

**UNITED NATIONS  
ECONOMIC COMMISSION FOR EUROPE  
CONFERENCE OF EUROPEAN STATISTICIANS**

Seminar "The way forward in poverty measurement"  
2-4 December 2013, Geneva, Switzerland

Item 4 of the provisional agenda

**Session 3: Interlinkages between poverty, inequality,  
vulnerability and social inclusion**

**Multidimensional poverty index in Colombia: population  
census 2005**

Prepared by the National Administrative Department of Statistics (DANE)

**Abstract**

## **MULTIDIMENSIONAL POVERTY INDEX IN COLOMBIA: POPULATION CENSUS 2005**

What does it mean to be poor? How many people are classified as poor? The answer to these questions is not unambiguous, since in addition to the concept of poverty is complex, its implications are manifold. However, for several years there was a consensus to determine whether a household was in poverty by establishing a guaranteed minimum income to satisfy the basic needs of a person.

By 2008 the Sarkozy commission, formed by Stiglitz, Sen and Fitoussi, proposed extending the analytical framework for measuring poverty, arguing that income is necessary but not sufficient to ensure human development. However, it is important to mention that the commission always set this new framework with the intention of making complementary measure poverty by income established without any intention of replacing it.

In this context around 2010, Oxford Poverty & Human Development Initiative, University of Oxford, we launched the Multidimensional Poverty Index (MPI) based on the methodology Alkire and Foster (2007, 2011a). One of the main virtues of IPM is to allow each country to have its own indicators and approach the reality of poverty itself. For this reason, some countries have adopted the methodology and have developed a set of multidimensional poverty index.

Colombia has been a pioneer in the adoption of such a methodology , based on the initiative of the National Planning Department (DNP), in late 2011 IPM is presented based on five dimensions: household education conditions , conditions of children and youth , health, employment, access to public services and housing conditions. Now the publicly adopted IPM as a poverty measure complementary to the official measurement of monetary poverty, which until 2011 was calculated as part of the Misión para el empalme de la cifras de empleo, pobreza y desigualdad (MESEP), and the calculation, from 2012, was officially welcomed by the National Administrative Department of Statistics (DANE).

The Colombian version of the IPM sets the unit of analysis “home” and identifies poor peoples’ experiences of deprivation along five dimensions: education of household members; childhood and youth conditions; health; employment; and access to household utilities and living conditions. Additionally, the cutoff established poverty was to determine whether a private home is one third of the weighted variables.

The choice of variables was linked to its disposal in the Quality of Life Survey (ECV) and its relationship with the National Government's social policy, among others. The latter of paramount importance if you consider that knowing the needs of those living in poverty policy can well localize and track the goals established in this regard. On the other hand, the cutoff point was established based on statistically significant estimates and coefficient of variation which does not exceed 15%.

The findings suggest that the department with fewer incidences of multidimensional poverty is Bogotá (24.30%) and the highest incidence (86.88%). Poverty is concentrated in the "new

departments" Amazonas, Guaviare, Vaupés, Vichada and Guainía whose incidences are above 75%. More deprivation indicators are educational attainment, economic dependency and formal employment rate, thus the government must make significant efforts to improve the conditions of the people in matters mentioned.