IMPROVING POVERTY MEASUREMENT METHODS

In 1987 I submitted a large report on poverty in Mexico. Later Eduardo Suárez-McAuliffe wrote a comment on the report. It included a severe critique on the report’s structure, singling out the lack of integration between the income based poverty measurement and the parallel description of levels and evolution of deprivation in the satisfaction of such basic needs as: education, housing, health care, water and sanitation. This critique changed my view of the topic, as did the research by Beccaria and Minujin (1987) and Katzman (1989). They had been experimenting with the contrasts between populations identified as poor by two poverty methods: income or poverty line (PL) and Unsatisfied Basic Needs (UBN). UBN is a procedure which, in its Latin American variants, regards a household as poor if it is deprived in one or more basic items. PL and UBN can be used simultaneously to draw the following contingency table which is illustrated here, using the 1985-86 data from a Peruvian UNDP poverty project (1990).

<table>
<thead>
<tr>
<th></th>
<th>UBN non-poor</th>
<th>UBN poor</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL non-poor</td>
<td>16.5</td>
<td>29.3</td>
<td>45.8</td>
</tr>
<tr>
<td>PL poor</td>
<td>40.7</td>
<td>13.5</td>
<td>54.2</td>
</tr>
<tr>
<td>Sum</td>
<td>57.2</td>
<td>42.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Neither Beccaria-Minujin nor Katzman realised they had envisaged a new poverty measurement method. However through Suárez-McAuliffe’s critique, I discovered a new method which I called the Integrated Poverty Measurement Method (IPMM). According to the IPMM, the poor population is the union of both sets of the poor. In the table the poor are those in three out of the four cells (marked in italics): the poor by both methods and the poor by one of them. In the Peruvian case 70.7% (40.7%+13.5%+16.5%) of the population is considered poor. UNDP’s project promoted the application of this method in several Latin American countries. The rationale behind conceiving PL and UBN as complementary and not as alternative methods, derives from the insight that well-being at the household and individual levels can be traced to the following six welfare sources: 1) current income; 2) basic family assets, i.e. household assets and consumer durables (housing and domestic basic durables and utilities); 3) non-basic assets and the capability to borrow; 4) entitlements to free or highly subsidised governmental goods and services; 5) knowledge; 6) free time. Evolution of social welfare depends on the level and on the distribution of these six welfare sources.

The main limitation of partial methods such as PL and UBN is that they portray well-being as if it depended on only some of these sources. PL takes only into account source 1, and implicitly, source 3 when the household variable is consumption instead of income (as consumption can be financed by selling non-basic assets). Latin American applications of UBN implicitly incorporate sources 2, 4 and 5. Thus two conclusions can be drawn. Firstly,
both PL and UBN are partial methods. This renders their results biased as they only consider some welfare sources. Secondly, the sources of welfare considered by the two are different, therefore, the methods can be seen as complementary and not alternative.

The IPMM as originally developed and applied had serious drawbacks and had to be modified. The drawbacks were related to the original versions of PL and UBN which were incorporated into IPMM. These drawbacks can be summarized as: 1) It is, as the UBN variant which it incorporates, a head-count-only-method. 2) The head-count index increases as the items included increase. 3) There is a built-in tendency towards a downward trend in the incidence of poverty which is partly explained by the use of constant thresholds for the identification of deprivation in each UBN dimension. 4) The limitation of the PL dimension to food poverty. 5) The non-consideration of time as a welfare source.

An IPMM improved variant (IPMM-IV) overcomes these limitations. The way it handles information by transforming all UBN non-metric variables into metric scales, allows for the calculation of all available poverty aggregated measures (e.g. the standardised gap, the Sen Index, the Foster, Greer or Thorbecke index). The number of items included in its UBN component can be increased without necessarily increasing the incidence of poverty as a consequence of its capability to compensate deprivation, in one dimension, with welfare (above the norms) in other dimensions. It incorporates in the definition of UBN thresholds a relative view of deprivation which allows thresholds to move up as certain standards are changed in society. It incorporates a PL variant which is based on budget standards for all human needs and not only for food. Finally, it incorporates free time into its measurement procedure.

The IPMM-IV has been applied empirically for 7 years. In Boltvinik and Hernández Laos (1999), both the conceptual and methodological dimensions as well as the empirical results are developed further. The analysis is useful for international comparisons and can be applied to different cultural realities.

The challenge from Suárez-McAuliffe’s criticism transformed itself into a new poverty measurement method. In applying it, the schizophrenic feeling of parallel and disintegrated realities vanishes. Instead, a holistic view emerges which increases the comprehension of poverty. The method allows one to draw up deprivation profiles, including income and time deprivation for each household or for groups of them. One can thus identify, for instance, those which are time poor but not income poor. Some of these groups might have appeared in the first category and been excluded in the second one. In the book are drawn deprivation profiles for six social strata and various regional and urban-rural breakdowns. The heterogeneity of poverty emerges in all its richness and demands a diversified policy approach. For a detailed survey of poverty measurement methods where the reader can relate IPMM-IV to other poverty measurement methods and find a detailed analysis of most of them, see Boltvinik (1999 and forthcoming).

References
Boltvinik, Julio and Enrique Hernández Laos (1999), Pobreza y Distribución del Ingreso en México, siglo XXI editores, México City.
Julio Boltvinik is Professor at Centro de Investigaciones Sociales, El Colegio de Mexico. He can be reached by E-mail: jbolt@colmex.mx

Social Capital Formation in Poverty Reduction:
Which Role for the Civil Society Organizations and the State

Programme for the symposium organised jointly by CROP, UNESCO/MOST and ISSC June 28, 14.30-17.30, at the UN "World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalized World” in Geneva, Switzerland.

The symposium is open to the public.

Francine Fournier – Introduction
Francine Fournier is Assistant Director-General of UNESCO.

Else Øyen – Social Capital Formation as a Poverty Reducing Strategy?
Else Øyen is past President of the International Social Science Council and Chair of CROP.

Miquel Darcy de Olivera – Title to come
Miquel Darcy de Olivera is member of the Council of Comunidad Solidaria and Coordinator of the National Program for the Promotion of Volunteer Work in Brazil.

Faith Innerarity – Comments to Øyen's and Olivera's presentation
Faith Innerarity is Director of Social Security in the Ministry of Labour and Social Security, Jamaica and currently serves as vice-Chairman of the UNs Commission for Social Development.

Michael Woolcock – Social Capital in Theory and Practice: Building Pro-Poor Synergies Between States, Markets and Civil Society
Michael Woolcock is a social scientist with the Development Research Group at the World Bank. He is also lecturer in public policy at Harvard University.

Sanjeev Prakash – Social Capital and the Rural Poor: What can Policies and Civic Actors do?
Sanjeev Prakash is Director of the Environment, Technology and Institutional (ETI) Consultants in New Delhi, India.

Faith Innerarity - Commentstto Woolcock's and Prakash's presentation

Else Øyen – Summing up the Discussion

Francine Fournier – Closing of the Symposium

Vol. 7. No. 2, June 2000 page 2
CALL FOR PAPERS
CROP AND IISL CONVENE A WORKSHOP ON
LAW AND POVERTY IV:
MOVING TOWARDS INTERNATIONAL POVERTY LAW?
OSATI, SPAIN, MAY 2 - 4, 2001

CROP organises the fourth workshop in its series on “Law and Poverty” in co-operation with the International Institute for the Sociology of Law (IISL). You are cordially invited to submit a paper (in English) for the workshop.

The aim of this workshop is to discuss economic, social and cultural rights advocacy in the context of:

- The WTO, UNCTAD, OECD, IMF, and the World Bank
- Regional free trade agreements such as NAFTA, Mercosur, Caricom, Andean Community, European Union, Asia/Pacific Economic Cooperation Forum, ASEAN, etc.
- The activities of transnational corporations pursuant to international law and codes of conduct developed by the OECD and organizations such as Human Rights Watch and Amnesty International, among others.

Within this broad framework for international poverty law, time will also be devoted to reflect on the question of linkage. The lack of knowledge of the relationships between international avenues and conduits is common with many activists whose work is narrowly focused on their own area.

So far the “Law and Poverty” workshops have been dominated by European participation. It is important that intellectual links are created across the Mediterranean and researchers from Islamic and African countries who are working on law and poverty issues are therefore particularly welcome to attend the workshop.

The workshop will be limited to 25 participants. All participants will be expected to take part in the proceedings (in English), presenting and discussing papers. Participants bear the responsibility for their own funding. However, a limited number of travel grants are available.

The grants will be awarded from the CROP Secretariat, according to geography (CROP’s policy is to prioritise researchers from “the third world”) and the relevance, quality and originality of the abstract/paper. Please indicate if you need a travel grant, enclose a budget, and state the amount you are able to cover from other sources. As a rule, accommodation will be covered for all participants during the workshop.

If you wish to present a paper, please send an abstract (in English) to the CROP Secretariat:

THE DEADLINE IS NOVEMBER 1st, 2000

The abstract should include: name, title, a brief CV, full postal and e-mail address, phone andfax numbers; the title of the proposed paper and a summary of the main theme or argument. Please also indicate which of the categories, listed above, your paper falls into. The summary should indicate theory, methods and findings of your proposed paper, and should not exceed ONE PAGE (A4). Include also a list of your recent publications on a separate sheet.

Participants will be notified by December 1st whether their proposals for papers have been accepted, and will then be given details of the format in which the papers should be prepared (the deadline for submission of the paper will be March 1st, 2001).

All enquires about the workshop should be addressed to: CROP Executive Officer Erling Tesdal, CROP Secretariat, Fossinckelsgate 7, N- 5007 Bergen, Norway, Tel: +47 55 58 97 44, Fax: +47 55 58 97 45, e-mail: crop@uib.no

During the last couple of decades much has been invested in educational programmes for the poor. Illiteracy rates have been attacked through elementary education for both children and adults, transfer to secondary education has been encouraged through different kinds of programmes and incentives, and vocational skills have been developed through on-the-job training and through more formalised programmes. Although much can be said about both the quality, content and extent of the different programmes, in particular their shortcomings in the adaptation to the realities and needs of the poor, education is an important instrument in the development of pro-poor strategies.

Less noticed, or almost entirely unnoticed, is the need for education of the non-poor if successful pro-poor strategies are to be developed. The non-poor have limited knowledge of the real world of the poor. Decisions concerning poverty are frequently based on incomplete and misleading data. Often the data are of such a low quality that the non-poor would never have accepted them in their own world, neither in business, nor in politics.

Physically the world of the poor and the world of the non-poor are kept apart, through differential land use and ghettoization. Socially, the two worlds are kept apart through differential participation in the labour market, the economy, and the social and cultural institutions. Mentally the two worlds are kept apart through stereotyping and false images built by tradition and media. The strong emphasis on individual failures as causes of poverty contributes to keep the distance between the two worlds.

The separation of the two worlds makes for few meeting places and limited development of realistic knowledge and correction of false images.

In London, during the bombing in the Second World War, middle and upper class women went into the poor neighbourhoods to help evacuate the children. That in turn led to the Beveridge Report and the formation of the British welfare state. The women were shocked by a reality they never knew existed, and a new social consciousness was formed among influential non-poor people almost overnight.

Increasing internationalisation may have some of the same effect. Doctors travelling to epidemic areas, volunteers working in third world countries, and UN staff stationed in conflict zones all bring back new information on the world of the poor. Poverty research is expanding and improving in quality. Media take part in bringing the lives of the poor into the lives of the non-poor, although much too often in short and dramatic glimpses which evade the everyday realities.

The challenge is to develop a more systematic educational strategy to bring all these experiences into the public opinion and across to those decision-makers who decide the future of the poor. The idea of partnership between poor and non-poor that is now being promoted so vigorously is morally correct but does not happen on its own. It presupposes (among several other things) an acceptance of correct and realistic knowledge about poverty and its causes and an abandonment of widespread stereotypes.

So far the educational strategy has been one-sided in the sense that the obligation is with the poor to learn more about the world of the
non-poor in order to become better integrated and profit from the benefits located in the world of the non-poor. If successful pro-poor strategies are to be implemented it calls for a new social consciousness to be developed. Therefore, a future educational strategy has to be two-sided. Educational programmes must also be constructed in such a way that they reach the non-poor children, their parents, the bureaucrats, the politicians and the media and educate them about the world of the poor and causes of poverty.

As producers of knowledge poverty researchers have an important role to play within such a scenario.

Else Øyen, Chair of CROP

SYMPOSIUM ON POVERTY REDUCTION

The Institutes of Political Science and Cooperation in Developing Countries at the Philipps-University Marburg are organizing an international symposium on «Poverty reduction by participation? Self-help capacities and organisational possibilities of the urban poor in Third World countries.” The symposium will take place in Marburg, 6-9 July, 2000.

If you are interested in the symposium, contact Johannes Lauber, Institute for Political Science, Philipps-University Marburg, 35032 Marburg, Germany, ph: +49-6421-282-2158, fax: +49-6421-282-8991, E-mail: lauberj@mail.uni-marburg.de

HANDBOOK OF ANTI-POVERTY POLICY

The Everett Dirksen – Adlai Stevenson Institute on International Policy Studies welcomes articles for possible publication in the Handbook of Anti-Poverty Policy. The articles should deal with the following topics: (1) the nature and causes of poverty, (2) economic growth as an anti-poverty policy, (3) anti-poverty policies directed toward specific institutions, or (4) other topics that are relevant to preventing or reducing poverty in the USA or other countries.

For more information contact Prof. Stuart S. Nagel, PSO-DSI-MKM Center, 711 Ashton Lane South, Champaign, IL 61820, USA, Fax: +1-217-352-3037, E-mail: s-nagel@uiuc.edu.

UNDP POVERTY REPORT 2000

Much remains to be learned about how to make anti-poverty plans effective and to help accelerate the collective campaign against poverty in the next five years. "Overcoming Human Poverty", UNDP Poverty Report 2000 focuses on the issues. Visit "http://www.undp.org/povertyreport" on Internet to read the report.

For ordering information contact United Nations Publications, Sales and Marketing Section, Room DC2-853, Dept. 1004, New York, N.Y. 10017, USA, Tel.: +1-212-963-8302, Fax: +1-212-963-3489.

LIST OF CROP EVENTS

2000 - 2001


CROP IN BRIEF

CROP is a world-wide network of researchers and experts on poverty. The aim of CROP is to establish an arena for interdisciplinary and comparative research on poverty in developed and developing countries. CROP organises regional workshops, symposia and international conferences, promotes joint research projects and publications, links poverty researchers and disseminates information about poverty research, on a non-profit basis. CROP has developed a database on poverty researchers, and documentation of ongoing research. CROP is chaired by professor Else Øyen, University of Bergen, Norway.

If you wish to have your name listed in CROPnet, you are welcome to write to the CROP Secretariat and request a copy of the CROP Database Survey form. For further information please contact the CROP Secretariat.

WEBPAGE FOR CROP

Those who have an Internet connection and a WWW browser programme installed on the computer, find the CROP web page at http://www.crop.org. The pages hold general information about CROP, news about past and ongoing activities, as well as the latest CROP newsletter.

Please note: We can no longer answer the increased demand for copies of single papers presented at CROP conferences and workshops. However, if you have the patience, most of the papers become available through the publications that follow the conferences and will be duly announced. We still supply the authors addresses, phone & fax numbers.

At the CROP Secretariat you will meet:

Else Øyen, Chair
Kirsti Thesen Saalen, Co-ordinator
Hans Egil Offerdal, Special Adviser, pt.
Mexico
Einar Braathen, Programme Officer
Inge Erling Tesdal, Executive Officer

THE QUOTE

"Charity is no substitute for justice withheld"

St. Augustine

(354-430)