# 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

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

o   Central to this endeavor are social protection programs.

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

o   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.
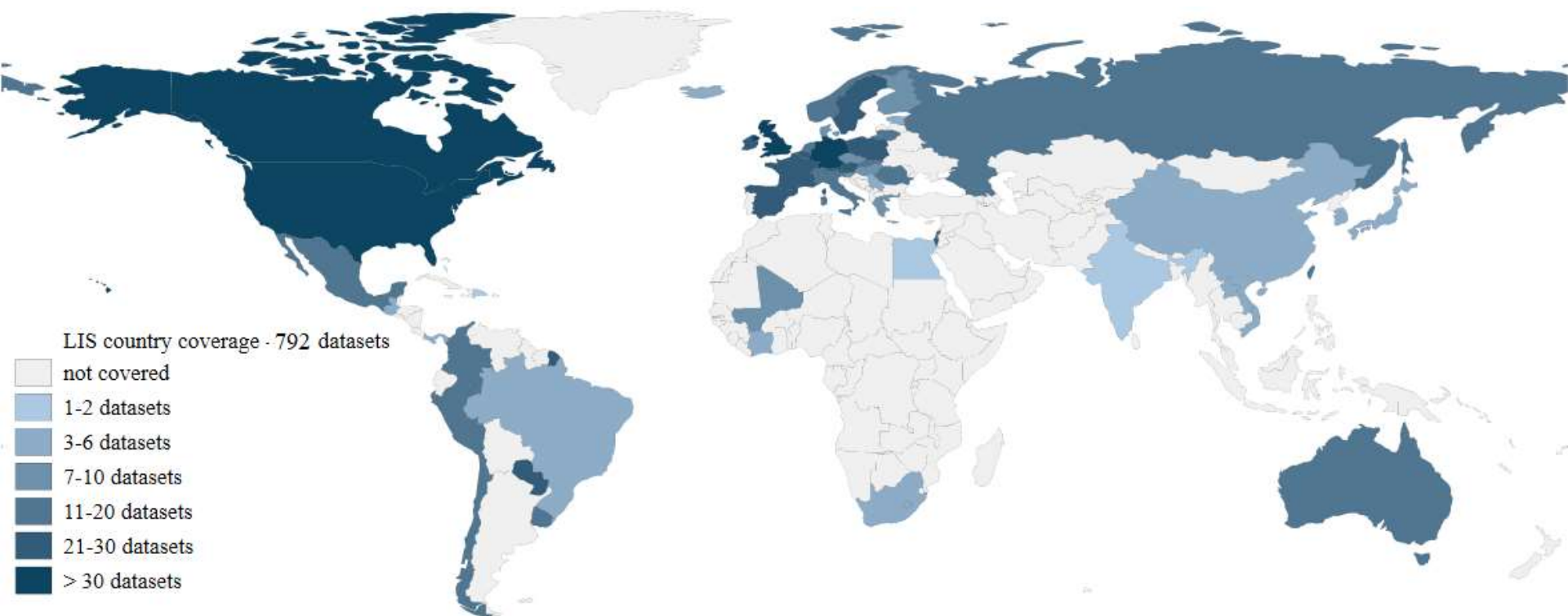
# Data and contents

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

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

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

o 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

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**Rather huge lack of data from UNECE member countries !!**

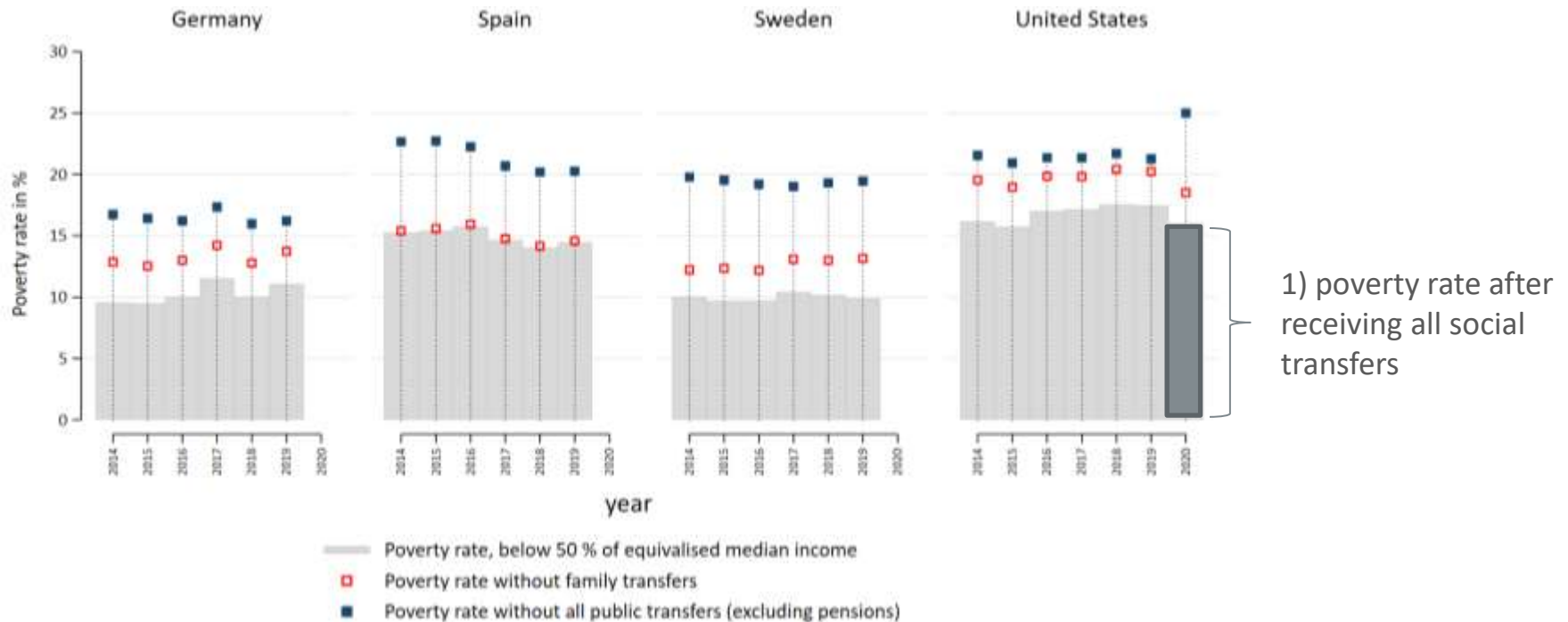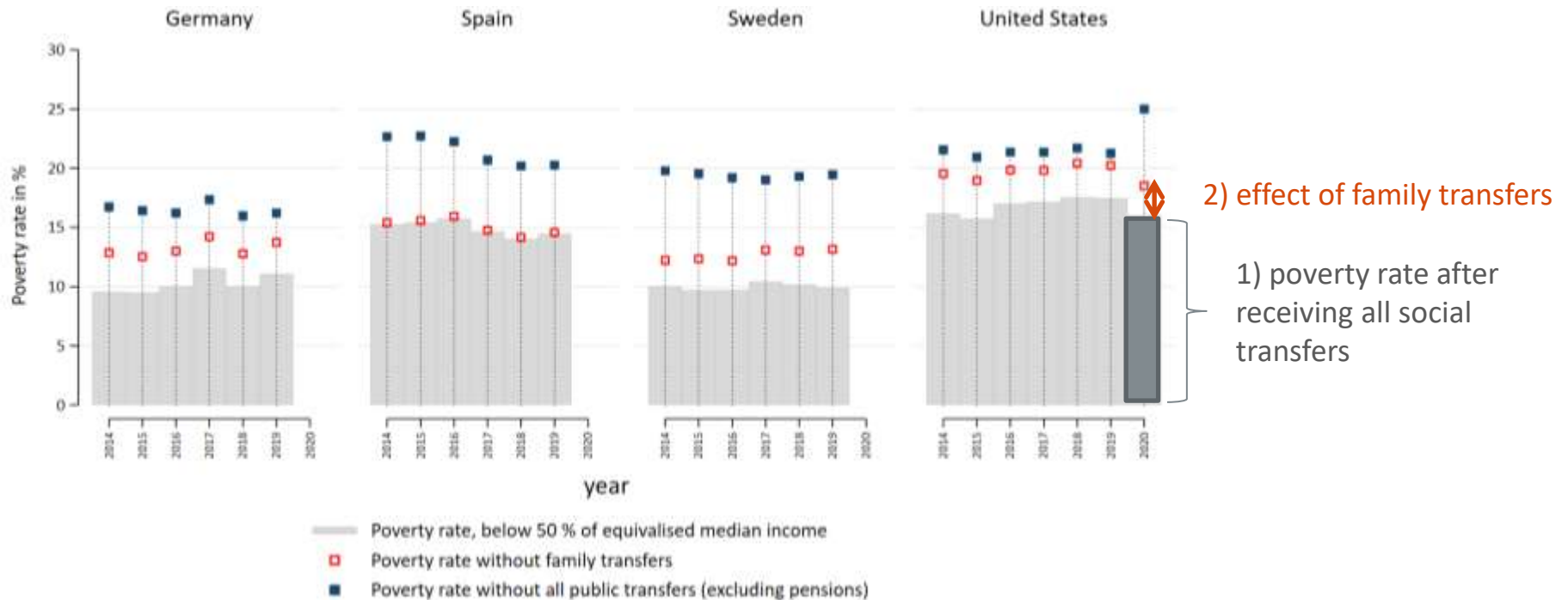# A cross-country comparison: the caveats of 'too many' datapoints

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.

# A cross-country comparison: the caveats of 'too many' datapoints

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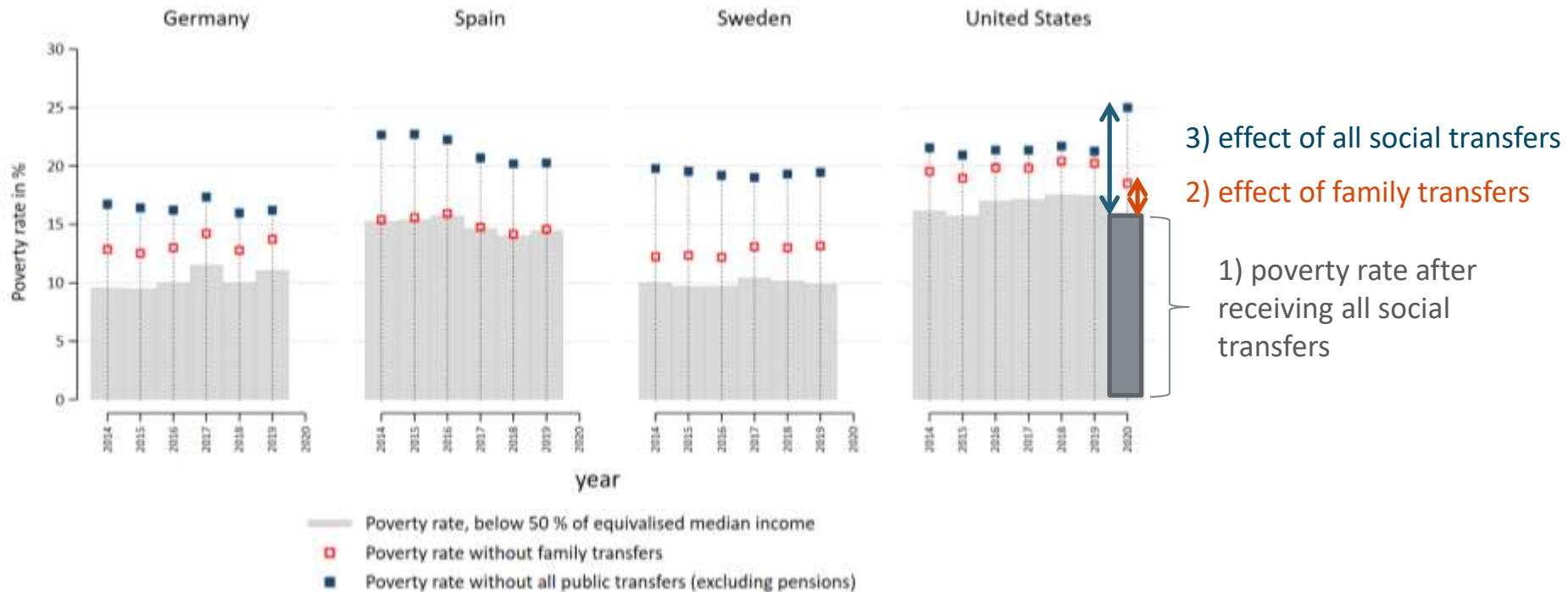1) poverty rate after receiving all social transfers

Source: Luxembourg Income Study (LIS) Database.

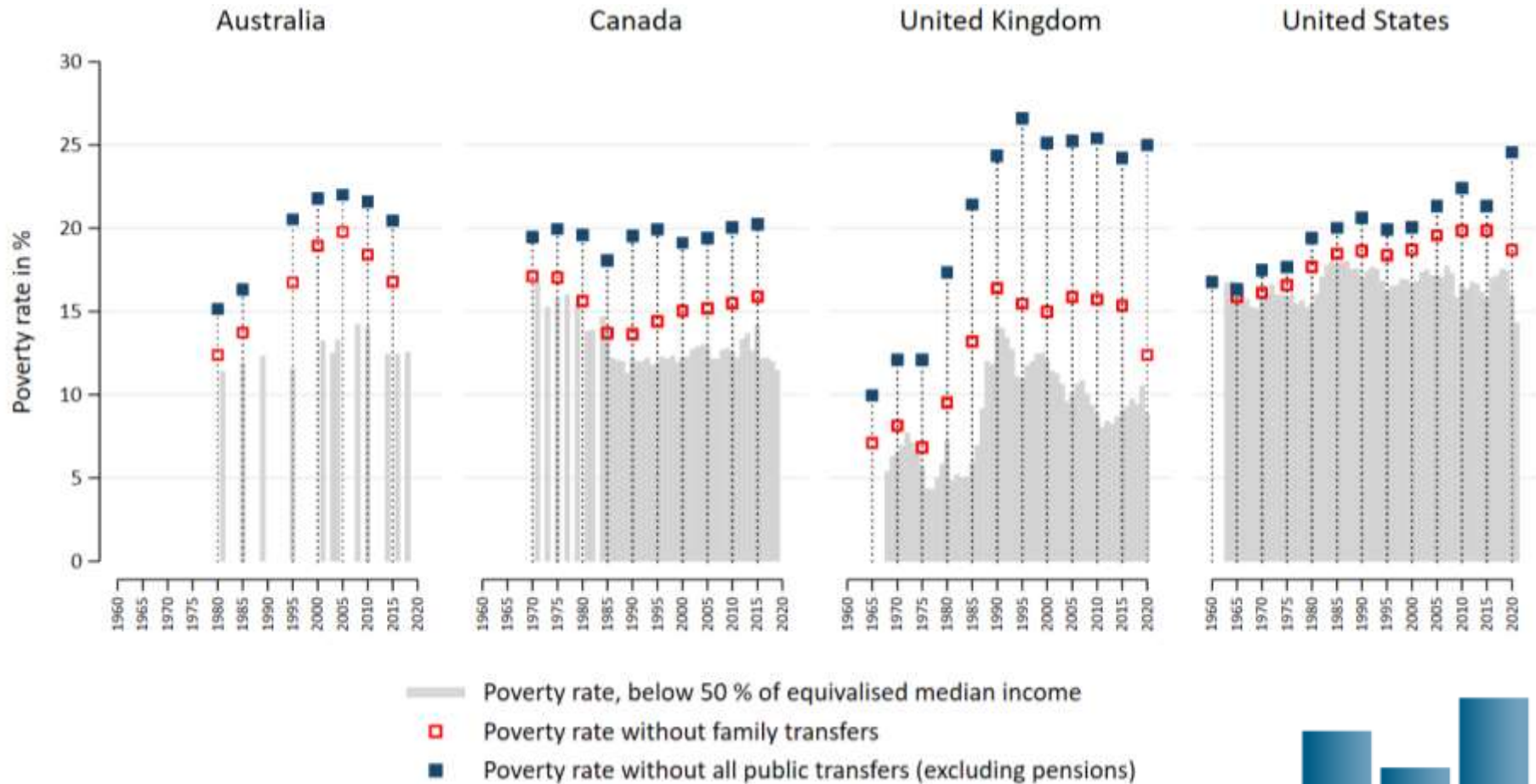# A cross-country comparison: the caveats of 'too many' datapoints

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3) effect of all social transfers

2) effect of family transfers

1) poverty rate after receiving all social transfers

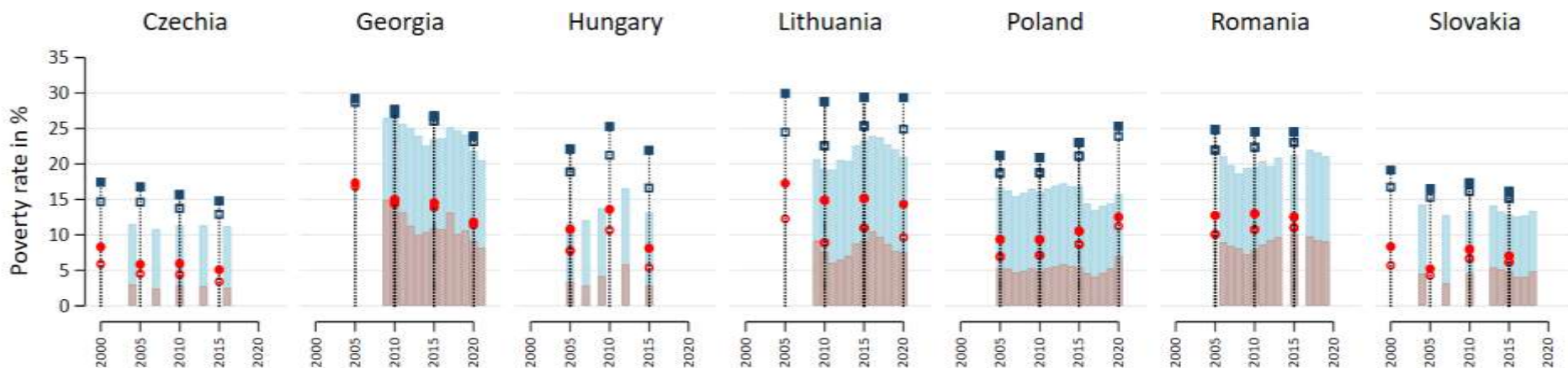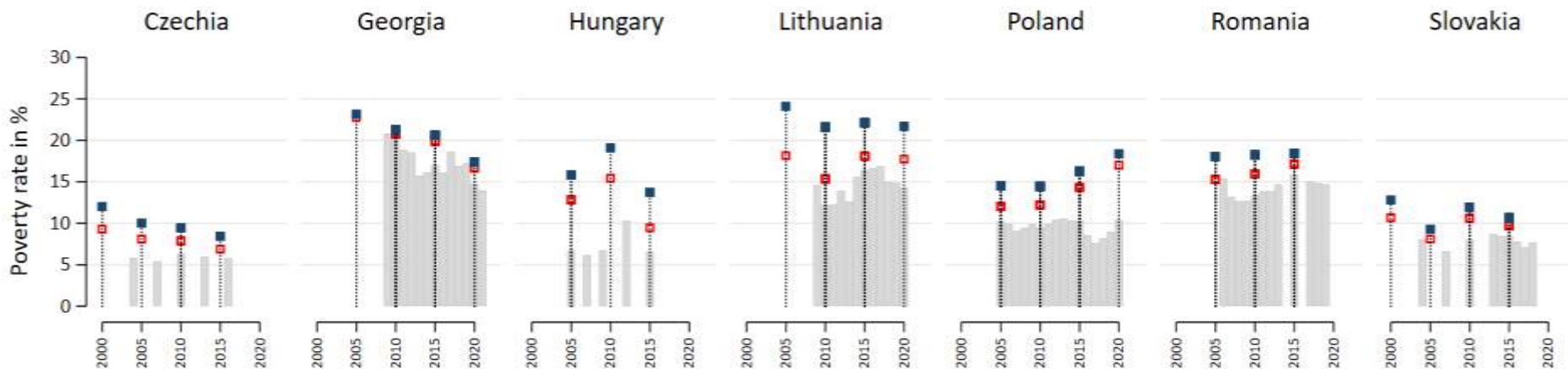Source: Luxembourg Income Study (LIS) Database.

# 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)
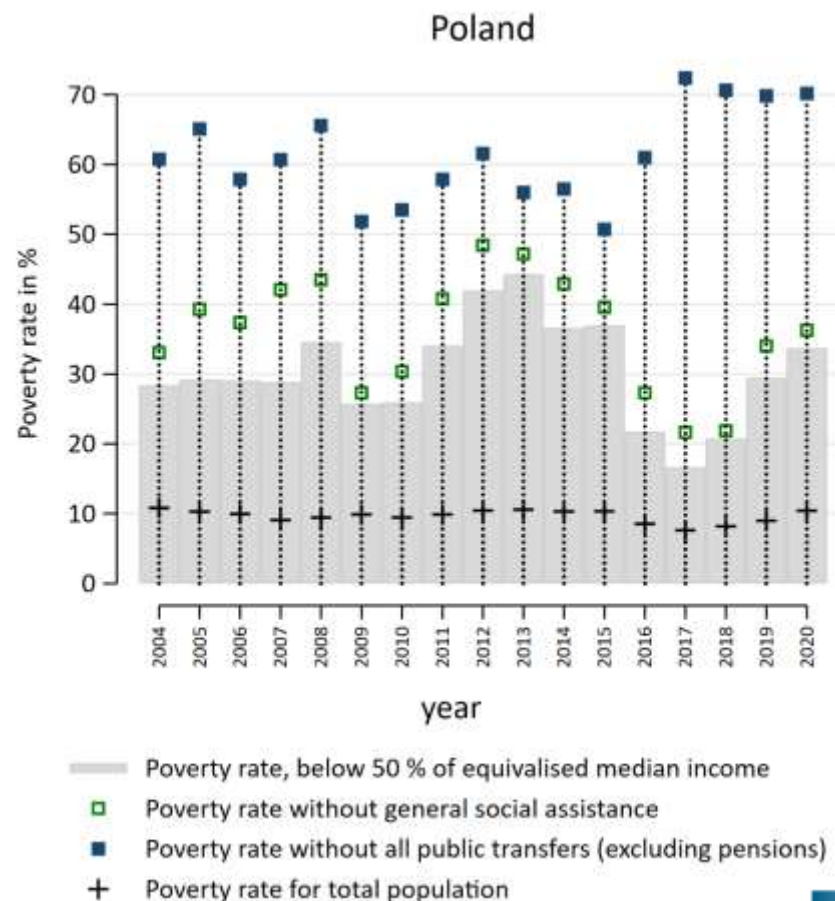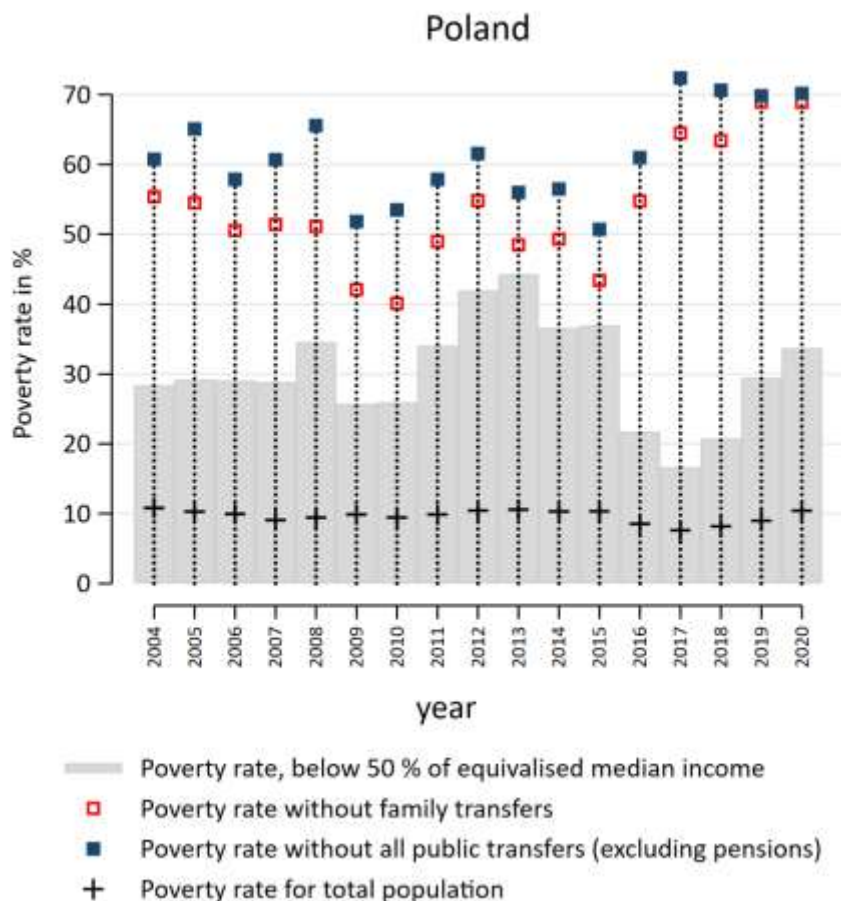


Source: Luxembourg Income Study (LIS) Database.

# Which threshold? 40% vs. 50% vs. 60% of median equivalised income
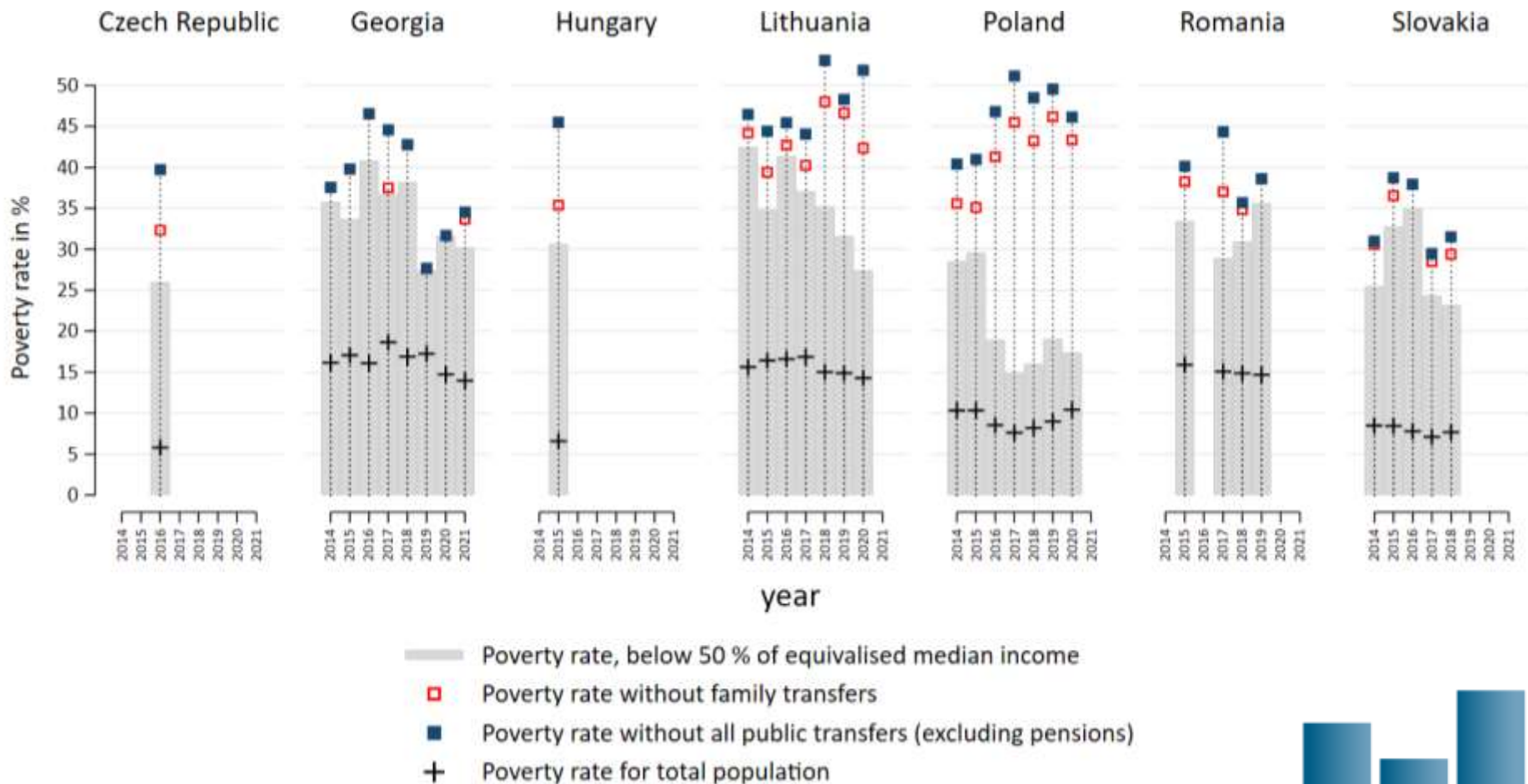


Source: Luxembourg Income Study (LIS) Database.

# 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)



Legend:
- ▬ Poverty rate, below 6.85 $ a day
- ▢ Poverty rate without general social assistance
- ▢ Poverty rate without family transfers
- ▪ Poverty rate without all public transfers (excluding pensions)
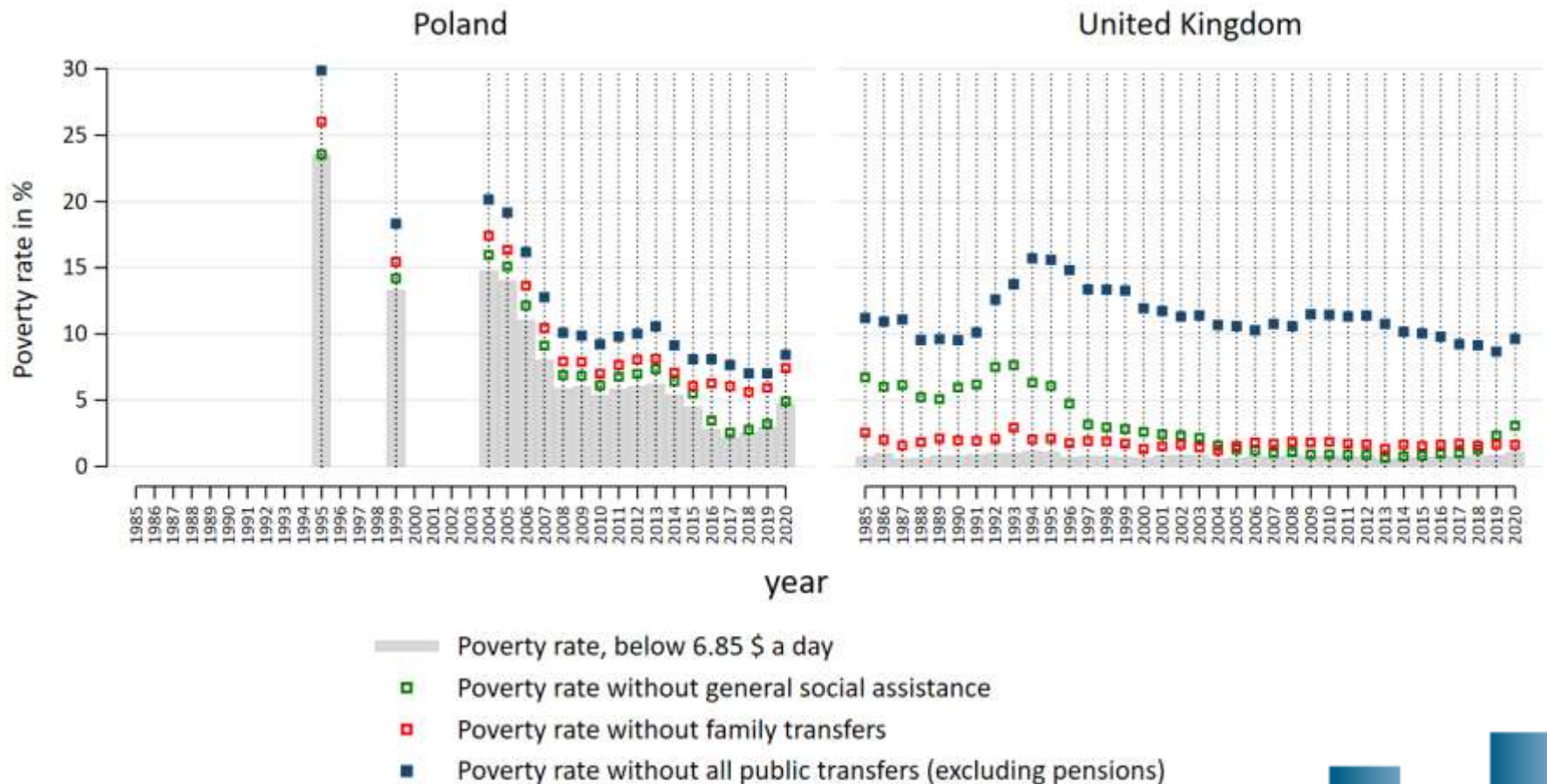
# Conclusion

o Social protection systems are a major pillar in relieving people from poverty.

o Analysis of social benefits and poverty monitoring can be well combined.

One indicator is not enough.

o Over-time comparisons provide a good additional understanding how poverty among risk groups has evolved, and how policy measures relate to this.

o Absolute and relative poverty measures provide very distinct messages.

o 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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