



Pacific
Community
Communauté
du Pacifique

SPC Headquarters
BP D5
98848 Noumea Cedex
New Caledonia
Telephone: +687 26 20 00
Fax: +687 26 38 18

Siège de la CPS
BP D5
98848 Nouméa Cedex
Nouvelle-Calédonie
Téléphone : +687 26 20 00
Télécopieur : +687 26 38 18

Multidimensional poverty measurement:

A summary of the PSMB discussions

Dr. Jean-Paul ZOYEM, PACSTAT - Welfare Economist

The UN Sustainable Development Goal target SDG1.2 *“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”* is monitored through two sets of indicators: SDG1.2.1 *“Proportion of population living below the national poverty line, by sex and age”* and SDG1.2.2 *“Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions”*. Monetary poverty indicators are used to report on the SDG1.2.1, while multidimensional poverty indicators are used for the SDG 1.2.2.

PSMB inaugural meeting (3-4 May 2018): Presentation of the Consensual approach

Multidimensional poverty measurement has been an important and regular topic in the PSMB agenda since its inaugural meeting on 3-4th May 2018, when Prof. David Gordon¹ was invited to present the advantages of the Consensual approach² to poverty measurement.

The consensual approach to measuring multidimensional poverty relies on the theory of Relative Deprivation, according to which the most objective and rigorous way to measure poverty is to identify the level of income and access to other “essential” resources that individuals need in order to not become deprived. Deprivation is measured using questions from different domains of individual needs (education, health, living conditions) focusing on items meaningful for a given society and a given group of people (e.g.: food, clothing, shelter, transportation, savings, etc.). However, deprivation is seen as poverty only if it is enforced: the simple lack of an item maybe a choice and not related to a lack of resources.

The presenter reminded that the relative deprivation definition of poverty had already been adopted in some regions in the world as official definition of multidimensional poverty, including all the 28 European Member States and the UN Economic Commission for Latin America and Caribbean (ECLAC).

Traditional surveys, however, did not collect appropriate data to capture non-monetary deprivation. It was pointed out, though, that the Pacific Statistics Steering Committee (PSSC) had already shown interest in the issue through discussions in Noumea in 2014, followed by a presentation in Fiji in November 2016. The PSSC proposed that a questionnaire module should be adopted for inclusion in PICTs national surveys, including the HIES, DHS, and LF, to specifically examine and assess the extent of multidimensional non-monetary poverty in the Pacific region. The module consists of a short set of questions, which set out to ascertain the population’s views about what constitutes an adequate standard of living in their country.

¹ Townsend Centre for international Poverty Research, University of Bristol.

² One the two main approaches used to measure multidimensional poverty; the other one being the one developed by Oxford university and used by the UNDP to build the Multidimensional Poverty Index (MPI).

Pacific Community (SPC) Headquarters: Noumea, New Caledonia. Regional Offices: Suva, Fiji;
Pohnpei, Federated States of Micronesia; Port Vila, Vanuatu.

www.spc.int spc@spc.int

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Pohnpei (États fédérés de Micronésie) ; Port-Vila (Vanuatu).

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In practice, respondents were presented with a list of items and activities, and asked if they considered them to be essential. A follow up question then asked respondents if they had or lacked the item, and if they lacked it because they could not afford it or because they did not want it. Only those cases of respondents wanting a socially perceived necessity but not having it because they could not afford it were counted as deprived. The number of enforced lacks were summed together in what becomes a deprivation index. To date, consensual deprivation question modules have been successfully run in the Pacific Region in the Tonga 2012 DHS survey (as part of the feasibility study), the Tonga 2015/16 HIES survey, the Tuvalu 2015/16 HIES and the Solomon Islands 2016 DHS/MICS.

The Board noted the presentation and the explanation of the consensual deprivation approach to measuring poverty. It was also agreed that Tonga's Government Statistician, Dr Viliami Fifita, would draft a summary of the existing approaches to measuring multi-dimensional poverty and their advantages and disadvantages, with a particular focus on the measurement of SDG indicator 1.2.2.

Following steps

A technical note was produced and presented by Dr. Fifita at the PSMB [meeting](#) of 28-29 October 2019, in which the main characteristics of the consensual approach were reminded. Furthermore, Dr Fifita pointed out:

- That the implementation of the method was simple,
- the availability of the Tonga Bureau of Statistics to train the NSOs that would need support;

No recommendations were made, but it was reminded that measuring multidimensional poverty was an important area for follow-up in subsequent meetings.

Following professor Gordon's presentation, David Abbott (SPC) prepared a useful technical note on "Poverty and Hardship Analysis in PICTs" providing a summary and comparison of the principal methodologies of poverty measurement used in 2000-2021. He described the main steps of the implementation of the multidimensional poverty measurement with the consensual approach in comparison to those of the monetary poverty using the "Cost of Basic Needs" method. On the deprivation approach he noted that the model questions were often very "European-centric" and not always very relevant to the Pacific circumstances, especially for rural communities, their lifestyles and livelihoods. This paper has not yet been discussed PSMB meetings.

PSMB virtual meeting (9-10 September 2020): the UNDP on the MPI way in Samoa

The UNDP attended the virtual PSMB meeting on 9-10 September 2020 as an observer, and reported that it was managing a joint social protection programme in Samoa and developing a Multidimensional Poverty Index (MPI) for Samoa. The Oxford MPI relies on statistical data covering access to a range of services as well as achievements. The MPI does not rely on subjective questions that can be misleading if not carefully chosen and which are not necessarily the same across locations.

The board noted that:

- UNDP (in consultation with SDD) is working with Samoa to develop a multi-dimensional poverty index;
- There is a need for formal review of non-monetary (multidimensional) approaches to poverty analysis.

To go forward with the measurement of multidimensional poverty the PSMB may want to:

- Further Assess where do PICTs stand with the collection and use of data for multidimensional poverty measurement;
- Assess which of the main surveys (HIES, DHS, LF, Census, etc) are more effective in collecting data for the deprivation approach – for the OXFORD approach DHS and MICS are known to be the most accommodated;
- Assess How effective are the 2 approaches of multidimensional poverty in reporting on the SDG1.2.2 in the PICTs.