

Meeting of the 2021/2022 Bureau
Geneva, 23-24 February 2022

Approved

Item III (b) of the Provisional
Agenda

**TERMS OF REFERENCE
FOR THE TASK FORCE ON SUBJECTIVE POVERTY MEASURES**

**Prepared by UNECE
and the Steering Group on Measuring Poverty and Inequality**

At its October 2021 meeting, the Bureau of the Conference of European Statisticians (CES) reviewed in depth the topic of subjective poverty measures based on a paper by Poland. The Bureau decided to establish a task force to develop a guide on measuring subjective poverty and a set of subjective poverty indicators that could be used for international comparison. The UNECE Secretariat, together with the Steering Group on Measuring Poverty and Inequality, prepared the present terms of reference for the Task Force on Subjective Poverty Measures.

The Bureau approved the terms of reference.

I. BACKGROUND

1. In October 2021, the Bureau of the Conference of European Statisticians (CES) conducted an in-depth review of subjective poverty measures. Statistics Poland prepared a paper summarizing the international activities in this area, which provided the basis for the review (document ECE/CES/BUR/2021/OCT/2). The Bureau asked the UNECE Secretariat, together with the Steering Group on Measuring Poverty and Inequality, to prepare a proposal for follow-up work addressing the priority areas raised in the in-depth review, taking into account the discussions on subjective poverty at the meeting of the Group of Experts on Measuring Poverty and Inequality in December 2021.

2. The in-depth review showed that the objective approach to poverty measurement has been clearly dominant. This applies to the measurement of both absolute and relative poverty and increasingly to multidimensional poverty. Although the objective measures are key to understanding the complexity of poverty, they are not sufficient. Subjective measures have an important complementary role to play, especially with regard to reaching the poorest and making their voice heard.

3. A review of the literature and measurement practice indicates that there are different understandings of the term “subjective poverty”. This is due both to the complexity of the phenomenon of poverty in general and to the fact that subjective poverty is part of a larger field of analysis on the subjective perception of well-being. When working in this area, it is also important to take into consideration the different economic, social, political and cultural conditions across countries.

4. In a survey designed specifically for the purposes of the in-depth review, only a few out of 53 responding countries indicated that they use a direct measurement of subjective

poverty through self-assessment questions. Most countries, however, include questions in household surveys on subjective assessments of perceived living standards, such as an assessment of the income situation, financial problems encountered, ability to satisfy various types of material and non-material needs. Conceptually, these questions can be used to calculate indirect measures of subjective poverty and to estimate subjective poverty thresholds. While questions on the inability to meet various needs are commonly used to calculate deprivation indicators, other questions, such as on the perception of income situation and the internationally harmonized question on making ends meet, remain underused for analyses of subjective poverty.

5. A common list of subjective poverty indicators has not yet been agreed upon at the international level. Developing such a list requires close cooperation between the international organizations and national statistical offices responsible for data production.

6. At the 2021 meeting of the Group of Experts on Measuring Poverty and Inequality, the participants welcomed establishing a task force on measuring subjective poverty. It was suggested that the task force should consider going beyond quantitative approaches and look into qualitative methods as well. This would enrich the subjective assessment of poverty by improving the understanding of what people think it means to be poor and by going beyond a purely economic approach to poverty measurement.

7. The work will build on existing UNECE networks of experts in measuring poverty and inequality.

II. MANDATE

8. The Task Force on Subjective Poverty Measures reports to the Conference of European Statisticians (CES) through its Bureau. The Task Force will be created for a period of two years. It will present its full report to the February 2024 meeting of the CES Bureau. The Task Force will finalize the report based on comments from the CES Bureau and the consultation among all CES members. Subject to the approval by the CES Bureau and a positive outcome of the consultation, the document will be submitted to the 2024 CES plenary session for endorsement.

9. The Task Force's work will be carried out under the guidance of the CES Steering Group on Measuring Poverty and Inequality.

III. OBJECTIVE

10. The objective of the Task Force is to develop a guide on measuring subjective poverty, including a set of subjective poverty indicators that could be used for international comparison.

IV. PLANNED ACTIVITIES AND OUTPUTS

11. The Task Force will analyse national practices and international research in producing and communicating subjective poverty measures, including the following aspects:

- a) Concepts and frameworks related to the measurement of subjective poverty and delineating its role in relation to objective measures of monetary and multidimensional poverty;

- b) Methods of data collection on subjective assessment of living standards;
- c) Indicators of subjective poverty;
- d) Overlaps and mismatches between measures of subjective, multidimensional, and monetary poverty – how multiple measures can work together?
- e) Measurement of emerging aspects and forms of subjective poverty resulting from recent developments in the society, such as the Covid pandemic;
- f) Communicating statistics on subjective poverty.

12. The analysis of national practices and international research should lead to the following results:

- a) Evaluation of the different approaches in measuring subjective aspects for poverty analysis;
- b) Evaluation of the value that subjective indicators of poverty add to multidimensional and monetary analysis;
- c) Identification of good practices in the production, analysis and dissemination of subjective poverty measures;
- d) Recommendations to national statistical offices for the production, analysis and dissemination of subjective poverty measures.

13. The Task Force will develop a list of indicators for internationally comparable measurement of subjective poverty and provide methodological guidance on the production of those indicators, taking into account the following:

- a) The list of indicators should be coherent and limited to the necessary minimum given the various constraints on the implementation of surveys as a source of subjective data;
- b) The indicators should relate to existing international work, in particular to the measuring of subjective perception of living conditions defined in the EU Statistics on Income and Living Conditions (EU-SILC), and to the OECD guidelines on measuring subjective well-being.

14. The consolidated output of the Task Force's work will be a guide on measuring subjective poverty, consisting of all the results described above: evaluation of approaches, identified good practices, list of indicators with related methodological guidance, recommendations to national statistical offices.

V. TIMETABLE

15. The following timetable is foreseen:

March 2022	Launching the Task Force – identifying the countries and organizations interested in participating in its work
Apr 2022	Discussion of the work plan and identifying the national practices and international research to be analysed

May-Jul 2022	Collection of information on national practices and international research
Aug-Dec 2022	Analysis of national practices
February 2023	Progress report to the CES Bureau
Nov 2022-Aug 2023	Development of indicators for internationally comparable measurement of subjective poverty and the related methodological guidance
Sep-Nov 2023	Discussing and drafting the recommendations and conclusions
Dec 2023	Editing the report
Feb 2024	Review of the full report by the CES Bureau
Mar-Apr 2024	Electronic consultation among CES members
May 2024	Submitting the report to the CES plenary session for endorsement

VI. METHODS OF WORK

16. The Task Force is expected to work mainly via email and telephone conferences and using a common workspace at the UNECE wiki platform. It will meet once a year back-to-back with the meetings of the UNECE Group of Experts on Measuring Poverty and Inequality.

VII. MEMBERSHIP

17. The following countries and organizations indicated interest in participating in the Task Force: Brazil, Canada, Ireland, Poland, Slovakia, United Kingdom, United States, Eurostat, OECD, and the World Bank, as well as researchers affiliated with the Institute of Sociology of the Czech Academy of Sciences, Durham University (United Kingdom) and the Oxford Poverty and Human Development Initiative (United Kingdom). Membership is open to additional countries or organizations. UNECE will provide the secretariat.

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