



EMERALD POINTS

BREAKING THE POVERTY CODE

An Integrative Approach to Measuring
Multidimensional Poverty in Mexico

YEDITH BETZABÉ GUILLÉN-FERNÁNDEZ



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BY

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INVESTOR IN PEOPLE

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I dedicate this dissertation to my mother María Esther, from whom I have learnt that science is the way to achieve truth. I thank her love and support in all my life projects.

This book is dedicated to academics and students who are motivated to study poverty for contributing to its eradication. I hope this study helps define objective criteria for the measurement of multidimensional poverty.

This research represents a vote for the eradication of poverty.

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ABSTRACT

This study formulates a theoretical and empirical link to integrate two frameworks for measuring multidimensional poverty in Mexico, which are the ‘Consensual approach’ and the ‘Social Rights-based approach’, with the purpose of updating the living standards established in the Mexican norms and evaluating the official Multidimensional Poverty Measurement Methodology in Mexico (MPMM). The Consensual approach, developed by Mack and Lansley (1985) in the United Kingdom, will help us to inform the socially perceived necessities for identifying new needs and updated poverty thresholds. On the other hand, the Social Rights-based approach has been officially advocated in Mexico for the measurement of multidimensional poverty since 2008. Both frameworks are based upon social needs and aim at promoting that every person must achieve a decent standard of living, as well as to acknowledge that all citizens should accomplish their entitlements for being free of poverty. Also, both approaches lead us to understand that needs are determined socially and can be defined based on ‘social consensus’. However, the Mexican legal frameworks do not inform continuously about the changing needs resulted from the socio-economic and technological progress, because of its normative nature. Therefore, the consensual approach creates an important association with the social rights, not only for the evaluation of the official method of multidimensional poverty in Mexico but also to inform institutions and scholars about objective poverty measuring criteria, as well as to show a more accurate picture of poverty. This research also contributes with a statistical application for obtaining an objective poverty measurement for Mexico, based on the application of multivariate statistical techniques as part of the ‘Consensual Method’.

Yedith Betzabé Guillén-Fernández

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INTRODUCTION

This chapter aims at showing the importance of integrating the Consensual Approach and the Social Rights-based (SR) approach to measure multidimensional poverty. Both approaches are based on the social consensus of people; however, the first is based on surveys of public opinion that captures the enforced lack of socially perceived necessities and the second is based on normative frameworks of human rights. This chapter introduces the contribution of this study and states that surveys based on the consensual approach help inform current living standards that prevail in today's society that are originally identified through norms set forth in legal frameworks, as a result of a democratic process of social consensus, which are not updated in a continuous way. The core of the study is that the consensual approach can permit us to operationalize normative standards established in the Mexican legal frameworks, transformed into thresholds to measure poverty and captured in surveys on the basis of the social rights. Because, the social rights can be also identified as socially perceived necessities in surveys of public opinion, and the non-accomplishment of rights or the lack of needs have been conceptualized as deprivations and form the set of indicators and standards to measure poverty. And surveys bring more information regarding prevalent living standards.

This chapter starts by explaining the origins of the Mexican school on poverty studies and that multidimensional poverty measurement was first developed in the academic world; in official terms Mexico achieved a measurement of multidimensional poverty from a Social Rights perspective in 2008. The General Law of Social Development, enacted in 2004, mandates that poverty should be measured through this view. The law defines the set of social rights defined in the Mexican Constitution that should be considered for the measurement of multidimensional poverty in Mexico. The law also mentions that every period of 10 year, the official methodology for poverty

measurement carried by the National Council of Social Development in Mexico (CONEVAL), should be assessed of objectivity and validity, and poverty standards should be updated because new social needs may arise.

Finally, this chapter explains the methodological approach that underlines this research as well as its research design.

1. BACKGROUND: THE CURRENT STATE OF POVERTY IN MEXICO

The first objective of the Sustainable Development Goals (SDG) established by the United Nations is to eradicate poverty in all its forms. According to Townsend (2009), multidimensional poverty alleviation will only happen until the Nation States implement adequate and more comprehensive social policies, in addition to providing and facilitating the realization of the social rights that people are entitled. Mexico and other developing countries whose legal framework is based on the Human Rights (HR) and SR approach will not achieve the eradication of poverty, including those deprivations experienced by people in their access to public services, such as education, health and social security, among others – until they implement public and social policies aimed at achieving the universal access to public goods and services for the fulfilment of the SR, established in their legal frameworks (Barba, 2021; Boltvinik & Damián, 2003).

Social deprivation is the violation of social rights (Despouy, 1996) as non-compliance or lack of action by the State with the purpose that people can access public services that allow them to realize their social rights, established in the Political Constitution of the United Mexican States (CPEUM). Social deprivation must imply the design and implementation of more comprehensive policies aimed at universalizing the services provided by the State. The human or social rights approach is also a tool to assess the role of the State, in the fulfilment of its actions for the realization of these and, where appropriate, so that citizens can demand their rights (Donald & Mottershaw, 2009).

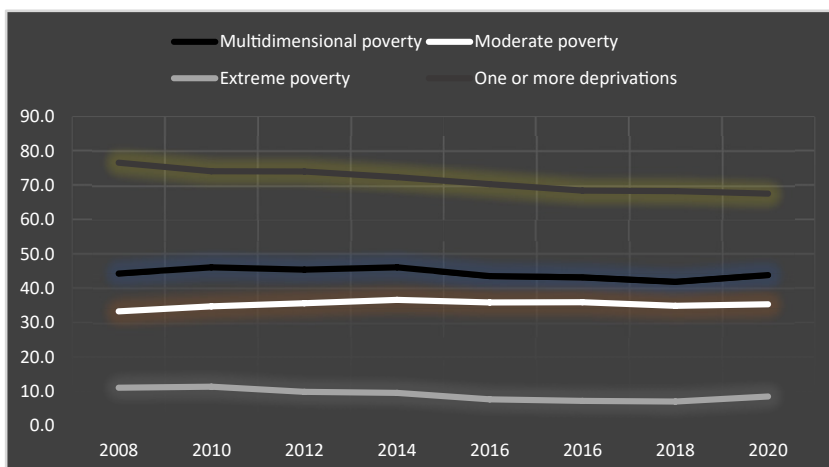
Empirical evidence shows that 72% of the Mexican population on average suffers at least one social deprivation in Mexico from 2008 to the present, so that social deprivation, as a dimension of poverty, is a structural problem. There are certain poorer population groups. The population groups with the highest levels of prevalence due to social deprivation in 2020 were the rural population (89%); the indigenous population (91%); the population with some disability (78%) and the child population under 18 years of age (72%).

Additionally, the states where the child population presents the highest rates of social deprivation are Oaxaca and Chiapas (CONEVAL, 2019).

More than 10 years have passed since the official adoption of the multi-dimensional measurement of poverty in Mexico; however, the same trend level continues. Fig. 1.1 shows that the incidences of social deprivation (percentage of population with at least one social deprivation); multidimensional poverty (percentage of population that is at the intersection of income poverty and social deprivation) and moderate poverty show the same levels between 2008 and 2020; from 72%; 44% and 35% on average, respectively. Extreme poverty showed a greater reduction, although little pronounced in this period of analysis, presenting an incidence of 11%–9%. The social deprivation index reduced from 77% in the incidence of people presenting at least one social deprivation to 68%, in this period of 12 years.

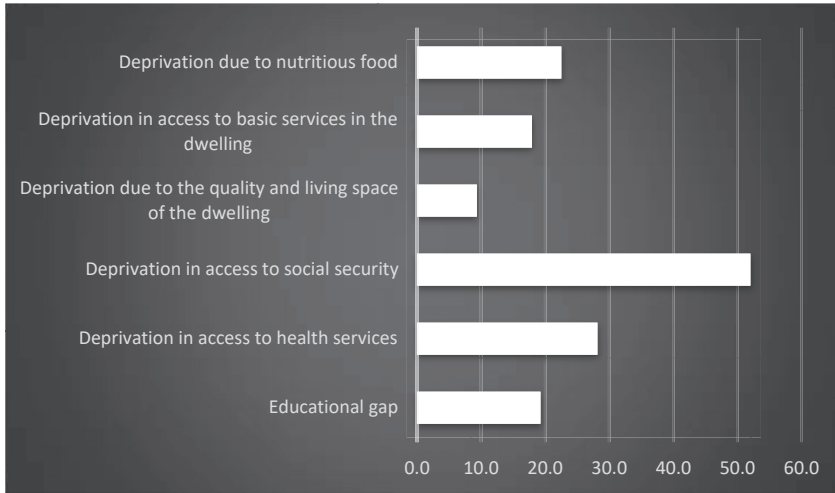
Social deprivations give us an even more complex image of poverty because they are related to the space of the living conditions of a population, or living standards that a specific society has to be able to live in a dignified manner. It is in this space where the economic, social, cultural and technological progress of a country is most directly reflected. In the official measurement approach to multidimensional poverty in Mexico, social deprivations are directly associated with non-compliance with social rights.

Fig. 1.2 shows that the population in Mexico presents a higher prevalence of lack of access to social security with respect to other social deprivations, with this



Source: Own elaboration based on the results on poverty published by CONEVAL (2023).

Fig. 1.1. Multidimensional Poverty Trends in Mexico, 2008–2020 (Percentages).



Source: Own elaboration based on the results on poverty published by CONEVAL (2023).

Fig. 1.2. Social Deprivations Presented by the Population in Mexico, 2020 (Percentages).

prevalence being 52% in 2020. The prevalence that follows are deprivation in access to health services (28%) and food deficiencies (23%) of the population. On the other hand, 19% of the Mexican population present an educational gap; 18% show deprivation due to basic services in the dwelling and 9% lack in the quality and spaces of housing. These six social deprivations represent the domains of analysis for the Methodology for the Multidimensional Measurement of Poverty in Mexico (MMMP), developed by the National Council for the Evaluation of Social Development Policy (CONEVAL, 2010).

On the other hand, the COVID-19 pandemic has implied a higher demand of the Information and communications technology (ICT): the results of the Survey for the Measurement of the Impact of COVID-19 in the country, carried out by the INEGI (National Institute for Information and Statistics) reveals that more than five million students did not enrol in the 2020–2021 school year for reasons related to the pandemic. According to data from the report, in the current school year, 32.9 million students have been registered, which represents 60.6% of the population between 3 and 29 years of age. 5.2 million people, equivalent to 9.6% of the total population between 3 and 29 years old did not enrol in the 2020–2021 school year for reasons associated with COVID-19 or lack of money or resources, affirms INEGI.

In addition to the millions of students who do not receive classes, the survey shows that around 1.8 million did not finish the previous school year (2019–2020), and that 58.9% of them gave some reason related to the pandemic, while that 8.9% answered that they stopped attending classes due to lack of money or financial resources.

According to figures from the National Survey on Availability and Use of Information Technologies in Households (ENDUTIH) 2020 from INEGI. In Mexico, it was recorded that in 2020, 36.9% of people between the ages of 6 and 17 did not have internet at home. The foregoing implied that 9.86 million children did not have internet access at home. Likewise, this percentage was slightly higher than that of people aged 18 or over who also did not have internet access at home (35.4%).

In Mexico, the Federal Electricity Commission (CFE) has the objective of installing free wireless internet throughout the country, with this it seeks to contribute to closing the digital gap related to opportunities for access to Information and Communication Technologies, giving priority to people who are in a situation of telecommunications deprivation.

2. THE LATIN AMERICAN BASIS ON POVERTY STUDIES

The study of poverty was developed in Latin America since 1979 with the research work developed by Altimir (1979) in The Economic Commission for Latin America and the Caribbean (ECLAC). Altimir's notion of poverty was originated from the notion of 'absolute poverty', to derive a 'normative specification' from Sen's conceptualization of absolute poverty. However, Altimir claims that definitions in terms of absolute poverty attempt to specify levels of absolute deprivation on the basis of 'norms', which refer to the 'minimum requirements' that are considered suitable for the satisfaction of basic needs.

This perspective of poverty from Altimir is related to 'customary way of living' already appraised from Professor Peter Townsend in 1979 in the United Kingdom, who devised the concept of relative deprivation:

Poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation. . . Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the

societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities.

(Townsend, 1979, p. 31)

Because Altimir admits ‘basic norms’ should be determined on what is ‘culturally accepted’ by a specific society; so, he affirms that absolute poverty measures are linked to the ‘standards of living that prevail effectively in a society’. Indeed, what Townsend (1979) states is that any notion of poverty is relative, even if we are talking about hunger – i.e. to eradicate hunger we require to appraise the nutritious food necessary to alleviate malnutrition for a specific population, because it does not only depend on the type of weather in specific region, but also on the kinds of food that are accustomed in a specific country, which also depends on numerous factors, such as genetics, ethnicity, age, sex, etc.

But, Altimir estimated poverty based on ‘minimum standards’ by constructing food normative baskets for the Latin American Countries, thorough the measure of the household’s income provided with data from surveys of household’s income and expenditure. We can appreciate then that cultural patterns are identified in the Altimir’s basic food basket for the Latin American countries, although he does not operationalize a comprehensive measure of poverty based on the customary way of living in these countries (Guillén-Fernández, 2017). The method used by Altimir (1979, 1982) is the methodology pioneered by Orshansky (1965) for the estimation of the food basket, which is the Engel coefficient. Orshansky acknowledges that there is a generally accepted standard of adequacy for food only, but not for the rest of living essentials with this methodology – there is unquestionably a relative notion implicit in a food poverty line, since dietary patterns in a society have to be considered. However, this type of measures are not adequately for capturing the average standards of living in a society. Damián (2004) asserts that one of the main consequences of this conception is that Altimir’s poverty measurement method serves to identify food deprivation and not to identify poverty in terms of a decent life. This idea has implications as Altimir laid the foundations for a tradition in Latin America about how to measure income poverty.

Therefore, the way in which income poverty has been measured in Latin America may have serious consequences in terms of antipoverty policies throughout the region, i.e. from Altimir’s poverty estimation, several countries such as Mexico adopts the Engel coefficient to officially estimate poverty for

decades, since the 1980s to 2007, by using the value of food baskets and to derive a non-food basket: from Boltvinik's (1994) perspective, Altimir's (1979) conception of poverty leads him to adopt a one-dimensional poverty measurement based upon the construction of food normative baskets to define the Extreme Poverty Line (EPL) and based upon the Engel coefficient to define the Poverty Line (PL) for several Latin American countries. The cost of the per capita food basket becomes the per capita extreme poverty line. It is transformed into the per capita poverty line by multiplying by the Engel coefficient (Boltvinik, 1996). Boltvinik (1994) states that this empirical process to determine the PL, does not allow us to know the generic list of items that encompasses the cost of living. Thus, while the food basket is extensively detailed, the rest of the satisfiers are unknown, with only the total cost of living known. Moreover, Altimir conceives income as a measure that can capture the combination of many resources according to their current or imputed market values but does not consider the access to public or subsidized services (Boltvinik, 1994).

2.1 The Measure of Unsatisfied Basic Needs (UBN)

The Unsatisfied Basic Needs (UBN) approach is incorporated for the measurement of poverty in Latin America (Feres & Mancero, 2001). UBN are identified and measured as the lack of basic needs, and there is a notion claiming that needs have been agreed by the society itself, because these are seen as the essentials or minimum satisfiers to live decently (Altimir, 1979). However, this characteristic of 'essential or basic' is intrinsic to the idea of 'social needs', it is not found in a comprehensive way in Altimir (1979) – he highlights in his study *La Dimensión de la Pobreza en América Latina*¹ that there is an irreducible core of absolute deprivation, which is identified by manifestations of indigence, malnutrition and visible hardship without incorporating a relative aspect of poverty. Altimir's view leads him to disagree with Townsend's (1954, 1962) and argue that poverty does not necessarily have to be identified in relative terms because the measurement of poverty has to include the absolute notion of the concept as well. The 'absolute norm' that allows us to define this irreducible core, regardless of the national context, comes from our understanding of human dignity and from the universal character we attribute to basic human rights.

1 *The Extent of Poverty in Latin America* is the version in English language (Altimir, 1982).

Although, there is a more comprehensive view of social needs, found in Townsend (1979) where the concept of ‘deprivations’² are related to the prevention of the customary ways of living as well as what is approved in society or what is required in society to live decently and the requirements produced by human beings to satisfying needs. The relative view to poverty implies acknowledging that needs are modified throughout history according to changes in lifestyles and the economic progress of a particular society. Also, this content of the concept of poverty is specific for each society, as different styles of living vary from one society to another (Bradshaw, 1972; Townsend, 1979; Max-Neef et al., 1986; Boltvinik, 2005a).

Altimir (1979) recognized that, not only well-being should be considered, but also the standard of living. Thus, all the ways in which people experience poverty, should be considered if the purpose is to alleviate poverty effectively. Altimir incorporated the UBN approach into the definition of poverty, as a separate poverty dimension to low income, but did not operationalize this definition (Guillén-Fernández, 2017). Nevertheless, UBN emerged as a measure to capture the different kinds of wants [deprivations] that the population might experience in their lives and to be able to characterize poverty in Latin America since the 1980s by ECLAC (Altimir, 1979; Feres & Mancero, 2001), however, from a ‘basic requirement’ view.

From the adoption of the UBN approach, Altimir (1979) influenced the development of multidimensional indexes of poverty in Latin America, and other Latin American scholars then undertook this task and measured UBN and low income as ‘different forms of poverty’ (Beccaria & Minujín, 1987; Boltvinik, 1992). The first research that identified the poor from a UBN approach was carried out by the Planning Office in Chile (ODEPLAN, 1975), and Altimir guided the application of the UBN method to identify the poor there. Kast and Molina (1975) also apply the traditional UBN approach to Latin America (Villatoro & Santos, 2021). Thus, the UBN method then became standardized throughout Latin America, Argentina (INDEC, 1984), Uruguay (Kaztman, 1989), Colombia (DANE, 1989), Ecuador (UNDP-CEPAL, 1989), Perú and Venezuela (UNDP, 1990). Thus, ECLAC adopted this method for the measurement and characterization of poverty in

2 UBN are recognized as the lacks of basic needs and are also identified and measured in the space of the standard of living as deprivations. Boltvinik (1992) make use of the UBN approach through a more comprehensive perspective through considering the social rights established by the Mexican law, and he includes this perspective for the measurement of multidimensional poverty by combining free time and low income, as other dimensions of multidimensional poverty.