**Abstract**

**RS-176**

Title: «The measurement of multidimensional poverty and the analysis of its factors in Russia»

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**The object of the study** is Russian population.

1. **Goal of research:** to develop the criteria and identify the manifestations of poverty in accordance with multidimensional approach, to find out the core reasons for poverty and the groups with the highest risks of poverty.
2. **Methodology:** the descriptive analysis and mathematical modeling based on the survey data – for poverty level evaluation in accordance with different approaches to poverty measurement, for poverty factors identification, different poverty indices construction and the assessment of the effects of comprehensive means test in social protection system; the analysis of regulatory legal acts – for the evaluation of the effects of comprehensive means test in social protection system; the analysis of open data and scholarly publications devoted to multidimensional poverty indices (AROPE and MPI) methodology.
3. **Empirical base of research:** the data of sociological survey “Readiness for change” (online survey among the adult population aged 15-72, September 2021, N=6000), the data of Statistical Survey of Income and Participation in Social Programs (VNDN) for 2016 - 2020; the data of Сomprehensive Monitoring of Living Conditions (KOUZH) for 2020; the data of Russian Longitudinal Monitor Survey (RLMS) HSE for 2020; the data concerning the AROPE methodology and dynamics published by Eurostat; open data of Federal State Statistic Service and other organizations that provide the relevant information; the information provided by ‘Consultant Plus’ database.
4. **Results of the research:**

The multidimensional poverty analysis aimed at the comparison of poverty level estimations based on different approaches demonstrates that the variation of the indicator is quite high. In accordance with the monetary criteria (poverty line set at 44.2% of median income of the survey participants) 10.4% are poor; in accordance with the subjective approach (poverty line is based on the answers of respondents about the minimum necessary income) – 27.2%; in accordance with deprivation approach – 26.4%. These groups of poor population intersect, however, do not coincide: only 8% of Russians are poor in accordance with all the criteria mentioned above, while 44.1% are poor by at least one of these approaches.

The combined poverty indicator (that treats as poor everyone who is poor based on monetary, subjective or deprivation approach) made possible to find out the main factors that increase the risks of poverty: unofficial employment, low qualification, having children (especially in single-parent families), lack of labor income.

The study was also focused on the AROPE (At-risk-of-poverty-and-social-exclusion) index evaluated on regular basis by Eurostat. The methodology of index calculation was changed in 2021. Based on Russian data, the index was calculated using both old and new methodology.

The AROPE consists of three domains: At risk of poverty rate, Severe material deprivation rate and Low work intensity indicator. Those who suffer from at least one of these problems are considered to be AROPE-poor. In Russia, as well as abroad, the monetary poverty has the highest impact on the index. According to the index based on VNDN data and methodology-2010 almost one fifth of all the households are at risk of the monetary poverty, while two other components are less common (3-7%). The general AROPE index in 2020 achieved 21.6%.

In the new methodology (in 2021) the list of material deprivations included into “severe material deprivations” domain was updated. The list of deprivations was widened that caused the increase in the number of the deprived. At the same time the share of those who faced the low work intensity slightly decreased that resulted in relatively small growth of the general AROPE index (up to 22.5% in 2020 and 23.8% in 2021).

As the monetary poverty contributes most to the AROPE, the poverty profile is highly influenced by this indicator. The highest risks of poverty (in accordance with AROPE) are typical for rural areas (especially for those who live in small villages), children under 16 years old, elderly women and unemployed people. Among the households the highest risks of poor are seen for the families with children, especially those who have 3+ children, children under 3 years old and children aged 16-17 years old and single-parent families, as well as for the single retirees.

The identification of the extremely poor population (those who are monetary poor, suffer from social exclusion and unstable employment) is important for social support provision. The share of such people among all the population is low (3.5%) but they should be the main target for social policy. Single-parent families, families with children under 3 years old and families with 3 and more children are the most typical representatives of the extremely poor population.

Besides the AROPE index, the study also included MPI (Multidimensional poverty index). In contrast to AROPE, MPI is more flexible and provides only the general frame for index calculation. While the index is constructed, the list of the deprivations is formed, these deprivations are treated as the poverty indicators and are grouped into the larger domains with some weights. If the sum of the weights of deprivations that the household or an individual faces is above the poverty line, the person or the family are considered to be poor. Based on the experience of previous studies, the MPI for Russia was developed. It includes 11 different domains and the poverty line was set at 2 of them. The index was calculated on VNDN data as the study covers wide range of questions that provides the ability to not only evaluate the index itself but also to compare it for the different socio-demographic groups.

Since 2016, while the MPI (with the composition mentioned above) was evaluated for Russia for the first time, to 2020 the index slightly decreased from 7.7 to 5.4 (that to some extent can be explained by the changes in the wording of some questions included into VNDN questionnaire). The decrease in MPI was mainly caused by the lower share of poor population while the intensity of poverty remains stable. Such data demonstrates there are less poor people (in accordance with the MPI), however their standard of living didn’t change significantly.

Besides the evaluation of different multidimensional poverty indices, the project touched upon the effects of comprehensive means test implementation. Three criteria are considered: the income level, the accumulated wealth and the employment. The calculations on survey data (VNDN, KOUZH, RLMS HSE) demonstrate that comprehensive means test removes about 26% of households with the income below the subsistence minimum level from ‘in need’ category (21% - among the families with children). The ‘zero income’ filter blocks 2.5 times more households than ‘accumulated wealth’ criterion.

The analysis of the regional legislation showed that Russian regions gradually accumulate their own experience of non-income criteria of need, however the scale of these practice is limited both in geographical aspects and in the list of considered social support measures. As well as at the federal level, the accumulated wealth in regions is mainly assessed from the quantitative point of view (for real estate and vehicles), only in rare cases the qualitative issues are considered, however the cost issues are not taken into account.

1. **Level of implementation, recommendations on implementation or outcomes of the implementation of the results:** some results of the study were used in the preparation of analytical notes and expert opinions in 2022, as well as presented at various scientific and practical events. The results of this work can be used to advise public authorities how to fight with poverty and to develop the social policy measures aimed at poverty reduction.