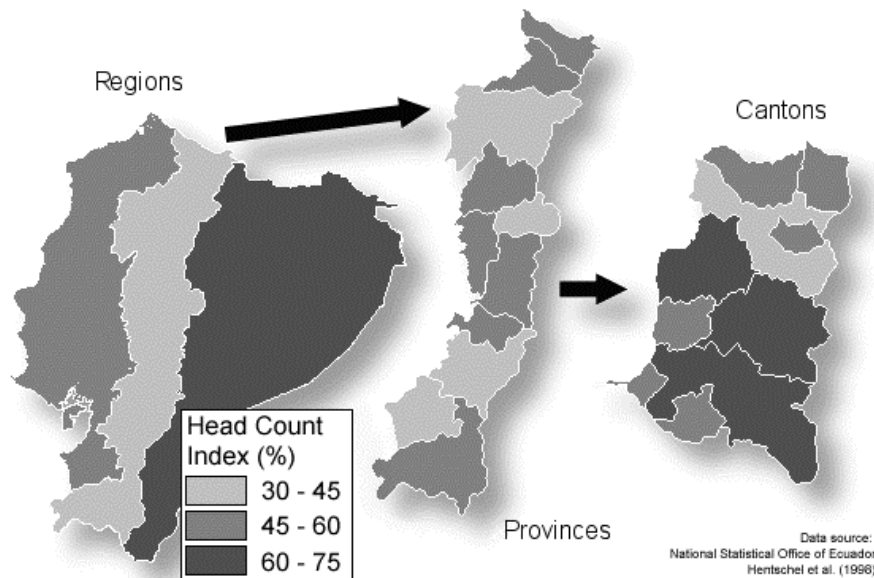


Poverty maps, spatial descriptions of the distribution of poverty in any given country, are of greatest use to policy-makers and researchers when they are finely disaggregated, i.e. when they represent small geographic units, such as cities, towns, or villages. Many developing country policymakers use poverty maps when planning public investments in education, health, sanitation, water, transport, and other sectors. Social Funds often use poverty maps because geographically targeted investments are thought to reach many poor citizens and have spillover effects enhancing productivity in depressed areas.

Unfortunately, almost all household surveys are too small to be representative at such fine levels of disaggregation, and most census data (or other large data sets) do not contain the detailed information needed to calculate monetary indicators of poverty or inequality. In general, there is a tradeoff between the number of observations in a data set and the information content, because collecting a lot of information for a very large sample is prohibitively costly.

How can this obstacle be overcome? One way is to apply econometric techniques to combine sample survey data with census data to predict consumption-based poverty indicators using all households covered by the census. Since policymakers in many countries are familiar with poverty and inequality indicators (e.g. the Foster-Greer-Thorbecke measures, the Gini coefficient, etc.) that are regularly reported in country poverty profiles using household surveys, this method is appealing because it produces estimates of these same measures, as well as an indication of the degree of statistical precision of these estimates, for smaller administrative units. Poverty maps constructed in this fashion are more likely to be put to practical use, because the statistical

underpinnings of the methodology makes them more credible and more readily endorsed than the more commonly found maps based on ad-hoc methods.



A small team of researchers in the Bank’s “poverty cluster” of the Development Economics Research Group (DECRG-PO) have now developed a methodology along these lines and piloted it in several countries, among them Ecuador, South Africa, and Nicaragua. The team provides technical assistance, capacity building, and various free software tools to statistical institutes in developing countries upon demand, conditional upon availability of suitable data (a recent census and a LSMS-type household survey). Furthermore, the team is currently working on developing a “how-to manual” for poverty mapping, platform-independent software tools, and a training course aimed at staff from statistical institutes and researchers from developing countries. A training course combined with user-friendly tools and technical assistance should make poverty maps accessible for a wide range of countries in the near future. Interested parties are

encouraged to contact Peter Lanjouw (planjouw@worldbank.org) or Berk Özler (bozler@worldbank.org) for further information.