Advancing the Measurement of Poverty and Inequality in the UNECE Region

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Inter-regional expert group meeting
“Placing equality at the centre of the 2030 Agenda”
Santiago (Chile), 27-28 June 2018
Activities at UNECE
Conference of European Statisticians

• Start: 2012 CES in-depth review of poverty statistics
• Expert meetings annually since 2013
  next: Vienna, 29-30 Nov
  Steering Group, chaired by United States
• Capacity-building workshops annually since 2013
• Methodological work:
  • **Guide on poverty measurement**
  • Harmonised survey module for Eastern Europe and Central Asia
  • Disaggregated poverty measures
  • Social exclusion
Goal 10: Reduced inequalities

Indicator 10.2.1
Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities
Goal 1: No poverty

Indicator 1.1.1
Proportion of population below the international poverty line

Indicator 1.2.1
Proportion of population below the national poverty line

Indicator 1.2.2
Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
UNECE Guide on poverty measurement

• Guidance on applying measurement approaches
• Aims to improve international comparability
• Mainly targets national statistical authorities
• Useful for policymakers, researchers and other users of poverty data
• English and Russian
Task Force 2015-2017

- National statistical offices:
  - Georgia
  - Germany
  - Italy
  - Poland
  - Russian Federation
  - Turkey
  - United Kingdom

- International organizations
  - CIS-Stat
  - Eurostat
  - OECD
  - UNDP Istanbul Regional Hub
  - Unicef
  - World Bank

- Academia
  - OPHI
Selected recommendations: monetary poverty

- Observation unit → household
- Reporting → individual level, using headcount ratio for international comparison
- Income measure → annual equivalised household income, equivalise using square root scale
- For international comparison, prefer income over consumption
- Exclude from international comparisons imputed rent, services from consumer durables, social transfers in kind
- Wealth not to be used as a poverty measure on its own
- Relative poverty → use threshold of 50% below median
Recommendations: multidimensional poverty

• MPI to suit national objectives. Desirable dimensions: living standards, services, health, education, work, living environment

• Dimensions to be weighted equally, unless a deviation is normatively justified
Using multiple welfare measures: statistical matching

- **Recommendation**: consider also the intersection of income and expenditure-based measures
- Intersection of multiple indicators for the same people
- Often no single data source with joint information → use statistical (or synthetic) matching
- **Statistical matching** → merge two datasets matching data by common variables
Example: Matched dataset

Define one dataset as recipient and one as donor.
Link records using variables common to both datasets.
Poverty measure overlap

Germany
- Income poor: 14.4%
- Expenditure poor: 12.4%
- Deprived: 11.1%

United Kingdom
- Expenditure poor: 19.8%
- Deprived: 13.5%
- Income poor: 16.0%

Poor by at least 1 indicator:
- Germany: 23.4%
- United Kingdom: 35.5%

Challenges for the future

- Hard to reach populations
- Imputed rent and housing cost
- Social transfers in kind
- Wealth
- Comparable welfare aggregates
- Comparability of multidimensional poverty measures
- Individual level poverty measures
- Spatial differences within countries
- Subjective poverty
Harmonised survey module for Eastern Europe, Caucasus and Central Asia

- Background: unnecessary differences in data collection
- Module with questions on
  - Expenditure
  - Income
  - Deprivations
- Workshop in September 2017 (Montenegro)
- Testing this year
  - Azerbaijan
  - Belarus
  - Kazakhstan
  - Kyrgyzstan
Methodological work 2018-2020

- Disaggregated poverty measures
  - Intra-household measures
  - Sub-national coverage
  - Hard-to-reach population
  - Population in institutions
  - Differing consumption needs of different population sub-groups

- Measuring social exclusion
  - Good practices in measuring social exclusion and in assessing their potential for delivering comparable results
Thank you for your attention.

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