How to measure wellbeing and combat poverty

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Sabina Alkire, OPHI, University of Oxford, 7 June 2019
1. Integral measures
2. Multidimensional Poverty
3. Business MPI
4. Gross National Happiness
Integral Measures

Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature. *Laudato Si*

A simple example: MPI*?

*MULTIDIMENSIONAL POVERTY INDEX*
GLOBAL MULTIDIMENSIONAL POVERTY INDEX 2018

The Most Detailed Picture to Date of the World’s Poorest People

One example
The MPI: SDG 1 Target 1.2 Ind 1.2.2

Three Dimensions of Poverty

- Health
  - Nutrition
  - Child mortality

- Education
  - Years of schooling
  - School attendance

- Living Standards
  - Cooking fuel
  - Sanitation
  - Drinking water
  - Electricity
  - Housing
  - Assets

SDG:
- 2
- 3
- 4
- 4
- 7
- 11
- 6
- 7
- 11
- 1
14-year old Amutha, India

Amutha is poor: she and her family are deprived in more than 1/3 of the MPI weighted indicators.
The global MPI 2018: 105 countries, 5.7 billion people
Disaggregation:
1127 subnational regions
plus age, rural-urban, ethnicity, disability status...
Informing Policy:
The MPI Shows The Shape of Poverty for Each Group — and it Varies.

Example: Tajikistan and Peru have similar MPI levels, but they differ markedly in the poverty composition. In Peru years of schooling contributes 18 percent of the MPI while in Tajikistan it is only 1 percent.
**Key Finding:** 271 million people moved out of poverty in India 2005/6-2015/16

India cut the poverty rate from 55% to 28%

The poorest states reduced poverty fastest.

Yet India still has the largest number of people living in poverty in the world: 364 million
MPI

IS GLOBAL
GLOBAL MPI

IS NATIONAL
NATIONAL MPI

IS BUSINESS
bMPI

TOGETHER FOR THE SAME GOAL
Policy makers use National MPIs for ‘integrated’ policies to:

- **Advance the SDGs** and report SDG 1.2.2
- **Allocate resources** by sector and region
- **Coordinate** policy across sectoral silos and regions
- **Target** marginalized regions, groups, or households
- **Leave No One Behind** - region, ethnicity, children
- **Track poverty trends** – are the poorest going fastest
MEASURES POVERTY

In its relevant dimensions, identifying not just who is poor in the business but how poor and the specific factors keeping them in poverty.

IS ALIGNED

With national measures that facilitate coordination with government efforts to end poverty.
HOW IT STARTED?

“Might there be any multidimensional poverty among people working in my bank?”

Ernesto Castegnaro, past Chairman of BAC Credomatic Bank, Costa Rica.

bMPI Survey result? 12% of BAC employees and their families were living in poverty
SAMPLE OF BUSINESS IMPLEMENTING THE bMPI IN COSTA RICA
SOPHIA OXFORD
WAS BORN

OXFORD UNIVERSITY’S FIRST SOCIAL VENTURE SPIN-OUT
ITS MAJOR GOALS ARE:

• To implement the bMPI among the private sector, to measure and identify poverty amongst business employees and their families, their contractors, suppliers and supply chains.

• To develop private and public-private strategies to move employees and their families out of poverty.

SOPHIA Oxford has an ongoing research-partnership with OPHI to enable innovation, impact evaluation, and on-going monitoring and analysis.
Measuring well-being & IHD
Bhutan’s Gross National Happiness Index takes a holistic approach. **Nine domains** represent integral human development

1. **Psychological wellbeing** – spiritual and emotional
2. **Health** – physical and mental
3. **Education** – schooling, legends, plants, and values
4. **Time use** – a balance of work, sleep, and leisure
5. **Cultural diversity & resilience** – festivals, etiquette
6. **Good governance** – services, elections, rights
7. **Community vitality** – volunteering, belonging, family
8. **Ecological diversity** – responsibility, disasters, threat
9. **Living standards** – work, housing, and income.

The domains remind us to incorporate all vital aspects of ihd into our plans and actions – personal, and collective.
To measure GNH we profile 33 indicators of well-being for each person.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>Psychological wellbeing</td>
<td>Life satisfaction</td>
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<td>Positive emotion</td>
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<td>Negative emotion</td>
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<td>Spirituality</td>
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<td>Health</td>
<td>Self-reported health</td>
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<td>Number of healthy days</td>
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<td>Disability</td>
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<td>Mental health</td>
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<td>Time use</td>
<td>Work</td>
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<td>Sleep</td>
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<td>Education</td>
<td>Literacy</td>
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<td>Schooling</td>
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<td>Knowledge</td>
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<td>Value</td>
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<tr>
<td>Cultural diversity &amp; resilience</td>
<td>Artisan skills:</td>
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<td>Cultural participation</td>
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<td>Speak native language</td>
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<td>Driglam Namzha</td>
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<td>Good Governance</td>
<td>Political participation</td>
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<td>Services</td>
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<td>Governance performance</td>
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<td>Fundamental rights</td>
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<td>Community vitality</td>
<td>Donation time &amp; money</td>
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<td>Safety</td>
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<td>Community relationship</td>
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<td>Family</td>
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<td>Ecological diversity &amp; resilience</td>
<td>Wildlife damage</td>
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<td>Urban issues:</td>
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<td>Environmental Resp.</td>
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<td>Ecological issues</td>
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<td>Living Standard</td>
<td>Income</td>
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<td>Assets</td>
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<td>Housing</td>
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2010-2015: GNH Grew significantly.

How?: Living standards, Ecology, Services, Health
But anger, anxiety, frustration rose; Contentment and generosity declined
Spirituality, prayer and meditation decreased.
There was a rise in loneliness, a decreased sense of ‘belonging’

The GNH Index is a nuanced policy tool for IHD.
Thank you

www.ophi.org.uk
www.sophiaoxford.org