SDG indicator 10.2.1
Proportion of people living below 50 per cent of median income by sex, age and persons with disabilities

Tier reclassification Proposal - From Tier III to Tier II

Presented at the
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by
Umar Serajuddin and Espen Beer Prydz (World Bank)
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Background

• Goal 10: Reduce inequality within and among countries

  • Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

  • Indicator 10.2.1 Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities
Correlates strongly with other inequality measures
Rationale

• Proposing re-classification from tier III to tier II
• Proposing to use same data as used for poverty measures in SDG 1.1.1 and inequality measures in SDG 10.1.1 – widely accepted and tested indicators with established standards
• Data available and indicators calculated for 163 countries and 1500+ data points. Disaggregation and aggregation limited
Data and standards

• Uses the same data on household income and consumption used for monitoring SDG indicators 1.1.1 and 10.1.1 which have been classified as tier I indicators
  • Ensures consistency across key SDG poverty and inequality measures

• NSOs typically lead survey efforts for data collection at the country level, commonly using multi-topic household surveys, following key standards

• Frequently, NSOs and World Bank collaborate on data collection, poverty measurement and analysis as part of technical assistance activities

• The World Bank’s Global Poverty Working Group archives the datasets obtained from NSOs and harmonizes them, applying common methodologies to ensure comparability, before estimation
Methodology and estimation

- Per capita income or consumption is estimated using total household income or consumption divided by the total household size. Total disposable income or total consumption estimated from both market and non-market sources.

- The indicator is calculated by estimating the share of the population in a country living on less than 50% of median of the national distribution of income or consumption.

- Estimation follows a two-step process:
  - Estimating 50% of median income or consumption
  - Share of population living below this threshold

- Relative threshold, temporal and cross-country price adjustment not necessary.

- Challenges of disaggregation:
  - Ongoing work to improve disaggregation for subgroups. Challenging to capture resource sharing within households.

- Aggregation to regional and global numbers possible, not yet reported.
Data availability and coverage

At present data can be produced for 1549 country-year estimates for 163 countries. Summary per UN region, 1981-2017:

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<th>Observations</th>
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Thank you!