



# **UNDP Regional Scoping Study**

## **Approaches to Measuring Multidimensional Poverty in Europe and Central Asia**

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UNECE meeting of Experts on Measuring Poverty and Inequality

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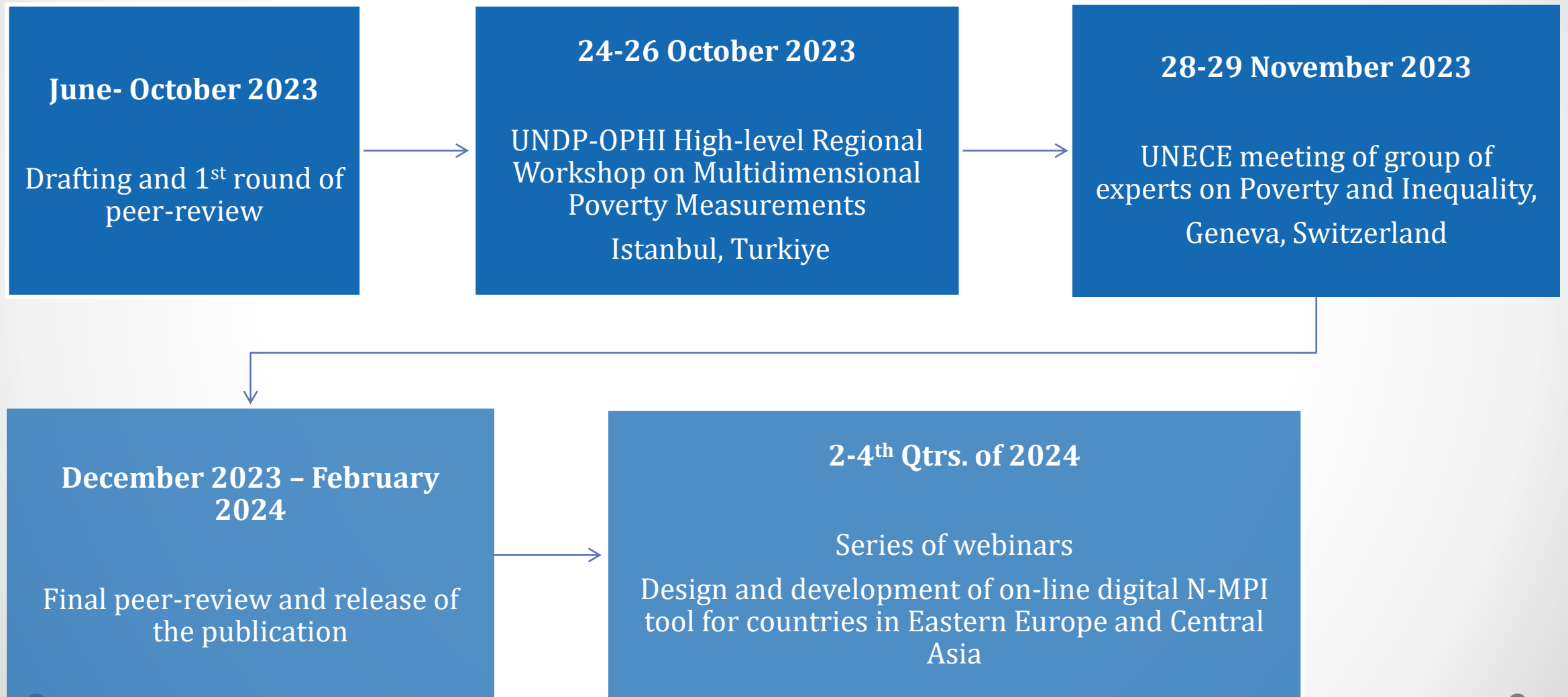
# Multidimensional Poverty Measurement

## Regional Scoping Study of UNDP



- The purpose of the study is to **provide practical recommendations for the development of a national Multidimensional Poverty Index (N-MPI) in countries of Eastern Europe and Central Asia.**
- **Scope:** Review of multidimensional poverty measurement in 52 countries
  - MICs (middle income per capita according to the World Bank classification)
  - Latin America, Asia-Pacific, Eastern Europe and Central Asia
- **Rationale:** Why was our research focused on Middle-Income countries?
  - Most of countries in Europe and Central Asia are MICs
  - Going beyond measuring acute deprivation

# Timespan and Validation Process



# Goals and Objectives

- ❖ **Review of country National Multidimensional Poverty measurements' designs and methodological approaches** and identify the most common patterns in the all components;
- ✓ Compile a “universe” of MPI indicators (400+) derived from 52 middle-income countries
- ❖ **Links of National Multidimensional Poverty Index (N-MPI) with policy development and monitoring** based on practices from countries in the region.
- ❖ **Description of approaches for the development of N-MPI** in the region of Eastern Europe and Central Asia (EECA).
- ✓ creating a kind of menu/set of the most common indicators (20+) for the Eastern Europe and Central Asian countries to:
  - assist countries in defining and monitoring national measure of SDG indicator 1.2.2; and
  - help establish complementarity with other SDG targets.
- ❖ **Building partnerships between countries and key development partners**

# Data Sources

## Official Sources

National reports on MP  
Measurement from:

- NSOs
- Other Gov. Departments

## Unofficial Sources

- Independent Studies
- Academic Production
- Journalistic Investigations and Reports

## OPHI and Other UN Agencies

Reports and briefs from UNDP, the World Bank, UNICEF, and UNECE staff

**In most cases, the complete set of documents is not publicly available:**

- (i) a legal document introducing N-MPI
- (ii) the methodology/methodological note itself
- (iii) latest N-MPI reports in researched countries

# Key methodologies for measuring national multidimensional poverty in the region



Method	Authors	Method opportunities
AF-method based MPI	The Oxford Poverty and Human Development Initiative (OPHI)	Monitoring multidimensional poverty of the population and various groups (including children) of the country Use for policy formulation, coordination and monitoring of its results
MODA – Child poverty	UNICEF Innocenti	Measuring and monitoring the multidimensional child poverty Use for advocacy purposes to highlight children's rights
AROPE	'Employment, Social Policy, Health and Consumer Affairs' (EPSCO) EU Council of Ministers	Monitoring the country's poor or at risk-of-poverty, or severely materially deprived, or living in households with very low work intensity

# Multidimensional poverty measurements (continued)



Methodology	Countries
AF-based method (24)	Latin America: Belize, Chile, Columbia, Costa-Rica, Ecuador, El Salvador, Guatemala, Honduras?, Panama, Paraguay
	South, East and Southeast Asia: Bhutan, India, Lao PDR, Malaysia, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Thailand
	Europe and Central Asia: Armenia, <b>Kazakhstan*</b> , Kyrgyzstan, <b>Republic of Moldova*</b> , <b>Uzbekistan*</b>
	<small>* work-in-progress</small>
AROPE (5)	<b>Europe and Central Asia:</b> Albania, Montenegro, North Macedonia, Serbia, Türkiye
Other/mix multidimensional poverty measurement (5)	Cuba: Multidimensional Vulnerability Index (IVM) methodology Mexico: CONEVAL methodology Fiji: Individual Deprivation Measure (IDM) methodology Myanmar: Multidimensional Disadvantage Index (MDI) methodology Vietnam: other/mix + Alkire-Foster methodology

# The “universe” of indicators used by MIC countries to measure multidimensional poverty



- Metadata source
  - Data status
  - Year of methodology
  - Supporting partner
  - Periodicity
  - Method
  - Source of indicator
  - Unit of identification
  - Poverty cut-off
  - Dimension: total number, weights
  - Indicators: total number, weights,
- Grouping in dimensions
- Disaggregation: variables
  - Reporting; National MPI report, VNR or VLR

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ARMENIA		AlBire-Foster based method			
<b>A MPI Data</b>					
National Multidimensional Poverty Index		<a href="#">Social Snapshot and Poverty in Armenia, 2022</a> p. 41-47			
2015-2021	no data				
Headcount ratio (H)					
2015-2017	no data				
2018	25.6				
2019	—	Due to data limitations, the overall MPI in Armenia was not calculated for the ILCSS 2019.			
2020	19.1	Due to changes in the questionnaire design, MPI results in 2020 and 2021 are not comparable with the MPI series from 2018 and previous years.			
2021	18.7				
Intensity of poverty (A)					
2015-2021	no data				
Official / unofficial measure:		official			
<b>B MPI design: Structure of index</b>					
N	Dimension	Indicator	Deprivation cut-off	Weight	Comment (any specificity of indicator)
	5 dimensions	25 indicators		fraction or percent	Weight of each dimension=1/5
1	Basic needs (1/5)	Extreme poverty	Not having access to minimum requirement of food (according to national poverty measurement methodology and FAO recommendations)	1/20	Armenian MPI has the same dimension weights, in two dimensions as below the weights of the indicators are different
		Life in dignity	Not having funds to buy, when necessary, food and/or cloths	1/20	
		Humanitarian aid	Being dependent on humanitarian assistance to ensure basic functioning of living	1/20	
		Remittance dependent	Being dependent on remittances to ensure basic functioning of living or being in extreme (food) poverty	1/20	
2	Housing (1/5)	Satisfaction of housing conditions	Not having access to adequate housing; housing conditions are evaluated as bad or very bad	1/30	indicator weight in the dimension =1/6
		Adequate housing	Not having access to adequate housing: available housing requires major repairs, is dump, slum, or old; adequate flooring and adequate walls	1/30	weight=1/6
		Overcrowding	Available housing floor space does not exceed 20 sq. meters per person adult equivalent	1/30	weight=1/6
		Healthy heating	Household uses wood, carbon or other heating means as primary source for heating	1/120	weight=1/24
		Centralized water system	No access (use) to centralized water system	1/120	weight=1/24
		Centralized sanitation and garbage disposal	No access (use) to centralized sanitation or garbage disposal system	1/120	weight=1/24



# Common Indicators for Measuring Multidimensional Poverty in ECA



- **Indicators:** 25-30 potential indicators
- **Dimensions:** common dimensions (education, health, housing, living standards/basic needs, (un)employment, access to public services) and less common dimensions (environment, social security, social protection, affordability)
- **Searching for missing dimensions:** digital gap, habitat quality, food security, financial security, etc.
- **Poverty cut-off:** definition of several lines: poor, moderately poor, vulnerable
- **Data sources:** Household surveys, Labour Force surveys, MODA/MICS, EU-SILC, etc.

