Introduction

To measure “something”, we need to provide answers to the following basic questions:

1. What are we going to measure? Poverty? So, what is poverty?
2. Who wants to measure it? Who are the “clients/users”?
3. Why do they want to measure it? What are there needs?
What is Poverty? 1/2

“What is Poverty?

“Poverty is the state of one who lacks a certain amount of material possessions or money.” Britannica

“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity.” The United Nations

“Poverty is pronounced deprivation in well-being, and comprises many dimensions.” The World Bank

“Absolute poverty is a condition characterized by severe deprivation of basic human needs, Copenhagen declaration-World Summit for Social Development 1995
Poverty is a relative concept
The basic needs change in time, and changes in different geographic locations (culture)

Poverty is a multi-dimensional concept
It covers dimensions such as: income, health, education, employment, access to services, shelter/dwellings,… and culture, entertainment?

Conclusion:
Researchers have to measure an “unclearly-defined concept” covering several dimensions in a dynamic vision.
Hence, we need to develop different methodologies

Who wants to measure Poverty?
Who wants to measure poverty?

- Central Government
- International organizations
- Local Governments (municipalities)
- Research Centers, Academic Institutions, Political Parties, Trade unions, Civil Society, NGOs...

Conclusion:

Researchers have to adapt their methodologies according to the profile of the end-users.

Hence, we need to develop different methodologies

Why do we measure Poverty?
Why do we measure Poverty?

- Once it is measured its existence is recognized
- To better understand the phenomenon
- To elaborate policies and interventions in Poverty Reduction
- To monitor poverty reduction programs
- To perform impact assessments

Conclusion:

Researchers have to adapt their methodologies according to the needs expressed by the end-users.

Hence, we need to develop different methodologies.

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Conclusion of the Introduction

1. Researchers have to measure a **changing and relative concept** covering several **dimensions** in a **dynamic** vision.
2. Researchers have to adapt their methodologies according to the **profile** of the end-users.
3. Researchers have to adapt their methodologies according to the **needs** expressed by the end-users.

Hence, we need to develop different methodologies.
Various methods

**Macro-economic approaches:**
1. GDP measurements
2. GDP per capita
3. Human Development Indicators
4. Proxy variables such as:
   1. Distribution of bank deposits
   2. Social spending
5. … etc

**Geographic approaches:**
- Gathering data at the local level
- Municipalities, village/cities or CF, clusters, caza...

**Household Field Surveys:**
1. Income
2. Expenditure
3. Food Consumption
4. Assets
5. Basic needs
6. Proxy variables
7. and socio-economic profiles

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**Macro-economic approaches**

- It provides an aggregated figure for the whole country, that may be used for benchmarking or country classification
- It rather provides an “Average” notion rather than a “Distribution” or “Disparity” approach

![GDP per Capita](image)
HH survey: Income distribution

- It provides significant indication of the level of income of the household, but the accuracy of the declaration is not significantly high
- Several indicators may be build on the income distribution

Gini Coefficient – Lorentz Curve

Importance of taxes as redistribution factor

HH survey: Expenditure distribution

- Expenditure is usually more accurate than income and it may be dis-aggregated per type/category of expenditure (food, housing, education, health... etc.)
- It provides significant elements of analysis: share of food out of total expenditure, share of food per income category...

<table>
<thead>
<tr>
<th>Categories</th>
<th>Item</th>
<th>Poids (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Food and Beverages</td>
<td>35.40%</td>
</tr>
<tr>
<td>02</td>
<td>Clothes and Shoes</td>
<td>6.55%</td>
</tr>
<tr>
<td>03</td>
<td>Housing</td>
<td>6.49%</td>
</tr>
<tr>
<td>04</td>
<td>Durable Consumer Goods</td>
<td>8.18%</td>
</tr>
<tr>
<td>05</td>
<td>Health</td>
<td>9.82%</td>
</tr>
<tr>
<td>06</td>
<td>Transport and Telecommunication</td>
<td>14.39%</td>
</tr>
<tr>
<td>07</td>
<td>Education</td>
<td>12.45%</td>
</tr>
<tr>
<td>08</td>
<td>Leisure</td>
<td>2.70%</td>
</tr>
<tr>
<td>09</td>
<td>Personal Care and Other Products</td>
<td>4.02%</td>
</tr>
</tbody>
</table>
This approach is using the notion of “Calories intake” of each member of a household compared to the standard intakes developed by a dietician (per gender and age) or compared to the national/regional averages.

This approach is, however, long and costly. This approach uses a “huge” set of assumptions.

HH survey: Food Consumption

- Food expenditure booklets
- Food consumption (weights)
- Create menus per HH composition
- Calories needs per member profile
- Food composition table: Food = Calories
- Each member/HH will have its own relative poverty line
- Transform the calories into money value

HH survey: Assets

- Several field surveys showed that there is a significant correlation between income/expenditure and assets. Hence, in order to avoid asking about “money” we may ask about ownership (which is easier to get accurate answers).
- A scoring system is then set to score each household based on the assets they have:
  - Dwellings: primary and secondary
  - Cars
  - Household equipment
  - Telecommunication (internet, PC, satellite, mobile and fixed telephones)
  - Others (depending on each country’s culture or location): Air conditioning, etc.

The scoring system, applied on none-money metric variables, has been developed, using the above assets approach, and extended to cover other dimensions such as education, health, employment... etc.
The UBN approach has been implemented in several Arab countries (PAPFAM project, Lebanon twice, Iraq, Jordan… etc).

It is based on HH survey, and it is composed of several dimensions (Health, Education, etc), that covers the basic needs of a household.

Each dimension is then composed of several variables that are scored based on HH answers.

Then researchers have to fix/set a threshold for each variables (based on current laws, or Human development index or Millennium Goals or… etc).

Based on econometric model, including correlations and regressions, a limited series of variables were detected as “good” predictors of poverty, at the urban level.

This will allow municipalities to apply easily this system of poverty detection, per neighborhood and hence design targeted interventions.

This has been tested in Tripoli (Lebanon), Tunis (Tunisia) and Nouakchott (Mauritania). The exercise showed that out of 260 variables, only 7 variables are sufficient for detecting poor households.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household head university degree</td>
<td>140 points if yes / 0 if no</td>
</tr>
<tr>
<td>Mineral water as main source of drinking water</td>
<td>40 points if yes / 0 if no</td>
</tr>
<tr>
<td>Car ownership</td>
<td>80 points if yes / 0 if no</td>
</tr>
<tr>
<td>Area per capita</td>
<td>500 points if ≥ 20 m² / 0 if less than 20 m²</td>
</tr>
<tr>
<td>Having a bank account</td>
<td>100 point if yes / 0 if no</td>
</tr>
<tr>
<td>Having an internet subscription</td>
<td>10 points if yes / 0 if no</td>
</tr>
<tr>
<td>Visiting cafes and restaurants</td>
<td>130 points if yes / 0 if no</td>
</tr>
<tr>
<td>Total score</td>
<td>1,000 points</td>
</tr>
</tbody>
</table>
Data gathering
- CF level
- Standardization
- GIS integration
- Preliminary analysis

Variables Categories:
- Identification
- Population
- Dwellings
- Buildings
- Infrastructure
- Social Services
- Economic activities

Statistical Analysis
correlations, test of significance

Compounded Poverty Index
12 variables + 2 studies
- Population/Registered ratio
- % secondary dwellings
- % water connection
- % sewer connection
- Telephone minutes (resid.)
- Telephone minutes (comm.)
- % agriculture establishments
- % industrial establishments
- Building height classification
- % dwellings>1991
- % medium-large establishments
- % leisure & services establishments
Selected by ESFD study
Selected by MOSA-CDR study

Geographic Poverty Measurement
- Lumpen Urban Poverty Areas
- Agricultural rural poverty areas
- Deserted rural poverty areas
There are several methods adapted to the different needs of the stakeholders

Poverty can be alleviated only if:

- There is a combined approach: targeted and global approaches
- Integrated approach: at the central level (socio-economic vision: social policies in line with fiscal... etc)
- There are several kinds of poverty(s) which will require different kinds of interventions

Poverty measurements are still “under-process”:

- satisfaction/auto-declaration, Happiness, freedom, “political poverty”, “knowledge poverty”... etc.

What about “Preventing Poverty”... Poverty Prevention through social policies, safety nets, economic development at the local and national level, equity in wealth distribution, social protection, Universal Health Coverage, Pension, etc.

Is Poverty an independent phenomenon or a result of several factors?

Finally, if we really want to measure poverty, we have to ask ourselves, first, if there are a political will to change. Otherwise, measuring poverty will remain an academic exercise.

Conclusion

Waiting for your constructive critics