

STATISTICAL RELEASE

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Survey on Income and living conditions

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Poverty and Social Inequality, 2018

The **Survey on Income and Living Conditions** (SILC) was implemented for the sixth time in 2018.

The **goal** of the Survey is to collect data in order to calculate the indicators of poverty, social exclusion and living conditions. The Survey is conducted annually, according to the standardized methodology, applied in all EU member countries.

According to the results, the **at-risk-of-poverty rate** was 24.3% in 2018 (these persons are not necessarily poor, but are at the higher risk of poverty than the others), and compared to 2017, it was lower by 1.4 percentage points. Beside this, the **at-risk-of-poverty or social exclusion rate** amounted to 34.3% (these persons are at risk of poverty or are severely materially deprived or live in households with low work intensity), and it was lower by 2.4 percentage points relative to 2017.

The **at-risk-of-poverty threshold** amounted to 16 615 dinars a month on an average for a single person household. For a household with two adults and one child aged below 14, the threshold was 29 907 dinars per a month, while for a four-member household with two adults and two children aged below 14, it amounted to 34 892 dinars.

Observed by **age**, the at-risk-of-poverty rate shows that individuals aged 18-24 were the most exposed to the poverty risk (29.1%), as well as individuals up to 18 years of age (28,8%). The lowest at-risk-of-poverty rate was recorded for the group of persons aged 65 years and over (21.1%).

By the **type of household**, individuals in households composed of two adults with three or more dependent children were at the highest risk-of-poverty (53.6%), followed by individuals below 65, living in single-person households (37.2%).

According to the **activity status** for persons aged 18 and over, the most exposed to the at-risk-of-poverty were unemployed persons (49.0%), while the lowest at-risk-of-poverty rate was recorded for employees working for employers (6,8%). In case of self-employed persons, this rate amounted to 31.0%. The at-risk-of-poverty rate for pensioners was 17.1%.

Graph 1. Main indicators on poverty and social exclusion, %

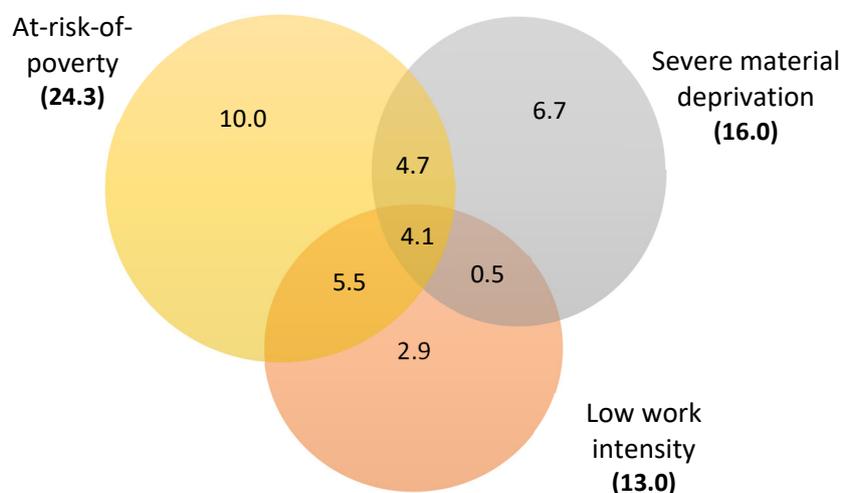


Table 1. Relative poverty and inequality indicators

| | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-------------|
| At-risk-of-poverty rate, % | 26.7 | 25.9 | 25.7 | 24.3 |
| At-risk-of-poverty threshold (on a monthly level), in RSD: | | | | |
| Single person household | 13 973 | 14 680 | 15 600 | 16 615 |
| Household with two adults and one child younger than 14 years | 25 152 | 26 424 | 28 080 | 29 907 |
| Household with two adults and two children younger than 14 years | 29 344 | 30 828 | 32 760 | 34 892 |
| At-risk-of-poverty or social exclusion rate, % | 41.7 | 38.5 | 36.7 | 34.3 |
| At-risk-of-poverty rate before social transfers, %: | | | | |
| Social transfers not included in the income | 33.4 | 32.9 | 31.6 | 29.6 |
| Pensions and social transfers not included in the income | 52.2 | 52.1 | 51.3 | 48.7 |
| Relative at-risk-of-poverty gap, % | 37.5 | 39.4 | 38.8 | 37.4 |
| S80/S20 income quintile share ratio | 10.7 | 11.0 | 9.4 | 8.6 |
| Gini coefficient | 40.0 | 39.8 | 37.8 | 35.6 |
| Persistent at-risk-of-poverty rate, % | ... | 16.7 | 18.4 | 19.6 |

Table 2. At-risk-of-poverty rate by sex and age, %

| | 2018 | | |
|-----------------------------------|-------------|-------------|-------------|
| | Gender | | Total |
| | Male | Female | |
| At-risk-of-poverty rate, % | 24.6 | 24.0 | 24.3 |
| Age groups | | | |
| 0 – 17 | 30.1 | 27.5 | 28.8 |
| 18 – 64 | 25.1 | 23.0 | 24.0 |
| 18 – 24 | 29.9 | 28.2 | 29.1 |
| 25 – 54 | 23.4 | 22.8 | 23.1 |
| 55 – 64 | 27.4 | 20.8 | 23.9 |
| 65 and over | 16.9 | 24.3 | 21.1 |

Table 3. At-risk-of-poverty rate by the type of household, %

| | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|
| All households without dependent children | 23.7 | 22.9 | 22.8 | 21.2 |
| Single person household | 31.2 | 34.4 | 33.0 | 34.3 |
| Male | 37.5 | 38.1 | 31.1 | 33.7 |
| Female | 27.2 | 31.8 | 34.4 | 34.8 |
| Younger than 65 | 37.1 | 41.2 | 39.6 | 37.2 |
| Older than 65 | 26.8 | 29.6 | 29.1 | 32.6 |
| Two adults without dependent children | 22.8 | 20.6 | 22.7 | 19.8 |
| Both younger than 65 | 26.7 | 25.2 | 29.2 | 24.3 |
| At least one aged 65 years and over | 19.5 | 16.9 | 18.0 | 16.9 |
| Other households without dependent children | 21.4 | 20.1 | 19.0 | 17.4 |
| All households with dependent children | 29.1 | 28.2 | 28.0 | 26.8 |
| Single parent with one or more dependent children | 37.5 | 40.8 | 30.6 | 36.5 |
| Two adults with one dependent child | 22.6 | 21.5 | 26.4 | 24.1 |
| Two adults with two dependent children | 28.2 | 24.2 | 24.8 | 21.3 |
| Two adults with three or more dependent children | 34.2 | 53.1 | 55.8 | 53.6 |
| Other households with dependent children | 29.9 | 28.2 | 26.1 | 25.5 |

Table 4. At-risk-of-poverty rate by the most frequent status in the labour market and by sex (for persons aged 18 and over), %

| | 2018 | | |
|-----------------------------|-------------|-------------|-------------|
| | Gender | | Total |
| | Male | Female | |
| Employed persons | 11.3 | 8.3 | 10.0 |
| Employees | 6.9 | 6.6 | 6.8 |
| Self-employed ¹ | 32.7 | 26.5 | 31.0 |
| Not employed persons | 33.1 | 30.4 | 31.5 |
| Unemployed persons | 54.1 | 43.7 | 49.0 |
| Retired persons | 14.7 | 18.9 | 17.1 |
| Other inactive persons | 30.8 | 37.6 | 35.7 |

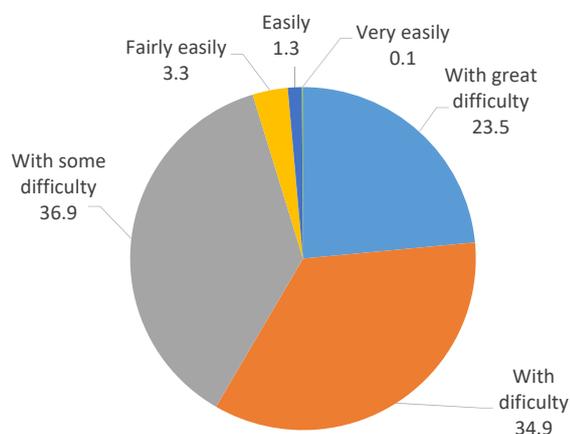
Table 5. Dispersion around the at-risk-of-poverty threshold, %

| | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|
| 40% of the national median equivalised disposable income At-risk-of-poverty rate | 14.6 | 14.5 | 14.4 | 13.7 |
| 50% of the national median equivalised disposable income At-risk-of-poverty rate | 20.4 | 20.0 | 19.8 | 18.0 |
| 70% of the national median equivalised disposable income At-risk-of-poverty rate | 32.6 | 32.2 | 31.2 | 30.1 |

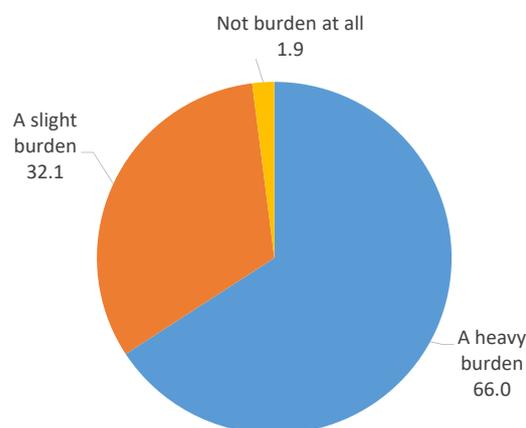
Table 6. Material deprivation indicators, %

| | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-------------|
| Persons who live in a household that: | | | | |
| Cannot afford paying for one week annual holiday away from home | 68.5 | 62.8 | 56.9 | 52.0 |
| Cannot afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day | 24.6 | 20.3 | 21.2 | 18.8 |
| Cannot afford unexpected financial expense (10, 000 RSD) | 47.3 | 48.3 | 44.1 | 39.8 |
| Cannot afford to keep home adequately warm | 15.2 | 13.3 | 13.1 | 10.0 |
| Material deprivation rate (three or more out of nine items of material deprivation) | 40.9 | 37.4 | 30.7 | 30.4 |

Graph 2. Subjective poverty rate (Ability of the household to make ends meet), %



Graph 3. Financial burden of the total housing costs, %



¹ Self-employed persons also involve agricultural workers.

METHODOLOGY

Territorial coverage: The survey is implemented on the territory of the Republic of Serbia. Starting from 1999 the Statistical Office of the Republic of Serbia has not at disposal and may not provide available certain data relative to AP Kosovo and Metohija and therefore these data are not included in the coverage for the Republic of Serbia (total).

Sample: The sample design for the survey is a two-stage stratified sample with enumeration areas as the primary and households as the secondary units of selection. Out of total number of households envisaged for the survey in the sixth wave (6 032 households), a total of 5 212 households were surveyed (86.4%), i.e. 13 987 persons aged 16 and over.

Observation units are households selected according to the sample plan, whether these were one-person or several-member households, as well as all household members aged 16 and over.

A **household** means any family or other community of persons who live together and jointly spend funds for meeting their basic life needs (food, housing, etc.), regardless of whether all members are permanently at the place where the household resides or some of them temporarily reside in some other place in the country or abroad on account of work, education or for some other reason.

“**Dependent children**” relate to all persons under the age of 18, as well as persons aged 18-24, living with at least one parent, and being economically inactive.

Reference period for the collected data that refers to:

- **income** is the previous calendar year – the year 2017 for the sixth wave,
- **material deprivation** is the moment of surveying – the year 2018 for the sixth wave.

Equivalised disposable income is the total household disposable income evenly distributed among the members of the household according to the modified OECD (Organisation for Economic Co-operation and Development) equivalence scale. In accordance with this scale, first adult member of the household receives the value of 1, other adults aged 14 and over 0.5, and children under the age of 14, 0.3. Household income does not include income in kind.

The **at-risk-of-poverty threshold** (relative poverty line) represents 60% of the median national equivalised disposable income and it is presented in dinars.

The **at-risk-of-poverty rate** represents the share of persons whose equivalised disposable income is below relative poverty line. These persons are not necessarily poor, but they are at the higher risk of poverty than others.

The **at-risk-of-poverty or social exclusion rate (AROPE)** shows the share of individuals who are at risk of poverty or are severely materially deprived or live in households with very low work intensity. Since the enactment of the Europe 2020 Strategy this indicator became the headline poverty reduction indicator.

The **relative at-risk-of-poverty gap** represents the difference between the at-risk-of-poverty threshold and the median equivalised income of the persons who are below the at-risk-of-poverty threshold.

The **S80/S20 income quintile share ratio** compares the total equivalised disposable income of the upper income quintile (20% of the population with the highest equivalised income) with those from the lower income quintile (20% of the population with the lowest equivalised income).

The **Gini coefficient** represents the measure of inequality in the distribution of income. The value of this coefficient goes within the interval from 0 to 100, where 0 represents perfect equality, i.e. each person has equal income. As the value of the coefficient grows, so grows the income inequality.

Persistent at-risk-of-poverty rate presents the percentage of persons who are at-risk-of-poverty in the current year and who have been in the same position for at least two of the three previous years.

The **most frequent status in the labour market** refers to the activity status which the person had for at least 7 months during the reference period. It is calculated for the persons aged 18 and over.

The **work intensity** of the household refers to the number of months that all working age household members have been working during the income reference period as a proportion of the total number of months that could theoretically be worked within the household. The work intensity is defined as very low (0-0.20), low (0.20-0.45), medium (0.45-0.55), high (0.55-0.85) and very high (0.85-1). For example, **low work intensity** refers to households whose working-age members worked between 20% and 45% of the total number of months they could have possibly worked during a referent period.

The **dispersion around the at-risk-of-poverty threshold** shows sensitivity of the estimated at-risk-of-poverty rate to the selection of the poverty threshold – 40%, 50%, 70% of the median national equivalised disposable income.

The **material deprivation of a household** is an indicator of the material conditions that influence the quality of life of the household.

The **material deprivation items** are:

1. inability of the household to keep its home adequately warm,
2. inability of the household to afford the washing machine,
3. inability of the household to afford a car,
4. inability of the household to afford paying for one week annual holiday away from home,
5. inability of the household to afford unexpected financial expenses (10 000 RSD)
6. inability of the household to afford a telephone,
7. inability of the household to afford a colour TV,
8. inability of the household to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day,
9. being in arrears with mortgage or rent payments, utility bills, hire purchase instalments or other loan payments.

The **material deprivation rate** is an indicator of the inability of a household to financially afford at least 3 out of 9 items of material deprivation.

The **severe material deprivation rate** is an indicator of financial inability of a household to afford at least 4 out of 9 items of material deprivation.

Subjective poverty rate (ability to make ends meet) represents a subjective feeling of the respondents about the difficulties faced by the household in its attempt to pay all of its necessary costs taking into consideration the total income of that household.

Financial burden of the total housing cost refers to the subjective assessment of the household about the extent of the burden of the total housing costs. These expenditures include housing payments whether instalments for the repayment of a loan, if the household member is the owner of the dwelling, or rent, if the household members rents the dwelling. Housing costs also include utility services, expenditures related to housing and expenditures related to the maintenance of the dwelling.

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