

MEASURING POVERTY WITH MULTIPLE DIMENSIONS: THE MEXICAN WAVE

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It would be difficult to get always a good diagnosis if doctors only measure the patient's blood pressure. The same happens with regards to any social problem, including poverty: if for simplicity we use only one indicator, income perhaps, we might have a misleading picture of the country's social illness.

For this reason, the Mexican Law of Social Development, issued in 2004, created the National Council for the Evaluation of Social Policy (CONEVAL) with two important mandates: to measure poverty in a multidimensional way, and to evaluate social programs and policies.

The law indicates that poverty measurement should bear several features: it should link, in a relatively easy way, social programs with poverty in order to guide public policy decisions; the measurement should be defined in the space of social rights and wellbeing; the dimensions included should be the following ones: income, educational gap, access to health services, access to social security, quality of living spaces, housing access to basic services, access to food and degree of social cohesion.

As we can see, the methodological challenge imposed to CONEVAL to elaborate this multidimensional measurement of poverty was huge. How did we work it out? As depicted in the chart, we first map the whole population into the social rights space: those who are not deprived in the access of any social right, and those who are deprived in at least one social right. Then we map the population in the income space. As usual, we divide those whose income is enough to meet all their basic needs, and those who don't have enough income resources, using a poverty line which we have called the Economic Wellbeing Line (EBL).

For identification purposes, the multidimensional poor are those who don't have enough income to get their bare necessities AND those who have at least one deprivation in the social rights' sphere. But because all people are important for public policy purposes, the identification of the poor people is not enough. This methodology also reveals vulnerable households, as shown in the chart. First there are those with relatively high income, but who suffer from at least one social deprivation. One example: a person working on her own, earning 2,500 dollars a month, but who does not have the right to access to health services or social security. This person is vulnerable in the social rights' space. We also have those without any deprivation but with low income. This type of person might have just started a difficult economic spell, but she still has access to all her social rights. She is vulnerable in the income space because she might be deprived of her social rights in the future. Finally, the methodology identifies the population with enough income to meet their basic needs and who are not deprived of any social right. The main goal for social development and public policy should be that all people in the country are in this state.

This multidimensional way of measuring social problems can guide public policy not only to reduce poverty but also to reduce vulnerability through better economic and social mechanisms. The benefits of the population must be then both in the space of social rights and wellbeing.

Using the social rights approach to measure poverty not only aligns this measurement with the Mexican Constitution and the Law of Social Development, but it also helps to sort out a number of methodological issues. In particular, we solve the problems of weights and thresholds. Since all social rights are equally important then the weight is the same for all social dimensions. At the same time, Mexican regulations have selected various thresholds. For instance, the Constitution indicates that the minimum educational level in Mexico should be secondary school; thus, that is precisely the threshold we use for that dimension.

CONEVAL worked a great deal to have this measurement ready on 2009. But we gained important insights from our friends. From David Gordon, we got the idea of mapping all people with different levels of necessities in the same chart, following the Latin American matrix method. James Foster and Sabina Alkire enriched our methodology by including the intensity of poverty on the deprivation space and make it decomposable. Thanks to all of them.

Doctors and social scientist will keep trying to understand people’s problems. We may not always be completely right. But we hope that if we use proper and advanced measurement methods we both can enhance their lives.

