METHODOLOGICAL CHALLENGES
CES SEMINAR ON POVERTY

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PAPERS PRESENTED IN SEMINAR

- Israel – Measuring poverty and well being using additional yardsticks
- Mexico – Towards a more realistic estimate of the income distribution
- Poland – Poverty as a social phenomenon: methods of measurement applied
- Slovak Republic – Measurement of data and available data sources
- Switzerland – Poverty rates before and after social transfers
ISSUES IN POVERTY MEASUREMENT

- Why measure?
- How to measure?
- By survey or administrative records?
- Whom to include?
- What to include?

WHY TO MEASURE THE POOR?

- Poverty is a multidimensional social phenomenon that affects people, families and communities that experience it in the present and in the future.
- The lower the number of poor the society and economy are healthier
- World Bank: a poverty definition (1992): Poverty can be said to exist in a given society when one or more persons do not attain a level of material well-being deemed to constitute a reasonable minimum by the standards of that society.
HOW TO MEASURE

- Direct / indirect poverty
- Subjective / objective poverty
- Absolute / relative poverty
- Mainly or secondary poverty
- Temporary or chronical poverty

BY WHICH SOURCE

- Survey – household/family survey, individual survey.
- Subjective or objective source
- Administrative records
- Several/mixed sources
WHOM –
THE UNIT FOR MEASURING OF POVERTY

- Households
- Individuals
- Deciles / quintiles
- Families
- Characteristics – size, dwelling, education

WHAT TO INCLUDE

- Income
- Property and assets
- Government allowance – money and in kind
- Savings and Pensions
- Nutrition level
- Housing level
- Environmental conditions
- Social network
- Capabilities
THE MULTIDIMENSIONAL DEFINITION

- How to measure?
- By survey or administrative records?
- Whom?
- What?

Everything is good!!!!!

INDICATORS OF MULTIDIMENSIONAL POVERTY IN ISRAEL

- Financial Difficulties-Dimension
- Emotional Dimension
- Social Dimension
- Health Dimension
- Educational Dimension: Achievements (Children)

Sources: the Social Survey, the Household Expenditure and Income Survey, welfare and education administrative files
**MEXICO**

- Under reporting at the lower end of the income distribution leads to over stated poverty
- Truncation at the highest level of the distribution misleading inequality
- Use multiple sources (administrative and survey data) and statistical methods (CMPL) to better represent the income distribution

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**POLAND**

- Monetary poverty based on household budget surveys
- Multidimensional analysis based on social cohesion survey
- Multiple sources cover multiple phenomena.
- Can the sources be combined (each with advantages and disadvantages)
- International comparison?
SLOVAKIA

- Deriving indicators from three sources
  - EU – SILC
  - Household Budget Survey
  - Household Finance and Consumption Survey
- Issues in harmonization and standardization across surveys.
- Importance of disaggregation for solving inequalities
- Advanced statistical methods like small area estimation

SWITZERLAND

- Importance of social transfers in poverty analysis
- Comparison of poverty threshold (basic material needs and minimum level of participation in social life) with disposable household income; poverty as “post-transfer poverty”
- Issues in estimating social transfers
- Influence on poverty rates but not on the structure of poverty population
QUESTIONS FOR DISCUSSION

- What would be a good practice of a decision making process for defining the official national poverty measure?
- How to produce a nationally representative poverty measure when using different sources and data collection methods?
- How to communicate indicators on the multiple dimensions of poverty in a clear and coherent way?

SESSION SUMMARY