



Economic Commission for Africa
Commission économique pour l'Afrique

AIDE MEMOIRE

**"AD HOC EXPERT MEETING
ON
QUALITATIVE AND QUANTITATIVE
APPROACHES TO THE MEASUREMENT OF
POVERTY IN AFRICA"**

(12-13 November 1999, Addis Ababa)

I. INTRODUCTION

Until recently, little empirical evidence existed to validate the common belief that Africa is the poorest continent in the world. The availability of household level information on living standards in some African countries in recent periods have been used to measure the magnitude, depth and severity of poverty in Africa by different studies¹. For a sample of 20 African countries for which such data was available, *Economic Report 1999*, UN/ECA provided poverty estimates for the continent. According to these results about 44% of Africa's population were living below a poverty line of \$39 per person per month in the early 1990s. North Africa boasts a much lower incidence of poverty where only 22% of the population of the sub-region were living below a poverty line of \$ 54 per person per month, while SSA (Sub-Saharan Africa) records a much higher incidence of poverty with 51% of the population lived below a poverty line of \$34 per person per month.

The average income of the poor for the continent as a whole comes to only 83 cents per person per day. The average for North Africa is \$1.5 per person per day while that for SSA is only 67 cents per person per day. These, it is suggested, are dramatic indicators of the depth of African poverty. Given the significant difference in the incidence or extent of poverty between the two major regions of the continent, it is perhaps safe to say that from a policy perspective the state of poverty in SSA is more challenging.

At the beginning of the 1990s poverty in rural SSA was very wide spread where 59% of the rural population were living below the poverty line of approximately \$ 26 per month per person. The average income of the rural poor was only \$14 per person per month, which underscores the depth of poverty. The average income of the urban poor was \$27 per person per month.

¹ See for instance, Demery and Squire (1996), Chen and Ravallion (1997), Ali and Thorbecke (1998) and Ali (1999) for recent reports on poverty in Africa

II. Measuring Poverty in Africa

2.1. Quantitative (Conventional) Approach

The above results were based on the dominant approach to poverty measurement which is fundamentally quantitative. Here the measure of standard of living is usually taken as the per capita income of society in advanced countries and per capita consumption expenditure (including the consumption of own production) for developing countries. There are a number of methods to identify the poor from the non-poor or the threshold of deprivation, commonly known as the poverty line. The most widely applied method in developing countries starts with identifying a specific basket of basic goods and services (food, shelter and health) necessary to lead a healthy life in a given social context. Required quantities of these goods are appropriately priced to arrive at a monetary value defining the poverty line. Needless to say, the poverty line or the minimum expenditure required to satisfy basic requirements varies between countries depending mainly on the level of development as well in one country over time.

Having specified the poverty line, and given the expenditure distribution, those with consumption level falling below the poverty line are deemed poor. An immediate measure of poverty is then the ratio of the poor thus identified to the total population. This is the well-known head-count ratio. It is the most widely used and easily understood measure of poverty. Other popular measures of poverty include the poverty-gap ratio, which takes into account the extent to which consumption by the poor falls below the poverty line, and the squared poverty gap ratio which measures the severity of poverty. One possible way of defending the use of the head-count ratio as a measure of poverty is to see poverty as deprivation of a certain minimum rights to resources. Thus, if a minimum expenditure is a basic right, then the head-count measures the number of those deprived of that right.

Alternative approaches to the analysis of poverty combine indicators of well being such as per capita income, life expectancy, infant mortality and school enrolment to measure the extent of deprivation in a given society. This approach has become popular since the publication of the first UNDP Human Development Report in 1990. The value of this alternative approach derives from its underlying concerns with the definition of a standard of living" as having to do with accessibility to the components of a life free of deprivation: being well nourished, living a long life and participating fully in social life.

In discussing the dominant approach for analysis of poverty, it is perhaps helpful to note that most of the poverty measures in use can be expressed as depending on the average consumption of society, the poverty line, and the distribution of expenditure in society. This is indeed a very useful organising framework. As such, therefore, changes in poverty over time, such as the envisaged reduction of poverty over a given time

horizon, can very clearly be analyzed in terms of the growth in average consumption and the changes in the distribution of expenditure. It is generally agreed that, for a given income distribution, an increase in mean consumption of society reduces poverty. Similarly, an improvement in the distribution of income, meaning less inequality, would reduce poverty for a given mean consumption expenditure.

2.2 Qualitative Approach

As summarised above, quantitative methods are generally based on household income and expenditure surveys which are expensive to collect on a regular basis, secondly are subject to enormous difficulties to process and thirdly are limited in scope to capture the multifaceted nature of poverty in the continent. Yet, their predictive power and convenience for a rigorous policy analysis kept their use in poverty studies.

Advances in qualitative research on poverty has also proved useful in capturing attributes and causes of poverty that are relevant for policy analysis. Notable advantage of the qualitative approach is the space it provides to community members to define poverty and identify the poor consistent with their environment. These two apparently different approaches have been for long regarded as rivals leaving in their wake controversies not validated by empirical research. There is now a growing recognition that each method has its advantage when it comes to analysis of poverty and researchers and policy makers could be served well if a combination of the two is intelligently applied in practice.

A graphic presentation of poverty based on anecdotes as told by the poor themselves constitutes the essence of the qualitative method of poverty analysis. As such therefore, it is not the amount of quantitative information churned out of the instrument that underlies the difference with the quantitative method, but the underlying philosophy. The distinctive feature of qualitative method, preferably called participatory poverty assessment², is that it empowers the poor in the process of the study by making them aware of their circumstances better and involve them in the search for meaningful solutions. In comparison, the quantitative approach is detached from the poor and outsiders (the researchers) are the judges of circumstances of the poor. Thus, for qualitative method, the poor, who are the subjects of study are not anonymous, but an integral part of the poverty assessment.

The participatory paradigm, which gained prominence in the disciplines of sociology, anthropology, ethnography and practitioners in the NGO sector, is at the heart of the qualitative method of poverty analysis. The basic premise is that the poor know more about their realities, priorities and most of all the remedies to get out of the poverty cycle. This approach has been extensively applied in a wide range of developmental issues and proved to be in many cases effective in identifying, appraising and

² Chambers (1994)

implementing development projects. The application of the participatory paradigm ranges from farming systems, education, health problems, management of irrigation systems to crimes and violence issues that affect communities at large.

Participatory Rural Appraisal (nowadays also Participatory Urban Appraisal) became a popular expression for qualitative assessment of poverty. This method involves generally the following steps. A particular community, in most cases not exceeding a population of 1,000, is selected for in-depth study. The selection criterion is subjective or purposive largely driven by specific missions such as impact evaluation, development project appraisal, poverty assessment, etc. The researchers play generally the passive role of facilitators and observers. Resource persons from the community are identified on the basis of age, social status, good communication skills, trustworthiness and other personal characteristics suitable for providing accurate information on settlement history, socio-cultural attributes, major events in the life of the community, etc.. This information assists the researchers to get a background of the village or community and their interactions with themselves and outsiders. The resource persons, also commonly referred as key informants assist in constructing a social-map of the village that offers vivid interactions among villagers in terms of resource utilisation, village's endowment in physical resources such as water, common properties as grazing lands, land features, etc. This exercise involves nearly all members of the community or the village in identifying socio-economic and demographic attributes of the village.

Once the social-mapping is completed, informants, as well as villagers are requested to list criterion for identifying a very-poor, poor, well off, rich and very rich individuals in the community. More often, the indicators are wealth: human and physical capital, as distinct from income or consumption. The social-mapping exercise allows a ranking of individuals on the basis of wealth, starting from the richest person in the community. The results are easily quantifiable in terms of providing the percentage of people considered poor by the community.

Participatory appraisal further explores the implications of certain external factors, such as local authorities, government policies (for instance fertiliser prices, tax, land policies, etc) on livelihood using **scoring methods**. That is, community members are asked to rate a specific factor on a scale of five or ten depending on their perceptions. This is generally in line with the practice of opinion polls. The scores are converted into percentages to allow for statistical tests for significance. Some studies used such methods to look into the impact of economic reform on poor households. Participatory appraisal may take longer time if the researcher also decides to get immersed in the village to get a deeper and extensive knowledge as practised by anthropologist, or it could be quick. The latter, frequented in most poverty assessment is rapid and participatory, so the now common name **Rapid Participatory Rural (Urban) Appraisal**. This variant of qualitative research is generally based on key informants who are approached to provide the needed information.

III Objectives of the Meeting

The motivation behind the Expert-Group Meeting is based on the recognition that the two approaches in poverty measurement are important for poverty studies that strive for robust results. In this regard, Africa is well behind in the analysis of poverty despite the enormity of the problem and the likely chance that it may even grow worse in the future. Therefore, the main objectives of the meeting are:

- i. To investigate methodological and conceptual issues concerning the measurement of poverty in Africa from the perspective of the two well-known approaches: the quantitative and qualitative methods of measuring poverty.
- ii. To discuss the issue of data generation and analysis in the two approaches as practised currently in the continent. Problems regarding the administration of survey instruments, community participation in poverty assessment and related issues will be explored based on past experiences.
- iii. To reflect on the extent to which problems in surveys design and implementation do affect results on poverty measurement and come up with practical suggestions that can redress some of the shortcomings.
- iv. In addition, the meeting reviews existing evidence on the state of poverty in the continent and reflects on problems of data availability, data management, and data exchange among member countries in view of improving collaborative cross-country research in the continent. It reviews and recommends modalities for better utilisation of available data for future poverty analysis.

IV. MODALITIES

There will be a set of background papers that highlight methodological issues in the measurement of poverty and the state of poverty in Africa to motivate discussion with participants, which is envisaged to lead to recommendations on the issues at hand. So far, three background papers are planned that deal with quantitative versus qualitative approaches to the measurement of poverty, challenges of poverty reduction in Africa and urban poverty in Africa. Participants receive these papers upon their arrival in Addis Ababa where the meeting takes place.

V. WORK PROGRAMME

Tuesday, 12 October 1999

9:00 - 10:00	Registration
10:00- 10-15	Opening
10:15- 10:30	Adoption of work Programme
10:30- 11.15	Coffee Break
11:15- 13:00	Theme I: Quantitative approaches to poverty Analysis: Measurement issues Chairperson: ESPD Presenter: Essama Nassah, World Bank
13:00- 15:00	Lunch Break
15:00- 16:30	Theme I: Quantitative approaches to Poverty Analysis data and estimation issues Open Discussion Chairperson : ESPD
16:30- 16:45	Coffee Break
16:45- 17:30	Theme I (Cont'd)

Wednesday, 13 October 1999

9:30 - 11:30	Theme II: Qualitative approaches to Poverty Analysis: Conceptual Issues Chairperson: ESPD Presenter: Abebe Shimeles, ESPD
11:00- 11:00	Coffee Break
11:30- 13:00	Theme II Qualitative approaches to Poverty Analysis: Survey Analysis Open Discussion Chairperson: ESPD
13:00- 15:00	Lunch Break
15:00- 16:30	Possible merger of the two approaches
16:30- 16:45	Coffee Break
16:45- 17:30	Closure Concluding remarks: ESPD

REFERENCES

Ali, A.A, (1999), The Challenge of Poverty Reduction in Africa, *East African Social Science Review*, vp; XV, no 2, June, 80-103

Ali, A.A., and E. Thorbecke (1998), *Poverty in Sub-Saharan Africa: Magnitude and Characteristics*, draft, AERC, Nairobi

Chambers, R., (1994), The Origins and Practice of Participatory Rural Appraisal, *World Development*, vol 22, no 7: 953-69.

Demery, L., and L. Squire, (1996), *Macroeconomic Adjustment and Poverty in Africa: An Emerging Picture*, *World bank Research Observer*, vol 4: 167-85.

Pardhan, M., and M. Ravallion, (1997), *Measuring Poverty Using Qualitative Perceptions of Welfare*, World Bank (mimeo)

Ravallion, M and S. Chen, (1997), *What can New Survey Data Tell Us About Recent Changes in Distribution and Poverty?*, *World Bank Economic Review*, vol 11, no 2