

IEAG – 3rd Decade for the eradication of poverty

Addis 18-20 April 2018

Establishing a baseline for monitoring and
evaluating progress

Pali Lehohla

Multidimensional poverty peer network (MPPN)

Context of poverty eradication measurement

From HDI - MDGs to SDGs

Recommendations

Measurement framework for poverty

Sources of data

Data limitations

Measurement improvements

Data use: The case of International Comparisons Programme

Recommendations

From HDI - MDGs to SDGs

Poverty is multidimensional and applying a multidimensional approach to its measurement holds superior promise to its eradication whilst retaining the money metric measures

Multidimensional poverty measures should not only be observation and monitoring tools but should be transformed into tools of planning

Time series is a statistical information asset therefore data that underpin global time series and baseline systems have to be supported and financed in order to stay the course and cause of measurement

The ICP data should be used for informing trade and industrialization strategy and this is especially for Africa as the worst continent affected by poverty

Whilst technology and big data hold promise, to the extent that poverty is a household phenomena technology can only serve turnaround time and quality of household survey programme but its big-data attribute holds limited promise for assisting in the construct concept of a household

Measurement framework for poverty

From HDI -MDGs to SDGs

Human Development Index (HDI)

“Reporting on Human Development: Lies, Damned Lies and Statistics”

MDG Indicators

Adopted in 2000 but heavily contested especially Goal 8 on partnerships but the UNSC was not on board but finally started reporting from around 2003

SDG Indicators

Adopted in 2015 with the full participation of statisticians in the driving seat on measurement through the Inter Agency Expert Group

Data sources

From HDI -MDGs to SDGs

Measurement framework for poverty

- Human Development Index
- MDG Indicators
- SDG Indicators

Sources of data

- Censuses of the population
- Income and Expenditure Surveys
- International Comparisons program
- Health and Demographic Surveys
- Living standards measures (LSMS) World Bank
- Multiple Indicator Cluster Surveys (MICS)

Sources of data and frequency

Global and frequent

Censuses of the population: run decennially through the United Nations Housing and Population Census Programm

Income and Expenditure Surveys: run every five years for purposes of rebasing the consumer price index (CPI) but the data has found paths for poverty studies

International Comparisons program: run every five years for estimating real world GDP based on purchasing power parity but an important source of data for trade and industrialization policy

Vital Statistics: continuous recording of of births, deaths, divorces and marriages

Variable geographically and infrequent

Health and Demographic Surveys : run every five years for measuring demographic and health progress but limited geographically

Living standards measures (LSMS) World Bank : less frequent and limited geographically

Multiple Indicator Cluster Surveys (MICS) : less frequent and limited geographically

Sources of data and Data Limitations

Censuses of the population: Intervals are too long and some countries do not conduct censuses regularly

Income and Expenditure Surveys: not all countries stick to the timetable of five years

International Comparisons program: regional participation variable

Vital Statistics: poor records in most countries although holds promise but does not have household composition

Variable geographically and infrequent

Health and Demographic Surveys : run every five years for measuring demographic and health progress but limited geographically

Living standards measures (LSMS) World Bank : less frequent and limited geographically

Multiple Indicator Cluster Surveys (MICS) : less frequent and limited geographically

Measurement Improvements

Poverty Measures: From HDI -MDGs to SDGs

Money metric poverty data sources

- Income and expenditure surveys

- Living Standards Measures

Multidimensional poverty data sources

- Censuses of the population

- Income and Expenditure Surveys

- International Comparisons program (possibility)

- Health and Demographic Surveys

- Living standards measures (LSMS) World Bank

- Multiple Indicator Cluster Surveys (MICS)

Government interventions towards poverty and inequality reduction

243 of South Africa's 278 municipalities had an indigent policy in 2016
Indigent (poor) households are entitled to the following:

6 000 litres
of free water per
household per month

50kWh
of free electricity per
household per month

Subsidised
sewerage and
sanitation services

Subsidised
solid waste
management services

Source: NFCM

About 3.6 million households are registered as indigent
households of which;

62,8%
receive free
electricity

67,8%
receive free
piped water

57,6%
receive free
sanitation services

57,6%
receive free refuse
removal services

Source: NFCM



To date more than **17 million social grants** are issued on monthly basis to people who qualify the means test



About **4.3 million RDP houses** and subsidies have been delivered since 1994

Source: SASSA and Department of Human Settlements

About **76.2%** of pupils in South Africa are benefiting from **school feeding schemes**

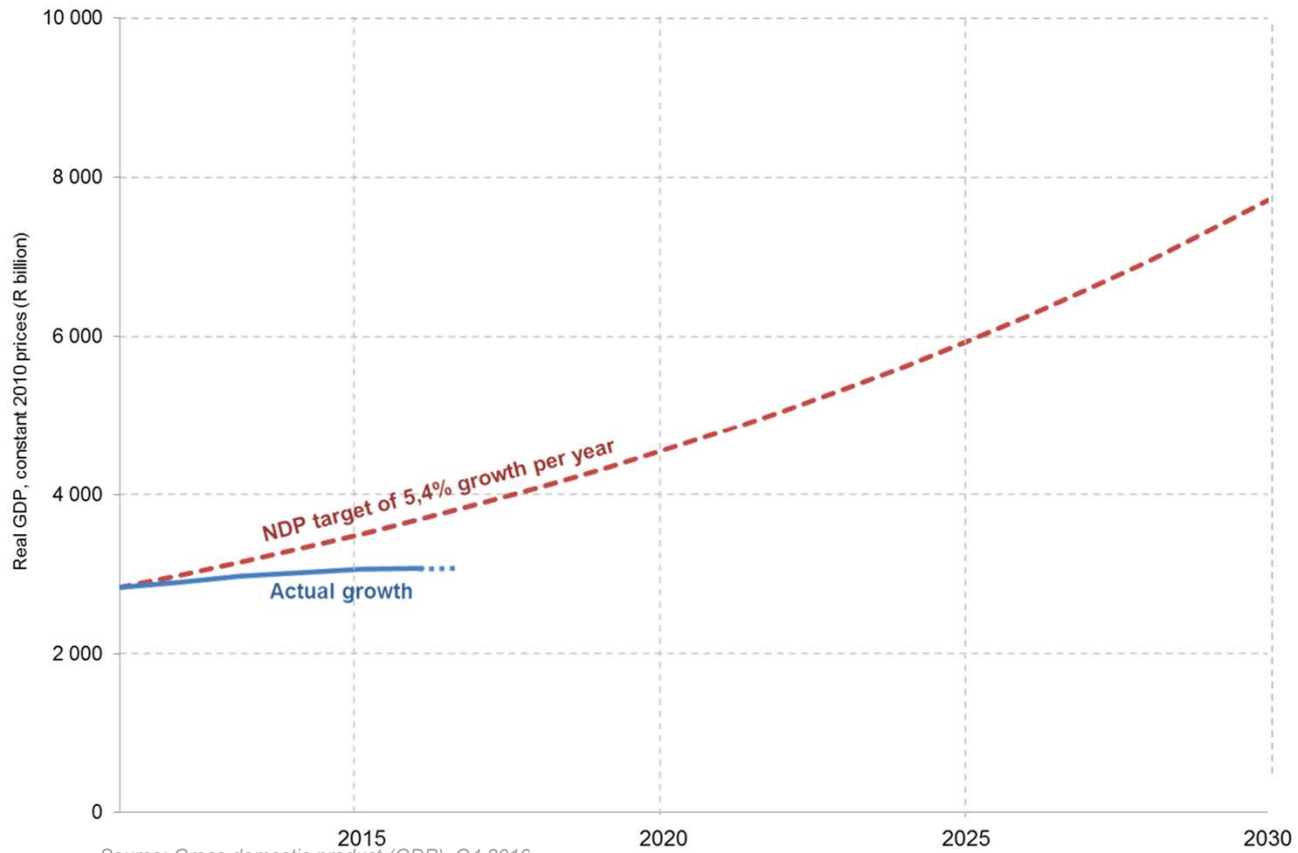


More than **20 000** schools are declared as no fee schools

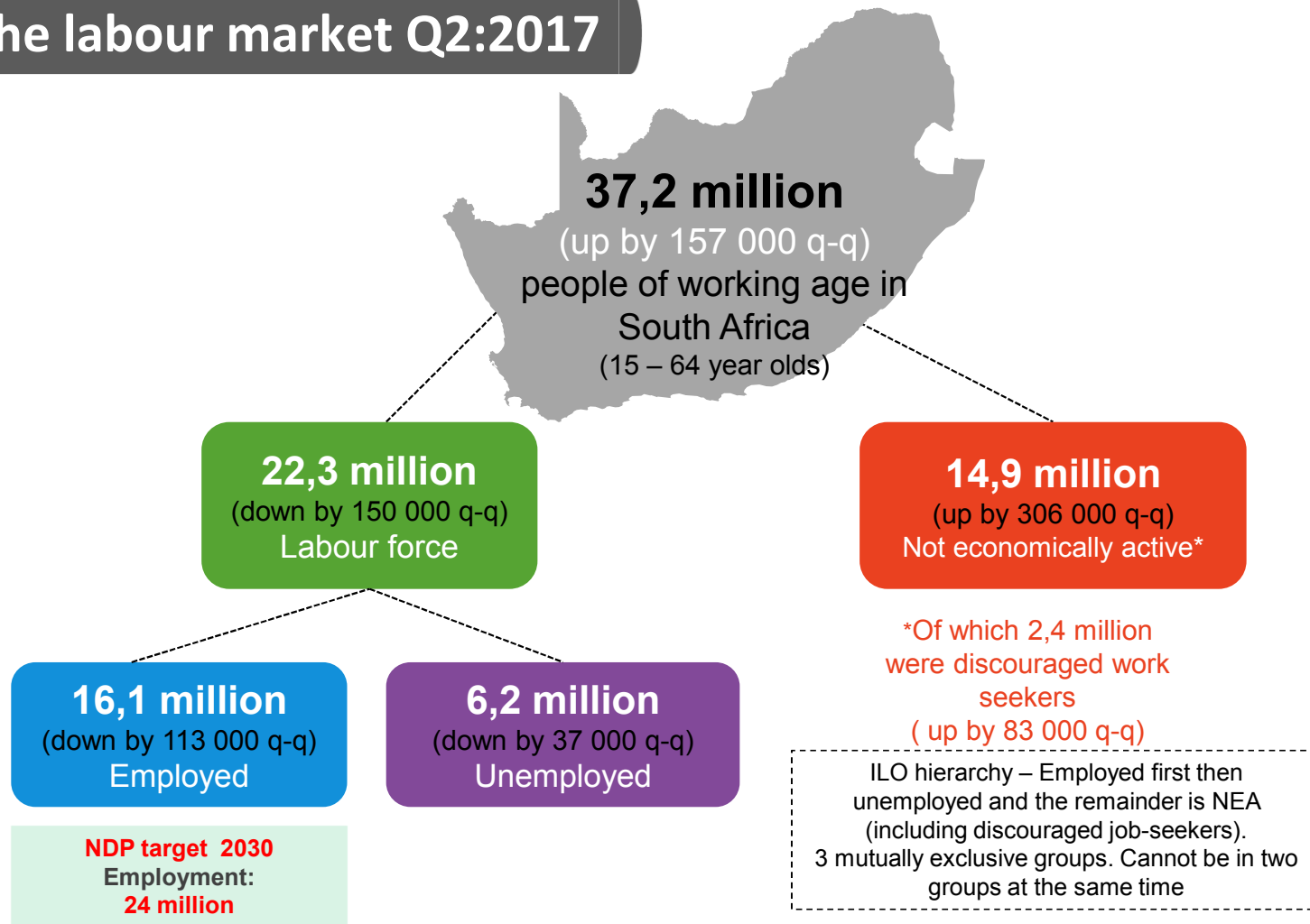


Source: Department of Basic Education

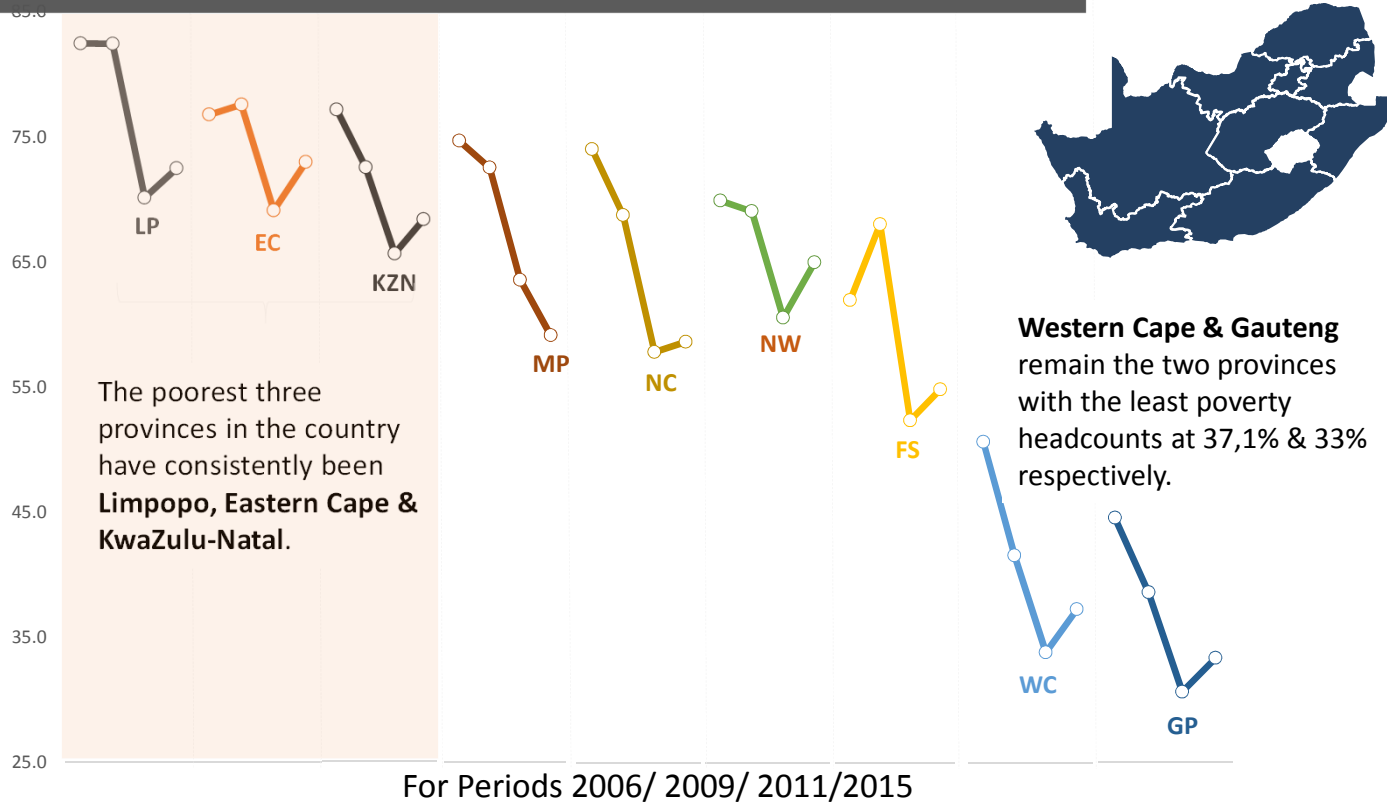
Current state vs NDP target: Economic growth



The labour market Q2:2017

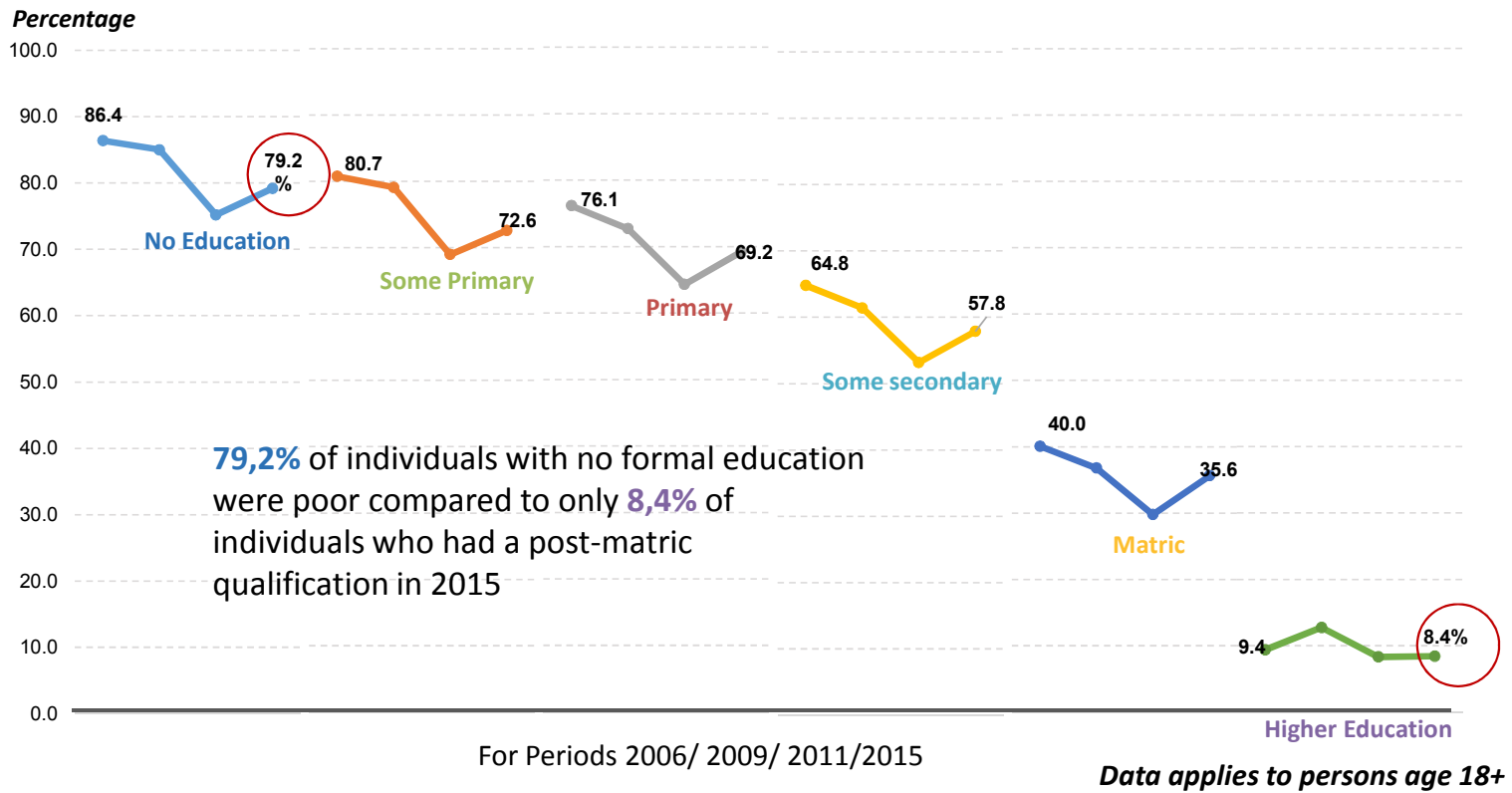


Money Metric Poverty headcounts by Province (UBPL)

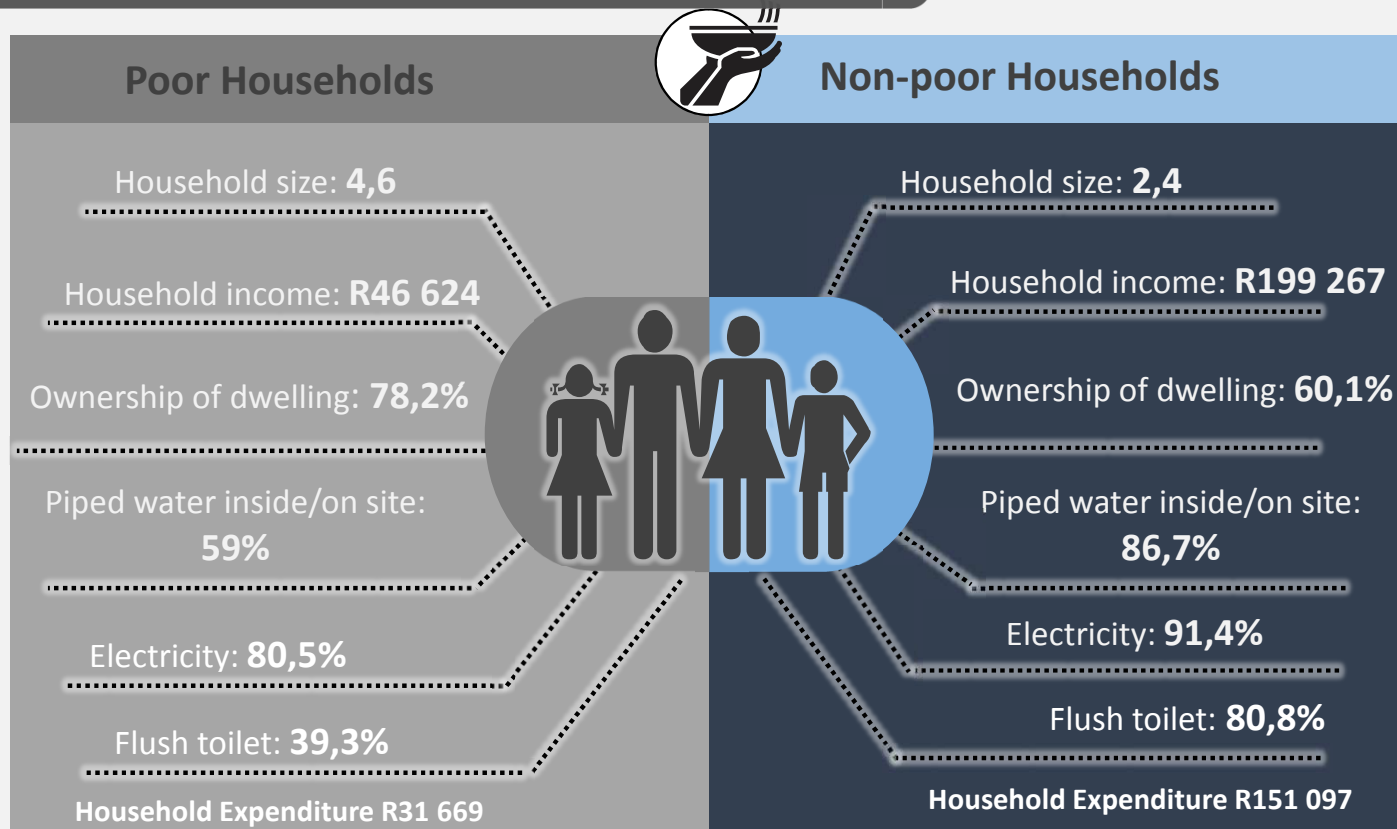


Individual Poverty by Level of Education (UBPL)

An individual's educational level is closely related to poverty



Profile of Poor and Non-poor households

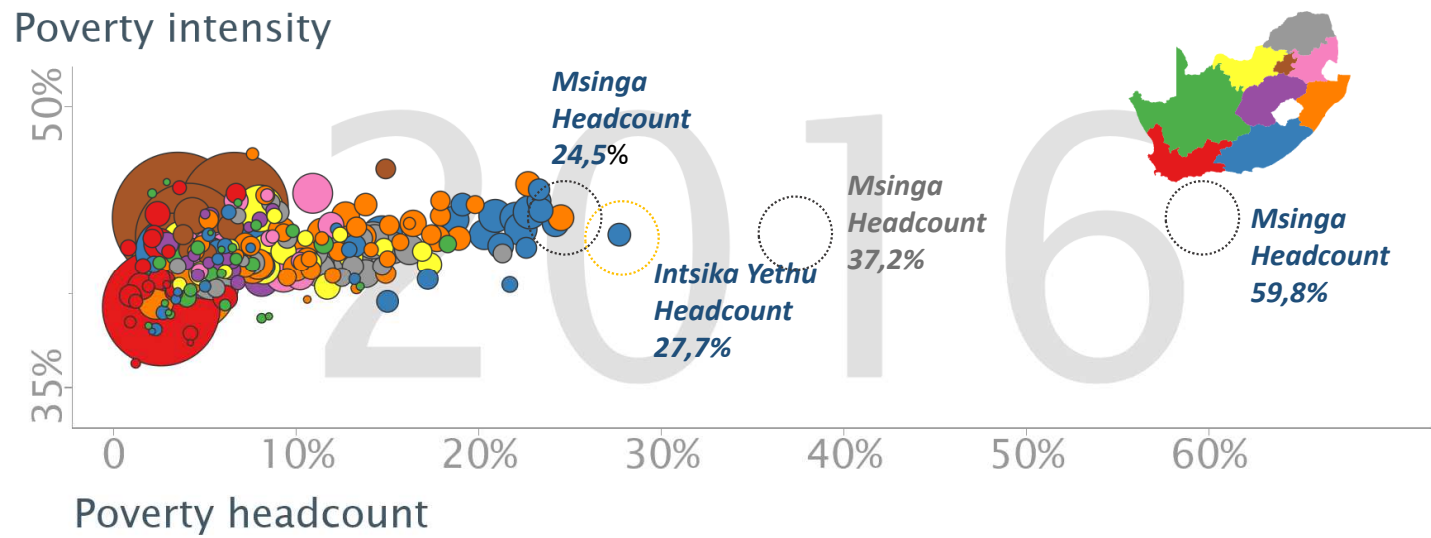


Non-poor households had better access to services compared to poor households

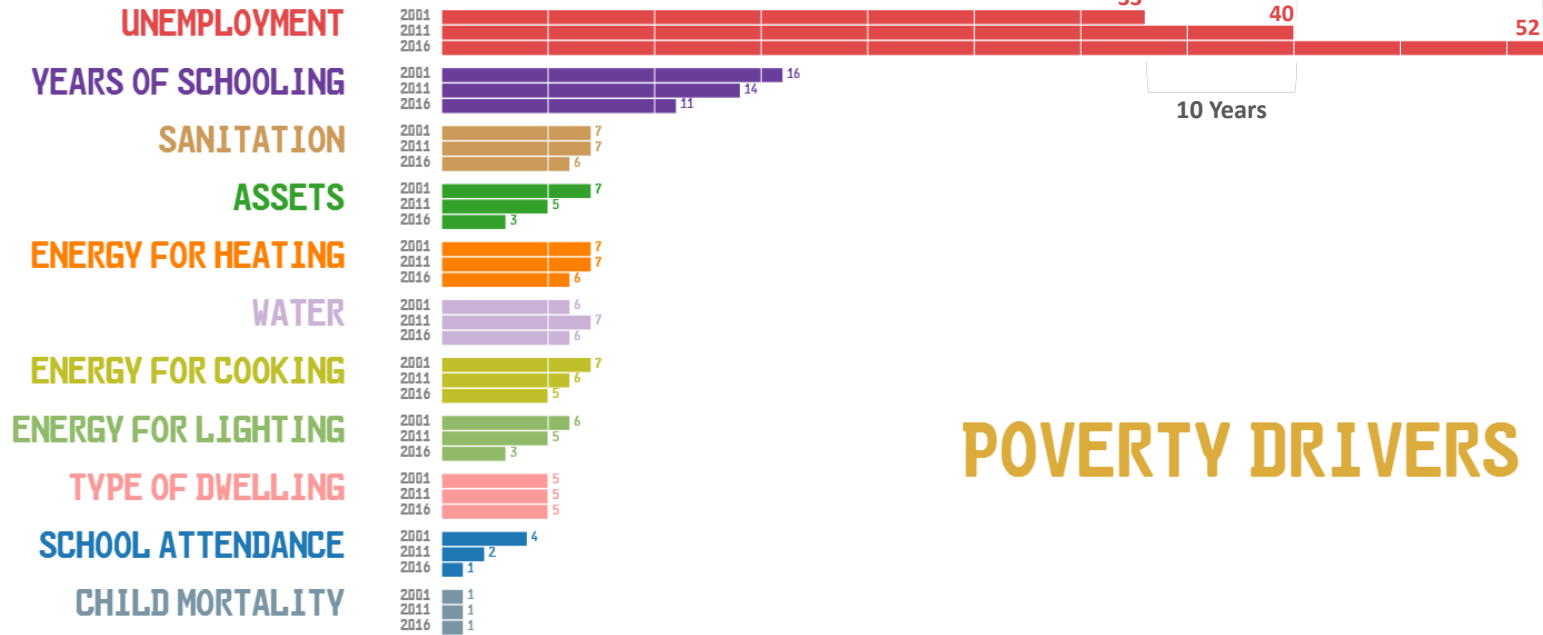
Understanding which location to prioritize must be taken along with which human development issues to prioritize

*The MPI Can help us **Decompose** the various Segments most affected by Poverty*

Multidimensional Poverty By Municipalities 2001-2016

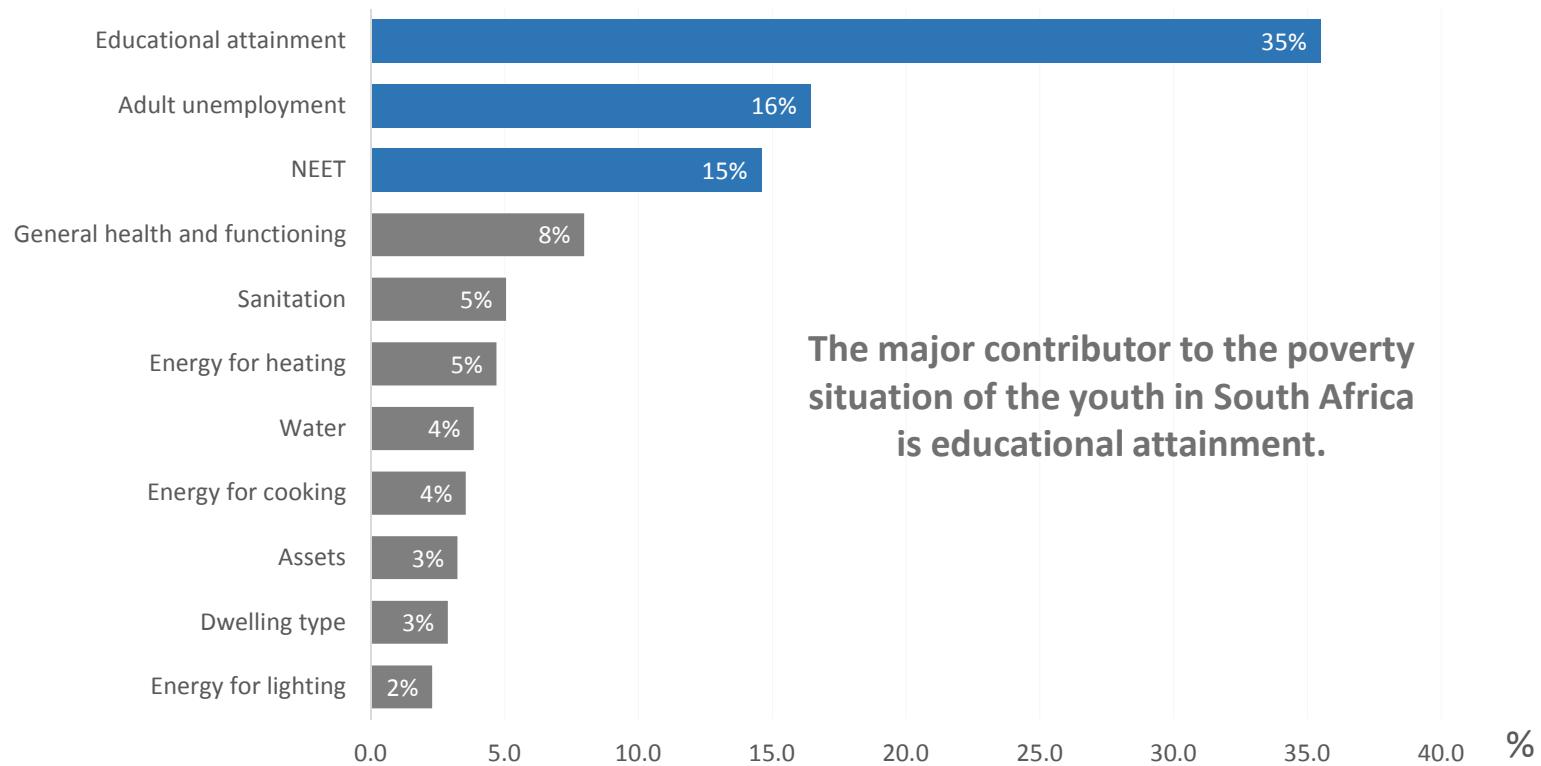


Poverty Drivers



POVERTY DRIVERS

Main contributors to poverty amongst Youth (15-24)

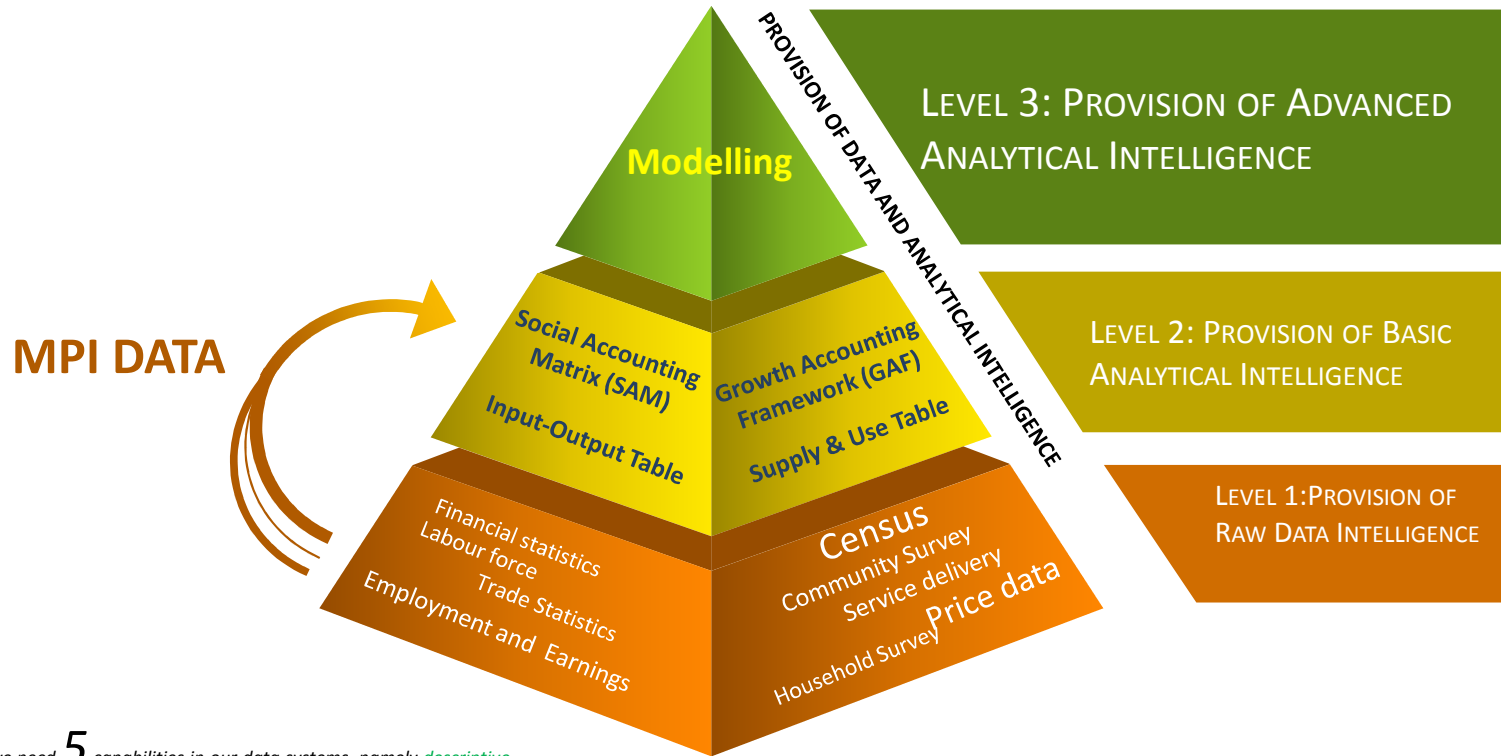


Source CS 2016

Beyond Advocacy and Prioritization

***MPI Integrated into existing
planning tools***

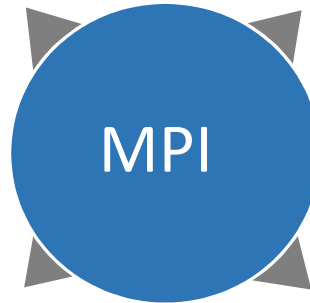
System-wide infusion and intelligence
Description - Diagnosis - Prediction - Prescription - Adaptation



to plan we need **5** capabilities in our data systems, namely *descriptive, diagnostic, predictive, prescriptive and adaptive capability.*

Introduce Multidimensionality in Key Planning Tools

**Social
Accounting
Matrix (SAM)**

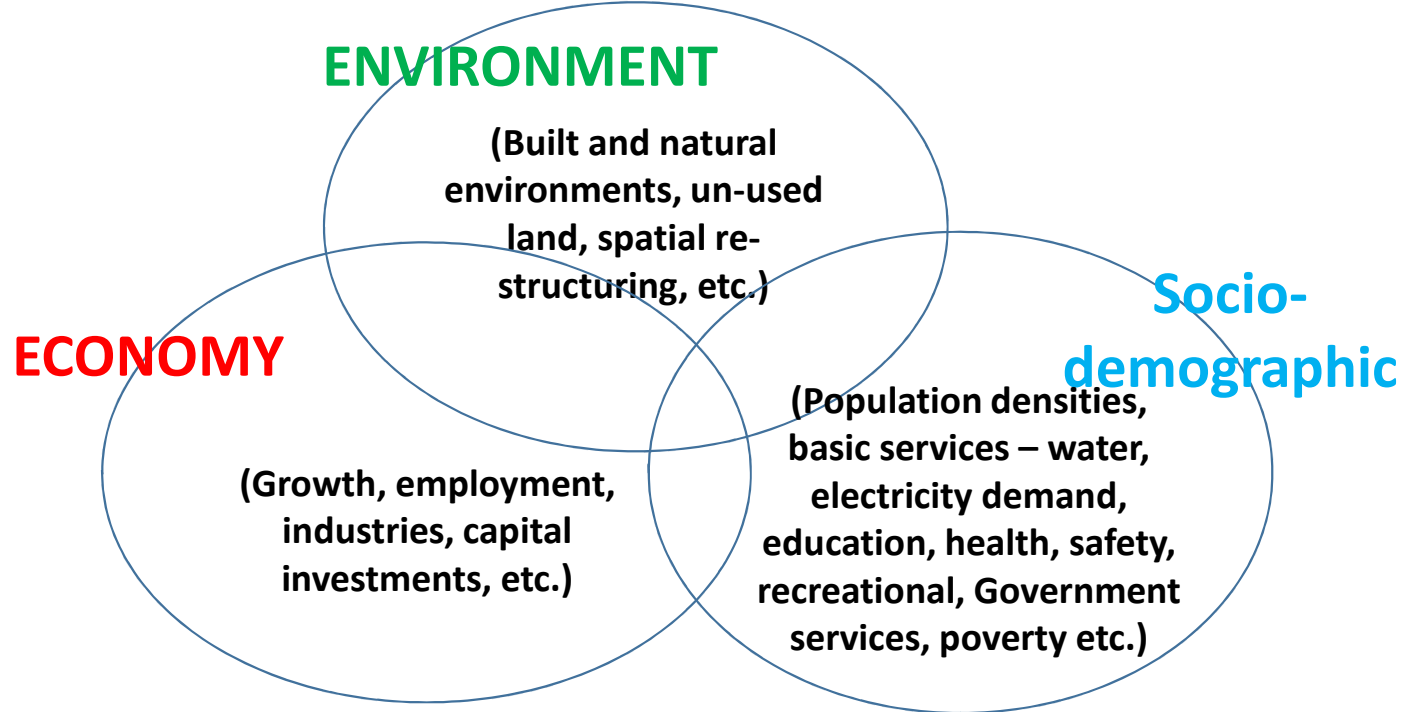


**Input-
Output
Table**

**Growth
Accounting
Framework
(GAF)**

**Ziff and
Demographic
Small Scale
Estimates**

Indicators



- Requires measuring 'bottom-up' within the place/ neighbourhood/ community/ wards
- Requires strong institutions (local municipalities, districts, cities & provinces)

**Prices levels in Africa on a
1000 products
The story of ICP**

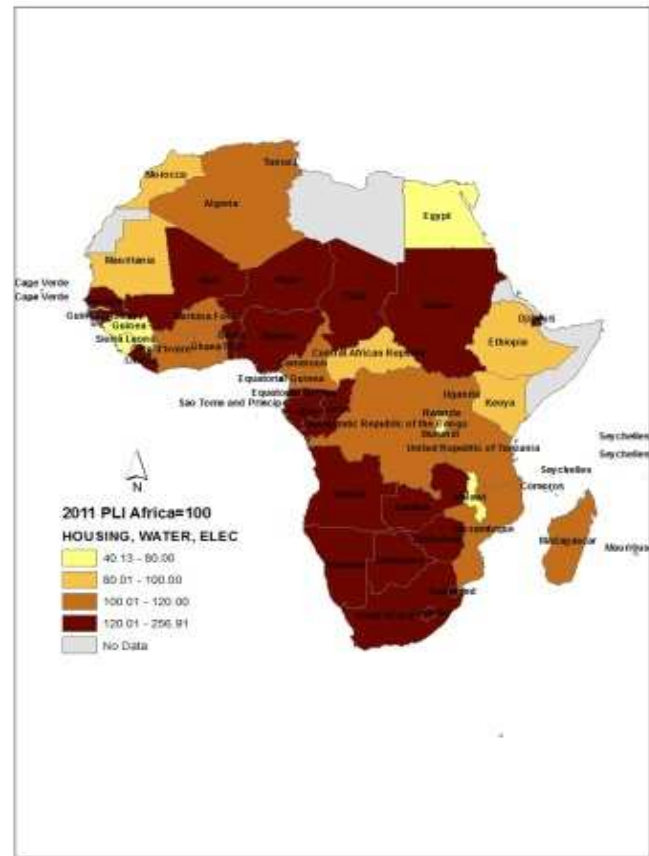
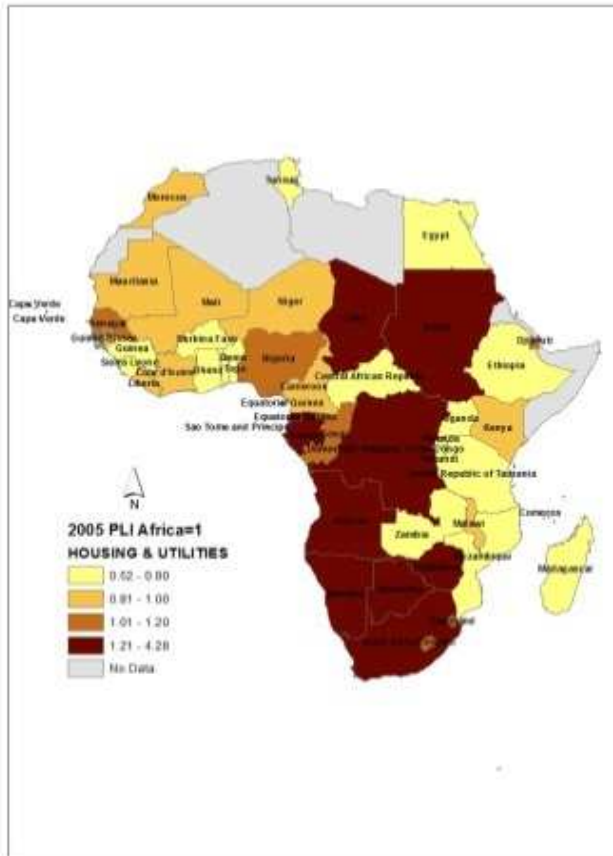


Infrastructure: Prices and Real Expenditure

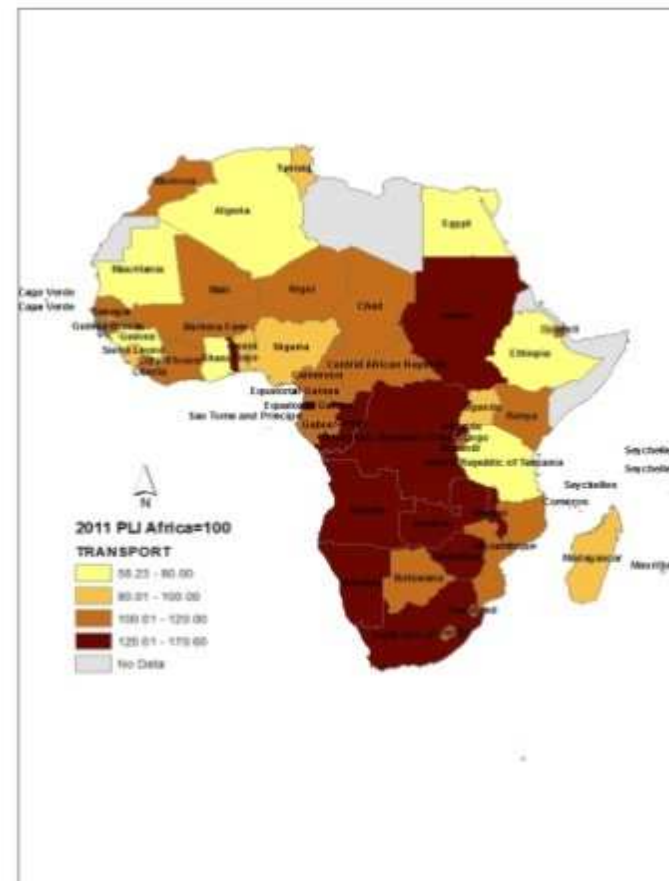
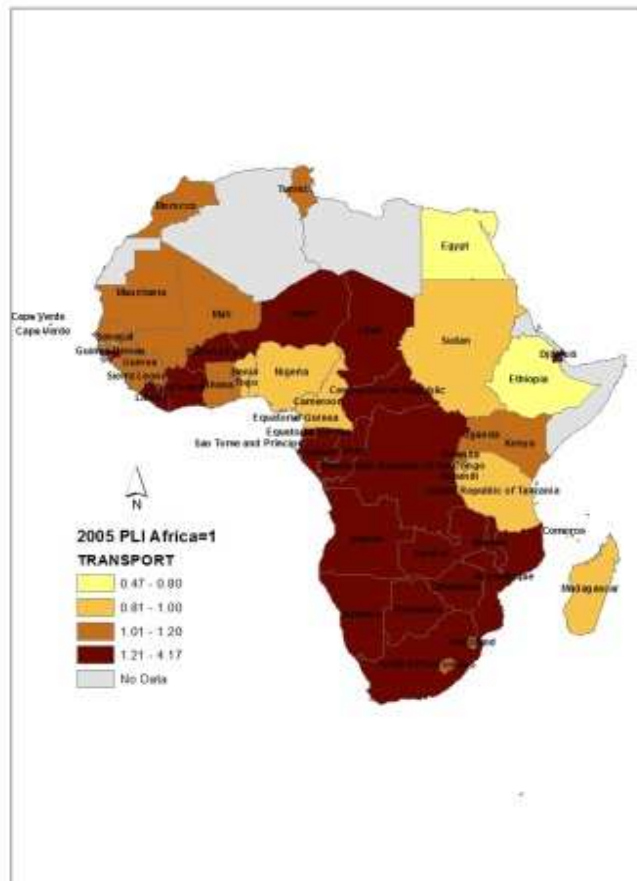
Housing and Utilities (sum of the sub-categories rentals, water, energy & gas), Transport (operations, services), Communication and *Social Infrastructure* – *i.e.* Health (medical products & equipment, pharmaceutical products, medical services), and Education.

1. Housing Utilities are higher along the eastern side of Africa, with the exception of Egypt
2. Transport prices are lower in the north-west, as well as that for Communication.

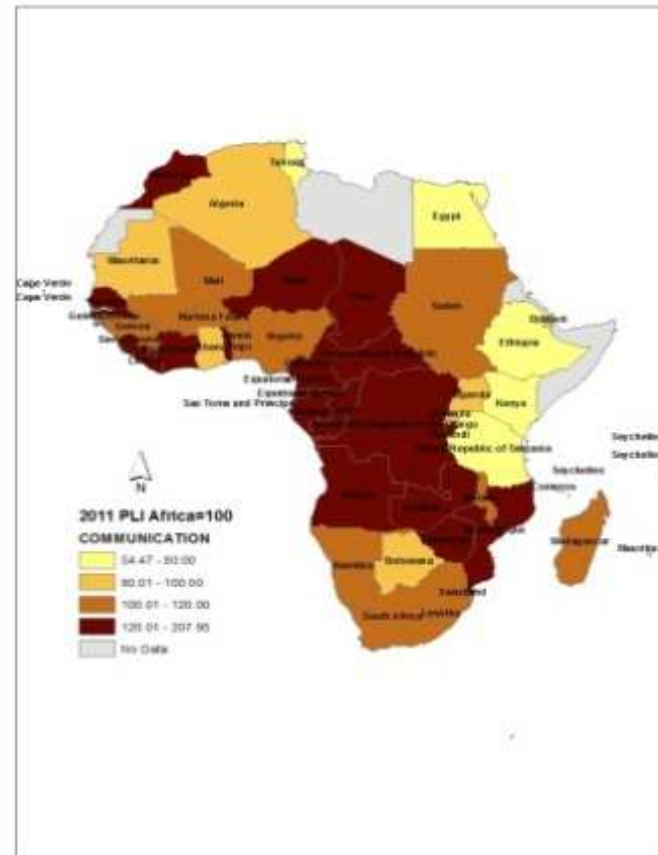
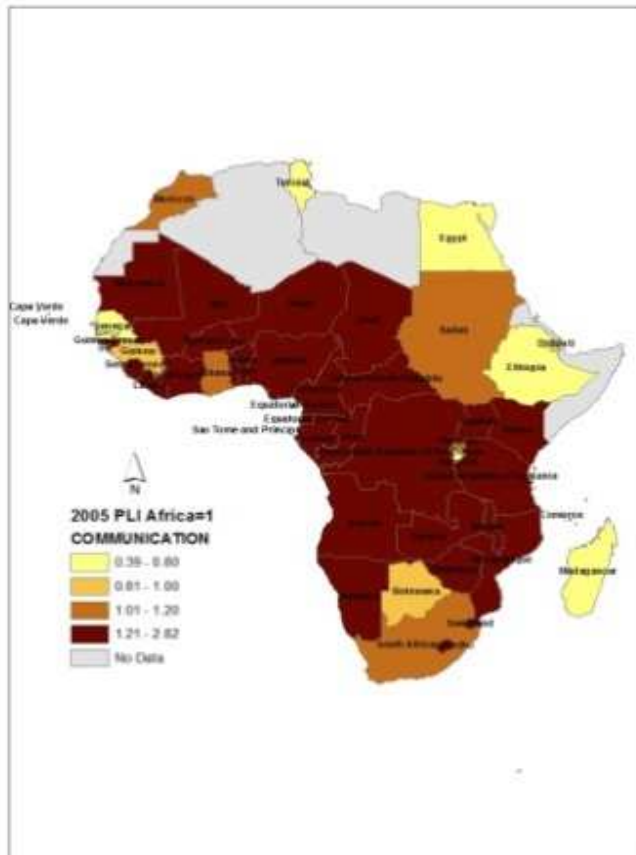
Some illustrations: Housing & utilities prices 2005 to 2011



Some illustrations: Transport prices 2005 to 2011



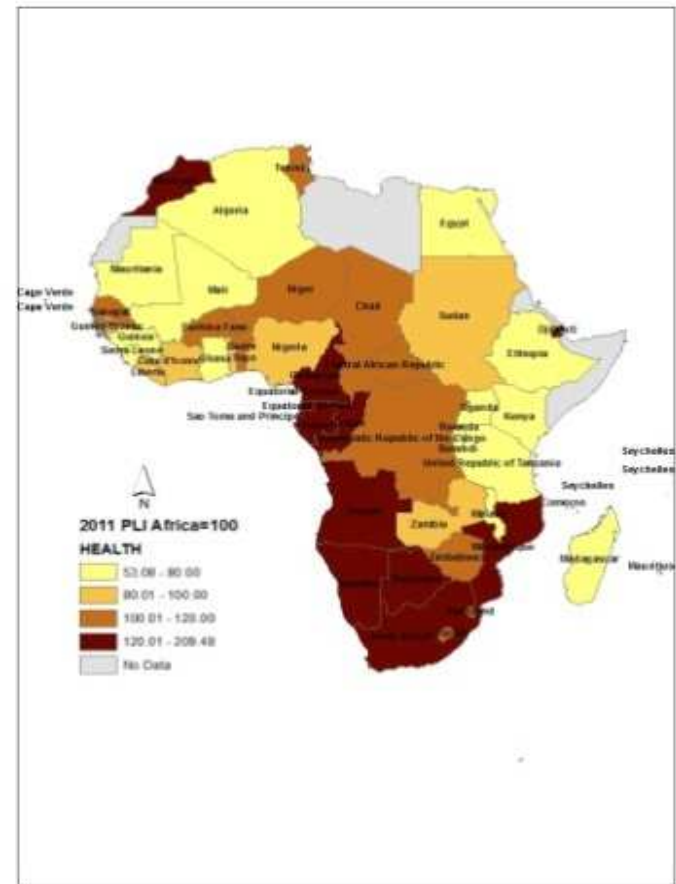
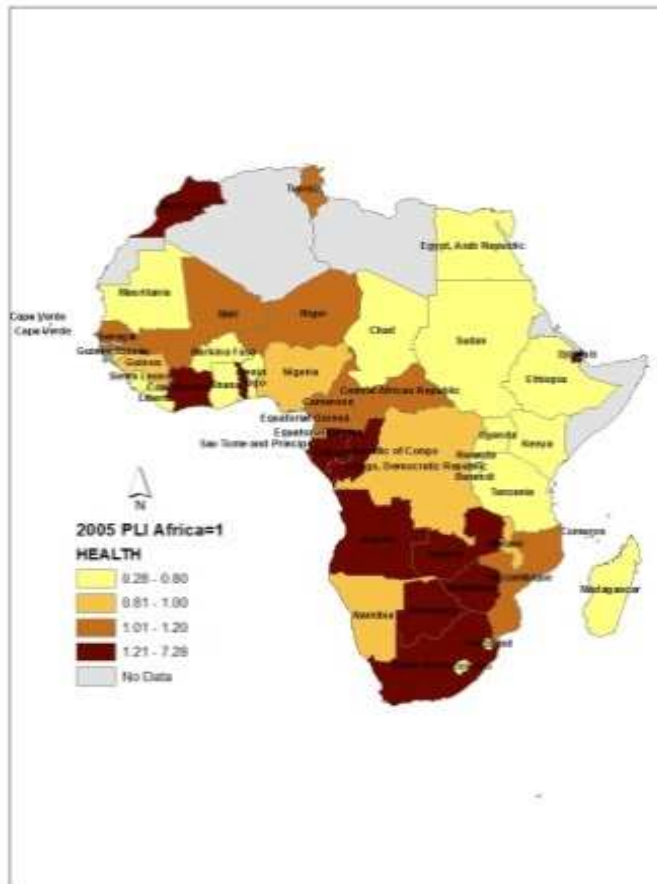
Some illustrations: Communications prices 2005 to 2011



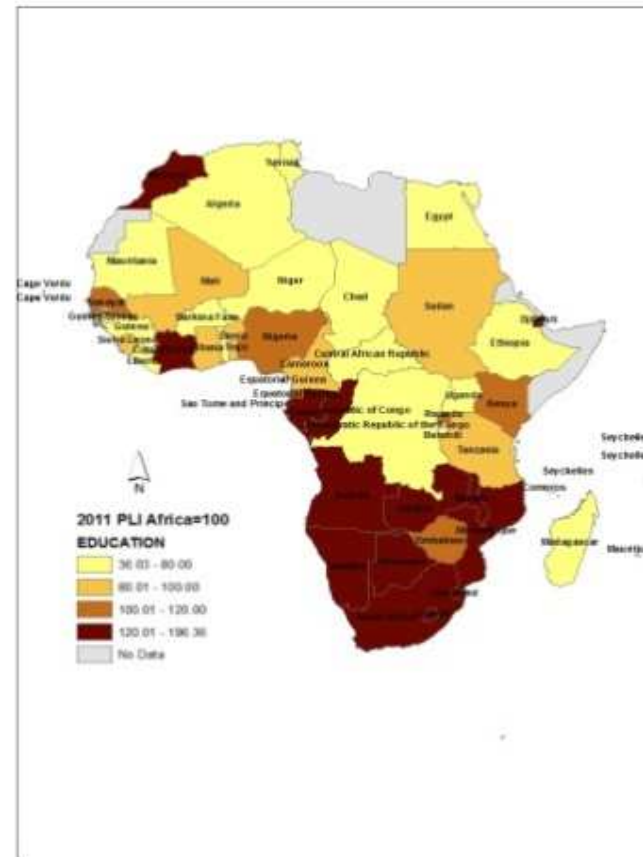
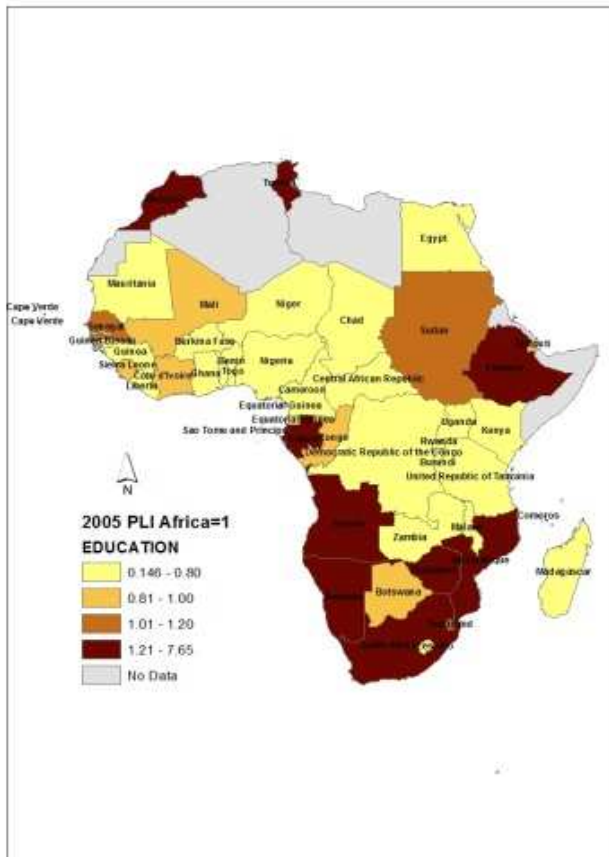
Essential services

2005 PLI	2011 PLI	2011 Real Expenditure in ZAR
Medical Products (0.57)	Medical Products & Equip (0.54)	Medical Products & Equip (0.52)
Medical Services (0.59)	Pharmaceutical Products (0.52)	Pharmaceutical Products (0.49)
Education (0.57)	Medical Services (0.50)	Medical Services (0.50)
	Education (0.43)	Education (0.49)

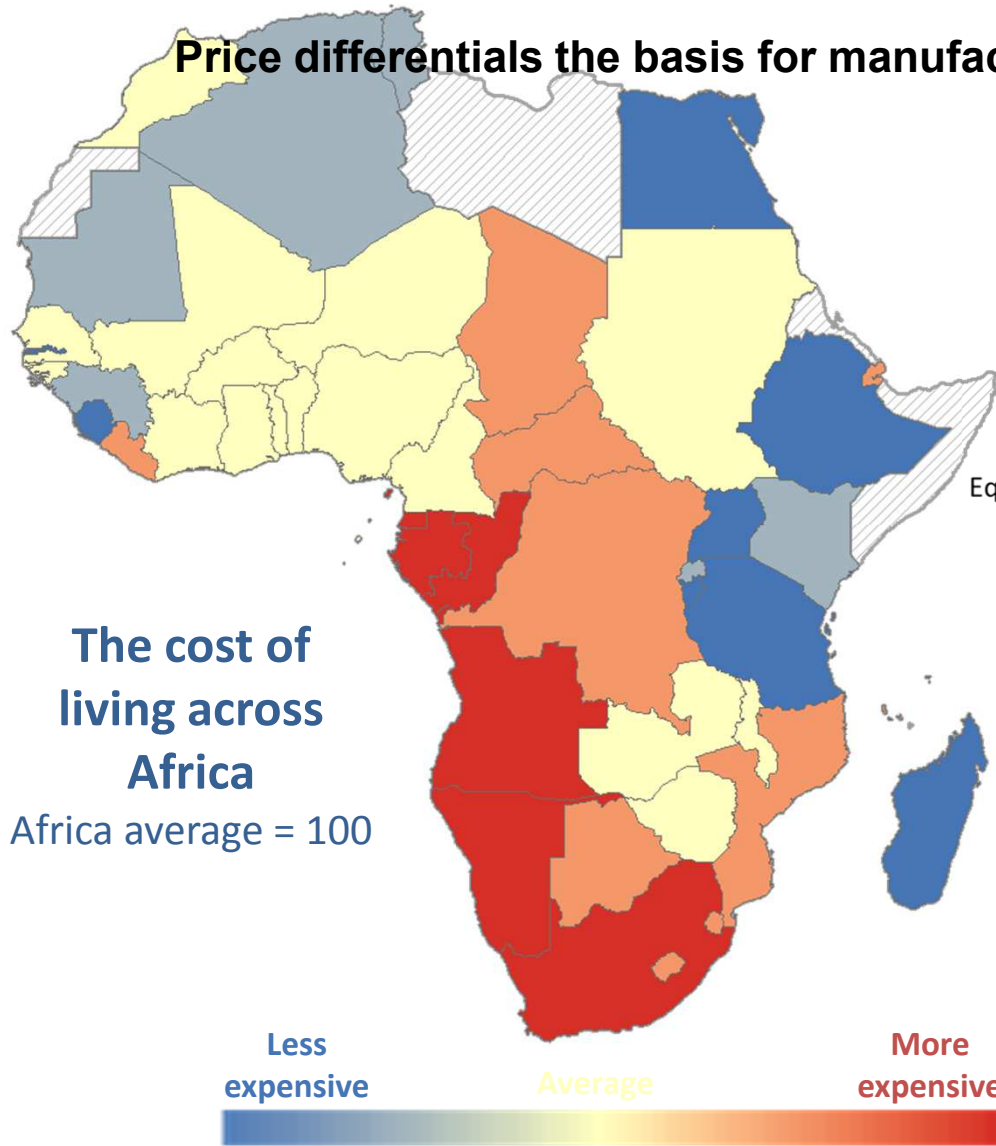
Some illustrations: Health prices 2005 to 2011



Some illustrations: Education prices 2005 to 2011



Price differentials the basis for manufacturing and trade



The cost of living across Africa
Africa average = 100

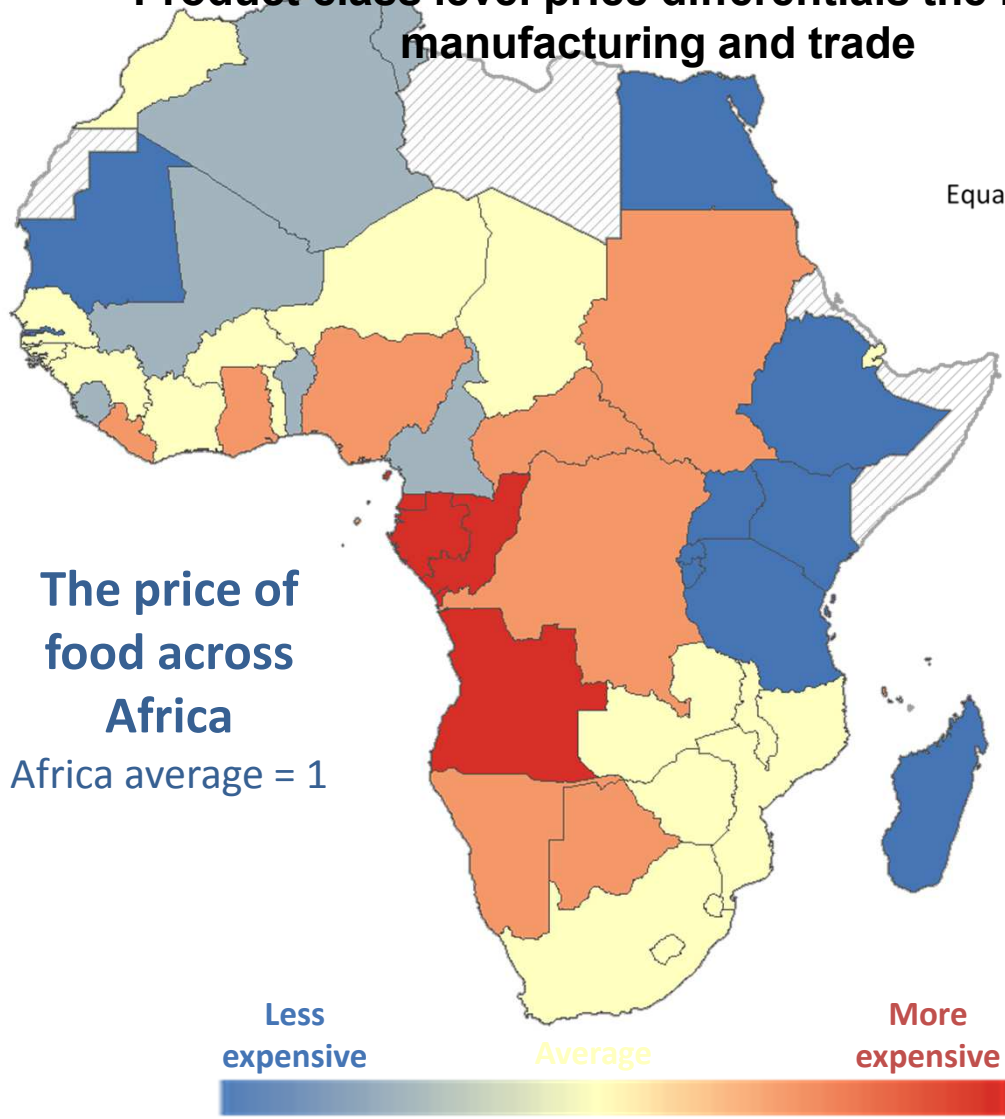
Most expensive countries

Angola	160
Gabon	148
South Africa	144
Namibia	141
Equatorial Guinea	137

Least expensive countries

Tanzania	73
Madagascar	73
Uganda	73
Ethiopia	64
Egypt	61

Product class level price differentials the basis for manufacturing and trade



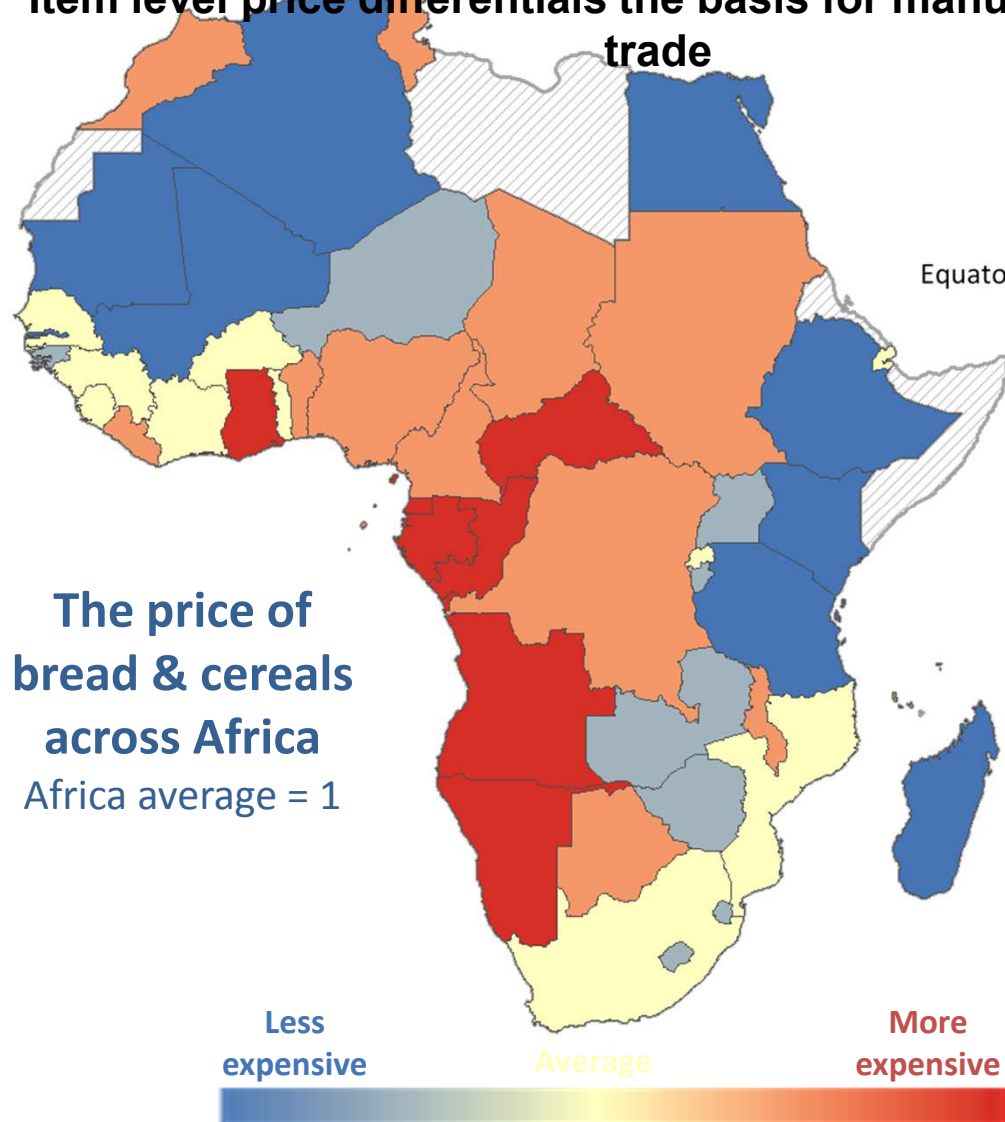
Most expensive

Gabon	1.79
Equatorial Guinea	1.62
Angola	1.62
Congo	1.47
Namibia	1.43

Least expensive

Tanzania	0.77
Egypt	0.75
Madagascar	0.74
Uganda	0.71
Ethiopia	0.67

Item level price differentials the basis for manufacturing and trade



Most expensive

Gabon	1.80
Angola	1.52
Equatorial Guinea	1.52
Congo	1.49
CAR	1.42

Least expensive

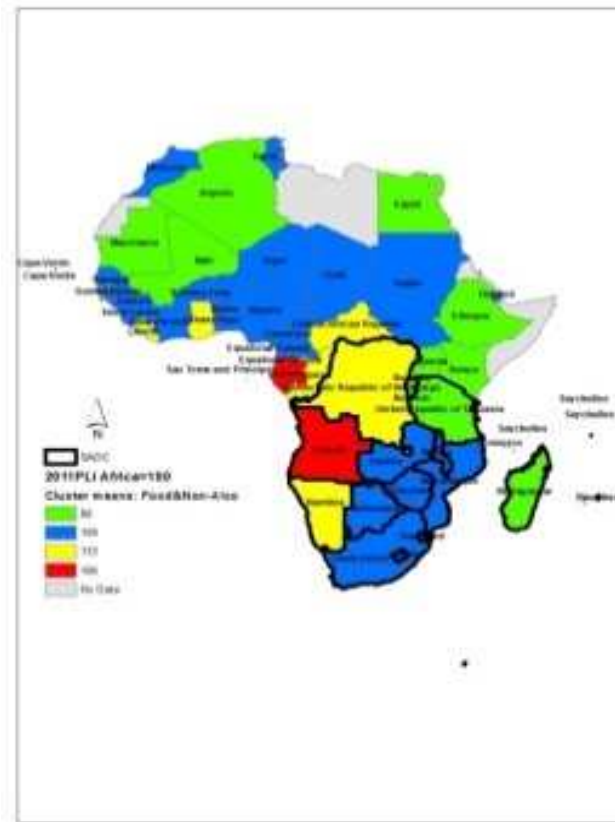
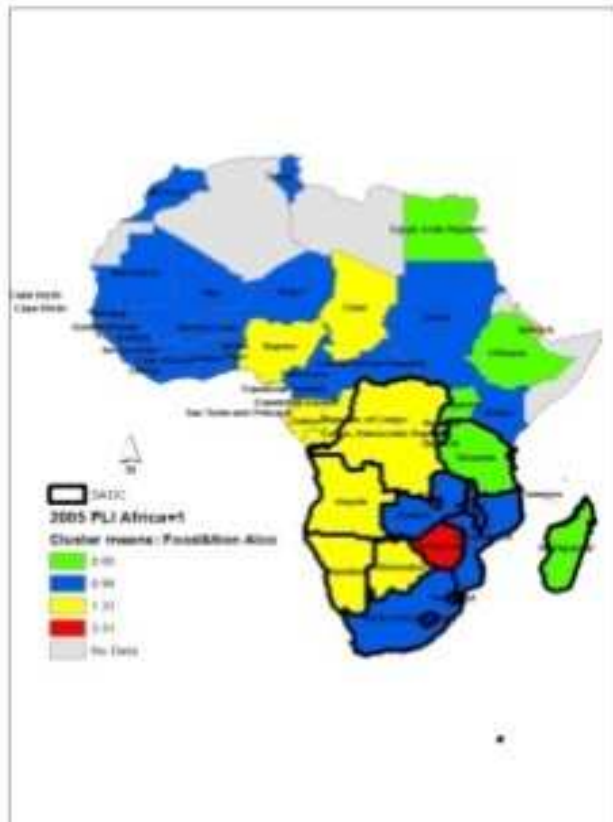
Mauritania	0.79
Gambia	0.79
Mali	0.78
Ethiopia	0.71
Algeria	0.67

Bread & cereals includes rice, other cereals & flour, bread, other bakery products, and pasta products

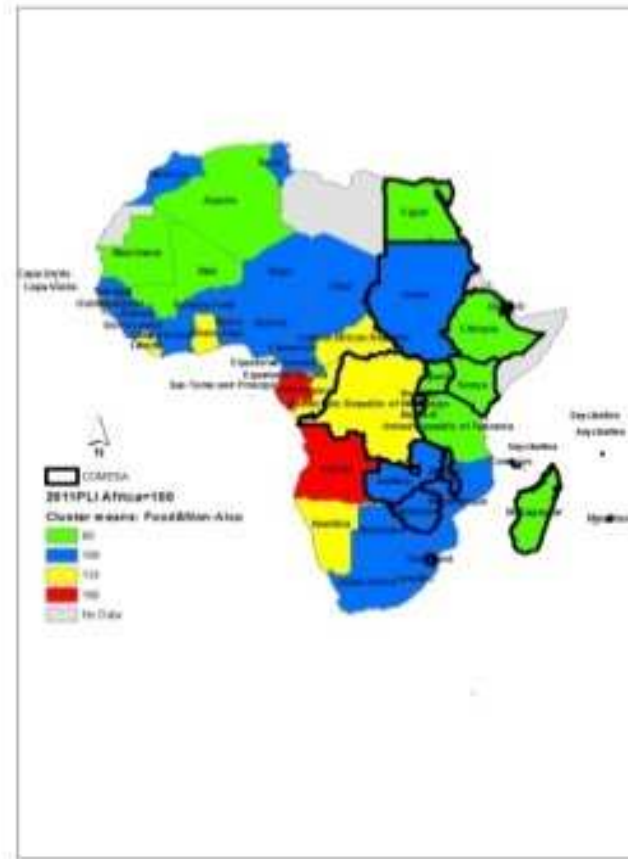
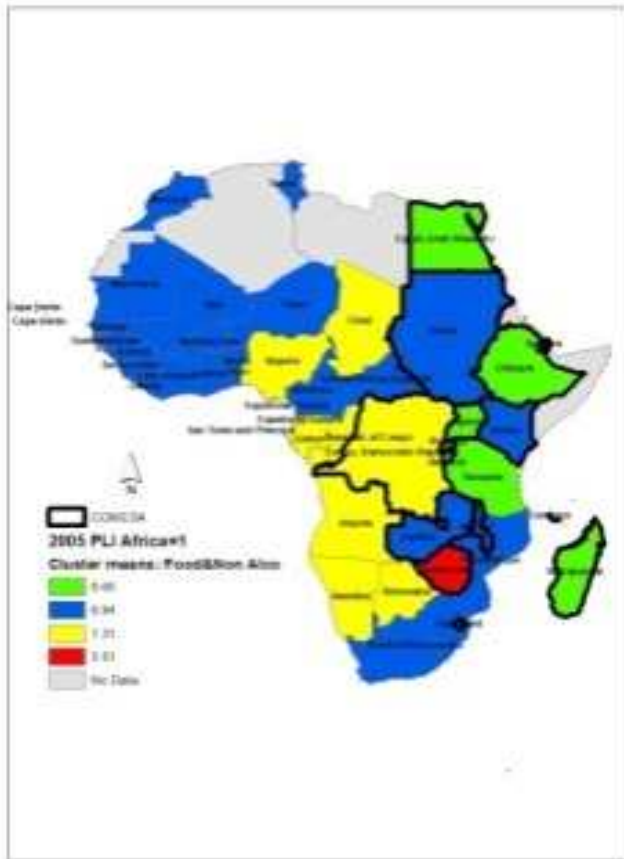
**What informs Africa's
regional system and thus
industrial strategy**



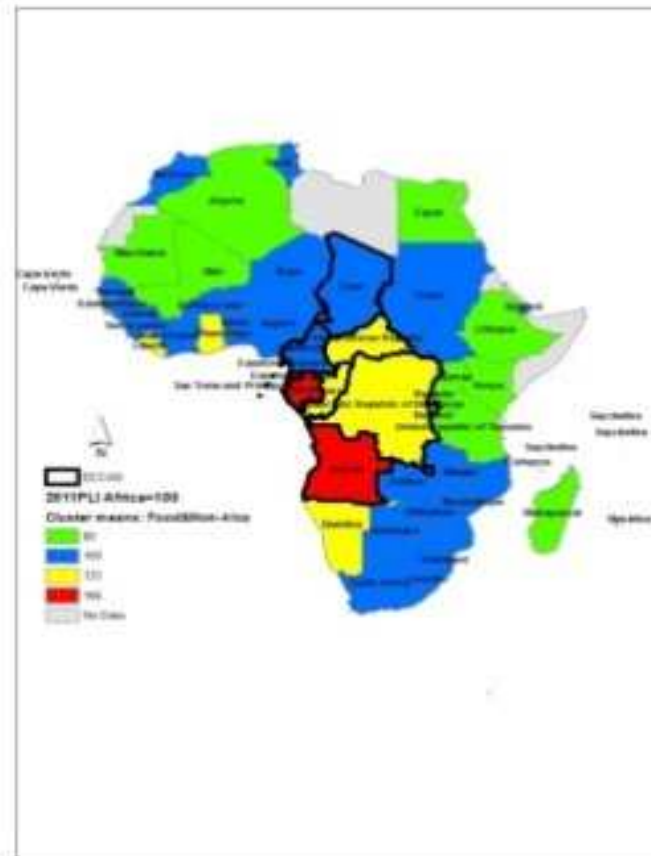
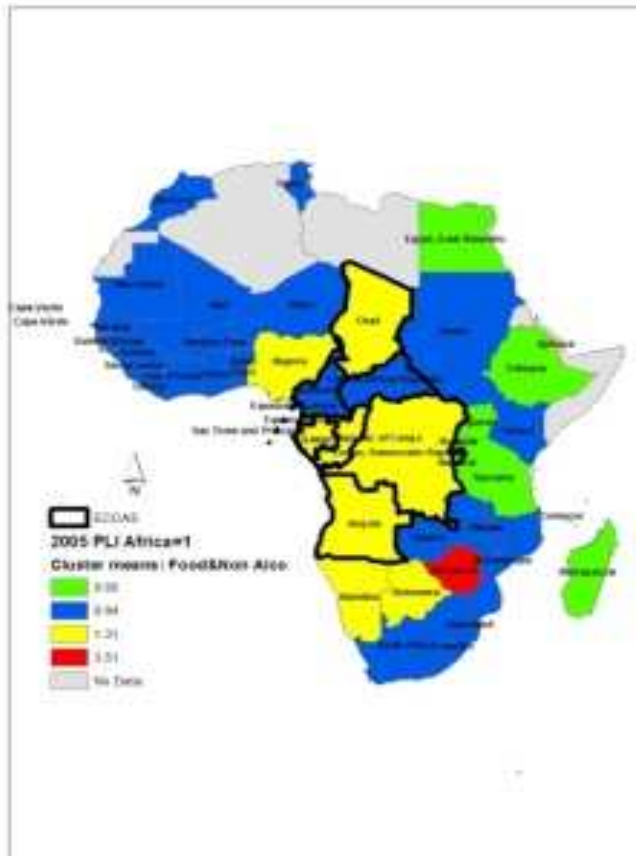
Some illustrations: SADC Food & non-alcoholic beverages



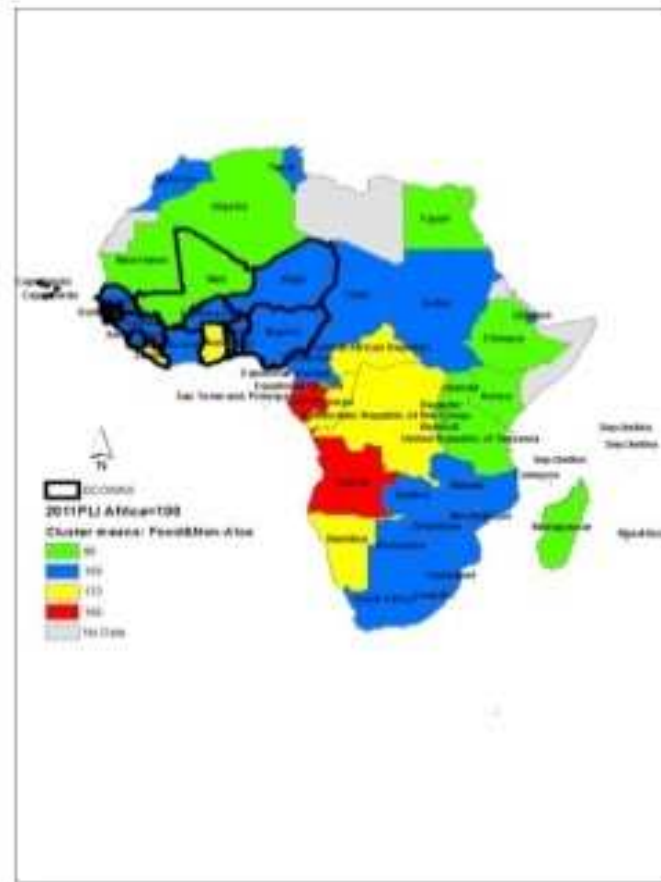
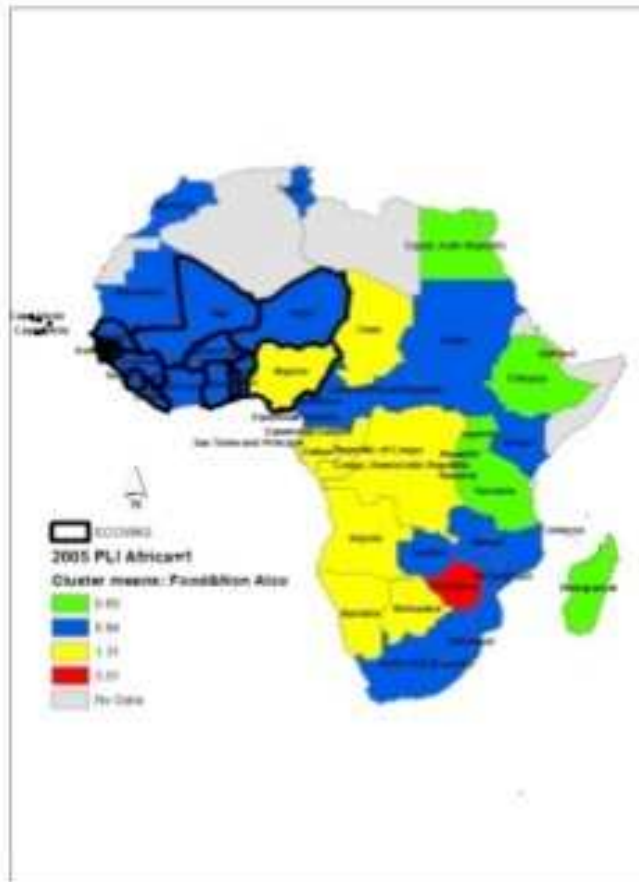
Some illustrations: COMESA Food & non-alcoholic beverages



Some illustrations: ECCAS Food & non-alcoholic beverages



Some illustrations: ECOWAS Food & non-alcoholic beverages



Thank You