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United Nations Economic Commission for Europe

Conference of European Statisticians

Workshop on harmonization of poverty statistics to measure SDG 1 and 10

Geneva (Switzerland), 27 November 2023

Report of the workshop

Note by the Secretariat

I. Attendance

1. The UNECE workshop on harmonisation of poverty statistics was held on 7 December 2012 in Geneva, Switzerland. It was attended by participants from Armenia, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Mexico, Republic of Moldova, Netherlands, Romania, Ukraine, United States of America and Uzbekistan. Representatives of the following organisations participated in the meeting: Eurostat, International Women's Development Agency, Interstate Statistical Committee of the Commonwealth of Independent States (CIS-Stat), United Nations Children's Fund (UNICEF) and the United Nations Resident Coordinator Office (UNRCO) Kyrgyzstan. Experts from Oxford Poverty and Human Development Initiative (OPHI), and an independent expert also participated.
2. The workshop was conducted with support from the United Nations Development Account (14th tranche) project “Resilient and agile national statistical systems”.

II. Organization

3. The following topics were discussed at the workshop:
 - a) 2030 Agenda for Sustainable Development: data availability on poverty
 - b) Measuring multidimensional poverty
 - c) National measures of multidimensional poverty
 - d) Multidimensional child poverty
4. The discussion at the workshop was based on contributions available at the [workshop's web page](#).

5. The workshop was held back-to-back with the meeting of the [UNECE Group of Experts on Measuring Poverty and Inequality](#) (28-29 November 2023).

III. Summary of proceedings

A. 2030 Agenda for Sustainable Development: Data availability on poverty

6. The session comprised presentations from UNECE, which highlighted issues behind data gaps such as timeliness, relevance of the indicators or simply their absence.

7. The session reviewed the data availability on poverty in the Global SDG Indicators Data Platform (global database) for the countries in Eastern Europe, Caucasus and Central Asia. On two poverty indicators: *1.1.1 International poverty line* and *10.2.1 Proportion of people living below 50 per cent of median income* the database showed more recent data (2020-2021). On indicator *1.3.1 Proportion of population covered by social protection floors/ systems* more countries have reported. Major update to the Global SDG Database is expected towards end of December 2023.

8. Large differences between availability of data on global database and on national level persist. With regard to the multidimensional poverty indicators, it was noted that the reason for missing data may not always be related to the absence of methodology. While several countries produce multidimensional poverty measures, it remains only one country that reports data for indicator *1.2.2 Multidimensional poverty* in the global database.

9. The multidimensional poverty indicator is nationally defined and there is no uniform measure across countries. For this reason, its custodians are national statistical organisations and not international agencies. It was agreed that countries need to strengthen (or establish) the communication channels with partner agencies – UNDP, UNICEF and World Bank - that provide the platform for compiling and reporting the indicator data to the global SDG database. Now countries are not clear who has to request the data for the update of the global database and in what format.

B. Measuring multidimensional poverty

10. The session included presentations by OPHI and UNDP.

11. Poverty is increasingly recognized as a multidimensional phenomenon that is shaped by social, economic, political, and environmental processes. The multidimensional poverty approach complements the monetary measures by including non-monetary dimensions of poverty such as health, nutrition, or quality of education that are usually not well captured or missing. It also provides additional information on non-monetary aspects within the existing monetary dimensions. For example, data on income from employment could be enriched with information on safety nets, type of employment (e.g. formal/informal, seasonal) and other factors that can affect the vulnerability of the job holder.

12. Looking at the global database, it was noted that from about 80 countries that report on multidimensional poverty (indicator 1.2.2), half are using the

Multidimensional Poverty Index (MPI). The rest are mainly using AROPE (the headline indicator to monitor the EU 2020 Strategy poverty target).

13. By its nature, the multidimensional approach is more comprehensive – it shows not only the number of poor people, that is the incidence of poverty according to the various dimensions, but also the intensity of poverty in which poor people live, captured by the joint distribution of deprivations. This major advantage of the approach allows for a better policy targeting.

14. The main source for data on multidimensional poverty is household budget survey, which is a cost-effective, high-quality and rich source of data and best allows to obtain a consistent single dataset. Using a single source is necessary in order to ensure that the interlinkages across dimensions are made correctly. While advancements have been made in the use of alternative data sources, e.g., administrative or census data, most multidimensional poverty measures, including national and global MPIs, rely on household survey data for comprehensive and timely assessments of poverty, and trends over time.

15. The participants emphasised that the work on developing multidimensional poverty measures needs to adapt to assessing “moderate” deprivations, with emphasis on less acute forms of poverty. In this context, the UNDP presented a review of multidimensional poverty measures in 52 countries with a focus on middle-income countries. The review aimed to identify the most common patterns in designs and methodological approaches across the countries and provide practical recommendations for the development of a national MPI in countries of Eastern Europe and Central Asia.

16. The analysis based on practices from countries in the region of Eastern Europe and Central Asia showed that the links between national MPI and the policy development and monitoring goals and priorities need to be strengthened. One of the most pressing challenges is to ensure policy relevance. Using national MPI for poverty monitoring provides a more complete information, however the measure is more powerful when used for policy development and coordination and serves to assess the impact of policy measures. One such policy is Leaving No One Behind, where national MPI can help implement targeting and direct resource allocation.

17. The need for comprehensive data reports and detailed metadata information for national MPIs in EECCA countries was noted. This will help not only to distil a set of most used dimensions and indicators but also to enhance harmonisation through partnerships and benefit from synergies across countries with similar policy priorities.

18. OPHI announced its data forum, to be held on 7–9 February 2024 in Oxford. The forum will engage subject matter experts to propose new survey questions and modules and engage data providers to explore the potential for producing an MPI.

C. National measures of multidimensional poverty

19. The session included presentations from Belarus, Brazil, Republic of Moldova, Kazakhstan and Kyrgyzstan. It concluded with discussion led by the UNECE consultant.

20. The session showed significant advancement in the EECCA region where more countries are developing multidimensional poverty measures using the international Alkire-Foster methodology. Kyrgyzstan for example is producing the national MPI on a regular basis, with annual publication of up-to-date data on multidimensional poverty over time. Health, housing conditions, food security and education as well as income poverty are the dimensions selected in the country. Republic of Moldova and Kazakhstan showed their experimental calculations – they have chosen similar dimensions, including health, education, living conditions/living standards and financial accessibility/employment. In addition, Kazakhstan has considered an environment indicator. Belarus shared their plans to building an MPI based on health, education and living conditions dimensions.
21. Countries have made steps to include various disaggregations, for example Kyrgyzstan showed breakdowns by age groups, regions and rural/urban areas. In Republic of Moldova, they added to the analysis by sex and type of household with children (1, 2 and 3+ children).
22. Some countries consider important to include income and monetary poverty indicators in the national MPI as an additional criterion of deprivation. This has been a point of discussion to the extent that it can influence how other dimensions perform in the MPI. Brazil, for example noted that income and monetary poverty indicators may show improvements that are not observed to the same extent in quality-of-life indicators. They have therefore developed a common framework, which combines quality of life, socio-economic and non-monetary aspects of multidimensional poverty.
23. In countries where the MPI methodology is in place, it is commonly used to monitor progress on goals, e.g., of the national development strategies and plans in Kyrgyzstan, the Republic of Moldova and Kazakhstan as well as the agenda 2030 in the Republic of Moldova. The MPI however is also an effective tool for policy development and as such it needs to be further promoted. This requires strong communication links between statistical office and policy makers that can further lead to effective policy decisions.
24. The international agencies and research institutions can support countries in identifying the dimensions and indicators, however it is the countries that select and validate the indicators used in building their national indexes. The number of indicators and dimensions vary across countries. More indicators will help for more informed policy while on the other hand, it also means less weight in the dimension and less pronounced influence of the indicators in the overall measure. Based on international experience, countries should therefore aim at a balanced number of indicators, usually in the range of 8 to 15 indicators.
25. The participants discussed ways to improve the availability and quality of household survey data for multidimensional poverty measurement. Limitations to household surveys should be further explored to address missing data. It was noted that some dimensions such as the environment dimension, including climate change, or food security cannot be measured either because data in these areas are not collected or because they are collected in other surveys. Some examples of use of census data from Latin American countries were mentioned. However, the alternative sources should be

used with caution as data varies in terms of frequency, observation unit and other characteristics.

26. In terms of next steps, Republic of Moldova announced that they are currently completing their analytical report on the MPI for 2022 to be issued publicly in the beginning of 2024. Kazakhstan has successfully concluded a UNECE project on building a pilot MPI and is taking next steps in validating the MPI methodology and presenting the final MPI results. Belarus is planning to build multidimensional indexes for households (national MPI) and for children (Multidimensional Overlapping Deprivation Analysis (MODA)) and to discuss the first results with the government bodies.

27. Although there are internal differences between the EECCA countries, the similarities in the region can allow for cross exchanges that can help the identification of dimensions and indicators. Efforts to support harmonisation and comparability, for example sharing detailed metadata, were very much appreciated. The MPI is a measure for long term policy, therefore changing the measure frequently although possible, makes it less efficient. The advantage of EECCA countries being in the initial stage of launching multidimensional poverty measures is that they can all together benefit from synergies in the process of justification of dimensions, indicators and poverty cut-offs.

D. Multidimensional child poverty

28. The session included presentations from Kazakhstan and UNICEF Regional Office for Europe and Central Asia.

29. Understanding which groups experience the highest levels of poverty in a multidimensional way is important for targeting policy interventions effectively. These groups may include children, youth, elderly, disabled, ethnic or migrant minorities. Several countries indicated work on multidimensional deprivation of children, including Belarus, Georgia, Kazakhstan and Kyrgyzstan.

30. The participants discussed the different approaches to measuring child poverty, including Bristol approach and MODA, which use the international children's rights framework to guide the choice of dimensions in which the child is deprived, the Alkire-Foster method (child MPI) and the European Union Deprivation Indices.

31. Both in a child MPI and MODA, the selected dimensions can be child-specific like education and under-nutrition but also dimensions that affect the whole household like sanitation and housing conditions. The main difference between the two approaches relates to policy objectives - a reduction in any indicator in a dimension, reduces the child MPI, while MODA decreases only when a child who was deprived in a dimension becomes non-deprived in all indicators associated with that dimension.

IV. Conclusions

32. Modern methods of poverty analysis involve non-material aspects of life. The multidimensional poverty method in particular, provides rich information on key deprivations and helps shaping the poverty reduction policies.

33. The meeting recommended continued efforts in harmonisation and enhancement of the use of household surveys in countries of Eastern Europe, the Caucasus and Central Asia for the purpose of developing multidimensional poverty measures and disaggregations in the context of the 2030 Agenda for Sustainable Development. The country experiences shared during the meeting were found extremely useful and supportive of statistical offices in developing national measures.

34. Countries expressed satisfaction with the workshop and commitment for collaborative work in the future.
