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PART I

Chapter 5

Local solutions for measuring poverty in Bangladesh, Guatemala, Indonesia, Mexico and Uganda

The previous four chapters in this DCR have offered a rich theoretical palette of ways of improving the definition and measurement of poverty, in its many forms. In this chapter, practitioners and policy makers from Africa, Asia and Latin America share practical examples of how some of these ideas have been put into practice. They have helped to identify the vulnerable across a range of poverty dimensions in Mexico; pin down and tackle specific deprivations through participatory approaches in Indonesia; and gauge women's empowerment – from the women's point of view – in Bangladesh, Guatemala and Uganda.

Local solution 1. Mexico measures the many facets of poverty[1]

Gonzalo Hernández Licona, National Council for the Evaluation of Social Policy (CONEVAL), Mexico

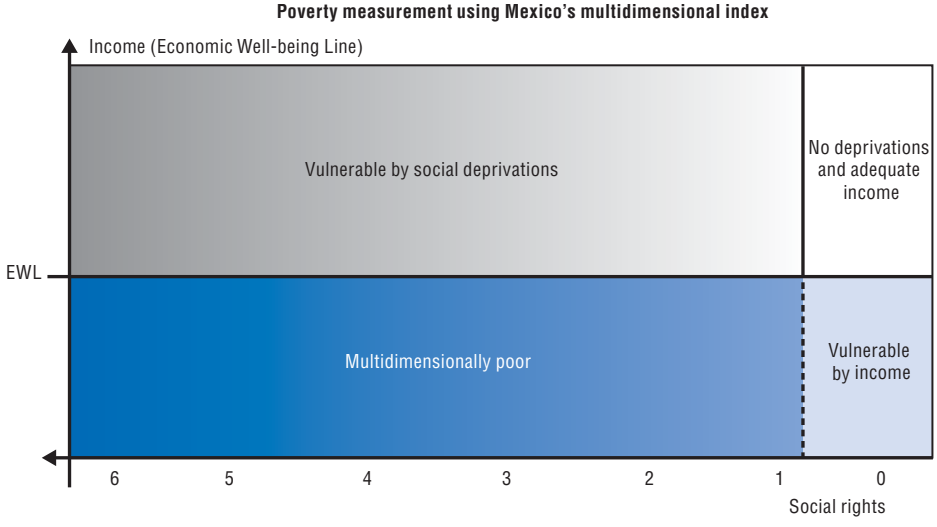
It would be difficult for a doctor to get a good diagnosis by just measuring the patient's blood pressure. The same is true with social problems, including poverty: if, for simplicity's sake, we use only one indicator – such as income – we risk getting a misleading picture of a country's social illness.

For this reason, the Mexican Law of Social Development, 2004 created the National Council for the Evaluation of Social Development Policy (CONEVAL) with two important mandates: to measure poverty from multiple viewpoints, and to evaluate social programmes and policies. This law stipulates that poverty measurement should:

- create a clear link between social programmes and poverty in order to guide public policy decisions;
- be defined within the context of social rights and well-being;
- include measures of income, education (gaps), access to health services, access to social security, quality of living spaces, housing, access to basic services, access to food and degree of social cohesion.

The methodological challenge in developing this multidimensional measurement of poverty was huge. How did we work it out? We first mapped the national population's social rights (such as access to health services or social security): those not deprived of access to any social right versus those deprived of at least one social right. Then we mapped the population based on income: those with enough income to meet all basic needs versus those without enough income resources using a poverty line which we call the Economic Well-Being Line (EWL; see Figure 5.1).

Figure 5.1. **Poverty measurement using Mexico's multidimensional index**



This mapping allowed us to identify the "multidimensional poor": those people whose income is less than the value of a food and non-food basket *and* who are deprived of at least one social right (see bottom left-hand sector of Figure 5.1). But identifying poor people is not enough. This figure also reveals vulnerable households. These include those with relatively high income, but which suffer from at least one social deprivation. An example would be a self-employed person earning USD 3 500 a month for the whole family but who does not have the right to access health services or social security. This person is vulnerable in terms of social rights. Others may be vulnerable because although they are not deprived of any social rights, their income may be very low and they might be deprived of their social rights in the future. The methodology also identifies people with income above the income threshold and who are not deprived of any social right (see top right-hand sector of Figure 5.1) – the desired state for Mexico's social development and public policy.

A self-employed person earning USD 3 500 a month for the whole family but who does not have the right to access health services or social security is vulnerable in terms of social rights

This multidimensional way of measuring social problems can guide public policy not only to reduce poverty, but also to reduce vulnerability through better economic and social policy. It also helps to sort out a number of methodological issues, in particular the problems of weights and thresholds. Since all social rights are equally important, for instance, the weight is the same for all social dimensions. We also use the thresholds specified by Mexican regulations, such as the minimum educational level of secondary school as specified by the Constitution.

Local solution 2. Indonesia applies global goals to local targets

Kuntoro Mangkusubroto, Presidential Working Unit for Supervision and Management of Development, Indonesia

The Millennium Development Goals (MDGs) reached iconic status, inspiring and catalysing development. They have inspired governments to create policies, and communities to embark on programmes and activities that improve people's well-being. When these programmes are implemented on the ground, the MDGs do make a difference.

On the reporting and aggregation level, however, the story is significantly less rosy. Goals and targets are too generically defined and their achievement measured by numbers that are insufficiently broken down into categories. The consequence is that targets may not fit local needs, and the stories told in the reports bear little relation to reality. Let's take poverty reduction as an example. The definition only addresses incomes, limiting its ability to portray the real, multidimensional poverty picture. And the lack of disaggregation in its reporting blinds us to any inequity that happened in its achievement (Chapter 3).

Poverty happens at the individual and community level. And it comes in different forms. In some communities it bites hardest in the form of deprivation of access to water, in others it is a lack of other basic services, while income may be the core issue in still others. One needs to define poverty in forms that fit the people and community who experience it, and find the right solutions to empower them to leave poverty behind. And as the problems and solutions differ from place to place, reporting needs to be sufficiently disaggregated to make it a meaningful portrayal of progress, or lack of progress.

One needs to define poverty in forms that fit the people and community who experience it

In addition to providing conditional and unconditional cash transfers to the poorest of the poor, Indonesia has tried to address this issue by asking the community themselves what they need. The National Programme for Community Empowerment (*Program Nasional Pemberdayaan Mandiri* or PNPM) sends facilitators to live in communities for an extended period to understand and gain their trust. Together they plan a solution to the most serious deprivation they face. It may be access to water, or to build a small bridge to enable access to other services, or to develop a micro hydropower plant for electricity. The PNPM is now perhaps the largest of its kind in the world. Assisted by the World Bank and individual countries' development assistance programmes, the PNPM could be an important starting point for a global poverty eradication scheme. The fact that it is defined and implemented at the grassroots level, with active participation by the community, helps ensure it is relevant.

What would be needed to scale up such an approach? Well-prepared facilitators with good understanding of how multidimensional poverty works are key. Continuous strengthening is needed both in implementation and for reporting, particularly in aggregating results to a national, and later international level. The aggregating and reporting part will not be easy, as it means dealing with the complexity of diversity at face value. But it will give a truer picture of what needs to be addressed and how, and action can be immediate. All this while improving the capacity and preserving the dignity of communities, a key asset for moving further forward in development.

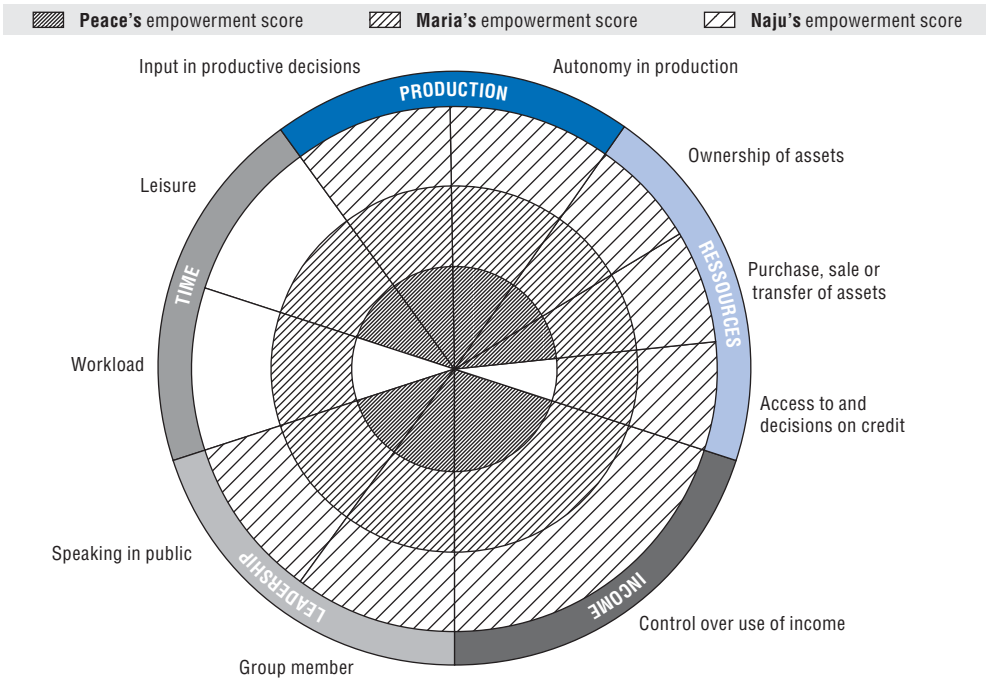
With the right adjustment to fit other countries' conditions, PNPM could become a model for at least a part of an agenda to eradicate poverty in all its forms. The report of the High-Level Panel of Eminent Persons for the Post-2015 Development Agenda has captured some of these ideas in its extensive consultation process, and spelled them out boldly (Chapter 11). It is now time to shape such an approach and prepare whatever is needed to turn it into workable programmes.

Local solution 3. An index tells stories about women's empowerment

The Women's Empowerment in Agriculture Index[2] is an innovative tool that measures the empowerment and inclusion of women in the agriculture sector in an effort to identify ways to overcome the obstacles that hinder their engagement and equality. Using data collected by interviewing men and women in the same households, the index reflects the percentage of women who are empowered in five domains of empowerment (5DE): decisions about agricultural **production**; decision-making power about productive **resources**; control of use of **income**; **leadership** in the community; and **time** allocation. According to the index, a woman is empowered if she has "adequate" achievements in four of these five domains.

This case study describes three women – Naju, Peace and Maria – who score highly on the empowerment index (see Figure 5.2). They come from different continents but their paths are similar: at least a few years of schooling and the drive to keep their children in school. Two of them are single mothers, while one has a husband who is willing to share decisions on agricultural matters.

Figure 5.2. **A comparison of Naju, Peace and Maria's empowerment scores**



Note: The textured areas indicated the domains in which each woman's empowerment is shown by the index to be adequate. A woman is considered empowered if she has adequate achievements in four of the five domains.

Naju, Bangladesh. Naju lives in the village of Amtoli with her only daughter. Naju divorced her husband because he first left her to take another wife, and then mistreated her when he returned. For the past 12 years, she has grown rice and almonds on her own land, and has also ventured into fish cultivation. She produces sufficient rice to meet her household's needs and sells both almonds and fish at the market. She feels that paddy cultivation is her most important agricultural activity and land her most important asset.

Naju makes all agricultural decisions independently. She feels that women who work in agriculture and make decisions are powerful and thinks that people in her community also see her as powerful. She sees disempowerment arising from relationships between men and women within the household, specifically husbands not listening to or co-operating with their wives (IFPRI, 2012a).

Peace, Uganda. Peace lives in the Kole District of northern Uganda where she farms two gardens to provide for her four children. Peace dropped out of school at the age of 11 because her family could no longer afford her schooling. After her husband's death, she decided against remarriage because she did not want to increase the size of her family.

For Peace, providing a solid education for her children is a big priority and she focuses her agricultural choices on this. She chooses crops that she describes as "very good at bringing enough income to help us survive". She would like to purchase goats to help pay for her children's education and as a form of savings. Peace feels that her most valuable household asset is farmland. As a single parent, she owns all of her household's assets, which is very important to her since this guarantees her rights. Peace describes an empowered individual as someone who can "sustain herself, stand on her own. Such a person should be one who can plan for himself, one with vision" (IFPRI, 2012b).

Empowerment is an individual's ability to make decisions

Maria, Guatemala. Maria lives with her husband and four children in the highlands of the Quetzaltenango District. In sharp contrast to most women in her village, she attended university and now, like her husband, works as a secondary school teacher. Fifteen years ago, Maria began to participate in community agriculture projects focused on vegetable cultivation but stopped to go back to school. "My husband told me that I should continue my studies", Maria explains. Her greatest goal is for her son to complete a university education. She values education highly and feels disappointed because one of her daughters dropped her studies to get married. To provide for household consumption, Maria and her family grow maize and keep small livestock. Her husband does most of the household's agricultural work – although the couple shares the task of caring for their four pigs. Maria and Victor discuss and share all agricultural decisions as well as all decisions regarding assets, credit and expenditures.

Maria defines empowerment as an individual's ability to make decisions. Unlike some of the women in her community, who are disempowered by their husbands, Maria has felt empowered and is proud of her university degree. Victor mirrors these sentiments, describing his wife as a "beautiful and hardworking woman who understands and supports me" (IFPRI, 2012c).

Notes

1. In preparing this measurement, CONEVAL gained important insights from numerous poverty experts. From David Gordon, Professor of Social Justice of the University of Bristol, we got the idea of mapping all people with different levels of necessities in the same chart. James Foster, Professor of Economics and International Affairs at George Washington University, United States and Sabina Alkire, Director of the Oxford Poverty and Human Development Initiative enriched our methodology by including measures of intensity of poverty in the deprivation space. Our thanks go to all of them.
2. The index is based on the Oxford Poverty and Human Development Initiative method for measuring multidimensional poverty described in Chapter 3. It was developed in close collaboration with the United States Agency for International Development (USAID) and the International Food Policy Research Institute (IFPRI).

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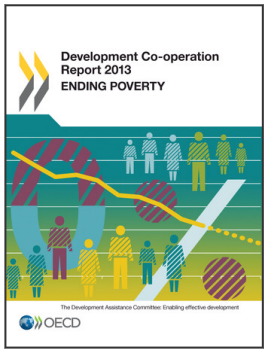

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