

# Quantitative measure of poverty critical thinking examples

[Technology](#), [Development](#)



## **Income and consumption ways of measuring poverty**

In spite of over a century research on poverty, the subject remains a big challenge. Indeed, the 21st-century has been recognized as the century for confronting the subject. Poverty is increasingly recognized as a multifaceted subject in both the complexity and character. This form of poverty elucidates quantitative measures in order to analyze (Hayati et al, 2008 p. 372). The income and consumption approach of measuring poverty mainly uses the structured family, society, and national samples in order to collect and analyze (Headey, 2008 p. 25)

The poverty line marks an important element in the income and consumption approach as it helps to demarcate relative and absolute poverty. The form of quantitative measure uses varied forms of econometric techniques in order to quantify poverty in a snapshot study of any region (Hayati et al, 2008 p. 374). According to the World Bank report, income and consumption measure of poverty provides understanding of intra-house dimensions. This data collected during this survey reveals the purchasing power of every family setting a numerical parameter for measuring the purchasing power parity among the households (Hansen & Kneale, 2013 p. 1120). The income and consumer approach provides the best mechanism for revealing poverty gap of individuals and the society. This econometric approach uses the top-down technique in order to refine greater details and provide specific issues causing poverty and how to counteract them. The quantitative approach also takes a great measure in the big mac index and reveals the some of the most striking relationships that exist between the wealthy individuals and nations across a region or globe. These quantitative

econometric results are valid enough to show how headcount index may be used to alleviate poverty. Despite all these strengths, income and consumption approach on measuring poverty has proved to be one of the most complex and challenging approaches

## **United Nation Development Programme (UNDP)**

The United Nation Development programmes in their quest achieve the Millennium Development Goals across the globe; believes that they are uniquely positioned to advocate economic change across nations (MENA Report 2014). In this context, poverty measure and reduction has one of the mandates to drive the transformation. The program relies globalization is most fundament component in achieving these goals (Mitra, 2013 p. 1081). The program operates exclusively to make real life improvements and promote sustainable human development. In their snapshot study, it is revealed that Human Development Index HDI is the better than the “ GDP per capita” in measuring socio-economic progress (Schimmel, 2009 p. 97). In order to determine the poverty level beyond the income-based list, the UNDP a more complex Multidimensional Poverty Index (MPI). Clark 2010, in her work, “ How Can We End Poverty” believes that the Multidimensional Poverty Index approach is capable of reflecting various deprivations/ indicators that may add up to 33% that are core functioning unlike the Human Development Index Human Development Index and GDP. This approach also uses the econometric qualitative measures on the top-down technique in order to refine greater details and provide specific issues causing poverty in the society and how to counteract them. Further, the UNDP uses the

Multidimensional Poverty index (MPI) to show the various deprivations patterns of poverty across the globe (Schimmel, 2009 p. 97). However, it is also important to note that the UNDP requires high level of econometrics on both the monetary and non-monetary variables in order to achieve its potential indication.

In conclusion, as a result of complexity of measuring poverty phenomena, it is important for scholars and researchers to specialize in both methods of analysis (Jorgenson, 1998 p. 80). Mastering these analysis methods are expected to provide individual and national growth across the globe and ultimately realize the Millennium Development Goal.

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