

The Multidimensional Approach to Measuring Poverty

Lisa Grace S. Bersales
Divina Gracia L. del Prado
Mae Abigail O. Miralles
Philippine Statistics Authority

Abstract

The current official measurement of poverty published by the Philippine Statistics Authority is based on income. This does not capture the multidimensional deprivations suffered by Filipinos. This paper discussed a multidimensional poverty index (MPI) for the Philippines using four (4) dimensions with thirteen (13) indicators. These dimensions are education; health and nutrition; housing, water and sanitation; and employment. The Alkire Foster (AF) method in computing multidimensional poverty measures is adopted with nested uniform weights as the weighting scheme and 1/3 as poverty cutoff. Various weighting schemes are also explored in this study - nested inverse incidence and subjective welfare, and other poverty cutoffs studied are 1/4 and 1/5.

Results revealed that the selection of weighting scheme and poverty cutoff do not greatly affect the trend of the multidimensional poverty measures and the ranks of the dimensions in terms of their contribution to multidimensional poverty.

Keywords: multidimensional poverty, MPI, poverty, headcount ratio, intensity