

# Indicators to track rural poverty

Globally, approximately 1.4 billion people live in poverty, of which an estimated 1.05 billion are rural  
90% of the developing world's poor live in Asia or sub-Saharan Africa

Asia accounts for two-thirds of the world's poor, mostly concentrated in South Asia (43%)

The absolute number of poor are increasing faster in Sub-Saharan Africa than in South Asia but the rates of poverty are high in both regions.

Incidence and distribution of malnourished children shows a similar pattern

Source: Chen and Ravallion 2008.

There are many dimensions and measures of poverty such as population below US\$1.25, US\$2, national poverty lines, physiological deprivation, and additionally in recent years, social deprivation at the individual and the community level.

## Incidence of poverty within a country varies across

- Regions (marginal, resource-rich)
- Occupational groups (agricultural laborers, non-agricultural laborers, cultivators)
- Community groups (caste, tribes)

## Other dimensions include

- Households or individuals resources or abilities to meet their current needs
- Inequality in the distribution of income, consumption, or other attributes across the population
- Vulnerability element, ie, the probability or risk of being in poverty or falling deeper in poverty

Distribution of poor in India.		
Poverty level (%)	Number of districts	
	Rural	Urban
Less than 15%	143	119
15 – 30%	150	113
30 – 50%	122	150
Greater than 50%	84	118
<b>Total</b>	<b>499</b>	<b>500</b>

Source: Chaudhuri and Gupta 2009, EPW extracted from the 61<sup>st</sup> round of the NSSO data.

For example in India, while rural and urban poverty incidence at the all-India level is roughly comparable (28% rural and 25% urban), further analysis reveals that there is considerable variation in the incidence of poverty across districts/ regions. See table. Evidence from VLS and other household case studies provide empirical evidence on vulnerability of the poor to various shocks and their access to physical, financial and social resources in the high-risk environment of the SAT.

**Objective of the Village Dynamics Studies (VDSA)** is not to measure poverty per se but to identify and collect data on key indicators that reliably track poverty, to help in



- designing interventions best adapted to the issues at the macro-, meso- and micro-level
- providing timely and accurate information to researchers, policy makers and donor agencies in order to ensure better targeting of interventions
- assessing the effectiveness of current policies and to determine whether the situation is changing



## Choice of appropriate indicators depends on

- Availability of data (Micro/meso level)
- Easy measurability
- Replicability
- Fewer but pertinent indicators
- Comparability across regions

Indicators falling under the following broad headings will be collected. See box below.

## Indicators to include the following:

- Demographic and human capital
  - Child mortality, life expectancy, literacy rate
- Socio-economic
  - Per capita consumption, food and non-food expenditure, income distribution, employment, types of dwellings
- Gender
  - Income sharing, empowerment
- Health and nutrition
  - Body mass index, food security
- Empowerment and access
  - Membership in associations, Village level institutions
- Agricultural activity
  - Productivity, access to technology
- Community features
  - Access to safe drinking water, infrastructure, school, medical facilities

## Sources of data

- Primary household surveys in 36 villages in 3 zones (SAT India, East India and Bangladesh)
- Existing panel data on 6 villages in SAT India
- Large scale surveys such as NSSO and NCAER survey data in India, LSMS data
- Meso data from central and state/province governments