

SOME COMMENTS ON MULTIDIMENSIONAL VULNERABILITY INDEX --- FOR SIDS

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MVI- A NEW PARDIGM

- First proposed in 1994, The Multidimensional Vulnerability Index seeks to reveal vulnerability patterns within countries over time, enabling policymakers to target resources and design policies effectively.
- MVI is based on the rationale that Gross National Income (GNI) per capita is not the right measure for the allocation of concessional financing and Official Development Assistant (ODA) eligibility. GNI ignores the unique vulnerabilities of countries to the adverse effect of climate change and remoteness, among other problems.
- This is especially true for SIDS. SIDS are characterized by small sizes, small domestic markets, limited ability to affect domestic prices, constrained capacity to exploit economies of scale, and limited natural resources and production possibilities
- These characteristics translate to obstacles for SIDS members in achieving a successful long-term growth.

A NEW PARADIGM

- Interestingly, a lot of SIDS that are currently upper middle-income, and some are classified as high -income countries. Being a high-income country means losing access to ODA. GNI does not tell the true situation that SIDS face. In the interest of fairness, it seems prudent that additional criterion that places special emphasis on the special burden faced by SIDS should be adopted. THE MVI is a vehicle for addressing the wrong that considers just income.
- The goal is to use MVI as an additional tool in assessing countries in general, and SIDS in particular, so they can have easier access to the financing they need to help them deal with the crisis brought on by their special features.

THE HIGH PANEL MVI-INTERIM REPORT

- A fine review of MVI
- It is especially good since it provided the background and lay-out the MVI framework
- No empirics though
- Some sensible general remarks end the document

CRITICAL PROBLEMS

- How to select the indicators – that encompass, economic, environmental and social dimension of the index?
- It is necessary to solve the problem of weighing and aggregation at the beginning.
- Separate weather effects from climate change effects.
- Enormous data problem.
- Will the index permit comparisons across countries and world regions
- Within countries by ethnic group, urban/rural area, subnational region, age group

SOME SUGGESTIONS

- 1 Be clear about the difference between weather and climate

National Aeronautics and Space Administration view is that weather generally refers to atmospheric conditions that occur locally and over short periods of time, say from minutes to hours, days to weeks. Familiar examples include rain, snow, clouds, winds, or thunderstorms. Whereas climate refers to the long-term regional or global average of temperature, humidity, and rainfall patterns over a period of time, often 30+ years.

- Useful to summarize the evidence and causes behind climate change
- 2. Build capacity for data collection, monitoring and dissemination

Not much of a problem when dealing with economic and social indicators. Big problem when attention is to environmental index.

Two main sources: University of East Anglia Climatic Research Unit
Columbia University, Built Environment and Health Research Group

- 3. MVI should be universally focused to encourage buy in.
- 4. Attention to ecological capital is warranted
- 5. Focus on structural components of shocks.

