

Institution: University of Oxford		
Unit of Assessment: 22B Development Studies		
Title of case study: Transforming how national and international policymakers measure and tackle poverty		
Period when the underpinning research was undertaken: 2007-31 Dec 2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s): Professor Sabina Alkire Dr Suman Seth Dr Paola Ballon Dr Jose Manuel Roche Dr Maria Emma Santos	Role(s) (e.g. job title): Director, Oxford Poverty & Human Development Initiative Senior Research Officer Research Officer Research Officer Research Officer	Period(s) employed by submitting HEI: 01/10/2006-present 11/08/2014-31/05/2015 16/04/2012-15/08/2013 01/12/2009-01/11/2013 15/04/2008 -14/08/2010
Period when the claimed impact occurred: 2014-31 Dec 2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact (indicative maximum 100 words)		
<p>The Oxford Poverty & Human Development Initiative (OPHI) at the Oxford Department of International Development (ODID) conducted innovative research on the construction and implementation of a new method of poverty measurement for developing countries. This research led in 2015 to the adoption of this multidimensional (rather than just income) approach to poverty reduction in the 2030 Sustainable Development Goals (SDGs) by the UN General Assembly; and its use by the United Nations itself and the World Bank. Since 2014 more than 20 developing countries have also introduced their own context-specific national Multidimensional Poverty Indices (MPIs) based on the OPHI methodology. These MPIs not only improve poverty measurement but more importantly are used to improve budget allocation, geographical targeting and programme evaluation.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>Traditional monetary measures of poverty identify people as poor on the basis of income or consumption but cannot provide meaningful information on the lived experiences of the poor and are thus of limited usefulness for policymaking. OPHI Director Sabina Alkire and James Foster (George Washington University) produced the seminal work (R1) that proposed the Alkire-Foster (AF) method of extending the unidimensional Foster-Greer-Thorbecke class of poverty measures into a multidimensional poverty index (MPI) that addresses some of these limitations, by allowing for the inclusion of country-specific factors other than household income, such as health and education (R2).</p> <p>This new method, which is adaptable to different contexts, uses a dual cut-off approach to identify individuals or households who are poor, based on their weighted deprivations across a set of indicators. The MPI can then be analysed to show the joint distribution of deprivations experienced by the poor, with sub-indices for both the incidence and the intensity of poverty. The MPI thus clearly shows not only <i>which</i> households are poor but <i>how</i> they are poor, and so informs more effective and efficient poverty reduction policies.</p> <p>A key application of this AF method is the global MPI, which is computed and published jointly by OPHI and the United Nations Development Programme (UNDP). This collaboration was launched with publication of the global MPI in the 20th UNDP <i>Human Development Report</i> in 2010, which included the global MPI as an innovative measure of human development, inspired by Sen's capability approach. The global MPI is an internationally comparable measure of acute poverty for more than 100 developing countries that has been updated annually ever since (R3).</p>		

OPHI researchers have taken the structure of the global MPI and strictly harmonised it across time periods to enable comparisons of poverty trends over time (**R4**, with consultant Dr Ana Vaz, and **R5**). This work provides both the dataset for analysis of determinants of poverty and a rigorous explanation of best practices for comparing MPI figures over time.

The first official measure of multidimensional poverty was in Mexico in 2009, followed by Bhutan in 2010 and Colombia in 2011. With the expansion of new official permanent MPIs in many countries, there was a need to codify best practices in their measurement and analysis. OPHI provided detailed guidelines for the selection of indicators and thresholds, choice of weighting scheme, and tests to validate a measure and determine statistical significance (**R6**).

3. References to the research (indicative maximum of six references)

R1 Sabina Alkire and James Foster (2011) 'Counting and multidimensional poverty measurement', *Journal of Public Economics* 95 (7-8): 476-87, <https://doi.org/10.1016/j.jpubeco.2010.11.006> [output type: D]

R2 Sabina Alkire and James Foster (2011) 'Understandings and misunderstandings of multidimensional poverty measurement', *Journal of Economic Inequality* 9 (2): 289-314, <https://doi.org/10.1007/s10888-011-9181-4> [output type: D]

R3 Sabina Alkire and Maria Emma Santos (2014) 'Measuring acute poverty in the developing world: robustness and scope of the Multidimensional Poverty Index', *World Development* 59: 251-74, <https://doi.org/10.1016/j.worlddev.2014.01.026> [output type: D]

R4 Sabina Alkire and Suman Seth (2015) 'Multidimensional poverty reduction in India between 1999 and 2006: where and how?' *World Development* 72: 93-108, <https://doi.org/10.1016/j.worlddev.2015.02.009> [output type: D]

R5 Sabina Alkire, Jose Manuel Roche and Ana Vaz (2017) 'Changes over time in multidimensional poverty: methodology and results for 34 countries', *World Development* 94: 232-49, <https://doi.org/10.1016/j.worlddev.2017.01.011> [output type: D]

R6 Sabina Alkire, Paola Ballon, James Foster, Jose Manuel Roche, Maria Emma Santos and Suman Seth (2015) *Multidimensional poverty measurement and analysis: a counting approach*. Oxford: Oxford University Press, ISBN: 978-0-19-968949-1 [Available upon request] [output type: A]

4. Details of the impact (indicative maximum 750 words)

OPHI's mission is to build upon its innovative research on poverty measurement by encouraging the development and implementation of multidimensional poverty measures by national governments and international agencies, such as the United Nations, to enable more effective poverty reduction policies and programmes.

Since 2014, more than 20 countries have developed national Multidimensional Poverty Indices (MPIs) using the AF Method, including Afghanistan, Chile, Nigeria, Pakistan, Sierra Leone and Vietnam. The early implementation of MPIs had mainly been in Latin America, but the dissemination of their results led to greater interest and application in Asia and Africa after 2014 [**C1**, **C2**]. These national MPIs are specific to the country contexts, using indicators and thresholds that are relevant for the understanding of poverty in those contexts. They are then used by national- or state-level governments to allocate budgets, target geographic regions, evaluate poverty reduction programmes, and report progress towards national development plans and the SDGs [**C3-C9**].

The growth in national MPIs since 2014 is partly due to the activities of the Multidimensional Poverty Peer Network (MPPN), which was co-founded by OPHI and the governments of Mexico and Colombia in 2013 in response to the overwhelming demand from policymakers for information on multidimensional poverty measures. The MPPN is a South-South network of senior officials from 60 national governments and 20 international agencies (including the World Bank, World Food Programme, Organisation of America States, African Development Bank, OECD, the Commonwealth, and the Islamic Development bank, among others) that exchanges information and provides support and encouragement in the design and implementation of new

poverty measures. It meets annually, conducts quarterly teleconferences, hosts high-level side events, organises thematic webinars, and publishes a magazine, *Dimensions*.

Countries typically approach either OPHI or a funder, who then approaches OPHI, to express their interest in developing a national MPI. Often this is because the representative from the country had attended an MPPN or other OPHI event or one of the Summer Schools that OPHI organises, both in Oxford and in partner countries. OPHI then discusses a workplan for the project with the country and funder. This workplan usually includes capacity building (both technical and conceptual training) as well as technical assistance to develop, analyse and validate the measure. Most national MPIs take a year or more from start to launch.

Widescale adoption of MPIs in Asia

The UNICEF Regional Social Policy Advisor for South Asia explains that “at the country level, OPHI’s work has led to the development of national Multidimensional Poverty Indices (MPI) in Afghanistan, Bhutan, Maldives, Nepal, with further measures soon to be launched in Bangladesh, and Sri Lanka. A remarkable change in just a few years, as South Asia has gone from one country having a national measure of multidimensional poverty in 2015, to soon every country having such a measure. This expansion in South Asia is a testament to the level of interest in and usefulness for OPHI’s MPI method” [C1].

In addition, the 11th Malaysia National Development Plan for 2016-2020 stated that it would use an MPI to complement the income poverty line measurement to improve social mobility and reduce vulnerability to poverty [C3].

Changing governmental understanding and planning concerning poverty in Africa

The Statistician-General of South Africa serves on the Steering Committee of the MPPN. As he writes: “Since I joined, I’ve seen a significant growth in engagement from countries in Africa, with Mozambique, Sierra Leone, Rwanda, Seychelles, Ghana, and Nigeria all launching national measures in recent years. ... This expansion of work in Africa has shifted the regional understanding from thinking of poverty just as lack of money. Regional meetings now regularly feature discussions on multidimensional poverty, particularly applications of OPHI’s methodology. ... It’s been remarkable to see the swift change in thinking about poverty that has resulted from Dr Alkire and OPHI’s research” [C2].

The Statistician-General also states that “the research of Dr Alkire and OPHI has had a tremendous impact on poverty measurement in South Africa and around the world. In 2014, Statistics South Africa launched the South African Multidimensional Poverty Index (SAMPI), which used the Alkire-Foster method of multidimensional poverty measurement developed at OPHI. ... In 2017, when I became Statistician General of South Africa, I committed to updating the SAMPI with new data and encouraging its use for policymaking and national planning” [C2]. The SAMPI uses census data, so will be updated once new census data is available.

The other leading country in the region, Nigeria, participated in the MPPN from its inaugural meeting in 2013, culminating in the launch of its own national MPI in 2018 as part of the publication of the *National Human Development Report 2018* [C4.1]. Following this, the Minister for Humanitarian Affairs, Disaster Management and Social Development presented on the MPI at the 2019 UN General Assembly: “With the support of the President, we use the MPI data to foster governmental accountability to citizens by indicator tracking of ministerial performance”, and “In collaboration with the Ministry of Finance, Budget and National Planning, we will use the MPI data to improve budget allocation by sector and state, with the aim of better targeting beneficiaries of the 100 Million Out of Poverty mandate” [C4.2].

Reducing poverty in Latin America

Costa Rica launched its national MPI in 2015 and then announced a Presidential Decree establishing that national budget allocation must be aligned with the national MPI [C5]. Carlos Alvarado Quesada, President of Costa Rica, explains: “I was Minister of Human Development and Social Inclusion and worked directly with OPHI to develop Costa Rica’s first official measure of

multidimensional poverty in 2015. ... The AF method enabled the construction of a method that paid special attention to traditionally marginalized populations... (and) helped Costa Rica to better address the difficulties they face to ensure that no one is left behind. ... As president, I have continued to institutionalize the impact of the new paradigm brought about by Dr Alkire and her team. The Government not only coordinates all its poverty programs using the MPI, but the national budget allocation has to align to the MPI. The MPI is also used to evaluate poverty reduction programs ... (which) led to a reduction of multidimensional poverty from 21.8% of households in 2015 to 19.1% in 2018 and 16.6 % in 2019. And these numbers represent thousands of people who now are not poor since we are now able to measure with the Alkire Foster method and use the resulting data for targeted poverty reduction” [C6].

Panama’s Voluntary National Review for the UN on progress towards the SDGs in 2017 said that its national MPI is an “indispensable instrument for reporting on progress towards SDG 1 [Ending Poverty]”; ... “With this tool, the Government has initiated a process of reorienting social spending and adapting policies, plans, programmes and social interventions to reduce poverty in all its dimensions nationwide” [C7].

In Colombia, government officials turned to the MPI as part of the rapid response to the COVID-19 pandemic, as demonstrated in a video interview with the national Head of Statistics [C8]. Within the framework of an emergency decree, they used the indicators of their national MPI to target resources, providing cash transfers to vulnerable families who were not beneficiaries of existing cash transfer programmes and depended on informal work. They also used administrative records to link multidimensional poverty to health records to identify households with greater vulnerability, so mayors could target their public health programmes and implement a VAT refund strategy for vulnerable households [C8].

Changing the definition and measurement of poverty internationally, at the UN and beyond
OPHI research has also influenced the poverty discourse of international agencies. The Director-General of Sustainable Development Policy at the Ministry of Foreign Affairs, Spain, states: “I was overseeing ... the whole SDG process as part of the Executive Office of the Secretary General Ban Ki-Moon, for 4 years. In this position I have witnessed the crucial contribution OPHI has made... I cannot overstate the impact of the OPHI research on the United Nations’ Sustainable Development Goals. ... Until 2014 the conversations on poverty were dominated by the World Bank and focused on income poverty. It was only by late 2014 that the discussion on poverty was broadened to include the many dimensions of poverty – not just income. There is no doubt in my mind, as an actor close to the decision-making process on the SDGs, that OPHI and the MPPN ... were crucial on the definition of SDG1 as “*End poverty in all its forms everywhere*” ... (and) ... Target 1.2 “*reduce by at least one half the proportion of men, women and children of all ages living in poverty in all its dimensions*” ... In my view, it is evident that this would not have happened without the intellectual background of OPHI’s research. ... The MPI has had a direct impact on the lives of millions of poor people in countries as diverse as Chile, Nepal, Vietnam, and Sierra Leone. I am now engaged within the Spanish government in conversations that we expect will lead to Spain adopting a multidimensional measure of poverty” [C9].

Many countries are now reporting either the global MPI, jointly calculated by OPHI and the UNDP’s Human Development Report Office – as in the case of Egypt [C10] – or a national MPI, as in the case of Panama [C5] – to track progress towards SDG indicator 1.2.2 (“Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions”). As of the 2020 UN High-Level Political Forum, 40 countries have reported progress on multidimensional poverty reduction as part of their Voluntary National Reviews as well as feeding their data into the SDG indicator database.

A Regional Social Policy Advisor at UNICEF explains that “the Alkire-Foster Method has also changed how UNICEF measures child poverty. In addition to collaborating with OPHI on MPIs to look at multidimensional poverty among children, UNICEF has also developed its own methodology – the Multiple Overlapping Deprivation Analysis – that builds on this work, using a variation of the AF Method” [C2].

The World Bank as an institution has traditionally focused on income poverty, but, due in part to OPHI research, it has begun to include multidimensional poverty in its conceptual framework. Alkire and Foster were appointed to the Advisory Board for the World Bank's Commission on Global Poverty, led by Sir Tony Atkinson [C11]. The commission's report recommended that the World Bank should develop a "multidimensional poverty indicator based on the counting approach", and specifically report the adjusted headcount ratio, based on the work of Alkire and Foster. The World Bank's subsequent 2018 *Poverty and Shared Prosperity* report follows this recommendation by building a multidimensional poverty measure that uses the AF method, and states that: "The efforts of the UNDP, OPHI, and most governments build on influential research by Sabina Alkire and James Foster... The efforts here are also indebted to these previous efforts" [C12, p.89].

The World Bank is also helping countries report their national MPIs for SDG indicator 1.2.2 to the SDG global indicators database by providing the technical infrastructure for reporting (essentially acting as a go-between between each country's SDG focal point and the UN Statistics Division), further showing their newfound support for multidimensional poverty measures.

Official recognition in the UK for OPHI impact

OPHI's work was recognised in the UK by a Queen's Anniversary Prize for Higher and Further Education in 2020, for "a unique framework for tackling global poverty". The prizes "celebrate excellence, innovation and public benefit in work carried out by UK colleges and universities". The prize website notes that "... OPHI's creation of the MPI has brought about a more comprehensive view of poverty and is achieving impact at the highest levels of international governance" [C13].

5. Sources to corroborate the impact (indicative maximum of 10 references)

C1 Testimonial from Regional Social Policy Advisor for South Asia, UNICEF, about MPIs in Asia

C2 Testimonial from Statistician-General of South Africa, about the spread of MPIs in Africa

C3 Malaysia National Development Plan

C4 On Nigeria's development and use of an MPI: **4.1** Nigeria National Human Development Report: <http://hdr.undp.org/en/reports/national/NGA> **4.2** Video of Side Event at the UN General Assembly <http://webtv.un.org/search/call-for-action-using-multidimensional-poverty-indices-to-lead-progress-in-the-sdgs/6089395742001/>

C5 Presidential decree on budget allocation in Costa Rica:

http://www.pgrweb.go.cr/scij/Busqueda/Normativa/Normas/nrm_texto_completo.aspx?nValor1=1&nValor2=81831

C6 Testimonial from President of Costa Rica, about the use of a national MPI for policy and the role of the private sector

C7 Voluntary National Review (VNR) from Panama (national MPI)

C8 Video of a webinar with Head of Statistics, Colombia

<https://www.youtube.com/watch?v=POdxu0KcCsk&t=6s>

C9 Testimonial from Director General for Cooperation and Iberoamerica, Spanish Ministry of Foreign Affairs, about SDGs

C10 Voluntary National Review (VNR) from Egypt (global MPI)

C11 World Bank Group (2017) *Monitoring Global Poverty: Report of the Commission on Global Poverty*

C12 World Bank Group (2018) *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*

C13 Queen's Anniversary Prize 2020 web announcement

<https://www.queensanniversaryprizes.org.uk/winners/the-development-of-new-measures-for-understanding-global-poverty-influencing-the-work-of-international-aid-agencies-in-a-range-of-developing-countries/>