

**UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE
CONFERENCE OF EUROPEAN STATISTICIANS**

Seminar on poverty measurement
12-13 July 2016, Geneva, Switzerland
Item 2: Guide on Poverty Measurement

Introduction

GUIDE ON POVERTY MEASUREMENT

Chapter leader: UNDP, UNECE

Draft 28 June 2016

Introduction

Contents

Why this Guide?	2
Background and objectives of the Task Force	2
Purpose of the Guide on poverty measurement	2
Outline of the Guide on poverty measurement	3
Poverty and Millennium Development Goals	4
Sustainable Development Goals Monitoring	7
International comparability – a key to successful policies.....	9

Why this Guide?

In the UNECE region, countries' approaches to poverty measurement vary significantly. For the various indicators, a large variety of definitions, methods and primary data sources are available and there are no uniform national or international guidelines for their application though efforts were made in the past. The Rio City Group, created by the UN Statistical Commission, has published a Compendium of best practices in poverty measurement¹ in 2006. The Compendium notes important concepts and definitions but it also points out that the state of the art and the very unequal availability of statistical instruments across countries was not conducive to the preparation of a universally applicable handbook at that time.

Nowadays, poverty is increasingly recognized as a global phenomenon. The call for internationally comparable poverty measures is especially strong now, with the Sustainable Development Goals, adopted at the UN Sustainable Development Summit in 2015, putting forward the ambitious 2030 Agenda. Indicators and measurement framework for the SDGs have not yet been finalized, especially as concerns sustainability aspects of development, the interconnection of social, economic, and environmental inequalities, and the measurement of complex issues. Moreover, the recent economic crisis has heightened the need for reliable and timely statistics for international monitoring and national policymaking on poverty reduction.

Background and objectives of the Task Force

In November 2012, the Bureau of the Conference of European Statisticians conducted an in-depth review of poverty statistics based on a paper by the State Statistics Service of Ukraine and Eurostat². The review provided an analysis of the methodological issues underlying poverty measurement and presented two case studies: one at international level (Eurostat) and the other at national level (Ukraine). As a follow-up to the in-depth review, the Bureau requested the secretariat to organize a seminar to discuss how to improve poverty measurement. The seminar "The way forward in poverty measurement" took place in Geneva on 2-4 December 2013 with representatives from 29 countries and major international agencies active in poverty measurement in the UNECE region (CISSTAT, Eurostat, OECD, UNDP, World Bank).

Participants discussed the main methodological issues in poverty measurement, data comparability, and inter-linkages between poverty, inequality, vulnerability and social exclusion. The seminar identified several areas where future international work was needed and recommended that a CES Task Force undertake this work. The Bureau of the Conference of European Statisticians established the UNECE Task Force on Poverty Measurement in 2014, which worked through 2015-2016 to develop the present Guide.

Purpose of the Guide on poverty measurement

The present Guide discusses why poverty measurement is important and how measurements could inform policy making, its monitoring and evaluation. Moreover, it provides a compendium of good practices in poverty measurement (both monetary and multidimensional poverty), identifies tradeoffs and contextual challenges, and provides guidance in applying various measurement approaches to poverty at national level. Last but not the least, the Guide is seeking to improve the international comparability of poverty definitions, methods and data sources. In a very practical sense, it aims to contribute to monitoring of poverty-related SDGs at global, regional, national and sub-national scale.

¹ http://www.ibge.gov.br/poverty/pdf/rio_group_compendium.pdf

² UNECE (2012) Conference of European Statisticians. In-depth review of poverty statistics. Note prepared by the State Statistics Service of Ukraine and Eurostat
<http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/bur/2012/november/4.pdf>
UNECE (2013) Conference of European Statisticians. Outcome of the in-depth review of poverty statistics.
<https://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2013/7.pdf>

The objectives of the Guide are to (a) raise awareness on the importance of poverty statistics among statisticians and policymakers, (b) provide guidance in applying various measurement approaches at national level, and (c) improve the international comparability in terms of definitions, methods and data sources. This Guide focuses on areas where the statistical community has expressed a particular need for further guidance, which include comparability of key poverty measures, data requirements and measurement issues, and guidance on more recent approaches to poverty. The Guide also refers to the SDG indicators and their underlying data needs. Drawing on the experiences of countries in the UNECE region, the Guide includes recommendations of preferred or best practice where these are available.

The Guide is based on the experience of UNECE member countries and other developed countries participating in the work of the Conference of European Statisticians.

Outline of the Guide on poverty measurement

Chapter 1 provides an overview of poverty and related concepts such as vulnerability to poverty and population at risk of poverty, inequality, social inclusion. It discusses the importance of poverty measurement and presents arguments for measuring its multiple dimensions. The chapter offers a synopsis of the methodological choices countries have and defines the bigger scope of measurement challenges.

Chapters 2 to 4 deal with topics of primary interest. **Chapter 2** addresses the monetary approach to poverty, and in particular the traditional income and consumption expenditure measures that are the most commonly used approach to measuring poverty. The chapter explains concepts and definitions, provides an overview of the data sources, and discusses the advantages and disadvantages for various welfare measures. It examines in detail the key measurement issues, such as measuring self-employment income, goods and services produced for own consumption, transfers between households, social transfers and transfers in kind. Furthermore, the chapter reviews various approaches to setting a poverty line or threshold, illustrated with country examples. The chapter refers to poverty indicators needed to inform policy about the level of poverty in different countries or areas, the depth of poverty that people experienced, and how poverty is changing over time. Finally, the chapter provides an overview of current practices highlighting the challenges related to assuring the comparability of poverty estimates.

In addition to the monetary poverty, other forms of poverty measures are increasingly attracting the attention. **Chapter 3** aims to introduce the concept of subjective poverty and its methods of measurement, as well as to describe the most recent developments in this area. The chapter recognizes the importance of a person's own subjective perceptions of his or her well-being, and provides examples of national determinants of subjective poverty and the approaches to its measurement. Subjective poverty measures could be used to improve the other poverty measures, for example to validate the income poverty line. Other factors besides income, such as age, gender, household size, and country of residence may influence subjective poverty analysis. The chapter provides examples of overlap and differences between people counted as poor by subjective poverty measures and by other types of measures, which can be of great policy relevance.

Today the multidimensional nature of poverty is broadly recognized – poor health, job insecurity, social exclusion, malnutrition and lack of personal security are just some examples of relevant aspects of poverty that reach beyond people's material conditions. Moreover, an integrated measure of multidimensional poverty has been included in the SDGs, to complement income poverty measures and show interconnected deprivations. **Chapter 4** addresses the measurement of the above non-monetary aspects of poverty and social exclusion and demonstrates their relevance for policy design and analysis at global, regional and national levels. The key challenges faced by the statistical offices in developing a multidimensional poverty

index are to identify the various welfare dimensions, to select indicators in assessing deprivations at the household level, and to fix poverty lines both for each dimensions and overall. Although these measures adapted to countries' particular situations, it is also important to ensure comparability at global and regional levels. The chapter describes the measurement challenges and provides guidance to countries interested in developing multidimensional poverty measures.

Wherever relevant, the Guide includes explicit recommendations at the end of each chapter. On some topics, the Guide does not make any clear-cut recommendations due to insufficient evidence from the current practices. **Such areas include ...** An overview of the areas envisaged for further work is provided in **Chapter 5** "Challenges for the future".

Poverty and Millennium Development Goals

The Millennium Declaration was unanimously adopted by 152 heads of State and Government at the General Assembly in 2000. The main outcome of the summit was the establishment of the Millennium Development Goals (MDGs). Eradication of extreme poverty and hunger were at the top of the agenda, as reflected in MDG Goal 1 "Eradicate Extreme Hunger and Poverty"³, which consisted of two targets: Target 1, i.e. "Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day"; and Target 2, i.e. "Halve, between 1990 and 2015, the proportion of people who suffer from hunger". These two targets were supposed to be monitored at global level by five indicators⁴. However, the Millennium Development Goal (MDG) accountability framework had shortcomings in both the monitoring and review processes. Monitoring was carried out by national statistics offices in cooperation with individual UN agencies and then aggregated at central levels at the UN Secretariat. This setup was prone to duplication, incoherence and poor delineation of responsibilities, and lacked ownership. Recent studies show that numerous developing-country statistical offices are still unable to collect, analyse and disseminate the data that was needed for MDG reporting. MDG statistics were often based on donor-funded surveys or modelling exercises⁵.

Box: Reporting of MDG indicators in international and in national databases

The source of divergence between the international and the national databases is in the way by which indicators are reported. Despite the existence of an official list of goals, targets and indicators issued by the United Nations⁶, most countries provide information in the context of the MDG reporting about only some of them. Indeed, some indicators may appear only in the international data series, whereas others are only in the national one. Clearly, a good deal of these indicators is included in both databases but, even so, very often differences in the definitions adopted lead to different values.

The following table specifies, for each MDG reporting country, the database where data on poverty

³ <http://www.unmillenniumproject.org/goals/gti.htm#goal1>

⁴

Target 1. Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day

1. Proportion of population below \$1 (1993 PPP) per day (World Bank) (*For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.*)

2. Poverty gap ratio [incidence x depth of poverty] (World Bank)

Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger

3. Share of poorest quintile in national consumption (World Bank)

4. Prevalence of underweight children under five years of age (UNICEF-WHO)

5. Proportion of population below minimum level of dietary energy consumption (FAO)

⁵ OECD (2015), "The Sustainable Development Goals of the Post 2015 Agenda: Comments on OWG and SDSN proposals" https://www.oecd.org/pcd/DIE_Comments_on_SDG_proposals_150226.pdf

⁶ See : <http://unstats.un.org/unsd/mdg/Host.aspx?Content=Indicators/OfficialList.htm>

are included for at least one of the years from 1990 to 2009.

	1.1 Proportion of population below \$1 (PPP) per day	population below the national poverty line;	1.1a M/F disaggregation	1.1a R/U disaggregation	1.2 Poverty gap ratio	1.3 Share of poorest quintile in national consumption	1.4 Growth rate of GDP per person employed	1.5 Employment-to-population ratio	employed people living below \$1 (PPP) per day
Albania	I	B2	N	I	B*	B		I ¹	
Armenia	B2	B2		I	B*	B	N	B ^{1,2}	B*
Azerbaijan	I	B2	N	B	B*	B2	I	B ¹	N*
Belarus	I	B2			I	B			
Bosnia and Herzegovina	I	B2		B	I	B	I	B ¹	
Bulgaria	I	B			B*	I	I	B ¹	
Croatia	I	B			I	I	I	I ¹	
Czech Rep.	I	N2			I	I	I	I ¹	
FYR Maced.	I	B		I	B*	I	I	I ¹	
Georgia	B2	B		I	B2*	B	I	I ¹	
Hungary	I	B2			I	I	I	I ¹	
Kazakhstan	I	B2		B2	B*	I	I	I ¹	I
Kyrgyzstan	B2 ³	B2		B	I	I		I ¹	
Latvia	I	B2		I	I	I	I	I ¹	
Montenegro	I	B		I	B*	B		I ¹	
Moldova	I	B2	N	N2	B*	B	I	I ¹	
Romania	I	B2		I	B*	B	B	I ¹	
Serbia	I	B2		I	I	I	I	I ¹	N*
Slovakia	I	N2			I	I	I	I ¹	
Slovenia	I	N			I	I	I	I ¹	
Tajikistan	B2 ³	B2	N	B	I	I	I	I ¹	I
Turkey	B	B2		I	B*	B	B	B ¹	I
Turkmenistan	I	N2		N	I	I	I		
Ukraine	I	B2		B	I	I	I	I ¹	N*

Uzbekistan

/

N

N

N

/

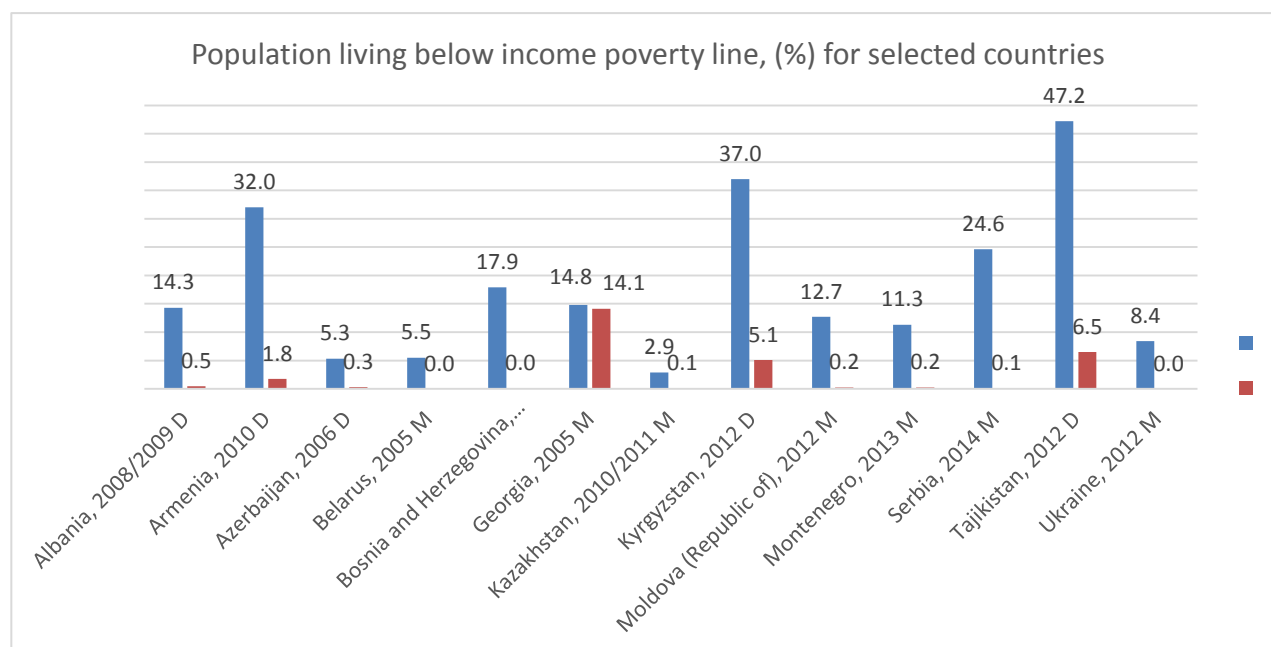
/

/

Source: UNECE “MDG1 Report on data discrepancies”

Notes to the table: In the cells: *I* – International database, *N* – National database; *B* – Both databases; *B2, N2* – At least two definitions are used for this indicator in the national database; * - In the national data series, the index is computed on the basis of the national poverty line; ** - In the national data series, the index is computed for children under three years of age; ¹ - The international series also presents data disaggregated by gender; ² - The international series also presents data disaggregated by gender; ³ - The national series also presents data disaggregated between rural and urban areas. Empty cells indicate that the corresponding figures do not appear in either database, for any of the years taken into consideration (from 1990 to 2009).

The Human Development Report (HDR) also publishes data on the population living below national income poverty lines and below the international threshold of USD 1.25 per day per capita, in PPP terms. An example of different poverty data reported in the HDR for some countries in the region is provided below.



Source: Human Development Report, 2015

Notes to the table: *D* indicates data from Demographic and Health Surveys, *M* indicates data from Multiple Indicator Cluster Surveys and *N* indicates data from national surveys (see <http://hdr.undp.org> for the list of national surveys). Data refer to the most recent year available in the period specified.

Population below national poverty line: Percentage of the population living below the national poverty line, which is the level deemed most appropriate for the country by its authorities. **Population below PPP \$1.25 a day:** Percentage of the population living below the international poverty line \$1.25 (in purchasing power parity terms) a day.

Criticisms to the “\$1-a-day” poverty line stressed not only its arbitrariness, but also its failure to take into consideration other basic needs apart from food and essential non-food spending, such as housing,

clothing and heating. In addition, the low \$1-per-day poverty line was not relevant for many countries of Europe and Central Asia region: this resulted in the slow take-up at the national level of the MDG agenda⁷.

For MDGs, progress was measured through over sixty internationally agreed indicators, with many more used on the national level. With regards to poverty, the official MDG indicators were tailored to the specific situation of low-income countries. The poverty line of \$ 1.25 a day was also determined based on the poverty lines used in a sample of very poor countries. In 1990, people in extreme poverty based on this threshold were mainly living in rural regions. Nowadays, one fourth of the extremely poor live in cities. Therefore, a number of countries have set their own specific targets and added alternative indicators in order to capture these trends.

As one can see, the \$1.25 a day threshold is very low for many countries in the UNECE region. To remedy this situation, the World Bank suggested that, in middle income countries, two or more thresholds should be used. Other issues with absolute poverty lines are represented by their high sensitivity to the choice of the PPP base year, the exchange rate used to convert income in national currency into \$, and the basket of goods chosen to compute the PPP. Partly due to these problems, some institutions like the European Union and the OECD do not use a notion of absolute poverty for international comparisons but rather rely on a “relative” threshold expressed as a share of median income⁸.

As far as the official MDGs indicators of poverty are concerned, a general pattern is that the richer a country the less detailed and comprehensive is its reporting about poverty under MDG. However, high-income countries frequently add a number of modified measures to better suit their political challenges, for instance, measures of poverty prevalence among ethnic minorities such as the Roma population, single mothers, or the proportion of population that depends on social benefits.

Sustainable Development Goals Monitoring

The Sustainable Development Goals (SDGs) were adopted in September 2015 by world leaders as part of the 2030 Agenda for Sustainable Development, a plan of action for “people, planet, peace, partnership and prosperity”. Consisting of 17 goals and 169 targets, the SDGs build on the development journey ensconced in the Millennium Development Goals (MDGs). Their reach is however much wider than poverty, gender, hunger and major health problems, breaking new ground by addressing inequalities, economic growth, decent jobs, energy, natural resources and environment, climate change, human settlements, and peace and justice, among others. They represent an agreed vision to put people and planet on a sustainable path by 2030.

There are a number of other crucial differences between SDGs and the MDGs. First, while MDGs were a more technocratic exercise, driven to a significant extent by the donor community⁹, the SDGs were developed by all Member States through a participative process, and they offer a comprehensive agenda. While MDGs were applicable mostly to the least developed countries, SDGs offer an agenda for all people of the world, putting specific emphasis on “leaving no one behind”, which have serious implications for monitoring and evaluation. The SDGs targets go beyond averages and refer to different groups (e.g. women and men; migrants; urban and rural inhabitants; poor, middle-class, and more well off). Last but not the least, SDGs offer a complex, integrative and transformative agenda (compared with the narrower, sectorial MDGs).

⁷ Similar issue appeared for global Multidimensional Poverty Index. Selected deprivation and threshold were quite severe, resulting in very low headcounts for many countries in Europe and Central Asia region.

⁸ See J. Bredshaw, E. Mayhew, *The Measurement of Extreme Poverty in the European Union*, European Commission – D.G. for Employment, Social Affairs and Inclusion, Jan. 2011

⁹ [Shaping the 21st Century – the Contribution of Development Co-operation](#)

These differences have direct implications for SDGs monitoring, and especially for poverty measurement. First and foremost, SDG Goals and targets have to be treated as a network of targets¹⁰, rather than as a list of standalone isolated ones (as it happened during MDGs). As a result, poverty-related targets and indicators are found not only under Goal 1 “End poverty in all its forms everywhere”, but also under Goals 10 “Reduce inequality within and among countries”, 6 “Ensure availability and sustainable management of water and sanitation for all”, and 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and some other” (see Annex I for overview of Poverty-related SDG targets and indicators). The set of “poverty” indicators relevant for these goals therefore will be much larger than MDG one, including both absolute poverty (1.2.1 Proportion of population living below the national poverty line, by sex and age), relative poverty (10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities), non-income poverty measures (6.2.1 Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water), as well as multidimensional poverty (1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions).

This comprehensive set of indicators represents a challenge for monitoring. While the global list of indicators has been agreed¹¹, many of these indicators either lack of established methodology (tier 3) or are not regularly produced by countries (tier 2)¹². Out of 229 global indicators for monitoring of SDGs, only 119 are classified as Tier 1 (Ready to go), while 44 indicators are in Tier 2, and another 76 are in Tier 3. The agreed list of global indicators was driven by the need to ensure global comparability, and is intended for global monitoring. The UN Statistical Commission *“emphasized that the global indicators proposed are intended for global follow-up and review of the 2030 Agenda for Sustainable Development and are not necessarily applicable to all national contexts, and that indicators for regional, national and subnational levels of monitoring will be developed at the regional and national levels”*¹³.

The SDG goals and targets represent a significant challenge for countries in terms of statistical capacity to produce the required indicators. Some of the SDG indicators are currently set up in a very general form and countries will require further methodological guidance in order to produce them. An example of such broadly defined indicator is SDG Target 1.2, which calls to “reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions” and suggest two indicators for global monitoring: 1.2.1 Proportion of population living below the national poverty line, by sex

¹⁰ D. Le Blanc (2015) Towards integration at last? The sustainable development goals as a network of targets. DESA Working Paper No. 141. ST/ESA/2015/DWP/141. March 2015.
http://www.un.org/esa/desa/papers/2015/wp141_2015.pdf

See <http://goo.gl/ytpkTq> for SDGs as a Network of Targets.

¹¹ UNSTAT. Report of the Inter-agency and Expert Group on Sustainable Development Goal Indicators (Revised) E/CN.3/2016/2/Rev.1. <http://bit.ly/1N9Ynvg>

¹² It should be noted, that global indicators monitoring will be based in extend possible on existing reporting to international statistical systems. *“(I) Agreed that the compilation of global indicators will be based to the greatest extent possible on comparable and standardized national official statistics provided by countries to the international statistical systems and that when other sources and methodologies are used, they will be reviewed and agreed by national statistical authorities and presented in a transparent manner;”* (UN Statistical Commission. Report on the forty-seventh session (8-11 March 2016). E/2016/24-E/CN.3/2016/34. <http://bit.ly/24Gfoln>)

However, introduction of new indicators could represent significant challenge for the national Statistical systems and face tradeoffs between international requirement and national demand.

¹³ UN Statistical Commission. Report on the forty-seventh session (8-11 March 2016). E/2016/24-E/CN.3/2016/34.
<http://bit.ly/24Gfoln>

and age; and 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

The majority of SDG indicators required for monitoring poverty, inequality and employment comes from the same data source, i.e. household surveys. However, many household surveys are badly designed to measure living standards and poverty. The key challenges for household surveys are in measuring food consumption, housing services and the cost of living¹⁴. In addition, the surveys are often conducted on an irregular basis. Even if countries have a regular household survey in place, the data provided by the survey is either insufficient or not in line with the international standards. Sub-national poverty measurement, in particular, faces the issue of inadequate data, as in most cases surveys are not representative on local level.

Although the development of the SDG indicators at the regional, national and sub-national levels will pose challenges for national statistical offices and international organizations, it also offers opportunity to strengthen statistical systems through transformative development, and make better use of innovative and inclusive data techniques for monitoring sustainable development. Discussions held at the regional level for Europe and Central Asia¹⁵ concluded that building national-ownership of SDGs in national policy frameworks will require indicators tailored to national conditions. Governments should build new statistical partnerships for poverty reduction: improve metadata and quality of the surveys, and assess data ecosystems. The present Guide aims to contribute to the process of national customisation and reporting of SDGs.

International comparability – a key to successful policies

There is a large spectrum of definitions and indicators of poverty on global level. To give a comprehensive picture of poverty, national statistical offices rely on multiple concepts and thresholds. In addition to absolute poverty lines, many countries use relative lines defined as a certain percentage of the median income in the country. This is the most frequently used measure in richer countries in the region. However, at times of crisis, changes in the percentage of people living under such poverty line may lead to counterintuitive results, because the median income to which the line relates may itself fall significantly under such circumstances. There is consensus that no single approach is sufficient for monitoring poverty at the national and regional levels. The results from the different approaches thus have to be communicated clearly to allow correct interpretation of the different measures.

For national governments, the availability of comparable measures of poverty can provide important information when dealing with the implementation or the evaluation of policies and programs. Without international comparison it is difficult for countries to measure their efforts towards eradicating poverty. In the UNECE region, this implies both comparing efforts to neighbours to establish best practices in the region, and developing key statistical measures to facilitate the comparison across sub-regions. It could also mean that lower or middle income countries may need to compare their approaches and poverty conditions to those prevailing in more developed nations, in order to establish programs based on what has been done in similar context.

The same poverty definitions operationalized in different ways (e.g. by using different equivalence scales, or using incomes rather than consumptions as welfare metric) could produce quite different results, both in terms of countries comparison, and in terms of poverty trends. This in turn could affect policy decisions

¹⁴ Gibson J, (2015), "Poverty measurement: We Know Less than Policy Makers Realize".

¹⁵ Roundtable Discussion on the 2030 Agenda: Moving Forward in Mainstreaming, Implementation, Monitoring and Reporting of the SDGs. Organized by UNDP Istanbul Regional Hub in Partnership with UNDP Moldova. Istanbul, 25-27 April 2016. Meeting report.

at national and regional level. Moreover, the choice of definitions and indicators for monitoring countries' current state and progress is subject to a trade-off. On the one hand, one needs to ensure international comparability, thus favouring universal definitions and harmonised methodologies; on the other hand, a certain degree of flexibility is necessary for a measure to be truly meaningful in a country-specific context, and this leads to prefer indicators targeted on national characteristics. Countries should therefore, measure poverty in ways that are specific to their needs and tailored to their policy priorities. In order to preserve flexibility, the notion of keeping two poverty targets—international and national - already introduced with the MDGs is also kept on the SDG list of targets¹⁶.

Many international organizations, such as the World Bank, OECD, UNDP and Eurostat produce poverty data. There have been continuous efforts to improve capacity in statistical offices to develop poverty measures in line with international standards. In most cases, data are not comparable and often cover only a limited number of countries. A lack of comparable data across countries and time impede the efforts towards policy action. Data produced by countries are not always comparable internationally, largely for two main reasons:

- Country data primarily respond to country information needs, which are not always in line with international requirements standards
- Country data are conditioned by national statistical capacity, which is not always sufficiently developed to meet international standards

Both of these concerns are relevant for the UNECE region. The UNECE region is quite heterogeneous in terms of development and countries have different needs when measuring poverty. The periodicity of surveys providing data on poverty varies widely between countries, with some countries conducting surveys only every 10 years.

Any assessment of the data situation must begin by considering the multiple and sometimes conflicting data available for the same country(s), and the absence of publicly available, comparable data across all countries in the region. The UNECE region is very diverse and, by and large, national statistical offices rely on two major surveys to measure poverty: the annual EU-SILC (which provides information on household disposable income and different types of material deprivations) and Household Budget Surveys (based on consumption), which are typically conducted every 3 to 5 years. Some countries apply both methods due to the transitional nature of their economies, while others, like South Eastern European countries, in their aspiration to EU enlargement, are currently shifting to income-based measurement of poverty.

¹⁶ 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day, measured by 1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions, measured by two indicators: 1.2.1 Proportion of population living below the national poverty line, by sex and age, and 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions