

Lesson 1: What is Poverty and Why Poverty Measured?

1.1 Welcome

Poverty Statistics for SDGs

GOAL 1

END POVERTY IN ALL ITS FORMS EVERYWHERE

SUSTAINABLE DEVELOPMENT GOALS
More at sustainabledevelopment.un.org/sdgsproposal

Lesson 1: What is Poverty and Why Poverty Measured?

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Notes:

This course introduce fundamental knowledge on poverty statistics. This course will help you understand how to compile and monitor Sustainable Development Goals (SDGs) indicators related to poverty.

This Lesson introduces fundamental key words prerequisite to understand poverty statistics including definition and rationale of poverty.

1.2 Definition of Poverty

Poverty Statistics for SDGs

Definition of Poverty

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graph BT; Poor["Poor  
having very little money  
not having enough money for basic needs"] --> Poverty["Poverty  
the state of being poor"]
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Reference: Oxford Advanced Learner's Dictionary

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Notes:

In dictionaries, poverty is the state of being poor. The poor are those who do not have enough income or consumption to put them above some adequate minimum threshold. This view sees poverty largely in monetary terms. Basic needs are food, clothes, shelter, etc.

1.3 Definition of Poverty (Continued)

Definition of Poverty (Continued)

- Don't ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty. —A poor man, Kenya 1997
- Poverty is humiliation, the sense of being dependent on them, and of being forced to accept rudeness, insults, and indifference when we seek help. —Latvia 1998

Notes:

Poverty is a multidimensional social phenomenon. Definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts. As in the slides, the definitions of poverty are different among people. One reason is poverty exists nearby. For an another example, in both rural and urban Ghana, men associate poverty with a lack of material assets, whereas for women, poverty is defined as food insecurity. Generational differences emerged as well. Younger men in Ghana consider the ability to generate an income as the most important asset, whereas older men cite as most important the status connected to a traditional agricultural lifestyle.

1.4 Definition of Poverty by UN

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Definition of Poverty by UN

- a denial of choices and opportunities, a violation of human dignity
- lack of basic capacity to participate effectively in society
- not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit
- insecurity, powerlessness and exclusion of individuals, households and communities
- susceptibility to violence, and often implies living on marginal or fragile environments, without access to clean water or sanitation

UN 1998

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Notes:

United Nations declares poverty as a denial of choices and opportunities, a violation of human dignity and lack of basic capacity to participate effectively in society. All definitions do not mention financial matters directly.

In those ways, definition of poverty is not unique but has something to do with each other.

1.5 Poverty measures

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Why Poverty is Measured?

Poverty measures

provide estimates of the magnitude of the problem, and raise its visibility

needed to identify poor people and pockets of poverty, and then to target appropriate policy interventions

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Notes:

Then why poverty is measured? There are two reasons as in the slide.

Poor can be on the policy agenda with the left reason and identified and targeted with the right reason.

1.6 Aim of measuring poverty

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Aim of Measuring Poverty

Identify disadvantaged sub-populations

Social assistance to disadvantaged groups; Implication: comparability of demography (e.g. age)

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Notes:

From this slide, more specific reasons why poverty is measured are shown.

Data disaggregation is necessary in order to identify population groups that face higher risk of poverty, based especially on personal characteristics, family structure, place of residence, etc.

1.7 Aim of Measuring Poverty (Continued)

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Aim of Measuring Poverty (Continued)

Monitor progress

- We tend to only make progress on those things we measure
- Implication: requires comparability over time (instrument stability, tension: learning/improving)

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Notes:

It also requires dynamic measures that can monitor poverty over time and identify those trapped in poverty for longer periods. High quality poverty statistics are therefore needed to monitor and evaluate outcomes-especially the effectiveness of policy, programming, and project interventions focusing on poor people.

1.8 Aim of Measuring Poverty (Continued)

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Aim of Measuring Poverty (Continued)

Identify disadvantaged sub-national regions

- Assistance to disadvantaged areas;
implication: comparability over space,
stratification

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Notes:

Sub-national poverty measurement, in particular, faces issues of inadequate data, as in most cases surveys are not representative at the local level.

1.9 Aim of Measuring Poverty (Continued)

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Aim of Measuring Poverty (Continued)

Identify causal factors of poverty

- Design improved policy.
- Poverty takes many forms (eg. Chronic, transitory) and with many associated attributes
- Implication: requires data on potential confounding factors

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Notes:

Causal factors are education, housing, health, security, access to infrastructure, and so on. Associated attributes are low skills, low health; single mothers, etc.

1.10 Aim of measuring (4)

Poverty Statistics for SDGs

Aim of Measuring Poverty (Continued)

Identify poor individuals

- Identify recipients of program benefits.

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Notes:

While poverty is a relatively static definition of disadvantage, social exclusion can be seen both as a process and as an outcome. Examples of the many dimensions of social exclusion are: a lack of basic competencies, limited employment and educational opportunities, inadequate access to social and community networks and activities. As a process it pushes certain individuals to the margins of their society. It prevents their full participation in relevant social, economic, cultural, and political activities. As an outcome, social exclusion denotes the status and characteristics of the excluded individual.

1.11 Relative Poverty and Absolute Poverty

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Relative Poverty and Absolute Poverty

Absolute Poverty

- People whose life levels are lower than a life level

Relative Poverty

- People whose life levels are relatively lower in the group

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Notes:

Absolute poverty and relative poverty are very important classification of poverty.

Absolute poverty is a condition of life so characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency. Relative poverty can be depicted when financial side is focused such as income shares and shared prosperity. The term "relative" implies that poverty standards need to be gauged against their specific social context which varies over time.

1.12 Poverty Line

Poverty Statistics for SDGs

Poverty Line

- a level of personal or family income below which one is classified as poor according to governmental standards (Merriam-Webster Dictionary)
- the estimated minimum level of income needed to secure the necessities of life (Oxford English Dictionary)

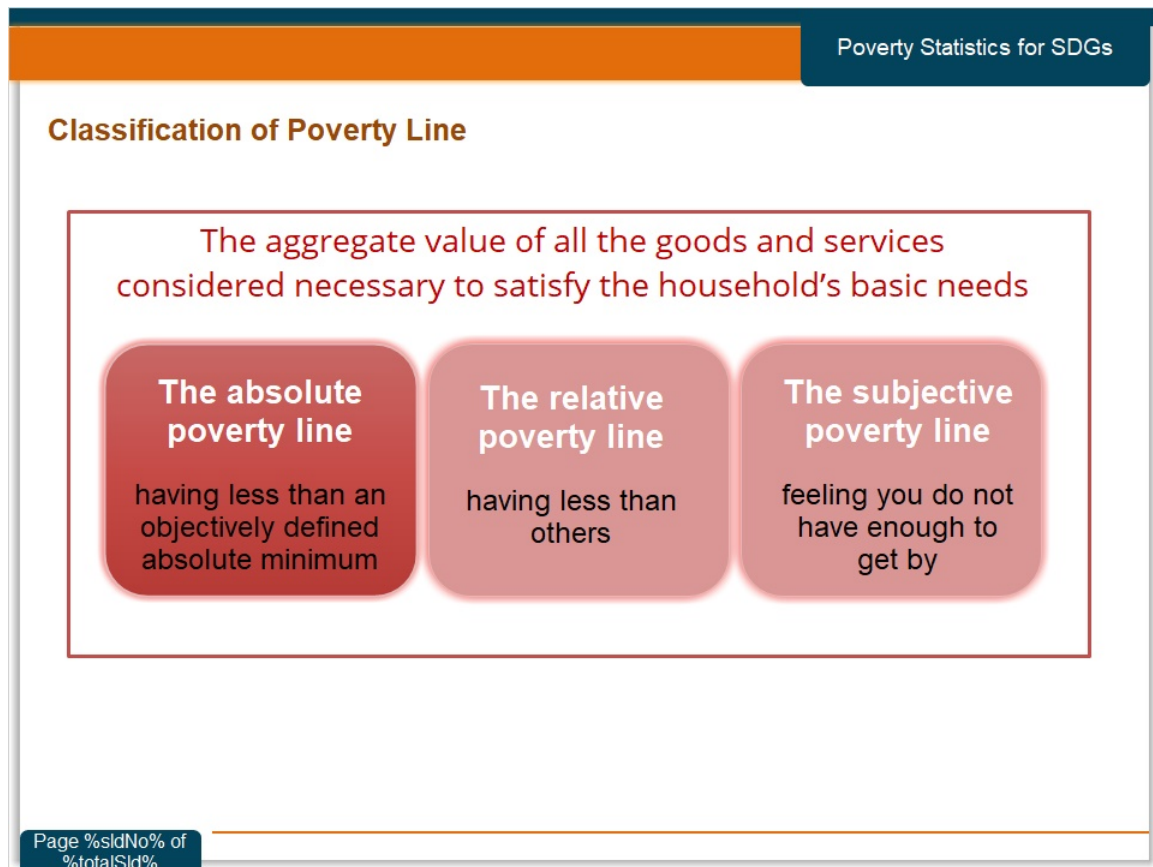
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Notes:

Poverty lines are used to segment poor people and non-poor people.

An individual or a household is classified as poor or at risk of poverty if its resources are less than the value of a given monetary threshold. The poverty line represents the aggregate value of all the goods and services considered necessary to satisfy the household's basic needs.

1.13 Classification of Poverty Line



Notes:

There are three basic approaches to establishing a poverty line.

According to classification of poverty: absolute poverty and relative poverty, the absolute poverty line and the relative poverty line exist.

Almost all countries with official measures of poverty base these on either absolute or relative poverty lines and produce poverty indicators according to these lines.

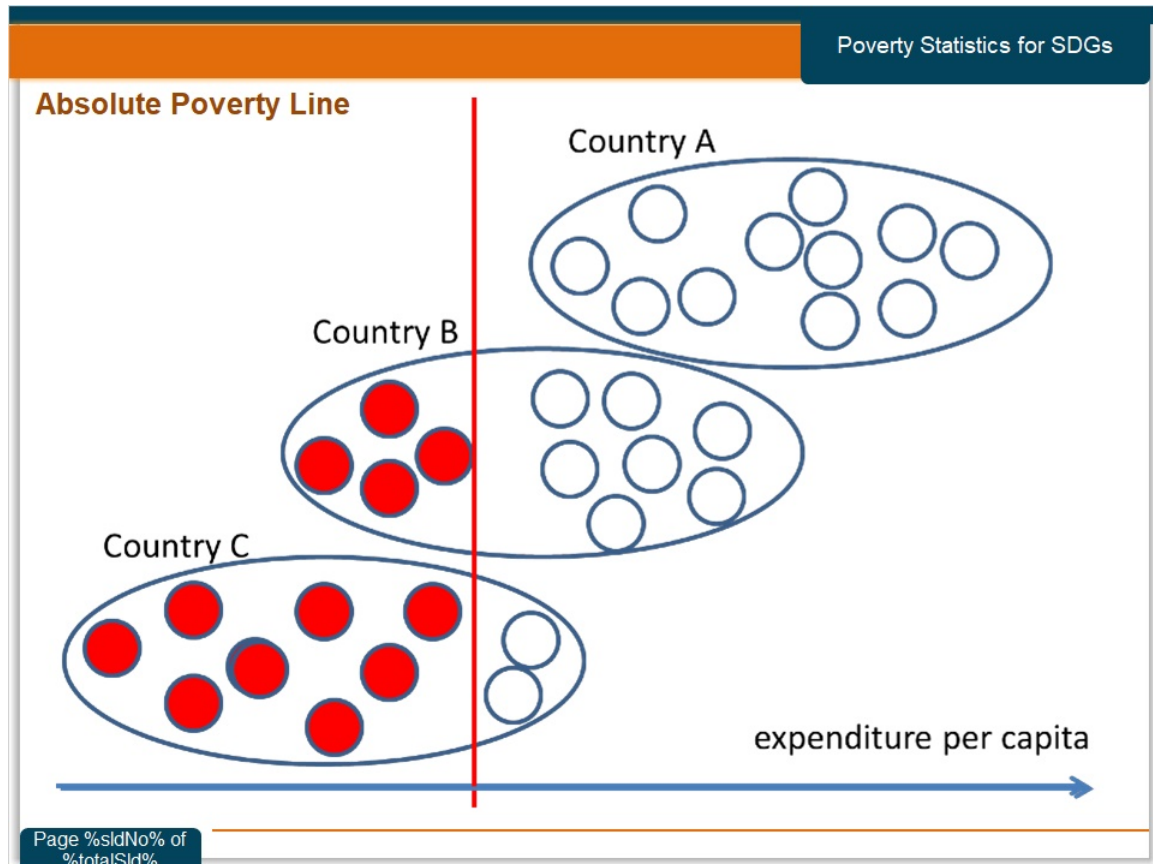
Absolute poverty lines are by far the most commonly used approach for identifying the poor over time and space. They are universally used in low and middle-income countries.

On the other hand, a relative poverty line is usually an explicit function of the income or expenditure distribution, namely, a constant fraction of some income standard. Relative poverty lines are most often used in countries with higher incomes, where there is less concern about achieving a minimum absolute living standard and greater interest in inclusion or relative position.

Subjective poverty lines are based on the opinion held by individuals on themselves

in relation to society as a whole. In other words, the concept of poverty used in these lines to divide the population into poor and not poor is based on the perception households and individuals themselves have in relation to what it is to be poor.

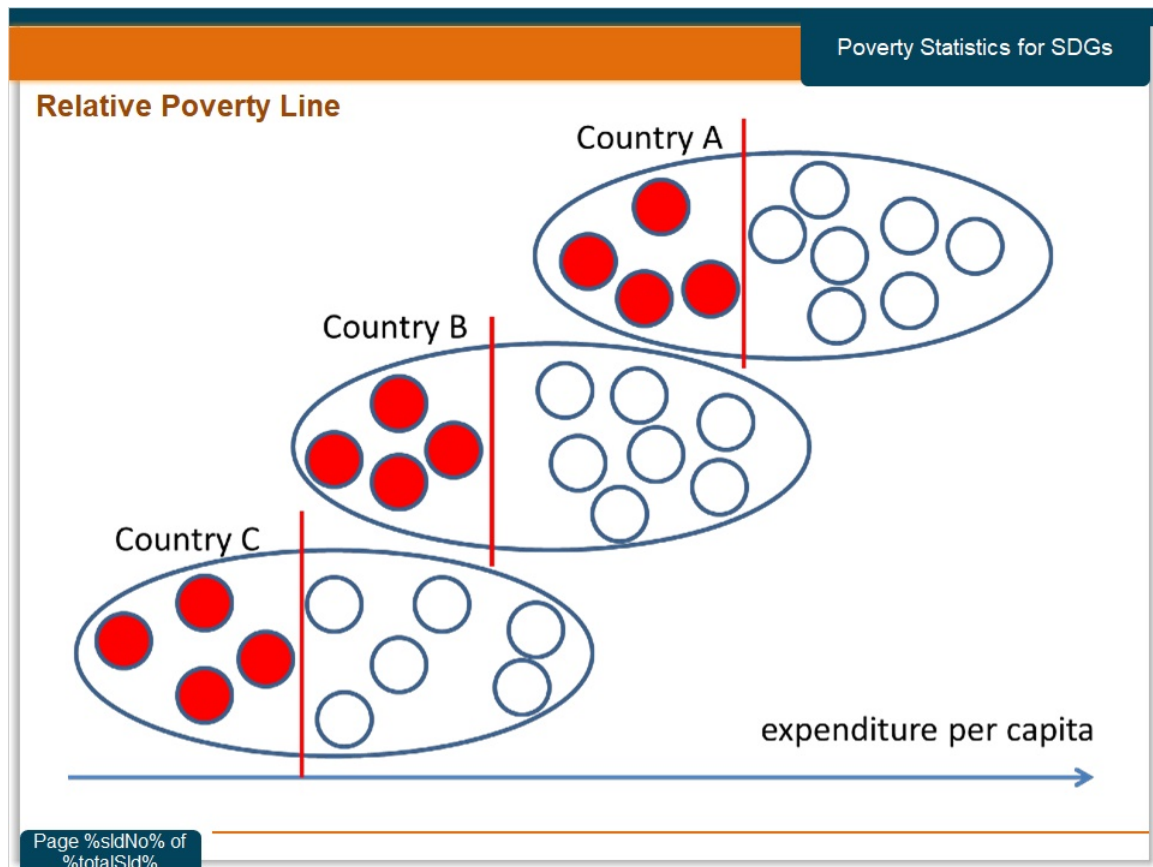
1.14 Absolute Poverty Line



Notes:

Perhaps the most common approach to establishing an absolute poverty line involves determining the monetary value of a set of goods and services considered essential to achieve a minimally acceptable standard of living. Thus, ratios of the poor population are different among countries.

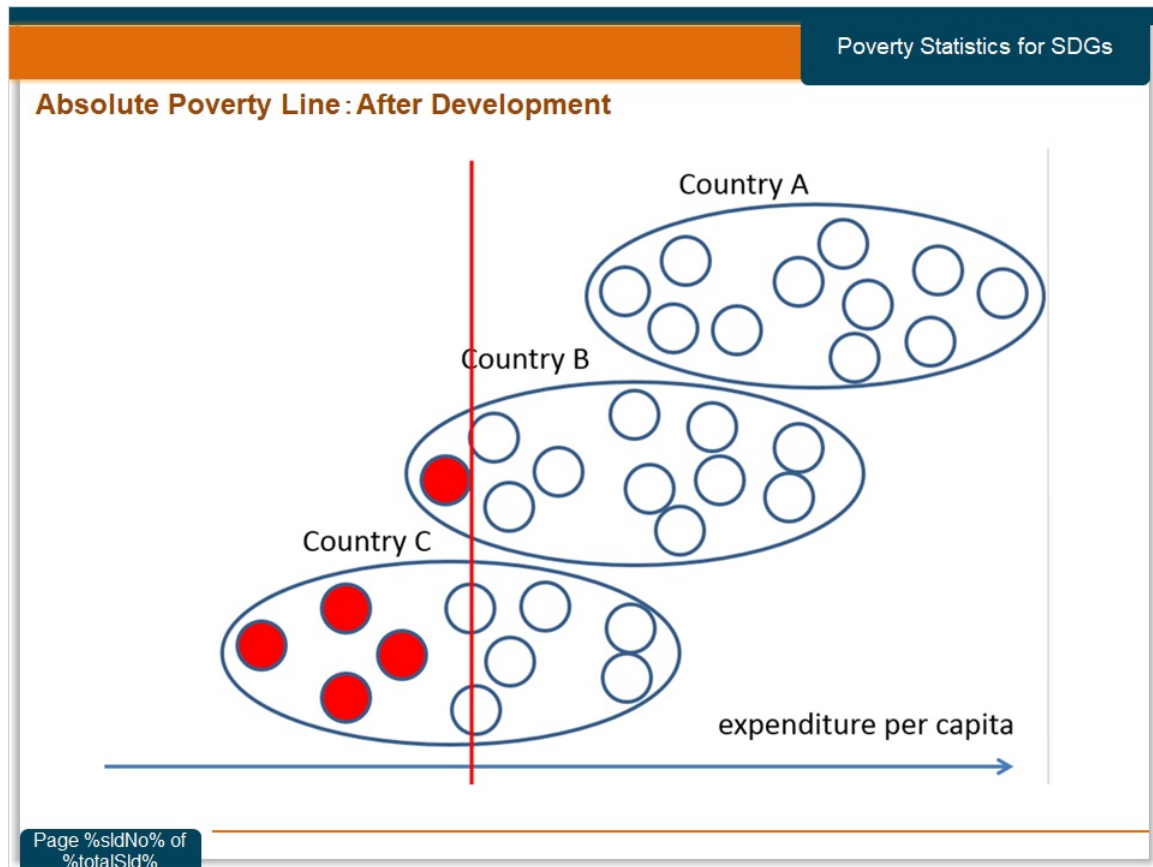
1.15 Relative Poverty Line



Notes:

A relative poverty line is constant. One example is the European Union's country-level poverty lines, which are set at 60% of a country's median disposable income. Indeed, a level of income that is above the poverty line in one distribution may lie below the poverty line of another distribution having a higher income standard.

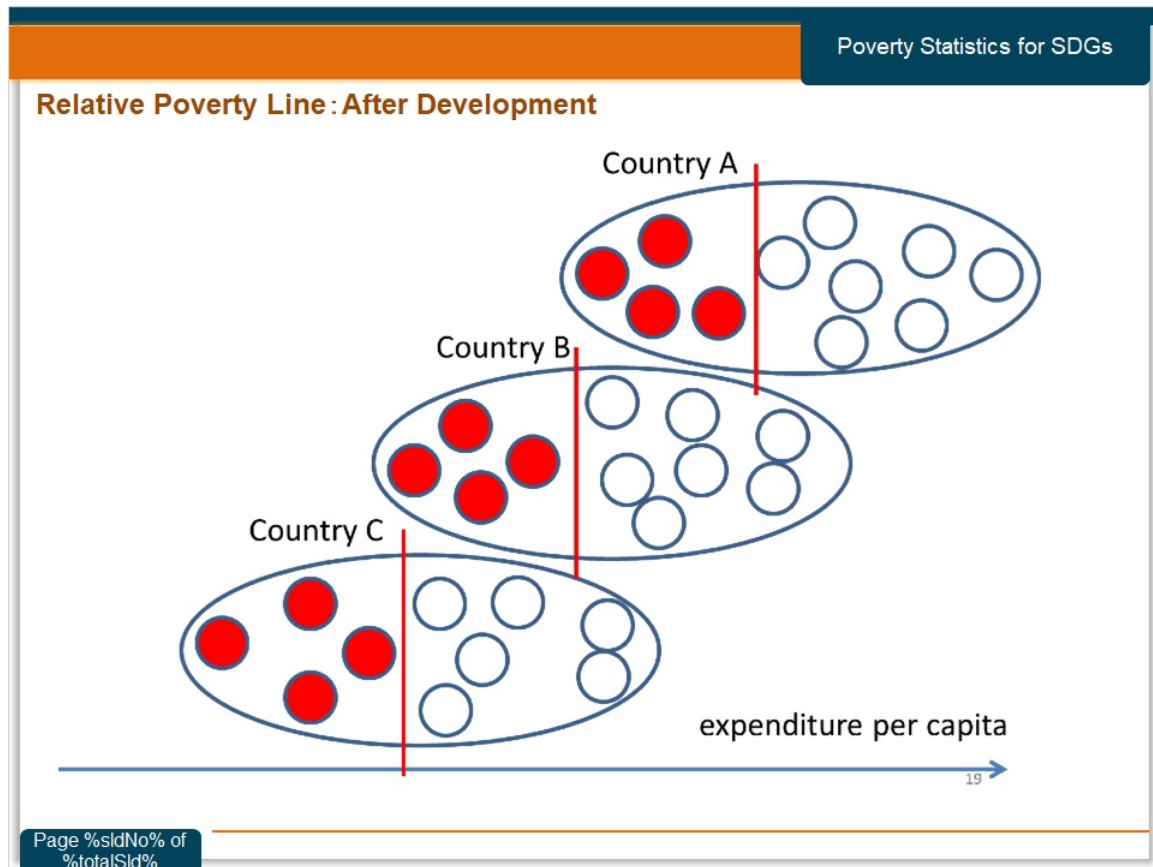
1.16 Absolute Poverty Line : After Development



Notes:

Even if countries are developed and their financial values are risen, the absolute poverty line is constant. Thus, rates of the poor population are smaller.

1.17 Relative Poverty Line : After Development



Notes:

Besides, if countries are developed and their financial values are risen, the relative poverty line moves in parallel. Thus, rates of the poor population are the same unless the standard of the poverty line is revised.

1.18 Setting Absolute Poverty Lines

Poverty Statistics for SDGs

Setting Absolute Poverty Lines

Cost of basic needs approach

- The basic method involves estimating the cost of acquiring enough food for adequate nutrition, using a pre-defined number of calories per equivalised adult per day and then adding the cost of other essentials such as clothing and shelter

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Notes:

The cost of basic needs approach is most commonly used, particularly in developing countries, but variations in the way the approach can be applied multiply with each step. Food poverty lines are based on minimum nutritional requirements. People are counted as food poor if the nutritional content of the food(s) they consume is below a prescribed threshold. As a simplifying assumption, most countries use dietary energy (calories) as a proxy for overall nutritional status-i.e., if people get enough calories in their diet, it is assumed that they obtain adequate protein and other essential nutrients.

1.19 Setting Absolute Poverty Lines (Continued)

Poverty Statistics for SDGs

Setting Absolute Poverty Lines (Continued)

Subsistence minimum

- Food component is defined on the basis of a minimum food basket.
- Essential non-food basic needs are defined and their costs are added to the food poverty line to arrive at the total poverty line

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Notes:

Another method used for constructing absolute poverty lines is the subsistence minimum approach, which is used mainly in CIS countries. For calculating the subsistence minimum, calculation of both food and non-food components are needed.

The subsistence minimum is defined on the basis of a minimum food basket. The minimum food basket represents a table of defined quantities of food products and contains the amount of food that is physiologically required (proteins, fats, and carbohydrates) for an equivalised adult to lead a normal life and have the ability to work, which is converted to certain amount of calories.

1.20 Setting Absolute Poverty Lines (Continued)2

Poverty Statistics for SDGs

Setting Absolute Poverty Lines (Continued)

Estimating international poverty lines for group of countries

- The first is to group countries into quartiles based on their per capita household final consumption expenditure.
- The second is to use their World Bank official income classification, which is based on GNI per capita.

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Notes:

International comparisons of absolute poverty require poverty lines that can be used across groups of countries. The World Bank's international poverty line for measuring extreme poverty has historically been based on a "typical" value of a sub-sample of the lowest of a group of national poverty lines.

Using a sample of 115 national poverty lines, Jolliffe and Prydz (2016) consider two different ways to select a reference set of national poverty lines upon which to base international lines.

1.21 International Poverty Lines by Group

Poverty Statistics for SDGs					
International Poverty Lines by Group					
A. Country quartile group	Median	Mean	B. Income Classification	Median	Mean
Lowest 25% (29)	1.86	2.11	Low Income (33)	1.91	2.23
20-50% (29)	3.34	3.65	Lowest Middle (32)	3.21	3.87
50-75% (29)	5.62	6.17	Upper Middle (32)	5.48	5.61
Highest 25% (28)	22.20	21.45	High Income (29)	21.70	21.19

Reference: Jolliffe, Dean, and Espen Beer Prydz (2016)

Note: Countries are grouped based on per capita household final consumption expenditure (HFCE) quartile in panel A and categorized based on World Bank official income classification, which uses per capita GNI, in panel B. Number of countries in each group in parentheses

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Notes:

This slide shows examples of international poverty lines.

Panel A are countries grouped based on per capita household final consumption expenditure (HFCE) quartile. Panel B are countries categorized based on World Bank official income classification, which uses per capita GNI. Taking median values of poverty lines for both approaches yielded very similar results (within 5%). The meaning of median and mean will be explained at the beginning of the Chapter 3.

1.22 Relative Poverty Lines

Poverty Statistics for SDGs

Relative Poverty Lines

- lack the resources to obtain the type of diet, participate in the activities and have the living conditions and the amenities which are customary, or at least widely encouraged or approved in the societies to which they belong
- usually an explicit function of the income (or consumption expenditure) distribution, namely, a constant fraction of some income standard
- the cut-off below which one is considered poor varies proportionally with its income standard

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Notes:

Relative poverty has been described as people who lack the resources to obtain the type of diet, participate in the activities and have the living conditions and the amenities which are customary, or at least widely encouraged or approved in the societies to which they belong. Their resources are so seriously below those commanded by the average family that they are in effect excluded from the ordinary living patterns, customs, and activities.

A relative poverty line is usually an explicit function of the income or expenditure distribution, namely, a constant fraction of some income standard.

The nature of a relative poverty line dictates that the cut-off below which one is considered poor varies proportionally with its income standard. Indeed, a level of income that is above the poverty line in one distribution may lie below the poverty line of another distribution having a higher income standard.

1.23 Monetary Measurement

Poverty Statistics for SDGs		
Monetary Measurement		
	Absolute poverty lines	Relative poverty lines
Income based	<ul style="list-style-type: none">• Cost of basic needs• Subsistence minimum• Severely poor with income below \$1.90 a day	<ul style="list-style-type: none">• Relative low income• Relative low income anchored at a fixed point in time• Weakly relative poverty line
Expenditure based	<ul style="list-style-type: none">• Cost of basic needs• Subsistence minimum• Severely poor with expenditures below \$1.90 a day	<ul style="list-style-type: none">• Relative low expenditure• Relative low expenditure anchored at a fixed point in time• Weakly relative poverty line

Notes:

The spectrum of poverty measurement approaches varies.

The first choice is what to measure: income, expenditure, or broader capabilities? The most common approach is to measure monetary poverty, based on indicators of

income or expenditure as proxies for material living standards. These are the conventional poverty measures that use information on household income or expenditure estimates.

Perhaps the most widely recognized absolute poverty line is the PPP\$1.90/day in 2011 prices line for extreme poverty, which has been established by the World Bank.

1.24 Income

Poverty Statistics for SDGs

Income

- Income measures households' command over resources
- Direct policy link
- Disaggregation by income source components
- Easy/cost effectiveness of measurement

- Links between income and living standards are not always clear
- Sensitivity to short-term income fluctuations for some groups
- Some components are difficult to measure
- Evidence of under-reporting

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Notes:

There is no simple answer to the question of whether income or another welfare measure is preferable for measuring monetary poverty. In practice, the decision will likely be influenced by both conceptual and pragmatic issues. Some of the main pros and cons relating to the use of income are set out in the slide.

In terms of income measures household' command over resources, from a conceptual perspective, income allows people to satisfy their needs and pursue many other goals that they deem important to their lives. In particular, an indicator such as disposable income is desirable as a welfare measure as, in general, it is an effective proxy for the resources that are available to an individual or household for either consumption or saving.

Income based poverty measures are often appealing to policy makers due to the direct policy levers that exist through, for example, the targeting of social protection payments to families below the poverty line.

In general, it is also possible to break down income by source such as wages, pensions, social protection receipts, intra-household transfers when analyzing poverty. This provides advantages both in terms of understanding poverty within a

certain group, and as a quality check for the data, via possible comparisons with other sources.

As for ease/cost effectiveness of measurement, in general, data on household income are relatively cost effective to collect, compared with expenditure. Even if administrative data are not available, the relatively small number of potential sources of income means that data collection can potentially be relatively straightforward. This makes income-based poverty measures particularly useful when either the cost of collecting expenditure data would be prohibitive, or where precision at the national or regional level via surveys based on larger sample sizes is a priority.

Regarding links between income and living standards are not always clear, income is a measure of potential rather than achieved living standards. As a result, current income may either overstate living standards when the family is saving, as not all the income translates into current consumption or understate them when current consumption is not constrained by income, through dissaving or borrowing.

For sensitivity to short-term income fluctuations for some groups, linked to the above point, incomes for some population groups may be particularly susceptible to short-term fluctuations, which are typically not reflected in achieved living standards. These groups include the self-employed, agricultural workers, and the temporarily unemployed.

Regarding some components are difficult to measure, while data on some income components such as wages and salaries are relatively straight forward to collect, other components including self-employment, and especially including agricultural work are much more difficult to accurately measure, largely because of the difficulty in separating out business costs and revenues. In developing countries, income data may be particularly difficult to collect, and their accuracy difficult to verify, because most of the population may be engaged in the informal sector. There is evidence of increasing imputation rates due to refusal or inability to reveal specific income components over time, in recent years.

As of evidence of under-reporting, evidence from a range of countries suggests a general tendency for income to be under-reported by low-income households. There are a number of possible reasons for this. In part, people may forget income they have received during the reference period from sources such as intra-household transfers, social transfers, or home-produced items they have sold. Second, people may be reluctant to disclose the full extent of their income, for privacy reasons-particularly if any of that income has either not been disclosed to the tax authorities or has been obtained through illegal activities. Underreporting of income can be minimized to a certain extent through interviewer training in probing and explaining confidentiality rules, asking survey respondents to refer to pay slips and other documentation where possible, and the use of data from other sources such as administrative data.

1.25 Expenditure

Expenditure

- Expenditures on goods and services for use in the operation of unincorporated enterprises
- Occupational expenses of employees
- Capital expenditures such as savings, reduction of liabilities, amounts loaned, purchase of financial assets, life insurance premiums
- Expenditures on variables (works of art, jewellery, gemstones, etc.)

Notes:

Concept of expenditures which can be used for measuring poverty is various.

1.26 Expenditure

Poverty Statistics for SDGs

Expenditure

Consumption Expenditure

- Expenditure for foods, housing, clothes, medicine, education, transportation, entertainment, etc.

Non-consumption Expenditure

- Current transfers of cash, goods and services to other households such as gifts donated, remittances, alimony, child support, etc.
- Irregular contributions to non-profit institutions
- Compulsory transfers to governments such as income and other direct taxes (e.g. wealth taxes), compulsory fees and fines
- Pension and social security contribution

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Notes:

Expenditure is classified into consumption expenditure and non-consumption expenditure.

Consumption expenditure represents the value of consumption goods and services used or paid for by a household to directly meet its needs.

Non-consumption expenditure are expenses not directly aimed at meeting household needs, such as current transfers to government, social organizations or other households. These are classified as non-consumption current expenditure. Also included is the payment of interest on consumer credit.

All of non-consumption expenditure do not fit to monitor poverty.

1.27 Consumption Expenditure

Poverty Statistics for SDGs

Consumption Expenditure

<div><div></div><div><div>Better proxy of material living standards</div><div>Short-term fluctuations are smoothed out</div><div>Data quality is arguably better, at least at the bottom of distribution</div></div></div>	<div><div></div><div><div>Under-reporting of certain expenditures</div><div>Irregular expenditures on high value items</div><div>Indirect policy levers</div><div>Data collection complex/expensive</div><div>Individual choice</div></div></div>
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Notes:

Among expenditures, consumption expenditure is commonly used for majoring poverty. Some of the main pros and cons relating to the use of consumption expenditure are set out in the slide.

Consumption expenditure can be considered a more direct measure of achieved living standards than income because it is consumption of goods and services that ultimately satisfies a household's needs and wants within the household budget limits.

Households can smooth consumption by, for example, adjusting savings or drawing on wealth and borrowing. This does not mean that consumption is not subject to seasonal fluctuations, but there are supposedly smaller than seasonal income fluctuations.

It is often suggested that, at least in countries such as the United States and the United Kingdom, the quality of consumption expenditure data is better than that for income towards the bottom of the income distribution although this depends on the collection method, as well as such factors as the length of reference period used.

This potential advantage is commonly ascribed to the fact that questions about consumption are usually seen as less sensitive than questions about income. Also, using a shorter reference period at least for day-to-day expenditures can lead to fewer recall errors.

On the other hand, certain groups of expenditures are typically underestimated in surveys because of underreporting by respondents. These include expenditures for goods and services that are illegal or which may be seen as socially unacceptable.

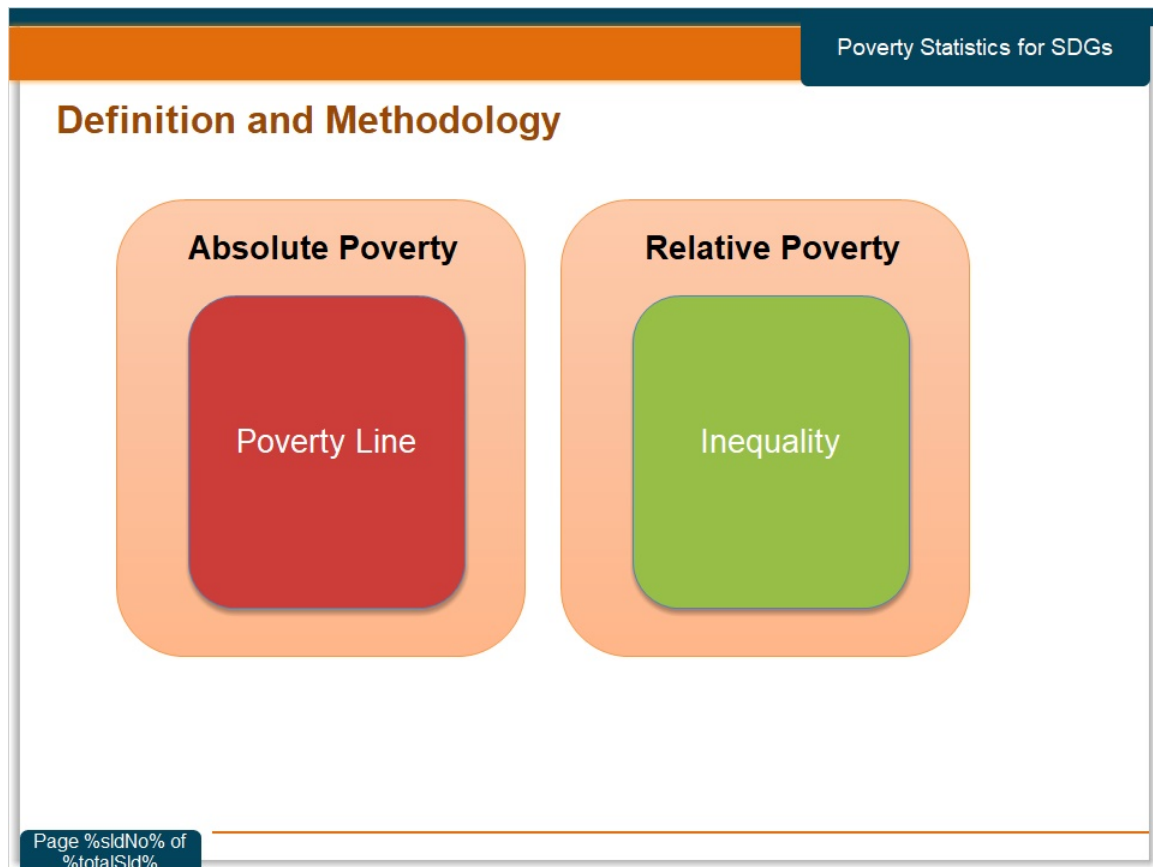
Whilst a dairy period of a couple of weeks may, in the majority of cases, provide a good indication of typical expenditure on categories such as food, drink and transport, expenditure on high value items is usually infrequent, and may not be properly reflective even when a survey with an annual reference period is used.

Beyond subsistence minima, levels of consumption expenditure are largely an issue of personal choice. As a consequence, while governments may take steps to either increase the resources available for consumption, increase the potential to acquire those resources, or otherwise improve the material living standards of those in poverty, these may not be directly reflected in the recorded consumption expenditure of households.

Regardless of method used, the collection of detailed household consumption expenditure data is expensive—considerably, more so than income data.

In some circumstances, low levels of consumption may reflect individual choices or non-monetary constraints. For example, elderly people with physical limitations, such as lack of mobility, may have low levels of consumption expenditure despite adequate financial resources.

1.28 Definition and Methodology



Notes:

Absolute poverty is segmented by the poverty line. Relative poverty can also be segmented by the relative poverty line as well but more often is treated as an issue of inequality. Despite decades of substantial progress in boosting prosperity and reducing poverty, the world continues to suffer from substantial inequalities.

1.29 Global Poverty Line and National Poverty Line

Poverty Statistics for SDGs

Global Poverty Line and National Poverty Line

global poverty line

- used primarily to track global extreme poverty
- measure progress on global goals

national poverty line

- far more appropriate for underpinning policy dialogue or targeting programs to reach the poorest

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Notes:

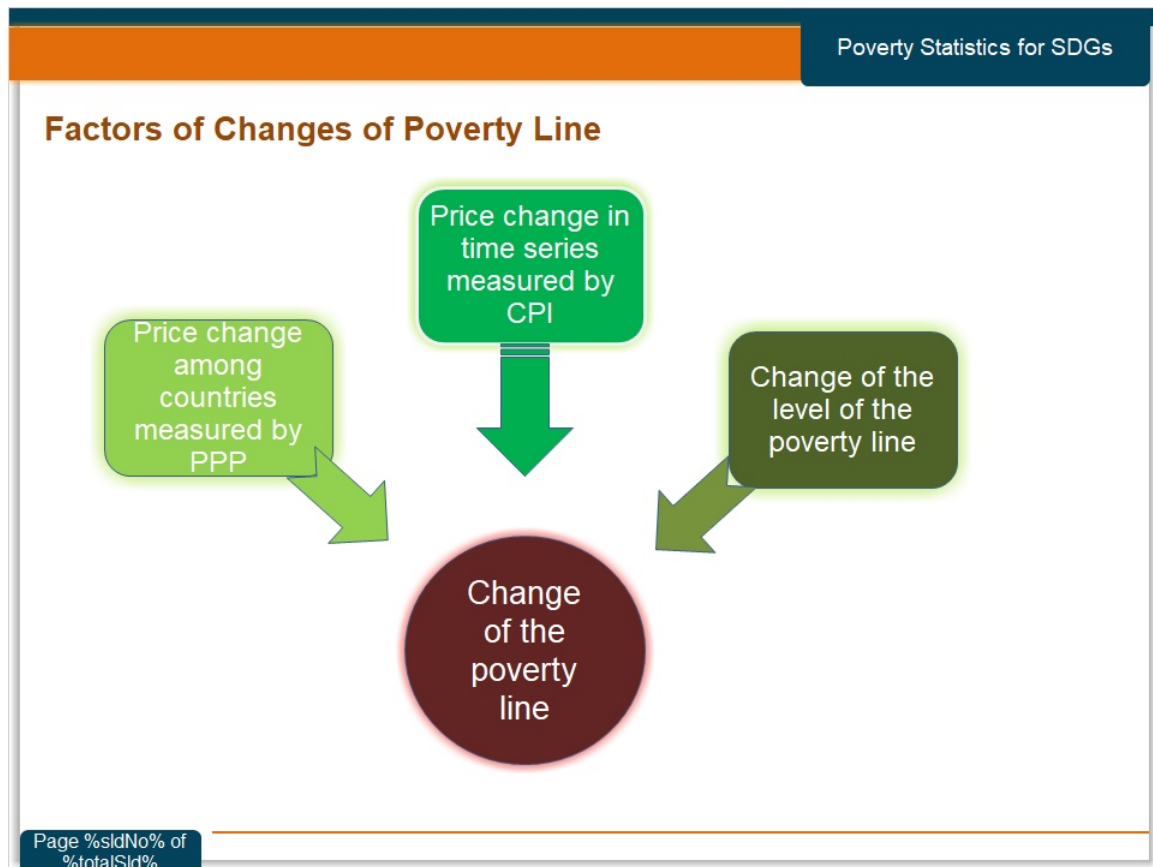
Poverty lines are designated globally and nationally.

The global poverty line is used primarily to track global extreme poverty, and to measure progress on global goals set by the World Bank, the United Nations, and other development partners.

A country's national poverty line is far more appropriate for underpinning policy dialogue or targeting programs to reach the poorest.

For example, in a middle-income country, where the national poverty line is at \$4 a day, the global poverty threshold may be less relevant than in a poorer country where the national line is at \$1.65 or similar.

1.30 Factors of Changes of Poverty Line



Notes:

Poverty lines are not fixed but changed over time.

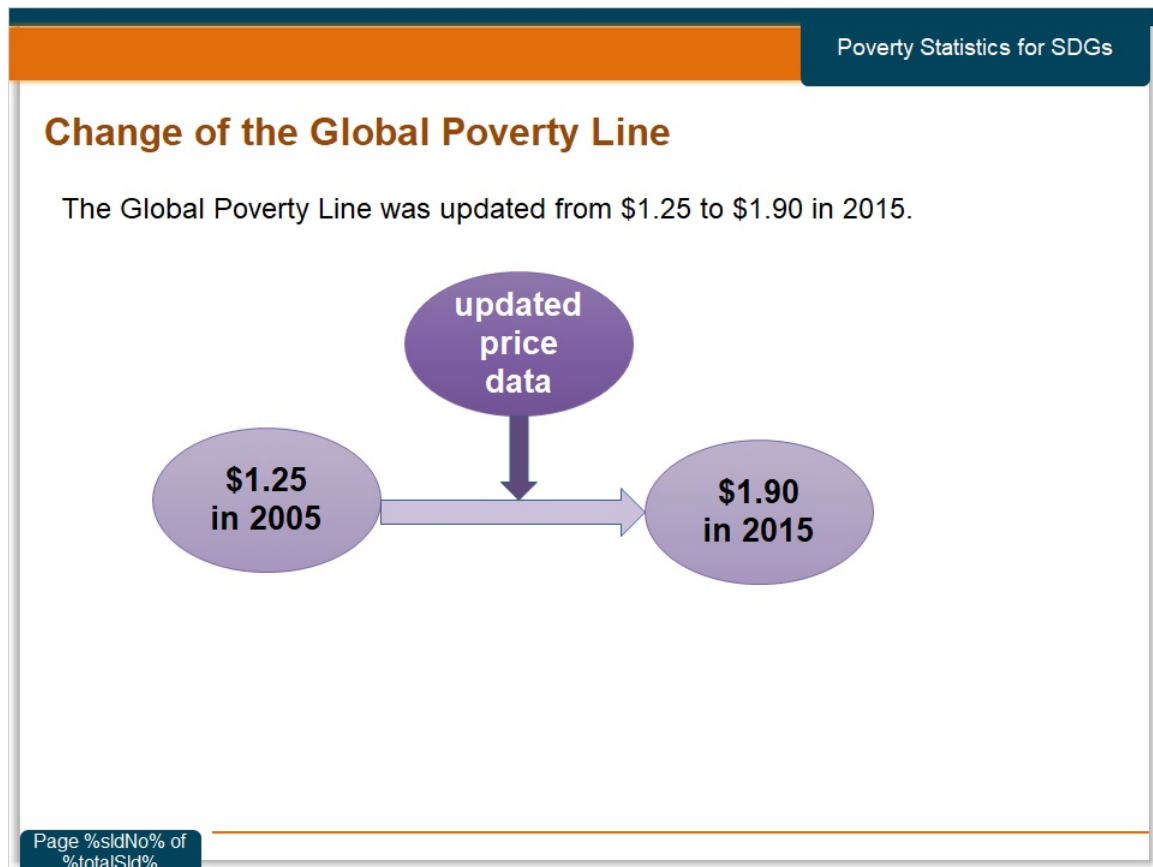
Main factors are the followings.

Purchasing Power Parities (PPP) does allow one to compare pricing between countries with differing currencies. PPP exchange rates are based on the substantial investment that has been made in collecting and analyzing the price data necessary to compare purchasing power in different countries. When the PPP are revised, global poverty estimation is also changed.

The price levels in time series in a country are measured by Consumer Price Index (CPI). National poverty estimation should be adjusted with CPI.

Regardless globally or nationally, the level of poverty line may be changed based on policies, needs from people, and so on.

1.31 Change of the Global Poverty Line



Notes:

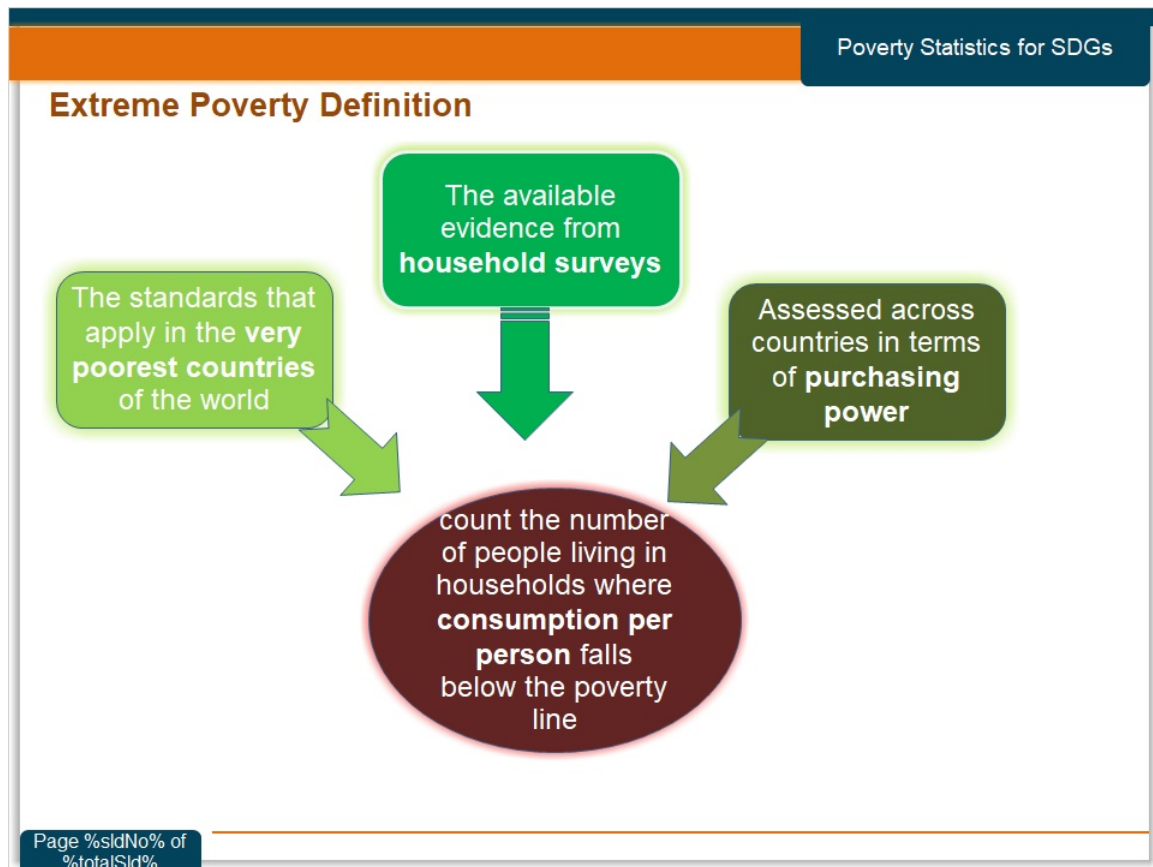
As differences in the cost of living across the world evolve, the global poverty line has to be periodically updated to reflect these changes.

The new global poverty line is set at \$1.90 using 2011 prices. Just over 900 million people globally lived under this line in 2012 based on the latest available data, and the World Bank projects that in 2015, just over 700 million are living in extreme poverty.

The new global poverty line uses updated price data to paint a more accurate picture of the costs of basic food, clothing, and shelter needs around the world.

In other words, the real value of \$1.90 in today's prices is the same as \$1.25 was in 2005.

1.32 Extreme Poverty Definition



Notes:

Extreme poverty definitions rely on the standards that apply in the very poorest countries of the world, the available evidence from household surveys and purchasing power.

1.33 Development Achievement Goals



Notes:

The Millennium Declaration was adopted by heads of State and Government at the United Nations General Assembly in 2000; the Millennium Development Goals (MDGs) were adopted soon after.

The Sustainable Development Goals (SDGs) were adopted in September 2015 by world leaders as the monitoring framework for the 2030 Agenda for Sustainable Development, a plan of action for “people, planet, peace, partnership, and prosperity”. Consisting of 17 goals and 169 targets, the SDGs build on the development journey inherited from the MDGs. Their reach is, however, much wider than poverty, gender, hunger, and major health problems. The SDGs break new ground by addressing inequalities, economic growth, decent jobs, energy, natural resources and environment, climate change, human settlements, and peace and justice, among others. They represent an agreed vision to put people and planet on a sustainable path by 2030.

1.34 Differences between MDGs and SDGs

Differences between MDGs and SDGs

MDGs	SDGs
Driven to a significant extent by the donor community	Developed by all member states through a participatory process
Applicable mostly to the least developed countries	An agenda for all people of the world, putting specific emphasis on “leaving no one behind”
Go beyond least level and refer the same group	Go beyond averages and refer to different groups
A narrower, sectorial agenda	An integrative agenda

Notes:

There are a number of other important differences between the SDGs and the MDGs.

First, while the MDGs were driven to a significant extent by the donor community, the SDGs were developed by all Member States through a participatory process.

While the MDGs were applicable mostly to the least developed countries, the SDGs offer an agenda for all people of the world, putting specific emphasis on “leaving no one behind”-which has serious implications for monitoring and evaluation.


SDG targets go beyond averages and refer to different groups such as women and men; migrants; urban and rural inhabitants; the poor, middle-class, and the more well off.

Last but not the least, the SDGs offer an integrative agenda.

1.35 Millennium Development Goals (MDG)

Poverty Statistics for SDGs

Millennium Development Goals (MDG)

**GOAL 1:
ERADICATE EXTREME POVERTY & HUNGER**

- **Target 1.A**
Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day
- **Target 1.B**
Achieve full and productive employment and decent work for all, including women and young people
- **Target 1.C**
Halve, between 1990 and 2015, the proportion of people who suffer from hunger

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Notes:

Among 8 Goals in MDG, Goal 1 highlighted poverty.

The eradication of extreme poverty and hunger were at the top of the agenda, as reflected in MDG 1 “Eradicate extreme hunger and poverty”, which was supported by two targets: Target 1.A and Target 1.C. These two targets were supposed to be monitored at the global level by indicators. However, recent studies show that numerous statistical offices were unable to collect, analyze, and disseminate the data used for MDG reporting. MDG statistics were often based on donor-funded surveys or modelling exercises.

1.36 Relationships between Goal 1 and Other Goals of SDGs

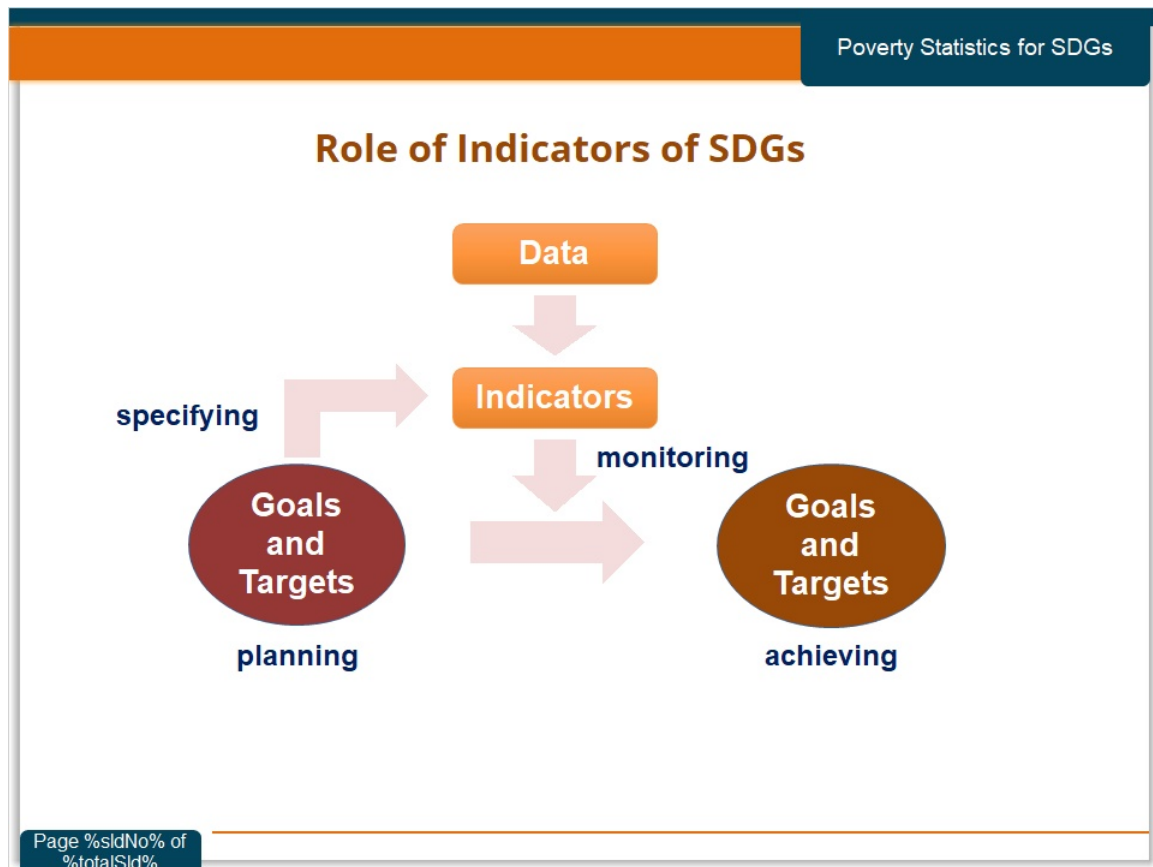


Notes:

In SDGs, only Goal 1 (“End poverty in all its forms everywhere”) includes the expression “poverty”.

Poverty-related targets and indicators are found not only under Goal 1, but in many other goals.

1.37 Role of Indicators of SDGs



Notes:

Role of indicators is monitoring goals and targets in SDGs.

Nevertheless, comprehensive set of indicators represents a challenge for monitoring. While a global list of indicators has been agreed, many of these indicators either lack an established methodology or are not supported by the regular production of the relevant official statistical data. the United Nations Statistical Commission has “emphasized that the global indicators . . . are intended for global follow-up and review of the 2030 Agenda for Sustainable Development and are not necessarily applicable to all national contexts, and that indicators for regional, national and subnational levels of monitoring will be developed at the regional and national levels.”

1.38 Poverty in SDGS

Poverty in SDGS

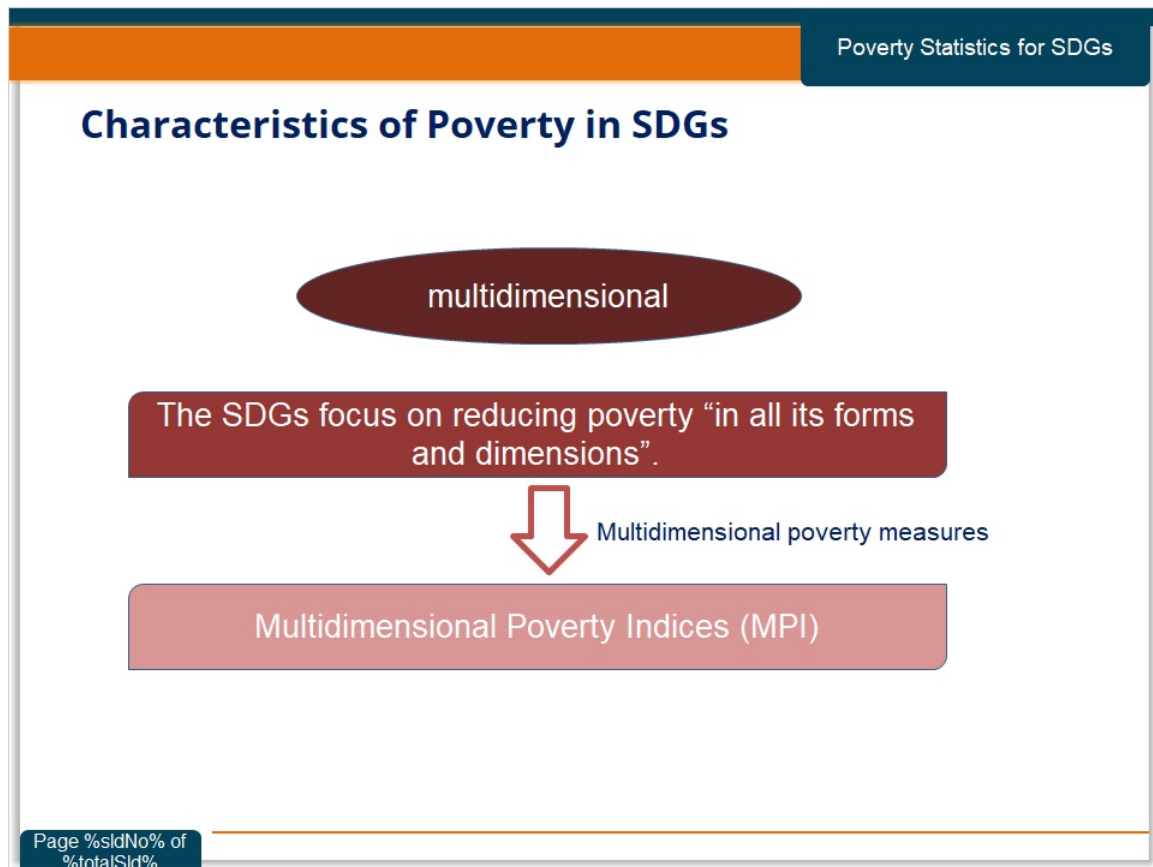
more than the lack of income and resources to ensure a sustainable livelihood

- Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making.
- Economic growth must be inclusive to provide sustainable jobs and promote equality.

Notes:

Poverty in SDGs is broad, more than the lack of income and resources to ensure a sustainable livelihood.

1.39 Characteristics of Poverty in SDGs



Notes:

In the 2030 Agenda for Sustainable Development, the worldwide consensus has shifted to view poverty as multidimensional. Precursors to this conceptual shift include (1) academic writings; (2) inputs from poor persons and non-governmental organizations, consultations leading up to the SDGs; (3) an increasingly visible academic literature on multidimensional poverty measurement; and (4) the pioneering leadership of countries and others in using multidimensional poverty statistics to complement monetary measures and guide policy.

Multidimensional Poverty Indices (MPI) are being developed by many countries as official national poverty statistics. MPI combines individual deprivation indicators that contain deprivation thresholds into aggregated, composite measures. The term "deprivation" includes material and social conditions which are relevant to subjective poverty and perceptions about poverty in a society.

1.40 Summary of Lesson 1

Summary of Lesson 1

- Poverty is a denial of choices and opportunities, a violation of human dignity.
- Absolute Poverty lines segment people whose life levels are lower than a life level.
- Relative poverty lines segment people whose life levels are relatively lower in the group.
- Income and consumption expenditure are used for setting poverty lines but have advantages and disadvantages.
- SDGs establish 17 goals, 169 targets and 232 indicators by 2030.
- Poverty in SDGs are more than the lack of income and resources to ensure a sustainable livelihood.



1.41 No Poverty



Lesson 1: What is Poverty and Why Poverty Measured?

Notes: