

# Poverty Measurement in the UNECE Region

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# Activities on poverty measurement at UNECE



- MDG database [unece.org/data](http://unece.org/data)
- Seminars 2013, 2015, 2016
- Capacity-building workshops 2015, 2016
- Task force to prepare a Guide
- Harmonizing data sources and methods in Eastern Europe and Central Asia
- *In the framework of the Conference of European Statisticians*

# Challenges

- No coherent set of indicators to measure and monitor poverty in the UNECE region
- Different approaches to the measurement of poverty
  - Definitions
  - Estimation methods
  - Primary data sources
- Disaggregation by sex: data usually household-based
- Reporting on uncertainty and bias of poverty data
- International comparison difficult
  - A common view on operational definitions and methodological solutions needed

# What kind of poverty?

- Monetary poverty
  - Absolute poverty: income, level of expenditures/consumption, income surveys
  - Relative poverty: 50% or 60% median equivalised income or median expenditures, also mean income/expenditures
- Multidimensional poverty
- Subjective poverty:
  - Do individuals consider themselves poor
  - Income needed to make ends meet
  - Subjective well-being (life satisfaction, emotional well-being, sense of meaning in life)

# Type of poverty measured, Eastern Europe, Central Asia

Country	Absolute	Relative	Multi-dimensional	Subjective
Armenia	X		X	X
Azerbaijan	X			
Belarus	X	X	X	
Georgia		X		
Kazakhstan	X			X
Kyrgyzstan	X			
Rep. Moldova	X	X	X	X
Russian Fed.	X	X		
Ukraine	X	X	X	X
Uzbekistan	X			
<b>Total</b>	9	5	4	4

# Monetary poverty: challenges

- Data issues:
  - Coverage of vulnerable groups in surveys
  - Non-response to household surveys
  - Need for good quality meta- and microdata
- Harmonization of definitions
- Need to update poverty lines regularly and in a comparable way
- Absolute poverty in advanced countries based food consumption: a very small share
- Relative poverty in the EU
  - Comparability challenge
  - Robustness at times of quick changes in the economy

# Effect of methodology: Poland

- Expenditures (value of consumption) vs. disposable income
  - Choice often depends on availability and quality of data
  - Each measure requires different interpretation
  - Expenditures considered a more reliable and stable measure

## Extreme poverty rates in Poland, 2013, by socio-economic group

Socio-economic groups	% of persons at risk of extreme poverty	
	calculated on a basis of households' expenditures	calculated on a basis of households' income
<b>Total population</b>	<b>7,4</b>	<b>6,1</b>
Employees	6,4	3,5
Farmers	13,4	23,9
Self-employed	3,9	3,3
Retirees	4,8	2,3
Pensioners	13,2	12,0
Living off other, non-earned sources of income	21,5	26,8

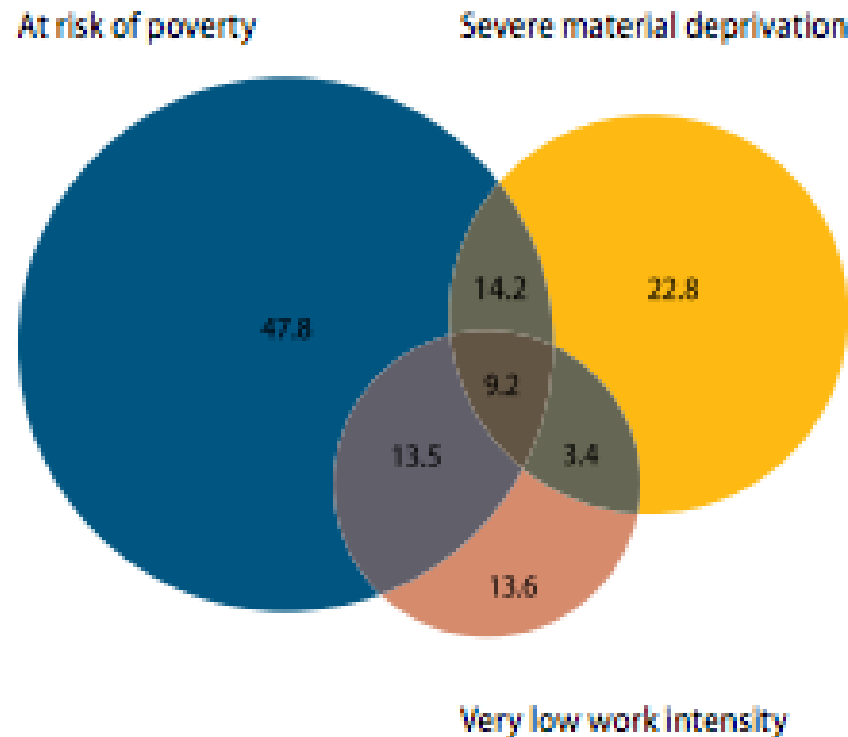
Source:s:  
EU-SILC 2013  
and Household  
Budget Survey  
2012

# Multidimensional poverty

- Going beyond income and material deprivation
  - Dimensions: income, material deprivation, education, health, housing, labour, ...
  - Multidimensional poverty index
- Challenges:
  - Regional choice of variables for MPI
  - Harmonization of dimensions
  - Availability of longitudinal data
  - Single index sensitive to weighting parameters

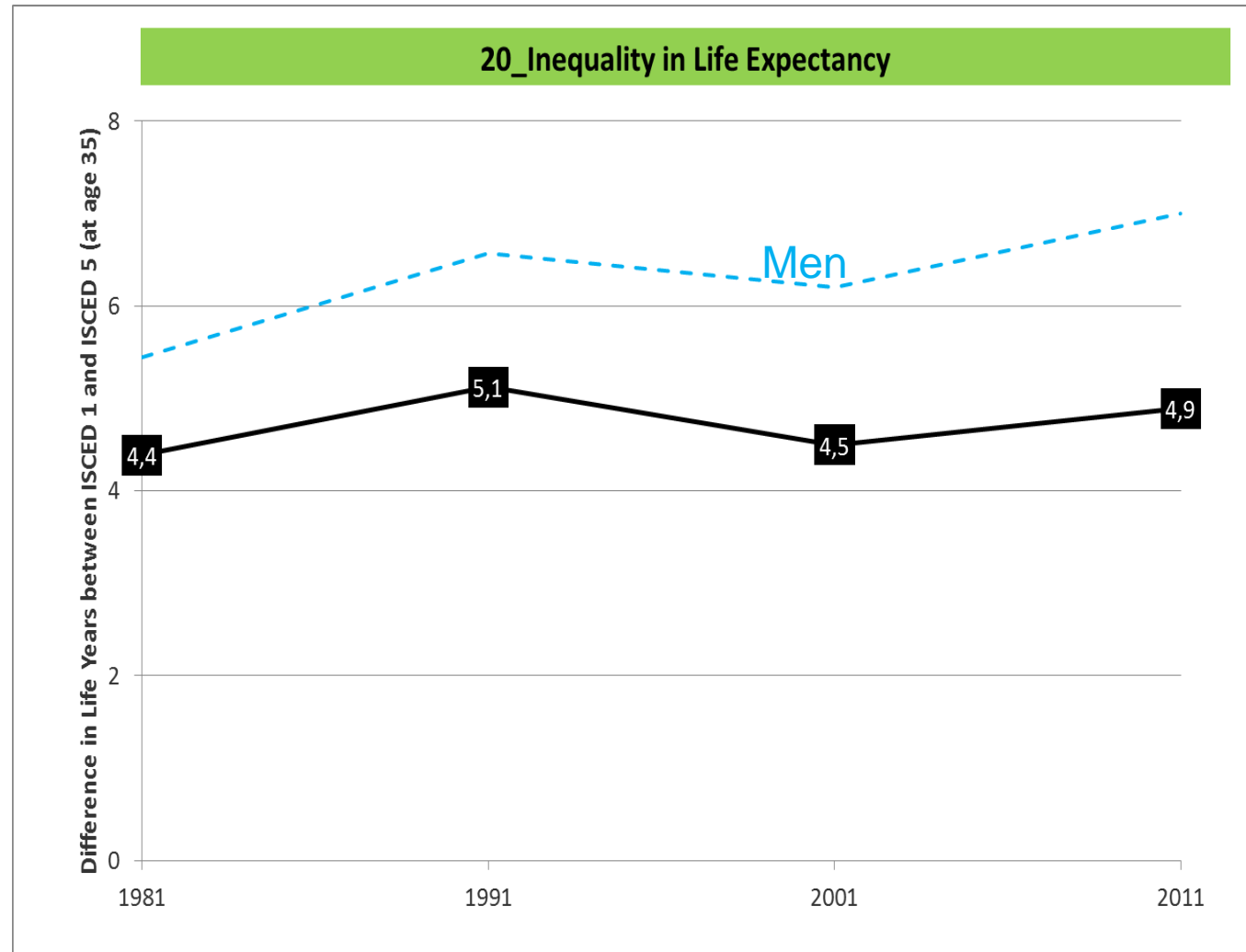


# People at risk of poverty and social exclusion in the European Union (2012: 124.1 ; 2013: 122.9 million)



# Example: Austria

- Dashboard of 22 social inclusion indicators based on EU-SILC
- 5 dimensions
  - Living standards (5)
  - Housing (5)
  - Work (6)
  - Education (4)
  - Health (2)

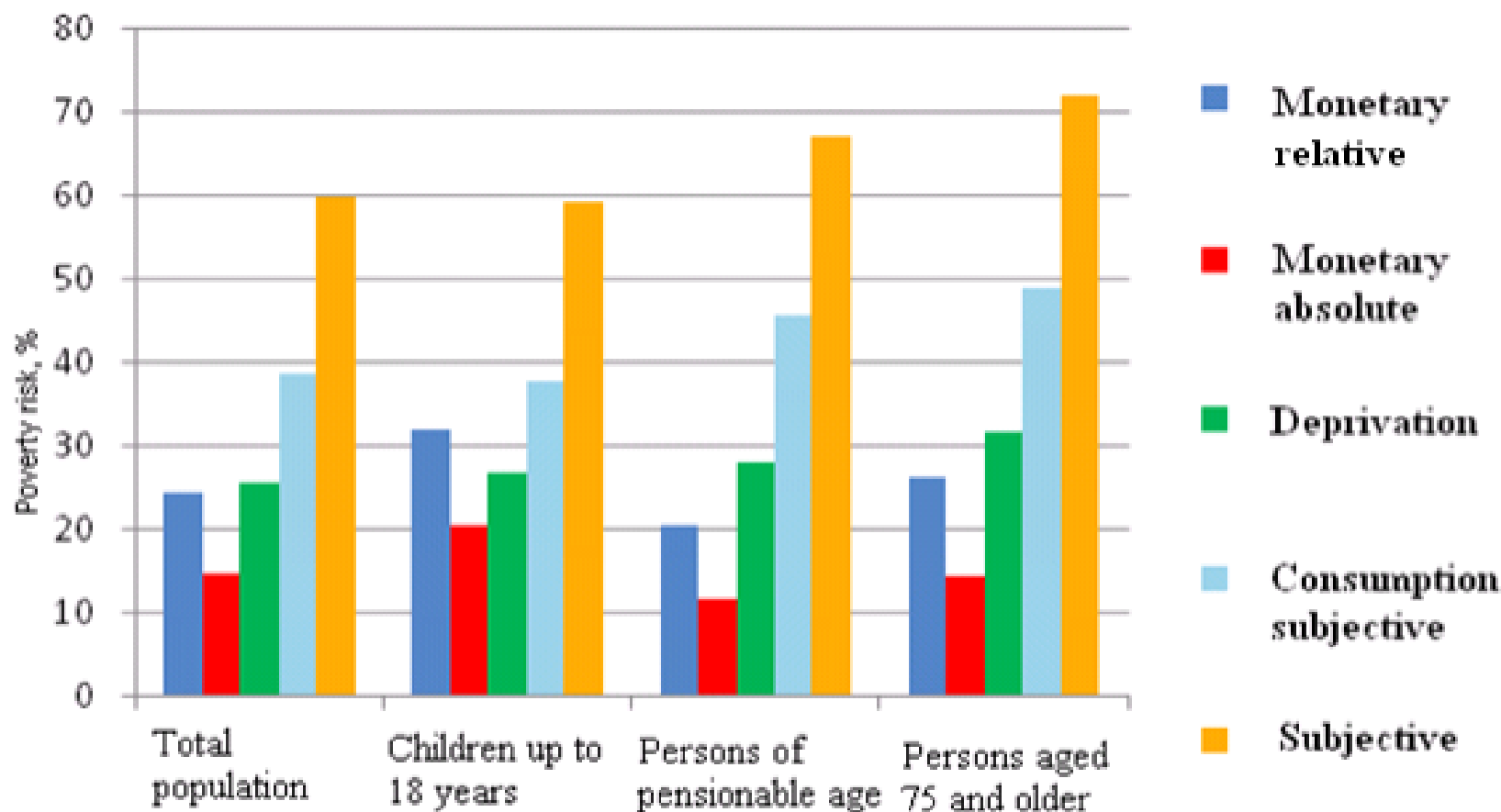


# Subjective poverty

- Do individuals consider themselves poor
- Income needed to make ends meet
- Subjective well-being (life satisfaction, emotional well-being, sense of meaning in life)

# Example: Ukraine

- Monetary poverty higher in households with children
- Non-monetary poverty higher in older age groups



# Task Force on Poverty Measurement

- Objective to improve the international comparability and availability of statistics on poverty by:
  - Developing guidelines on definitions, methods and data sources
  - Providing recommendations on documenting metadata
  - Preparing an inventory on poverty indicators
  - Defining a coherent set of indicators to measure poverty
- Outcome: Guide on Poverty Measurement
- Time table:
  - February 2016: Next meeting of Task Force, back-to-back with the UNDP “Istanbul Development Dialogues: TalkInequalities”
  - May 2016: Full draft of the Guide for consultation
  - December 2016: Final report to CES Bureau