SDG indicator 10.2.1

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

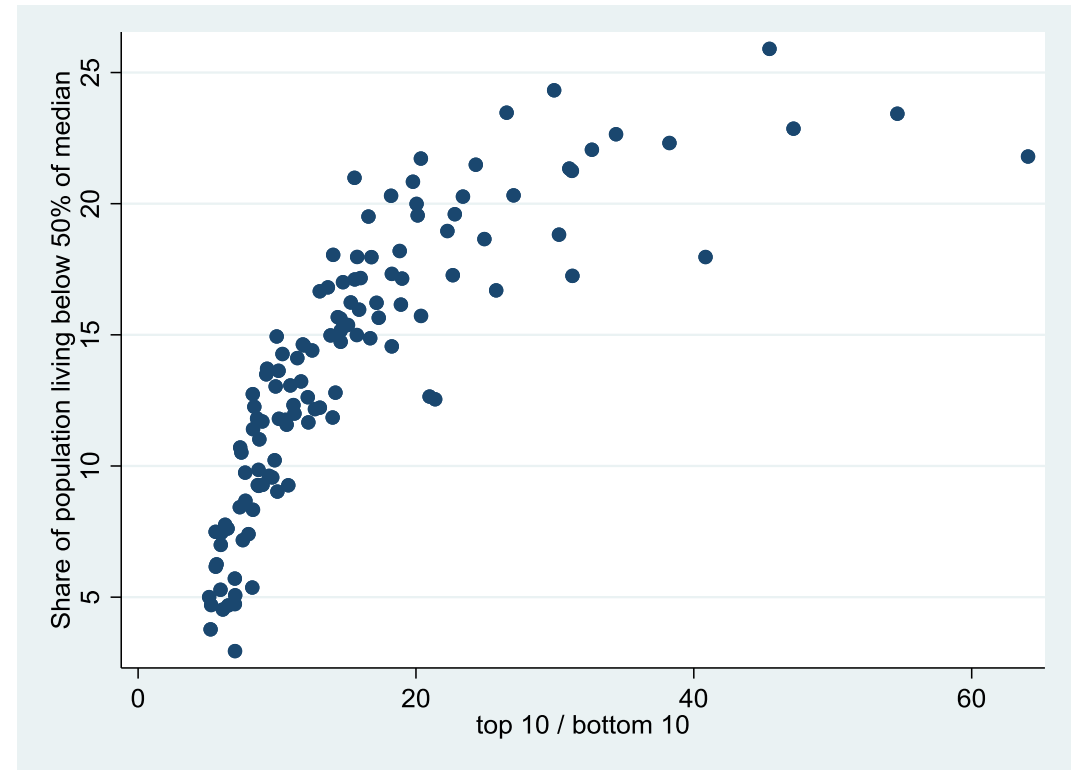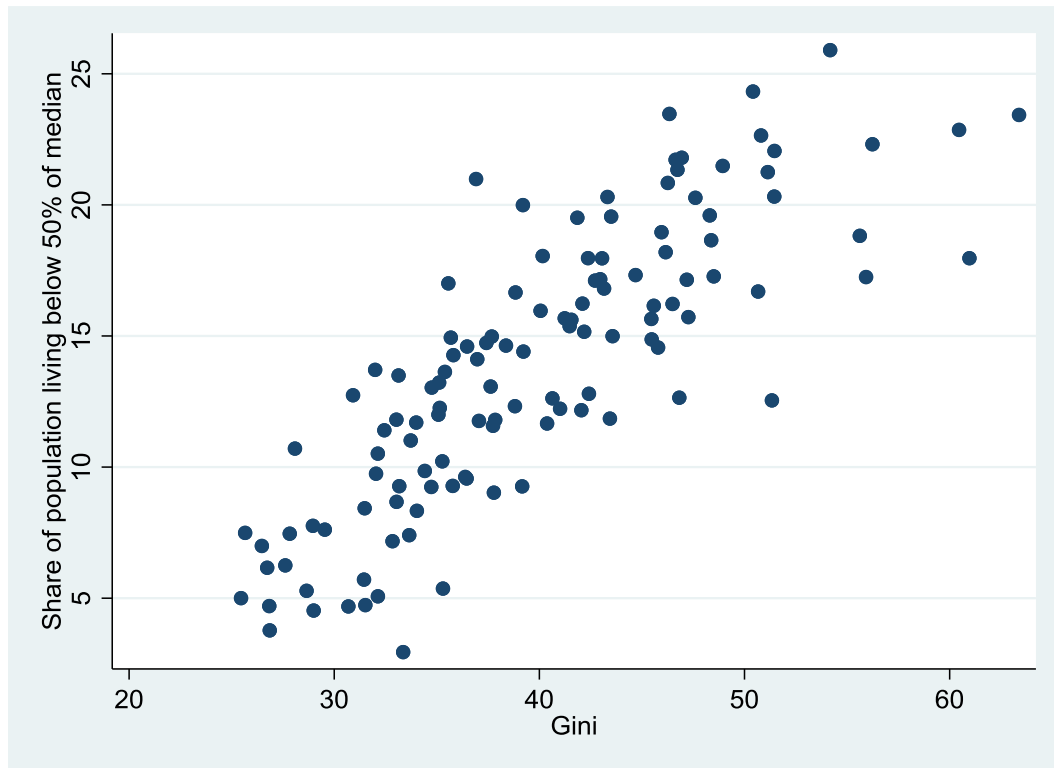## Tier reclassification Proposal - From Tier III to Tier II

Presented at the
8th meeting of the IAEG-SDGs, Stockholm, Nov 5-9, 2018

by
Umar Serajuddin and Espen Beer Prydz (World Bank)
November 2018

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 follow 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:

UN Region	UN code	Observations	UN Region	UN code	Observations
Eastern Africa	AFE	68	Southern Europe	EUS	142
Middle Africa	AFM	19	Western Europe	EUW	85
Northern Africa	AFN	24	Caribbean	LAB	34
Southern Africa	AFS	22	Central America	LAC	156
Western Africa	AFW	74	Northern America	LAN	22
South-central Asia	ASC	101	South America	LAS	170
Eastern Asia	ASE	30	Australia and New Zealand	OCA	8
South-eastern Asia	ASS	93	Melanisia	OCE	8
Western Asia	ASW	97	Micronesia	OCM	3
Eastern Europe	EUE	234	Polynesia	OCP	4
Northern Europe	EUN	155	Total		1549

Thank you !

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