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Eleventh meeting of the Executive Committee of the
Statistical Conference of the Americas of the
Economic Commission for Latin America and the Caribbean

Quito, 2-4 July 2012

**REPORT OF THE WORKING GROUP ON HARMONIZATION OF
STATISTICS ON INCOME POVERTY AND
PUBLIC TRANSFERS**

1. **Coordinating country:** Uruguay
2. **Member countries:** Brazil, Chile, Costa Rica, Cuba, Guatemala, Jamaica, Panama, Paraguay, Peru, Uruguay and Suriname
3. **Technical Secretariat and advisory body**
Economic Commission for Latin America and the Caribbean (ECLAC)
4. **Programme of work 2012-2013**
 - (a) **Objectives**
 - Obtain an updated map of the status of national experiences relating to income poverty
 - Promote horizontal cooperation and training activities
 - Encourage broad discussion of topics not covered to date
 - (b) **Main activities proposed for the period 2012-2013**
 - Systematize and analyse the outcomes of the workshop on the harmonization of poverty statistics in Latin America and the Caribbean, which was held in Montevideo on 22-24 May 2012, and include them in a report emphasizing the similarities and differences for discussion. The report should be ready by November 2012.
 - By November 2012, identify which countries are using the World Bank Accelerated Data Programme to systematize household survey metadata.
 - Request the working group countries to provide their metadata files to determine whether the information contained in them relating to the definition and treatment of income is sufficient in terms of the issues discussed at the workshop. To be completed by November 2012.
 - Hold a working group meeting in November 2012 and carry out a joint exercise to complete the Accelerated Data Programme income variables in more detail.
 - Seek financial assistance for a workshop on alternative multidimensional poverty measurements to be held in 2013.
 - Request training support from the World Bank for the adoption of the Accelerated Data Programme and its improved use in all countries. To be done in 2013 following the joint exercise with the working group countries.
 - Design a horizontal cooperation plan that promotes human resources training and the preparation of harmonized statistics through internships and sharing of experiences, for implementation from 2013.
 - (c) **Expected outcomes to be presented to the seventh meeting of the Statistical Conference of the Americas of ECLAC (November 2013)**
 - Preparation of a consensus document setting out the criteria applied by the member countries of the group in preparing poverty figures and showing the possibilities and difficulties in achieving a harmonized methodology, even if each country uses its own internal estimation criteria.
 - Implementation of horizontal cooperation activities in 2013, depending on the financing obtained.

5. Progress to date

A workshop on the harmonization of poverty statistics in Latin America and the Caribbean was held in Montevideo on 22-24 May 2012 and attended by representatives of 25 countries, ECLAC and the World Bank. Representatives of national statistical offices and institutions responsible for calculating poverty rates were also invited.

The workshop comprised nine sessions devoted to discussing the construction of the income aggregate used in poverty measurements. Each session included a general discussion and presentations by country representatives on the specific approach adopted by the official bodies responsible for calculating income and poverty. In addition, there was an opportunity for open discussion at the end. The following subjects were covered:

- **Income from wage employment:** specific questions included in the survey, the components of ordinary and extraordinary wage income, the survey period, the treatment of social benefits linked to wage employment, the treatment of inconsistent responses and the values imputed for missing data.
- **Self-employment and employer's income:** specific questions included in the survey, the method of calculation, identification of employers in the survey, calculation of income, the issue of distinguishing work income from capital used, gross income and income net of production costs, ordinary and extraordinary income, the survey period, the treatment of inconsistent responses and the values imputed for missing data.
- **Capital income:** specific questions included in the survey, the procedure for calculating capital income, gross income and income net of production costs, current and extraordinary capital income, the survey period, the values imputed for missing data or underreporting and the treatment of inconsistent responses.
- **Agricultural income:** specific questions included in the survey, the identification of agricultural income, the procedure for calculating agricultural income, output consumed by the producer, gross income and income net of production costs, current and extraordinary agricultural income, the survey period, the values imputed for missing data or underreporting and the treatment of inconsistent responses.
- **Remittances and transfers:** specific questions included in the survey, the identification of remittances, the currency in which they are reported, conversion to the national currency, the survey period, other private transfers included in the survey, public transfers and their identification, the identification of income transfer programmes, values imputed for inconsistent responses and the treatment of inconsistent responses.
- **Non-monetary income and housing income:** specific questions included in the survey, the recording of non-monetary income and its valuation, goods consumed by the producer, transfers in kind (health insurance, education etc.) and their valuation, the treatment and estimation of implicit income from own housing, the survey period, values imputed for missing data and the treatment of inconsistent responses.
- **The issue of non-responses:** the significance of non-responses, the non-response rate, trends over time, non-responses by income level, zero response and non-responses to questions on income, the reasons for non-responses, the treatment of zero and partial responses and procedures for estimation.
- **Net and gross income:** types of gross and net income, specific questions included in the survey and instructions to survey teams, the recording of tax variables in the survey, the treatment of direct and indirect taxes and alternatives for measuring net income.

- **Underreporting of income and zero income:** the issue of income underreporting and underreporting by income heading and socioeconomic group, the reasons for underreporting, the treatment of underreporting in income and poverty calculations, evaluation of the extent of the problem and its impact on poverty measurement, the extent of the problem and trends over time relating to zero income, the reasons for zero income and the treatment of zero income in poverty calculations.

It was not possible to hold the two workshops scheduled for 2011. However, the workshop on poverty calculations was eventually held in May 2012 in Montevideo and the workshop on other methods of measuring poverty to build capacities for multidimensional measurement has been included in the work programme for the period 2012-2013.

On 21 May 2012, a coordination meeting was held with representatives of the member countries which participated in the workshop, in order to discuss future actions.