1 Introducing Poverty Measurement

1.1 Introduction

Poverty is arguably the single largest moral problem in the world today. Well-worn statistics give a rough indication of the size and severity of the problem. Nearly a billion people are undernourished (FAO 2010). On average 22,000 children die from poverty-related causes every day (You et al. 2010). The number of people who live without access to improved sanitation facilities is 2.6 billion, and over 800 million live without access to improved drinking water (UNICEF 2010). Rates of violence against women are persistently and unacceptably high – in most countries, the likelihood of a woman being a victim of physical or sexual violence during her lifetime is between 30 percent and 60 percent (WHO 2005).

There is surprisingly little rhetorical disagreement by the world’s leaders that more needs to be done to address the various deprivations faced by the world’s worst-off people.1 The most prominent recent statement of this commitment is the United Nations Millennium Declaration:

We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want. (UNGA 2000, Section III)

Though the Millennium Declaration marks the latest international commitment to poverty eradication, the international human rights regime has clearly recognized anti-poverty rights for over 60 years. The
Universal Declaration of Human Rights recognizes, among a number of other economic, social, and cultural rights, that

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (United Nations 1948)

Given these commitments to eliminate global poverty, how are we to assess the progress in achieving this goal? One answer is provided by the Millennium Development Goals (MDGs), adopted following the Millennium Declaration to provide agreed development objectives and targets that would make concrete and measurable the sentiments present in the Millennium Declaration. The first and most prominent MDG is to eradicate extreme poverty and hunger. The most discussed target of the first goal is to halve the proportion of people in the developing world living on less than ‘one dollar a day’.

But is that what it would mean to eradicate extreme poverty? And are the data that are currently collected to measure progress against this goal telling the real story about global poverty?

In both narrower academic circles and the wider public sphere, there is widespread, impassioned disagreement regarding global poverty measurement, and in particular over whether poverty has been increasing or decreasing in the past three decades. In a 2002 article in the *New York Review of Books*, Benjamin Friedman took aim at the leading systematic critique of the International Monetary Fund and its neoliberal prescriptions of the 1990s. Friedman found much to commend and much to object to in Joseph Stiglitz’s (2002) now landmark work *Globalization and Its Discontents*. Of central importance to Friedman’s argument was the claim that Stiglitz used unreliable figures to argue that the number of poor people remained persistently high, and in fact increased, during the 1990s. Friedman wrote,

Stiglitz echoes the standard view that the number of people around the world living on less than $1 per day, or $2 per day, has been increasing in recent years. By contrast, his own colleague in the Columbia Economics Department, Xavier Sala-i-Martin, has recently published a study arguing just the opposite ... the number of people in the world who live on the equivalent of $1 per day, or $2 per day, is