

## ANNEX I

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**Group of Experts on Measuring Poverty and Inequality**  
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 7 December 2022

<b>Title of contribution</b>	A New Definition and Measurement of Extreme Poverty
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<b>Topic</b>	Complementing survey methods, and use of alternative data sources
<b>Summary:</b>	
<p>Poverty definitions harmonized at the European level are based either on low income or on the existence of several material or social deprivations in daily life. However, there is no shared definition of extreme poverty, despite its importance in the social and policy debate.</p> <p>In this paper, we highlight a new definition of extreme poverty, and compute it on the whole French population. For people living in ordinary housing, extreme poverty is defined as the combination of low income (using administrative fiscal data), and severe material and social deprivation (using the Statistics on Resources and Living Conditions survey). We show that these very precarious situations are better identified with this methodology than by using an indicator based on monetary resources or deprivations alone, which confirms the multidimensional role of poverty. For people not living in ordinary housing (homeless, young student, elderly people in institutions, ...), we use other data sources (mainly census and specific surveys) to estimate the number and profile of people likely to be in extreme poverty, relying mostly on income data. The innovation brought by our approach is threefold: it gives for the first time figures and characteristics of people in extreme poverty, it expands the analysis, beyond an income approach, and it uses different statistical sources in order to encompass the whole French population, not only the ordinary households. We also detail the characteristics of people in extreme poverty, and highlight that extreme poverty often persists over a long time in France.</p> <p>Lastly, we extend the analysis to other European countries and find that extreme poverty is very low in Nordic countries (less than 1%) and high in Romania and Bulgaria (around 10%). France ranks in intermediate position, with around 2% of the population in extreme poverty in 2018. This European comparison is computed only for people living in ordinary housing: it would be thus interesting to know more about extreme poverty in other countries.</p>	
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<input checked="" type="checkbox"/>	<b>Presentation (in English)</b>
<input checked="" type="checkbox"/>	Paper (in French)