The Face of Poverty

A Multidimensional Approach to Poverty Measurement in Zambia

Social Indices in the SADC Context Workshop

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Outline

- Background
- Methodology
- Results
- Conclusion
Background

- This study attempts to provide an alternative to the traditional FGT poverty measurement in an effort to understand Zambian poverty.

- The FGT relies on a one-dimension poverty measure such as income.

- However, is income deprivation the most appropriate yardstick to measure poverty?
Poverty is naturally multi-dimensional and manifest itself in many forms, other than lack of money.

While multi-dimensional approach is complimentary to income poverty, it has several advantages:
  - It reflects the experiences of poor people.
  - Empowers those working to reduce poverty to do so more effectively and efficiently.
  - Can aid the targeting of social protection programmes to families that suffer multiple deprivations.
  - Can aid in impact evaluation of poverty programmes.
Background Cont.

- **Objective**: to offer an alternative measure of poverty based on indicators of country specific human welfare with a view to aiding in understanding the impact of economic investments on human development and poverty alleviation.
Methodology

- Alkire and Foster (2007) proposes the use of dimensional specific lines which are called cut-offs as a basis of determining who is deprived and in which dimension.

- They posit the existence of an identification function, which determines whether a person is deprived enough to be called poor, and a poverty measure, which evaluates how much poverty there is overall.
Methodology

- **Data**: 2013-14 DHS which is a nationally representative survey comprising 15,920 households.

- Selection of dimensions
  - Education
  - Living Standards
  - Health

  National development plans, National Budgets, MDGs, SDGs all seek to address these

- Household is the unit of analysis.
Methodology cont.

The Process

1. Select dimensions (equally weighted).

2. Set first cut-off within a dimension: i.e. whether the household is deprived in a particular dimension.

3. Set second cut-off, k, of the number of dimensions in which a household should be deprived in order to be considered poor.
   - Our k = 3/8 or 40%, i.e. a household should be deprived in at least 3 of the 8 dimensions to be considered poor.
## Methodology cont.

<table>
<thead>
<tr>
<th>Dimension (W)</th>
<th>Indicator</th>
<th>Deprivation cut-offs</th>
<th>Wgt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education (1/3)</td>
<td>Education</td>
<td>at least one school going age child not in school per hhd.</td>
<td>1/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>hhd head with less than basic education.</td>
<td>1/6</td>
</tr>
<tr>
<td>Living Standards (1/3)</td>
<td>Flooring</td>
<td>mud/wood, other.</td>
<td>1/12</td>
</tr>
<tr>
<td></td>
<td>Cooking fuel</td>
<td>wood, cow dung, charcoal, none.</td>
<td>1/12</td>
</tr>
<tr>
<td></td>
<td>Water</td>
<td>unprotected water sources.</td>
<td>1/12</td>
</tr>
<tr>
<td></td>
<td>Sanitation</td>
<td>no toilet or use bucket</td>
<td>1/12</td>
</tr>
<tr>
<td>Health (1/3)</td>
<td>Stunting</td>
<td>at least one stunted child per hhd</td>
<td>1/6</td>
</tr>
<tr>
<td></td>
<td>Underweight</td>
<td>at least one underweight child per hhd</td>
<td>1/6</td>
</tr>
</tbody>
</table>
Results
National Deprivations

- No clean fuel
- No basic education
- No toilet
- Mud floor
- Unprotected water source
- No schooling
- Stunting
- Underweight
Poverty Head Count (H)
Results: Average Deprivations (A)

- Western: 70%
- Northern: 60%
- Luapula: 50%
- Muchinga: 50%
- Southern: 50%
- Eastern: 50%
- NWestern: 50%
- Central: 50%
- Copperbelt: 50%
- Lusaka: 50%
- National: 90%
Results: Poverty Intensity (HxA)
Relative Contribution to Poverty
Relative Contribution to Poverty

- National
- Lusaka
- Copperbelt
- Southern
- Central
- Eastern
- Muchinga
- N/Western
- Luapula
- Western
- Northern

- underweight
- stunted
- no basic education
- no schooling
- no cleanfuel
- unprotected sources
- no toilet
- mudfloor
Rural vs Urban Poverty

- Head Count
- Average Deprivations
- Poverty Intensity

Bars represent:
- Rural
- Urban
- National
Relative Contribution: Rural vs Urban

- Health
- Education
- Living Standards
Relative Contribution: Rural vs Urban

- **Urban**
  - Underweight
  - Stunted
  - No schooling
  - No cleanfuel
  - No toilet
  - Mudfloor

- **Rural**
  - Underweight
  - Stunted
  - No schooling
  - No cleanfuel
  - No toilet
  - Mudfloor
Conclusion

- In our endeavors to craft social protection programmes let us be mindful of what the poor really need.

- Should we simply give them money or improve their access to essential services?

- As Government, are we distributing resources to areas where they are most needed?

- What is guiding our poverty alleviation programmes?
Thank You!!!