



ESCWA

United Nations Economic and Social Commission for Western Asia

# Rethinking Poverty Measurement:





# Outline

- I. Money-metric and multi-dimensional poverty
- II. Rethinking the measures
- III. Institutionalizing poverty measurement
- IV. Recap

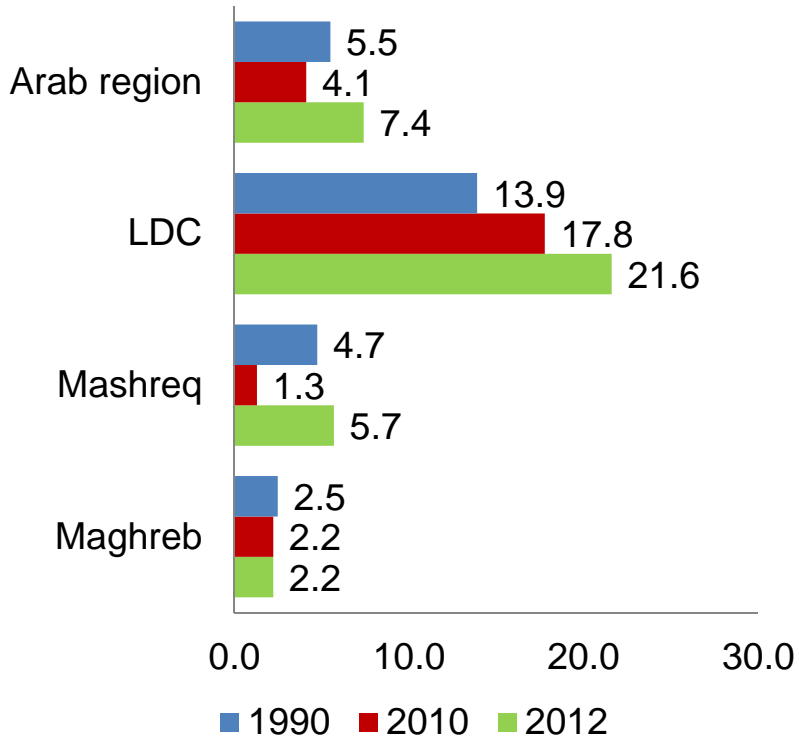


I International measurement methodologies are quite misleading, especially for middle- and high-income developing countries.

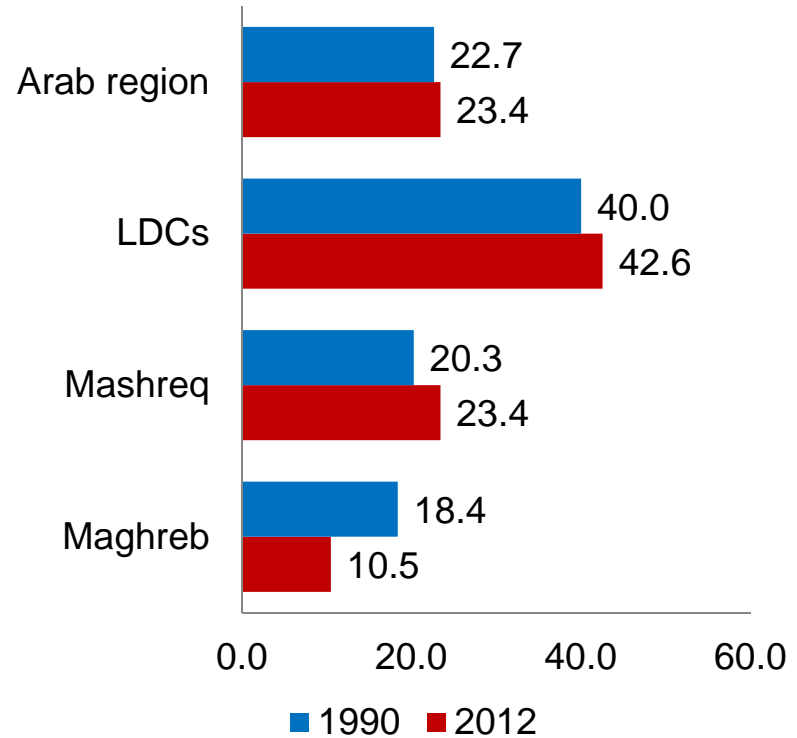


# I- Poverty in Arab countries by international and national poverty lines

- International poverty line, 1.25\$/day



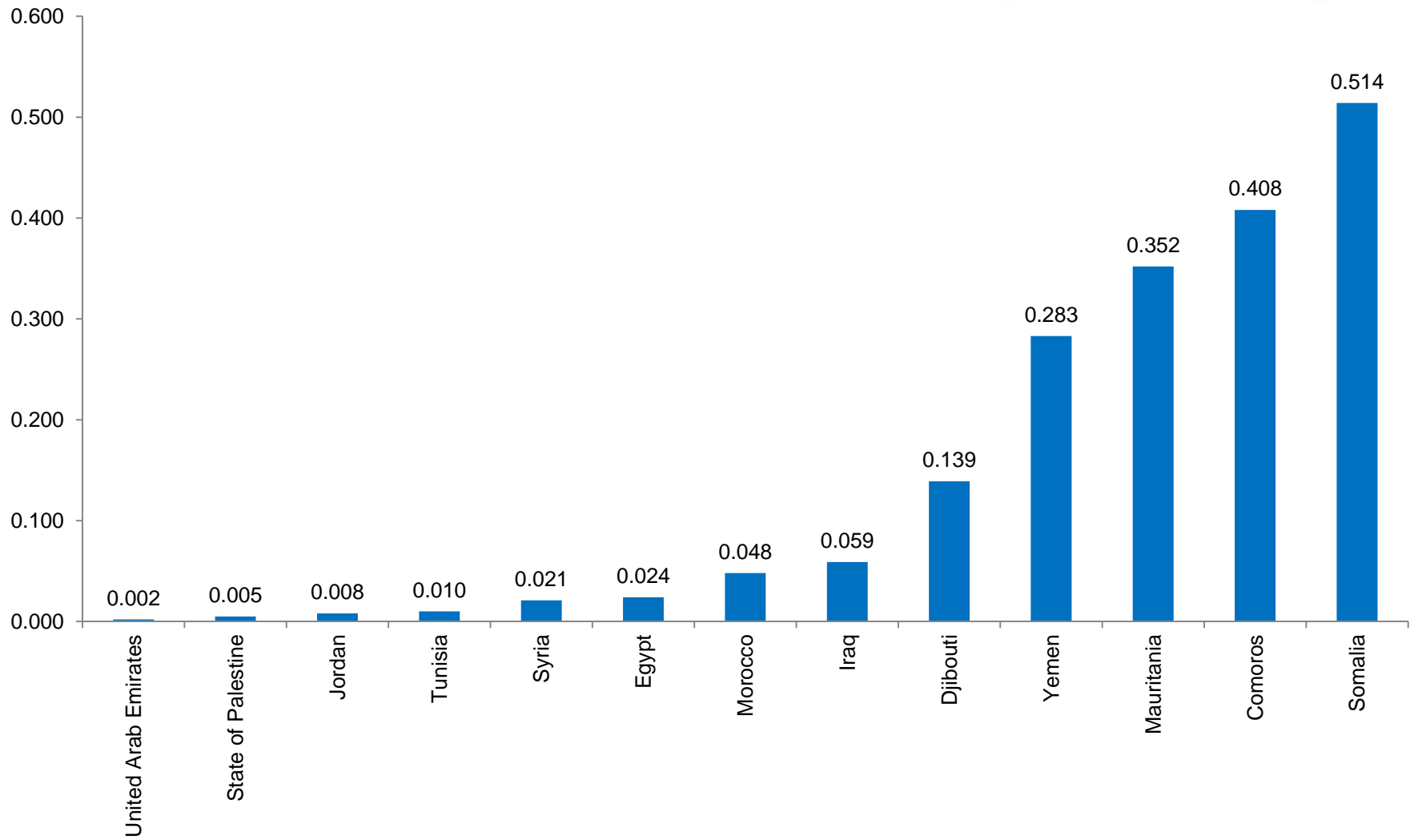
- National poverty lines





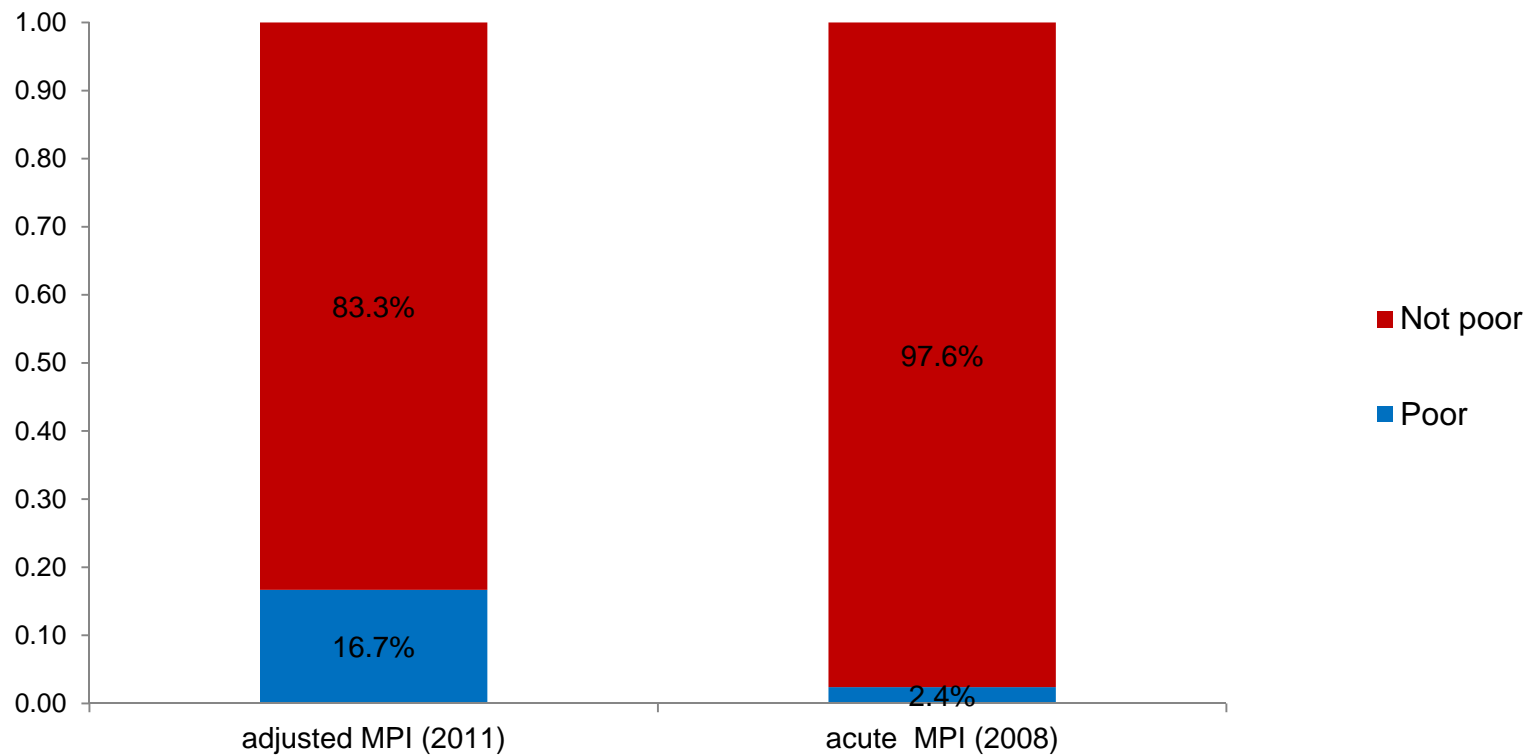


# Global Multidimensional Poverty Index, 2000's





## Case of Egypt: Global MPI and adjusted MPI





## What do these figures imply?

- The internationally fixed extreme poverty line under represents the poverty rates in Arab countries and developing countries.
- The global MPI doesn't capture the deprivations in Arab countries accurately





## II We can fix it

- Setting the goals for post-2015 agenda provides an opportunity to look at more appropriate poverty measurement methodology
  - ESCWA paper suggests that poverty lines can be linked to average per capita consumption of countries rather than any fixed international poverty line
  - Different poverty lines can be drawn for different country groupings, such as LDCs, MICs and Upper MICs
  - When we do so results are different (world is not only poorer but also much slower in fighting poverty)
- ESCWA also suggests more appropriate MPI for the MICs and upper MICs, which requires revision of deprivation thresholds specific to country groups



### III- We can also do much more

- In order for Pan Arab Poverty measurement, application of unified survey methodology of household consumption expenditure across countries is essential.
- League of Arab States (LAS) Arab Poverty Centre (APC) can provide an institutional setting.
- APC can also serve as a center of excellence such as the Brasilia Center and can play a major role in design and implementation of regional poverty reduction strategy (beneficial to maximize donor countries return on ODA).



# Conclusion

- We have a problem with poverty measurement: the notion of low poverty (money metric or human) is absurd in MICs
- We can technically fix this problem and the context of setting the goals for post-2015 development agenda provides a good opportunity to do so.
- A dedicated institutional set up is needed.
- Arab Poverty Report with LAS, QF, Oxford will focus on all of these issues.



**Thank you**