Developing Poverty Assessment Tools Project

Best Poverty Indicators for 12 Poverty Assessment Tool Countries

The IRIS Center

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A Brief Note on the Notation and Content of the Tables

An indicator is included in the attached table if it is selected among the best regressors by the top model in a particular country. If a one-step model is judged optimal by the BPAC criterion, the best 15 indicators (excluding controls) are included in the table. If a two-step model is judged optimal, the best 15 indicators from each of the steps of the procedure are included.

Indicators presented from the 4 field test countries are from Model 9 (see accuracy reports on Bangladesh, Peru, Kazakhstan, and the upcoming Uganda report), which includes the most LSMS-like set of variables. This was done to insure maximum comparability with the other 8 countries, but as a consequence excludes some practitioner indicators not included in LSMS.

Common indicators among the twelve countries can be grouped into four broad categories: education, housing, consumer durables, and assets. However, specific indicators within these categories are not necessarily applicable or may lack predictive power in another country. Indicators for panga (machete) and saris, for example, are closely tied to the local context. The predictive power of an indicator may also vary between low poverty and medium/high poverty countries. Refrigerator is a best indicator in 6 countries, but only one of these countries has an incidence rate of very poor households greater than 20 percent.

Control variables are not present in the table. They include, where available: age of the household head and its square, household size and its square, geographical region, and rural or urban designation.

All variables involving monetary values (e.g., expenditures) are entered in natural log terms in the regression analysis.

Country abbreviations: Albania (AL), Bangladesh (BA), Ghana (GH), Guatemala (GT), India: Bihar and Uttar Pradesh only (IN), Jamaica (JA), Kazakhstan (KZ), Madagascar (MD), Peru (PE), Tajikistan (TJ), Uganda (UG), and Vietnam (VN).

	KZ	JA	AL	GH	VN	GT	PE	BA	UG	MD	TJ	IN	Total
	Poverty incidence less than 20 percent					Poverty incidence greater than 20 percent							
Clothing expenditures	x	x	x	x	x	x	x	x	x	x	x	x	12
Education													
Members of household	x	x	x	x	x	x		x	x	x	x	x	11
Head of household	x	x	x	x	x	x	x	x	x		x		10
Literacy of head of household						x				x			2
Literacy of members of household							x						1
Proportion of household attending school		x											1
Proportion of household of school age											x		1
Housing													
House size		x	x	x	x	x		x		x	x	x	9
Toilet facilities	x	x			x			x	x	x		x	7
Water source	x	x	x	x		x			x			x	7
Cooking fuel		x		x	x			x	x	x	x		7
Lighting				x	x			x	x	x			5
Wall material	x			x		x	x					x	5
Floor material				x	x	x				x			4
Roof material							x	x	x		x		4
Does not own house		x									x		2
Electricity connection						x	x						2
Consumer durables													
Video equipment	x	x	x		x	x			x	x	x		8
Audio equipment				x	x				x	x	x	x	6
Refrigerator	x	x	x	x	x						x		6
Car		x	x	x		x	x				x		6
Stove		x		x	x	x					x		5
Phone		x	x				x				x		4
Sewing machine				x		x					x		3
Bicycle						x				x			2
Camera				x		x							2
Cell phone	x		x										2
Computer		x	x										2
Musical instrument	x									x			2
Number of ceiling fans owned								x					1
Fan												x	1
Generator			x										1

	KZ	JA	AL	GH	VN	GT	PE	BA	UG	MD	TJ	IN	Total
Motorcycle					x								1
Microwave oven						x							1
Mixer						x							1
Value of metal pots owned							x						1
Shoes									x				1
Number of saris owned								x					1
Table										x			1
Truck			x										1
Vacuum cleaner											x		1
Watch												x	1
Value of jewelry					x								1
Value of radio, TV, VCR and CD players								x					1
Assets: agriculture													
Number of cows owned	x			x				x			x	x	5
Land ownership	x					x		x	x				4
Pig ownership						x		x					2
Poultry ownership							x		x				2
Number of horses owned					x								1
Number of buffalos owned												x	1
Number of sheep and goats owned	x												1
Farm ownership					x								1
Value of panga (machete)									x				1
Fodder machine												x	1
Thresher												x	1
Number of motor tillers owned								x					1
Value of food processing assets							x						1
Assets: financial													
Remittances	x			x			x	x	x		x		6
Amount of loans				x	x								2
Amount of savings					x			x					2
Banking or checking account	x							x					2
Assets: other													
Amount of total land			x									x	2
Value of total household assets	x						x						2
Illness and disability													

	KZ	JA	AL	GH	VN	GT	PE	BA	UG	MD	TJ	IN	Total
Proportion of household with illness			x	x		x							3
Days lost from usual activity due to illness											x		1
Number of female members with some disability	x												1
Other													
Occupation	x			x					x	x	x	x	6
Female household head		x		x				x		x	x		5
Marital status				x	x		x		x			x	5
Ratio of males to females in household								x					1