



Consejo Nacional de Evaluación  
de la Política de Desarrollo Social

# **A methodology for the measurement of multidimensional poverty in Mexico**

**June, 2011**

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**CO**NEVAL

Consejo Nacional de Evaluación  
de la Política de Desarrollo Social

**CONEVAL**  
CONEVAL

**Social Development  
Law  
(2004)**

**CONEVAL**

- Public institution
- Academic researchers
- Technical autonomy

**Evaluation of Social  
Development Policy**

**Multidimensional  
Poverty Measurement**

# BUILDING THE METHODOLOGY

It is a mandate from **Congress** (Social Development Law)

The Law establishes the main **characteristics** of the measurement:

Should be based on **Social Rights**

It should include these dimensions: **educational gap, access to health services, access to social security, quality of living spaces, access to basic services in the house, access to food, and income.**

Should **link public policy** to **poverty**

It should estimate poverty at the **national, state and municipality** level.

# Rights to social development

“..to guarantee the full exercise of the social rights set forth in the Political Constitution of the United Mexican States, ensuring access to social development to the population as a whole ”

•The Law was **approved unanimously** by the Chambers of Deputies and Senators

•This Law can be seen as the social **consensus** Mexico has achieved through Congress

Health

Education

Housing

# Advantages of the social rights approach

- It aligns poverty measurement to Mexican norms.
- It solves problems of weights and thresholds:
  - Since human rights are indivisible and interdependent, they all have the same relative importance. That's why all indicators of social deprivation have the same weight.
  - The Mexican regulation sets thresholds for several dimensions.

# Process

Discussions, criteria & design of data sources

2006

2007

2008

2009

Consultation  
with  
experts

Five  
Specific  
consultations

• Bourguignon,  
Kakwani,  
Walton, K  
Feres, Lopez  
among others

• Julio Boltvinik  
• Satya Chakravarty  
• James Foster, Sabine Alkire  
• David Gordon  
• Rubén Hernández and  
Humberto Soto

Survey  
Design

National  
and  
international  
seminars

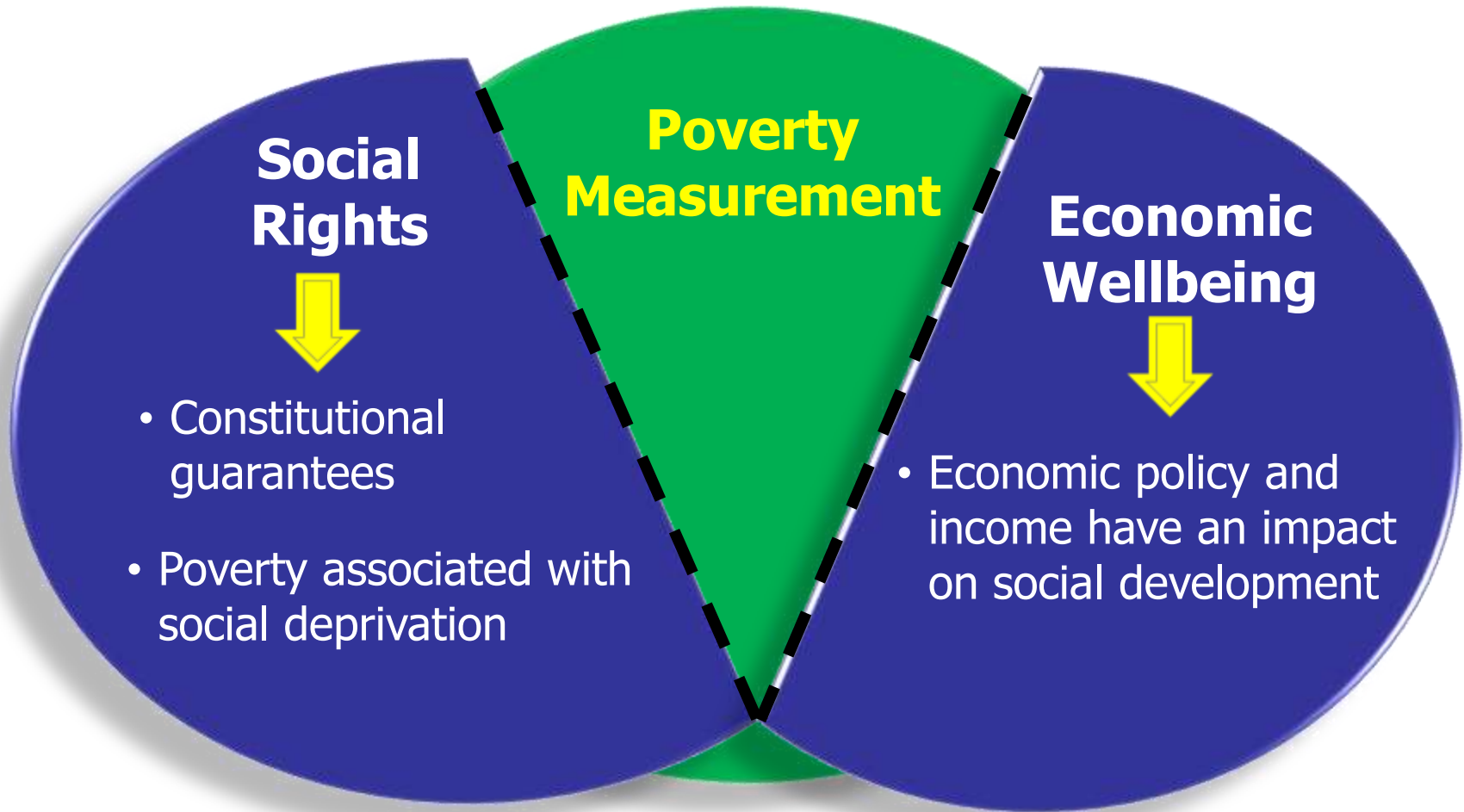
Presentation  
(December)

Building the methodology

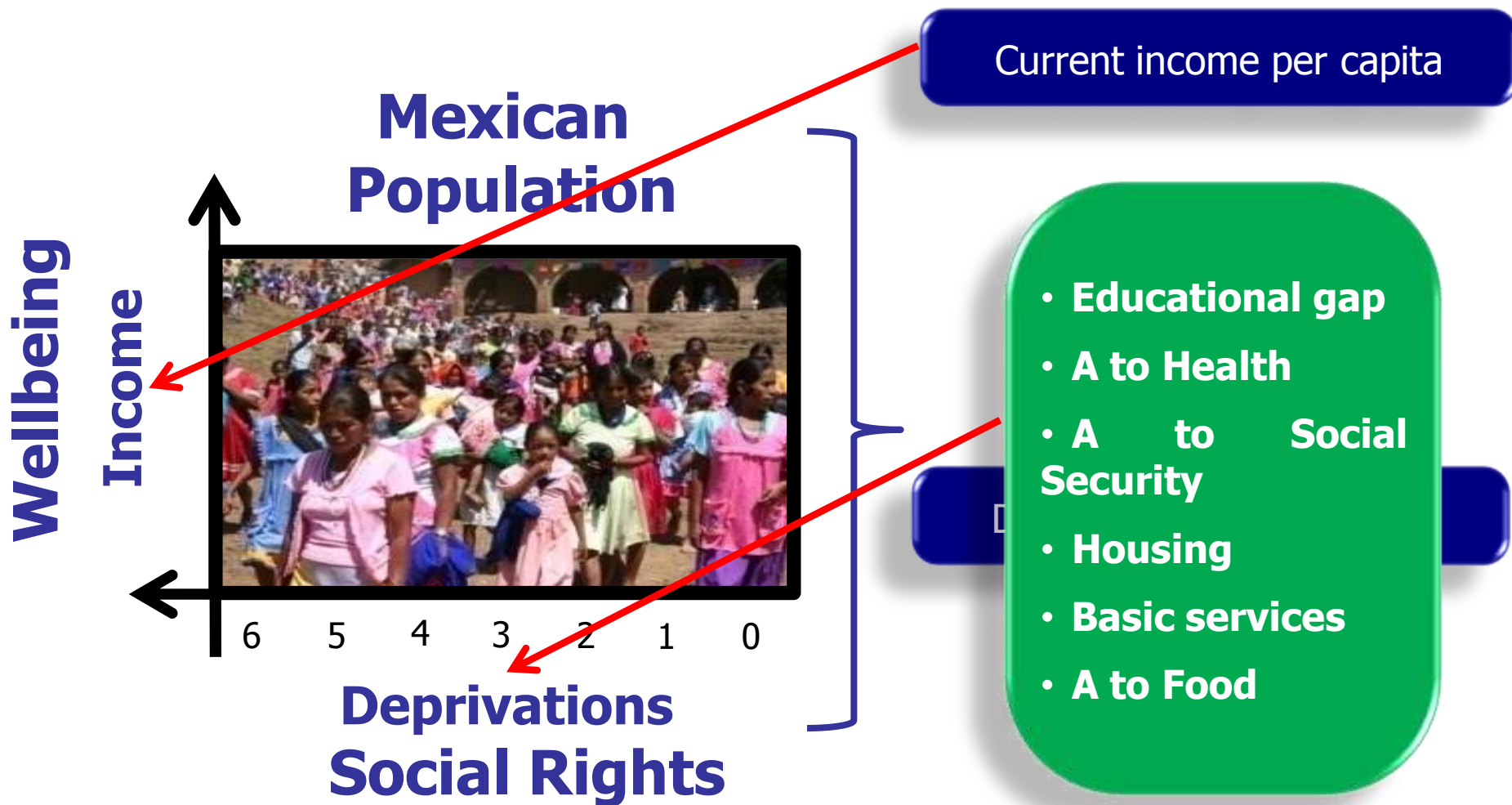


# MULTIDIMENSIONAL POVERTY

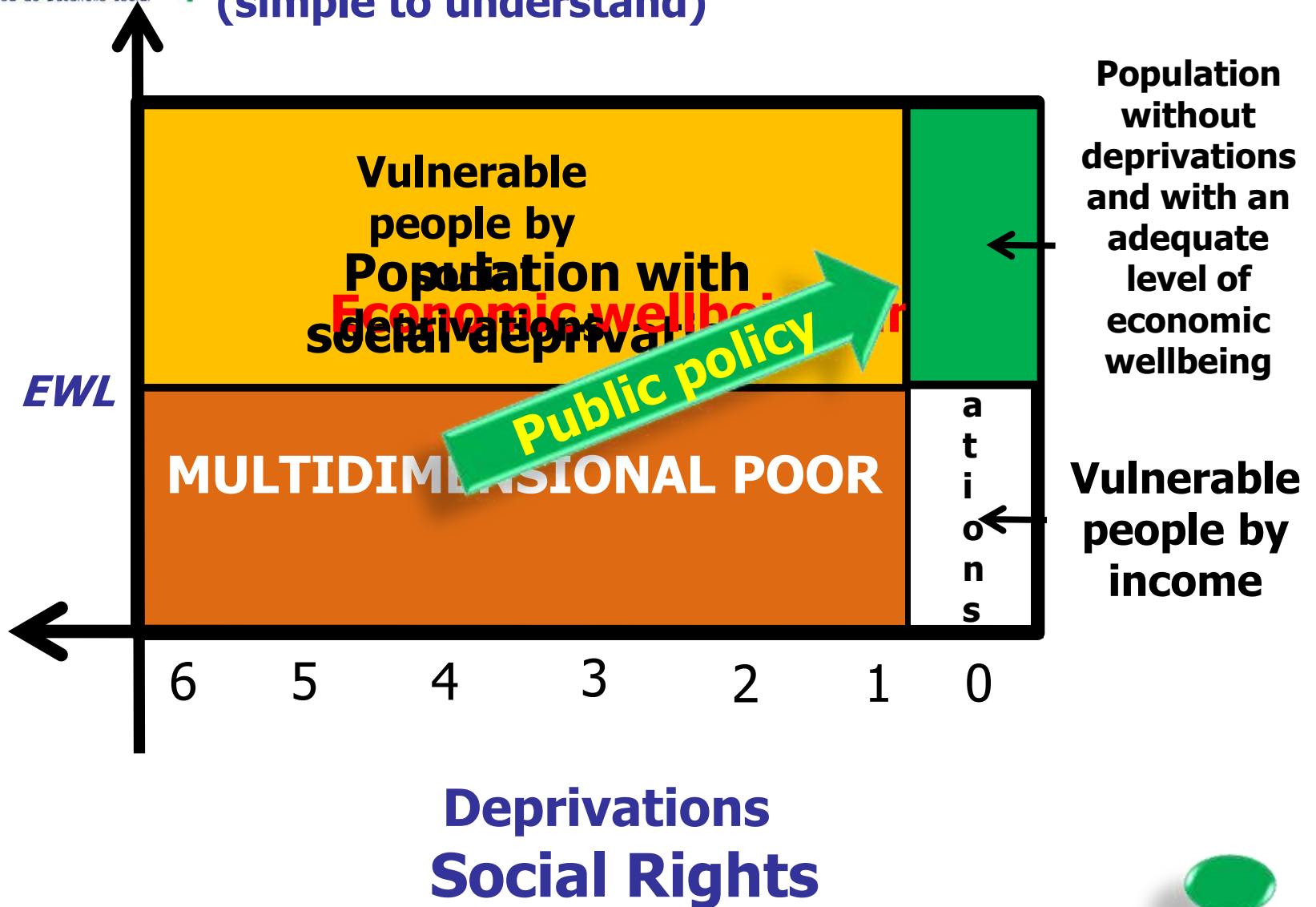
# Methodological approach



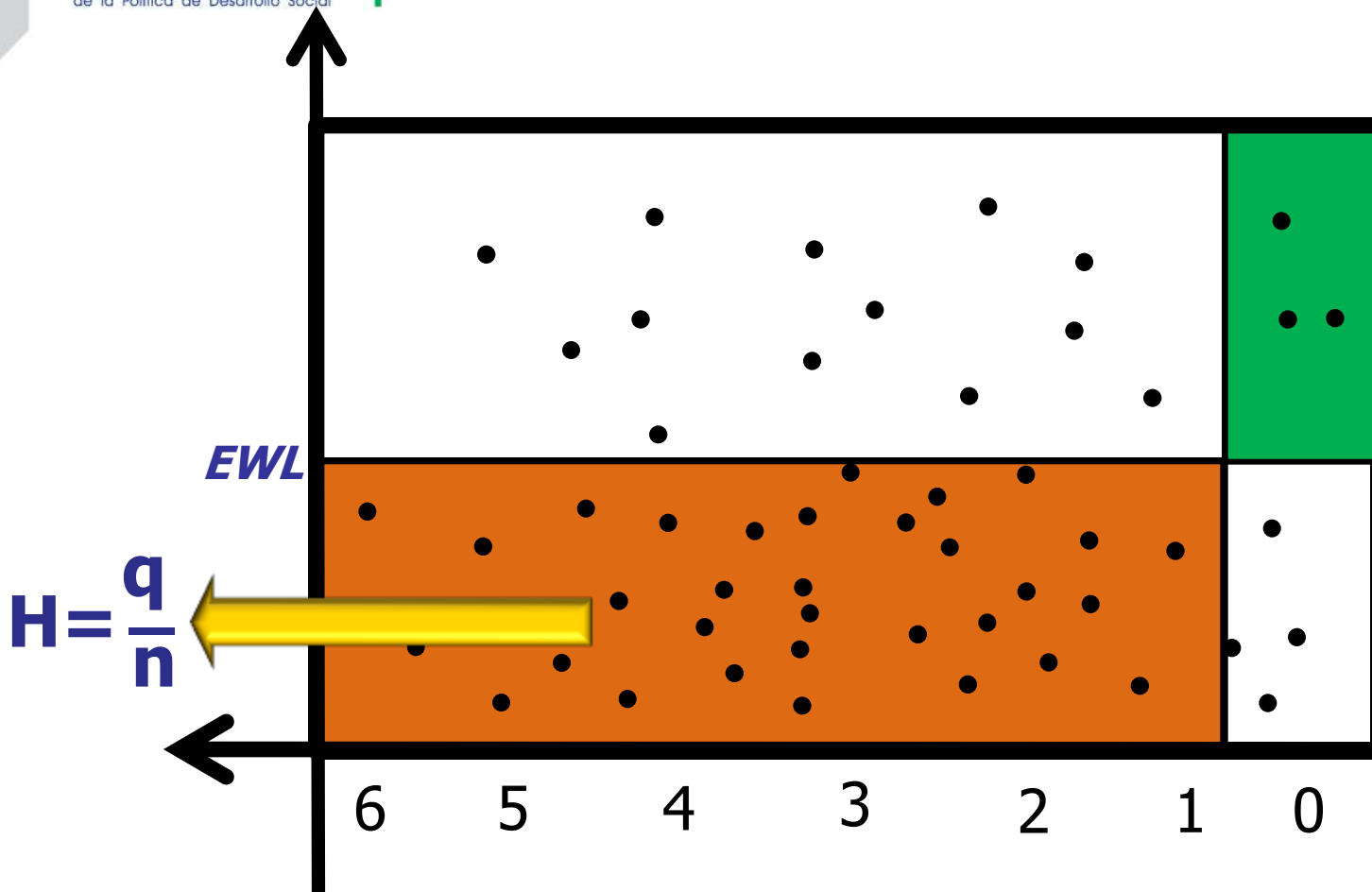
# What are the main features of the new methodology?



# Main features (simple to understand)

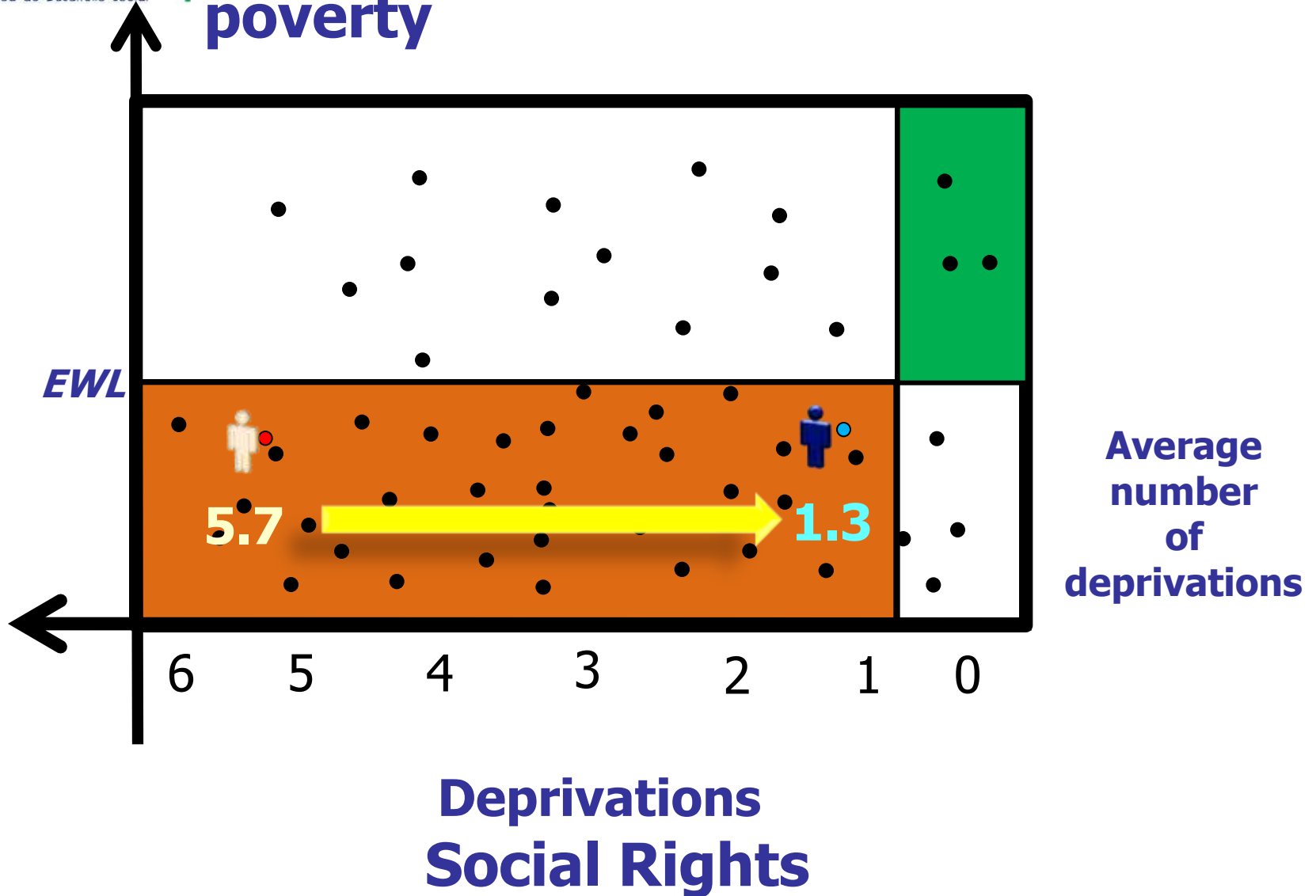


# Aggregation: the headcount ratio

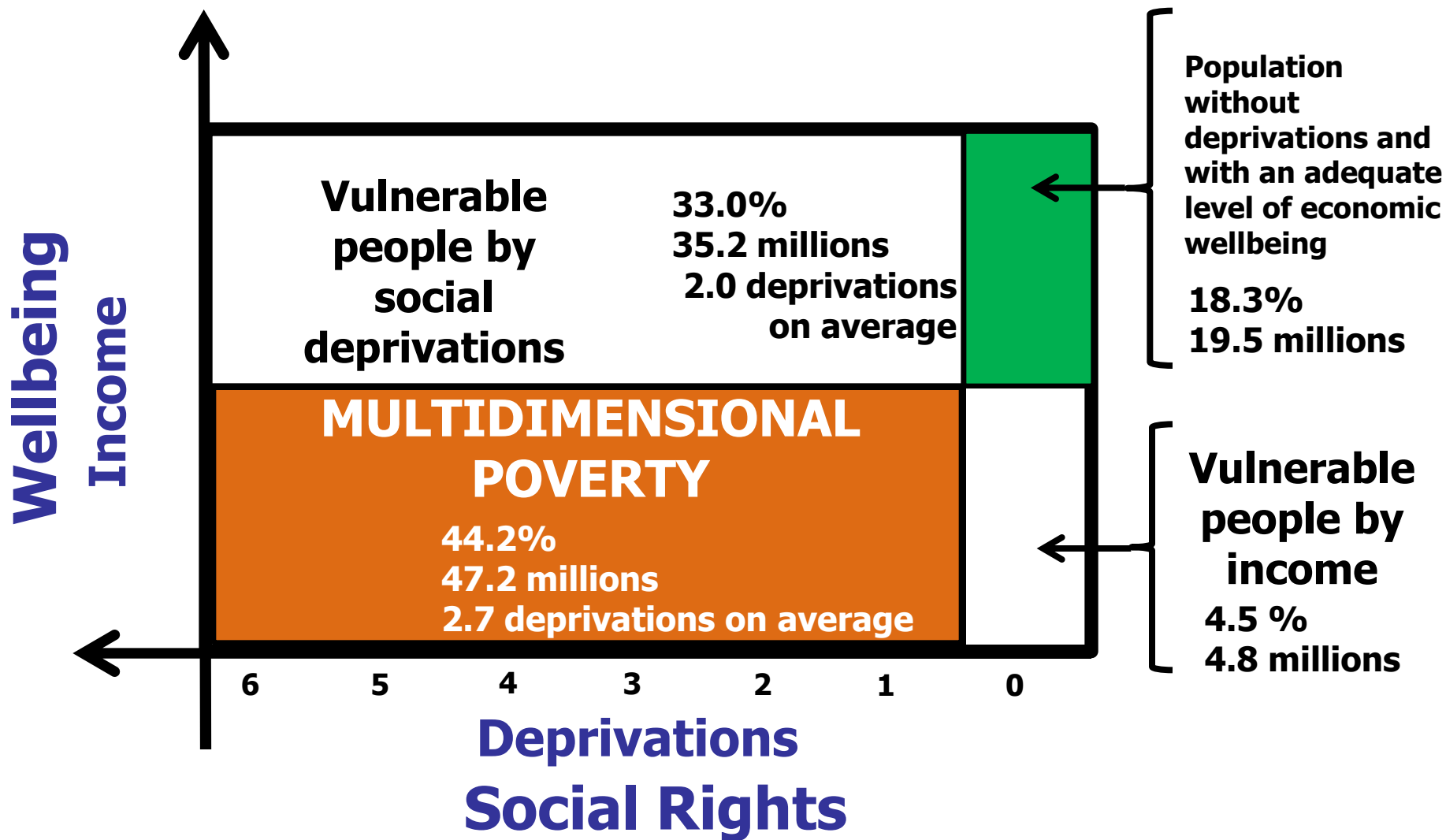


**Deprivations  
Social Rights**

# Aggregation: Depth & intensity of poverty

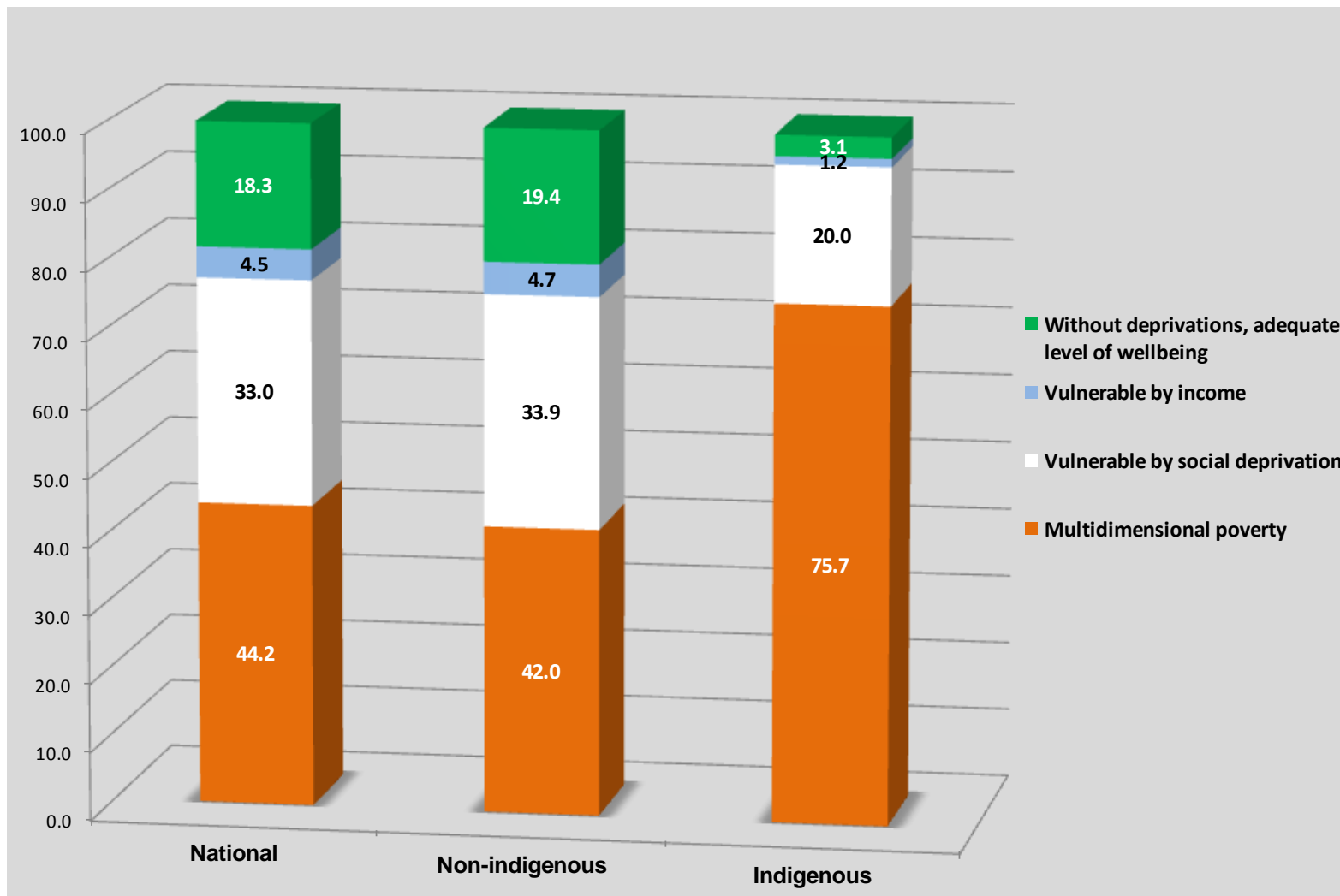


# Total population 2008 (106,680,526)



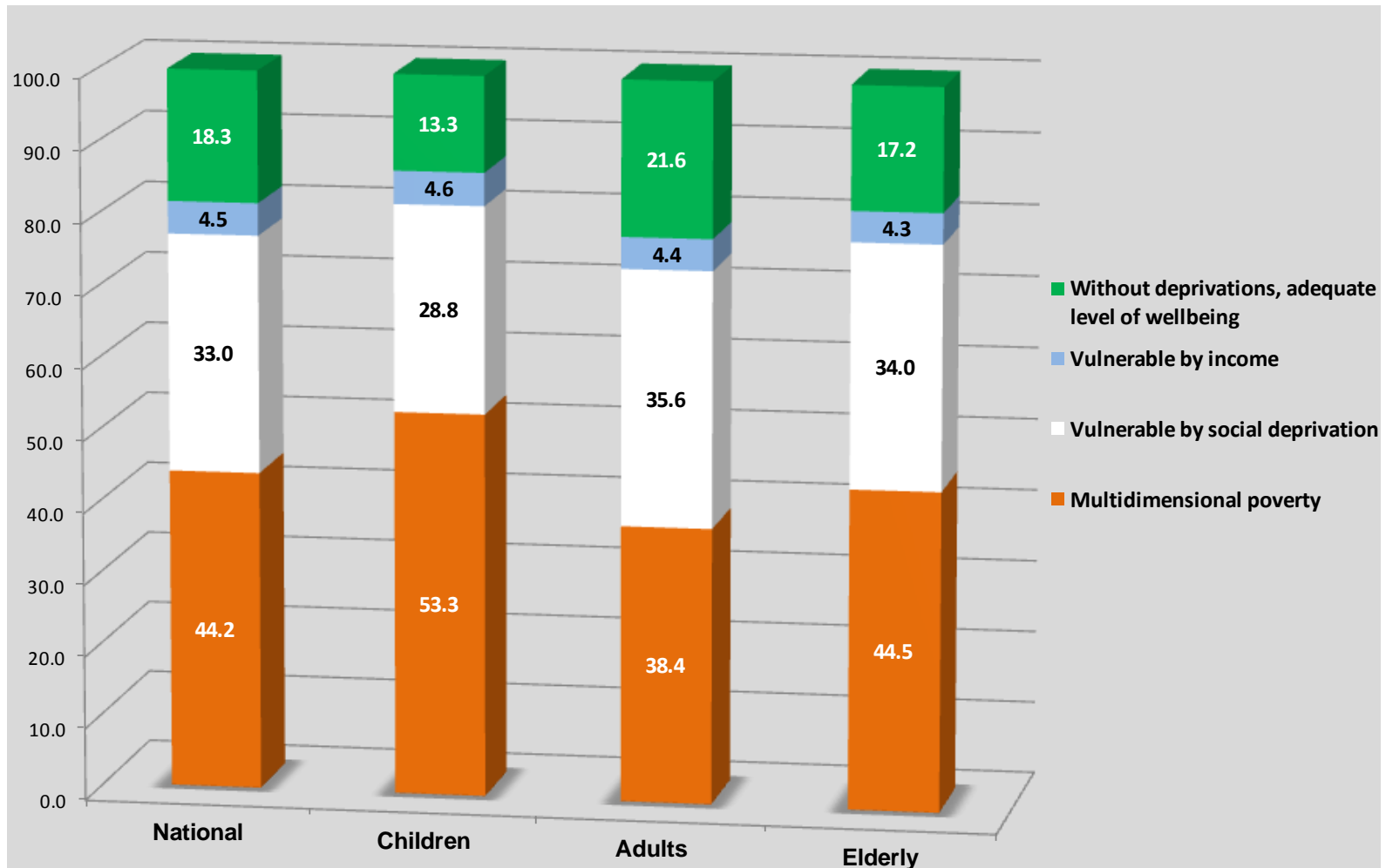
# Indigenous and non-indigenous population

Percentage of population in multidimensional poverty depending on whether they speak an indigenous language or not



# Children, elderly 2008

Percentage of population in multidimensional poverty by age group

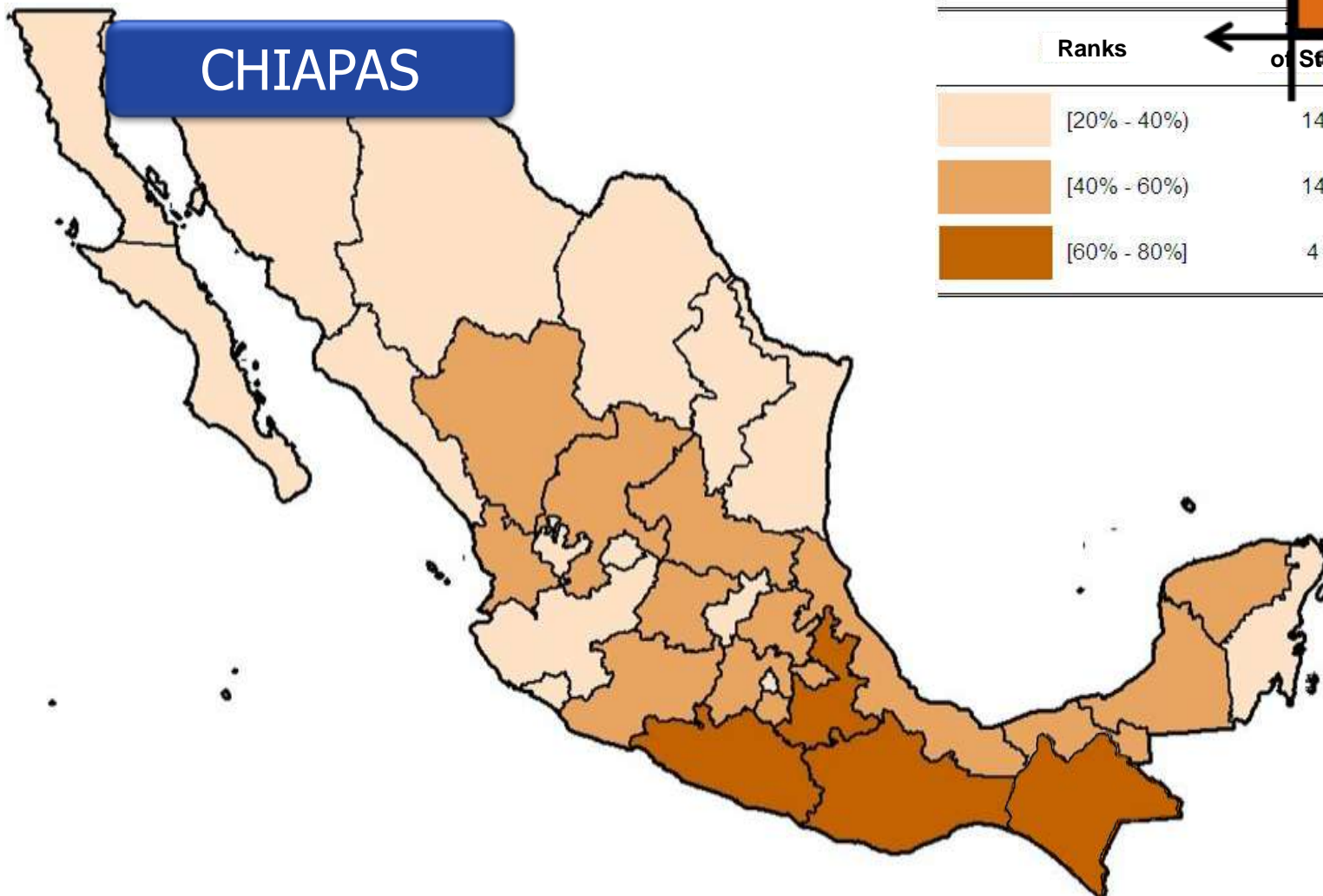


# Multidimensional poverty by state

Wellbeing  
Income

vulnerable people by social deprivation

MULTIDIMENSIONAL POVERTY

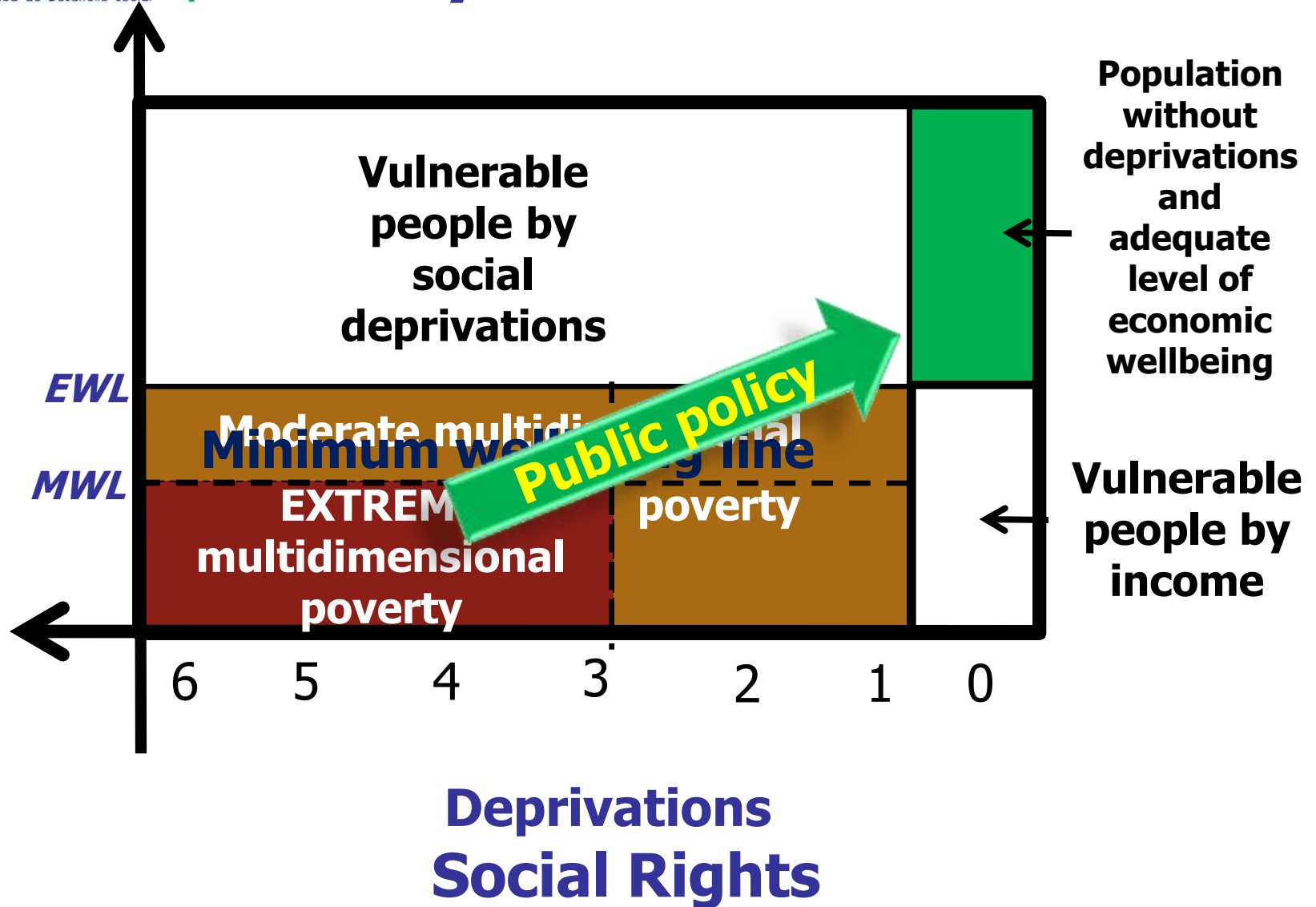


## Percentage of population with social deprivations. Mexico, 2008

Social deprivation	Percentage
Access to social security	64.7
Access to health services	40.7
Educational gap	21.7
Access to food	21.6
Housing access to basic services	18.9
Quality of living spaces	17.5

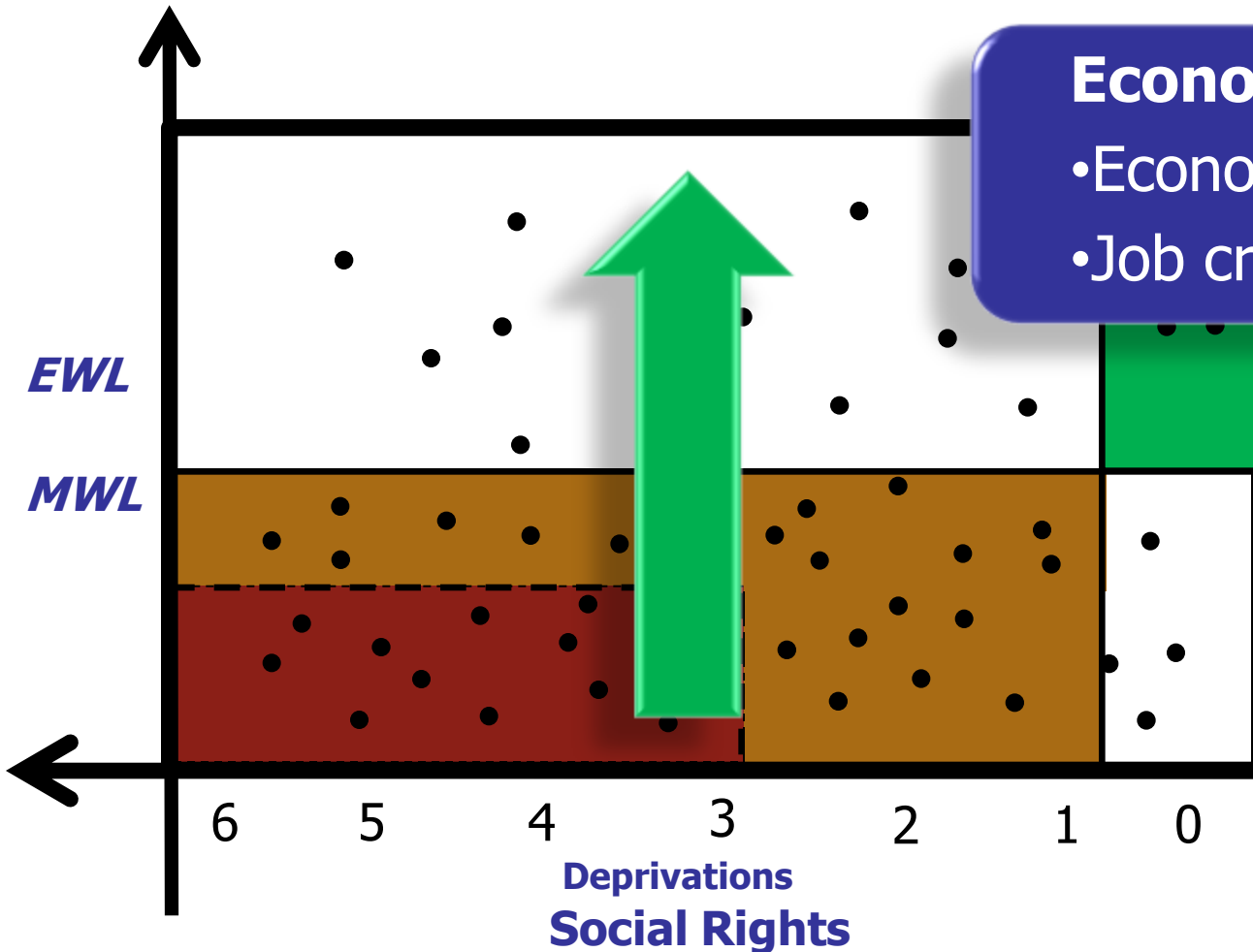
# EXTREME MULTIDIMENSIONAL POVERTY

# Poverty identification

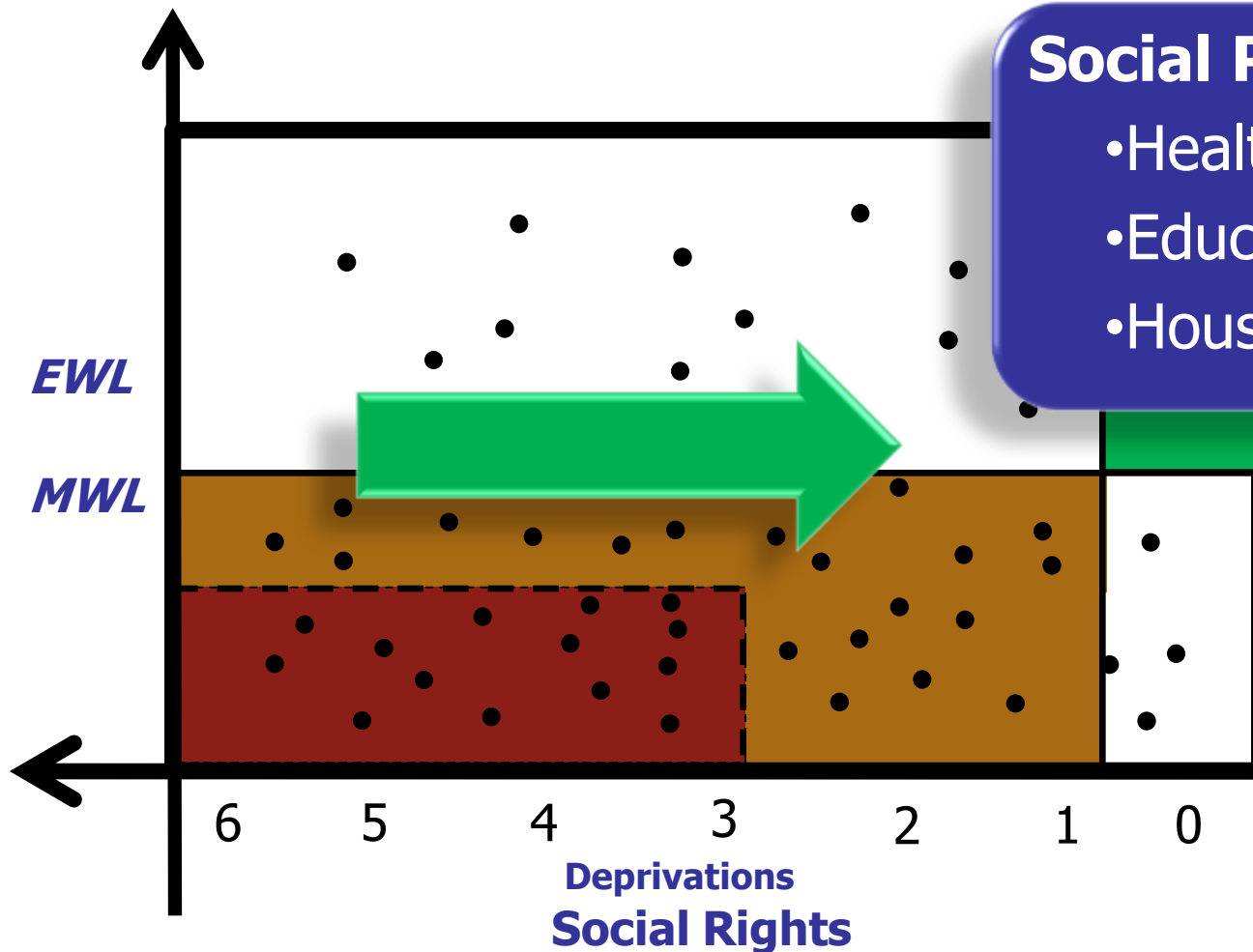


# USING THE METHODOLOGY FOR PUBLIC POLICY

# What policies should be carried out?



# What policies should be carried out?



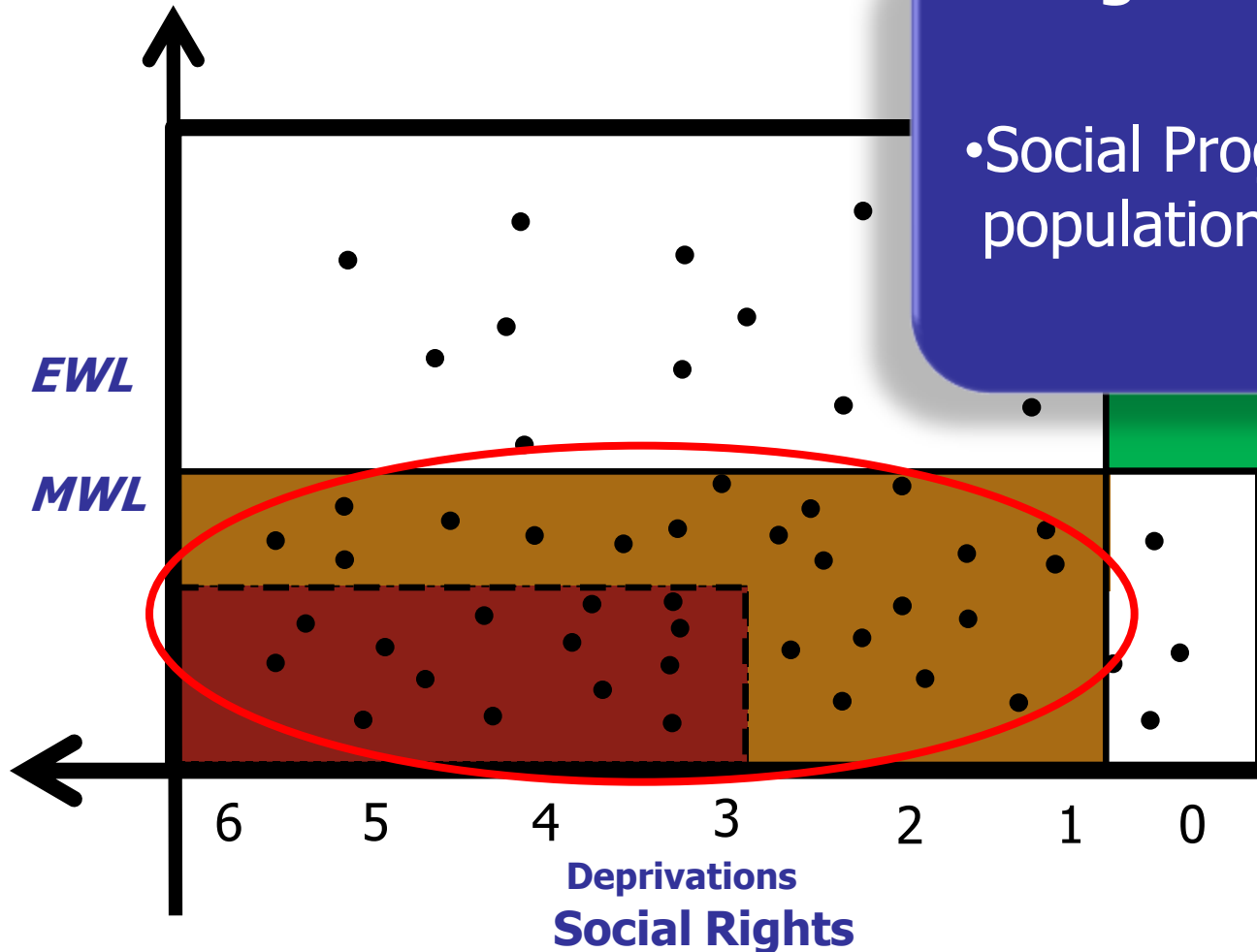
## Social Policies:

- Health
- Education
- Housing

# What policies should be carried out?

## Targeted policies

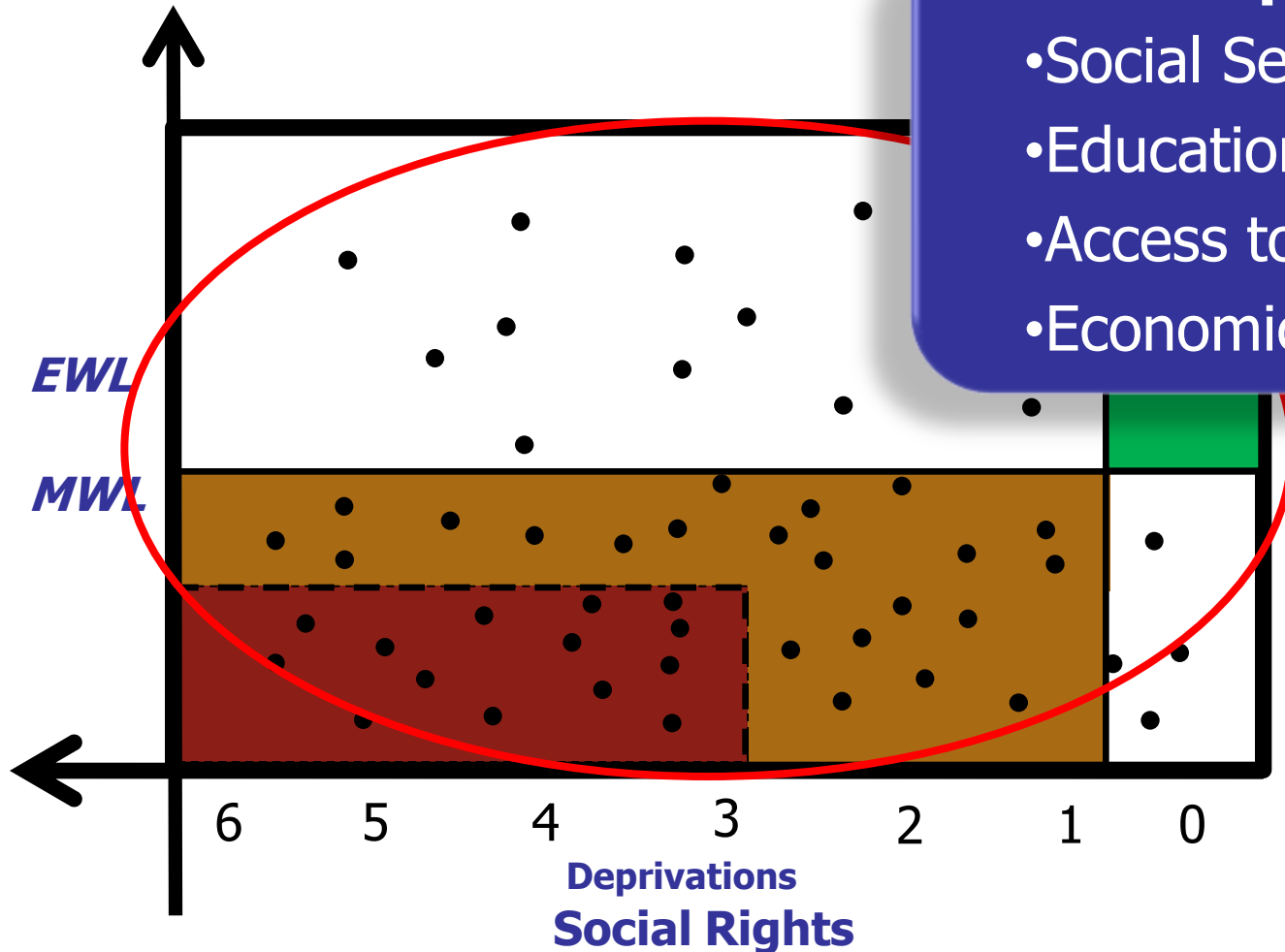
- Social Programs for the population in poverty



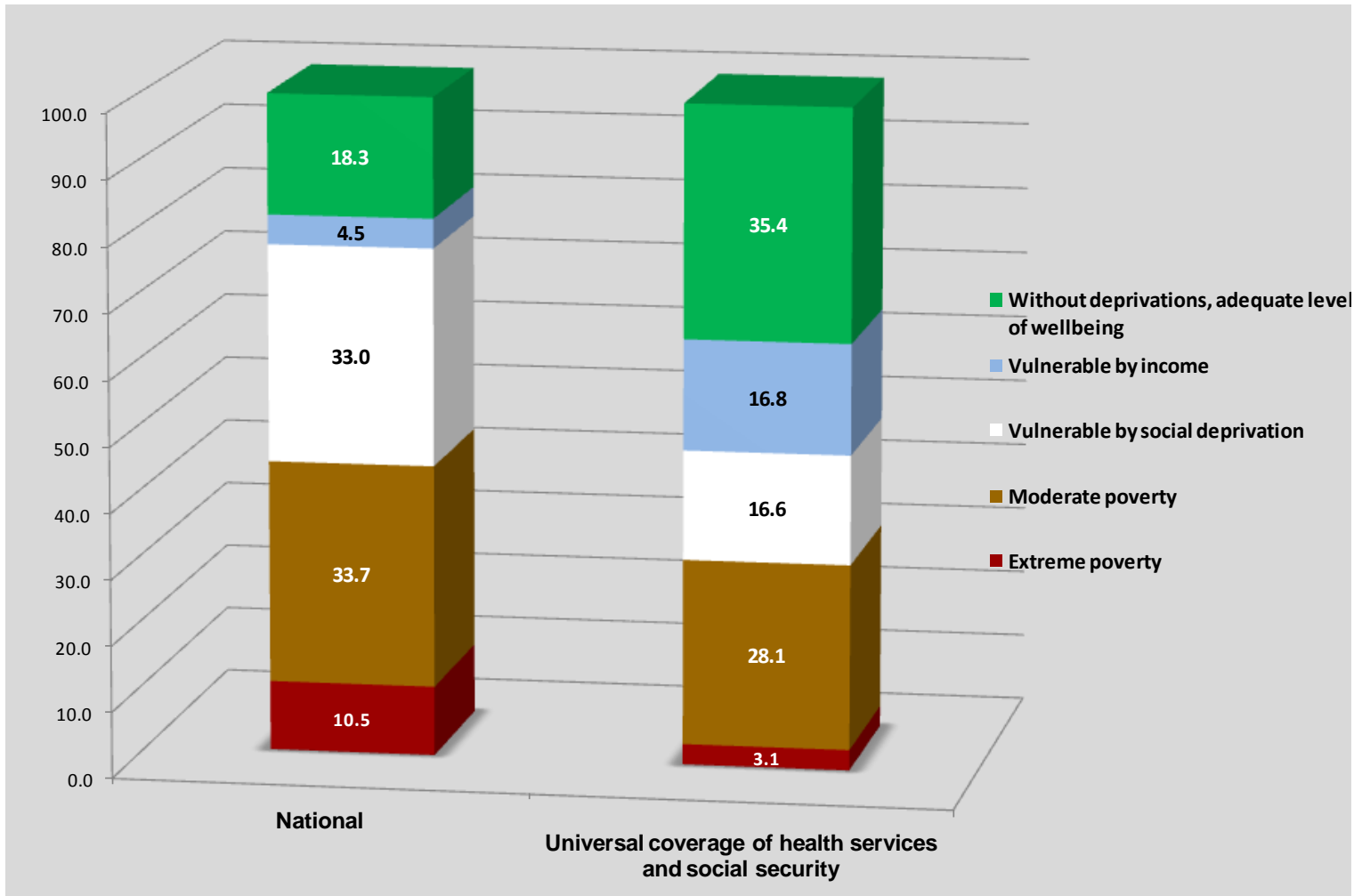
# What policies should be carried out?

## Universal policies

- Social Security
- Education for all
- Access to health services
- Economic growth



# Percentage of population in poverty if there were universal coverage of health services and social security



# Using the methodology

- Other Ministries, besides the Ministry of Social Development, understand better their role in reducing poverty in Mexico
- We're starting to evaluate social programs (ex post and ex ante) using this approach.
- Social programs are changing the way they identify their beneficiaries
- The Strategy for poorer municipalities is using the methodology to target their programs

# Using the methodology

- By linking social deprivations with poverty, policy recommendations are strengthened.
- It is now possible to evaluate the effect of social policy not only on income poverty but also on specific social deprivations.
- There is a tendency to focus on cash transfers when poverty is measured only with income. Social policies for overcoming poverty should also pursue to universally guarantee social rights.

# Using the methodology

- Since income poverty is influenced by a number of circumstances that social policy cannot control (sometimes the country cannot control), relevant social achievements may remain undetected.

LPTI

ZAP

- Finally, a remarkable feature of the methodology is that it does not only identify poverty (priority), but also it identifies the **whole population without access to social rights**, which is a complete way of looking at public policy.

# THRESHOLDS

# How to determine thresholds?

## Social rights

**Legal criteria**

**Use of legal norms,  
if they exist**



**Consultation with specialists**

**Experts  
criteria**

**Public institutions**

**Health, Housing, Social  
Security, Education**

# How to determine thresholds of social deprivations?

**Educational  
gap**

**Population aged  
3-15 years**

**She or he is not  
attending a formal  
educational center**

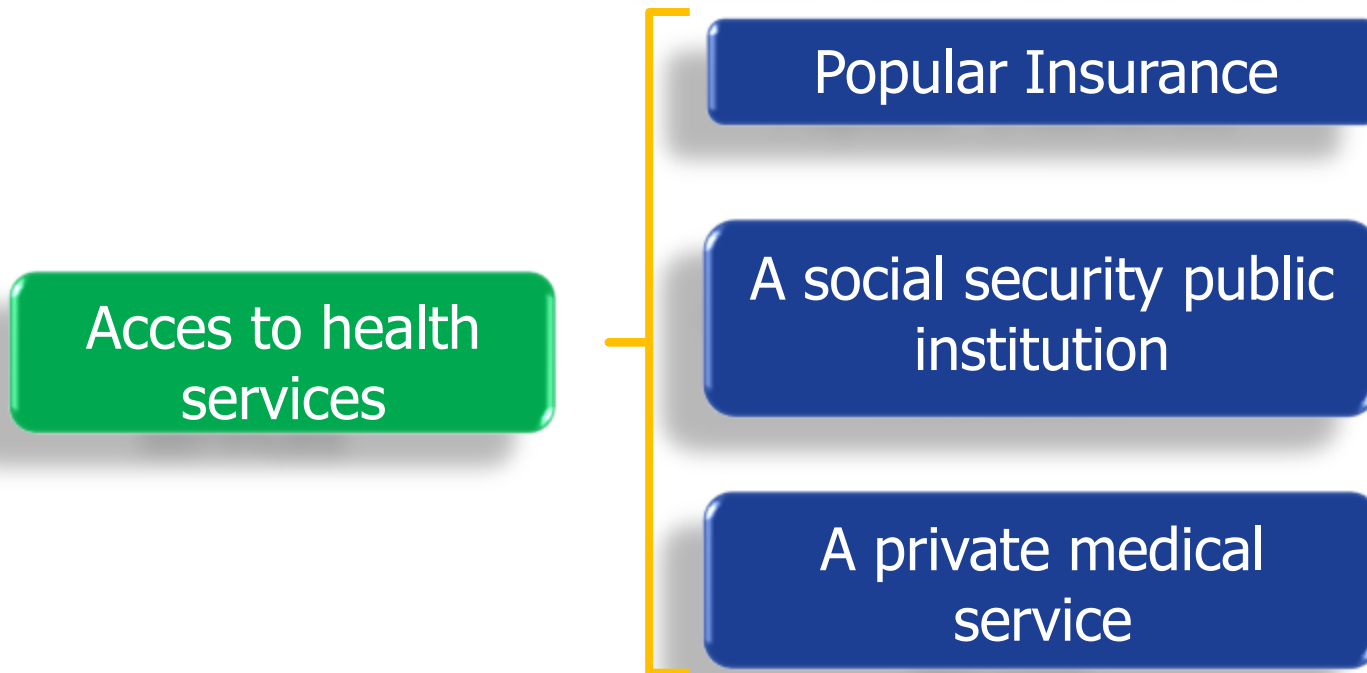
**Population aged  
16 years  
or older**

**• When someone was born before 1981 and lacks the mandatory basic education current at the time he or she should have completed it. Primary**

**• When someone was born before 1982 and lacks the mandatory basic education current at the time she should have completed it. Secondary**

# How to determine thresholds of social deprivations?

When a person is not enrolled in or not entitled to receive medical services from:



# How to determine thresholds of social deprivations?

Access to  
social  
security

Direct  
access

•If the worker does not receive medical services as a work benefit or through voluntary enrollment and a retirement investment plan

Family  
nucleus

•If a person is not enrolled in an institution that provides medical services by voluntary enrollment.  
•If the spouse, child, parent, -law of the head of household is not enrolled in a medical institution

Other family nucleus  
and voluntary  
enrollment

If the person does not have a relative who has access to social security

If the person is not beneficiary of a social program of pensions for senior citizens

# How to determine thresholds of social deprivations?

## Quality of living spaces

Roofs



When the material is cardboard sheets or residue material

Walls



When the material is mud or daub&wattle; reed, bamboo or palm; cardboard, metal or asbestos sheets; residue material

Floors



When the material of the floor is soil

Overcrowding



When the ratio of people per room is greater than 2.5

# How to determine thresholds of social deprivations?

## Housing access to basic services

Water



- When it is obtained from a well, river, lake, stream, or truck.
- When piped water is carried from another dwelling or gotten at a public faucet or hydrant

Drainage service



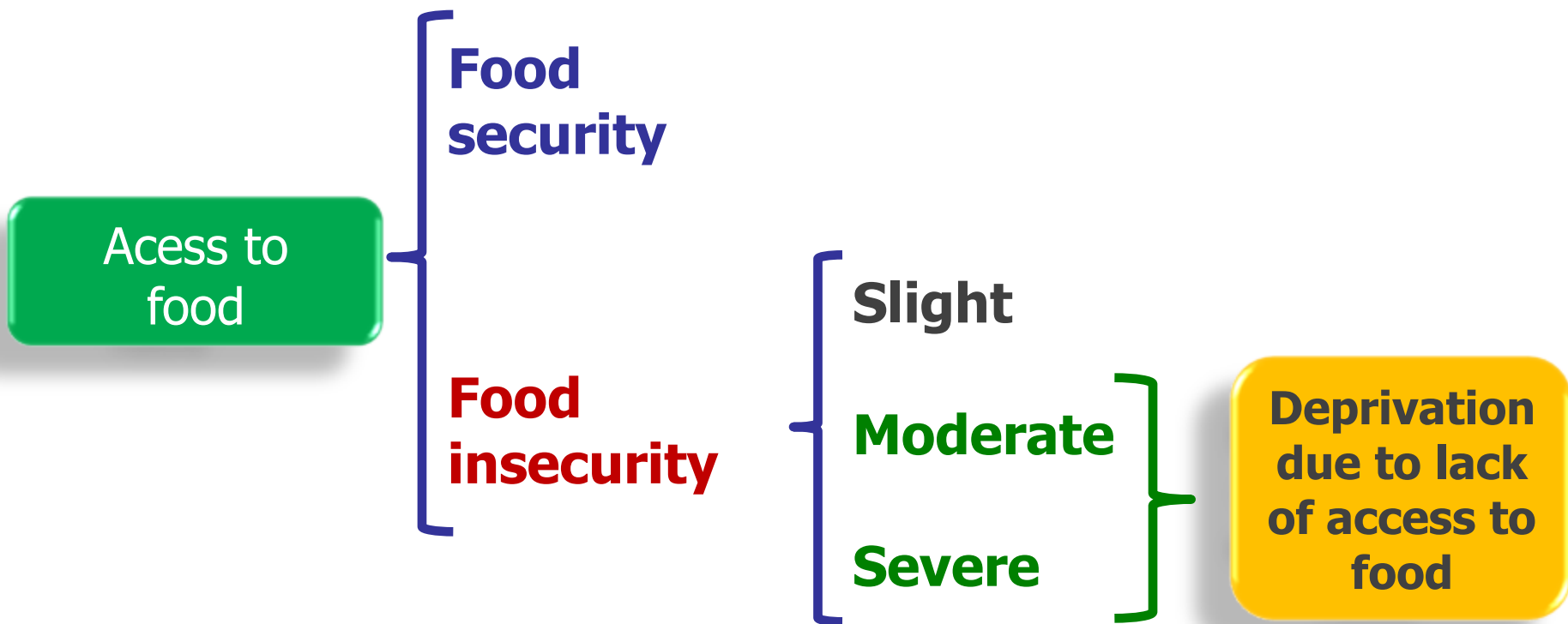
- No drainage service.
- When the drain is connected to pipes leading to a river, lake, sea, ravine or crack

Electricity



When there is no electricity

# How to determine thresholds of social deprivations?



# How to determine thresholds? Economic Wellbeing

**Food basket**



**Minimum economic wellbeing line**

**Changes on current consumption patterns**

**Calorics requirements & micronutrients**

**Rural & urban settings**

**Non food basket**



**Economic wellbeing**

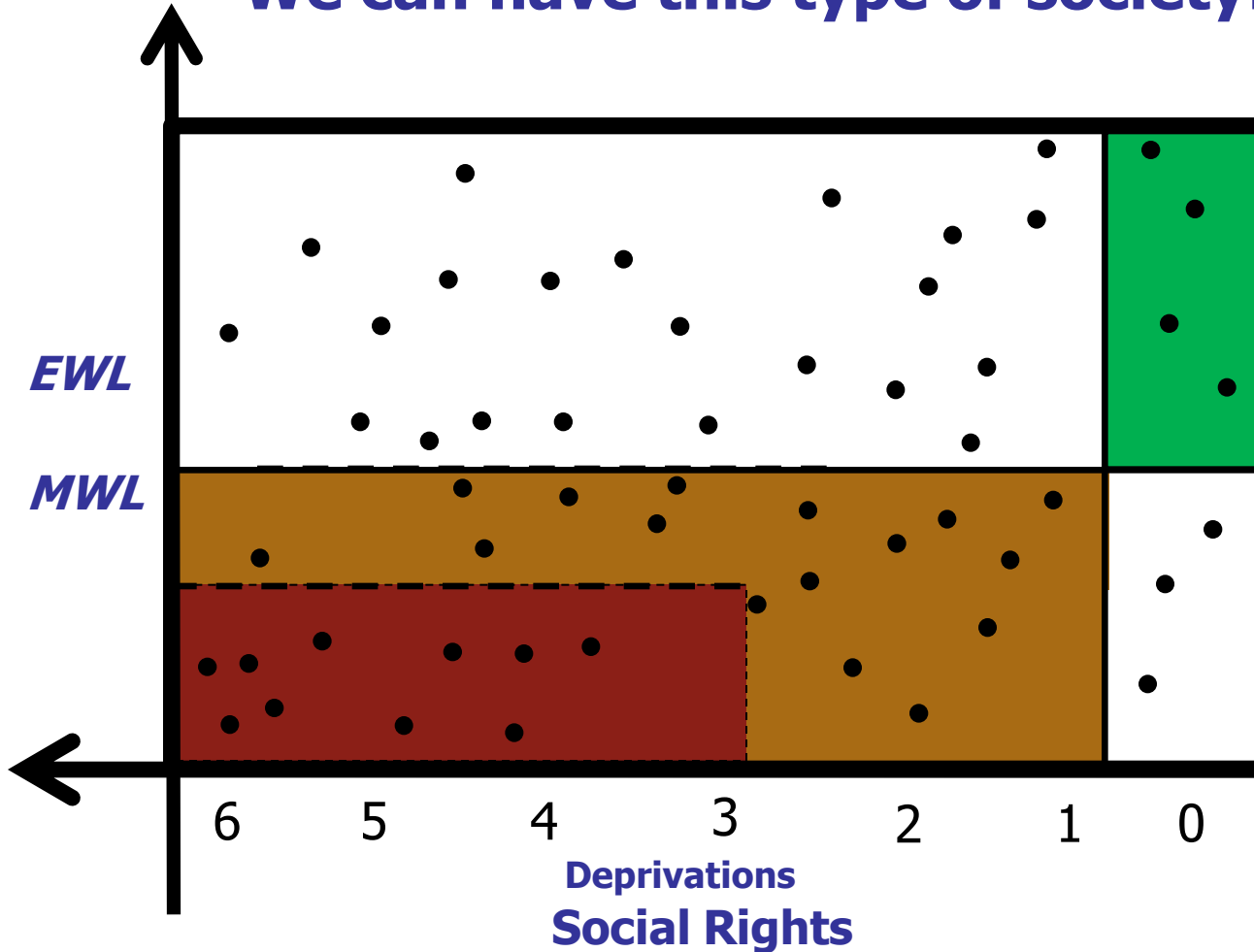
**Necessary goods & services**

**Goods and services have an income elasticity < 1**

**Rural & urban settings**

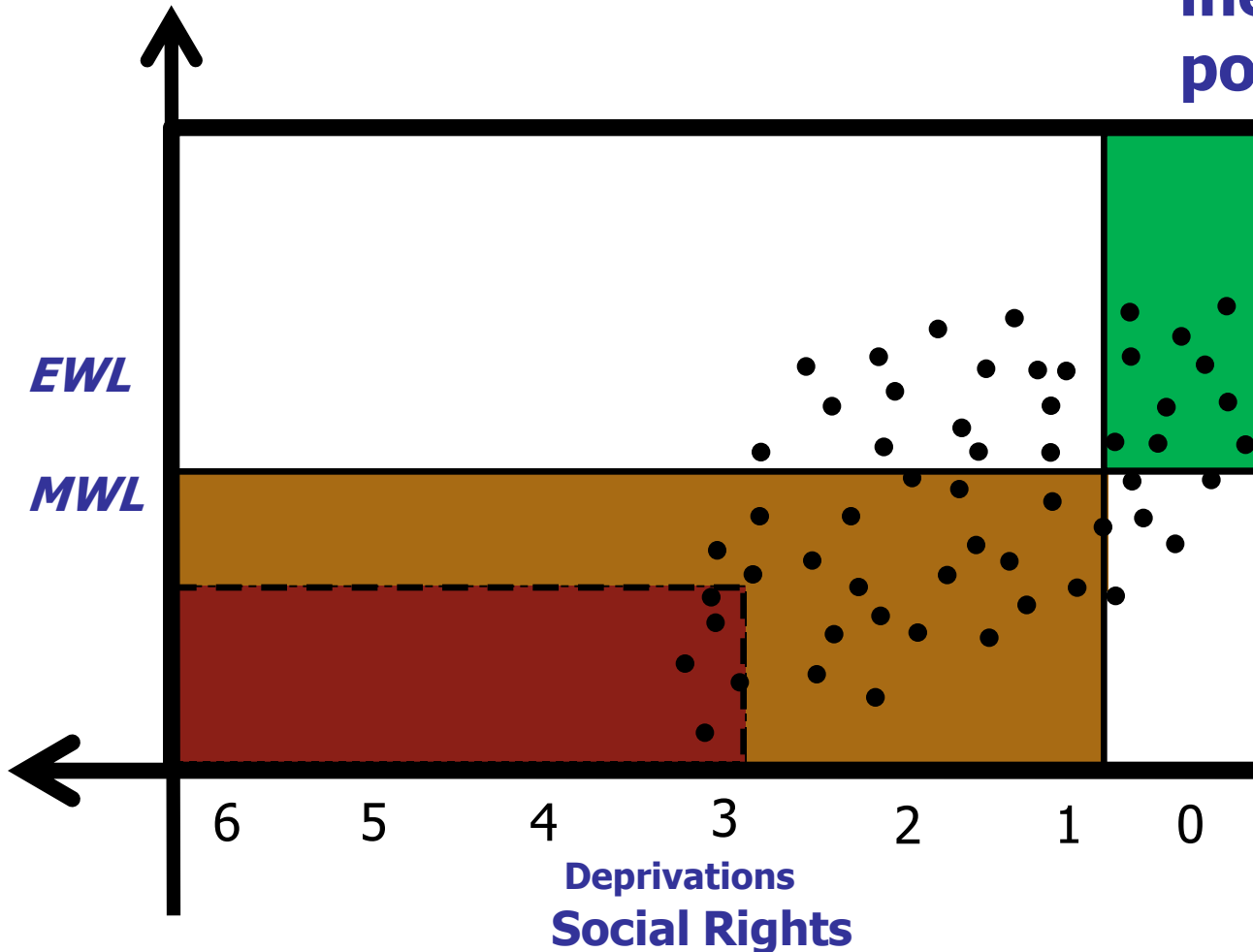
# SOCIAL COHESION

We can have this type of society:

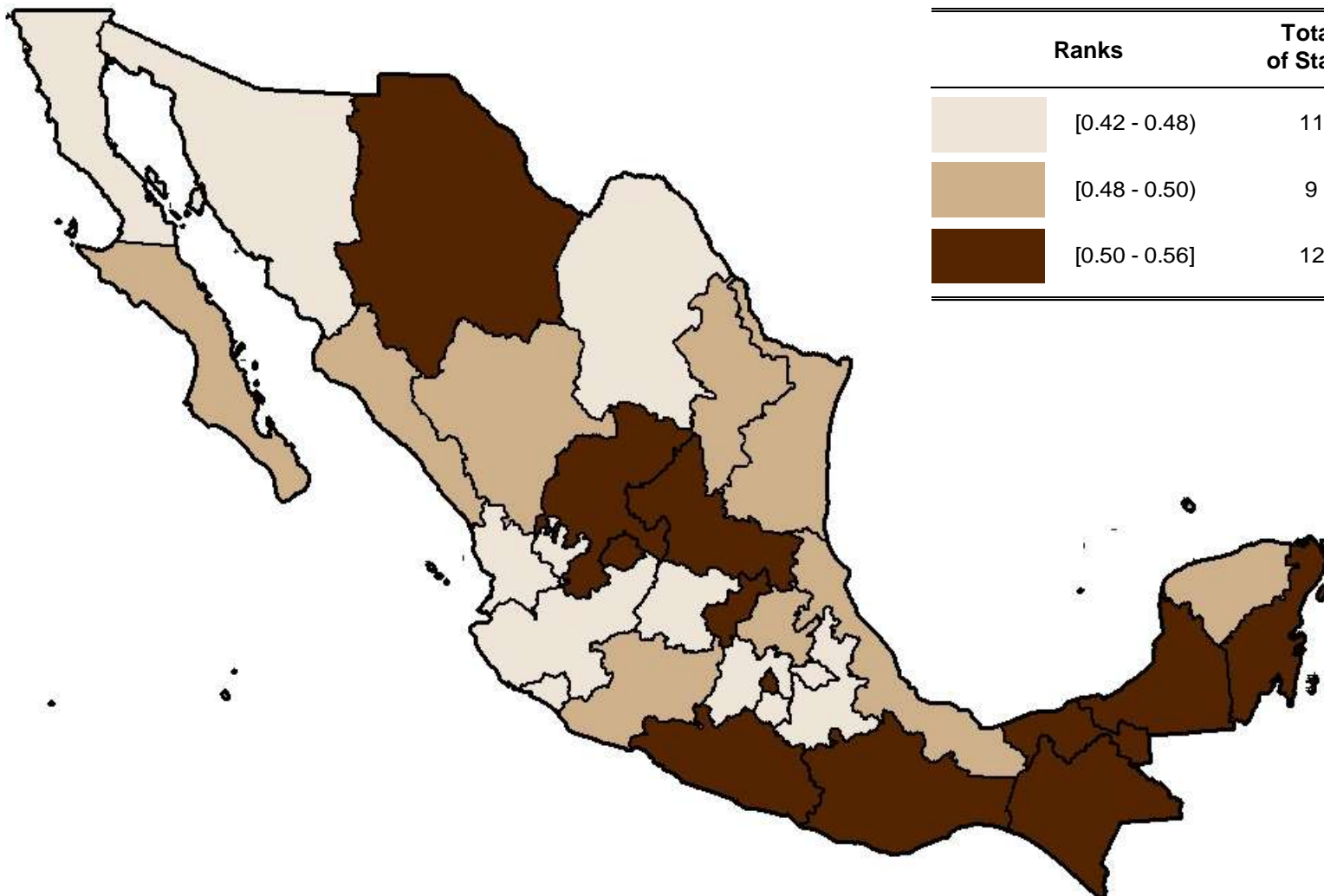


# ...or one like this one:

**Social dispersion:  
inequality,  
polarization**



# Gini Index



# GUIDELINES AND CRITERIA FOR IDENTIFYING POVERTY

# Guidelines and criteria (G&C) for identifying poverty



Mandatory application for public institutions



Social programs should consider the indicators of multidimensional poverty



G&C should be incorporated in social programs and evaluation



Flexible G&C according to the programs final goals.

Not all the indicators must be used in identifying targeted population.  
V.gr. **Oportunidades**

**THANK YOU**

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# EXAMPLES

# Examples

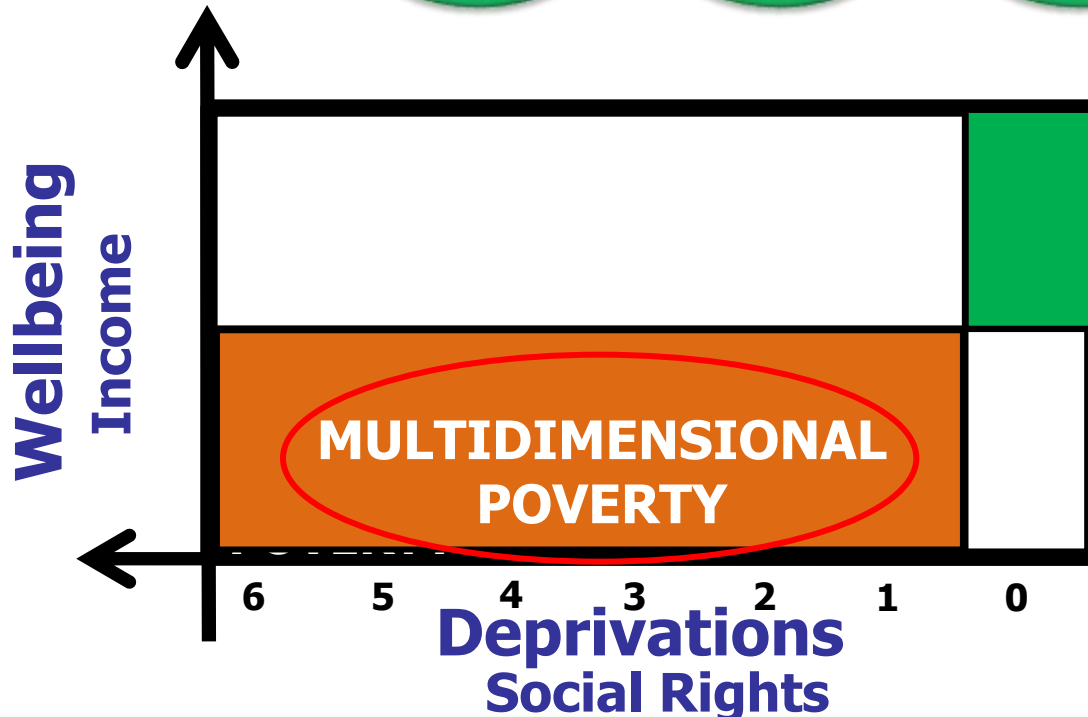


Manual  
worker

House  
without  
tap water

Income  
below the  
wellbeing  
line

He just  
completed  
primary  
school



# Examples

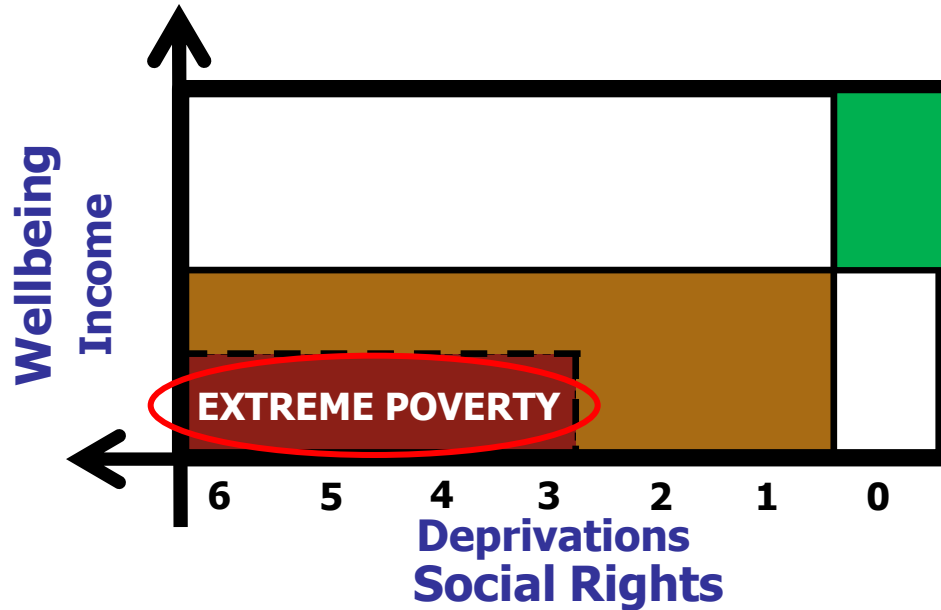


She is 15  
years old  
She quitte  
school to  
help her  
family

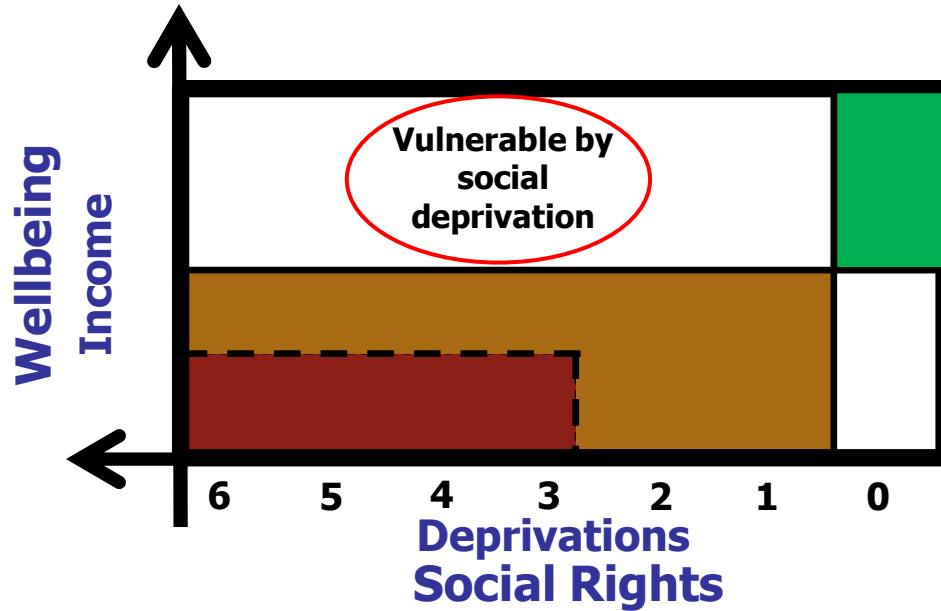
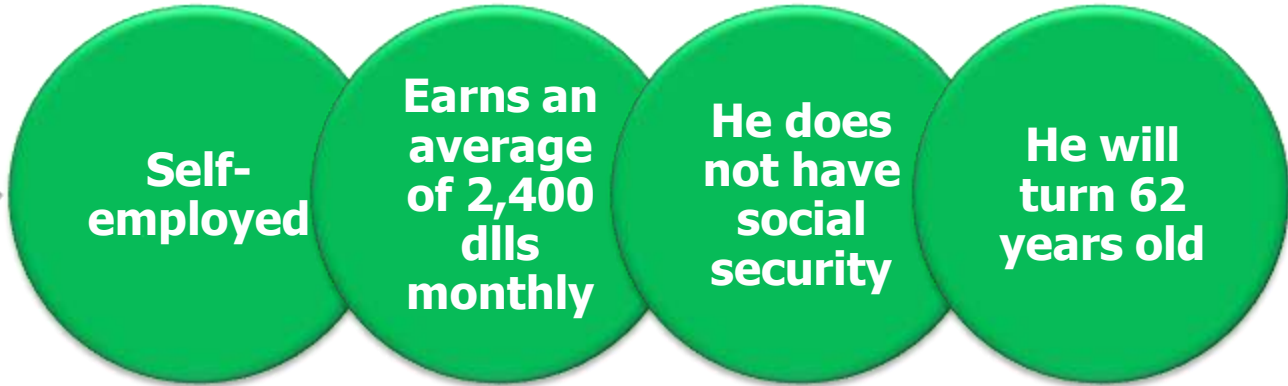
She lives in  
a house  
with one  
bedroom  
for 8  
people

She  
complete  
the 1st year  
of secondary  
school and  
does not  
have social  
security

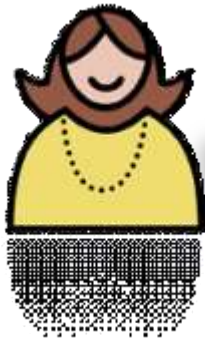
Sometimes  
her family  
eats once a  
day due to  
lack of  
resources



# Examples



# Examples

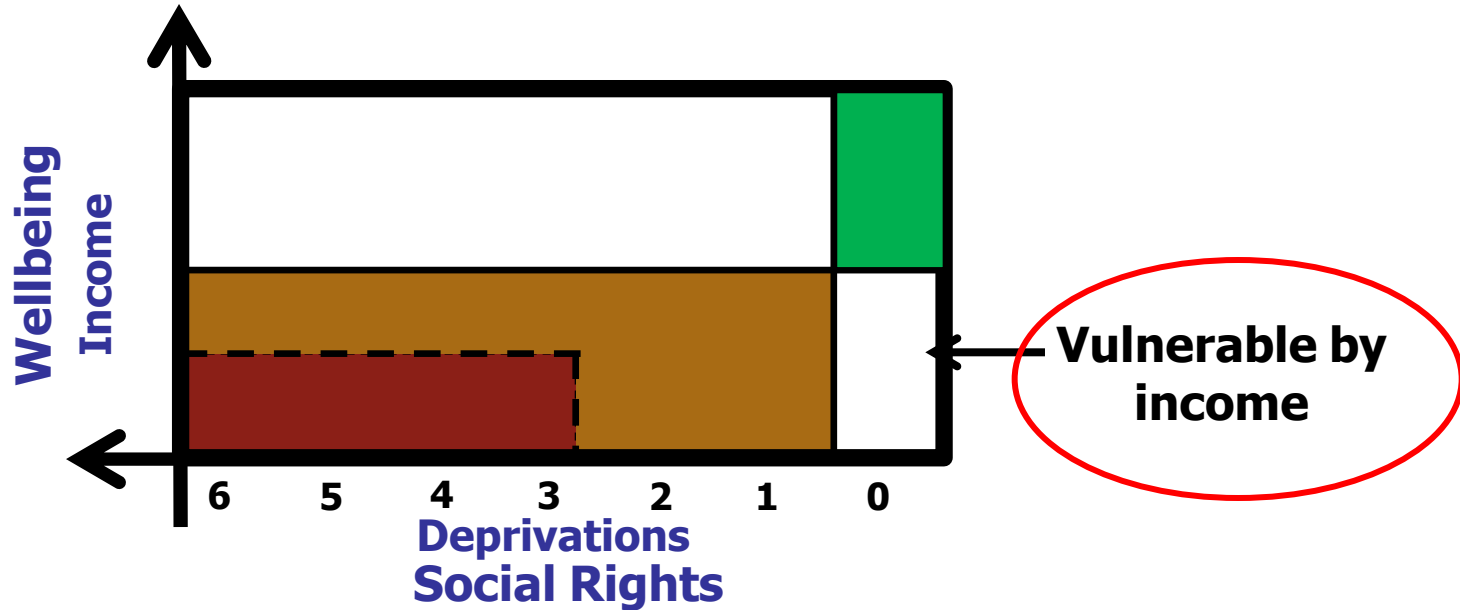


Her sales fell

She owns her home which has all services

She pays voluntary social security. She finished high school

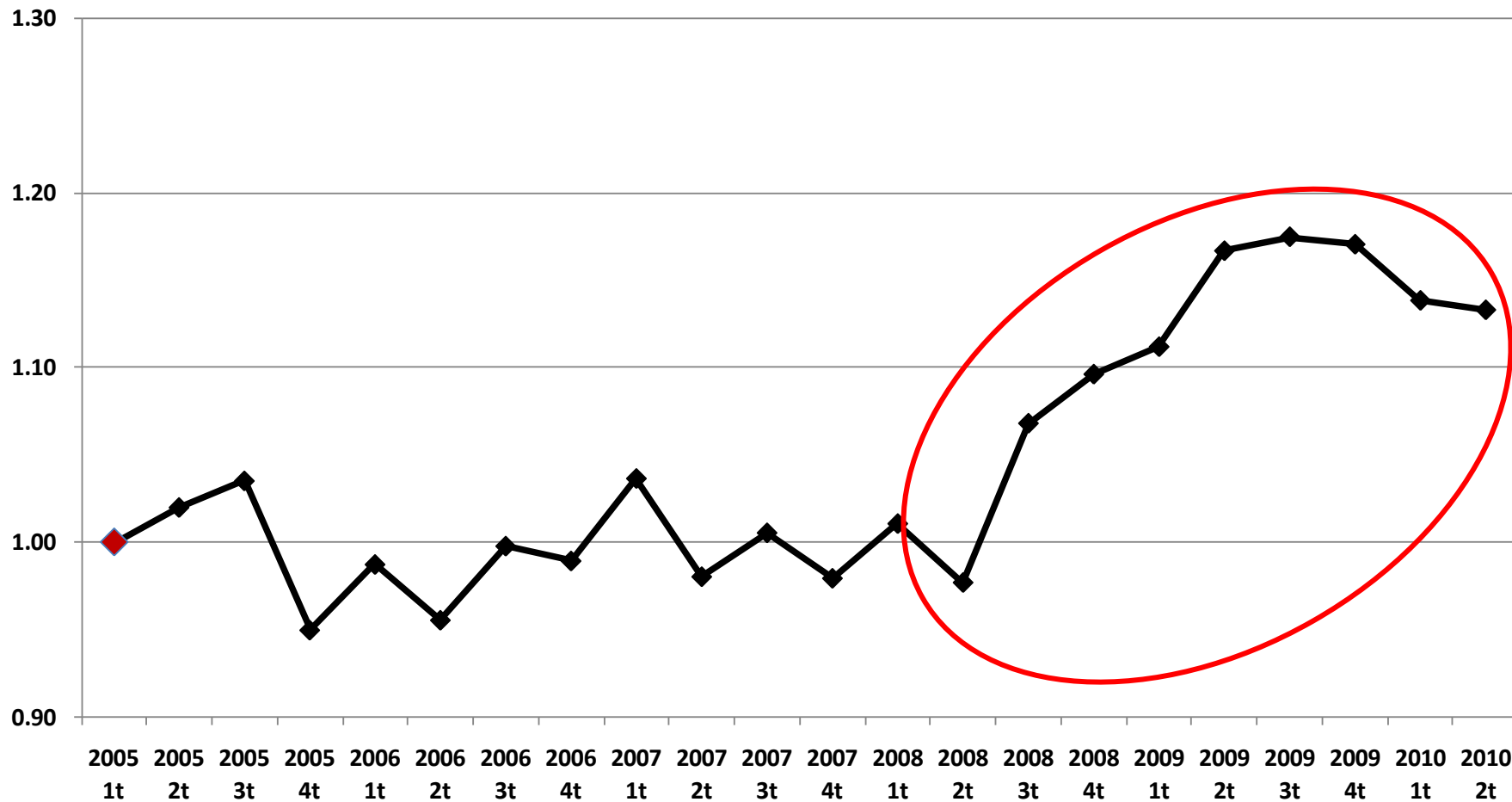
For the last four months her company costs are larger than her income



# SUPPORTING SLIDES

# Labor Poverty Trend Index (LPTI)<sup>1</sup>

First trimester 2005 – Second trimester 2010



1. Base: first trimester of 2005.



## Percentage of population with social deprivations in Poor Municipalities (ZAP). Mexico, 2008 & 2009

Social deprivations in ZAP	2008	2010
	Percentage	
Access to health services	51.8	39.2
Educational gap	38.0	33.7
Housing access to basic services	55.2	43.6
Quality of living spaces	43.7	37.3

More than **50% of municipalities** in Mexico are ZAP.  
 In those municipalities live **16% of Mexican population.**



- Universal**
- Inalienable**
- Interdependent**
- Indivisible**
- Interrelated**
- Absolute**
- Inherent**
- Inviolable**
- Irreversible**
- Progressive**

## **Indivisible**

All rights have equal status and cannot be divided

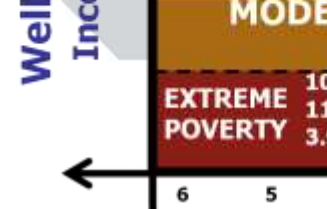
## **Universal**

Everybody is entitled to them

## **Interdependent**

Unfulfillment of any right affects the others

# Multidimensional poverty by state



Ranks	Total of States
[20% - 40%)	14
[40% - 60%)	14
[60% - 80%]	4

