How to compare social protection programs around the world and measure their role in eradicating extreme poverty and vulnerability to poverty

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Motivation

- Eradicating extreme poverty constitutes a fundamental objective within the framework of the Sustainable Development Goals (SDGs).

- Central to this endeavor are social protection programs.

- There is variation how countries channel their efforts towards supporting specific risk groups and how eligibility criteria are tailored.

- This study aims to contribute to the analyses of poverty alleviation across distinct policy areas, such as family support, unemployment benefits, disability assistance, and general assistance.
Data and contents

- Luxembourg Income Study (LIS) Database contains harmonised microdata files, distinct by policy areas.

- The LIS datasets encompasses both advanced and emerging economies, spanning a period from the 1960s to now. Thus, it offers a long-term perspective.

- Long-term progress is analysed by both concepts: absolute and relative poverty.

- The study adopts a two-stage approach to assess the impact of social programs:
  - (1) comprehensive assessment of the overall impact, both before and after the allocation of resources, across the entire society.
  - (2) focus on a specific risk group, namely, single-parent households.
Data source and country coverage

Luxembourg Income Study (LIS) Database

LIS country coverage: 792 datasets
- not covered
- 1-2 datasets
- 3-6 datasets
- 7-10 datasets
- 11-20 datasets
- 21-30 datasets
- > 30 datasets
Data source and country coverage

Luxembourg Income Study (LIS) Database

Rather huge lack of data from UNECE member countries !!
A cross-country comparison: the caveats of ‘too many’ datapoints

Relative poverty rates: (1) living with less than 50% of median equivalised income vs. (2) rate without family transfers vs. (3) rate without all public transfers (excluding pensions)

Source: Luxembourg Income Study (LIS) Database.
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Source: Luxembourg Income Study (LIS) Database.
A long-term perspective: grouping by 5 year intervals

Relative poverty rates: (1) living with less than 50% of median equivalised income vs. (2) rate without family transfers vs. (3) rate without all public transfers (excluding pensions)

Source: Luxembourg Income Study (LIS) Database.
Which threshold? 40% vs. 50% vs. 60% of median equivalised income

Source: Luxembourg Income Study (LIS) Database.
Single parent households: an illustration for Poland

Source: Luxembourg Income Study (LIS) Database.
Single parent households: high poverty before & after social transfers

Relative poverty rates: (1) living with less than 50% of median equivalised income vs. (2) rate without family transfers vs. (3) rate without all public transfers (excluding pensions)

Source: Luxembourg Income Study (LIS) Database.
Absolute poverty: a story of progress & the impact of social protection

Absolute poverty rates: (1) living with income less than $6.85 per day vs. (2) rate without family transfers / assistance transfers vs. (3) rate without all public transfers (excluding pensions)

Source: Luxembourg Income Study (LIS) Database.
Conclusion

- Social protection systems are a major pillar in relieving people from poverty.
- Analysis of social benefits and poverty monitoring can be well combined.

**One indicator is not enough.**

- Over-time comparisons provide a good additional understanding how poverty among risk groups has evolved, and how policy measures relate to this.
- Absolute and relative poverty measures provide very distinct messages.
- Flexibility of visualization tools is key to effectively analyse the interplay of various cumulative social benefits. The main parameters are:
  - selection of individual (and cumulative) benefits
  - selection of sub-groups of population
  - choice of (national) poverty method and parameters for threshold
  - selection of time-period (plus possibly a comparison tool between groups)
  - possibly a cross-national dimension
Thank you for your attention!

Any questions are welcome!

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