

**Economic and Social Council**Distr.: General
24 April 2012

English only

Economic Commission for Europe

Conference of European Statisticians

Sixtieth plenary session

Paris, 6-8 June 2012

Item 10 of the provisional agenda

Progress reports and work of the Conference of European Statisticians Teams of Specialists**Report the Regional workshop on poverty and employment indicators of the Millennium Development Goal 1****Note by the secretariat***Summary*

The Conference of European Statisticians, at its fifty-ninth plenary session in June 2011, approved the activities undertaken under the United Nations Economic Commission for Europe Statistical Programme 2011, and endorsed the list of meetings planned to be organized from June 2011 to June 2012, as provided in document ECE/CES/2011/11/Add.2 and in the Programme of work of the United Nations Economic Commission for Europe, subprogramme on Statistics for 2011 as provided in document ECE/EX/2011/L.2. This list included a Regional Workshop on poverty and employment indicators of the Millennium Development Goal 1, which was held in Almaty, Kazakhstan, on 27-28 September 2011.

The present document is the report of that workshop, and is provided to inform the Conference of European Statisticians of the organization and outcomes of that workshop.

I. Organization and attendance

1. The workshop was held in Almaty, Kazakhstan, on 27-28 September 2011. It was organized by the United Nations Economic Commission for Europe (UNECE) with the assistance of the United Nations Development Programme. Experts from the World Bank, the International Labour Organization (ILO) and the United Nations population Fund (UNFPA) contributed to the workshop and joined UNECE staff in providing training and presentations. Simultaneous interpretation was available between Russian and English and hard copies of all documents and presentations were provided to the participants in Russian. All meeting documents and presentations are available on-line¹.

2. Besides representatives from the National Statistical Offices (NSOs), focal points from other government agencies responsible for monitoring the poverty or employment indicators of the Millennium Development Goals (MDGs) were invited to participate in the meeting. The following countries participated in the workshop with two representatives each: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Tajikistan, Ukraine and Uzbekistan. In total, twenty participants, of whom twelve were women, attended the workshop. The workshop was financed from the United Nations Development Account (Tranche 7) project "Strengthening statistical and inter-institutional capacities for monitoring the Millennium Development Goals through interregional cooperation and knowledge-sharing".

B. Objective

3. Consultation with MDG focal points revealed that there is a strong need to improve capacities to produce and monitor the poverty and employment indicators for MDG Goal 1. Resolving discrepancies between national and international estimates was the main priority. The objective of the workshop is to strengthen statistical capacities for monitoring the Millennium Development Goals through interregional cooperation and knowledge sharing. The meeting concentrated on the poverty and employment indicators of MDG Goal 1.

4. More specifically, the expert workshop aimed to:

- (a) Present the methodologies used by the United Nations and other international organizations;
- (b) Reduce data gaps and discrepancies between national and international estimates;
- (c) Improve the availability of metadata needed for effective national and international monitoring;
- (d) Stimulate national and interregional coordination and cooperation;
- (e) Reach agreement on additional regional indicators and disaggregates relevant for the monitoring the progress in the UNECE region;
- (f) Present the UNECE regional database for MDG monitoring and improving its coverage.

¹ <http://www.unece.org/stats/documents/2011.09.mdg.html>

III. Summary

5. The workshop consisted of three sessions, two opening and one closing presentation. The first session concentrated on the poverty indicators of MDG Goal 1. Session 2 was dedicated to the employment indicators of Goal 1. In the final session, the UNECE regional database was presented and additional regional MDG indicators discussed.

6. In addition, three presentations were made to inform participants of relevant international developments. After the opening statements, the expert from the World Bank (Mr Victor Sulla) presented the results of a report on the distributional impact of the financial-economic crisis. UNFPA (Ms Gulnara Kadyrkulova) discussed the implementation of the Programme of Action of the International Conference on Population and Development in the region and its importance to poverty alleviation and improving the employment situation. ILO (Mr Steven Kapsos) presented a new methodology using household surveys to produce estimates of the working poor.

A. Session 1: Poverty Indicators MDG Goal 1

7. The expert from UNECE (Mr Taeke Gjaltema) presented results of an analysis of available official national and international MDG-data for monitoring progress towards Target 1 of MDG 1. In total, 60 national MDG reports from 26 countries and 4 dedicated MDG websites were considered. There were sometimes inconsistencies in the data and relevant metadata was often missing or inconclusive. Of the poverty indicators, only the national poverty line had a good coverage. To improve reporting, specialists from NSOs and international organisations should be involved more in data analysis and in the production of national MDG reports. It was further concluded that most countries have recent MDG reports but that only few have dedicated MDG websites. The overlap between national and international data is limited and discrepancies are common. The reasons for the discrepancies are often not possible based on the available metadata.

8. The representative of the World Bank (Mr Victor Sulla) discussed the various relative and absolute poverty lines that exist. Low or middle-income countries should not use the relative poverty line and it is neither suitable for comparisons across countries. Discrepancies between national and international figures exist as methodologies differ. The World Bank does not have access to all survey data of a country. More metadata is needed to explain differences. The World Bank only wants to publish comparable data and if not comparable, it is either re-estimated according to a common method or not published. The World Bank recommends using objective, absolute poverty lines in developing countries. Sensitivity analysis should always be conducted in order to test the degree to which the results are sensitive to the choice of poverty lines or methods. For analysing the region, the World Bank uses the newly set \$2.50 and the \$5.00 poverty line as these are more relevant for the region than the \$1.25 used for international comparisons.

9. The representative of the Republic of Moldova (Ms Svetlana Furtuna) presented the key milestones towards achieving MDGs. The Republic of Moldova changed the definition from the population with income below \$2.15 to the population with consumption \$4.30 per day. The effect of measuring poverty by consumption compared to income was shown. The latter leads to substantially higher poverty rates. The Household Budget Survey is used to estimate the poverty indicators (the Labour Force Survey is also used). The poverty line is not calculated annually but instead it is indexed based on the Consumer Price Index. The poverty line will be recalculated in 2011 to take into account the changed consumption pattern.

10. The in-depth review of national and international data was done in a plenary session. A discussion ensued on the advantages and disadvantages of the different methods. Due to the different needs of the national and international estimates and the many definitions, methods and due to the conversion to U.S. dollars for a certain base year, it is no wonder that discrepancies exist. In fact, it is unavoidable. It is therefore very important to have good and adequate metadata. The one dollar poverty line was not used much and if so mainly to satisfy international demands. The \$2.15 and \$4.30 poverty lines were deemed more useful. The food and the basic needs based poverty lines are still very relevant for the region and allow comparisons between countries. There was a general agreement that, although they might have their merits, the relative poverty lines were not so relevant for the region, especially not in cross-comparisons.

B. Session 2: Employment Indicators MDG Goal 1

11. The expert from UNECE presented the results from an analysis of available official national and international MDG-data for monitoring progress towards Targets 2 of MDG 1. Partly because most of the employment indicators were only added in 2008, the coverage in national MDG reports so far has been very limited. A large number of additional indicators were used in the national MDG reports. However, most countries produce data for the majority of the indicators and often by sex and rural/urban areas. Reporting is best for the employment-to-population ratio, the proportion of own-account and contributing family workers in total employment and for the additional youth employment indicators. NSOs are nearly always responsible for the production of the employment indicators. Limited availability of metadata and the lack of involvement of the NSO in the national MDG report are problems that have to be addressed.

12. Experts from ILO (Mr Steven Kapsos and Ms Ina Pietschmann) focused their presentation on the methodology and issues with the employment indicators. After giving the background of the employment indicators, for each indicator, definitions and data sources, the rationale and use, the limitations and a brief analysis of trends was presented. Regarding the employment to population ratio, it is very important to have the same age groups for the numerator and denominator; both should refer to the working age population. The internationally agreed definition of employed is if employed for at least 1 hour for pay in cash or kind during a reference period that is preferably 1 week or 1 day. It is important to use the employment to population ratio alongside of other indicators. There is no optimal ratio and for example, a declining ratio might be caused by more young people staying in education. The proportion of own-account and contributing family workers in total employment provides a measure of the more vulnerable statuses of employment. The wages of self-employed can be strongly affected by an economic downturn and are strongly related to poverty. Typically, there is a higher share of women as contributing family member. In case of an economic downturn, there is a shift to vulnerable employment. The growth rate of GDP per person employed is measuring productivity: for sustainable growth productivity increase are needed and wage increases are not possible on long term without it. Output can increase because of a decrease in employment, from longer working days or a shift from one sector to other without productivity gains within industries. There is limited reporting (none) on the working poverty rate. It is however, one of the most important indicators. Possible data sources are household surveys but they have to measure household consumption. References, such as the KILM website, for labour market analysis were shown. The representative of ILO further stresses that metadata important so that we know the differences.

13. The representative of Armenia (Ms Diana Martirosova) discussed the primary data sources for the employment indicators in Armenia. The sample size, and with it the quality, has steadily increased to 7872 households. The census is used as the sample basis for a two-

stage random sampling. Since 2008, Armenia uses the standard definition of unemployment as recommended by ILO, i.e. the strict definition. Over time, different age groups have been used: first 16-70 then 15-70, next in 2007 16+ and finally since 2008 15+. Some other differences relate to persons in military service. They were considered as employed while at Eurostat they are considered as inactive. The representative also notes that the methodology to determine poverty changed three times and did so again in 2010. However, despite different methods, the trends are matching.

C. Session 3: UNECE regional database and additional regional indicators

14. The UNECE representative discussed the UNECE regional MDG database. UNECE was mandated to produce a regional MDG database. The principles behind it include that it should be an added value for member states without duplication of efforts and with no increase in the burden of NSOs that acknowledges the national estimates used for monitoring MDGs. Multiple estimates exist for most MDG indicators and national and international estimates are often different. There is therefore a need for an overview with adequate metadata to interpret the data and the differences. The UNECE database with official estimates is already available on-line. UNECE is further working on a data repository with extended metadata.

15. UNECE presented an overview of possible additional regional indicators. These could serve as possible regional indicators that can be considered by the countries in the region for their MDG-monitoring framework. A selection was made out of the over 50 additional indicators used for monitoring the poverty and employment MDGs by the countries in the region. The specialized agencies commented on the initial list, which was adjusted accordingly. The following poverty lines were proposed: food basket based, basic needs based, below 60% of equivalised median disposable income, below \$2.50, and below \$5.00. The other indicators proposed were the Gini coefficient, the income in the poorest quintile to the income of the richest quintile, four youth unemployment indicators that were MDGs before the 2008 revision, the total employed population for the age group 15-24 and for the population of 25 and over, long-term unemployment and informal employment as a percentage of the employed.

16. In two working groups, the indicators were discussed among the participants. The first group agreed upon all indicators except the relative poverty line (60% of median income). It was further proposed to add time-related underemployment indicators. The second group initially excluded some indicators. Arguments for excluding indicators were based on the presentations of the experts. After some discussion and explanation from the experts from World Bank, ILO and UNECE, there was a general agreement to include most of the indicators that were proposed.

IV. Conclusions

17. During the closing, representatives from all countries were requested to evaluate the workshop. National representatives were grateful for organizing the workshop. There was a general agreement that many new and useful things were learned. The opportunity to meet colleagues and to learn from their experiences was also appreciated. Similar workshops on other indicators were deemed necessary.

18. The UNECE representatives (Mr Andres Vikat and Mr Taeke Gjaltema) thanked the participants and noted that it had been a great pleasure to work with them. Participants were encouraged to check the UNECE database and also the on-line information and data from the World Bank (world development indicators) and ILO (KILM). UNECE will conduct

further work and follow up on the meeting. All the materials used and presented at the meeting are made available on the web and the list of participants will be sent by email. UNECE will continue to work on the database. In the future, UNECE will aim at organising meetings to share information and experience. It was again stressed that it was a great experience and that it is always great to work with participants that want to learn and that they are grateful to all for having been actively involved. UNECE gratefully acknowledged the collaboration with ILO and the World Bank and expressed hope to continue this in the future.
