

Identifying Data Gaps and Challenges Faced in Rural Poverty

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OPHI

Expert Group Meeting on Eradicating Rural Poverty to Implement the 2030 Agenda
For Sustainable Development

UN DESA Feb 27- March 1 Addis Ababa

Tabita, Kenya

Rabiya, India

Stéphanie, Madagascar

Agathe, Madagascar

Dalma, Kenya

Ann-Sophie, Kenya

Valérie, Madagascar





Outline

Identifying stereotypes (the case of South Africa)

The economics of rural poverty – Immiserising Growth Jagdish Bhagwati

Measuring Poverty

What to do about it

Identifying Stereotypes the case of South Africa

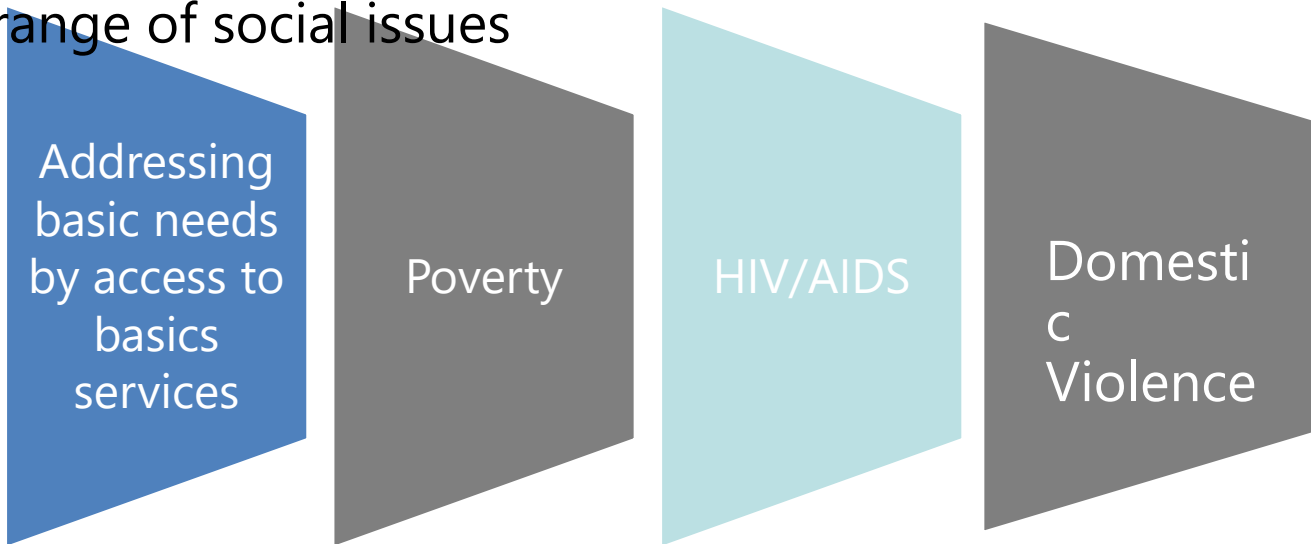


Embedding and enforcing of stereotypes
Example of little boys training livestock to be hostile to women



Current Reality

SA has 41,3% female headed households but suffer **disproportionality** higher rates in terms of a range of social issues





Circa 1953-1957

http://www.historicalpapers.wits.ac.za/?inventory_enhanced/U/Collections&c=203296/R/A427-100

“Ke rata Mosali ea tsohang
ka meso ho etsa kopi ea tee
ea Joko –
Ke rata Monna ea buang
joalo ka oena hobane le ‘na
ke rata Joko”

Radio Bantu advert

When thick, domestic and informal it's women's business
When commercial and clear it's a mans business



Image Source:<http://www.markonabike.com/2016/10/visiting-langa-township-meeting-a-legend/>
Image <https://www.voanews.com/a/south-africa-ancient-beer-umqombothi-extinction/3735541.html>

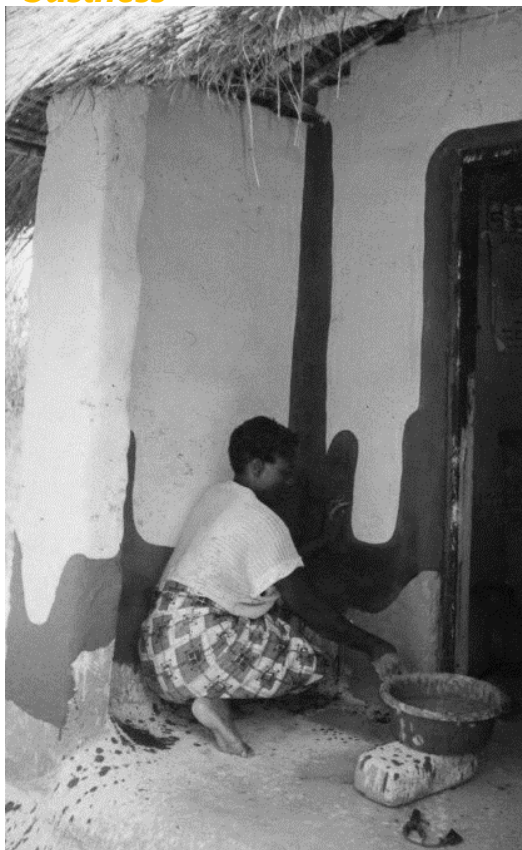
When carried on the head it's Women's business
When commercial it's a mans business



Image http://www.5sense.com/EA/Timbuktu/02_donkey_cart.jpg

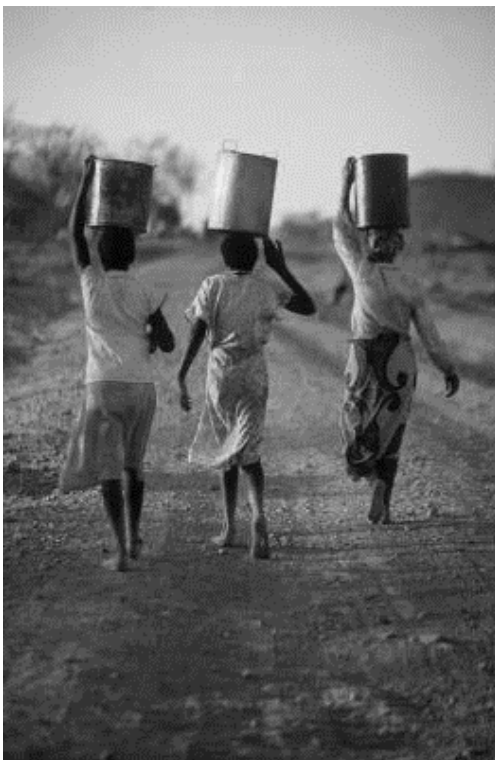
When it's eye line levels it's women's business

When above eye line, scaffolded and commercial it's a man's business



https://commons.wikimedia.org/wiki/File:Men_at_work_in_a_residential_house_construction_site.jpg
<https://www.pinterest.com/pin/333970128594847945/>

When it's on the head it's a women's business
When it's using tools it's a man's business

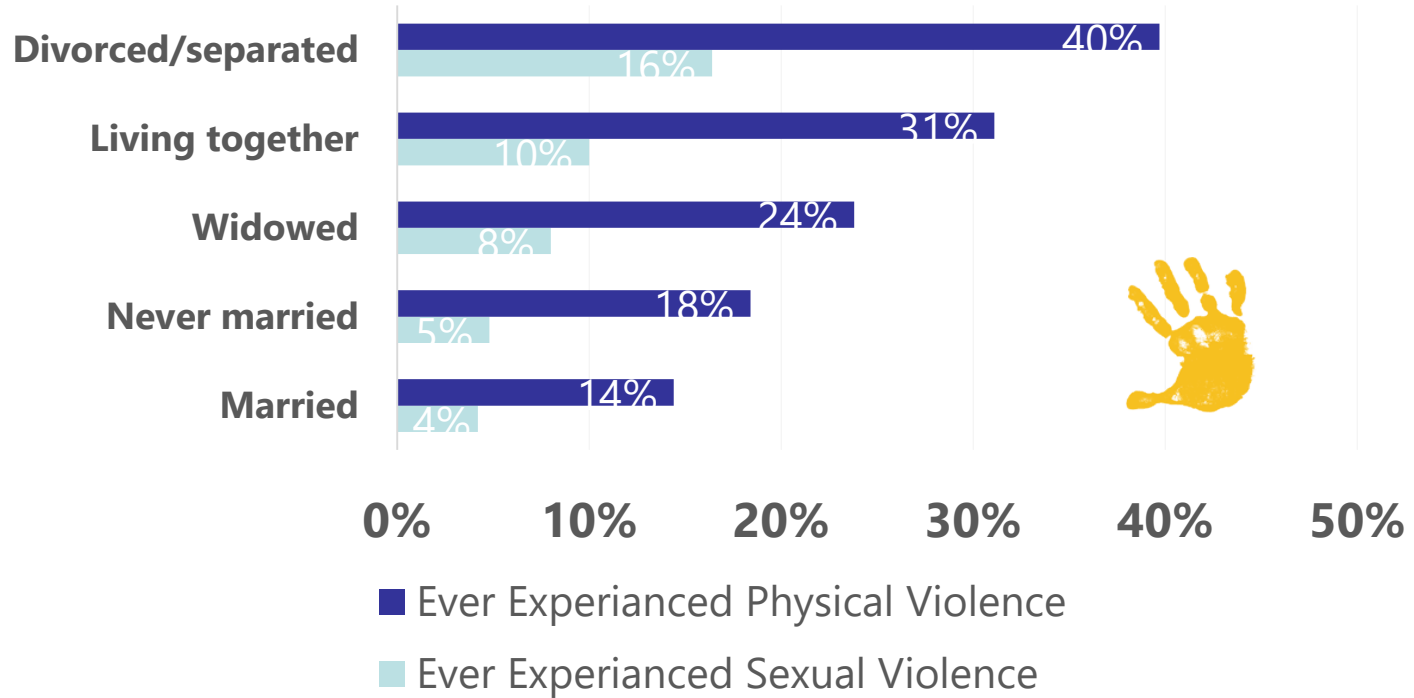


<https://www.groundup.org.za/article/taps-run-dry-mooiplaas/>

<https://africart.wordpress.com/>

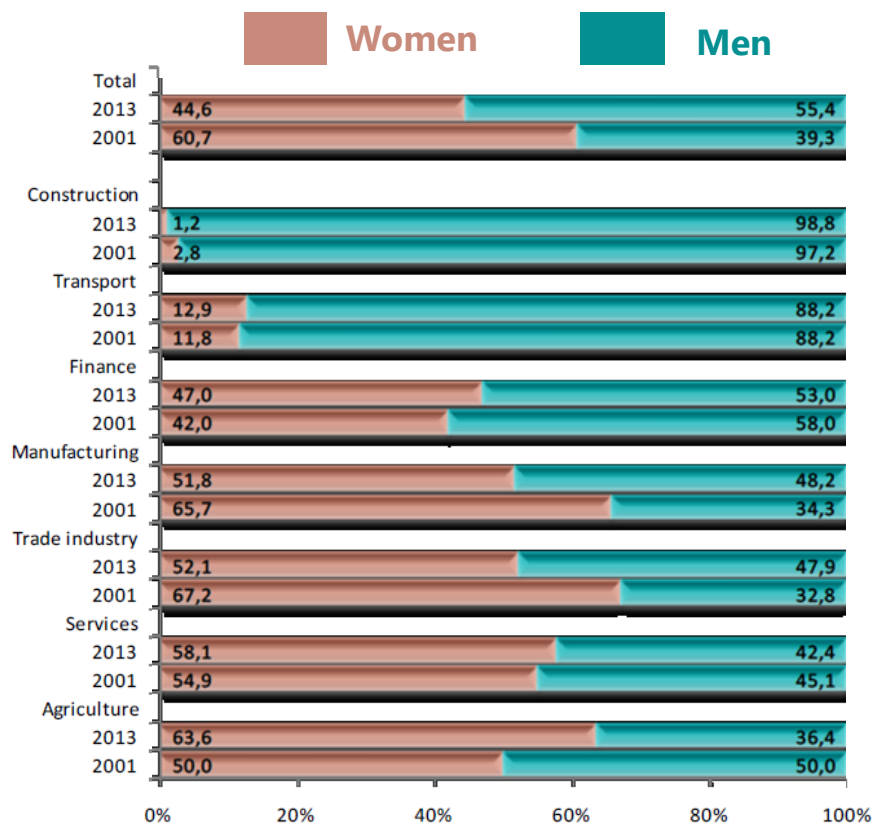
Experience of Violence by Marital Status

Women 18+ years



Source: SADHS 2016

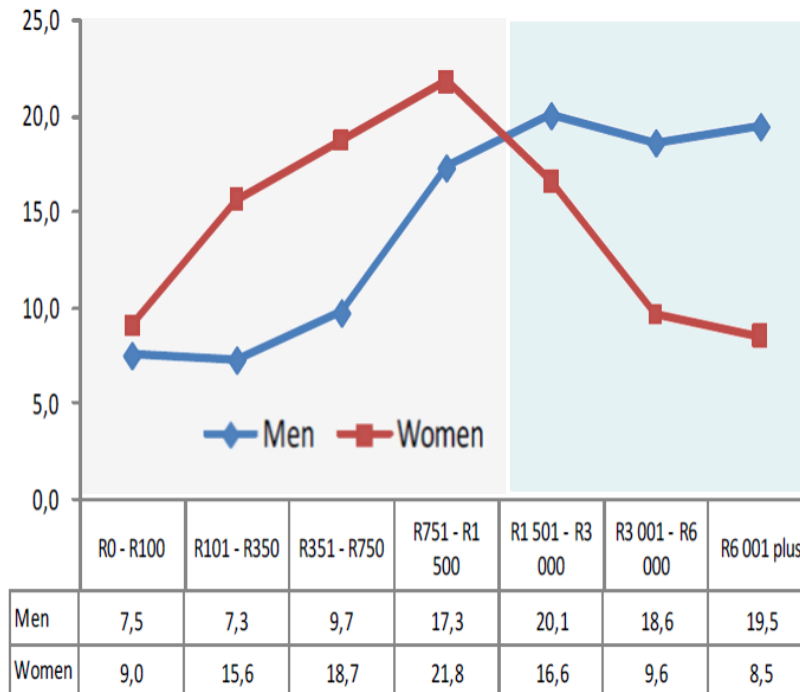
Persons running non-VAT registered businesses by industry and sex, 2001 and 2013



Over the period 2001 and 2013, larger proportions of men operated such businesses in the Construction, Transport and Finance industries.

Survey of Employers and the Self-Employed, 2013

Turnover in the last month of persons running non-VAT registered businesses by sex, 2013



larger proportions of informal businesses operated by men compared to women had the highest levels of turnover

Survey of Employers and the Self-Employed, 2013

The economics of rural poverty – Immiserising Growth Jagdish Bhagwati



The Economics of immiserising growth –Jagdish Bhagwati

Development is not possible without growth but growth is possible without development

- Its growth should be characterised by a more than proportionate increase in the production of its export commodity – mono crop exports cocoa in West Africa, rice in India during green revolution, copper in Zambia, migratory labour in Lesotho;
- The supply of its export commodity should be price inelastic so that it is willing to export more even at reduced price; It is typically a price taker
- The share of its export commodity in the total supply in international markets should be large enough to depress its international price.

When these three conditions coexist growth of such a country or community will be immiserising and this is a character of rural agrarian communities

Poverty – multidimensional measurement for multidimensional phenomena

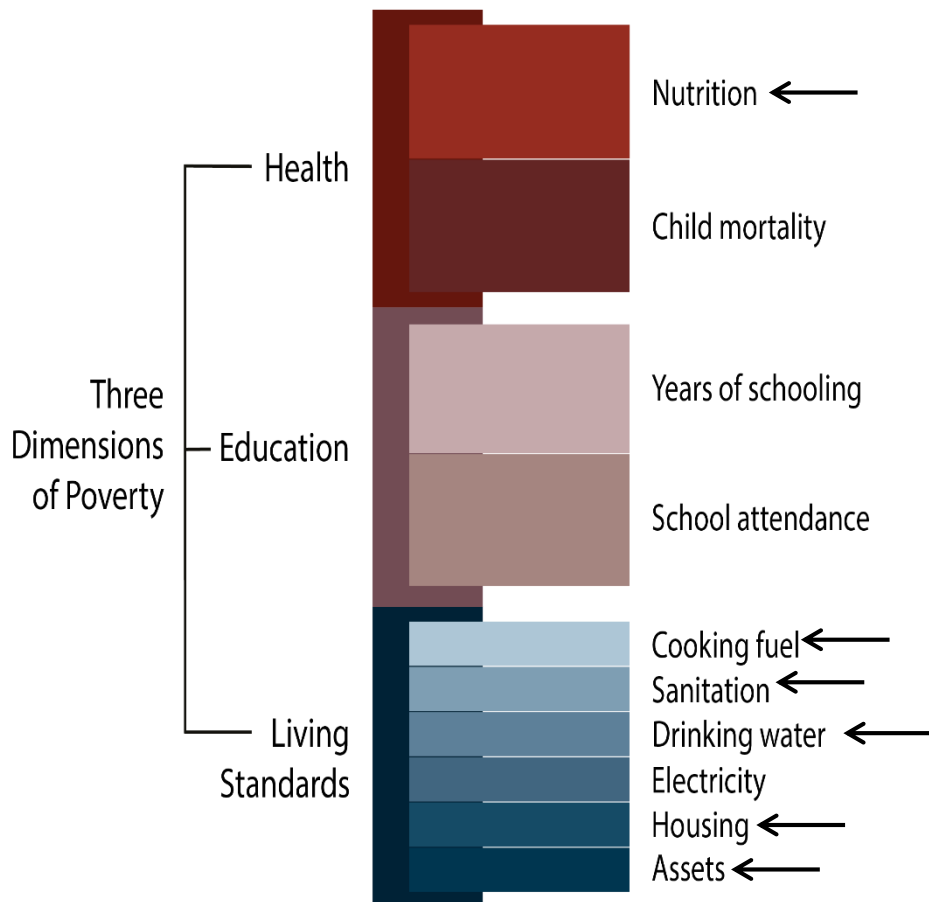


What is the global MPI?

The global MPI was first developed in 2010 by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford for the UNDP flagship publication *Human Development Report*. The global MPI is updated at least once per year to include newly released data.

14-year old Amutha, India

A person who is deprived in 1/3 or more of the weighted indicators is MPI poor.

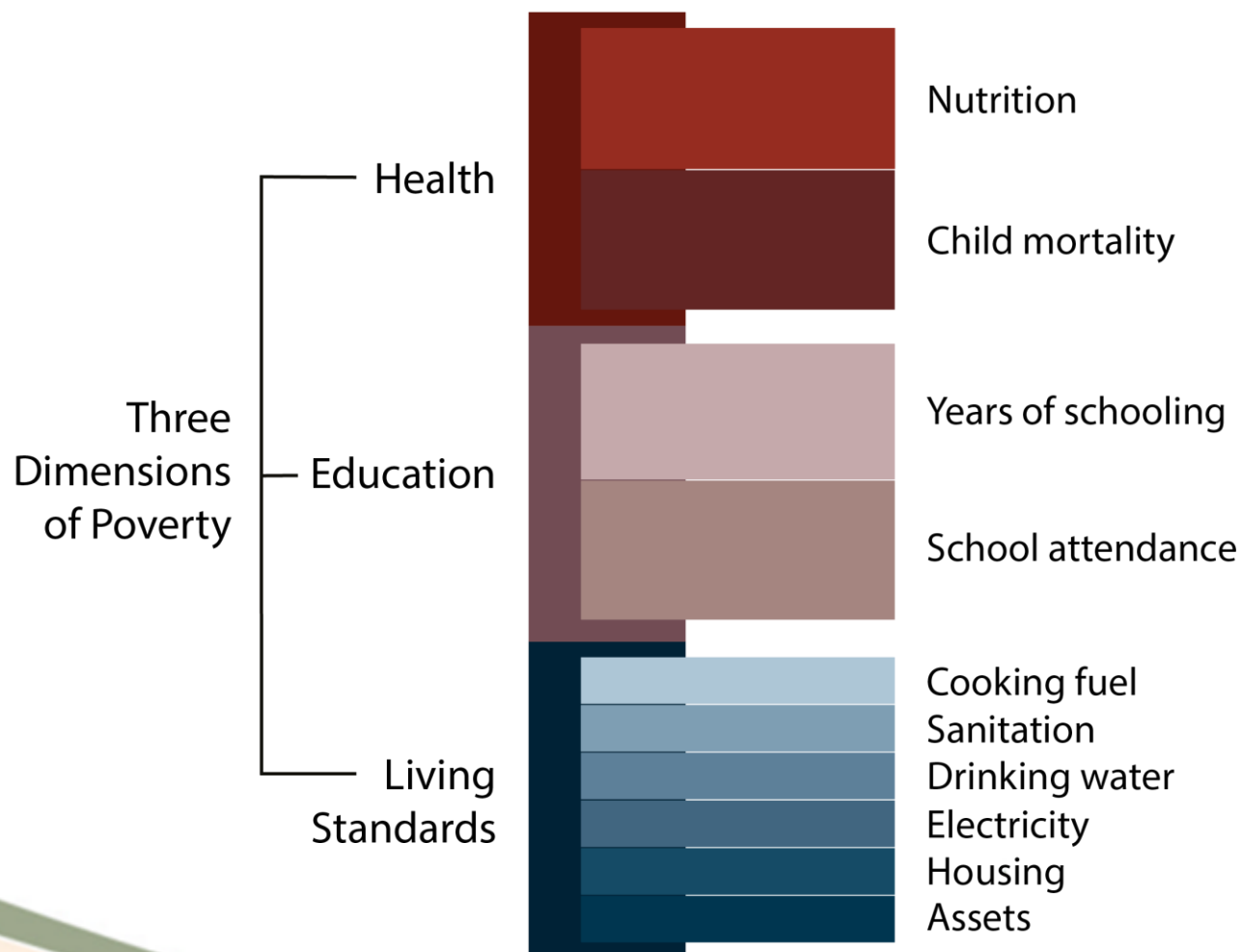


Amutha is poor: she and her family are deprived in more than 1/3 of the MPI weighted indicators.

What is new in 2018?

- In 2018, OPHI and UNDP undertook a joint revision of the global MPI, drawing upon and subsuming the best of the previous MPI by adjusting five of its ten indicators to better align the global MPI with the SDGs.
- The results from this year cover 100+ countries, and is disaggregated by over 1000 sub-national regions, as well as by rural-urban areas and age groups, making it particularly useful in identifying people who are left behind in multiple SDGs.

The global MPI 2018



The global MPI 2018

DIMENSIONS OF POVERTY	INDICATOR	SDG AREA	DEPRIVED IF...	WEIGHT
Health	Nutrition	SDG 2	Any person under 70 years of age for whom there is nutritional information is undernourished.	1/6
	Child mortality	SDG 3	Any child has died in the family in the five-year period preceding the survey.	1/6
Education	Years of schooling	SDG 4	No household member aged 10 years or older has completed six years of schooling.	1/6
	School attendance	SDG 4	Any school-aged child ⁺ is not attending school up to the age at which he/she would complete class 8.	1/6
Living Standards	Cooking fuel	SDG 7	A household cooks with dung, agricultural crop, shrubs, wood, charcoal or coal.	1/18
	Sanitation	SDG 11	The household's sanitation facility is not improved (according to SDG guidelines) or it is improved but shared with other households.	1/18
	Drinking water	SDG 6	The household does not have access to improved drinking water (according to SDG guidelines) or safe drinking water is at least a 30-minute walk from home, roundtrip.	1/18
	Electricity	SDG 7	The household has no electricity.	1/18
	Housing	SDG 11	The household has inadequate housing: the floor is of natural materials or the roof or walls are of rudimentary materials.	1/18
	Assets	SDG 1	The household does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike, or refrigerator, and does not own a car or truck.	1/18

How do you calculate the MPI?

The MPI uses the Alkire & Foster (2011) Method:

$$\text{Formula: } \text{MPI} = M_0 = H \times A$$

- 1) **Incidence** or the headcount ratio (H) ~ the percentage of people who are poor.
- 2) **Intensity of people's deprivation** (A) ~ the average share of dimensions (proportion of weighted deprivations) people suffer at the same time. It shows the *joint distribution* of their deprivations.

Data: Surveys (MPI 2018)

Demographic & Health Surveys (DHS - **51**)

Multiple Indicator Cluster Surveys (MICS - **43**)

DHS-MICS (**2**)

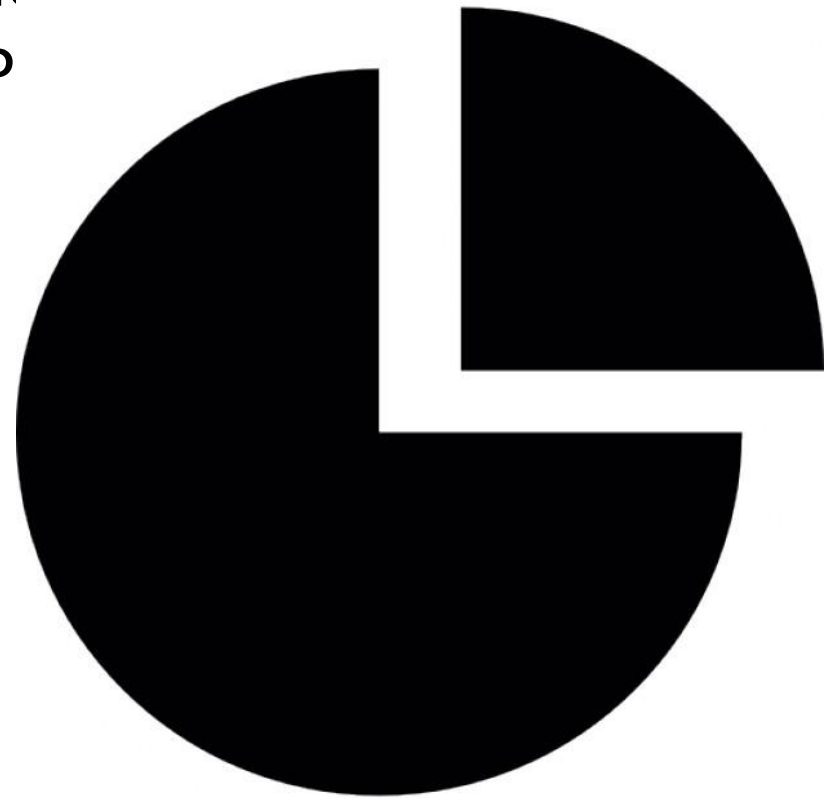
Pan–Arab Project for Family Health (PAPFAM – **3**)

6 national surveys covering China (CFPS), Ecuador (ECV), Jamaica (JSLC), Mexico (ENSANUT) and South Africa (NIDS) are used, with revision pending for Brazil (PNAD).

Data are 2006-2016/17.

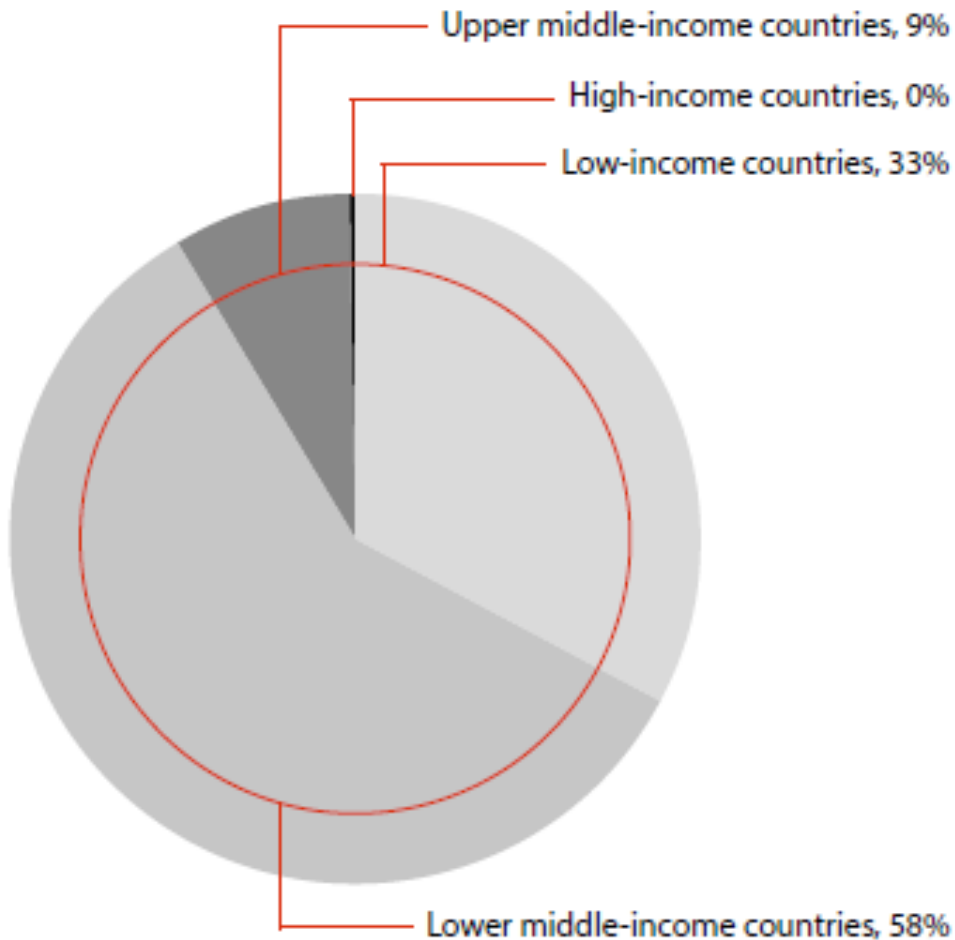
KEY FINDING: 1.3 BILLION PEOPLE LIVE IN MULTIDIMENSIONAL POVERTY IN THE 100+ COUNTRIES COVERED

This represents over 23% – nearly a quarter – of the population in the countries for which the 2018 MP calculated.



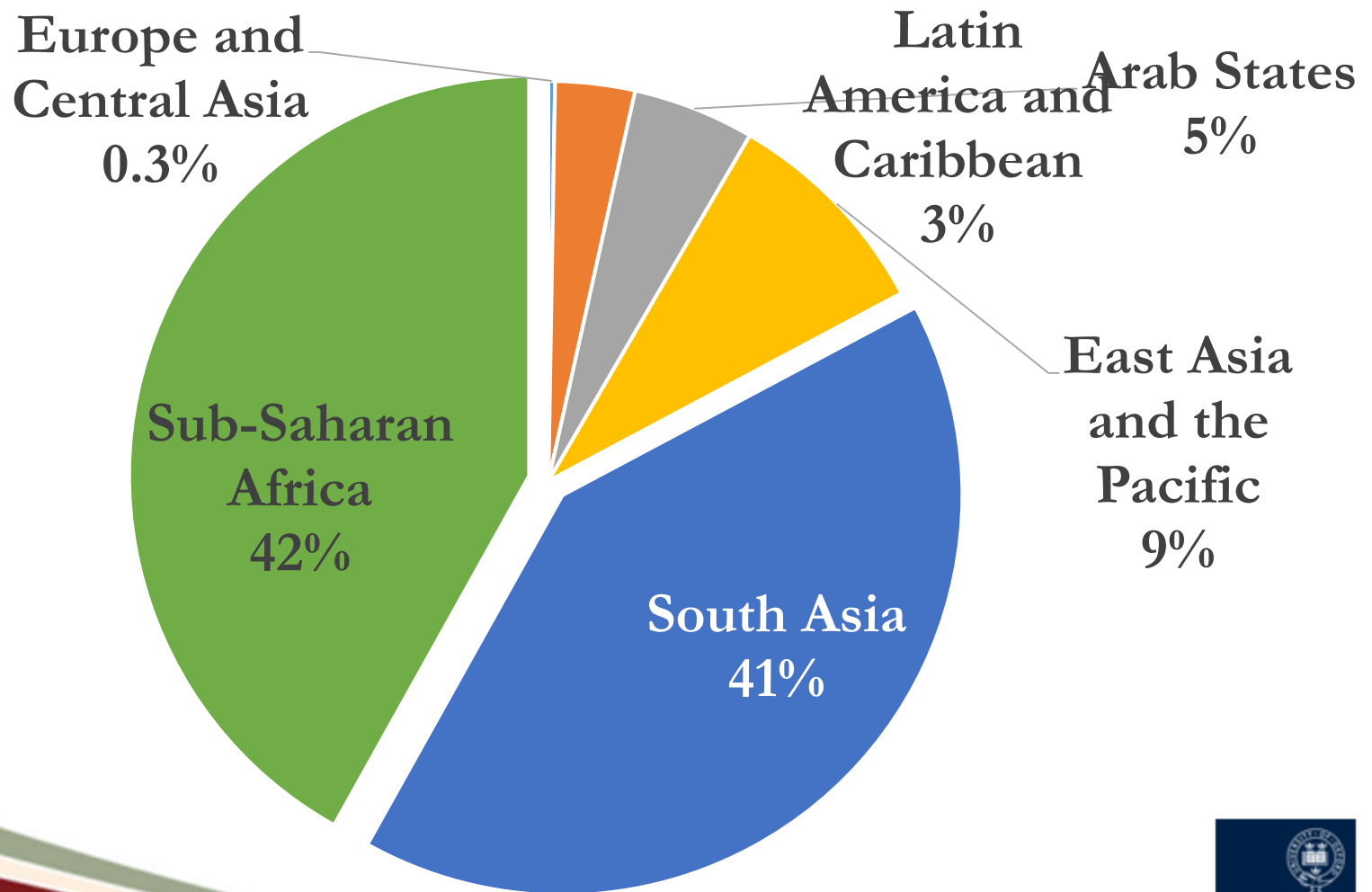
KEY FINDING: SOME TWO-THIRDS OF THE WORLD'S MPI POOR LIVE IN MIDDLE INCOME COUNTRIES

A. Where Do the World's Poor Live?



But Nearly 65% of people in Low Income Countries are poor compared to 18% on average in middle- or high-income countries.

KEY FINDING: 83% OF THE WORLD'S MPI POOR LIVE IN SOUTH ASIA AND SUB-SAHARAN AFRICA



THE MPI ACROSS MAJOR GEOGRAPHIC REGIONS

Developing Regions (UN Statistics Division)	MPI ¹	Headcount ratio (H) ²	Intensity (A) ³	Number of poor people (millions) ⁴	Population coverage by MPI
Arab States	0.098	19.2%	50.8%	65.7	85%
East Asia and the Pacific	0.025	5.9%	43.1%	117.7	94%
Eastern Europe and Central Asia	0.009	2.4%	38.3%	3.5	43%
Latin America and the Caribbean	0.042	10.1%	41.8%	52.3	81%
South Asia	0.143	31.3%	45.8%	545.9	95%
Sub-Saharan Africa	0.317	57.8%	54.9%	559.6	99%

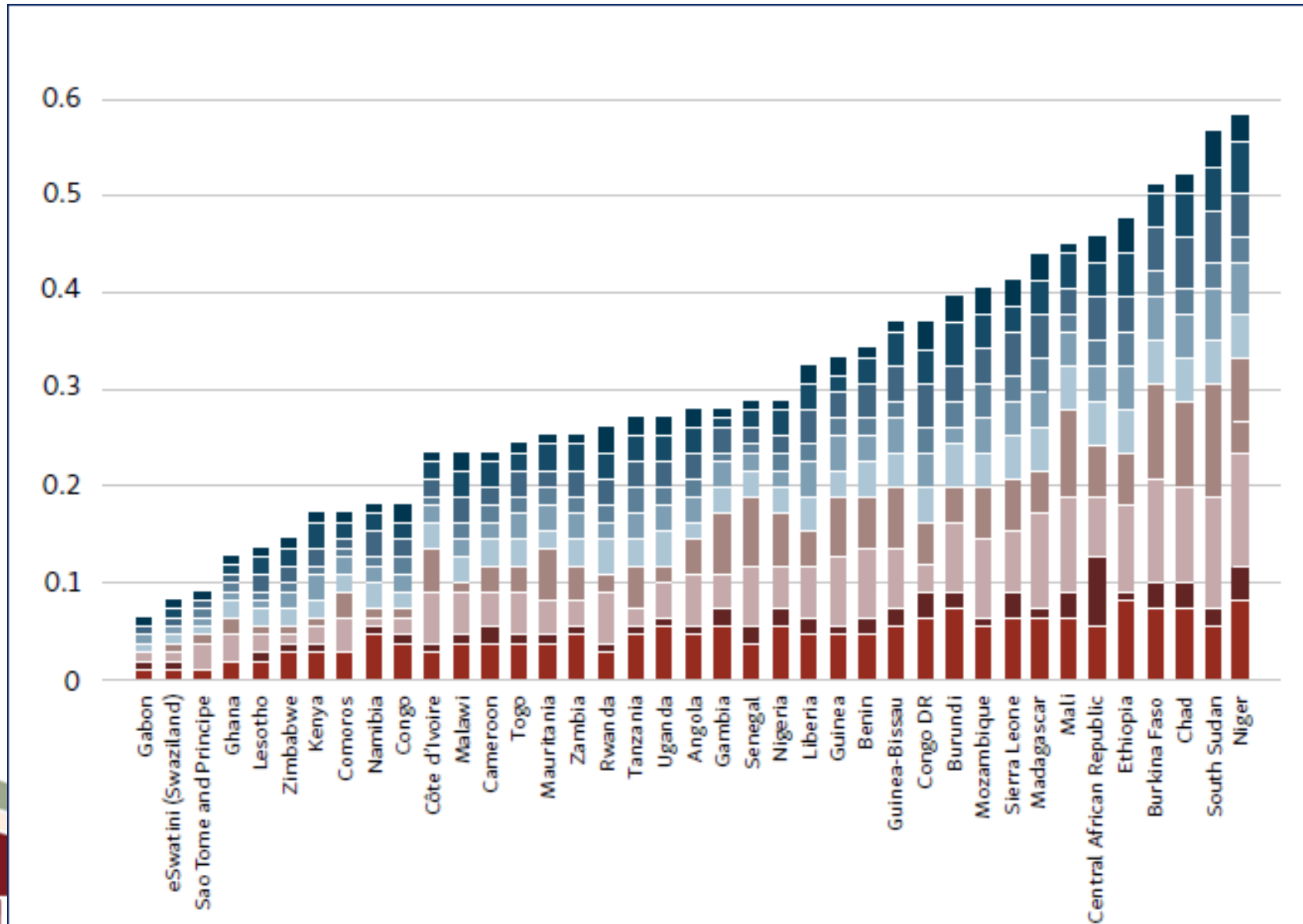
Source: Own computations; all aggregates are population-weighted.

1. The *Multidimensional Poverty Index (MPI)* ranges from 0 to 1.
2. The *headcount ratio* is the percentage of the population with deprivation score of 1/3 or above.
3. The *intensity* is the average percentage of weighted deprivations among the poor.
4. The *number of poor people* uses 2016 population figures.

HOW ARE THEY POOR?

How many people are MPI poor and deprived in:	Million	Share of MPI poor
Nutrition	817	61%
Child mortality	183	14%
Years of schooling	657	49%
School attendance	486	36%
Cooking fuel	1199	89%
Sanitation	1043	78%
Water	589	44%
Electricity	721	54%
Housing	1046	78%
Assets	571	42%

LEVEL & COMPOSITION OF MPI IN SSA

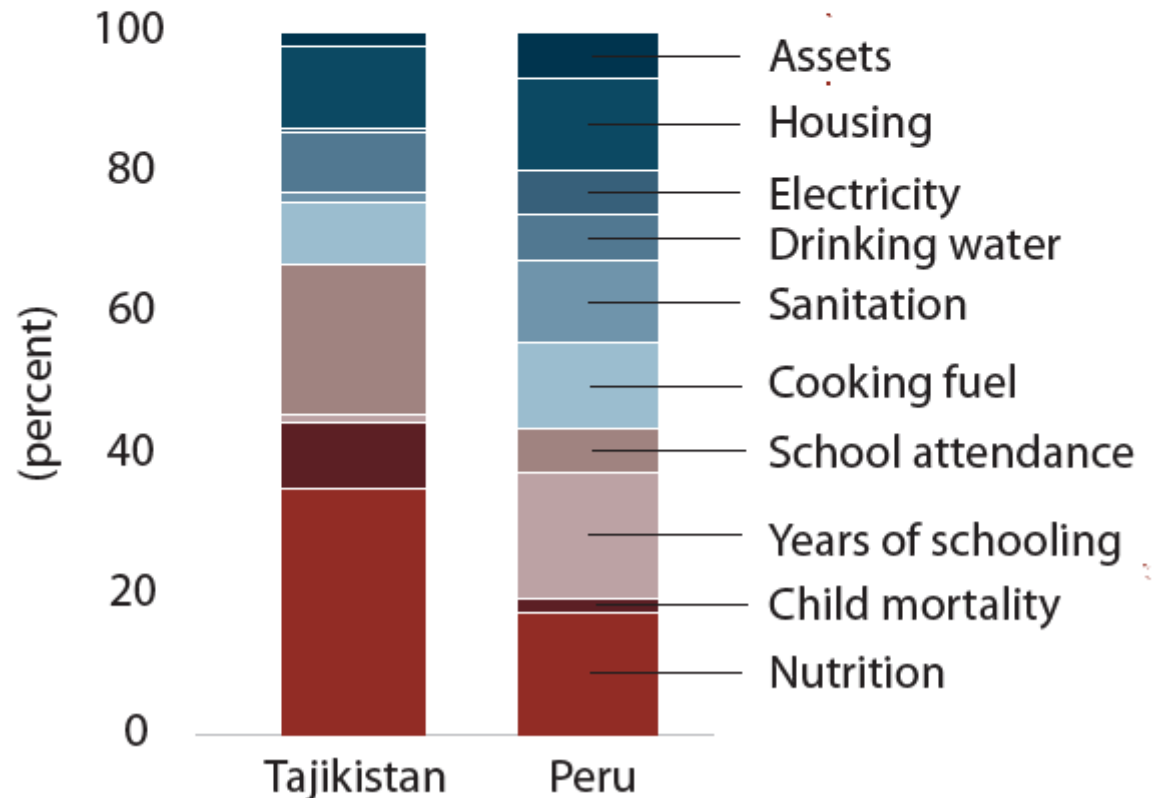


INFORMING POLICY:

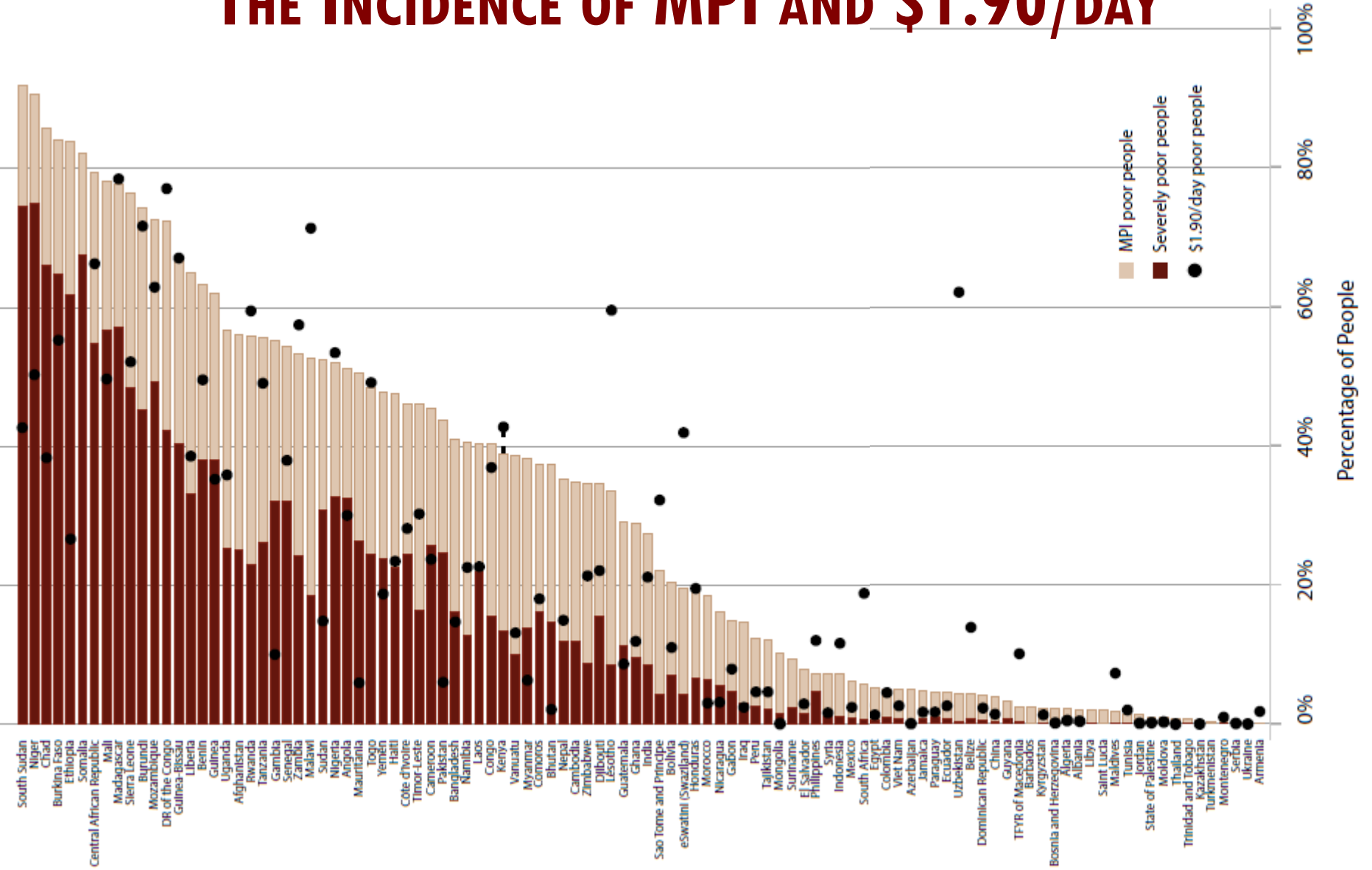
**THE MPI SHOWS
THE SHAPE OF
POVERTY FOR EACH
GROUP — AND IT
VARIES.**

Breaking down the MPI by indicator to show the composition of poverty in a country

Example: Tajikistan and Peru have **similar MPI levels**, but **they differ markedly in the poverty composition**. In Peru years of schooling contributes 18 percent of the MPI while in Tajikistan it is only 1 percent.



THE INCIDENCE OF MPI AND \$1.90/DAY



HOW RECENT AND COMPLETE ARE THE DATA?

- Thirty-two countries with 2.58 billion people and **797 million poor** people draw on data from **2015–2016/17**.
- Thirty-five countries with 2.46 billion people and **390 million MPI poor** people draw on data from **2013–2014**.

So surveys for 1.19B of the 1.34B poor people (88%) were fielded in 2013 or more recently.

- Twenty-three countries with 541 million people and **89 million MPI poor** people draw on data from **2011–2012**.
- Fifteen countries with 151 million people and **68 million MPI** poor people draw on data from **2006–2010**.

87 countries have all 10 indicators; only Philippines lacks information on two indicators; others lack one.

59% of poor people:
data are 2015-2016/17

88% of MPI poor
people: surveys
fielded in 2013 or later.

But: the year must
always be taken into
consideration when
analyzing the MPI.

HOW ROBUST ARE THE FINDINGS?

Following Amartya Sen, we assess whether global MPI values are robust to a “plausible range” of specifications.

A core robustness test evaluates the percentage of pairwise comparisons between countries, considering standard errors, that remain unchanged if the poverty cutoff is set at 20% or 40% instead of 33.33%.

That is, if country A is poorer than country B (at 95% significance) with a poverty cutoff of one-third is it also poorer if the poverty cutoff is 20%?

In the case of the global MPI, 94.9% of the statistically significant pairwise comparisons across 104 countries are robust.

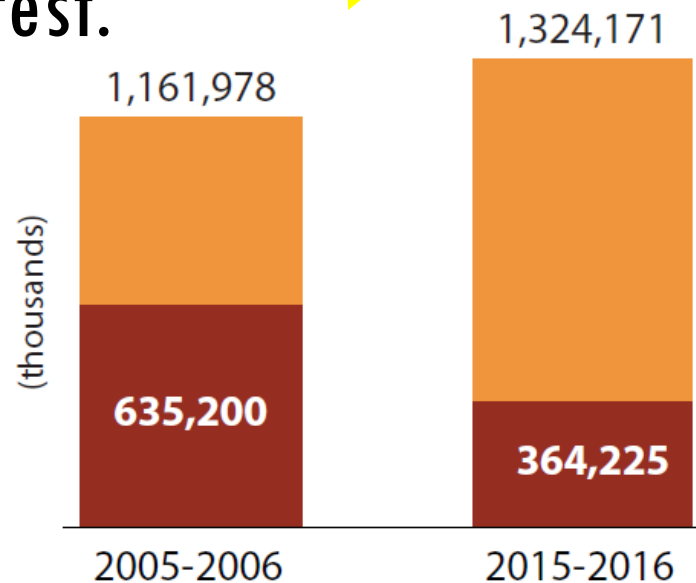
This means that the relative values of the MPI remain unchanged to a quite large extent, across alternative cutoffs for identifying multidimensionally poor people.

KEY FINDING : 271 MILLION PEOPLE MOVED OUT OF POVERTY IN INDIA

India cut the poverty rate from **55% to 28%**
The poorest states reduced poverty fastest.



Yet India still has the largest number of people living in poverty in the world: 364 million



INDIA
364 million



NIGERIA
97 million



ETHIOPIA
86 million



PAKISTAN
85 million



BANGLADESH
67 million



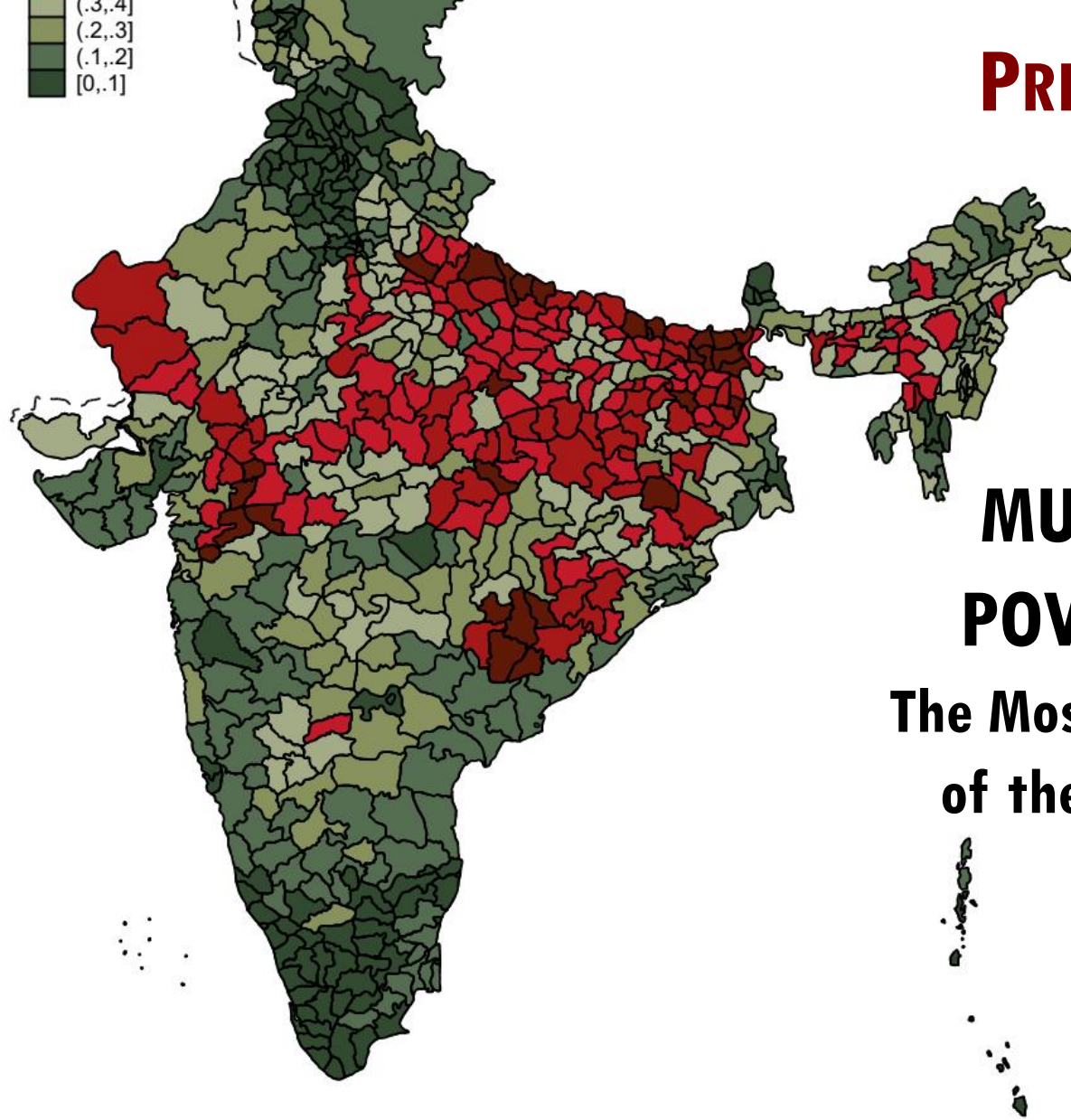
PRELIMINARY REPORT

ONLINE:

GLOBAL MULTIDIMENSIONAL POVERTY INDEX 2018

The Most Detailed Picture to Date
of the World's Poorest People

WWW.OPHI.ORG.UK



What should be done about poverty



What should be done about poverty

Tax Revenues are not enough to address poverty

Move from the billions to the trillions of investments to deal with poverty

- **Shared vision**
- **Better social intervention performance**
- **The active participation of the public the private sector and social sectors**
- **A periodic measurement of the impact of social policy**

The Time is ripe to place Multidimensional poverty measures and interventions as an agenda for Davos

Create a unified view on poverty from a business perspective