

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE CONFERENCE OF EUROPEAN STATISTICIANS Group of Experts on Measuring Poverty and Inequality 28-29 November 2023 Workshop on Harmonization of Poverty Statistics to Measure SDG 1 and 10 27 November 2023

Title of contribution	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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Presenter Organization	Luxembourg Income Study (LIS)			
Торіс	Social policies, social transfers and data			

Summary:

Eradicating extreme poverty constitutes a fundamental objective within the framework of the Sustainable Development Goals (SDGs). The pivotal roles played by both the state and non-governmental organizations (NGOs) in this pursuit are undisputed. Central to this endeavor are social protection programs, encompassing not only cash assistance but also the provision of essential goods and services through in-kind transfers. These programs offer a lifeline to impoverished families, augmenting their resilience and empowering them to enhance their overall well-being. While certain countries primarily channel their efforts towards supporting the elderly population, others adopt a more inclusive approach by identifying various vulnerable groups, around which social programs and eligibility criteria are tailored.

The proposed presentation centers on a cross-national comparison, shedding light on the diversity of programs available across different countries. Although rooted in a theoretical framework of vulnerability, this study predominantly focuses on empirical exploration within both advanced and emerging economies. Using the Luxembourg Income Study (LIS) Database, this study analyses the role of social protection programs in poverty alleviation across distinct policy areas, such as family support, unemployment benefits, disability assistance, and old-age pensions. Given that the LIS dataset encompasses both advanced and emerging economies, it contrasts two poverty definitions: absolute and relative. The former typically guides analyses aimed at eradicating extreme poverty and is applied in emerging economies, while the latter is more common in advanced economies, defining poverty as a deviation from well-being when compared to the societal median (typically measured as resources falling below the 40/50/60% threshold of the median).

The study adopts a two-stage approach to assess the impact of social programs on poverty reduction and the vulnerability to poverty. In a first step, it conducts a comprehensive assessment of the overall impact, both before and after the allocation of resources, across the entire society. In the second stage, the study narrows its focus to a specific risk group, namely, families with young children or single-parent households. Combining both analyses enables the evaluation of the effectiveness of poverty eradication across distinct policy areas. All analyses conducted within this study are based on disposable income,



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including not only monetary transfers but also non-monetary benefits, such as the value of goods and services derived from own consumption, non-cash benefits provided by employers, and in-kind assistance received through social programs that target the economically vulnerable.

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- Presentation
- Paper (to be submitted by 20 October)