



Human Development Report Office

Measuring Poverty in Middle Income Countries

**Selim Jahan
Director
Human Development Report Office**

**Measuring Deprivation in order to Promote Human Development in South Africa
Misty Hills, Muldersrift
Gauteng
10 June 2015**





Salient Characteristics of Middle Income Countries

- **Middle Income Countries (MICs) – per capita income from \$1,046 to \$12,745. Average per capita income \$4,168**
- **5 billion people or 70 per cent of global population live in the MICs**
- **Emergence of a middle class – by 2016, 340 million in China, 267 million in India, more than half a billion people in only 2 MICs**



Poverty in Middle Income Countries

- Extreme poverty in MICs (\$1.25 a day) 10 per cent (head count) or 500 million people and 24 per cent (head count) by \$2.00 a day or 1.2 billion people
- Relative poverty (inequality): Brazil – share of top quintile is 57 times more than bottom quintile, in China, 28 times, in India, 25 times and in Nigeria, 23 times
- Shortfall in the Human Development Index (HDI) for the MICs is 0.324





Human Development Report Office

Poverty in Middle Income Countries – some conclusions

- **Most of the extreme income poor are in the MICs**
- **Both absolute and relative poverty are critical in the MICs**
- **Poverty is multidimensional in the MICs**





Poverty Measures in Middle Income Countries - some issues

- Poverty measures in the MICs should be multidimensional
- Poverty measures in the MICs should focus on both absolute and relative poverty
- Poverty measures in the MICs should comprise both *focus* measure and *breadth* measure





Human Development Report Office

Poverty Measures in Middle Income Countries - some suggestions

- **Inequality-adjusted Human Development Index (IHDI)**
- **Gender Inequality Index (GII)**
- **Multidimensional Poverty Index (MPI)**
- **A dash board of deprivations**





Human Development Report Office

Poverty Measures in Middle Income Countries - some *focus measure* results

- IHDI for the MICs is 0.547 while their HDI is 0.676
- The MPI for the MICs – 24 per cent (head count) and 1.0 billion people
- The GII for the MICs is 0.502





Poverty Measures in Middle Income Countries - some *breadth measure* results

- Life expectancy in the MICs is 70 years and in high-income countries (HICs) is 79 years
- Child mortality in the MICs is 43 per 1,000 live births and in the HICs is 6 per 1,000 live births
- In the MICs, 16 million boys are out of school, but the number of girls is 20 million





Human Development Report Office

Poverty reduction in Middle Income Countries Policy options

- **Inclusive and equitable growth with pro-poor policies**
- **Access to productive resources and basic social services and job creation in sectors where poor people live**
- **Redistributive policies**
- **Social protection**
- **Disaggregated poverty data and poverty mapping**





Human Development Report Office

Thank you

