



METHODOLOGICAL CHALLENGES CES SEMINAR ON POVERTY

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It's All in the Numbers!



PAPERS PRESENTED IN SEMINAR



- Israel – Measuring poverty and well being using additional yardsticks
- Mexico – Towards a more realistic estimate of the income distribution
- Poland – Poverty as a social phenomenon: methods of measurement applied
- Slovak Republic – Measurement of data and available data sources
- Switzerland – Poverty rates before and after social transfers



ISSUES IN POVERTY MEASUREMENT



- Why measure?
- How to measure?
- By survey or administrative records?
- Whom to include?
- What to include?



WHY TO MEASURE THE POOR?



- Poverty is a multidimensional social phenomenon that affects people, families and communities that experience it in the present and in the future.
- The lower the number of poor the society and economy are healthier
- *World Bank: a poverty definition (1992): Poverty can be said to exist in a given society when one or more persons do not attain a level of material well-being deemed to constitute a reasonable minimum by the standards of that society*



HOW TO MEASURE



- Direct / indirect poverty
- Subjective / objective poverty
- Absolute / relative poverty
- Mainly or secondary poverty
- Temporary or chronic poverty



BY WHICH SOURCE



- Survey – household/family survey, individual survey.
- Subjective or objective source
- Administrative records
- Several/mixed sources



WHOM – THE UNIT FOR MEASURING OF POVERTY



- Households
- Individuals
- Deciles / quintiles
- Families
- Characteristics – size, dwelling, education



WHAT TO INCLUDE



- Income
- Property and assets
- Government allowance – money and in kind
- Savings and Pensions
- Nutrition level
- Housing level
- Environmental conditions
- Social network
- Capabilities



THE MULTIDIMENSIONAL DEFINITION



- How to measure?
- By survey or
- Whom
- What

*Everything is
good!!!!*



INDICATORS OF MULTIDIMENSIONAL POVERTY IN ISRAEL



- Financial Difficulties-Dimension
- Emotional Dimension
- Social Dimension
- Health Dimension
- Educational Dimension: Achievements (Children)

Sources: the
Social Survey,
the Household
Expenditure and
Income Survey,
welfare and
education
administrative
files



MEXICO



- Under reporting at the lower end of the income distribution leads to over stated poverty
- Truncation at the highest level of the distribution misleading inequality
- Use multiple sources (administrative and survey data) and statistical methods (CMPL) to better represent the income distribution



POLAND



- Monetary poverty based on household budget surveys
- Multidimensional analysis based on social cohesion survey
- Multiple sources cover multiple phenomena.
- Can the sources be combined (each with advantages and disadvantages)
- International comparison?



SLOVAKIA



- Deriving indicators from three sources
 - EU – SILC
 - Household Budget Survey
 - Household Finance and Consumption Survey
- Issues in harmonization and standardization across surveys.
- Importance of disaggregation for solving inequalities
- Advanced statistical methods like small area estimation



SWITZERLAND



- Importance of social transfers in poverty analysis
- Comparison of poverty threshold (basic material needs and minimum level of participation in social life) with disposable household income; poverty as “post-transfer poverty”
- Issues in estimating social transfers
- Influence on poverty rates but not on the structure of poverty population



QUESTIONS FOR DISCUSSION



- What would be a good practice of a decision making process for defining the official national poverty measure?
- How to produce a nationally representative poverty measure when using different sources and data collection methods?
- How to communicate indicators on the multiple dimensions of poverty in a clear and coherent way?



SESSION SUMMARY

