Poverty Measurement Methodology

December, 2009
Measuring poverty by mandate of the law

Social Development Law

Dimensions for poverty measurement

- Current income per capita
- Average educational backwardness at household
- Access to health services
- Access to social security
- Quality of living spaces
- Housing access to basic services
- Access to food
- Degree of social cohesion
Methodological approach

Social Rights
- Constitutional guarantees
- Poverty associated with social deprivation

Poverty Measurement

Welfare
- Economic policy and income have impact on social development

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- Constitutional guarantees
- Economic policy and income have impact on social development
What are the main features of the new methodology?

- Current income per capita

- Education
- Health
- Social Security
- Housing
- Basic services
- Feeding

Wellbeing

Income

Population

Deprivations

Social Rights
Poverty Identification

Vulnerable people by social deprivations

Economic wellbeing line

Ideal Situation

Vulnerable people by income

Deprivations

Social Rights

Extreme Multidimensional Poverty

MWL

$1,921.7 U
$1,202.8 R

$874.6 U
$613.8 R

Moderate Multidimensional Poverty

EWL

MINIMUM WELLBEING LINE

$1,202.8 R

$613.8 R

Multidimensional Poverty without deprivations

Vulnerable people by economic well-being
Advantages of the methodology

- Insert poverty within the broad objectives of social policy
- Visualize the progress of social policy not only on income but on multiple deprivations
- Distinguish action areas of economic policy and social policy on social development
MULTIDIMENSIONAL POVERTY IN MEXICO
Senior population 2008

- **Vulnerable people by income**: 17.2% (1.2 millions)
- **Vulnerable people by social deprivations**: 34.0% (2.4 millions)
- **Moderate poverty**: 32.5% (2.3 millions)
- **Extreme poverty**: 12.0% (0.8 millions)

Average social deprivations:
- **Moderate poverty**: 3.9
- **Extreme poverty**: 4.3
- **Income deprivation**: 2.0

Social Rights Average: 0.3 millions
Indigenous population 2008

- **Vulnerable people by social deprivations**: 20.0%
  - 1.4 millions
  - 2.8 Deprivation average

- **Extreme Poverty**: 39.2%
  - 2.7 millions
  - 4.2 Deprivation average

- **Moderate Poverty**: 36.5%
  - 2.5 millions
  - 3.1 Deprivation average

- **Vulnerable people by income**: 3.1%
  - 0.21 millions

- **3.1%**: 0.21 millions

Wellbeing

Income

Deprivations

Social Rights
Non Indigenous population 2008

Vulnerable people by social deprivations
33.9%
33.8 millions
2.0 Deprivation average

MODERATE POVERTY
8.5%
8.5 millions
3.7 Deprivation average

EXTREME POVERTY
8.5%
8.5 millions
3.7 Deprivation average

19.4%
18.0 millions

Vulnerable people by income
4.7%
4.7 millions
Multidimensional poverty incidence

Ranks Total of States

- [20% - 40%] 14
- [40% - 60%] 14
- [60% - 80%] 4

Source: CONEVAL estimations with information from MCS-ENIGH, 2008
SONORA 2008

- **Vulnerable people by social deprivations**: 39.3% (1.0 millions)
- **Moderate Poverty**: 4.2% (0.1 millions)
- **Extreme Poverty**: 22.5% (0.6 millions)
- **Vulnerable people by income**: 30.0% (0.74 millions)
- **Vulnerable people by social deprivations**: 30.0% (0.74 millions)

- **Deprivation average**: 0.74 millions
- **Social Rights**: 0.1 millions
CHI APAS 2008

Vulnerable people by social deprivations

16.2%
0.7 millions
2.1 Deprivation average

MODERATE POVERTY

EXTREME POVERTY
35.4%
1.6 millions
3.9 Deprivation average

41.3%
1.8 millions
2.5 Deprivation average

5.5%
0.24 millions

Vulnerable people by income

1.5%
0.07 millions
### Percentage of population with social deprivations
**Mexico, 2008**

<table>
<thead>
<tr>
<th>Social deprivation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to social security</td>
<td>64.7</td>
</tr>
<tr>
<td>Access to health services</td>
<td>40.7</td>
</tr>
<tr>
<td>Educational backwardness</td>
<td>21.7</td>
</tr>
<tr>
<td>Access to food</td>
<td>21.6</td>
</tr>
<tr>
<td>Housing access to basic services</td>
<td>18.9</td>
</tr>
<tr>
<td>Quality of living spaces</td>
<td>17.5</td>
</tr>
</tbody>
</table>

Source: CONEVAL estimations with information from MCS-ENIGH, 2008
Annex of indicators and thresholds

December, 2009

www.coneval.gob.mx
Social rights' space
Quality of living spaces

- Roofs: scrap or cardboard sheet
- Walls: daub and wattle, reeds, bamboo or palm; metal, asbestos or scrap cardboard sheet
- Floor: soil
- Overcrowding: Ratio of residents per room equal or greater than to 2.5
Housing access to basic services

- Water: obtained from a well, river, lake, stream, pipe, hauled from other household, public tap or hydrant
- Drainage: not available or it leads to a river, lake, ocean, canyon or fissure
- Electricity: not available
Access to health services

Membership or enrollment to:
- **Seguro Popular** (Popular Insurance)
- Public institution of social security
or
- Private medical services

² The population that presents deprivation is the one that does not satisfy the conditions presented above
Access to social security

Direct Access from:
- Employee with minimum benefits
- Retired or pensioned

Households:
- Direct Relationship *

Other family units and voluntary enrollment:
- receive medical services via a family member, death of the insured or self-enrollment

Social pension programs for the elderly

*The population that presents deprivation is the one that does not satisfy the conditions presented above
*In the terms of the Social Security Law
Educational backwardness

Population from 3 to 15 years old:
- school attendance

Population of 16 years old and over:
- Born in 1981 or earlier: complete primary education
- Born after 1981: Complete secondary education

4 The population that presents deprivation is the one that does not satisfy the conditions presented above
Access to food

Household population with moderate or severe food insecurity
Wellbeing space
Economic wellbeing

- Wellbeing line: income level below of which population cannot acquire its total needs *
- Minimum wellbeing line: income level below of which population cannot meet its food needs, even if it devoted all of its economic resources for that purpose

*The line incorporates expenditures in: food, education, health, clothing and footwear, transportation, housing maintenance, communications, entertainment, personal care and other expenses.
## Rural Food Basket

<table>
<thead>
<tr>
<th>Group</th>
<th>Name</th>
<th>Consumption (grs x day)</th>
<th>Price x kg/L</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1354.3</strong></td>
<td>$ 613.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corn</strong></td>
<td>Corn grain</td>
<td>70.2</td>
<td>3.5</td>
<td>0.2</td>
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<tr>
<td></td>
<td>corn tortilla</td>
<td>217.9</td>
<td>9.2</td>
<td>2.0</td>
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<tr>
<td><strong>Wheat</strong></td>
<td>noodles</td>
<td>7.8</td>
<td>21.3</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>cookies</td>
<td>3.1</td>
<td>33.4</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>white bread</td>
<td>11.2</td>
<td>21.5</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>sweet bread</td>
<td>18.0</td>
<td>27.7</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Rice</strong></td>
<td>Grain rice</td>
<td>14.0</td>
<td>14.6</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Beef and veal</strong></td>
<td>Steak, sirloin, braising steak, leg,</td>
<td>18.5</td>
<td>61.4</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Rump bone</td>
<td>14.8</td>
<td>42.5</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Ground beef</td>
<td>13.6</td>
<td>53.9</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Chicken</strong></td>
<td>Leg, thigh, breast with bone</td>
<td>27.9</td>
<td>35.4</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Whole chicken or in pieces</td>
<td>32.5</td>
<td>34.0</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Fresh fish</strong></td>
<td>Whole fish</td>
<td>6.3</td>
<td>29.4</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Milk</strong></td>
<td>Pasteurized milk (whole, light) from cow</td>
<td>119.0</td>
<td>11.1</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Non pasteurized milk from cow</td>
<td>37.0</td>
<td>6.0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Cheese</strong></td>
<td>Fresh</td>
<td>5.0</td>
<td>50.7</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Eggs</strong></td>
<td>Chicken eggs</td>
<td>29.6</td>
<td>22.2</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Oils</strong></td>
<td>Vegetable oil</td>
<td>17.6</td>
<td>21.8</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Fresh raw tubers</strong></td>
<td>Potato</td>
<td>32.7</td>
<td>9.3</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Onion</td>
<td>39.4</td>
<td>14.7</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Fresh vegetables</strong></td>
<td>Peppers*</td>
<td>10.5</td>
<td>23.9</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Tomato</td>
<td>67.1</td>
<td>14.7</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Legumes</strong></td>
<td>Beans</td>
<td>63.7</td>
<td>14.8</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Fresh fruits</strong></td>
<td>Lemon</td>
<td>22.4</td>
<td>7.7</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Apple</td>
<td>25.8</td>
<td>15.8</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Orange</td>
<td>24.8</td>
<td>4.2</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Banana tabasco</td>
<td>32.5</td>
<td>7.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Sugar and honey</strong></td>
<td>Sugar</td>
<td>20.0</td>
<td>10.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Prepared food to eat at home</strong></td>
<td>Roasted chicken</td>
<td>3.5</td>
<td>48.4</td>
<td>0.2</td>
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<tr>
<td><strong>Non-alcoholic beverages</strong></td>
<td>Bottled water</td>
<td>241.8</td>
<td>0.9</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Flavoured sodas and cola sodas</td>
<td>106.2</td>
<td>8.3</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>Food and beverages consumed outside household</td>
<td></td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Other prepared food</td>
<td></td>
<td></td>
<td>0.7</td>
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</tbody>
</table>

*Average price of jalapeño, poblano, serrano and other peppers
# Urban food basket

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<tr>
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<td>155.4</td>
<td>9.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Wheat</td>
<td>Noodles</td>
<td>5.8</td>
<td>21.4</td>
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</tr>
<tr>
<td></td>
<td>White bread</td>
<td>26.0</td>
<td>22.9</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Sweet bread</td>
<td>34.1</td>
<td>35.0</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>Sandwich and hamburger bread</td>
<td>5.6</td>
<td>34.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Rice</td>
<td>Grain rice</td>
<td>9.2</td>
<td>16.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Other cereals</td>
<td>Corn, wheat, rice and oat cereal</td>
<td>3.6</td>
<td>42.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Beef and veal</td>
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</tr>
<tr>
<td></td>
<td>Ground beef</td>
<td>13.9</td>
<td>56.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Pork</td>
<td>Ribs and chops</td>
<td>20.3</td>
<td>52.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Processed meat</td>
<td>Spicy pork sausage</td>
<td>3.1</td>
<td>52.3</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Ham</td>
<td>4.1</td>
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<td>2.2</td>
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<td>Fresh</td>
<td>4.8</td>
<td>50.7</td>
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<tr>
<td>Other dairy products</td>
<td>Yogurt</td>
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<td>26.3</td>
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<tr>
<td>Eggs</td>
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<td>411.5</td>
<td>1.1</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Juices and packed nectars</td>
<td>56.1</td>
<td>12.7</td>
<td>0.7</td>
</tr>
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<td></td>
<td>Flavoured sodas and cola sodas</td>
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<td></td>
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<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

*Average price of jalapeño, poblano, serrano and other peppers
Territorial context
Social cohesion

Degree of social cohesion:
- Gini coefficient
- Income ratio
- Polarization index