POVERTY SCENARIO, AFGHANISTAN - FROM NRVA 2007/2008

Expenditure approach, based on the basic cost for a "basket of goods & services"
Cost of Basic Need (CBN) poverty line

National average poverty line= Afs 1,255 per person per month
Represent 2,100 calories per person per day plus some basic non-food needs.

Headcount
National Poverty incidence = 36%
Urban PI = 29 %
Rural PI = 36%
Kuchi = 54%

Inequality measures
Gini Index =29
Consumption share richest quintile = 39%
Consumption share poorest quintile = 9%

Sharing Malaysia's Best Practices in Eradicating Poverty:
Defining and Measuring Poverty

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Poverty : World Bank Perspective

~ "pronounced deprivation in well-being"

~ lack of command over commodities

~ not enough income or consumption to put them above some adequate threshold

~ inadequate income

inadequate education

poor health

lack of political freedom

"house poor" , "food poor"

Why measure poverty ?

- To keep the poor on the agenda

  – if not measured, easily forgotten

- Need to be able to identify the poor

  - to target intervention aimed at at reducing or alleviating poverty

- To monitor and evaluate policy, projects & programmes

- To evaluate institutions whose goal is to help the poor

Poverty measures

Relative Poverty

- 50 % of median expenditure?

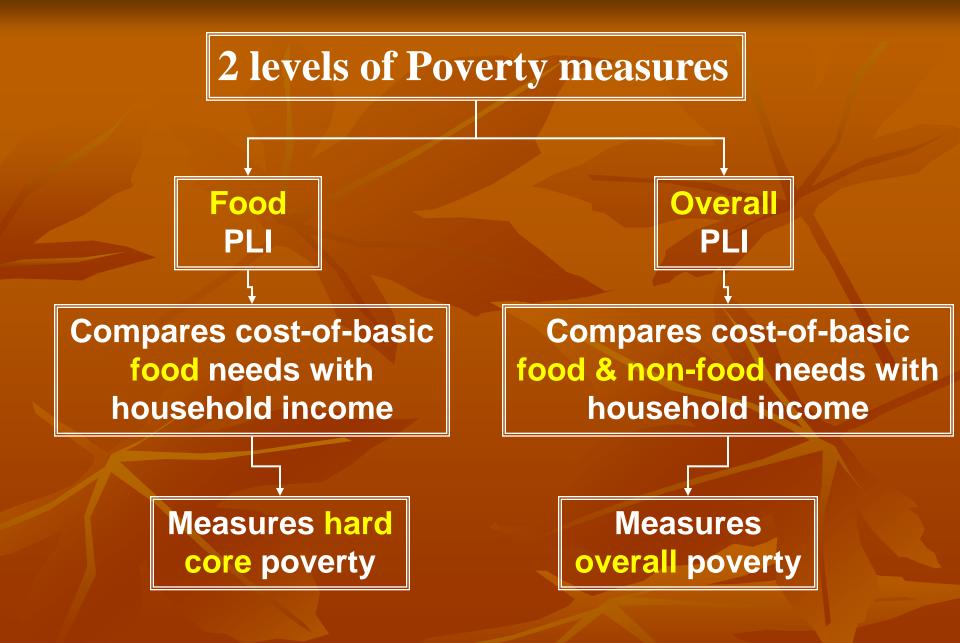- 50% of mean expenditure?

- expenditure by quintiles?

Absolute Poverty

Quantifies the number of people/households below a poverty threshold or poverty line

Poverty Line Income (PLI).......

<u>minimum</u> level of income which enables a household to achieve an adequate standard of living ie,

- have enough food
- make basic expenditures
- to maintain a certain quality of life

2 levels of Poverty measures

Food PLI

Compares cost-of-basic **food** needs with household income

Measures **hard core** poverty

Overall PLI

Compares cost-of-basic **food & non-food** needs with household income

Measures **overall** poverty

Income Concept

Comprise those receipts accruing
- **in cash and/or**
- **kind**

received by the household or its members on a regular and recurring nature, i.e.
- **monthly**
- **seasonally**
- **annually**

Sources of Income

- **Paid & Self Employment**

- **Property**

- **Remittances received**

- **Other incomes (including imputed rent of owner occupied house)**

SOURCES OF INCOME

A) <u>**Paid Employment**</u>

o **Wages & Salaries (before deductions)**

o **Cash allowances**

o **Bonuses**

o **Other Cash (commissions, tips, overtime)**

o **Free/concessional food**

o **Free/concessional lodging**

o **Free/concessional consumer goods & services**

o **Employer's contributions to EPF/SOCSO**

B) Self – Employment
o   Agriculture Sector
o   Non-Agriculture Sector

C) Property
o   Interest
o   Dividends
o   Rent
o   Royalties

D) Transfers Received

o **Pension**

o **Alimony**

o **Scholarships/Fellowship**

o **Assistance from Govt./private institutions**

o **Transfers from Other households**

E) Other Incomes

o **Imputed rent from Owner-occupied dwelling**

Tools for Poverty Measurement

Methodology

➢ **Robust**

➢ **Practical**

VS

Input Data

➢ **Reliable**

➢ **Representative**

➢ **Current**

Data sources

- **Nutritionist from:**

  Min. of Health,Universiti Kebangsaan Malaysia and Universiti Putra Malaysia

- **Department of Statistics:**

  - **Household Income Survey (HIS)- for the household <u>income</u>**

  - **Household Expenditure Survey (HES)- for the <u>basket of goods</u> spent by the lowest quintile expenditure group**

  - **Retail Price collection- for the <u>average price</u> on expenditure items, by location**

2005 Methodology

Food Items

Nutritionists from MoH,UKM,UPM

Determine household members' calorie requirement by age, gender, BMR and PAL

Identify types of food through RDA

Get the retail price of chosen food items and *convert calorie to price*

Food PLI

Non-food items

Expenditure on all non-food items by lowest quintile expenditure group from HES

Get retail price of those items by state & strata

Non food PLI

Overall PLI = $\sum$ (food + non-food) PLI

Recommended Dietry Allowance (RDA) for Energy (kcal/day) for a family of 5

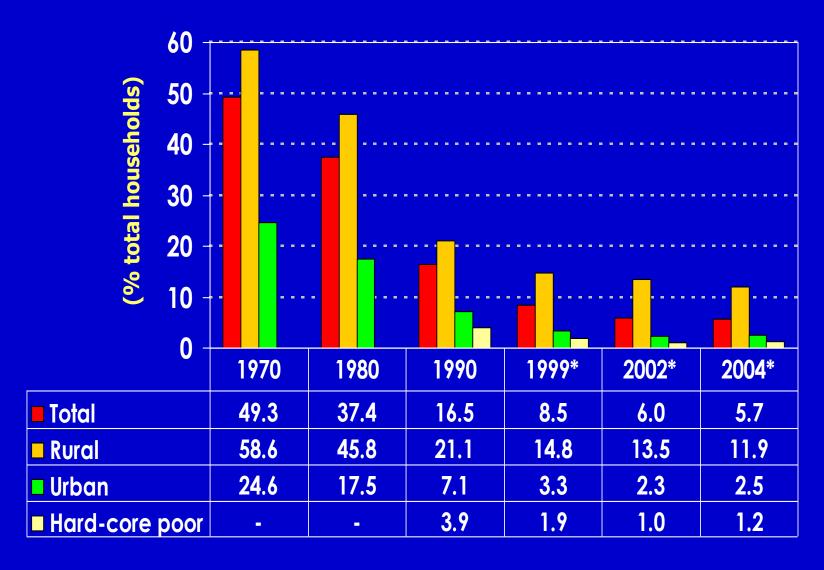| Group	Age	Revised RDA, 2004 (kcal/day)	1977 RDA (kcal/day)
Men	30 -59+	2,420	2,530
Women	30 -59+	1,955	2,000
Boys	1-3	1,110	1,360
Boys	4-6	1,465	1,830
Boys	7-9	1,775	2,190
Total		8,725	9,910

Percentage of calories and the amount of food required to meet 8,725 Kcal (5 pax)

Food Items	% KCal	Kcal	Amount (grams)	
Cereal & Cereal Products: **Rice**	35.5	3097	888	
Wheat flour	7	611	177	
Plain biscuits	4	349	86	
Meat, eggs & Fish: **Chicken**	8	785	475	
Eggs	4	436	225	**Apply the**
Fish	3	262	214	**retail price of**
Milk: **Milk powder (full cream)**	8	349	142	**these items by**
Sweetened Condensed Milk (SCM)	1.5	131	39	**State, Urban &**
Oils & Fats: **Cooking Oil**	10	872	97	**Rural to**
Margarine	3	262	36	**calculate price**
Sugar: **Granulated, white**	10	872	219	**per calorie**
Vegetables & Fruits: **Green leafy**	1	174	301	
Fruits	2	174	498	
Pulses: **Green beans**	2	262	53	
Dhall	1	87	25	

Food PLI and the Impact of household size on food PLI

States	Food PLI			Household size		
	Total	Urban	Rural	Total	Urban	Rural
Johore	384	373	410	4.3	4.1	4.7
Kedah	402	381	416	4.6	4.4	4.7
Kelantan	438	434	440	5.2	4.9	5.4
Melaka	385	382	393	4.4	4.3	4.5
N.Sembilan	371	355	387	4.2	4.1	4.2
Pahang	373	365	412	4.1	4.0	4.6
P.Pinang	392	369	412	4.2	4.0	4.4
Perak	371	361	387	4.1	4.0	4.3
Perlis	367	360	371	4.2	4.3	4.2
Sabah*	505	489	520	5.2	5.1	5.4
Sarawak	482	482	482	4.6	4.6	4.7
Selangor*	420	419	425	4.6	4.6	4.7
Terengganu	469	450	489	5.0	4.9	5.2
W.P. KL	373	373	-	3.9	3.9	-
Total	415	403	437	4.5	4.4	4.8

Malaysia: Major Success to Eradicate Poverty . . .

(% total households)

	1970	1980	1990	1999*	2002*	2004*
■ Total	49.3	37.4	16.5	8.5	6.0	5.7
■ Rural	58.6	45.8	21.1	14.8	13.5	11.9
■ Urban	24.6	17.5	7.1	3.3	2.3	2.5
■ Hard-core poor	-	-	3.9	1.9	1.0	1.2

Note : * Based on Methodology 2005

Thank you
for your attention

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