Measuring monetary poverty among forcibly displaced populations in camps

International seminar on measuring shared prosperity and inclusion, 3 Nov 2022
Felix Schmieding
Motivation and context

• Drastic increase in the number of forcibly displaced persons. 103 million as of mid-2022, more than double the number ten years ago.

• Understanding poverty levels of these vulnerable groups of great interest, yet often excluded or insufficiently represented in wider poverty surveys and analysis.

• Some recent expansion of national poverty surveys to refugees and IDPs: Uganda 2018, Chad 2018 and 2022, Niger 2018, CAR 2021, Ethiopia 2022. A very recent but hugely important development.

• Considering the increasing amount of national poverty surveys that include displaced populations in camps, important to take stock of particular challenges and avoid incomparability of estimates between forcibly displaced persons and their hosts.

• Various challenges identified when estimating poverty among refugees and IDPs living in camps...
Accurately reflecting price levels in camps for food and non-food consumption

- Food and non-food consumption often constitute the largest chunk of the consumption aggregate. Accurate valuation of consumption is essential.

- Refugee and IDP camps can be characterized by imperfect or missing markets, highly distorted price patterns, and large-scale provision of food and non-food items. In consequence:
  - Price data can be missing for a large share of food and non-food items.
  - The quality of items consumed in camps might be different to similar items consumed in the host population.

- Finding comparable prices from other places (areas around camps) can be difficult.

Some of this missing price data can be imputed from within the camp(s), but for 18% of consumption in these camps no immediate price imputation possible!

<table>
<thead>
<tr>
<th>Items received as aid/free from public or private organizations</th>
<th>Mostly organized camps</th>
<th>Mostly informal settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refugees/IDPs</td>
<td>48.7%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Host population</td>
<td>0.7%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

1 Ethiopia
2 Bangladesh
3 Kenya Kakuma
4 Kenya Kalobeyei
5 Somalia
6 Uganda

4.4% of all food and non-food items received as aid/free from public or private organizations are not price-identified!
Use value of housing

• Consumption aggregates from national surveys often includes use value of housing (measured or imputed).

• Housing among refugees and IDPs in camps often not market-based. Challenges in comparability with the use value of housing among the host/national population.
Utility consistency?

• Compared across households or subgroups, it is often assumed that poverty measurement is utility consistent (same “value”/utility of the same price-corrected expenditures)

• Where households are provided many goods for free and have limited choice of goods, utility consistency might not hold. (A bundle of goods consumed by a refugee/IDP in a camp may not provide the same level of utility as a bundle consumed in places with greater choice of goods, despite being valued at the same aggregate price.)

• When comparing between subgroups, perceived poverty differences might not align with measured poverty differences where households don’t have similar levels of choice in selecting their bundle of goods.
An area of active methodological research

• There are without doubt many methodological challenges in assessing monetary poverty for host and camp populations, and in a fully comparable way.

• Two papers underway that will shed further light on this topic:
  • Sohnesen and Schmieding (forthcoming)
  • Pape and Verme (forthcoming)
Thank you!

To stay connected, visit our website at www.jointdatacenter.org and subscribe to our newsletter.