



Professor Angus Deaton wins Nobel Prize

Professor Angus Deaton won the 2015 Nobel prize in Economic Sciences for his work on poverty, consumption and welfare. According to the Royal Swedish Academy of Sciences, Deaton's research "has uncovered important pitfalls when comparing the extent of poverty across time and place." Further, "Deaton's focus on household surveys has helped transform development economics from a theoretical field based on aggregate data to an empirical field based on detailed individual data."

Deaton is a long-standing member of the International Comparison Program (ICP) Technical Advisory Group and his work has shaped the purchasing power parity (PPP) methodology and applications. Deaton's research on PPPs and poverty is in [Chapter 21](#) of the ICP's *Measuring the Real Size of the World Economy*.



Deaton is the Dwight D. Eisenhower Professor of Economics and International Affairs at the Woodrow Wilson School of Public and International Affairs and the Economics Department at Princeton University. Watch Deaton describe his work on poverty, consumption and welfare in his [Nobel Prize Lecture](#).



3rd RCAs and Technical Experts meeting at the World Bank in Washington, DC.

3rd Meeting of ICP Regional Coordinating Agencies

The third meeting of the ICP Regional Coordinating Agencies (RCAs) and Technical Experts took place from October 28 to 30 at the World Bank in Washington, DC. The first session of the meeting discussed issues related to the interim regional PPP updates. The second session discussed the interim technical agenda including linking regional PPP updates. The third session covered discussions on the future of the ICP.

Meeting participants included the Asian Development Bank, Interstate Statistical Committee of the CIS, Eurostat, OECD, UN-ECLAC, UN-ESCWA, the IMF, the World Bank, and leading technical experts.

It was agreed that a timetable for the interim period would be prepared and circulated, and would outline the timing of various regional PPP updates and the revisions of the global PPP time series. Further plans include: a draft research agenda for the interim period; preparation of a blueprint of PPP time series updates; and an inventory of sub-national PPP projects in various countries.

Measuring Global Poverty: Past, Present, and Future

On November 30, Francisco Ferreira of the World Bank's Development Economics Research Group presented the policy talk "Measuring Global Poverty: Past, Present, and Future." The event focused on the international absolute poverty line, as well as PPP exchange rates used to compare standards of living across countries.

Ferreira discussed the recent poverty update that used PPPs from ICP 2011. Ideas on the future of the World Bank's global poverty measurement were also discussed. More information can be found on the event [page](#) and in the [recording](#) of the event on World Bank Live.



ICP 2011 Evaluation and the UNSC 2016 Session

The Friends of the Chair (FOC) evaluation of the 2011 round of the ICP completed its [final report](#). The FOC group was chaired by Statistics Austria and India's Ministry of Statistics and Programme Implementation. The report will be discussed at the 47th session of the United Nations Statistical Commission (UNSC), taking place from March 8-11, 2016 in New York. The report highlights the lessons learned from ICP 2011 as well as recommendations on the future ICP program.



The World Bank also submitted to the 47th session of the UNSC a [report on the ICP interim activities](#). It describes activities undertaken at the global and regional levels, following the conclusion of the 2011 round, to conduct PPP update exercises to improve PPP estimates in non-benchmark years. The report also highlights the latest capacity-building and advocacy activities to improve the uses of ICP results.

Synergies between CPIs and PPPs and integration of survey activities

The World Bank is organizing a session on “Synergies between CPIs and PPPs and integration of survey activities “ within the upcoming Meeting of the Group of Experts on Consumer Price Indices, on May 2-4, 2016 in Geneva.

The session will discuss country experiences with establishing synergies between PPP and CPI data collection activities; harmonization of classification schemes for PPPs and CPIs; establishing overlap in PPP and CPI product lists; establishing common data curation and quality assurance processes; and applications in sub-national price comparisons.

The [call for papers](#) was issued by UNECE and the deadline for submitting abstracts is January 20th, 2016.

Project Syndicate: The Poverty Line's Battle Lines

In his article [“The Poverty Line's Battle Lines,”](#) World Bank Chief Economist Kaushik Basu examines the cautions and planning undertaken in redefining the international poverty line this year. The new \$1.90 poverty line, calculated with ICP 2011 PPPs, was particularly momentous this year for two reasons: ICP 2011 PPPs had just become available in 2014, and the United Nations included ending poverty in its Sustainable Development Goals. Basu notes that “Measuring poverty attracts attention from both politicians and academic researchers – and we had an ample amount of both. We were attentive to the politics of poverty, but we resisted political lobbying. We took account of the suggestions of researchers, but we used our judgment.”

Innovations and Alternative Data Sources to Inform Price Statistics

On March 30, 2016, the World Bank will host a seminar entitled “Innovations and Alternative Data Sources to Inform Price Statistics: Opportunities and Challenges.” The event will bring together price data users and producers for an interactive discussion on the challenges and opportunities for accelerating price data collection and leveraging the global data revolution, innovations and new data sources to fill gaps in price statistics. The documents and outcomes of the seminar will be posted on the [ICP website](#).

Papers Using ICP Data (October – December 2015)

Evidence that capital formation is overestimated in low- and middle-income countries in ICP 2011, Theodore R. Breton, Applied Economics Letters, December 2015

Engel's Law, Diet Diversity and the Quality of Food Consumption, Kenneth W. Clements and Jiawei Si, University of Western Australia, October 2015

A global count of the extreme poor in 2012: data issues, methodology and initial results, Francisco H. G. Ferreira et al, The World Bank, October 2015

PPPs in the Media (October – December 2015)

Developed economies start year at widely differing stages of recovery stages, Keith Fray, Financial Times

JPMorgan Says Japan Inc. Must Prepare for Yen Below 100 a Dollar, Kevin Buckland and Kazumi Miura, Bloomberg

Celebrate the rise of flawed, febrile China, David Pilling, Financial Times

India and the potential for greater emissions reductions, Shawn Dhar, Brookings

For Poor Countries, Well-Worn Path to Development Turns Rocky, Raymond Zhong, The Wall Street Journal

ILO reports dramatic global drop in number of working poor, Kate Allen, The Guardian

The never-ending story, The Economist

A tale of three countries, The Economist

The most—and least— energy intensive nations, Drew Desilver, Pew Research Center

A Lesson For Japan And China From the Year 1985, Masazumi Wakatabe, Forbes

Global poverty, a very underestimated phenomenon, Francois Bourguignon, Les Echos

The tricky work of measuring falling global poverty, The Economist

Global Poverty Will Hit New Low This Year, World Bank Says, Lydia O'Connor, Huffington Post

The U.S. Is The Third Lowest Health Spender Of 13 Developed Countries, John Graham, Forbes

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