

Developing Indicators of Shared Prosperity and Poverty Consistent with National Accounts

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Abstract

The Report of the Atkinson Commission on Global Poverty (World Bank, 2017) provides a number of recommendations on how to develop the measurement and monitoring of poverty worldwide. One of these recommendations relates to exploring the construction of national accounts-based indicators of household living standards. In coming to this recommendation, the report highlights two broad reasons why household surveys and national accounts aggregates can differ, often substantially, from each other: The first is differences in recorded amounts, which may reflect issues with survey coverage, non-response and under-reporting, as well as measurement error in the national accounts. The second is definitional differences, reflecting the different purposes to which the two sources are traditionally put.

This paper builds upon recent research into both sets of reasons, in order to develop new indicators based upon and consistent with national accounts, in line with the Atkinson Commission recommendations. Data from the United Kingdom is used as an example of how such indicators can be produced for a wider group of countries. The analysis in the paper highlights how such indicators may differ from those based on survey microdata alone and how they may provide new and complementary insights regarding both overall trends and the characteristics of those in poverty, supporting the timely monitoring of poverty and inclusive growth at both the national and international levels.