

MULTIDIMENSIONAL INEQUALITY FRAMEWORK

Multidimensional Inequality Framework (MIF)

Multidimensional Inequality Framework (MIF) was co-developed by London School of Economics and Political Science (LSE) and Oxfam in 2018. MIF draws on Sen's capability approach, a 1998's Nobel Prize winner-economist, in order to provide a method to assess inequalities in individual well-being.

The approach focuses on capability deprivation (measuring differences in rates of deprivation between groups) and calls for a multidimensional approach to understand individual and collective well-being. This approach has been widely used in researches relating to poverty reduction and Human Development Indicators (HDI) yet has not been applied in inequality analysis. A key challenge in measuring multidimensional inequality through the capability approach is that there is no definitive list of capabilities. Amartya Sen provides some guidance on how a list of capabilities should be drawn up and suggests a number of key capabilities which are considered vital for well-being (being well-nourished, physically secure, mobility, etc.). From his guidance, MIF proposed 7 domains, which cover the core capabilities critical to well-being, to analyze inequality as follows.

Table. 07 (Seven) life domains¹

Domain	Title	Sub-title
Domain 1	Life and health	Inequality in the capability to be alive and to live a healthy life
Domain 2	Physical and legal security	Inequality in the capability to live in physical safety and legal security
Domain 3	Education and learning	Inequality in the capability to be knowledgeable, to understand and reason, and to have the skills to participate in society
Domain 4	Financial security and dignified work	Inequality in the capability to achieve financial independence and security, enjoy dignified and fair work, and recognition of unpaid work and care
Domain 5	Comfortable, independent and secure living conditions	Inequality in the capability to enjoy comfortable, independent and secure living conditions
Domain 6	Participation, influence and voice	Inequality in the capability to participate in decision-making, have a voice and influence
Domain 7	Individual, family and social life	Inequality in the capability to enjoy individual, family and social life, to express yourself and to have self-respect

Note: Highlighted domains are analyzed in the context of Vietnam.

Between 2017-2019, MIF was developed and piloted in Spain and Guatemala for stage 1. Following the success of stage 1, Vietnam and Burkina Faso decided to nationalize this framework for stage 2. Based on past experience from the two stages, MIF will be examined at a regional level in Central America and West Africa, while simultaneously continue to be modified and improved for other countries to pave the way for in-depth and comprehensive future studies on inequalities (drivers,

¹ LSE and Oxfam (2018), Multidimensional Inequality Framework, The London School of Economics and Political Science and Oxfam. Details can be accessed at: <https://inequalitytoolkit.org/en/help/about-the-mif-and-the-oxfam-toolkit>.

intertwinement, solutions) with an aim to support policy/decision making process towards inequality reduction and contribute to the implementation of the 2030 Agenda for Sustainable Development (leaving no one behind).

Application of MIF in Viet Nam

The multidimensional approach to poverty reduction has been prioritized in Vietnam to analyze and identify beneficiaries of social assistance programs and policies. For that reason, Vietnam has achieved great success in poverty alleviation. In addition, in its commitment to the Sustainable Development Goals (SDGs), Vietnam is also establishing concrete strategies to reduce inequality, in order to achieve the SDG 10 target. However, there still exists a large gap in multidimensional analysis of inequality in Vietnam to create a well-rounded and in-depth understanding of inequality, its intertwining and inter-generational characteristics, from which relevant policies to support inclusive development and equal enjoyment of development process can be assured.

The application of MIF in Vietnam is the first attempt to examine inequality on unpopular domains such as: life and health; education and learning; participation, influence and voice. The selection of those domains is made due to two main reasons.

First, the research put a focus on health and education – the two most critical human capital resources in economic development². Therefore, reduction of inequalities in health and education would also play a major role in narrowing inequalities in employment, living standards, and social life³. Improvement in education and healthcare are two important Millennium Development Goals, as well as Sustainable Development Goals of the United Nations. In Vietnam, there is an increasing recognition that good governance and public administration are important for economic growth, as well as human development.⁴ Therefore, this study selects ‘participation, influence and voice’ as a third domain to examine people’s capability to participate in decision-making, have a voice and influence.

Second, household surveys are available for these domains. Vietnam Household Living Standard Surveys since 2002 allows us to examine key indicators of the education and health domains over time. To analyse the ‘participation, influence and voice’ domain, we exploit high-quality Vietnam Governance and Public Administration Performance Index (PAPI) surveys.

MIF was implemented in Vietnam by Oxfam and Mekong Development Research Institute (MDRI) during the period between 2018-2020. During the implementation process, 3 technical consultations were conducted with experts, national policy makers, and social organizations to maximize the efficiency of MIF in Vietnam. Oxfam and MDRI highly appreciate any feedback and comment from interested parties in order to effectively and relevantly develop MIF in the future to serve more meaningful discussions about poverty and multidimensional inequality reduction in Vietnam

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² Hanushek, E.A. and Woessmann, L., 2008. The role of cognitive skills in economic development. *Journal of economic literature*, 46(3), pp.607-668.

³ Oxfam. 2019. Public good or Private wealth. <https://www.oxfam.org/en/research/public-good-or-private-wealth>

⁴ Acuña-Alfaro, J., Do, G., and Do, H. 2010. Measuring governance and public administration for human development: A demand-side approach. Background Paper for 2010 National Human Development Report – UNDP –VASS.