Distr.: General
21 December 2018

Original: English

United Nations Economic Commission for Europe

Conference of European Statisticians
Workshop on harmonization of poverty statistics
Vienna, Austria, 28 November 2018

Report of the Workshop on Harmonization of Poverty Statistics

Note by the Secretariat

I. Attendance

1. The UNECE workshop on harmonisation of poverty statistics was held on 28 November 2018 in Vienna, Austria. It was attended by participants from Albania, Armenia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Czech Republic, Georgia, Greece, Kazakhstan, Kyrgyzstan, Mexico, Mongolia, Republic of Moldova, Russian Federation, South Africa, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Ukraine and Uzbekistan. The Eurasian Economic Commission, Interstate Statistical Committee of the Commonwealth of Independent States (CIS-Stat), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Development Programme (UNDP), United Nations Mission in Kosovo (UNMIK), and the World Bank were also represented.

2. The workshop was conducted with support from the United Nations Development Account (10th tranche) and the UNECE project "Harmonized poverty indicators for monitoring sustainable development in the CIS countries" funded by the Russian Federation.

II. Organization

3. The following topics were discussed at the workshop:

   a) Comparable statistics across countries for poverty monitoring;

b) Harmonization data collection on poverty in household surveys;

c) Data disaggregation for poverty measurement.

4. The discussion at the workshop was based on contributions available at http://www.unece.org/stats/documents/2018.11.poverty.workshop.html.

5. The meeting was held back-to-back with the UNECE Expert meeting on measuring poverty and inequality (29-30 November 2018).

III. Summary of proceedings

A. Comparable statistics across countries for poverty monitoring

6. Experts discussed progress made in aligning their national policies and practices in view of establishing a common approach for reporting on the Sustainable Development Goals (SDGs) on poverty and inequality. Further work is needed on definitions, methodologies and metadata sharing with regard to the SDG indicators on poverty, and on developing complementary indicators tailored to national needs.

7. Methodology and data for SDG [1.1.1] and [1.2.1] on *the share of population living below the poverty lines* are available. However, the global poverty line of $1.90 was found mostly irrelevant for CIS countries. It was largely agreed that there is value for regional harmonisation with respect to poverty thresholds and additional poverty lines at $3.90, $5.00 or $10.00 were suggested to be computed.

8. Several CIS countries are in a process of developing indicator [1.2.2] on *the proportion of men, women and children of all ages living in poverty in all its dimensions, according to national definitions*. The latest work on the multi-dimensional poverty index (MPI) methodology from the Global Human Development Report (http://hdr.undp.org/en/2018-MPI) could greatly help to ensure cross-country comparability in reporting on this indicator.

9. The experts noted potential differences between national and global estimates regarding the inequality indicators (SDG 10). For example, the indicator [10.1.1] on *growth rates of household expenditure/income* is calculated based on the average growth rate over a five-year period while several CIS countries calculate this indicator on an annual basis as percentage of previous year.

10. A significant effort to producing comparable poverty estimates is made based on data collected with the Global Monitoring Database (GMD) of the World Bank. Countries were encouraged to reach out the World Bank's poverty economist to address differences between national and World Bank's estimates.

11. Belarus and the Russian Federation have started publishing SDG indicators at their national statistical office's websites. The meeting recommended further efforts in sharing information on SDGs to users and the public.

B. Harmonization of data collection on poverty in household surveys

12. The UNECE project "Harmonized poverty indicators for monitoring sustainable development in CIS countries" with the objective to strengthen the statistical capacity for producing poverty indicators is in its third and final year of implementation.

13. During the year, the UNECE consultant Mr. Rafkat Hasanov worked directly with four pilot countries, namely Azerbaijan, Belarus, Kazakhstan and Kyrgyzstan in testing the model set of survey questions for poverty measurement[1]. The consultant analysed the pilot countries questionnaires from the perspective of poverty measurement and assessed the potential of the survey data for producing disaggregated poverty estimates, with the following conclusions:

- Data on expenditure is collected sufficiently well and allows for harmonisation up to a certain aggregation level;
- There is a need to adopt a unified income classification at the level of sections, groups and classes of income;
- It is important to systematise data on social transfers (e.g. transfers related to healthcare, education, supporting disabled people or retired persons, or remittances) by applying the ESSPROS functional classification modified to reflect specificities of the social policies in the region;
- Surveys should include explicit questions in on *sources of income origin*, i.e. from public and private sectors, non-government organizations, other households, and from abroad;
- While countries attempt to assess various deprivations, currently there is no common approach to measuring deprivation.

14. Recommendations have been issued to address data gaps and improve comparability across countries. It is crucial to harmonise definitions, classifications and coding to improve comparability and understanding of the various income and expenditure categories and components. To implement a survey successfully, statistical experts should keep in mind the respondent's point of view as well as the final objective – effective social policies that take people out of poverty.

15. Azerbaijan, Belarus, Kazakhstan and Kyrgyzstan reported successful experience with testing the model set of survey questions for poverty measurement and improved methodology and survey technology.

16. Kazakhstan described the revision of its survey questionnaires for calculation of health care and education costs and changes in the way the country measures prevalence of malnutrition and food insecurity as part of SDG 2 (zero hunger). A new questionnaire on quality of life has been developed to assess

[1] See http://www.unece.org/stats/documents/2017.09.poverty.workshop.html

respondents' satisfaction with living conditions, health status, financial situation and other aspects.

17. Azerbaijan emphasised their recent work on material deprivation measures and the inclusion of questions from EU-SILC in their survey. Additional questions were developed on employment, number of working hours per week, type of contract, and activities over the last 12 months to determine more precisely the work intensity and address data quality issues. Challenges in implementing some of the recommendations were noted, for instance in accounting for temporary and seasonal income in calculating disposable income for measuring poverty.

18. Kyrgyzstan is the first country to successfully undertake fieldwork and apply the model set of survey questions for poverty measurement. The fieldwork covered 1128 households in the capital city and in selected regions in the country. Although the Classification of individual consumption by purpose (COICOP) was not used, a matching matrix ensured correspondence between the national classifier and the COICOP classification, therefore the cross-country comparability of the produced indicators was preserved. Thanks to the model set of survey questions, Kyrgyzstan will be able to produce additional SDG indicators. The National Statistical Committee plans to integrate the questions in their regular household survey in 2019.

19. In 2017, Belarus has harmonised their country classifier on household expenditures with the COICOP classification at the level of four characters across 12 sections. A number of classes were excluded from the country classifier because of specific national circumstances (e.g. related to illegal activities). Belarus has developed a detailed module on measuring deprivation, containing questions on material well-being, housing conditions and health status, and access and use of technologies. The section on material deprivation includes also a subjective assessment.

20. The four countries that conducted the testing thanked the UNECE consultant for providing technical assistance and noted that the new model set of survey questions is a major step towards harmonisation of poverty statistics in the region.

C. Data disaggregation for poverty measurement

21. In a small-group setting, participants discussed data disaggregation for poverty measurement and country practices in identifying and monitoring policy-relevant target groups, including hard-to-reach and potentially disadvantaged population groups. The importance of this issue was reiterated in the context of the SDG indicator requirements and the principle of leaving no one behind.

22. Data collected through a questionnaire showed that half of the countries do not collect data on disability status and very few collected data on migration status and ethnicity for the purpose of poverty measurement. Participants noted that the ethnicity variable should be defined at the national level. Regarding migration, a distinction should be made between forced and labour migration.

23. Particular attention was paid to measuring the household receipts of social transfers. Most of the countries reported data availability for most categories of social transfers. However, in some cases, data is collected according to a different definition or collected together with other types of transfers, which makes it difficult to report as a separate amount.

24. Participants agreed on the proposed classification on social transfers and recognised that improved data collection on social transfers is a key to designing social policies and assessing their effectiveness. Countries should make efforts to identify all transfer types as well as the most important ones with the help of administrative data. When including questions on transfers in surveys, countries should collect additional information on the source (government, private, etc.), recipient (individual or household), periodicity (once or regularly) and type of the transfers (in cash or in-kind). Participants noted that challenges in applying valuation methods on transfers in-kind remain, and only a few countries in Eastern Europe, Caucasus and Central Asia address this issue.

25. There are many examples of good practices in disseminating and communicating poverty data that include graphs, tables, figures and infographics. The importance of press releases and dissemination of analytical material explaining the data were stressed. Another important issue was to have databases in PC-Axis format to enable users to work with own databases created on the basis statistical databases. Further communication efforts are needed for reporting on SDGs, including building national reporting platforms and publishing indicators on the official websites of the statistical committees. A reference was made to the UNECE publication "Making Data Meaningful" which contains good guidance examples on communication strategies.

26. The group discussions will serve as an input to the work of the UNECE Task Force on Disaggregated Poverty Measures.

D. Conclusions

27. The UNECE project "Harmonized poverty indicators for monitoring sustainable development in the CIS countries" is coming to a successful completion at the end of 2018. All activities, including two capacity-building workshops and one high-level seminar have been accomplished according to plan.

28. CIS countries informed about significant achievements in harmonising poverty and inequality indicators. Based on the discussions, the work on the model set of questions for poverty measurement will be finalized and recommended for use in countries own practices. Kyrgyzstan is currently finalizing fieldwork with the objective to integrate the questions in their regular survey next year. Several other countries confirmed plans in incorporating the recommended questions.

29. Countries expressed satisfaction with the outcomes of the project and its relevance to their needs. They requested further work on developing harmonized methods and instruments and in addressing the SDG monitoring challenges.

Participants appreciated the opportunity to discuss and exchange experiences and expressed commitment for further collaborative work in the future.