

Global poverty and its measurement

Global poverty and its measurement

In the globalized world, inequality and poverty are critical issues that affect millions of people around the globe. Understanding and measuring global poverty is essential in developing effective policies to reduce poverty and achieve more equal societies. In this tutorial, we will explore the concept of global poverty and the various methods used to measure it.

Defining global poverty:

Global poverty refers to the deprivation of basic needs and opportunities experienced by individuals and communities worldwide. It is characterized by low income, limited access to education, healthcare, clean water, sanitation, and other essential services. Global poverty can be both absolute, where people lack the basic necessities to survive, and relative, where individuals have significantly fewer resources compared to others in society.

Dimensions of global poverty:

Global poverty can be multidimensional, encompassing a range of factors that contribute to poverty and inequality. These dimensions include income, education, health, access to basic services, and social exclusion. By considering multiple dimensions, we gain a more comprehensive understanding of poverty and the challenges that individuals and communities face.

Measuring global poverty:

Measuring global poverty is a complex task that requires the use of various indicators and methodologies. Different approaches have been developed to capture different aspects of poverty, each providing valuable insights into the extent and nature of poverty across countries. Some of the commonly used methods include:

1. **Income-based measures:** Income is a primary indicator of poverty. The most widely used income measure is the international poverty line, which estimates the income level below which individuals are considered poor. The World Bank's poverty line of \$1.90 per day is a commonly used benchmark, although other poverty lines exist based on regional variations.
2. **Multidimensional measures:** Multidimensional poverty measures go beyond income and consider other dimensions, such as education, health, and standard of living, in assessing poverty. The Multidimensional Poverty Index (MPI) developed by the United Nations Development Programme (UNDP) is one such measure that identifies deprivations in multiple dimensions simultaneously.
3. **Human development index:** The Human Development Index (HDI) measures a country's average achievements in three key dimensions: a long and healthy life, knowledge, and a decent standard of living. It provides an overall picture of a country's development beyond just income measures.
4. **Gini coefficient:** The Gini coefficient measures income inequality within a society. It ranges

from 0 to 1, where 0 represents perfect equality and 1 represents extreme inequality. The Gini coefficient is widely used as a measure of income inequality and is often used in conjunction with poverty measures to understand the distribution of resources within a country.

5. Social progress index: The Social Progress Index (SPI) measures the extent to which a country provides a supportive environment for individuals to live fulfilling lives. It considers a wide range of indicators related to basic human needs, well-being, and opportunities to assess a country's social progress.

Limitations and challenges:

Measuring global poverty is not without its challenges. Some of the limitations include:

1. Data availability: Poverty data is often limited, especially in low-income countries. Lack of reliable and up-to-date data can hinder accurate measurement and analysis.
2. Subjectivity: Different measures of poverty may produce different results, and there is often a level of subjectivity involved in determining poverty thresholds and indicators.
3. Contextual factors: Poverty is a complex phenomenon influenced by various social, economic, and cultural factors. The measurement of poverty should consider these contextual factors to provide accurate and meaningful results.

Conclusion:

Global poverty is a significant issue in today's globalized world, and measuring poverty is crucial for understanding its extent and developing effective policies to address it. By utilizing various methods and indicators, we can gain a comprehensive understanding of poverty and inequality and work towards creating a more equitable and just world.