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<u>Meeting of the 2017/2018 Bureau</u>
Yerevan (Armenia), 10-11 October 2017

<u>Item IV (b) of the Provisional
Agenda</u>

REVISED GUIDE ON POVERTY MEASUREMENT

Note by the Secretariat

> *The note summarizes the revisions made to the Guide on poverty measurement following a consultation among CES members in April 2017 and the discussion at the CES plenary session in June 2017.* **The Bureau reviewed and endorsed the updated Guide as presented in document 14/Add.1.**

I.   BACKGROUND

1.   The Bureau of the Conference of European Statisticians (CES) established the Task Force on Poverty Measurement in 2014 with the objective to develop guidelines and provide recommendations for improving the international comparability and availability of statistics on poverty and the related metadata.

2.   Following the decision of the Bureau in February 2017, the secretariat conducted a consultation on the draft report with all CES members in April 2017. The results were presented to the CES plenary session in June 2017 as document ECE/CES/2017/5/Add.1. A total of 40 countries and 2 organizations responded to the consultation. Countries and organizations generally supported the content of the Guide and suggested a number of editorial changes, clarifications and additions. A few substantive comments required further consideration by the Task Force. The revised Guide as contained in document ECE/CES/BUR/2017/OCT/14/Add.1 has been agreed by the Task Force.

3.   At its 2017 plenary session, the Conference supported the Guide and asked the Task Force to:

   a) Review the comments made during the electronic consultation and the discussion at the CES plenary session and reflect them in a revised version of the Guide;

   b) Present the revised Guide and the plan for further work to the 2017 October meeting of the CES Bureau.

II.   SUMMARY OF REVISIONS

4.   The principal revisions to the Guide pertain to the strengthening of its recommendations, which entails a more precise formulation of some recommendations and the addition of a few recommendations based on the material that was included in the Guide.

5.   In chapter 3 "Monetary poverty", the recommendations were adjusted as follows:

a)   The recommended classification of age-groups was adjusted to include broader age-groups that would be less demanding for the sample size of surveys.

b)   The household classification was revised to include age characteristics and number of children in the household.

c)   Additional arguments for recommended measurement approaches were presented to recognise the sub-regional specificities within the UNECE region.

d)   The connection of the Guide's recommendation on disposable income with the Canberra Group handbook on household income statistics (2011) was clarified.

e)   The recommendation on equivalised welfare measures was extended to include several options for equivalence scales.

6.   Explicit recommendations were formulated in Chapter 4 "Poverty dashboards and material deprivation indices" and Chapter 5 "Multidimensional poverty". In these areas, the Guide now recommends the following:

a)   Develop dashboards of indicators with a clear hierarchy and set of priorities.

b)   Make explicit the costs of data production and compilation of dashboard indicators at the time of indicator selection.

c)   Include the material deprivation index in the dashboard of comparable indicators.

d)   Develop national multidimensional poverty indices that suit national data sources and policy objectives for reporting against SDG target 1.2.

e)   Use equal weights for the dimensions of a multidimensional poverty index, and equal weights among indicators unless a deviation from this can be normatively justified.

f)   Develop separate and complementary measures for monetary poverty and multidimensional poverty.

7.   In Chapter 6 "Challenges for the future", an additional challenge on comparability of multidimensional poverty measures was added, which is pertinent to the 2030 Agenda for sustainable development and in particular for addressing the SDG indicator 1.2.2 "Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions". In this connection, a section on SDGs and multidimensional poverty was included in chapter 2 "Conceptual background", to reflect the most recent developments in this area.

8.   The Guide was enriched with country-specific experiences shared during the consultation, such as the experience of Nordic countries in capturing information on homeless people, and the plan of the Australian Bureau of Statistics to examine the impact of children's living arrangements on household economic resources and housing.

9.	In response to the comments, a number of other editorial changes, clarifications, footnotes and references were added or altered to improve the accuracy and clarity of the Guide.

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