

INFORMATION SHEET

MEASURING POVERTY

EXTREME AND MULTIDIMENSIONAL POVERTY



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EXTREME AND MULTIDIMENSIONAL POVERTY

Today 9.6% of the world population are still living in extreme poverty. This means that the people who are affected cannot afford the vital necessities of everyday life. The UN has set the goal to end poverty by 2030.

On the following pages two methods for measuring poverty will be introduced: According to the World Bank, extreme poverty is present when a person has to survive with less than USD 1.90 per day or USD 57 per month in the US. 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.



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

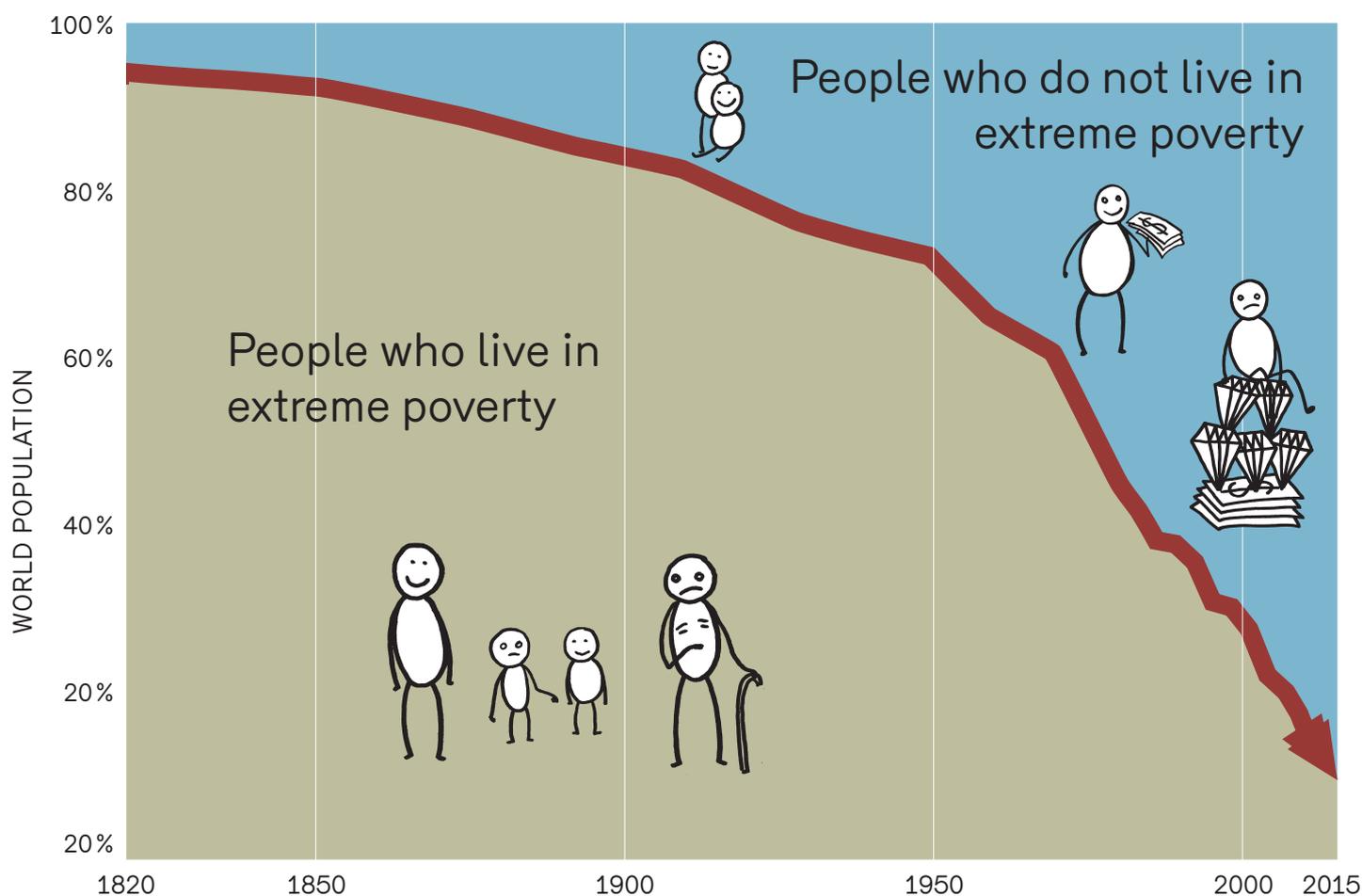
Example Bolivia

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

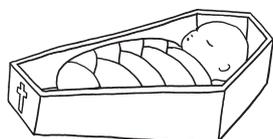
MULTIDIMENSIONAL POVERTY...

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

HEALTH

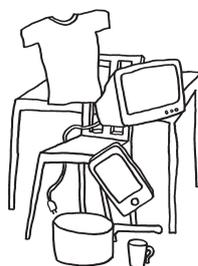


NUTRITION
Malnourishment of one household member



CHILD MORTALITY
Death of a child in the household

STANDARD OF LIVING

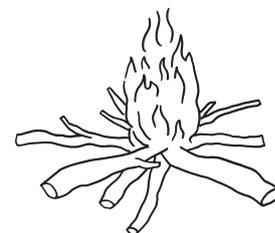


ASSETS
Not having at least one asset related to:

- 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

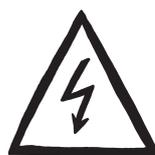
YEARS OF SCHOOLING
No household member has completed at least 6 years of schooling



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.

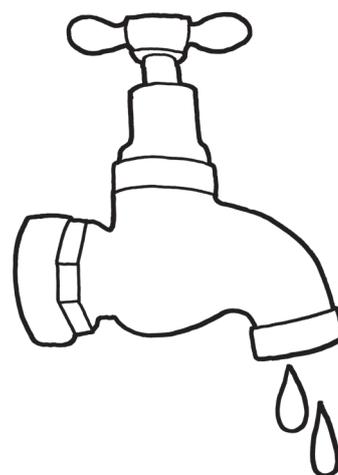


HEALTH

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

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

LINKS & INFORMATION

POVERTY: INFORMATION AND STATISTICS



Poverty Overview

Progress in Poverty Reduction (World Bank)

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



Extreme Poverty 1820-2015

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

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

