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**The Austrian Inclusion Indicators – Putting  
Multidimensional Poverty Measurement into Practice**

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**Abstract**

This paper presents a framework used by the Austrian Ministry of Social Affairs to monitor the social target of the Europe 2020 strategy. Austria is committed to contribute to the common European target by lifting 235.000 individuals out of conditions of poverty or social exclusion. The target group is defined by disadvantage in any of three dimensions: relatively low income, low work intensity or severe material deprivation. Since 2008 a national framework of complementary indicators is continuously evolving. In that process, the Ministry of Social Affairs aligned closely with Statistics Austria. The framework responds to the European focus on employment and living standards, adding housing, education and health as national priorities. The Austrian experience suggests that existing data, partnership and governance structures are essential elements for multidimensional poverty measurement.

**Governance for legitimacy of indicators**

It has been noted that “multidimensional poverty measures can and often do take form in active relationship with participatory and deliberative processes about what poverty is and what current priorities might be” (Alkire and Foster 2011, p 312). Similarly, an earlier OECD working paper concluded upon a review of existing indicator frameworks that “...for societal progress indicators to be used and applied in decision-making processes, then three conditions need to be met. First, the indicators should be seen as legitimate by the intended users. Second, the indicators should be set within a wider system that provides ‘fit-for-purpose’ information. Third, appropriate incentives must exist for stakeholders to act on that information. If these conditions are not met, then there is a danger that indicators will be ignored, or used without having any real impact on policy and societal outcomes.” (Scrivens and Iasiello 2010 p 52). Austrian inclusion indicators have therefore been developed with, presented to and endorsed by committees which include experts, public administration, social partners and NGOs. (e.g. leading to a new indicator on homelessness in 2012).

**Data infrastructures responding to policy needs**

In the European Community, a series of poverty programmes were launched in the 1980s and 90s. Given the still absent mandate for social policy in the European Treaties, these research and networking activities were necessarily of limited direct impact. However they have contributed to mobilise academic and political interest for comparative data on poverty. When Austria joined the European Union in 1995 it also participated in the European Community Household Panel (ECHP). Already in 2003 Statistics Austria started a pilot for the European Statistics on Income and Living Conditions (EU-SILC) now firmly integrating poverty statistics into the European Statistical System. This unique source addresses a broad range of living conditions simultaneously such as income, debt payments, deprivation, housing, education, employment, environment, health and additional modules.

**Partnership for building analytical capacity**

The collection and subsequent analysis of these data have contributed to putting poverty on the national policy agenda. Today, Statistics Austria reports regularly on poverty, fulfilling its obligations under the Federal Statistics Law. A continuous partnership between Statistics Austria and the Ministry of Social Affairs helped building some analytical capacity at Statistics Austria for further analysis. In-depth analysis has become a crucial element in the design and quality assurance process as well as improving access to information on living conditions.

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# The Austrian Inclusion Indicators – Putting Multidimensional Poverty Measurement into Practice

by Susanne Keindl<sup>1</sup>, Matthias Till<sup>2</sup>

## Summary

*Austria has developed a dashboard of 22 social inclusion indicators. Indicator development had been initiated in the year 2007 by the Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection and is regularly updated by Statistics Austria using EU-SILC as a major data source. The indicators feed into a national process, framing Austria's commitments towards the Europe 2020 headline targets.*

*The paper argues that three essential ingredients determine the success of the Austrian approach to poverty measurement: legitimacy through active stakeholder involvement; critical data and analytic capacity; a partnership which ensures stable resources and continuous innovation.*

*For the future, a reduction of the number of indicators may be desirable. There are however several competing alternatives for "mashing up" measures of poverty. This includes synthetic indicators based on counting deprivations within dimensions; aggregation across dimensions using the Alkire-Foster method or a terminology for specific combinations of poverty conditions. All these approaches consolidate information on the level of individuals before aggregation. They are important alternatives to composite indices which simply combine aggregated measures. Nonetheless technical specifications are required such as selecting and weighting dimensions and longitudinal trajectories of social exclusion still need to be better accounted for. Most importantly however, their requirement of joint observations in individual level may interfere with the participatory character of indicator development which is their very justification.*

## I. Introduction: Indicators for Social Inclusion in Austria

1. This paper presents a framework used by the Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection (hereafter Ministry) to monitor the social target of the Europe 2020 strategy.
2. The Austrian government has committed itself to lift 235,000 individuals out of conditions of poverty or social exclusion. This is the national contribution for the common European target of lifting 20 million people out of poverty until 2020.
3. According to common definitions in the European Union, the target group is defined by a multidimensional measure covering three dimensions:
  - a. relatively low household income (less than 60% of median), "risk of poverty",
  - b. low work intensity (below 20% in household) or
  - c. severe material deprivation (more than 4 out of 9 deprivation items).
4. Since 2008 a national framework of complementary national indicators is continuously evolving. In that process, the Ministry aligned closely with Statistics

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Austria. Currently the set of indicators comprises 20 annually updated plus 2 long term indicators for the following dimensions:

- a. standard of living (5 indicators)
- b. work (5 indicators)
- c. housing (6 indicators),
- d. education (4 indicators)
- e. health (2 indicators).

5. The Austrian experience suggests that existing data, partnership and governance structures are essential elements for multidimensional poverty measurement. The paper will explain these prerequisites and venture into a discussion of a possible future consolidation of the multidimensional dashboard into a smaller set of indicators, a single index, or typology.

## II. European and Global Universalities

6. The inclusion indicators in Austria were intended as a subsidiary implementation of a common European poverty reduction target. In June 2010, Heads of State and Governments of EU Member States approved five headline targets for the common Europe 2020 Strategy which was launched to create smart, sustainable and inclusive growth.<sup>3</sup> This strategy continued previous efforts of coordinated social policy, known as the Open Method of Coordination (OMC) (Vanhercke 2010).

7. The Europe 2020 Strategy emphasises the area of living conditions in the EU. Hence, one of the five headline targets refers to the reduction of poverty and social inclusion based on a quantifiable target (BMASK 2012: 84).

8. According to the Europe 2020 strategy, at least 20 million people should be lifted out of risk of poverty or social exclusion, as defined by the Europe 2020 indicator, EU-wide within 10 years (based on EU-SILC 2008 to 2018). This Europe 2020 indicator of persons at risk of poverty or social exclusion includes all those whose household has an income below the at-risk-of-poverty threshold of the respective Member State, or which exhibits at least four out of nine characteristics of material deprivation, and/or persons who either live in a jobless household or in a household with very low work intensity. (BMASK 2012: 84).

9. Furthermore, another Europe 2020 headline target calls for increasing the employment of the 20 to 64 year-olds from 69% to 75% in the EU within ten years, especially through a greater involvement of women, older workers, young people and migrants.<sup>4</sup>

10. Employment as well as the prevention and reduction of poverty and social exclusion are main objectives both at EU and national level. The Europe 2020 targets constitute common goals but do not reflect a “one size fits all” approach. Hence, they were translated into concrete national targets in each EU Member State. In this way, each Member State could tailor the Europe 2020 strategy to its national circumstances and starting points. (Commission 2010: 11)

11. In the Austrian case, the government plans to lift a total of 235,000 people out of these social risk situations and to reach an employment rate of 77-78 % among the population aged 20 to 64 years (Chancellery 2011: 12, 27).

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<sup>3</sup> [http://ec.europa.eu/europe2020/documents/related-document-type/index\\_en.htm](http://ec.europa.eu/europe2020/documents/related-document-type/index_en.htm)

<sup>4</sup> <https://www.bka.gv.at/site/7763/default.aspx>

12. The EU headline targets regarding poverty and social exclusion and employment are politically binding.<sup>5</sup> The degree to which EU Member States' government levels succeed in implementing national reforms is decisive for the overall success of the Europe 2020 Strategy.<sup>6</sup> By the same token, EU institutions play an important role in promoting the targets<sup>7</sup> but the Europe 2020 Strategy also calls on civil society to contribute to the achievement of the goals<sup>8</sup>.

13. On the level of the United Nations, reduction of poverty is currently listed as goal number one among 17 Sustainable Development Goals underpinning the post 2015 development agenda. One of the specific targets reads: "By 2030 reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions". For the European Union that would imply a dramatically higher level of ambition than foreseen the Europe 2020 strategy (Knoll et al. 2015:15).

14. Like the European Union, the United Nations have to rely on national contributions to reach common goals. Therefore it is essential to ensure ownership on the level where action will be required. For domestic development and poverty alleviation this will usually be the country level. Indicators such as those developed to support the Europe 2020 strategy will play a role to find concrete formulations for the universal ambition and translate them into differentiated action.

### **III. Governance for Shared Ownership of Indicators**

15. It has been noted that "multidimensional poverty measures can and often do take form in active relationship with participatory and deliberative processes about what poverty is and what current priorities might be" (Alkire and Foster 2011: 312).

16. Similarly, an earlier OECD working paper concluded upon a review of existing indicator frameworks that "...for societal progress indicators to be used and applied in decision-making processes, then three conditions need to be met. First, the indicators should be seen as legitimate by the intended users. Second, the indicators should be set within a wider system that provides 'fit-for-purpose' information. Third, appropriate incentives must exist for stakeholders to act on that information. If these conditions are not met, then there is a danger that indicators will be ignored, or used without having any real impact on policy and societal outcomes." (Scrivens and Iasiello 2010: 52).

17. The national indicators for social inclusion complement the monitoring of poverty and social exclusion at EU-level because European indicators can only be a compromise from a national perspective. In order to take specific national circumstances into account Austria developed national inclusion indicators in 2008 with the involvement of experts from social partner organisations, the Austrian Network Against Poverty (an Austrian network of social organisations called "Die Armutskonferenz"), research institutions, ministries and regional authorities.

18. Since the Ministry deems stakeholder involvement of utmost importance when it comes to the planning and implementation of poverty measures, Austria implemented a "National Poverty Platform" for supporting the Europe 2020 target of fighting poverty and social exclusion. In this way, participation and transparency regarding the Austrian social target could be enhanced.

19. This platform constitutes a forum for exchanging information and consulting with stakeholders in the context of poverty and social exclusion, including social

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<sup>5</sup> [http://europa.eu/rapid/press-release\\_MEMO-14-149\\_de.htm](http://europa.eu/rapid/press-release_MEMO-14-149_de.htm)

<sup>6</sup> [http://ec.europa.eu/europe2020/who-does-what/member-states/index\\_en.htm](http://ec.europa.eu/europe2020/who-does-what/member-states/index_en.htm)

<sup>7</sup> [http://ec.europa.eu/europe2020/who-does-what/eu-institutions/index\\_en.htm](http://ec.europa.eu/europe2020/who-does-what/eu-institutions/index_en.htm)

<sup>8</sup> [http://ec.europa.eu/europe2020/who-does-what/stakeholders/index\\_en.htm](http://ec.europa.eu/europe2020/who-does-what/stakeholders/index_en.htm)

partners, regional actors, NGOs, civil society and people at risk of poverty and social exclusion. The platform meetings are scheduled twice a year and thus constitute a permanent forum for dialogue between the Ministry and a variety of stakeholders.

20. The set of indicators was revised in 2012 and 2014 in close cooperation with the members of the National Poverty Platform. The revision process was based on joint proposals of the Ministry and Statistics Austria which were sent to the stakeholders who subsequently had the possibility to submit written comments but also to voice their feedback at the platform meetings. Based on the received input the set of indicators was discussed again by the Ministry and Statistics Austria with the aim of taking up as much feedback as possible and thus ensuring that indicators are perceived as legitimate and useful for the stakeholders.

21. When the set was first presented in 2008 the emphasis was on choosing indicators that reflect the national specific challenges of five areas (i.e. standard of living, work, housing, education, health). However, it turned out that national and European indicator definitions could be easily confused by the public due to the similar but not fully congruent concepts. Therefore, the latest revision in 2014 aimed at aligning national with European definitions when this seemed to be the better solution.

22. Furthermore, the national indicators are presented whenever possible for the group of people at risk of poverty or social exclusion and people not at risk of poverty or social exclusion. In this way, differences between those groups can be depicted in all five areas mentioned above.

23. Input from stakeholders proved to be vital for the revision of national indicators in the past and also gave impetus to develop (new) indicators. For example, a new indicator on homelessness was developed in light of the revision 2012 because it became clear that this information was important to stakeholders. In general, however, the aim is to have a limited set of indicators, meaning that the number of indicators should in principle not be increased. The rationale behind it is to have a concise overview for the five dimensions.

24. The currently 22 national indicators for social inclusion are subject to ongoing evaluation; it is planned that future revisions will also be developed together with, presented to and endorsed by the National Poverty Platform.

#### **IV. Indicators and Policies**

25. The national indicators are intended to ensure the monitoring of national inclusion strategies and take a closer look at the situation of the group of people at risk of poverty or social exclusion. In this context it is vital that indicators are not only calculated and presented in tables by Statistics Austria but also thoroughly analysed so that policy messages can be formulated and appropriate measures can be taken.

26. Therefore, the national inclusion indicators form part of various reports and are used in particular with regard to the national monitoring of the social impacts of the crisis. For example, national indicators are usually discussed in the “Social Report” published every two years by the Ministry or they are published in a separate report. In the latest Social Report (2013-2014), one chapter is dedicated to the “living conditions in Austria” based on the EU-SILC 2013 data.

27. With every EU-SILC wave national indicators are again calculated, edited and analysed allowing for a continuous monitoring. In general, EU-SILC is the most important data basis for the national indicators because it renders an analysis based on socio-economic characteristics possible.

28. In Austria, EU-SILC data is not only used for monitoring policies and social developments but also for assessing the impact of planned measures within the legally required system of “outcome oriented impact assessment”: Laws and similar legal

frameworks need to undergo an impact assessment for different policy areas, among them the dimension of “Social Affairs”.

29. In order to render a quantitative assessment of certain policy measures on the people covered by the Europe 2020 indicator regarding poverty and social exclusion possible, the Ministry developed a micro-simulation model called SORESI (**s**ocial **r**eform **m**icro-**s**imulation model) together with several project partners. This model calculates results using EUROMOD, the tax/benefit micro-simulation model for the EU, based on EU-SILC data.

30. The initial rationale behind the project was to enable ministries putting forward a proposal to examine its quantitative impacts on the Europe 2020 social target group of people at risk of poverty or social exclusion. But in addition to that, SORESI is now also aimed at creating value for the broader public: Impacts of certain measures in the field of social benefits, social contributions and income tax can be shown on income distribution, the risk of poverty and on related fiscal outcomes. Moreover, results can be viewed at the household and individual as well as model household level and filtered by several criteria (e.g., age, income quintile).

31. The micro-simulation model SORESI is freely accessible on the Internet ([www.sozialministerium.at/soresi](http://www.sozialministerium.at/soresi)) and offers various options for analysis. One main objective was to make SORESI as user-friendly as possible. It is thus not only a tool for experts and researchers but also for the interested public, journalists and for policy makers, thereby fostering transparency of policies.

## **V. Data Infrastructures: No Brick without Clay**

32. In the European Community, a series of poverty programmes were launched in the 1980s and 90s. Given the still absent or vague mandate for social policy in the European Treaties, these research and networking activities were necessarily of limited direct impact. The Open Method of Coordination (OMC) that has been established in 2000 on European level has often been criticized as ineffective but has also kept social policy issues on the agenda and has been used as a “point of reference” (Fink 2010: 68) and “spring board” to lobby for real action plans (Farell and Moser 2010: 56).

33. In particular, the increased policy attention contributed to mobilise academic and political interest for comparative data on poverty (Heitzmann 2011, Kolb 2011). When Austria joined the European Union in 1995 it also participated in the European Community Household Panel (ECHP) following the third poverty programme.

34. The OMC further supported multidimensional measurement of poverty. Already in 2003 Statistics Austria started a pilot for the European Statistics on Income and Living Conditions (EU-SILC) now firmly integrating poverty statistics into the European Statistical System. This unique source addresses a broad range of living conditions simultaneously such as income, debt payments, deprivation, housing, education, employment, environment, health and additional modules.

35. Roughly 6,000 households are interviewed each year in Austria for EU-SILC. The cumulated number of minutes spent for interviewing amounts to more than 4 years (!). The data is processed and intensively analysed by 7 highly qualified staff, together representing more than one professional lifetime of cumulative experience in living conditions and poverty statistics. Their work includes continuous dissemination activities such as annual analytic reporting and contributions to the Ministry’s biannual Social Report as well as continuous networking with other statistical offices and numerous presentations in academic and practice related settings.

**Table 1 Some Key figures of the EU-SILC Environment in Austria**

Number of staff (FTE ) in production and analysis	~6
Number of years of cumulative expertise in poverty statistics	~58
Number of interviewers	~180
Total EU-SILC interviewing time since 2003 (in days)	~1 700
Number of respondents participating in the survey so far	~60 000
Statistics Austria publications on EU-SILC 2010-2014	59
Users – institutions <u>regularly</u> requesting micro data.	40
Total number of individual data orders since 2004	~450
Number of national User’s Conferences.	3
Hosting of international NET-SILC2 conference	1

36. EU-SILC in Austria has seen fundamental innovations in 2008 when the organisation of fieldwork was changed<sup>9</sup> and again in 2011 when questions on income sources were replaced by information obtained from income registers. Simultaneously, timeliness could be massively improved. For EU-SILC 2014 it has been for the first time possible to release tabulated data by January 2015 (i.e. one month after the end of the year the data has been collected). Microdata are made available to users for scientific purposes free of charge and their output and feedback is invaluable for dissemination and quality assurance.

37. Continuous work on EU-SILC which is mainly commissioned by the Ministry of Labour, Social Affairs and Consumer protection and other public clients ensures most of all its responsiveness to policy needs. A whole crew of competent experts is constantly involved in timely reporting and consulting for the Ministry and other stakeholders on indicators as well as the inclusion of additional questions, especially on occasion of the EU-SILC modules.

## **VI. Unidimensional Measures for Multidimensional Phenomena - a Viable Option for the Future?**

38. The development of the Austrian social inclusion indicators is an ongoing process. Great demand has been expressed for example to measure fuel poverty. Also measures of inequality that better reflect disparities in wealth or income from property have been requested. The most recent innovation was the exploration social gradients in life expectancy.

39. The framework recognises diverse dimensions of poverty which would be inappropriately reflected when only income measures were considered. For example money transfers may be particularly important interventions for certain groups such as the elderly but in other cases for example employment and health conditions need to be addressed more specifically. Multidimensionality hence also needs to reflect the different portfolios of different stakeholders.

40. While the diversified approach to poverty is an important consequence of stakeholder participation, the current dashboard approach supports proliferation of indicators. However, large numbers of indicators make it difficult to get an overview. Alkire, Foster and Santos (2011: 504) have argued that headlines such as “Government says poverty is higher, lower and unchanged” will inspire little confidence and therefore information may need to be further condensed for communication.

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<sup>9</sup> introducing CATI and fully integrating EU-SILC in Statistics Austria’s own fieldwork infrastructure after previous subcontracting

41. It is a common strategy to combine several aspects of the same phenomenon into synthetic measures. For example it is usually better to rely on more than a single survey question to determine an indicator. Evidence which is confirmed by separate measurement, make arbitrary conclusions less likely. Consequently, synthetic measures generally have higher precision and render themselves more useful for disaggregation from sample data such as EU-SILC.

42. The Multidimensional Poverty Index (MPI) is a prominent example of a measure which combines information on more than a single dimension of poverty for each person. The MPI has been presented in the 2010 Human Development Report and refers to the three dimensions health, living standard and education (Alkire and Foster 2011).<sup>10</sup> So far the MPI has been produced for 110 mainly developing countries covering a total population of 5.4 billion. It thus presents itself as an appealing option for the future monitoring of Sustainable Development Goal number one under the post 2015 agenda.<sup>11</sup>

43. The MPI is currently not established for most of the European countries. As it appears, unequal living conditions and data infrastructures have so far prevented a universal multidimensional measure. For example it is difficult to imagine a European poverty indicator without addressing employment. Moreover, multidimensional measures may need to address housing more specifically, especially given that statistics usually refer to samples of private households, excluding homeless or refugees. In principle however, the methodology underlying the MPI appears flexible to accommodate regional variations in definitions.

44. The present inclusion framework in Austria is comprised of separate indicators with no attempt of aggregation across dimensions. However some components of the dashboard have a multidimensional character. This holds already for the Europe 2020 poverty target group which is a union of three separate dimensions. As it is derived from simply counting the number of dimensions in which an individual is deprived, it represents a special case of those headcount measures proposed by Sabina Alkire and James Foster (2011). The national indicator framework includes the measure “manifest poverty” which refers to the intersection of at least two dimensions (i.e. a higher cut off criterion than the EU-definition) which are used to define the target group. Similarly the framework also includes a measure of multiple housing problems which combines crowding affordability and quality issues using a threshold of two or more problems.

45. The appeal of converting qualitative information even across different dimensions of poverty into a unidimensional index is evident. However it has been criticised that the wealth of living conditions should not be “mashed up” into a single index which conceals its construction and implicit or explicit weighting parameters upon which it has been defined (Ravallion 2010).

46. It may be difficult to reach consensus on those parameters in a participatory process. Moreover, the AF-method requires individual level observations. Collective conditions such as inequality of life expectancy, education or income would still require special treatment. In particular it will also be difficult to include indicators such as the

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<sup>10</sup> As these dimensions are essential qualitative determinants which are not necessarily commensurable, it has been proposed to first determine for each dimension minimum criteria and then count the number of dimensions in which these criteria are not met. Upon that information it is possible to obtain a poverty headcount (commonly denoted “H”) which will refer to the percentage in a population where the number of dimensions in which deprivation is experienced exceeds a threshold to be specified. At the same time it will be easy to derive the average intensity of poverty (commonly denoted “A”) by calculating the average percentage of the total number of deprivations considered which are experienced by the poor. The product of these two measures of prevalence and intensity gives another poverty measure (M0) which satisfies a number of axioms usually required for welfare metrics.

<sup>11</sup> <http://www.ophi.org.uk/wp-content/uploads/Multidimensional-Poverty-Index-2015-2-March-2015.pdf?0a8fd7>

count of homeless persons (who by definition do not appear in household surveys). Consequently, attempts to aggregate multidimensional measures into a single index appear rather unrealistic. Rather than substituting elements of the dashboard they may finally be added to it.

## VII. Accounting for Longitudinal Multidimensional Patterns

47. Theoretically, the notion of social exclusion which is commonly referred to in the European context is distinct from that of poverty. It involves not only multiple dimensions but also a process by which disadvantage may be generated, perpetuated or alleviated. As an example, many students will face conditions of sometimes rather severe disadvantage during their study. Their prospects are however fundamentally different from say a person with health limitations or experience long spells of unemployment shortly before the age of retirement. EU-SILC has been designed therefore to include a panel component which also allows the measurement of trajectories into, through and out of poverty.

48. The figure below compares two situations which cannot be distinguished in a static (marginal) perspective. Each column represents poverty at a different year. Each row represents an individual. When an individual experiences poverty it is coded as 1 otherwise it is 0. Each year, we would find an unchanged headcount of 25 per cent in both situations. We could take this indicator to mean that one out of four remained permanently poor (matrix 1). However, it would be equally justified to assume that after a cycle of four years everyone has experienced poverty once (matrix 2). Only longitudinal observations of the same individuals can clarify to which extent the two assertions are appropriate.

**Figure 2 Distinct patterns leading to identical headcounts (Alkire & Foster 2011)**

$$\begin{array}{ccc}
 \text{Matrix 1} & & \text{Matrix 2} \\
 \\
 g^0 = \begin{bmatrix} 0 & 0 & 0 & 0 \\ 0 & 0 & 0 & 0 \\ 0 & 0 & 0 & 0 \\ 1 & 1 & 1 & 1 \end{bmatrix} \cdots \begin{bmatrix} 0 \\ 0 \\ 0 \\ 4 \end{bmatrix} & & g^0 = \begin{bmatrix} 1 & 0 & 0 & 0 \\ 0 & 1 & 0 & 0 \\ 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 1 \end{bmatrix} \cdots \begin{bmatrix} 1 \\ 1 \\ 1 \\ 1 \end{bmatrix}
 \end{array}$$

49. The AF method has been developed precisely to deal with that problem by identifying multidimensional poverty at the level of the individual before aggregating to the population. Formally it makes no difference if in the above figures columns refer to repeated measurements of the same dimension or measurements across different dimensions at a specific point in time. Hence it may be possible to extend the AF-method to the analysis of longitudinal data.

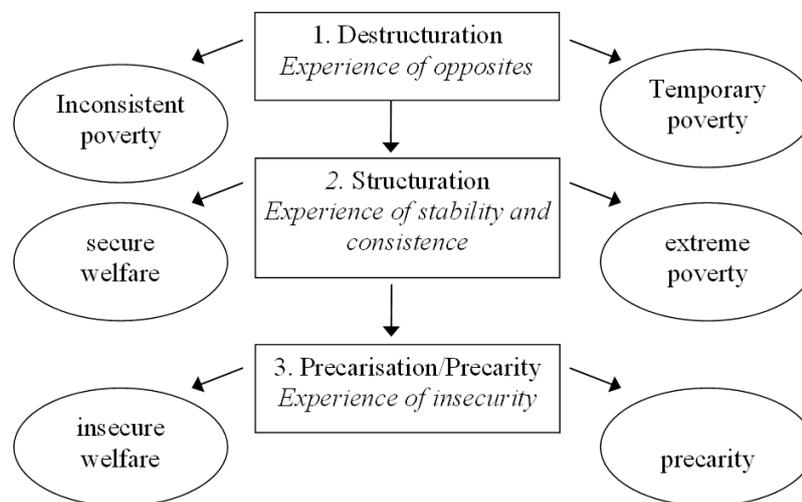
50. Alternatively, we may need to develop a terminology for concrete combinations of deprivation over time. The example in figure 2 can be described by asserting how many (or none) are permanently (or across a specified number of dimensions) deprived. An example is the indicator on persisting manifest poverty which is included among the Austrian indicators. It expanded the multidimensional perspective inherent in the definition of the Europe 2020 target group by identifying whether or not the situation had prevailed already in the previous year.

51. A systematic approach to accommodate multiple dimensions of poverty over time has been proposed by the German sociologist Olaf Groh-Samberg (2009). Because of the possibility of substitution over time (and across dimensions), he suggested to

abandon the dichotomous notion of poverty and consider zones of abundance more explicitly. Thus three, rather than two different categories are distinguished for each dimension. They may be labelled as poverty, precarity and welfare. In practice this order can often be derived by counting the number of deprivations just like in the MPI but only within the dimensions. Once the dimensions and cut offs are identified, their combinations and patterns over time can be evaluated for each individual.

52. It appears important to distinguish three trajectories that may be described as structuration, oscillation and destructureation.<sup>12</sup> The first category includes stable and consistent patterns (deprived or non-deprived) and is often explained by conventional categories of social class. The second differentiation refers to the experience of insecurity where no consistent position can be attained but there is oscillation either towards welfare (insecurity) or towards poverty (precarity). Finally, there are more recent phenomena of modern individualized societies which include mobility (temporary poverty) and simultaneous experience of opposites (inconsistent poverty). These latter forms appear most difficult to represent in a unidimensional index and need to be referred to explicitly.

**Figure 3 A possible poverty typology (adapted from Groh-Samberg 2009)**



## VIII. Conclusions: Partnership for Poverty Measurement

53. The Austrian experience suggests that poverty measurement requires a high degree of consultation and cooperation between the Ministry, the producer of data and the relevant stakeholders.

54. The collection and subsequent analysis of these data have contributed to putting poverty on the national policy agenda. Today, Statistics Austria reports regularly on poverty, fulfilling its obligations under the Federal Statistics Law. A continuous partnership between Statistics Austria and the Ministry helped building some analytical capacity at Statistics Austria for further analysis. In-depth analysis has become a crucial element in the design and quality assurance process as well as improving access to information on living conditions.

55. The collaboration between the Ministry and Statistics Austria can thus be deemed as crucial for the monitoring of inclusion strategies and the analysis of national developments.

<sup>12</sup> For Germany, Groh-Samberg's result suggest magnitudes of roughly 54%, 36% and below 10% percent for these three broad categories (2009:168).

56. The Austrian National Poverty Platform proved to be an important forum for stakeholder participation as regards the Europe 2020 social target and related topics. Based on this exchange, for example, the national set of inclusion indicators could be developed further in line with the needs of different stakeholders.

57. In the future, aggregation of dashboard indicators into “mashup indices” may be a possible tool of communication, adding information to the separate indicators. Due to their technical complexity it will however be difficult to reach a sufficient degree of consensus among stakeholders to replace any of the existing indicators.

58. In particular, any consolidation of synthetic indicators which requires prior identification on the individual level would interfere with the choice of indicators. In practice this would exclude indicators which cannot directly be obtained from EU-SILC, such as on homelessness or life expectancy.

59. In general, indicators will only be accepted and widely used when developed through a participative process that takes into account the requirements of the stakeholders involved.

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## ANNEX: List of Austrian Inclusion Indicators

Standard of living	<b>1. Manifest poverty</b> (% of population)	Deprivation in at least two dimensions of the Europe 2020 headline target (low income, severe material deprivation, low work intensity).
	<b>2. Real median household income</b> (annual % increase)	Median net incomes of all household members over the whole year, standardised according to EU equivalence scale and price-adjusted.
	<b>3. Total income poverty gap</b> (in % of GDP)	Sum of the amounts which separate households at risk of poverty from the at-risk-of-poverty threshold
	<b>4. Persisting manifest poverty</b> (% of population)	At least two successive years of manifest poverty (see manifest poverty)
	<b>5. Repeated payment problems</b> (% of population)	Arrears with regular payments (rent or mortgage; other purchase instalments, or loan repayments) at least twice in the last 12 months
Housing	<b>6. Overcrowding</b> (% of population)	Persons in multiple-person households according to the EU definition.
	<b>7. Housing cost overburden</b> (% of population)	Persons whose housing costs exceed 40% of annual disposable household income including energy costs (excluding housing benefits).
	<b>8. Very bad housing standard</b> (% of population)	Persons affected by two or more of the following housing problems: no toilet or bathroom in the accommodation, damp or mould formation, dark rooms (EU definition)
	<b>9. Multiple housing problems</b> (% of population)	Persons affected by two or more housing problems referred to in indicators 6-8 (cost, crowding, quality)
	<b>10. Neighbourhood problems</b> (% of population)	Persons who feel stressed by at least two of the following problems in their residential environment: crime, noise, pollution.
	<b>11. Registered homelessness</b> (in 1,000s)	Persons registered over the course of a year as homeless in population register or in a facility for the homeless. (NOT from EU-SILC)
Work	<b>12. Individuals with low work intensity</b> (% of 18-59 age group)	Persons who are employed full-time for a max. of 20% of the year (without students, persons on parental leave or pensioners)
	<b>13. Low household earnings</b> (% of pop in earning hhs)	Persons in employed households in which the total net income from employment (incl. family benefits) is below the at-risk-of-poverty threshold (without pensioners' households and students).
	<b>14. Low hourly wages (&lt; 2/3 median)</b> (% of wage earners)	Employees with hourly wages below two thirds of the gross median wage (without apprentices)
	<b>15. Care related job barriers</b> (1,000s)	Persons who are not or only part-time employed, because they do not have any suitable care facilities for children or adults who require care. (NOT from EU-SILC).
	<b>16. Long-term workless</b> (1,000s)	Duration of registered unemployment, search for apprenticeship places and participation in training courses exceeds 365 days. (NOT from EU-SILC).
Education	<b>17. Educational activity</b> (% of over 25 age groups)	Persons who, over the course of a year, have taken part in school education, initial or further training, or leisure-related courses.
	<b>18. Preschool education rate</b> (% of 0-4 age group)	Proportion of 0-4 year old children who attend day care. (PARTLY from EU-SILC)
	<b>19. NEETs</b> (% of 16 to 29 age group)	Persons between 16 and 29 years who have not been in employment, education or training during 6 months in the past calendar year.
	<b>20. Gap in educational mobility</b> (in % of 25-59 age group)	Persons who received education beyond compulsory schooling when parents had only compulsory schooling.
Health	<b>21. Multiple health limitations</b> (% of over 16 age groups)	At least two out of three characteristics: chronic illness, a very poor general state of health, or limitations in everyday activities.
	<b>22. Inequality in life expectancy</b> (expected life years lost)	Difference in life expectancy at age 35 between persons with only completed compulsory schooling and those with a degree of tertiary education. (NOT from EU-SILC).