Lesson 5. Examples of Poverty Statistics to Tackle Poverty

5.1 Welcome

Lesson 5. Examples of Poverty Statistics to Tackle Poverty

Notes:

In this Lesson, production and use on poverty statistics in practice are introduced.

5.2 Facts and Figures

Facts and Figures

- 767 million people live below the international poverty line of $1.90 a day

- In 2016, almost 10 per cent of the world's workers live with their families on less than $1.90 per person per day

- The overwhelming majority of people living below the poverty line belong to two regions: Southern Asia and sub-Saharan Africa

- High poverty rates are often found in small, fragile and conflict-affected countries

- One in four children under age five in the world has inadequate height for his or her age

- Every day in 2014, 42,000 people had to abandon their homes to seek protection due to conflict

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Notes:

First of all, this slide shows the picture of poverty statistics in the world.

767 million people are below the international poverty line. Majority of them exist in Southern Asia and sub-Saharan Africa.
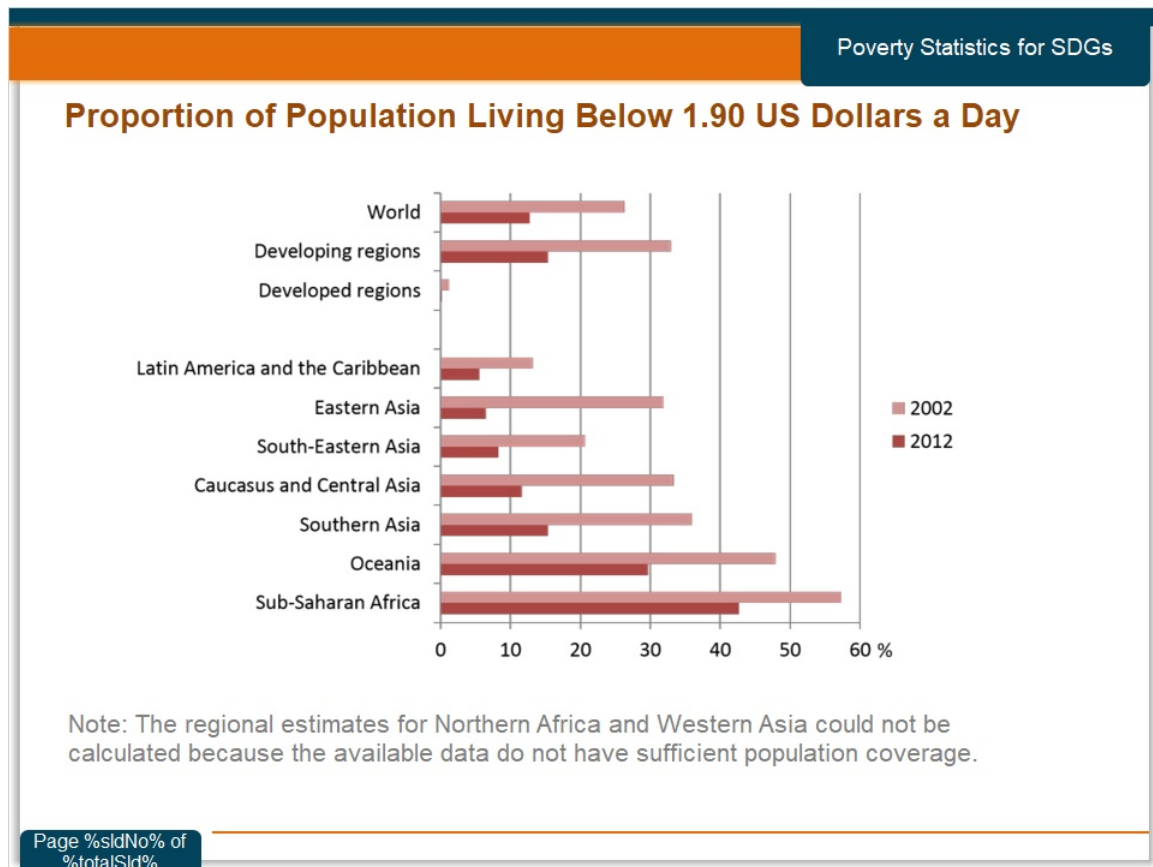
5.3 Poverty Headcount Ratio at $1.90 a Day (2011 PPP)

Poverty Headcount Ratio at $1.90 a Day (2011 PPP)
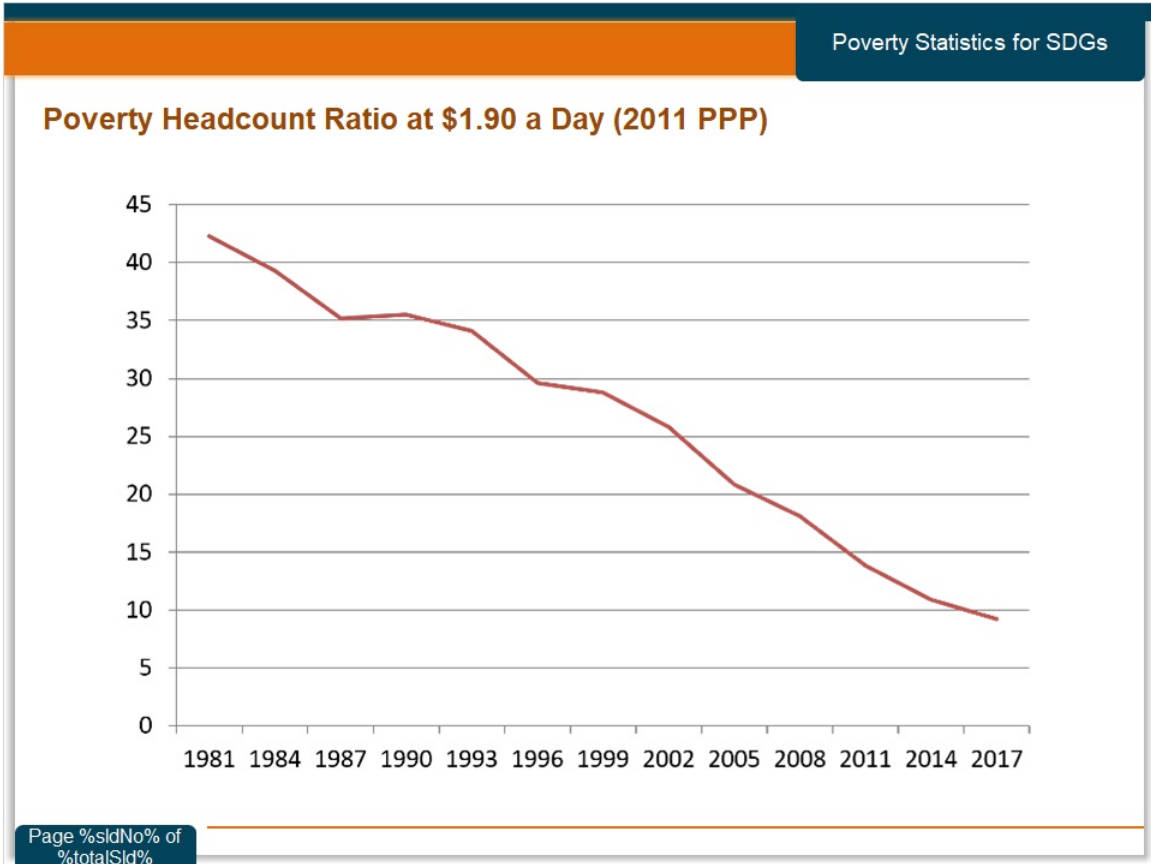
Notes:

Poverty Headcount Ratio is under decreasing trend.

5.4 Proportion of Population Living

Proportion of Population Living Below 1.90 US Dollars a Day

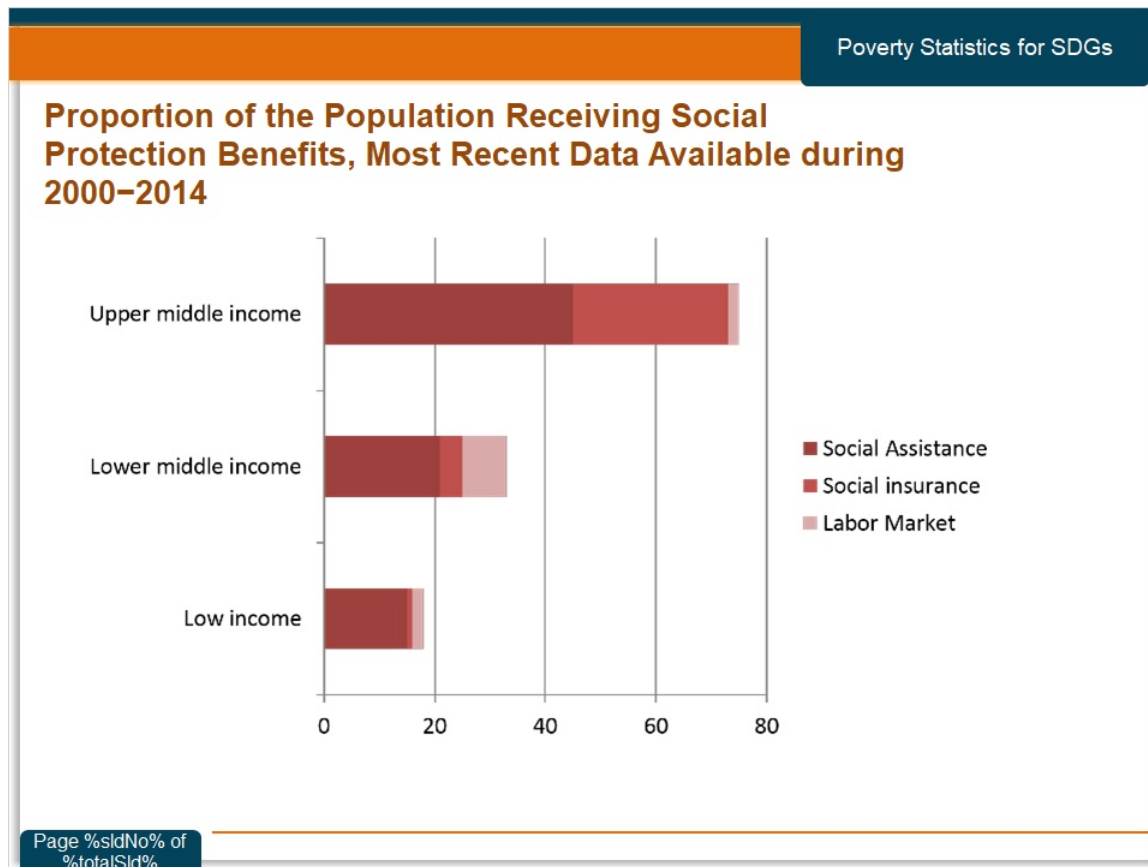Note: The regional estimates for Northern Africa and Western Asia could not be calculated because the available data do not have sufficient population coverage.

Notes:

In the decade from 2002 to 2012, the proportion of the global population living below the poverty line dropped by half, from 26 to 13 per cent. If economic growth rates observed during those 10 years prevail for the next 15, the global rate for extreme poverty will likely fall to 4 per cent by 2030, assuming that growth benefits all income groups equally. Poverty remains widespread in sub-Saharan Africa, where more than 40 per cent of people lived on less than 1.90 US dollars a day in 2012.

5.5 Proportion of the Population Receiving Social

Proportion of the Population Receiving Social Protection Benefits, Most Recent Data Available during 2000−2014

Legend:
- Social Assistance
- Social insurance
- Labor Market

Notes:

One way of further reducing poverty is to improve coverage of social protection programmes and target benefits to the poor and most vulnerable. Social protection programmes include social assistance, such as cash transfers, school feeding and targeted food assistance. Social insurance and labour market programmes are other forms of social protection, covering old-age and disability pensions, maternity benefits, unemployment insurance, skills training and wage subsidies, among others. Most poor people remain outside social protection systems, especially in poorer countries: about one in five people receive any type of benefit in low-income countries compared with two in three in upper-middle-income countries.

5.6 Poverty in Africa

Poverty in Africa

The share of Africans who are poor fell from 56 percent in 1990 to 43 percent in 2012.

The urban-rural gap has narrowed.

More people are poor today than in 1990

Poverty reduction has been slowest in fragile countries

Rural areas remain much poorer

Notes:

The share of Africans who are poor fell from 56 percent in 1990 to 43 percent in 2012. Limiting estimates to comparable surveys, drawing on non-consumption surveys, and applying alternative price deflators suggest that poverty may have declined by even more. Nonetheless, even given the most optimistic estimates, still many more people are poor, due to population growth: more than 330 million in 2012, up from about 280 million in 1990.

5.7 Poverty of Children

Poverty of Children

767 million living on less than $1.90 in 2013

385 million for younger than 18 years old

382 million for 18 years old or over

Notes:

Children are more than twice as likely to be living in households in extreme poverty - with 19.5 per cent of children in developing countries estimated to live on less than $1.90 a day, compared to 9.2 per cent of adults. Among 767 million living on less than $1.90, people younger than 18 are almost the same with those with 18 years old or over.
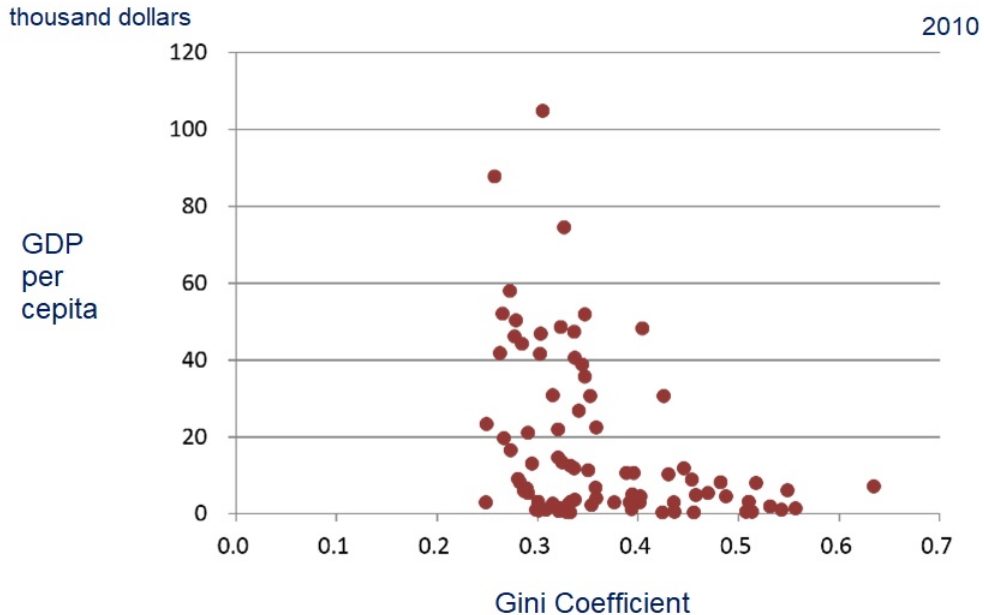
5.8 Economic inequality
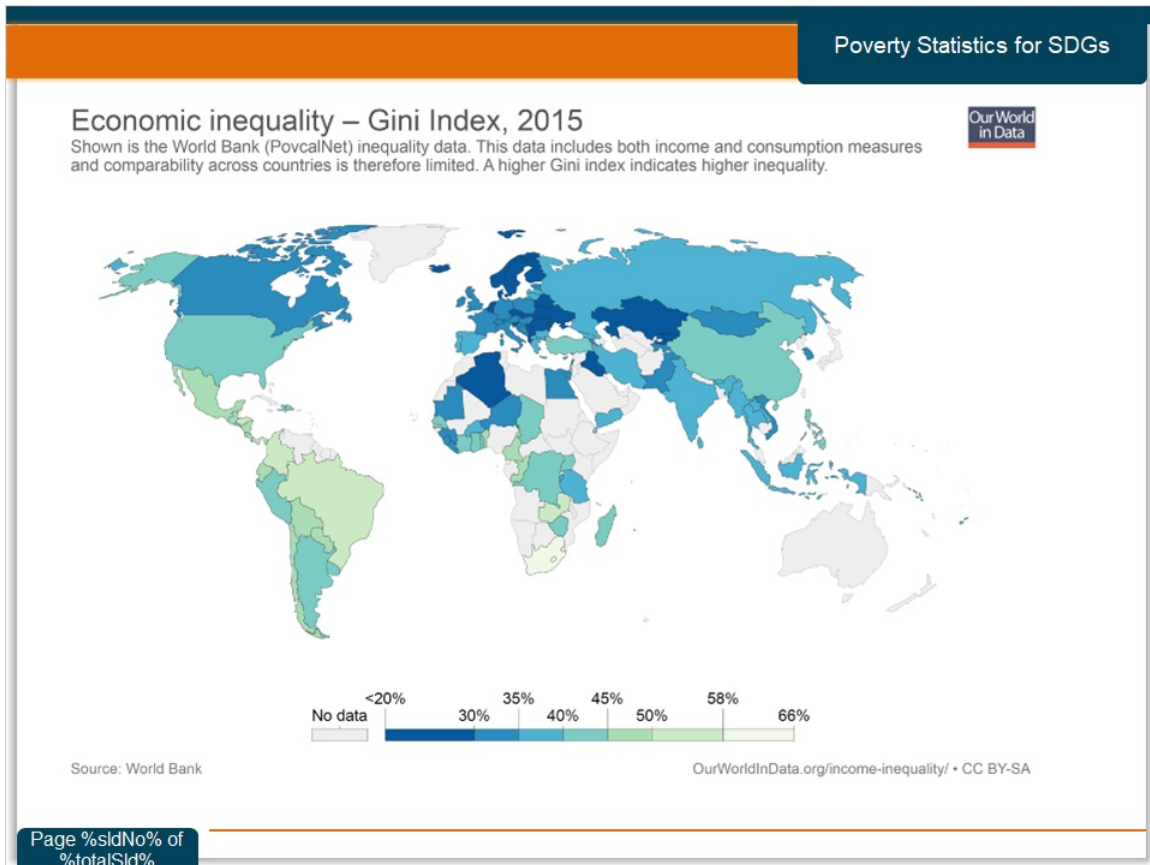
Notes:

This slide shows the Gini Coefficient (index) in the world in 2015. Data lack in some countries. Gini index tends to be low in Europe and central Asia.

5.9 Relationship between Gini Coefficient

Relationship between Gini Coefficient and GDP per Capita among Countries

thousand dollars   2010

(Scatter plot: x-axis "Gini Coefficient" ranging 0.0 to 0.7; y-axis "GDP per cepita" ranging 0 to 120)

Notes:

While there is a tendency that the larger Gini coefficient is, the smaller is GDP per capita among countries, the relationship is not strong. This means that the relative poverty has something to do with the absolute poverty but that the relationship is not obvious. Thus, it is necessary for observing and analyzing both poverty lines.

5.10 Goal 1 in SDGs Report in 2018

Goal 1 in SDGs Report in 2018

- The rate of extreme poverty has fallen rapidly: in 2013 it was a third of the 1990 value. The latest global estimate suggests that 11 per cent of the world population, or 783 million people, lived below the extreme poverty threshold in 2013.

Notes:

Recent outline on Goal 1 is introduced from this slide.

As shown above, the rate of extreme poverty has fallen rapidly.

5.11 Goal 1 in SDGs Report in 2018 (Continued)

Goal 1 in SDGs Report in 2018 (Continued)

➢ The proportion of the world's workers living with their families on less than $1.90 per person a day declined significantly over the past two decades, falling from 26.9 per cent in 2000 to 9.2 per cent in 2017.

Notes:

The proportion of extreme poverty has also been dropped for workers living with their families.

5.12 Goal 1 in SDGs Report in 2018 (Continued)

Goal 1 in SDGs Report in 2018 (Continued)

Only 45 per cent of the world's population are covered by at least one social protection cash benefit

Notes:

Based on 2016 estimates, only 45 per cent of the world's population were effectively covered by at least one social protection cash benefit.

5.13 Goal 1 in SDGs Report in 2018 (Continued)

Goal 1 in SDGs Report in 2018 (Continued)

- In 2017, economic losses attributed to disasters were estimated at over $300 billion. This is among the highest losses in recent years, owing to three major hurricanes affecting the United States of America and several countries across the Caribbean.

Notes:

Economic losses attributed to disasters were the highest in 2017, estimated at over $300 billion.

5.14 SDG Indicator 1.1.1 in 2015

Largest 10 countries

Poverty Statistics for SDGs

SDG Indicator 1.1.1 in 2015
Largest 10 countries

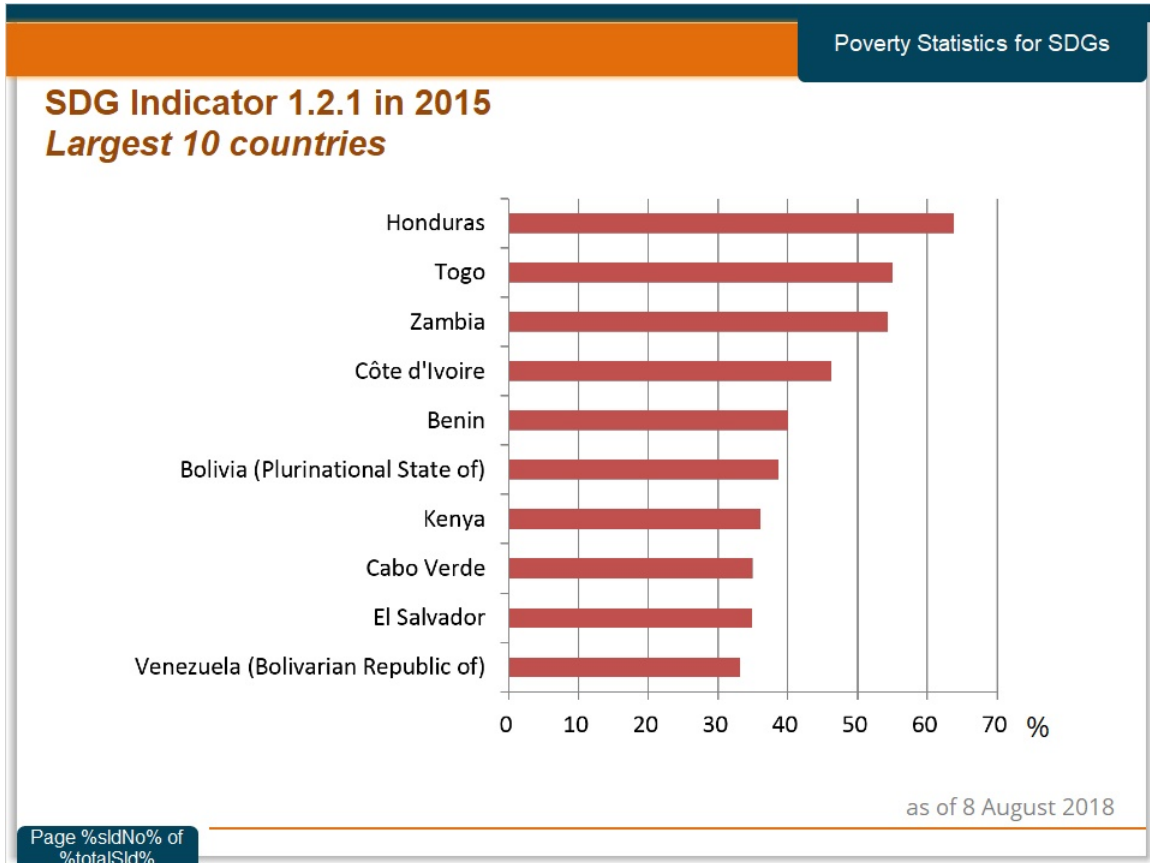as of 8 August 2018

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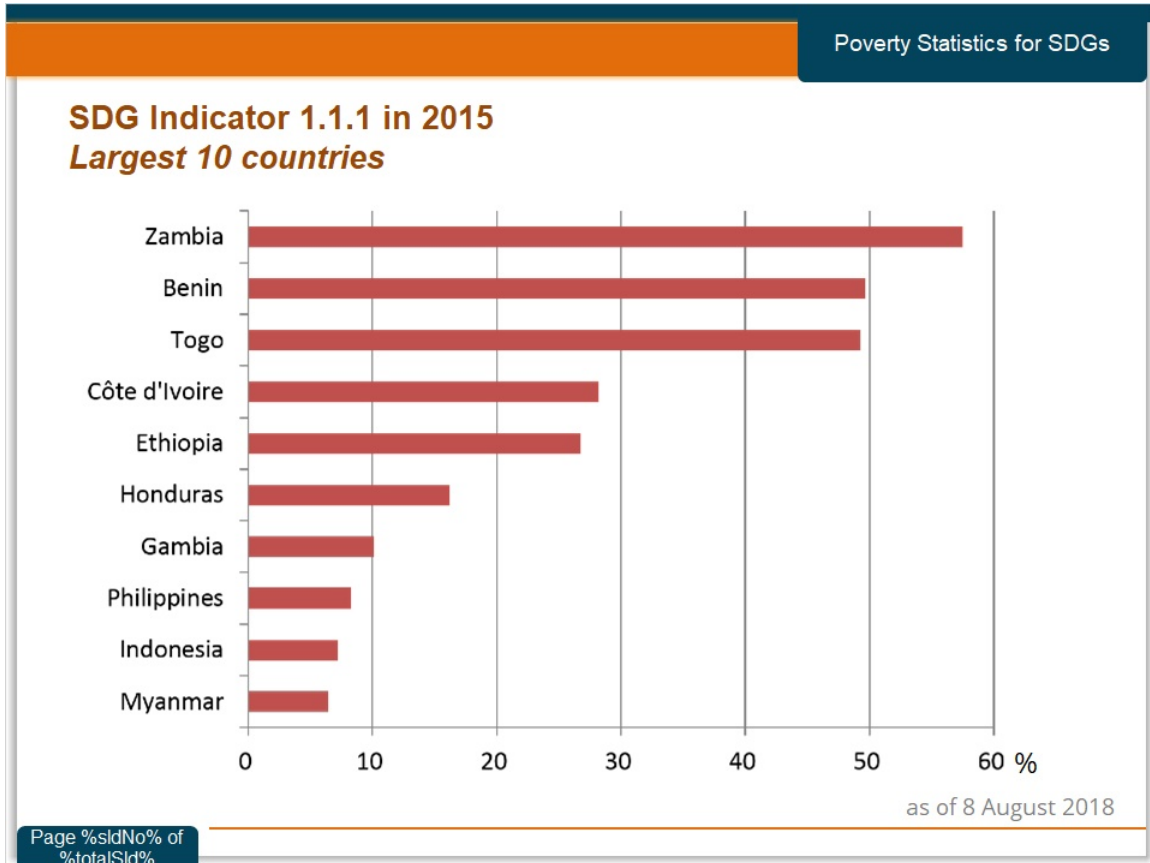
Notes:

Proportion of population below the international poverty line was the highest in Zambia, followed by Benin in 2015. The highest seven countries are in Africa.

5.15 SDG Indicator 1.2.1 in 2015

Largest 10 countries

Notes:

Proportion of population living below the national poverty line was the highest in Honduras, followed by Togo in 2015. The highest eight countries are in Africa.

5.16 Percentage Achievement Gaps for SDG 1

Percentage Achievement Gaps for SDG 1

country	percentage achievement gaps
Nigeria	18.6%
Dem. Rep. of the Congo	11.9%
India	7.8%
Madagascar	3.9%
Mozambique	3.5%
Tanzania	3.3%
South Africa	3.0%
Yemen, Rep.	2.9%
Malawi	2.4%
Kenya	2.3%

International poverty rates at $3.20 PPP per day

Notes:

The Table shows that Nigeria alone accounts for 19% of the global gap to meeting SDG 1. Together with the Democratic Republic of Congo and India, the three countries account for more than one third of the global achievement gap for SDG 1.

Regarding poverty headcount ratio at $1.90/day, estimated percentage of each country's population that in 2018 is living under the poverty threshold of US$ 1.90 a day. Estimated using historical estimates of the income distribution, projections of population changes by age and educational attainment, and GDP projections.

Projected poverty headcount ratio at $1.90/day in 2030 was estimated proportion of the population that will be living under the poverty threshold of US$ 1.90 a day in 2030. Estimated using historical estimates of the income distribution, projections of population changes by age and educational attainment, and GDP projections.

Considering poverty rate after taxes and transfers, poverty line 50%, relative poverty is measured as the share of the population whose incomes fall below half the median disposable income for the entire population. The income threshold for relative poverty changes over time with changes in median disposable income.
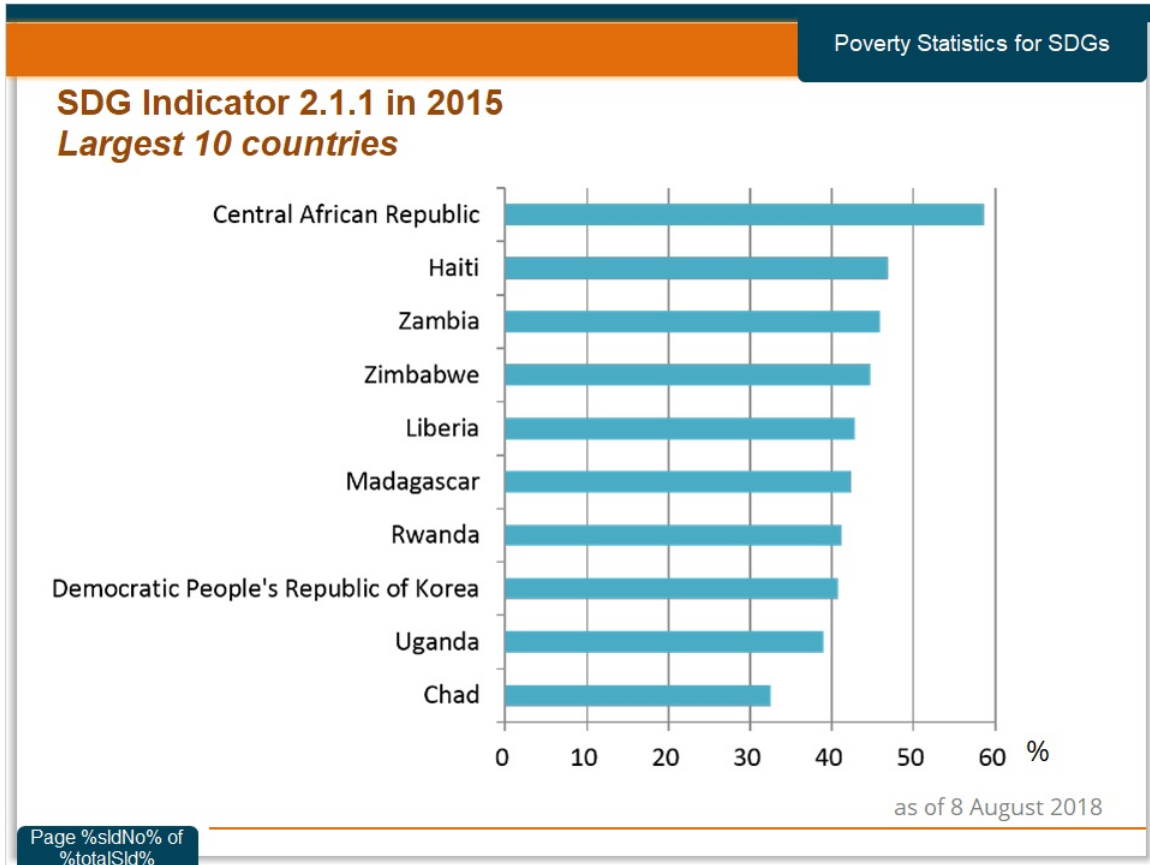
5.17 Goal 2 in SDGs Report in 2018
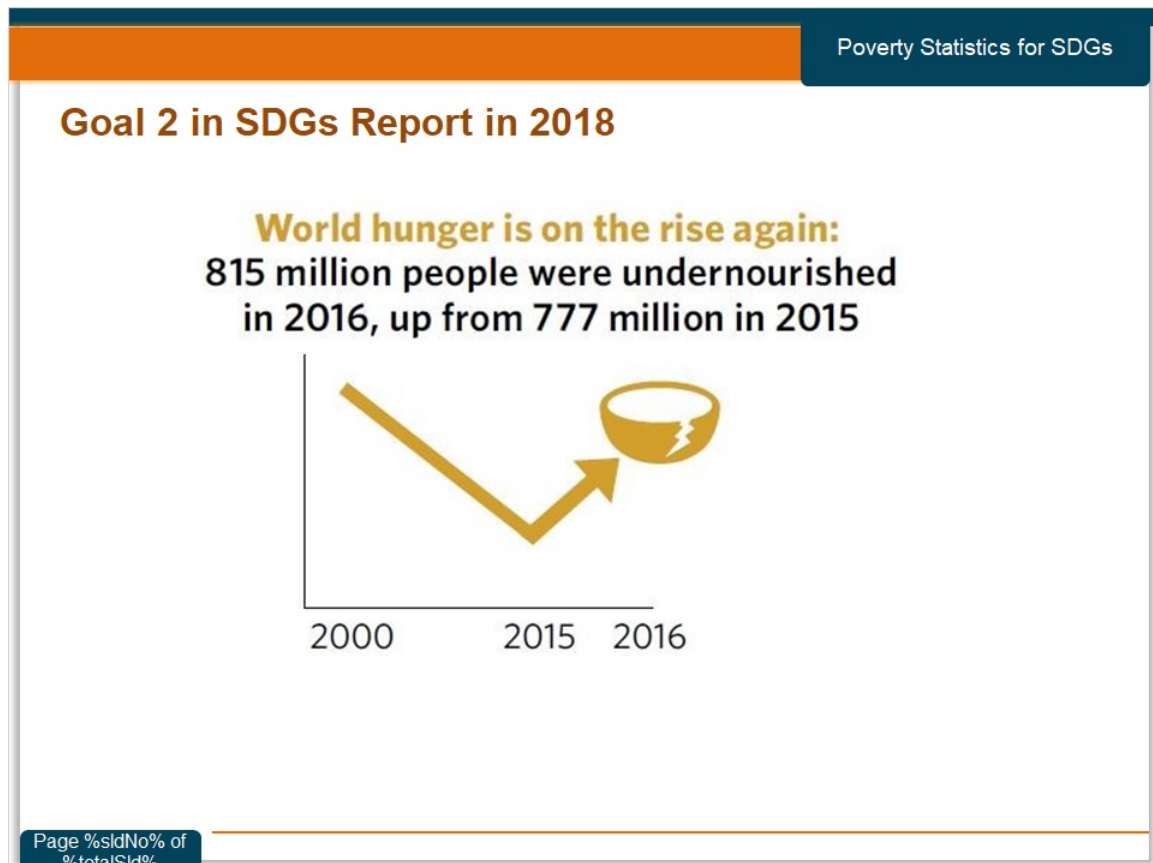
Notes:

After a prolonged decline, world hunger appears to be on the rise again. Conflict, drought and disasters linked to climate change are among the key factors causing this reversal in progress.

5.18 SDG Indicator 2.1.1 in 2015

Largest 10 countries

Notes:

Prevalence of undernourishment was the highest in Central African Republic, followed by Haiti in 2015. Eight among the largest 10 countries are in Africa.

## 5.19 Goal 10 in SDGs Report in 2018

Goal 10 in SDGs Report in 2018

➢ Between 2010 and 2016, in 60 out of 94 countries with data, the incomes of the poorest 40 per cent of the population grew faster than those of the entire population.

Notes:

Efforts have been made in some countries to reduce income inequality, increase zero-tariff access for exports from least developed countries and developing countries, and provide additional assistance to least developed countries and small island developing states. However, progress will need to accelerate to reduce growing disparities within and among countries.
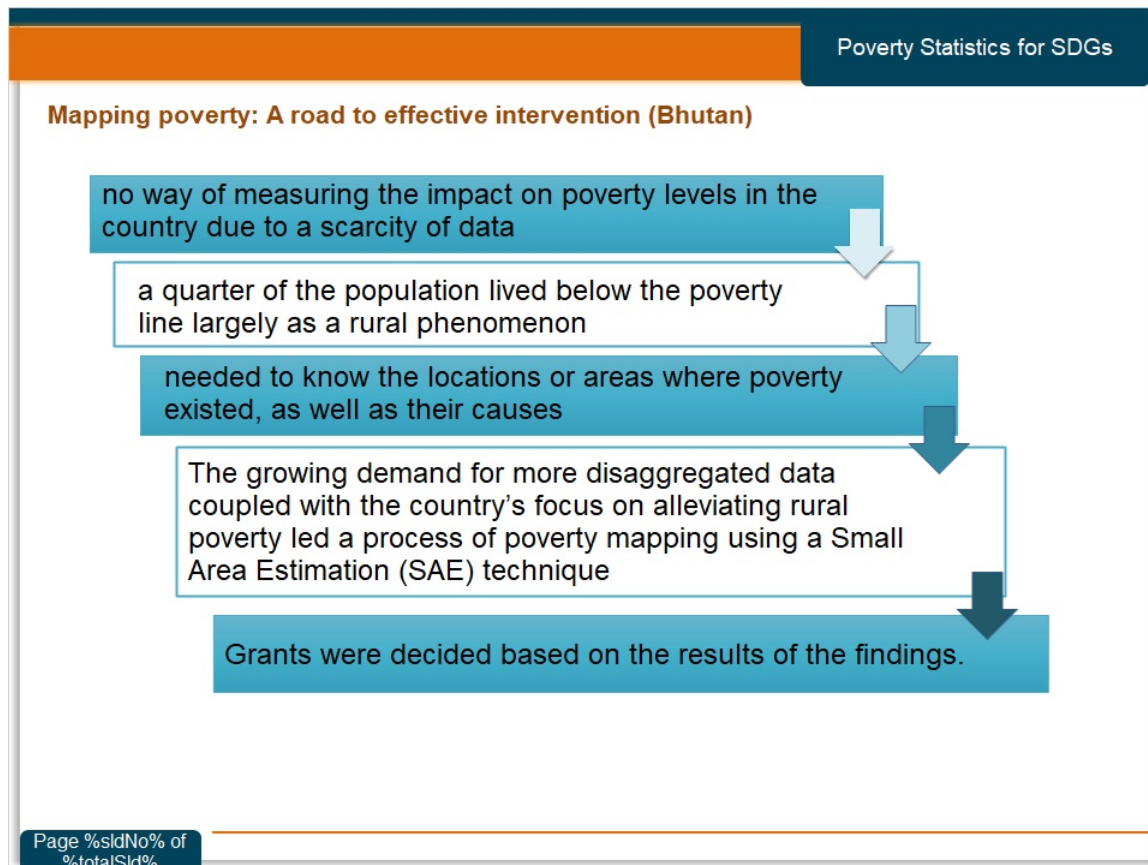
5.20 SDG Indicator 10.1.1 in 2015
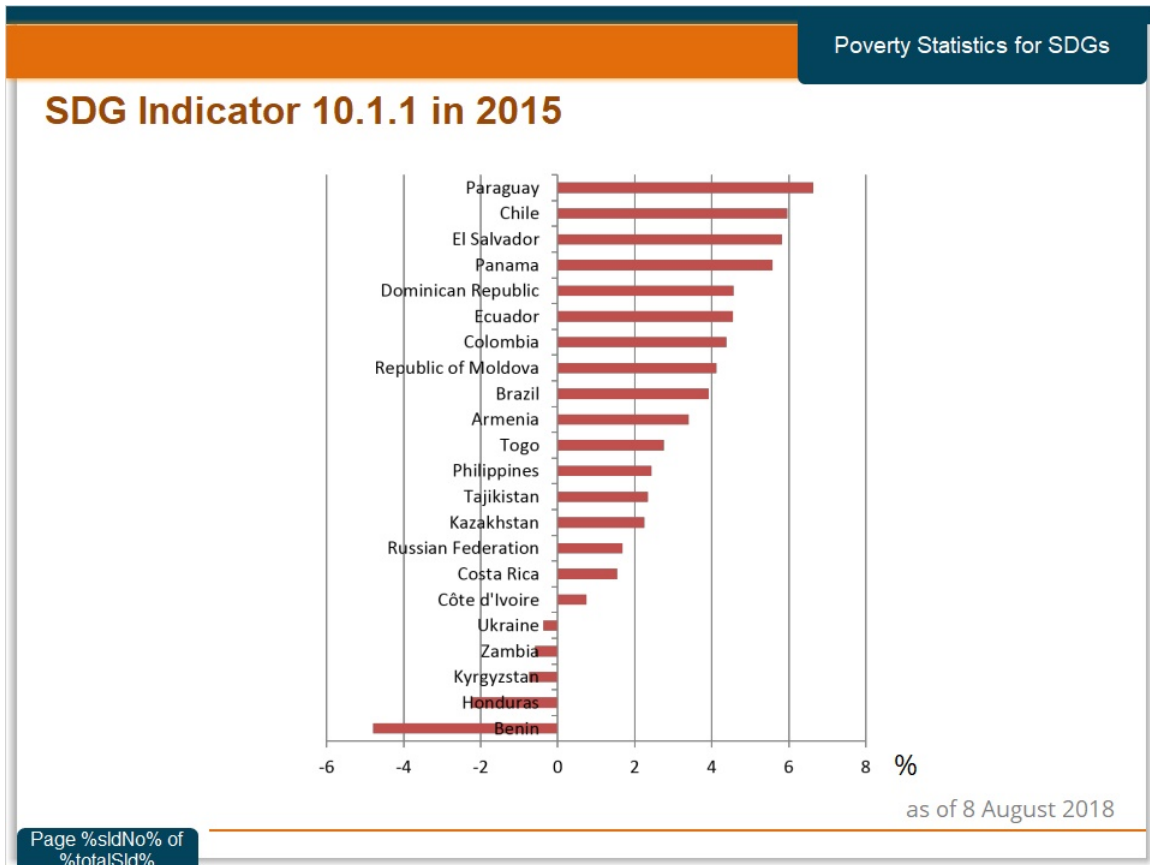
Notes:

Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population was the highest in Paraguay, followed by Chile in 2015. Highest seven countries are in Central or South America.

5.21 Mapping poverty: A road to effective intervention (Bhutan)

Notes:

Practices to combat poverty using statistical data are introduced from this slide.

While the Bhutanese standard of living has improved with increased income, there was no way of measuring the impact on poverty levels in the country due to a scarcity of data.

The Bhutan Living Standard Survey in 2003 and 2007 indicated that about a quarter of the population lived below the poverty line and that it was largely a rural phenomenon, accounting for more than 98 percent of all those considered poor.

However, policymakers and planners needed to know the locations or areas where poverty existed, as well as their causes, in order to bring about effective and focused interventions.

The growing demand for more disaggregated data coupled with the country's focus on alleviating rural poverty, led the National Statistics Bureau, with

technical assistance from the World Bank, to initiate a process of poverty mapping using a Small Area Estimation (SAE) technique.

Grants were decided based on the results of the findings. A main criteria was the level and extent of poverty. Others included area size of the district and population for the allocation of resources.

5.22 Making Social Programs More Effective in India
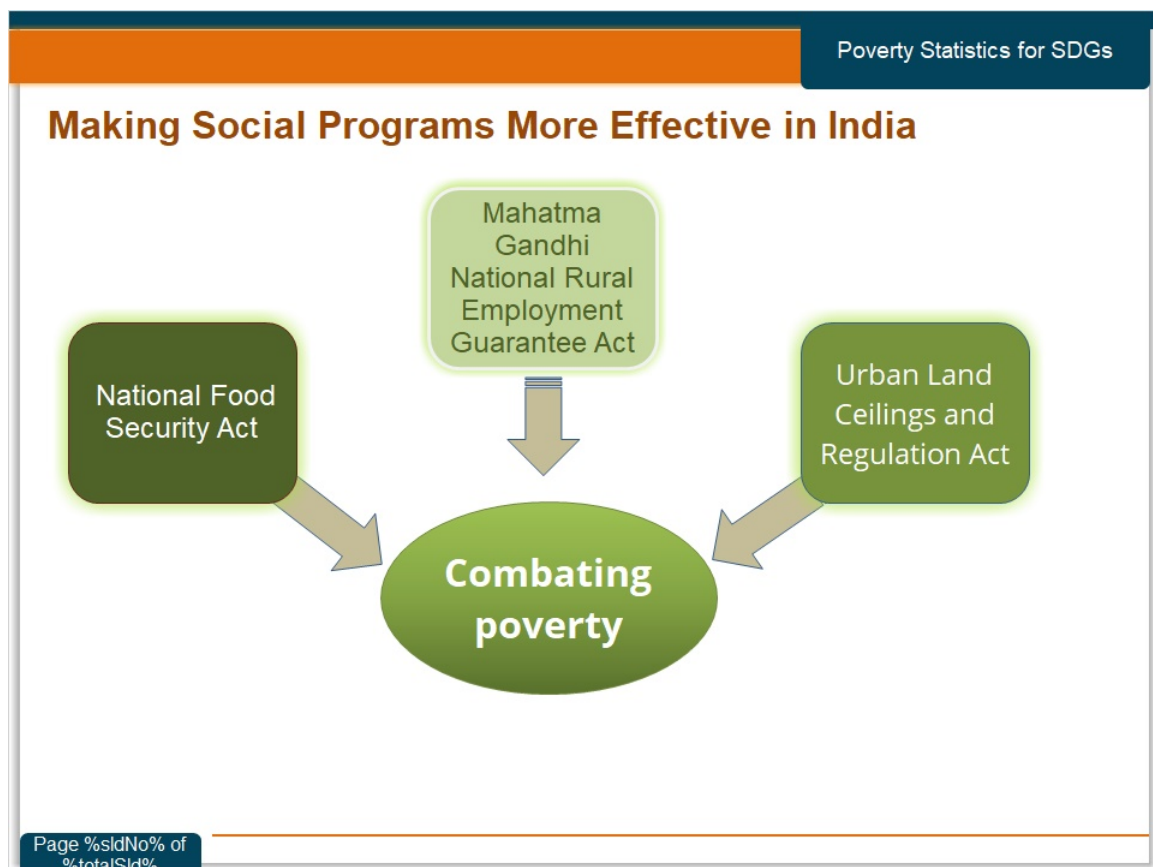
Notes:

Because India has the largest number of poor people, it has developed the methodology to combat poverty by some acts.

The National Food Security Act realized plugging leakages, better balance in diet, and need for reorientation of the subsidy.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) allows workers to choose between unskilled employment and skill formation

that would allow them to exit the social program, enforces 60:40 ratio for wage and material costs to be maintained at the district level and allow contactors in the materials part of the expenditures, and allowed farmers to hire MGNREGA workers if they are willing to pay bulk of wages considering MGNREGA holiday during peak season.

Regarding the Urban Land Ceilings and Regulation Act, integration between land and transport planning is needed so that affordable housing is linked with public transport. Low-rent housing requires serious thinking since migrants can rarely afford to buy houses and, absent proper rental housing, seek recourse to slums.

5.23 Community-based Monitoring System (CBMS)

Pasay City, the Philippines, Planning and Development Office
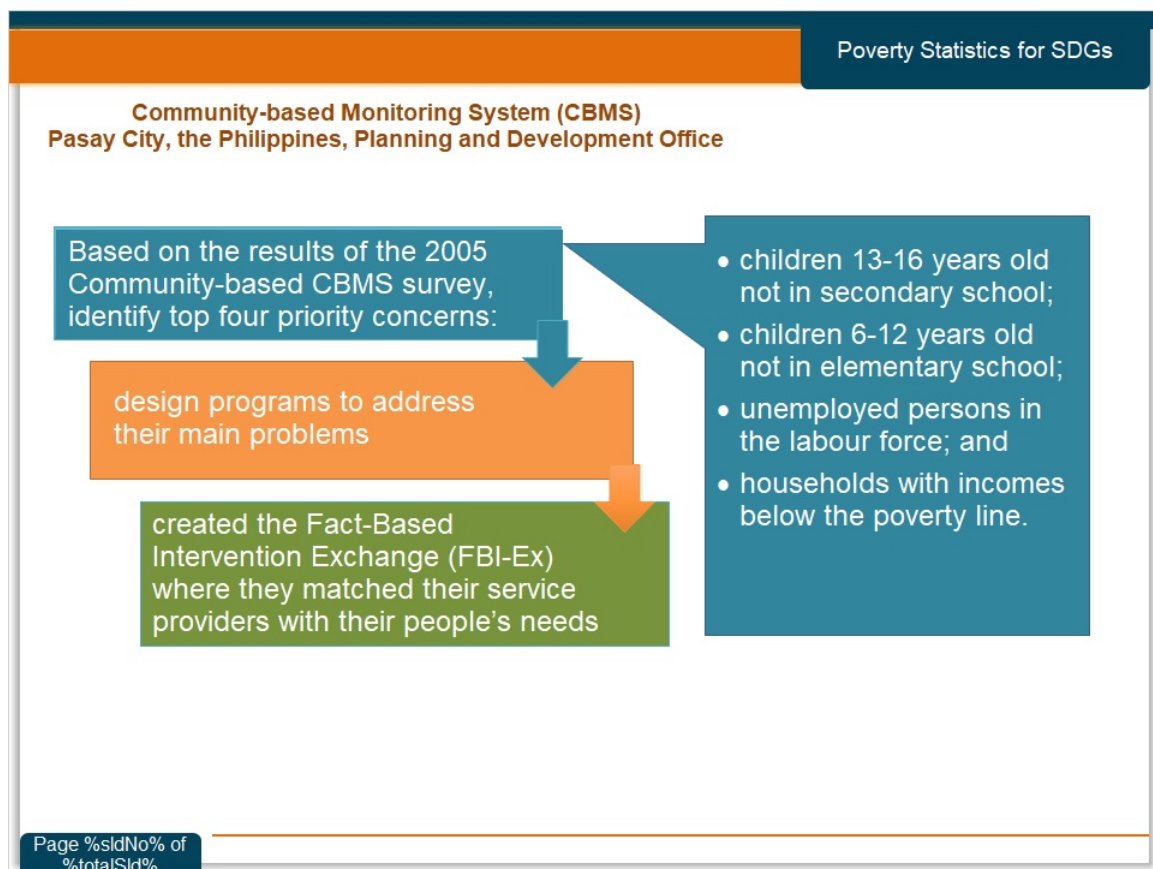
Notes:

Based on the results of the 2005 Community-based Monitoring System (CBMS) survey in Pasay City, the Philippines, the local government officials were able to identify their top four priority concerns.

As a result, the city government was able to design programs to address their main problems.

They created the Fact-Based Intervention Exchange (FBI-Ex) where they matched their service providers with their people's needs. CBMS data were used as baseline data for MDG monitoring.

5.24 Achievement and Challenge of Indonesia

Poverty Statistics for SDGs

Achievement and Challenge of Indonesia

The current plan from 2015 to 2020 focuses on infrastructure development and social assistance programs related to education and health-care, allowing for more investments in programs that directly impact the poor and near-poor.

Considerable challenges remain in achieving Indonesia's goals

Out of a population of 252 million, more than 28 million Indonesians still live below the poverty line

The slower pace of job creation is largely affecting the 1.7 million youth who enter the workforce each year.

The quality of health clinics and schools is uneven by middle income standards, contributing to alarming indicators, particularly in health.

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Notes:

Indonesia's economic planning follows a 20-year development plan, spanning from 2005 to 2025. It is segmented into 5-year medium-term plans, each with different development priorities. The current medium-term development

plan - the third phase of the long-term plan - runs from 2015 to 2020. It focuses on, among others, infrastructure development and social assistance programs related to education and health-care. Such shifts in public spending has been enabled by the reform of long-standing energy subsidies, allowing for more investments in programs that directly impact the poor and near-poor.

Considerable challenges remain in achieving Indonesia's goals.

Out of a population of 252 million, more than 28 million Indonesians still live below the poverty line. Approximately 40% of the entire population remain vulnerable of falling into poverty, as their income hover marginally above the national poverty line.

The slower pace of job creation is another challenge to efforts at reducing poverty, largely affecting the 1.7 million youth who enter the workforce each year.

While there are greater efforts at improving basic public services, the quality of health clinics and schools is uneven by middle income standards, contributing to alarming indicators, particularly in health.

For example, the maternal mortality rate in Indonesia is 126 maternal deaths per 100,000 live births - higher than the Millennium Development Goal of 102 maternal deaths per 100,000 live births. Approximately 1 in 3 children under the age of 5 suffer from stunting, or shorter height, which reflects impaired brain development that will affect the children's future opportunities. If not reversed, the gap between rich and poor, already increasing in recent years, may widen. At 0.40, Indonesia's GINI coefficient - a measure of inequality - is higher than in neighboring countries.

To strengthen the investment for climate and economic growth, the government continues to announce policy reforms intended to cut red-tape. Investors welcome the policy reforms, which include opening sectors for investment and reducing high logistics costs.

5.25 Poverty in Thailand

Poverty Statistics for SDGs

Poverty in Thailand

- declined substantially over the last 30 years from 67 per cent in 1986 to 8.1 per cent in 2009
- swung back during the Asian economic crisis, where poverty increased to 17 per cent in 1996 to 18.8 per cent in 1998 to 21.3 per cent in 2000
- down again to around 11 per cent in 2015 and to 10.9 per cent in 2016

Thailand has laid out its long-term economic goals in its 20-Year National Strategy (2017 – 2036) for attaining developed country status through broad reforms.
The reforms address economic stability, human capital, equal economic opportunities, environmental sustainability, competitiveness, and effective government bureaucracies.

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Notes:

Thailand's nationally defined poverty line is even below $1.90 at around $1.56 (52 baht) per day.

Thailand has laid out its long-term economic goals in its 20-Year National Strategy (2017 - 2036) for attaining developed country status through broad reforms. The reforms address economic stability, human capital, equal economic opportunities, environmental sustainability, competitiveness, and effective government bureaucracies. Recent reforms include the implementation of large multi-year public infrastructure projects related to dual tracking of railways, regulatory reforms aimed at improving ease of doing business, setting up the State Enterprise Policy Committee to improve state-owned enterprise governance, the transfer of supervisory oversight of specialized financial institutions to the Bank of Thailand, the approval of progressive inheritance and property taxes, and the launch of the National Savings Fund, a retirement safety net for informal workers.

5.26 Poverty Indicators in Russian Federation

Poverty Indicators in Russian Federation

$$L(z; x_0; \sigma_{\ln x}) = \begin{cases} 0, x \leq 0 \\ F(u) = \dfrac{1}{\sqrt{2\pi}} \displaystyle\int_{-\infty}^{u} e^{-\frac{t^2}{2}} \, dt, x > 0 \end{cases}$$

$$u = \frac{\ln z - \ln x_0}{\sigma_{\ln x}}$$

$$\ln x_0 = \ln \mu - 0.5 \sigma_{\ln x}{}^2$$

$\mu \cdots$ macro-value of per capita income

$\sigma_{\ln x} \cdots$ average quadratic deviation of income logarithms determined on the basis of the empirical distribution of population income according to the results of the Population Income Survey

$z \cdots$ subsistence minimum in the average per capita

Notes:

Possibilities for calculating absolute poverty indicators in Russian Federation are determined in part by the availability of relevant information at the time of compiling the statistics. The production of statistics for each reporting period is carried out in several stages, the results of which constitute preliminary and final estimates of the indicators. The details of the choice of income measure and of the indicator of the level of absolute poverty at the preliminary stages are described as the followings.

Criterion of income-monetary income of population includes employee wages and salaries based on payroll data and adjusted for arrears, earnings of persons engaged in entrepreneurial activities, pensions, allowances, scholarships and other social transfers, income from property, interest on deposits, securities, dividends, and other income. The calculation of monetary income for the population includes an adjustment for hidden

compensation, which is defined as the difference between total household expenses including the growth of their financial assets and officially registered income.

Absolute poverty indicator**:** The number of people with incomes below the subsistence minimum is calculated based on use of analytical models in accordance with the procedures approved by Rosstat in 1996, by agreement with a number of interested ministries and agencies. The share of the population with incomes below the subsistence minimum is calculated by the lognormal formula in the slide.

5.27 Poverty and Inequality in Mali

Poverty and Inequality in Mali

- a series of structural reforms aimed at shifting from a state-controlled economy toward a more market-oriented system
- expansion in artisanal gold mining in some regions of the country
- public spending has been aligned with the government's poverty reduction strategy and focused on agriculture and education

The progress in reducing inequality and poverty in recent years has been remarkable.

The poorest 10 percent showed the largest increases in consumption growth while the households in the top 25 percent reduced their consumption between 2001 and 2010.
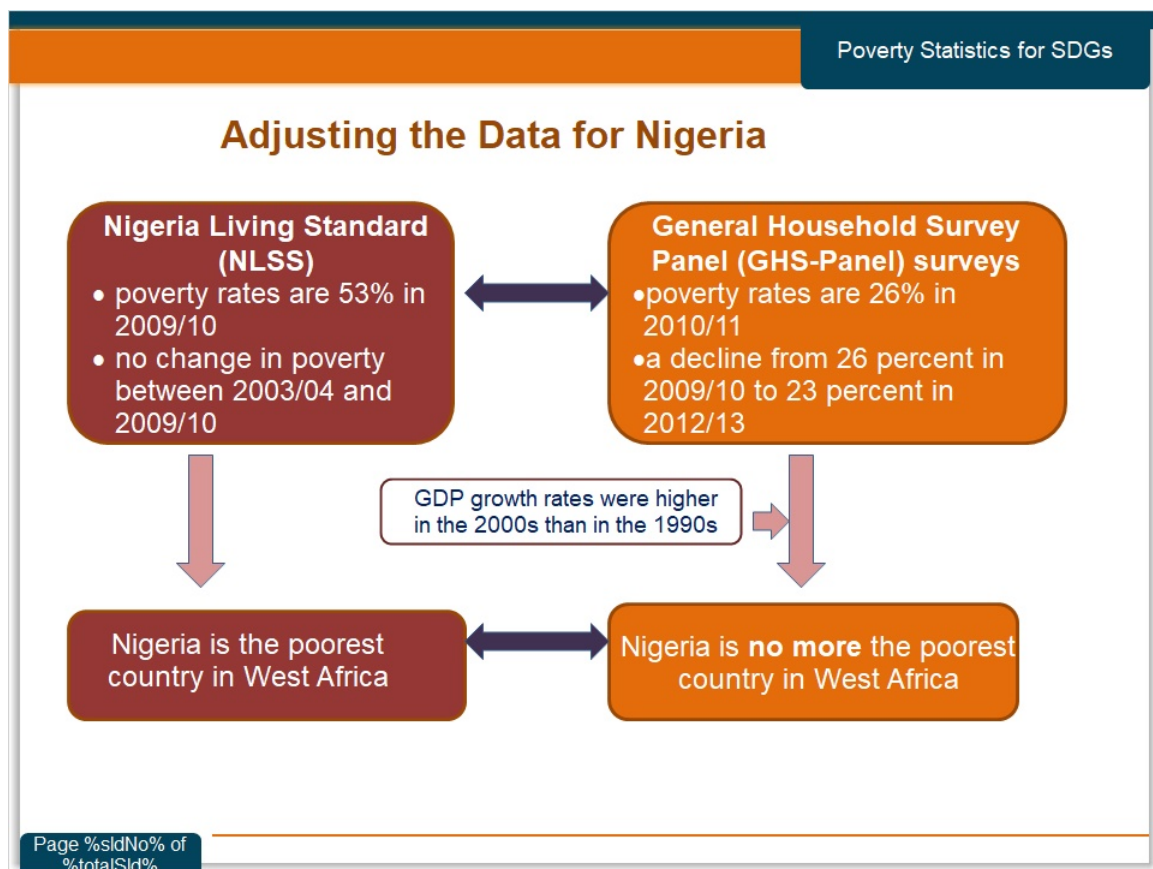
Notes:

The progress in reducing inequality and poverty in Mali in recent years has been remarkable. In part, this is the result of deliberate policies and political stability and, in part, to good luck in the form of favorable weather and

positive external events that have offset negative shocks.

The progress in reducing poverty and inequality reflects the more rapid consumption growth of the poorest households relative to the consumption growth of richer households. The poorest 10 percent showed the largest increases in consumption growth during the period, and households in the top 25 percent actually reduced their consumption between 2001 and 2010.
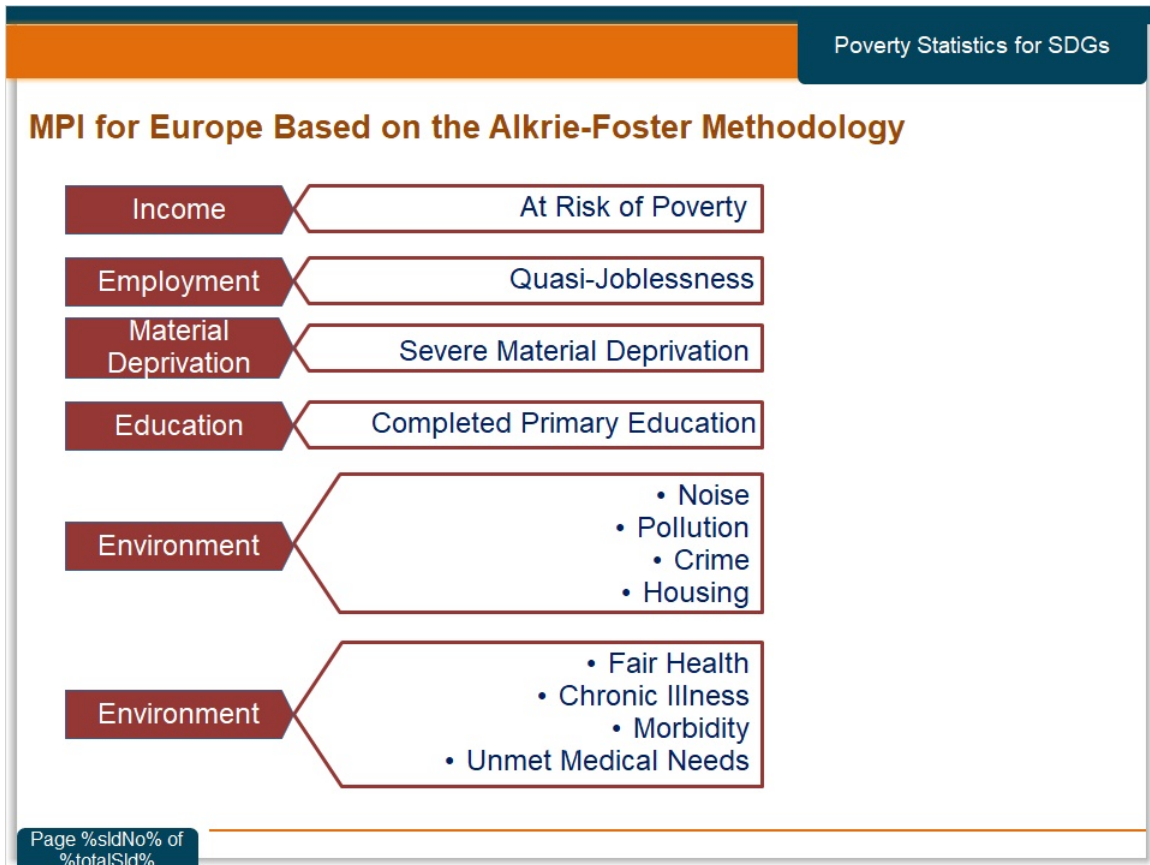
5.28 Adjusting the Data for Nigeria

Notes:

Nigeria is home to 18 percent of Africa's population. As a result, it has a major effect on regional levels and trends in poverty. Nigeria has conducted household budget surveys since the early 1990s, but design changes made them noncomparable. Since 2003 it has measured poverty by conducting two Nigeria Living Standard (NLSS) and two General Household Survey Panel (GHS-Panel) surveys. Official national poverty measures and PovcalNet: an

interactive computational tool that allows to replicate the calculations made by the World Bank's researchers in estimating the extent of absolute poverty in the world use the NLSS 2003/04 and 2009/10. The NLSS and GHS-Panel are not comparable, and they differ in the quality of implementation. The poverty estimates and trends from the two sources also differ sharply. At the $1.90 poverty line, 53 percent poverty rates from the NLSS 2009/10 are twice as high as 26 percent rates obtained from the GHS-Panel 2010/11. The NLSS shows no change in poverty between 2003/04 and 2009/10, whereas the GHS-Panel suggests a decline from 26 percent in 2009/10 to 23 percent in 2012/13. Using the GHS-Panel instead of the NLSS changes poverty levels in Nigeria-and therefore the region. Nigeria's GDP growth rates were higher in the 2000s than in the 1990s. Because GDP is used to fill in data gaps for years when there are no surveys, this difference also affects changes in poverty. The combination of using imputations and the GHS-Panel instead of the NLSS leads to significant changes in Nigeria and regional poverty trends. The confidence one can attach to the revised regional series depends crucially on the acceptance of the trends in poverty in Nigeria that are obtained based on the GHS-Panel and GDP growth projections. The recent exercise in rebasing the GDP lends support to the use of the GHS-Panel data, which better describe the link between growth and poverty, urban and rural gaps, the spatial distribution of poverty, and Nigeria's performance relative to its peers. The implied poverty rates in the GHS-Panel suggest that Nigeria is no longer the poorest country in West Africa as implied by the NLSS. Additional evidence in support of the corrected data comes from the use of survey-to-survey imputations rather than GDP projections to look at trends. The imputations using GDP growth suggest that the poverty rate in Nigeria dropped by 12 percentage points between 2004 and 2012. The survey-to-survey imputations using GHS-Panel consumption suggest a 10 percentage point decline for the same period.

5.29 MPI for Europe Based on the Alkrie-Foster Methodology

MPI for Europe Based on the Alkrie-Foster Methodology

Dimension	Indicator
Income	At Risk of Poverty
Employment	Quasi-Joblessness
Material Deprivation	Severe Material Deprivation
Education	Completed Primary Education
Environment	• Noise • Pollution • Crime • Housing
Environment	• Fair Health • Chronic Illness • Morbidity • Unmet Medical Needs

Notes:

Alkire and Apablaza calculated an MPI for Europe based on the Alkire-Foster methodology in 2016 drawing on existing Europe 2020 indicators, as well as on indicators of health, education and the living environment.

5.30 OPHI/UNDP Global MPI

Notes:

Another example following the Alkire-Foster method is the OPHI/UNDP Global MPI. This index may not be relevant in most UNECE countries because it focuses on acute poverty. However, it may be conceptually useful, as it illustrates the kinds of insights that can emerge from rigorously comparable multidimensional poverty measures. The Global MPI is a measure of acute global poverty developed by the Oxford Poverty and Human Development Initiative (OPHI) with UNDP's Human Development Report Office Acute poverty is understood as a person's inability to meet simultaneously minimum internationally comparable standards in indicators related to the MDGs and to core functionings. The mathematical structure of the index belongs to the family of measures developed by Alkire and Foster. In particular, the Global MPI uses indicators that were available for more than 100 developing countries in 2009. The primary data sources are the Demographic and Health Surveys (DHS) and Multiple Indicator Cluster Surveys (MICS), with some national or regional datasets also included.

5.31 Indicators Used to Monitor the Europe 2020
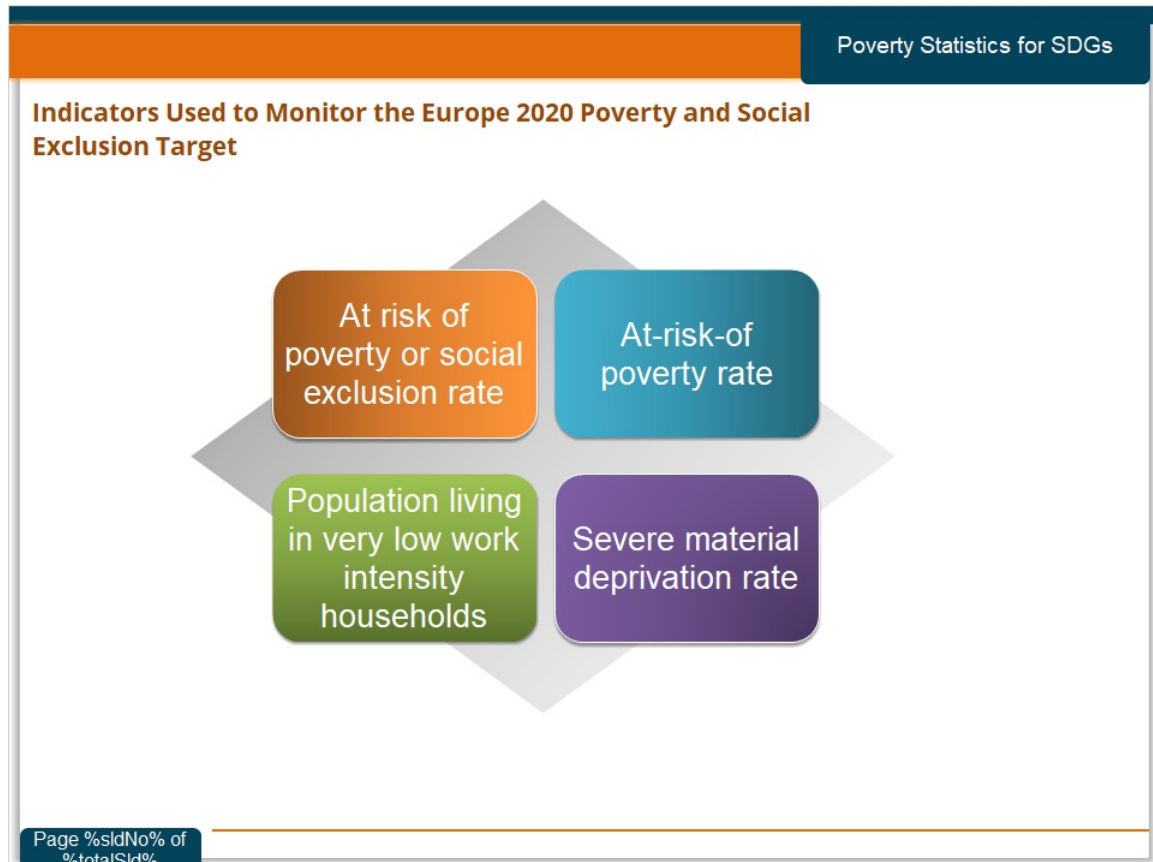
Notes:

These dashboards in the slide are often useful in terms of policy evaluation such as the Europe 2020 vision, monitoring progress on poverty and social exclusion targets, assessing specific social challenges facing EU countries, for example, through the joint assessment framework, identifying the key social trends in the EU, for example, through the social protection performance monitor, reporting on EU social policies and adequacy in terms of child poverty and well-being, and for analytical work on social and economic policy.

5.32 Persistent Poverty of UK in 2015

Persistent Poverty of UK in 2015

➢ The Office for National Statistics of UK defines persistent poverty as being when someone is currently in poverty and has been in poverty for at least two of the three preceding years.

Lone-parent households	20%
Single adults without children	15%
Couples with children	5%
Household with two or more adults and no children	5%

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Notes:

The Office for National Statistics of UK defines persistent poverty as being when someone is currently in poverty and has been in poverty for at least two of the three preceding years. In 2015, 7% of the UK population were in persistent poverty - around 4.6 million people. People who are in persistent poverty are more likely to lack essential goods and services than those who are in more short-lived poverty. Some groups are more likely to be in persistent poverty than others. In particular, lone parents are much more likely to experience poverty than all other groups, followed by single people without children.

5.33 Poverty in UK

Poverty in UK

UK's population lived in poverty

By 2004, this had fallen to one in five (20%) of the population.
By 2015/16, the proportion had risen slightly to 22%.

Family type	£ per week, equivalised, 2015/16 prices
Couple with no children	248
Single with no children	144
Couple with two children aged 5 and 14	401
Single with two children aged 5 and 14	297

Notes:

Nearly a quarter of the UK's population lived in poverty 20 years ago. By 2004, this had fallen to one in five (20%) of the population. By 2015/16, the proportion had risen slightly to 22%. However, the overall trend masks large variations in the fortunes of different groups. Over the last 20 years the UK succeeded in reducing poverty significantly among those groups who had traditionally been at most risk - pensioners and some types of families with children. Very little progress was made in reducing poverty among working-age households without children. In more recent years, poverty rates have started to rise again among both pensioners and families with children.

5.34 Drivers of Future Poverty in UK

Notes:

Based on those drivers of future poverty in UK in the slide, the impact of poverty on physical and mental health and on relationships within families adds to the disadvantages facing those living on low incomes. Enabling those in poverty to improve their incomes and reduce their costs, as well as addressing the negative impacts of low incomes, would help to prevent future poverty.

5.35 The Official Poverty Estimates in the US
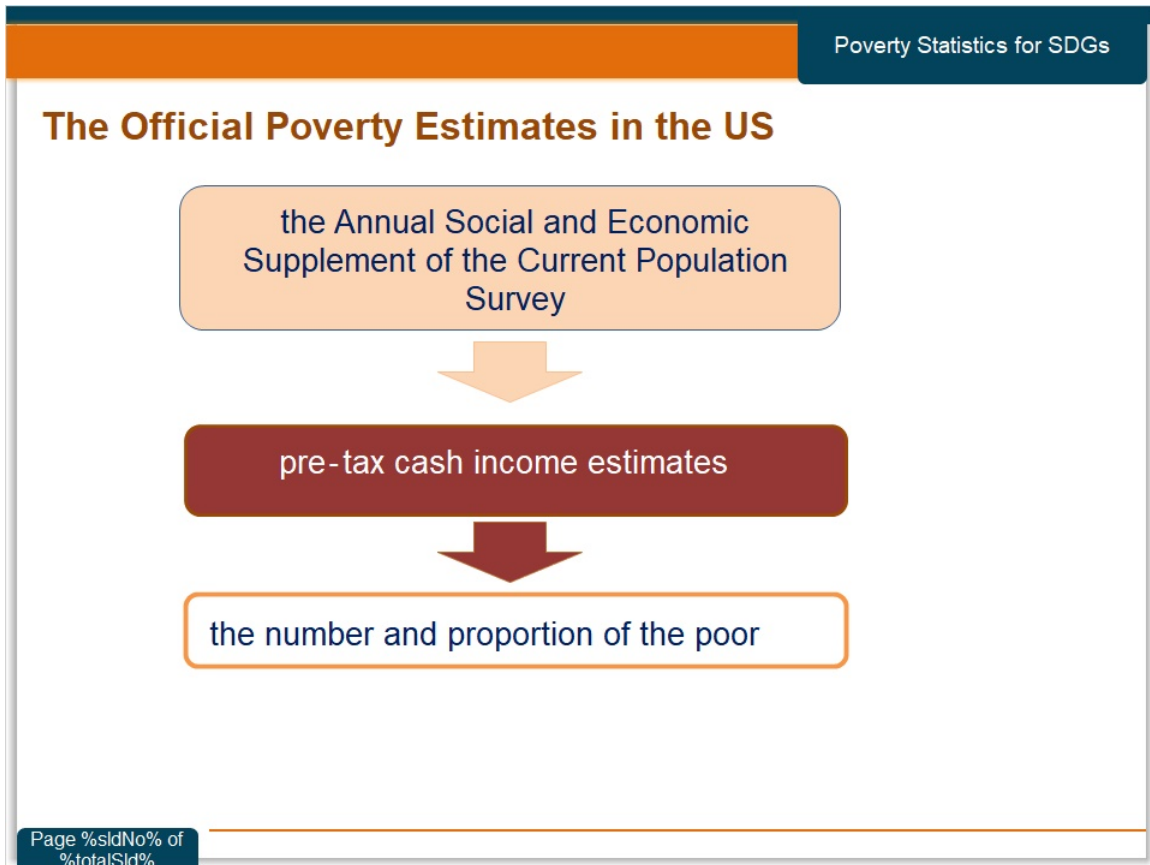
Notes:

The United States uses an official measure of absolute poverty which dates from the early 1960s. Molly Orshansky, an economist at the Social Security Administration, developed a measure of poverty, which over time has become an absolute measure, based on the cost of a minimum diet multiplied by a factor of three.

Every year, the official poverty estimates are produced by the United States Census Bureau, using pre-tax cash income estimates from the Annual Social and Economic Supplement of the Current Population Survey to estimate the number and proportion of the poor.

5.36 Supplemental Poverty Measure in the US

Notes:

In 2010, an interagency technical working group issued a series of suggestions to the Census Bureau and BLS on how to develop the Supplemental Poverty Measure.

An interagency technical working group included representatives from the Bureau of Labor Statistics (BLS), the Census Bureau, the Economics and Statistics Administration, the Council of Economic Advisers, the U.S. Department of Health and Human Services, and the Office of Management and Budget.

The new measure creates a more complex statistical picture incorporating deductions such as tax payments, work expenses, and medical costs in its family resource estimates, as well as additions to reflect noncash resource transfers such as housing subsidies and food assistance programs.

Thresholds used in the new measure are produced by the BLS and derived from Consumer Expenditure Survey data on spending for basic necessities (food, shelter, clothing, and utilities) and are adjusted for geographic

differences in the cost of housing.

5.37 Dimensions in Official Multidimensional Poverty Indexes in Central and South America

Dimensions in Official Multidimensional Poverty Indexes in Central and South America

	Chile	Costa Rica	Colombia	Ecuador	El Salvador	Mexico	Panama
Education	✓	✓	✓	✓	✓	✓	✓
Health	✓	✓	✓	✓	✓	✓	✓
Work	✓	✓	✓	✓	✓	✓	✓
Social security	✓	✓		✓		✓	
Basic standard of living	✓	✓				✓	
Childhood and youth			✓				
Housing			✓	✓	✓	✓	✓
Security and environment					✓		✓
Food					✓	✓	
Basic home service						✓	✓
Income						✓	37

Notes:

The Alkire-Foster methodology for MPI construction allows a large degree of flexibility in the choice of dimensions, the numbers of dimensions, indicators, and weights. Different countries have built national MPIs in keeping with their national development agendas, in order to target specific groups of the population and monitor social protection schemes.

5.38 The Mexican MPI

Notes:

The design of Mexico's MPI began in 2000 and culminated with its launch in December 2009. It was the first national poverty measures to reflect multiple dimensions along with income. The MPI is estimated by the Council for the Evaluation of Social Policy, which is autonomous body of the Mexican executive. Income is weighted at 50%.

The National Household Survey that provides the data for the MPI is fielded every two years. The dimensions are defined by the General Law for Social Development based on social rights guaranteed by the National Constitution. The unit of identification is the individual person, so the index can be disaggregated by gender and age. The MPI is defined in the economic wellbeing space and in the social rights space. Economic wellbeing is gauged according to national income poverty lines for urban and rural areas. It uses the food poverty line for extreme poverty and the basic needs poverty line for moderate poverty.

The MPI and associated statistics are decomposed by state, gender, indigenous identity, and other salient characteristics, and are presented in national as well as state level reports.

The MPI is used by the Cabinet as a tool for policy coordination across programmes and sectors. In addition, the MPI served as a fundamental informative tool in the creation of two major policies against poverty: the National Crusade against Hunger and the universal pension system.

5.39 The Mexican MPI:

Poverty Identification by the National Council for the Evaluation of Social

Development Policy
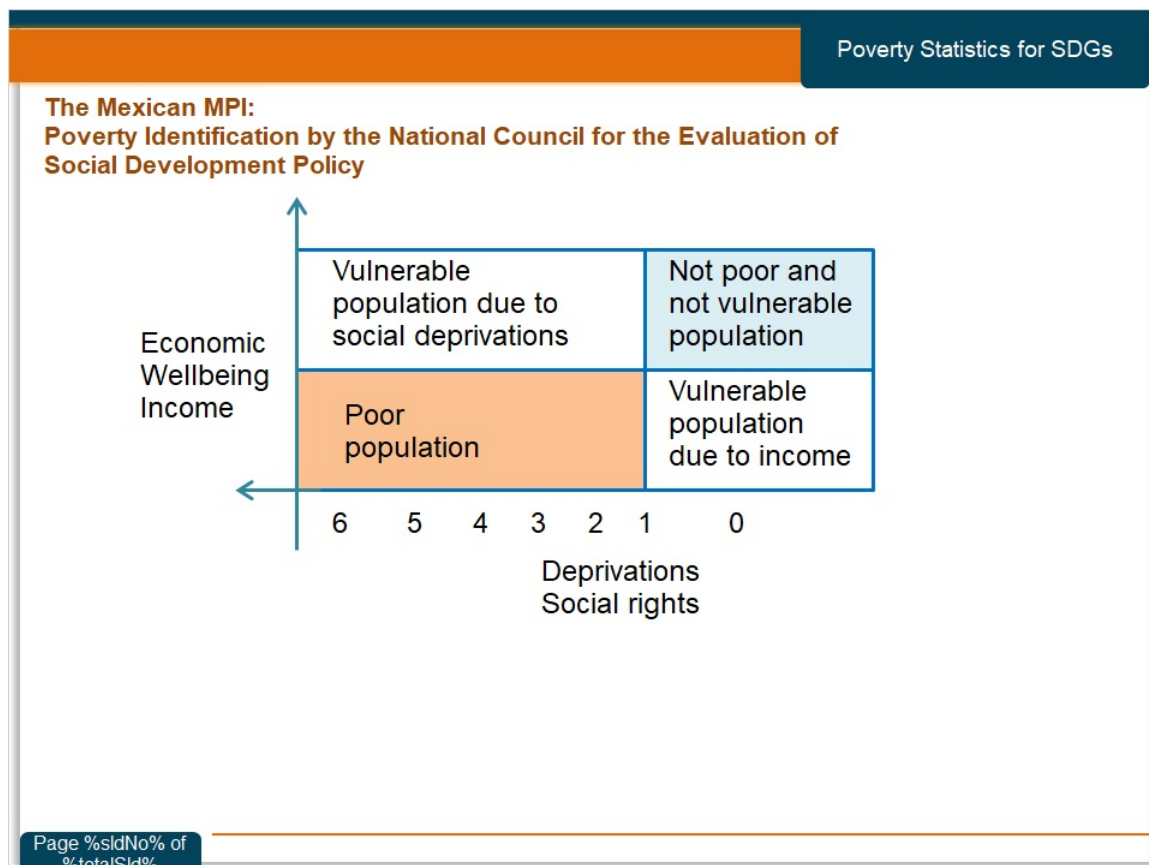
Notes:

People are identified as multidimensionally poor if they are deprived in

economic wellbeing according to the basic needs poverty line, and are deprived in one or more areas of social rights. People are in extreme poverty if they are deprived according to a more extreme food or income poverty line and in at least three social rights.

5.40 Summary of Lesson 5

Summary of Lesson 5

- The share of Africans who are poor fell but their number has increased from 1990.

- About half of people living on less than $1.90 are children younger than 18 in 2013.

- The new measure of the US creates a more complex statistical picture incorporating deductions such as tax payments, work expenses, and medical costs in its family resource estimates, as well as additions to reflect noncash resource transfers such as housing subsidies and food assistance programs.

- Mexico's MPI is used by the Cabinet as a tool for policy coordination across programmes and sectors.

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