

WORKSHOP

# MEASURING POVERTY

## EXTREME AND MULTIDIMENSIONAL POVERTY



# MEASURING POVERTY

## EXTREME AND MULTIDIMENSIONAL POVERTY

→ Understand how extreme poverty is defined

→ Get to know the concept of multidimensional poverty



Today still 9.6% of the world population live in extreme poverty. This means that they can no longer afford the necessary nourishment and the vital requisites of everyday life. The UN has set the goal to eradicate poverty and hunger worldwide by 2030.

In the workshop POVERTY two of the most common methods for measuring poverty are introduced. According to the World Bank, extreme poverty is present when a person has to survive with less than 1.90 USD per day or 57 USD per month. The UN for its part has proposed to measure not only financial means but also different other dimensions of poverty such as health and education.

The aim of the workshop is to understand the most common methods for measuring poverty.

### FOR WHOM?

Students, persons who plan to work abroad in development cooperation and other interested parties

### DURATION

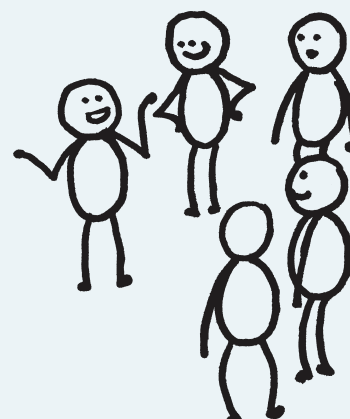
60 min.

### NUMBER OF PARTICIPANTS

2 - 20

### AGE OF PARTICIPANTS

from 12 years



# MEASURING POVERTY

## EXTREME AND MULTIDIMENSIONAL POVERTY

### CONTENT

In the workshop MEASURING POVERTY the living costs of your own country are compared to the amount of money that extremely poor people have at their disposal. Additionally, the dimensions of multidimensional poverty are compared to your own reality of life and aspects which are surprising will be discussed.

### EXERCISE 60 min.

#### GROUP WORK I 20 min.

1. The participants are split into groups of 3 or 4 persons.
2. With the help of the worksheet the groups estimate how high the living costs in their own country are.
3. The groups present their results in a plenary session and compare their lists.



#### WORKSHEET I

#### QUIZ 10 min.

1. The instructor asks if extreme poverty in the world has doubled, has been reduced by half or has stayed the same.
2. The information sheet with the solution is put in the centre.
3. Discussion: Why is it that we are often ill informed about positive long-term developments?



#### INFORMATION SHEET II

#### TO TAKE AWAY

Workshop documents



#### INFORMATION SHEETS LINKS & INFORMATION

#### DISCUSSION 10 min.

1. The instructor explains that a person is considered to live in extreme poverty when he or she has to live with less than 1.90 USD per day in the US. For each country this amount is adjusted according to power purchase. In Western Europe, according to the country, the amount lies between 1.50 and 2.50 Euros.
2. Discussion with all participants:
  - Is there a big difference between this amount and the one calculated for your own country?
  - What could you buy in your own country for 2 Euros per day?
  - Is it possible to survive on this amount?



#### Inputs for the instructor: INFORMATION SHEET I

#### GROUP WORK II 20 min.

1. The instructor explains that the UN has developed a method of measuring poverty that takes into account factors other than income.
2. The participants go back to their groups and receive the worksheets with the assignments and the information sheets on multi-dimensional poverty.



#### WORKSHEET II INFORMATION SHEETS III-IV

#### LIST OF MATERIALS

##### Per group:

- WORKSHEET I-II
- INFORMATION SHEETS III-IV
- 1 large sheet of paper
- markers

##### General:

- INFORMATION SHEET II

##### For the instructor:



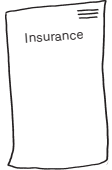

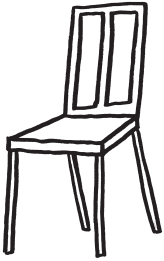

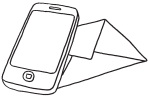
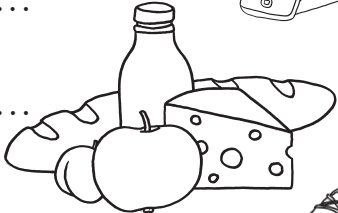




- INFORMATION SHEET I

##### To distribute:

- INFORMATION SHEETS
- LINKS & INFORMATION



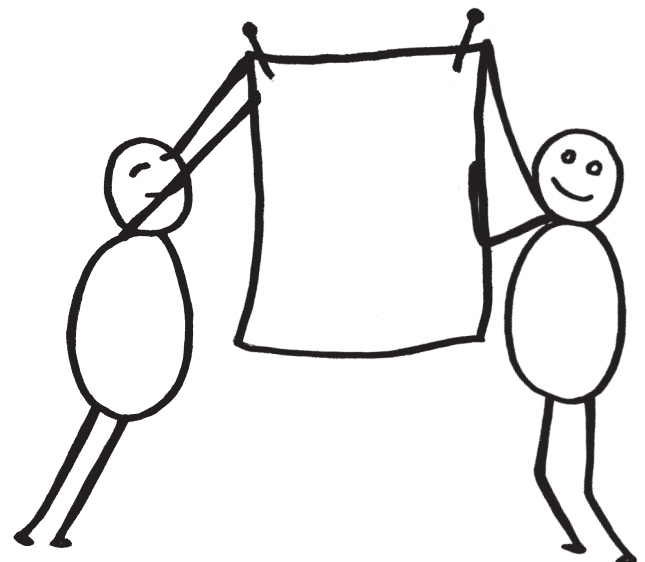
# LIVING COSTS IN YOUR OWN COUNTRY

	costs per month		
rent .....	.....		
utilities & Internet .....	.....		
health insurance .....	.....		
insurances (household, liability, accident) .....	.....		
housekeeping (garbage, cleaning etc.) .....	.....		
furniture, household objects .....	.....		
travelling costs (car, public transport) .....	.....		
communication (telephone, mail) .....	.....		
food & drinks .....	.....		
clothing & shoes .....	.....		
health (medicines, dentist, deductibles) .....	.....		
body care (hairdresser, toiletries) .....	.....		
entertainment, electronic devices, education .....	.....		
Further expenses .....	.....		
<b>TOTAL</b> .....	.....	<b>costs per month</b>	<b>costs per day</b>

# MULTIDIMENSIONAL POVERTY

## ASSIGNMENT

1. Read the information sheet on “Multidimensional Poverty”: Are there indicators that apply to yourselves? Do you believe that there are a lot of people in your country to whom one or more indicators apply? If so, which ones?
2. Read the information sheet “Facts about worldwide poverty”: What did you already know and what did you not know? What surprised you? Note the facts that have most surprised you on a large sheet of paper and hang it up on the wall.
3. Compare your findings with those of the other groups.





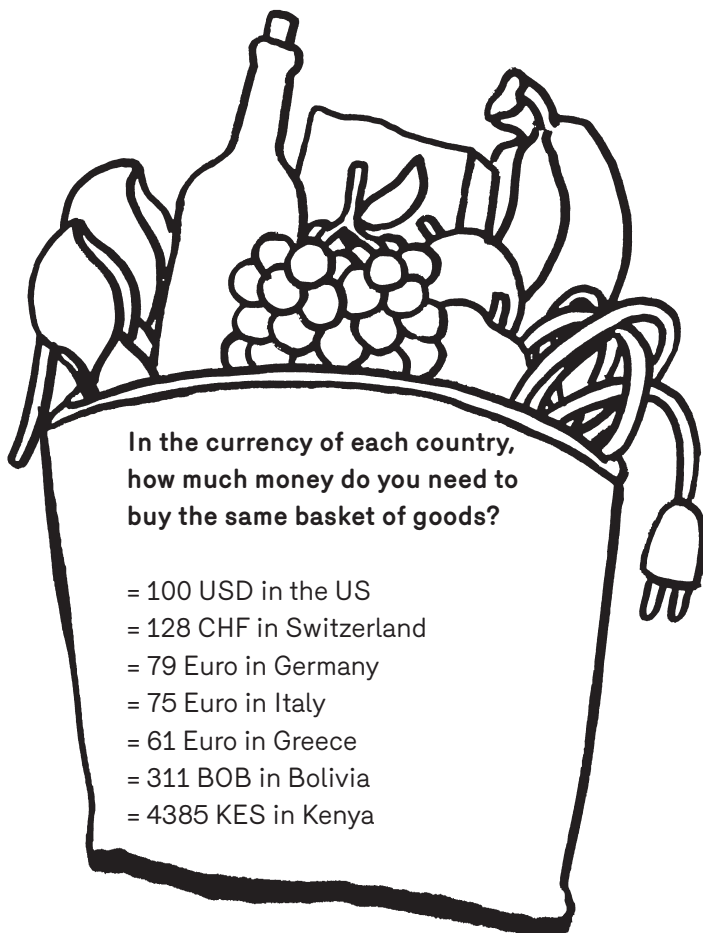
## EXTREME POVERTY...

...means that people have to live with USD 1.90 per day or less. They can no longer afford the necessary nourishment and the vital requisites of everyday life.

### MEASUREMENT

The World Bank describes those people that live in the US with less than USD 1.90 per day or USD 57 per month as living in extreme poverty. For each country this amount is adjusted according to power purchase.

Survival on this amount of money is almost impossible. Extreme poverty exists therefore almost exclusively in very poor countries.



### POWER PURCHASE PARITY (PPP)

If a market basket of goods and services costs USD 100 in the US, in each country it is calculated how much money would be needed in their own currency to buy the same market basket: for example, 0.79 Euro in Germany or 311 BOB in Bolivia.

The same conversion formula is used to calculate extreme poverty in every country: Extreme poverty in the US is defined by having to live on less than USD 1,90 per day. In Germany this amounts to having less than 1.49 Euros and in Bolivia less than 5.91 in BOB.

#### Example Germany

Conversion = 0.786

USD 100 × 0.786 = 79 Euro

USD 1.90 × 0.786 = 1.49 Euro

#### Example Bolivia

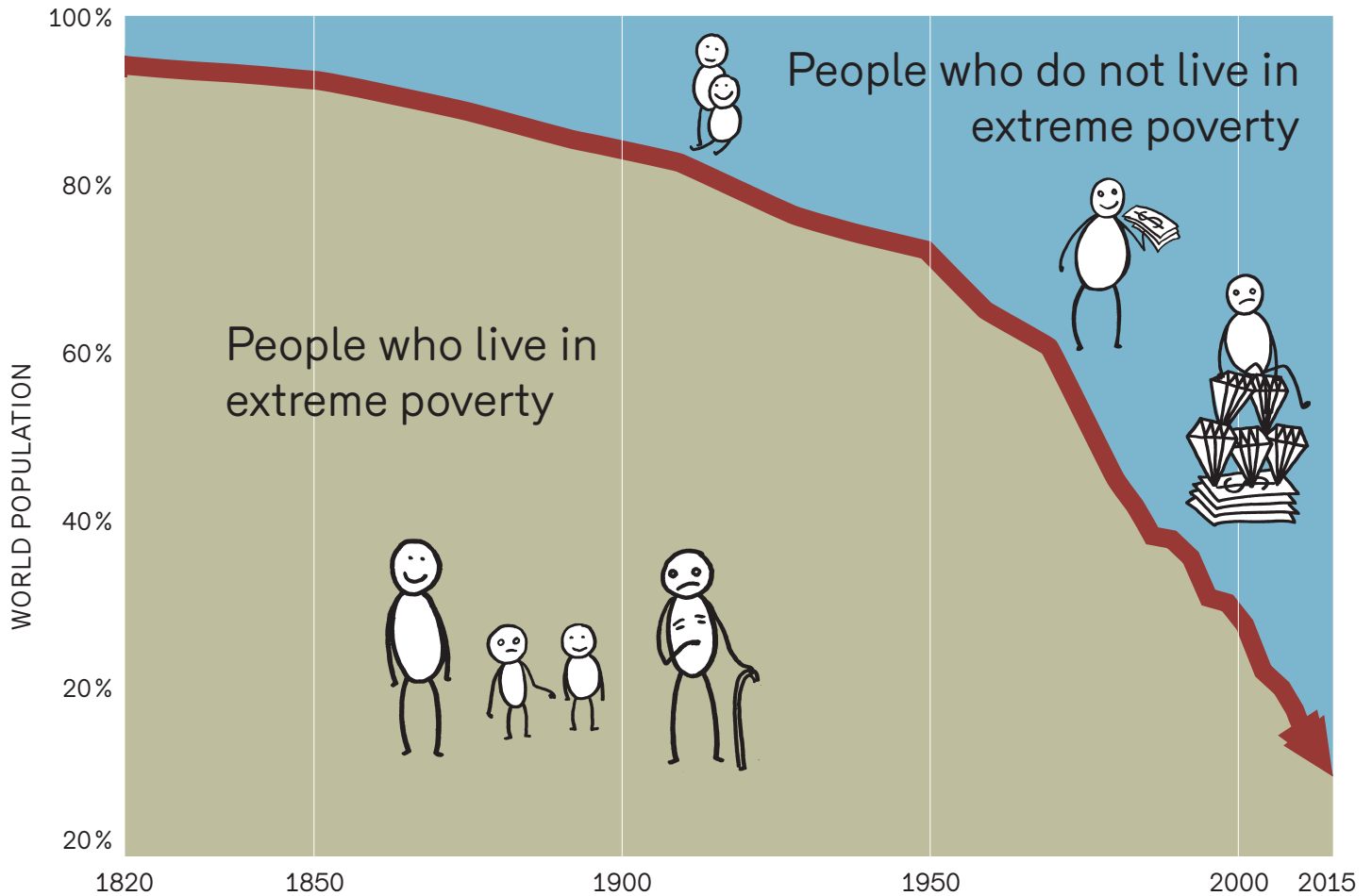
Conversion = 3.11

USD 100 × 3.11 = 311 BOB

USD 1.90 × 3.11 = 5.91 BOB



# EXTREME POVERTY 1820-2015



In the last 25 years extreme poverty was reduced by half. With the “Sustainable Development Goals” the UN has resolved to end extreme poverty by 2030.



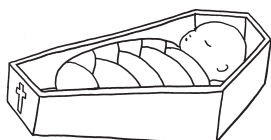
# MULTIDIMENSIONAL POVERTY...

... means that a household suffers from a number of deprivations within the dimensions of health, education and standard of living.

## HEALTH

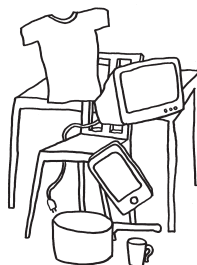


**NUTRITION**  
Malnourishment of one household member



**CHILD MORTALITY**  
Death of a child in the household

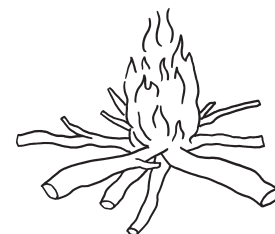
## STANDARD OF LIVING



**ASSETS**  
Not having at least one asset related to:  
– access of information (radio, TV, telephone) or  
– mobility (bike, motorbike, car, motorboat) or  
– livelihood (refrigerator, arable land, livestock)



**SANITATION**  
No access to improved sanitation or shared sanitation



**COOKING FUEL**  
Use of dung, wood or charcoal as cooking fuel

## EDUCATION

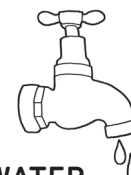


**SCHOOL ATTENDANCE**  
Not all children of a family between 1 and 8 years old attend school

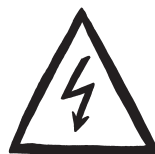
**YEARS OF SCHOOLING**  
No household member has completed at least 6 years of schooling



**FLOOR**  
Dirt, sand or dung floor



**DRINKING WATER**  
No access to clean drinking water or source of clean drinking water is located more than 30 minutes away by walking



**ELECTRICITY**  
No access to electricity



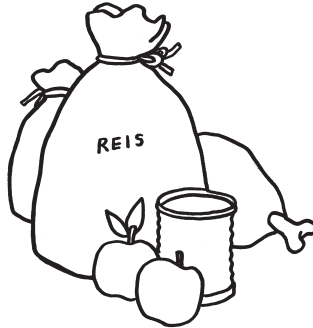


# FACTS ABOUT WORLDWIDE POVERTY

## NUTRITION

**Every ninth person in the world goes to bed hungry and more than half of them are children.**

When children are chronically malnourished, there is irreversible physical and psychological damage.



Every year more people die as a consequence of hunger and malnutrition than of HIV/AIDS, malaria and tuberculosis combined.

98% of people who suffer from hunger live in developing countries.

## SCHOOL

**Every eleventh child and every sixth teenager in the world does not attend school.**

Most of them are girls.

With every school year a person's future income rises by an average of 10%.

Children of mothers without a formal education are less likely to be vaccinated and have greater developmental delay due to malnutrition. A child whose mother can read has a 50% higher probability of reaching the age of five.

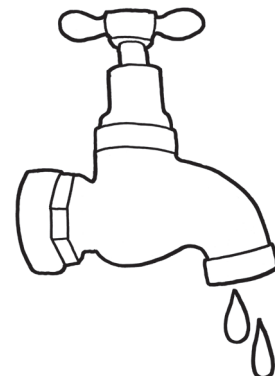


## HEALTH

**Around the world 1800 children under five years old die daily of diarrhoeal diseases.**

Almost 90% of these deaths are directly due to contaminated water, a lack of sanitary facilities and inadequate hygiene.

A further danger to health comes from cooking with dirty fuel such as dung, charcoal and wood. It can lead to illnesses such as lung infections, which are responsible for 50% of premature child deaths under the age of five.



### SOURCES:

World Food Programme, 2013-2015: <http://de.wfp.org/hunger/hunger-statistik>

UNESCO Institute for Statistics, 2015: [www.uis.unesco.org/Education/Pages/oosc-data-release-2015.aspx](http://www.uis.unesco.org/Education/Pages/oosc-data-release-2015.aspx)

UNESCO Education Transforms Lives, 2013: <http://unesdoc.unesco.org/images/0022/002231/223115E.pdf>

UNESCO Education Counts, Toward the Millennium Development Goals, 2011: <http://unesdoc.unesco.org/images/0019/001902/190214e.pdf>

WHO: [www.who.int/mediacentre/factsheets/fs292/en](http://www.who.int/mediacentre/factsheets/fs292/en)

## LINKS & INFORMATION

### POVERTY: INFORMATION AND STATISTICS



#### **Poverty Overview**

Progress in Poverty Reduction (World Bank)

[www.worldbank.org/en/topic/poverty/overview](http://www.worldbank.org/en/topic/poverty/overview)



#### **Extreme Poverty Forecast**

Overview global poverty forecast (World Bank)

[www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030](http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030)



#### **Extreme Poverty 1820-2015**

Share of the World Population living in Absolute Poverty (Our World in Data)

[www.ourworldindata.org/world-poverty](http://www.ourworldindata.org/world-poverty)



#### **Multidimensional Poverty Index**

The Multidimensional Poverty Index complements monetary measures of poverty by considering overlapping deprivations suffered at the same time.

<http://hdr.undp.org/en/content/multidimensional-poverty-index-mpi>

### WORLDWIDE LONG-TERM DEVELOPMENTS



#### **How Not to Be Ignorant About the World | Hans and Ola Rosling**

How much do you know about the world? (TED Talks)

[www.youtube.com/watch?v=Sm5xF-UYgdg](http://www.youtube.com/watch?v=Sm5xF-UYgdg)

