators on the initial list mentioned above, one issue to be discussed in the Consultative Commission on Poverty is the existence of indicators that are not very sensitive and do not seem to change over time but whose exclusion from the index could create a risk of bias. Another matter to be considered is the incidence of the indicator, because if it is low, it could create problems of robustness, which would affect how accurately the indicator can be measured. Another issue is the need to understand the limitations of the selected indicators in determining and identifying areas of deprivation.

Main Challenges for Implementation

The main challenge for measuring multidimensional poverty in Peru is completing the exhaustive analysis of the methodology to be applied in the construction of the index on multidimensional poverty and adapting it to the national context. Current and future discussions within the Consultative Commission on Poverty must reach agreement on the following issues: unit of analysis (households, individuals, and groups); use of universal indicators and/or indicators for specific groups (children,

the elderly, people with disabilities, etc.); measuring strategies for the short and medium term; use of household surveys or a combination of surveys, censuses, and georeferenced administrative records; redesign of samples (size and coverage); and redesign of the questionnaires, including new dimensions and variables, among other issues. The analysis of the interactions between the various dimensions of poverty should be another subject of continued consideration.

Measuring multidimensional poverty has an unavoidable regulatory component, as is the case with the selection and weighting of dimensions and indicators and the poverty threshold k value (depending on the methodology used); these are matters on which the countries that have adopted this multidimensional approach have had mixed experiences. In this regard, it is important to consider that the various institutions that belong to the Consultative Committee on Poverty, along with the different actors, may have different points of view on these issues. Therefore, there should be some reflection on the appropriate spaces for such discussions and the methodologies that would encourage public deliberation and consensus on the various decisions of a regulatory nature.

Another important aspect has to do with communicating the results of multidimensional poverty measures.

Communication strategies should be proposed to disseminate the results of monetary poverty and multidimensional poverty in such a way as to avoid confusion among users that could undermine institutional credibility.

Lessons Learned in the Design and Implementation of These Measures

➡ Participation of policy-makers
Discussions about measuring multidimensional poverty should include contributions from policy-makers. That will ensure that the objectives of the measurement correspond to the demands from the various sectors as well as to general public policy strategies or state policies that have been established by consensus.

➡ Measurement is an ongoing process
Based on the experience of measuring monetary poverty, it is clear that constructing an indicator to measure multidimensional poverty is part of an ongoing process that aims to achieve an acceptable standard of quality and robustness.

DOMINICAN REPUBLIC [76]

MULTIDIMENSIONAL POVERTY INDEX: PROGRESS AND CHALLENGES

Methodology for Measuring National Poverty

Currently, the Dominican Republic uses two sources to monitor multidimensional poverty in the country. Both estimates are based on the Alkire-Foster (AF) methodology, created through OPHI, and use Dominican households as the primary units of observation.[77] This methodology determines the incidence of multidimensional poverty through a process that has several stages:

- Selection of the dimensions and indicators that will be included in the aggregated indicator on multidimensional poverty.
- Assignment of weights for each dimension and each indicator.
- Determination, for each indicator, of the point at which a household is considered deprived in that indicator.
- Determination of the number of indicators for which a household must be deprived in order to be considered multidimensionally poor.

Based on these criteria, various calculations are made that serve to characterize Dominican households in multidimensional poverty. The first of these is the incidence indicator, H, which represents the proportion of households defined as multidimensionally poor. The second is the intensity indicator, A, which measures the average number of deprivations in multidimensionally poor households. Finally, the multidimensional poverty index, MPI, represents the result of multiplying the first indicators, as seen in equation 1:

$$\text{❶} \quad M\text{PI} = H * A$$

In the case of the Dominican Republic, the MPI has been designed according to the Dominican context. The versions that are used are explained below.

⮞ SIUBEN Methodology (MPI-DR)

The MPI-DR methodology used to calculate multidimensional poverty was done through the Office of the Vice President of the Dominican Republic in 2016 and 2019, with support from the Single System of Beneficiaries (SIUBEN), direct technical support from OPHI, and support from the United Nations Development Programme (UNDP). The multidimensional aspects considered for the MPI-DR were agreed to by consensus among the various institutions involved in the implementation of public policies in the country. Ultimately, the following dimensions were included: health, education and child care, sustenance and work, housing and environment, and digital divide and coexistence. [78]

Using this methodology, a household is considered to be multidimensionally poor when it is deprived in 33 percent of the total number of indicators. The source of information used to compile these indicators was the 2019 MPI-DR survey.

76 Chapter written by Raymer Díaz Hernández under the supervision of Rosa Cañete Alonso from the Ministry of Economy, Planning, and Development; Vice Ministry of Economic and Social Analysis; Directorate of Poverty, Inequality, and Democratic Culture of the Dominican Republic.
77 For more details about the methodology, see Alkire, S., & Santos, M. E. (2014) "Measuring Poverty in the Developing World: Robustness and Scope of the Multidimensional Poverty Index". *World Development,* 251-274.
78 Office of the Vice President of the Dominican Republic (2019) "IPM-RD: *Índice de Pobreza Multidimensional de la República Dominicana.* Santo Domingo, D.N.

→ Methodology of the System of Social Indicators of the Dominican Republic (MPI-LA)

The MPI-LA methodology for calculating multidimensional poverty in the Dominican Republic is done using data collected by the Continuous National Labor Force Survey (ENCFT), a quarterly survey geared primarily toward collecting data to characterize the Dominican labor market. In addition to employment conditions, the survey collects information related to household income, housing conditions, and the educational attainment of members of the household. The responses are used to construct different indicators of multidimensional poverty. In this regard, a household is considered to be multidimensionally poor when it shows deprivation in 25 percent of the indicators.

Agency in Charge and Period of Implementation of the Methodologies

The MPI-DR was calculated by the Office of the Vice President of the Dominican Republic, based on data from SIUBEN. The information required for this index was collected for the years 2016 and 2019. The results of the calculation of the MPI-DR were published by the Office of the Vice President of the Dominican Republic (2019).

In the case of the MPI-LA, this is part of the System of Social Indicators of the Dominican Republic (SISDOM).[79] Although the survey on which the index is based is done on a quarterly basis, the MPI-LA is calculated annually, and was most recently updated in 2020.

Goals and Outcomes

As with other versions of the multidimensional poverty index, both the MPI-DR and the MPI-LA seek to evaluate the conditions of deprivation beyond monetary poverty in Dominican households. In this sense, the dimensions included in these indexes make it possible to include aspects of everyday life that Dominican households have reasons to place a value on, such as health, education, work, housing, citizen security, social protection, and democratic participation.

The general results of each indicator reveal significant

reductions in multidimensional poverty in the last five years, using both the MPI-DR and the MPI-LA methodologies. According to the MPI-DR estimates, the incidence of poverty decreased from 35.6 percent in 2016 to 18.5 percent in 2019. Meanwhile, the intensity of multidimensional poverty decreased by just 1.9 percentage points; in this aspect, the average deprivations in Dominican households reportedly went from 41.3 percent in 2016 to 39.4 percent in 2019.

This compares with the incidence of multidimensional poverty under the MPI-AL, which dropped from 23.5 percent in 2016 to 16.4 percent in 2020. On this last indicator, it should be noted that the incidence of multidimensional poverty increased in 2020 to 16.6 percent, as a result of the suspension of economic activity due to the lockdowns related to the COVID-19 pandemic. Although a more thorough analysis of the effects of the pandemic on multidimensional poverty has not been done, it is likely that the pandemic's effects were largely mitigated by the transfers targeting the poorest households in the country.

Main Challenges for Implementation

A multidimensional poverty index allows different deprivation indicators to be taken into account simultaneously. To do this, it is necessary to follow a set of ordered steps, which are briefly presented below:

→ Selection of indicators to include in multidimensional poverty indexes

As mentioned above, multidimensional poverty indexes seek to include aspects of lifestyle, deficiencies, or lack of well-being that people could have reason to value. However, reaching consensus on which aspects should be included in the index is no simple task, as this criterion varies from person to person. Additionally, surveys that enable collection of information on the different dimensions include a limited number of questions, due to both the costs of adding a question as well as the additional time it takes households to provide the information.

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79 The multidimensional poverty indicators, as well as other indicators calculated for the country, are available at https://mepyd.gob.do/sisdom

OPHI proposes different criteria by which these indicators should be defined: evaluation of experts, empirical criteria, consultations with society, theoretical aspects, and relevance to public policies.[80] However, due both to the diversity of criteria as well as to the possibility of measuring those dimensions that have value to people, some dimensions necessarily would fall outside any multidimensional index. This does not mean that the dimensions included in an indicator should be the only dimensions that represent well-being; rather, the indicators that are included in any case are representative of agreements reached among the parties involved in the discussions.

Moreover, discussions on indicators are not limited to the issue of selection. An important normative element also arises when it comes to deciding how important each dimension of poverty is. When the indicators are designed, equal weight is assigned to each dimension that is part of the index; this decision then implicitly assumes that all the dimensions of poverty included in the index are equally important to people.

The process of selecting dimensions and indicators to be included was different for each MPI. In the case of the MPI-DR, the selection included several rounds of dialogue between different institutions, such as UNDP, OPHI, the Ministry of Economy, Planning, and Development (MEPYD), the National Office of Statistics (ONE), the Central Bank of the Dominican Republic, and the Economic Commission for Latin America and the Caribbean (ECLAC), among others.[81] In addition, UNDP conducted the "My World" survey to identify citizen priorities that people believe are important to include in the definition of poverty.

Moreover, the criterion for selecting variables to be included in the MPI-LA complied with the inclusion of the various possible aspects of the notion of poverty that could be considered based on the availability of information collected by the ENCFT Survey and statistically rigorous criteria.[82]

Lessons Learned in the Design and Implementation of These Measures

The implementation of the Alkire-Foster methodology to characterize multiple dimensions of poverty presents several advantages. First, it allows for easy communication of results, in terms of both incidence and intensity. Second, this methodology facilitates disaggregation by population groups, which makes it possible to draw attention to deprivations among women, ethnic groups, children, territories, and residential areas. Third, as the MPI-DR demonstrates, the Alkire-Foster methodology allows for the participation of the public in determining which indicators could become part of the index. Fourth, the MPI serves to make connections between deprivations in Dominican households and specific components of social policies, such as those implemented through the country's "SUPÉRATE" program.

Looking to the future, the main challenge is to be able to establish an official single measure for measuring multidimensional poverty in the country, one that enables the deprivations in Dominican households and the results of public policies to be tracked on an ongoing basis. In this regard, both indicators have significant disadvantages. Although the MPI-LA can be continuously updated because it is based on the ENCFT survey, it is a limited multidimensional indicator, as it is based on the questions that this survey already asks. In this aspect, the labor surveys collect little information related to health indicators.[83]

For its part, the MPI-DR represents a more complete index, as it includes indicators on health as well as on infant mortality and food security. Likewise, it makes it possible to work with other dimensions that are also part of people's conditions of poverty, such as citizen security, employment tenure, and proximity to pollution sources. However, the last time that indicators were collected for this version of the MPI was in 2019, and the methodology has not been updated.

80 Alkire, S., Foster, J., Seth, S., Santos, M. E., Roche, J. M., & Ballon, P (2015) *Multidimensional Poverty: Measurement and Analysis*. New York, NY: Oxford University Press.

81 Office of the Vice President of the Dominican Republic (2019) *"IPM-RD: Índice de Pobreza Multidimensional de la República Dominicana*. Santo Domingo, D.N.

82 Morillo Pérez, A. (2017) "El Índice de Pobreza Multidimensional para América Latina (IPM-AL): Una Aplicación Para República Dominicana 2000-2016". Santo Domingo: Editorial Gente.

83 The surveys that measure labor conditions in Latin America are recognized for this weakness. Santos, M. E., Villatoro, P., Mancero, X., & Gerstenfeld, P. (2015) *A Multidimensional Poverty Index for Latin America. Obtained from the Oxford Poverty and Human Development Initiative (OPHI)*: https://www.ophi.org.uk/wp-content/uploads/OPHIWP079.pdf

In this regard, the Office on Poverty, Inequality, and Democratic Culture of the Ministry of Economy, Planning and Development will begin the process of preparing an official MPI in the second half of 2022 that has the support of different sectors of the populace, is linked to the various institutions in charge of public policies. and can serve as a tool for improving people's quality of life.
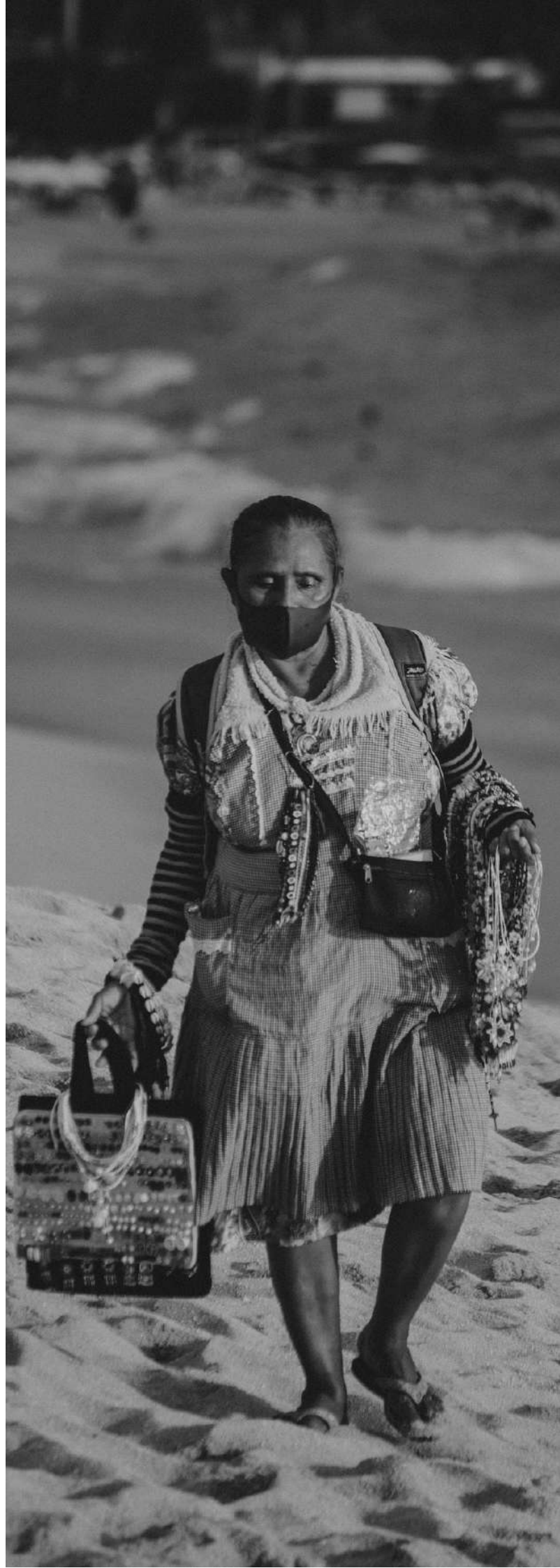
SURINAME [86]

Towards a Multidimensional Poverty Measurement Approach in Suriname

Country profile

Suriname is located on the northern coast of South America and part of the Guyana shield. Due to its colonial (plantation economy with slavery and indentured labor) background, it is also considered part of the Caribbean. The country has currently an estimated population of 602,500 (General Bureau of Statistics, 2021) living in about 160.000 households over ten administrative districts. About two third of the population lives in the urban area, which consists of the districts Paramaribo and Wanica.

Suriname has a plural population with several main ethnic groups (Hindustani, Creoles, Javanese, Maroons, and Amerindians). The composition of the urban population is relatively more heterogeneous compared to the rural areas and interior. The interior is largely populated by Maroons and Amerindians.

Suriname has a relatively young population, with an average age of 32 years, also equally distributed between males and females. The labor force consists of about 62 percent of the population, between the age of 15-59 years and the proportion of persons younger than 15 years is about 25 percent. About 12 percent is older than 60 years. The GDP per capita is USD 4,784 (estimates of 2021, National Planning Office). Although the country is classified as a high-middle income country by the World Bank, this welfare level is not reflected in all urban, rural, and interior areas of the country.

Although there are significant improvements in the living conditions at national level, one cannot overlook the high disparities between the country's geographical areas. Especially the high level of deprivations in the interior of Suriname is a major concern. A comparison of the urban area with the interior shows important differences in the access of basic services and facilities. Since major parts of the interior have no access to electricity, households

also do not own basic home appliances such as a television, refrigerator, or a washing machine. For example, in Paramaribo, the country's capital. 95 percent of the households have access to electricity, while in Sipaliwini, a district in the interior, that is only 4 percent. The inequality between geographical areas is also reflected by socio-economic indicators. These disparities raised questions in the past about the operationalization of a poverty measurement at national level. By using a multidimensional approach with the application of a measure that incorporates inequalities at district level, this paper attempts to address these issues.

The economic growth of Suriname strongly relies on the mineral industry, especially the gold and petroleum sector. In the past decade, the country was faced twice with a deterioration of its economy caused by low levels of the global market prices for these main export products. The country faced a contraction of real growth to a level of (-)5 percent in 2016. Challenges in the macro-economic circumstances also concerned depreciation of the Surinamese dollar, a high foreign government debt and high inflation, which resulted in a persistent decline of the purchasing power of the Surinamese population and caused a greater negative GDP growth (-16%) in 2021. In 2021, the economic crisis in Suriname intensified due to the COVID-19 pandemic resulting in the closure of businesses, an increase in unemployment and a decrease in income for households.

As a result of the economic crisis in Suriname, which has become particularly acute since 2021, the implementation of a Recovery Plan with special attention for poverty reduction is high on the social policy agenda of the Government. The current Government which took office in July 2020, sought support from the International Monetary Fund (IMF). The aim of the Recovery Plan is to realize a moderate annual growth of 2

percent and sound macro-economic key figures by 2023/24. Since the Plan consists of severe monetary reform measures, the Government has prioritized its Social Protection programme to protect the most vulnerable households and individuals. A tripartite alliance was established by the Government with the private sector employers and labour unions to balance its monetary reform decisions with effective social programmes.

Methodology of the National Poverty Measurement

National definition and commitments

Ensuring wellbeing and prosperity for its citizens, is one of the fundamentals which is anchored in the Surinamese Constitution, and is stated as follows:

> "Ensuring prosperity and well-being for every citizen is the aspiration of every government... the social objectives of the State are aimed at. among other things, a fair distribution of the national income, aimed at a just distribution of well-being and prosperity among all layers of the population".[87]

Suriname also acknowledges the United Nations definition -as part of the Copenhagen Declaration (United Nations, 1995)-, which describes poverty as having:

> "...various manifestations, including lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition, ill-health, limited or lack of access to education and other basic services: increased morbidity and mortality from illness: homelessness and inadequate housing, unsafe environments and social discrimination and exclusion" [88]

Measuring poverty in Suriname has always been a challenge. For decades the focus was only on the monetary approach. There was less consensus about the poverty estimates, due to the inadequate income data and different views on measurement techniques. Due to the enhancement of poverty research by academia and key public institutions as the General Bureau of Statistics (GBS), together with a shift to study poverty also as a multidimensional phenomenon, Suriname made

huge steps forward.

Noteworthy is the installation of a National Committee for Poverty Measurement and Targeting Strategies in 2016. This Committee was established as a cooperation between key institutes as the General Bureau of Statistics, the National Planning Office, the Anton de Kom University of Suriname and the Ministry of Social Affairs and Housing. This was the starting point of bringing both policy and technical perceptions and perspectives together and taking both monetary and multidimensional approaches into consideration. The main goal of the Committee was to explore the relevant concepts and measurement methods for poverty estimation and propose a suitable approach for Suriname, taking geographical disparities into account.

The work of the 2016 Committee is continued by the Multidisciplinary Poverty Measurement Committee installed in 2020. The main target for the Government is to develop a national framework for measuring poverty in Suriname. This involves research on and testing of existing poverty approaches, calculation techniques and procedures for determining the incidence and severity of poverty, the limitations of the monetary approach, and the identification of indicators to be used as proxies in targeting programs. This contribution will describe the process and progress made so far, for developing a multidimensional approach suitable for poverty measurement and targeting in Suriname.

The Committee proposed to use both the basic needs approach (using the energy-food- intake methodology), and the multidimensional approach as poverty measures for Suriname and formulated the following a National Poverty Definition:

> "Poverty of households in Suriname is characterized by a lack of income and/or possession to acquire a basic package of food and other necessary goods and services, which are needed for a dignified life. It should be noted that necessary goods and services include adequate housing, clothing, footwear, but also access to public services and services such as education, health care and utilities (water and electricity), transport and participation in society. By composing the poverty characteristics, disparities

87 Constitution of Suriname (1987). Available at: https://www.constituteproject.org/constitution/Surinam_1992.pdf?lang=en
88 United Nations (1995), "Copenhagen Declaration". Available at: http://www.un-documents.net/cope-dec.htm

between the different districts will be considered." [89]

Previous studies showed that poverty in Suriname is mainly associated and to some extent explained by multiple structural factors as education, economic resources, and the geographical location where the household is located. The findings pointed out that these factors are also related to each other, for example districts that are relatively developed often have good quality health care and education. In addition, there are some parts of the country, especially villages in the interior, which are semi-monetized and where the quality and availability of basic services such as piped water and electricity are far from ideal. These circumstances confront us with Sen's theory of social justice and well-being, conceptualized by the capability approach to optimize individual's capabilities and functioning's so that they can live the life they have reason to value. Therefore, the objective is to approach poverty in Suriname also by taking its multidimensionality into account, related to the capability approach (Alkire & Foster. 2011. Sen. 1985, 1992, 2001). [90] [91]

In this regard a multi-dimensional methodology and measures are proposed applicable for Suriname. Since the measurement at national level was a challenge due to the socioeconomic and geographical structure of the country and the associated constraints, we subsequently modify standard measures and construct indices based upon the countries specific circumstances to determine if they are more suitable and useful. The goal is to present a framework of the multi-dimensional poverty approach and related measurement techniques useful for Suriname. The selected indicators, dimensions, applied weighing structure and poverty cut-off are based on this perspective.

The proposed methodology and measure for Suriname relies on the Alkire-Foster method (Alkire & Foster, 2011),[92] taking the methodology of Santos et al. (2015) [93] for Latin-America into account. Santos et al. (2015) compose a multi-dimensional index for Latin America (henceforth MPI-LA), which was based upon the common "Unmet Basic Needs" practice of Latin American countries and the broader scope offered by the Alkire-Foster method considering multiple dimensions.

Relevance of the capability and multi-dimensionally approach for Suriname

Previous research findings show that poverty measured either by using a monetary or material deprivation approach, is mainly explained by structural factors as education, income and access to basic services, household size and the geographical area where the household is located. Due to the inaccessibility of the interior and their underdevelopment (lack of bridges, roads, areas only to be reached by boat or airplane), they lack sufficient basic services, such as piped water and electricity. The interior part of the country is compared to the urban area relatively underdeveloped and often lack good quality health care and education. For example, most medical centers in these areas do not have a permanent physician, and other medical staff may not be present daily. The numbers of qualified teaching staff for schools are lower compared to the rural and urban areas. Living expenses are higher in the Interior compared to urban areas, due to high transportation costs, especially for durable goods. For villages that can only be reached by boat or airplane, possessing basic home appliances is quasi-impossible. On the other hand, the expenses for food are much lower than for those living in the urban region, since they grow their own food, go out fishing or hunting.

The Latin American Public Opinion Project (LAPOP) collected with the Americas Barometer 2014 survey information, indicated that although 98 percent of these respondents said that they were satisfied with their life in general, almost 60 percent reported that their income was either barely enough to make ends meet or insufficient that they face hard times (LAPOP. 2014). In addition, compared to those living in the urban area, respondents in the interior were far more dissatisfied with the quality of health, educational services, and infrastructure. This again relates to Sen's concept of well-being (Sen. 1985, 1992, 2001).

According to Sen, functioning's represent all the possibilities and things that a person can or may be able to do in life and on the other hand, are the resources which represent the set of characteristics that a person is able to convert into the functioning's. This means that there are two main aspects that go hand in hand: the

89 Sobhie, Rosita, (2018). "Measuring Poverty in Suriname, A systematic research on concepts and measurement methods", VUBPress, Bélgica.
90 Alkire, S. and Santos, E., 2010, Acute Multidimensional Poverty: A New Index for Developing Countries, www.ophi.org.uk.
91 Sen, Amartya (2001). Development as Freedom. Oxford New York: Oxford University Press. ISBN 9780192893307;
92 Alkire, S., & Foster, J. (2011). Counting and multidimensional poverty measurement. Journal of Public Economics, 95(7-8), 476-487.
93 Santos, M. E., Villatoro, P., Mancero, X. and Gerstenfeld, P. (2015). "A Multidimensional Poverty Index for Latin America". OPHI Working Paper 79, Oxford University.

availability of a certain resource and the person's ability to convert the resource into a valuable function. The success of this process represents an individual's potential and capability to achieve. Providing the circumstances where people are aware of their options is important because there might be cases where people are used to unfavorable circumstances, with the risk that they internalize them.

The capability approach has several advantages in the context of Suriname, which is the reason for using a multi-dimensional approach within this framework. First, the capability approach gives more attention to what lies beyond the averages. Another major contribution of the capability approach is that it emphasizes the freedom of choice and freedom of the kind of life one may have reason to value. Another advantage of the capability approach is that it forces policymakers or those in favor of poverty reduction strategies to think about poverty not merely as low standard of living conditions and well-being, but as a situation where one is unable to get the kind of well-being he or she can achieve. Indeed, in the case of Suriname, the disadvantageous position of the interior might be to some extent due to natural circumstances, but also depends on policy choices and conditions to realize these choices.

The multi-dimensional poverty approach allows to explore and address different kinds of undesired situations, which is not captured in a traditional monetary poverty concept.

Methodology and Measurement

The Multi-dimensional Poverty Approach proposed for Suriname follows the Alkire-Foster methodology (AF-method, Alkire et al., 2011, 2015) as proposed by the OPHI, with some modifications to capture the national characteristics. Starting with the identification of dimensions and indicators at both national and sub-national level, the first round of selection took place. As a second step for each indicator within a dimension, a deprivation cut-off is chosen. A next step was to assign weights to indicators and dimensions and to aggregate the weighed deprivation score for each household. The last step was to identify the poor by applying a second cut-off at dimension level to discriminate upon poor and non-poor.

Indicators were selected based on theoretical considerations where indicators are evaluations of achievements, linking to the conceptual work of the capability approach. The selected indicators are mostly associated with specific dimensions related to human well-being such as Education, Health or Living standard of households. For this research 21 indicators grouped into 4 dimensions are selected. We follow Santos et al. (2015) using indicators that are identified for Latin America, composed as a set of core deprivation indicators regarding housing characteristics, basic services, and education, which are typically included in the Unsatisfied Basic Needs (UBN) method in the region. The following dimensions are chosen for Suriname: Health, Education, Standard of Living and Social-Economic Security. The four dimensions are closely related to the AF-method dimension, however operationalized by a larger set of indicators.

After the clustering in dimensions, for each indicator a cut-off is created to decide whether the household is deprived or not in its achievement of the functioning that is represented by the indicator. A next step is that each indicator is weighed, to discriminate upon the importance of each indicator. The AF-method uses equal weights for dimensions, and within each dimension equal weights for each indicator. We also use additional techniques, such as multivariate analysis to validate the underlying characteristics of the indicators, and prevalence rates instead of equal weighing for the indicator.

To identify the poor a second cut-off is chosen, and the household is identified as poor if the total deprivation score of a household is at least equal or higher than this chosen cut-off. In our case the household is considered poor if it is deprived in at least 75% of the cumulated deprivation score. Consequently, the headcount ratio is defined as the proportion of poor households out of the total population of households After the headcount ratio (H), a second aggregation index is calculated to measure the "intensity" of poverty (A). The intensity of poverty measures the average proportion of deprivations a poor household suffers in respect to all deprivations among the poor and it is also referred to as the censored headcount.

To measure poverty taking the incidence and intensity of poverty into account, a third index is formulated called the adjusted headcount ratio, M0. Here the two former calculated indices, H and A, are multiplied, and it simply means that the number of poor households is trimmed

by the intensity of poverty. With H, the incidence of poverty and the proportion of households that suffer a certain amount of deprivation among all deprivations possible in the total population, is calculated.

The main findings at country level, using available data from latest Census and Multi Indicators Cluster Survey of 2018, and including the earlier mentioned modifications, shows that the headcount ratio (H) lies between 24-28 percent, while the poverty intensity (A) is about 50 percent. The adjusted headcount (M) ratio is around 12-14 percent. Decomposition at district level and by ethnicity reveal high discrepancies for specific population subgroups. For example, the incidence of multidimensional poverty for households in the interior is higher (around 75%) than for households located in the urban (15%) and rural regions (25%). The inequality in poverty incidence between female -and male- headed households is much lower, than between ethnic groups.

Comparing the results of the proposed measure and other weighing structures, shows that the discrepancies between geographical area is better exposed and captured by the use of prevalence rates as weights, instead of equal weight scores. The constructed index is heavily based on the available indicators of the data used and the choice that is made in this research to keep the index as close as possible to indicators used for Latin America. Unlike the headcount ratio, the poverty intensity figures between regions do not differ much. The range is between 40 to 57 percent. This suggests that between poor households there is a huge incidence of deprivations (almost half of the total), but there is not much difference within poor households.

Promising practices

In an "evidence-based social policy", the measurement of poverty is a pre-requisite for the development of intervention programmes and measures, guiding implementation, and an indispensable element in monitoring and evaluation. However, poverty is a concept that is defined in different ways and has just as many approaches. Poverty can be given both absolute and relative significance depending on the standard of living of the society concerned or according to the objective pursued.

The main purpose with the national poverty methodology is to have a tool for now and in the future for:

a)Quantification of poverty. Measuring the extent and intensity of poverty is central to any poverty reduction program, and timely and reliable calculations are needed: how many people are poor and how poor are they?

b)Analysis of the characteristics of the poor. This also includes causes of poverty. This analysis is crucial for the development, implementation and monitoring of poverty reduction and social programmes. Specifically, this analysis should provide tools to:

- Distinguish relevant groups and subgroups for targeting.
- Develop measures and guidelines to increase the impact of programmes, including efficiency, including using proxy indicators.
- Develop better standards for specific programmes in policy areas such as: fiscal policy, employment and wage policy, education, health, and social policy.

c)Establishing a benchmark. With the help of a nationally recognized poverty methodology, private and public sector bodies and institutions should be able to establish a benchmark for their programmes and measures:

- A baseline or (quantitative) starting point with which progress can be measured in relation to other measurement moments in the planning period.
- Impact. The determination of the (quantitative) effect of interventions on the social and poverty situation. It is of particular importance for the Government to monitor the poverty situation as an indication of the success of macroeconomic and development policy, i.e., the use of poverty targeting.

Lessons learned. Challenges and Suriname's way forward

Combating poverty is tackled through a holistic approach of the Government, in which several ministries have a role to play. Within the national policy framework, the Ministry of Labour, Employment and Youth Affairs has a primary role to address issues in the field of labour. In particular unemployment, low wages, and labour protection, which are some of the major causes of poverty. The Ministry of Social Affairs and Housing has the task to execute a Social Protection Programme to solve the needs of vulnerable groups and individuals by means of a social safety net in its policy programme.

To implement its policy programmes accurately and efficiently, the Government needs reliable information about the poverty situation in the country. In this way, it can succeed to develop or improve their targeting programmes and deliver effective assistance to vulnerable households and individuals.

In the case of Suriname, "being poor due to lack of resources" may not be applicable in the same way to the various regions of the country. We argue that in the interior this lack or deprivation of goods and services is not only due to "a situation of limited income or other resources of the household", but also due to natural circumstances, distance to the nation's capital and the underdeveloped state of the region.

A second point where we take a different approach compared to the common internationally applied practice, pertains to the issue of urban/rural differences when defining deprivations. Instead of using different cut-off deprivation levels for households in the urban and rural area, we decided that the national situation should be the benchmark reference point. This is required to be able to detect inequalities and discrepancies between areas.

The main reason to explore the multi-dimensional approach within the framework of Sen's capabilities approach, was to detect the disadvantageous circumstances that prevail in underdeveloped areas and to determine the risk of the incidence of "adaptive preference". The capabilities approach optimizes one's freedom of choice because it takes account of the existing and required capabilities in a society, as well as of the capabilities of individuals (Nussbaum, 2011)[94]. This is important because individuals might make choices based on what they usually do and/or on what they believe is within their reach. A combination of capabilities in society and capabilities of the individual may enhance the chance to realize a dignified life.

A challenge in the implementation is the shift from traditional monetary oriented views to the proposed multi-dimensional approach. During the stakeholders' meetings we observed that part of the audience still thinks in monetary terms and are looking for "monetary poverty lines" and tries to quantify the identified deprivation in monetary terms.

94 Nussbaum, M. C. (2011). Creating Capabilities: The Human Development Approach. [Creando capacidades: el enfoque de Desarrollo Humano]Harvard University Press. https://doi.org/10.2307/j.ctt2jbt31

Another issue we came across was the variety of dimensions and indicators that were identified as part of the multi-dimensional approach. Based on their background and expertise, stakeholders proposed an extensive list of indicators. However, based upon data constraints, or applicability at sub-national or national level, not all could be included in the final national listing.

The decision of the cut-off for each indicator was also one of the main discussions, since there were different views, varying from very expert and practical views to relying on international standards and practices. Also in this regard, consensus was reached by looking at the mean at sub-national and national level, testing the applicability and validity, and based upon that, informed decisions were made.

Measuring poverty in Suriname at the national level is a challenge because one must take into account the specific socio-economic and geographical structures of the country and the associated constraints. Suriname is characterized by notably large cultural, ethnic, social, demographic, and regional diversities. The various ethnic groups are not equally distributed from a geographic perspective. In addition, there are significant differences in the degree of openness to markets and of monetisation between the areas. The social protection programmes will therefore rely heavily on the multi-dimensional poverty measures since it provides the necessary selection criteria.

Other poverty measurement problems are related to data availability and the quality of the collected data, as well as the limited availability of economic resources to carry out surveys. Particularly, in the interior area of the country, major challenges are faced to obtain significant response rates in surveys. Especially, the response rate of household and personal income were persistently below 70 percent.

Nevertheless, the Government will make all efforts to introduce the multi-dimensional approach since it needs a more structured way of targeting for its social protection programmes.

The multidimensional poverty index proposed for Suriname is based upon the AF- method. Beside the use of the standard weighing structure of the AF-method, also a more comprehensive weighing structure was applied to capture regional and other disparities. The main findings are that at country level using the different modifications the headcount ratio (H) lies between 24-28 percent, while the poverty intensity (A) is about 50 percent. The adjusted headcount (M) ratio is around 12-14 percent. Decomposition at regional level and by ethnicity reveal high discrepancies for specific population subgroups. For example, multi-dimensional poverty is far more severe for households in the interior (around 75%) than households located in the urban (15%) and rural regions (25%). The inequality in poverty incidence between female –and male- headed households is much lower than between ethnic groups. Comparing the results of the proposed measure, other weighing structures, show that the discrepancies between regions is better exposed/captured by the using prevalence rates as weights instead of equal weight scores. The constructed index is heavily based on the available indicators of the data used and the choice that is made in this research [95] to keep the index as close as possible to indicators used for Latin America. Unlike the headcount ratio, the poverty intensity figures between regions do not differ much. The range is between 40 to 57 percent. This suggests that between poor households there is a huge incidence of deprivations (almost half of the total), but there is not much difference within poor households.

95 Sobhie, Rosita, (2018). Measuring Poverty in Suriname, A systematic research on concepts and measurement methods., VUBPress, Belgium.

VI.

Conclusions and Recommendations ⁹⁶

Promising practices

This Compendium highlights commonalities among the countries of the region in their efforts to reduce poverty in all its forms and dimensions, among which the following promising practices stand out:

Transparency

The countries of the region have taken on the task of publicizing the methods and data underlying their multidimensional poverty measurements. From their creation to their updates, they are always the subject of detailed public reports. This is important for confidence building within the country but also with the international community. For this reason, many countries include important aspects of the strategies implemented around their MPIs in documents such as the Voluntary National Reviews presented to the United Nations High-Level Political Forum.

Coordination of actors

The region has rich experiences in terms of multilevel coordination mechanisms such as: inter-ministerial, between levels of government, between technical and political teams, and with other sectors of society. This multilevel coordination is fundamental for the construction of multidimensional poverty measures, as well as for the design and implementation of poverty reduction strategies.

Ongoing monitoring

Some countries have revised and updated their measures to better adapt them to their contexts. In some cases, indicators are adjusted, or entirely new dimensions are included in improved versions of the measure. This is done after a thorough and transparent discussion and after having exhausted strategic decision-making within the context of the original measures. This is important because the change of an MPI implies the breaking of an important time series, which must be planned and executed in such a way so as to not interrupt medium/long-term plans irremediably, nor generate distrust in governments.

Availability of quality information

Countries that have succeeded in using their MPIs as true public policy tools take care of and reinforce the existence and quality of the underlying information. Even when household information could not be collected through traditional surveys due to the pandemic, countries did not lose sight of the importance of the essential goal to fight poverty in all its dimensions.

Regulatory framework

Countries have adopted regulatory frameworks (laws, presidential decrees) that support the importance of measuring poverty with a multidimensional approach. These documents protect the structure of its measures and establish a clear institutional architecture for its estimation and use for public policy, while allowing for the continuity of actions through changes of government.

Communication of the MPI

Some countries in the region have included among their priorities the effective communication of the importance of measuring poverty with a multidimensional approach, its implications for public policy, and its potential impact on the lives of people living in poverty. This has generated the appropriation of the measure by other sectors of society, creating favorable conditions for alliances for poverty reduction and facilitating the continuity of actions.

Recommendations

To establish poverty reduction in all its forms as a priority shared among all the countries of the Americas, assuming the commitment to move from measurement to action through the implementation of strategies and integrated public policies based on the information provided by the multidimensional poverty measures adopted by the countries.

Strengthen and maintain technical capacities. The constitution of technical teams made up of experts from various institutions is one of the most important strengths of some countries in the region and one that can be emulated by many others.

Strengthen the capacities of decision-makers so that they can learn about the potential offered by the MPI to guide public policy actions to combat poverty in an efficient and properly coordinated manner. One way to strengthen these capacities is to actively participate in existing spaces at the regional level to learn about the experiences of other countries in the use of MPIs in order to be able to implement strategies aimed at its reduction.

Strengthen institutional mechanisms to constantly update MPIs and truly employ them as public policy tools. Many countries have managed to design and operationalize effective inter-institutional communication mechanisms to achieve close coordination in light of an MPI. This challenge is still pending in some countries in the region and requires political maturity that must be present in strategic development planning agendas.

Institutionalize multidimensional poverty measures to give them greater stability and promote the continuity of efforts. The fight against poverty is a State priority and not a transitory government policy. The adoption of a regulatory framework that protects these measures, the establishment of governance mechanisms that facilitate coordination among actors at all levels, and accountability are key elements for the institutionalization of the measures.

Provide more opportunities to discuss the experiences, both good and bad, of the different countries. The exchange of knowledge is key to meeting the challenge of eradicating a problem that is clearly not confined to political borders and that directly or indirectly affects the entire region.

VII.

Annexes

Questionnaire distributed to OAS Member States to gather information for the preparation of this compendium.

Questionnaire Template for Written Submission

General Information		
Name of OAS Member State		
Name of the Department		
	Name	
Contact information	Email address	
	Job title	

Section 1: Multidimensional Poverty Measurements

1.1. How does your country measure poverty?

1.2. Can you provide an overview of your country's historical and current context with regard to the design and implementation of systems for measuring multidimensional poverty (e.g., multidimensional policy index, social gap index, level of marginalization, dashboard of poverty indicators)?

1.3. Please describe the areas of success or promising practices learned from your country's efforts in the development and implementation of multidimensional poverty measurements.

Section 2: The Impact of the COVID-19 Pandemic

2.1. How has the COVID-19 pandemic impacted the way your country measures and understands poverty?

2.2 Describe the actions your government has taken to reduce poverty during the COVID-19 pandemic.

2.3. Is your country currently using indicators to measure the impact of the COVID-19 pandemic on multidimensional poverty? If yes, can you share your country's experience (e.g., challenges and opportunities) of using those indicators?

Section 3: Public Policies

3.1. How is your country's multidimensional poverty measurement contributing to public policy making aimed at promoting well-being and a good quality of life as well as reducing poverty?

3.2. How does your country's multidimensional poverty measurement relate to the UN Sustainable Development Goals of eliminating poverty and reducing inequalities and their measurements?

Other Information and Comments

4. Please share any additional information or comments.

Inter-American Committee on Social Development (CIDES)