

## Exercise on Normative Issues in Poverty Measurement

### A) Definitions:

In your own words/ own language, write down a definition of the following terms that could be communicated to a policy maker. You may wish to give examples.

*Capability*

*Agency*

*Functionings*

*Capability Approach.*

### B) Choosing Dimensions and Weights:

You are part of the team which is generating a new international poverty measure. The measure aggregates first across dimensions and second across households. The measure must reflect people's capabilities or functionings at the present date. The only dataset available for the countries is the DHS, and the relevant variables you have are listed on the following page. In any step, in addition to providing a tentative answer you may describe the *process* you would undertake to reach a final answer within a month with a limited budget.

- 1) Please identify whether each variable is an indicator of resources, functionings, capabilities, or utility
- 2) Please select what *indicators* you would use in the international poverty measure, and what *dimensions* you would place each indicator in (for example the HDI has a dimension of education, for which there are two indicators – enrolment and literacy)
- 3) Please write a *justification* of your selection of dimensions and indicators, based on the discussion in class. Your justification will be printed in the report and will also be given to the press.
- 4) Please propose how you would *weight* each indicator. Please write up for publication how you would defend the weights.
- 5) Please propose the *threshold* or cutoff that you would use for the three most difficult indicators. Justify the threshold.

C) Does the capability approach add value to poverty analyses? Outline your own response.

## 2009 Summer School on Capability and Multidimensional Poverty

Demographic characteristics	Assets (Household)	Health	Education
Age	<b>Health-related Assets</b>	Whether has slept last night	Highest educational level
Sex	Type of toilet facility	wasting z-score	Highest year of education
Religion	Main source of drinking water	stunting z-score	Education in single years
Mother alive	Type of cooking fuel	underweight z-score	Educational attainment
Father alive	Type of cooking stove	<b>Body mass index</b>	Enrolment
	Place of cooking	Rohrer's index	Literacy (directly asked or computable)
	Bednet for sleeping available	Weight in kg	
Age at marriage	<b>Mobility &amp; Comms assets</b>	Height in cm	
Age at first birth	Has electricity		
Working status	Has radio	Child mortality (also age at death)	
	Has television	Preceding birth interval	
rural-urban	Has refrigerator	Succeeding birth interval	
region	Has bicycle	Currently pregnant	
district - India	Has motorcycle	(Wanted last child)	
hh size	Has car/truck	Births in last three years	
	Has telephone		
	<b>Housing &amp; Land Assets</b>	Knowledge of any method	
	Main floor material	Ever use of any method	
	Main wall material	Type of method	
	Main roof material	Knowledge about family planning	
	Owns any land	Currently breastfeeding	
	Amount of land owned (acres)	Whether child was breast fed	
	Amount of land owned (decimals)	(Duration of breastfeeding)	
	Owns dwelling	Tetanus injection before birth	
	Type of dwelling	Prenatal care	
		Assistance at birth	
		Times gave child plain water	
		Times gave several kinds of food	
		Birth weight (many missing values)	
		Vaccinations	
		Date vaccinations where recieved	
		(Whether child had diarrhea recently)	
		(Whether child had fever in last two weeks)	
		(Whether child had cough in last two weeks)	
		(Where did go in case of fever/diarrhea/cough)	
		(Medicine taken against fever)	
		Whether child has recieved vitamin A	
		Condom use (many missing values)	
		Aids knowledge	
		(visited by health worker in last 12 months)	
		(Husband ever physically hurt respondent)	
		(Ever been forced to have sex)	

- Available for respondent
- Available for children
- Available for all household members
- Available for respondents and children

() Variables in brackets means that there might be some countries or periods for which these information is not available