» Individual Deprivation Measure (IDM): A new measure of poverty

One Pager

Author: Marion Koch, GIZ
Editor: Simone Sieler

Following Amartya Sens's capability approach, poverty has increasingly been viewed as multidimensional since the 1990s. But the measure that still dominates international discussions is the monetary poverty line, as calculated by the World Bank, which was recently raised from USD 1.25 to USD 1.90 per capita per day.

In recent years, various efforts have been undertaken to develop better measures of poverty. The best known is probably the Multidimensional Poverty Index (MPI) that was developed chiefly by the development economist Sabina Alkire (University of Oxford) in close cooperation with UNDP. The Individual Deprivation Measure (IDM) is a less well-known but conceptually no less interesting proposal for a "better" measure of poverty developed by Thomas Pogge and other researchers.

What is new about the IDM?

1. The majority of poverty measures are based on dimensions of poverty defined by international experts. The IDM, on the other hand, is a measure where those affected themselves define what constitutes poverty and how it should be measured. The dimensions were identified, prioritised and defined in a complex multi-phase process in which the local population from 18 communities in 6 countries (Angola, Fiji, Indonesia, Malawi, Mozambique and the Philippines) participated.

2. The majority of indices used worldwide to measure poverty – both monetary and multidimensional – are based on the household as the smallest unit of analysis, assuming implicitly that everyone in a household is equally poor or not poor. In many cases, however, this does reflect the reality. In a household the distribution of resources often depends on gender, age and individual decision-making power. The

IDM hence relates to the individual and can be broken down based on the above criteria.

3. For the two researchers the gender aspect was very important. Particular care was taken that women should participate equally in the surveys conducted. References can be found in the literature, repeatedly stating that the majority of the extremely poor are women and girls. However, there is currently no evidence for this. Such data would be very useful for a needs-oriented targeting of development measures.

4. Normally, existing data is used in poverty indices to make countries and regions comparable. The IDM, by contrast, is based on data collected in the researchers' own surveys in which the local population participated.

This is how the IDM is calculated

The IDM includes 15 dimensions of poverty: food, water, shelter, health care, education, energy/ cooking fuel, sanitation, family relationships, clothing/personal care, violence, family planning, the environment, voice in the community, time-use and respect and freedom at work. The individual dimensions are given different weightings in the calculation. For example, deprivations in the form of food and water are given a higher weighting than in the form of time-use or work. In each dimension the IDM measures the degree of deprivation a person experiences on the basis of a uniform scale from 1 to 5 (1 represents very great deprivation, 5 no deprivation). Severe deprivation is included in the aggregated measure of poverty with a higher weighting than minimal deprivation (depth of poverty). This means that the IDM weights poverty in a dimension and between the dimensions to reflect the real life situation of the poor as accurately as possible.

The result is standardised on a scale from 1 to 100 on which 100 represents a person not experiencing any deprivations. All persons who achieve a result below 60 are considered to be extremely poor. Since the persons surveyed also mentioned financial status as an important characteristic of poverty in addition to its social dimensions, the calculated measure of poverty is shown together with the individual household income on two axes, thus providing an overall picture of the IDM.

The empirical results on the IDM are still very limited. A pilot survey conducted on the Philippines revealed that almost half of the Philippine population experiences severe deprivation. Contrary to original assumptions, women are not more often affected by poverty than men.

Strengths and weaknesses

The IDM is an interesting new approach to measuring poverty that can help significantly in improving the data on poverty. The developers focused on developing a simple questionnaire and designing a meaningful index that focuses on the individual and was defined by the poor themselves in terms of its composition and weighting. This provides an accurate picture of the local situation and needs, which can be very useful for designing effective poverty reduction measures. These advantages are at the same time also the biggest weaknesses of the IDM: it requires extensive (and thus costly) surveys. It remains to be seen to what extent it is also suitable for suitable international comparisons. ■

Literature: Scott Wisor, Sharon Bessell, Fatima Castillo, Joanne Crawford, Kieran Donaghue, Janet Hunt, Alison Jaggar, Amy Liu and Thomas Pogge (2015): "The Individual Deprivation Measure: A gender-sensitive approach to measuring poverty" https://www.iwda.org.au/introducing-the-individual-deprivation-measure/.