

STATISTICAL RELEASE

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Survey on Income and living conditions

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Poverty and Social Inequality, 2017

The **Survey on Income and Living Conditions (SILC)** was implemented for the fifth time in 2017.

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.

Data for 2014, 2015 and 2016 have been revised due to applying innovative methods in data calculation, which contributed to improved quality of the calculated indicators.

According to the results, the **at-risk-of-poverty rate** is 25.7% in 2017 (these persons are not necessarily poor, but are at the higher risk of poverty than the others). Beside this, the **at-risk-of-poverty or social exclusion rate** amounts to 36.7% (these persons at risk of poverty or are severely materially deprived or live in households with low work intensity).

The **at-risk-of-poverty threshold** amounts to 15 600 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 is 28 080 dinars per a month, while for a four-member household with two adults and two children aged below 14, it amounts to 32 760 dinars.

Observed by **age**, the at-risk-of-poverty rate by age shows that individuals up to 18 years of age are the most exposed to the poverty risk (30.5%), as well as shows that individuals aged 18-24 (29.7%). The lowest at-risk-of-poverty rate is found in the group of persons who are over 65 years (21.3%).

The highest at-risk-of-poverty rate have individuals in households composed of two adults with three or more dependent children, 55.8%, followed by individuals below 65, living in single-person households, 39.6%.

According to the **activity status** for persons aged 18 and over, the most exposed to the at-risk-of-poverty are unemployed persons (50.7%), while the lowest at-risk-of-poverty rate have employees working for employers (6,8%). In case of self-employed persons, this rate amounts to 35.5%. The at-risk-of-poverty rate for pensioners is 17.5%.

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

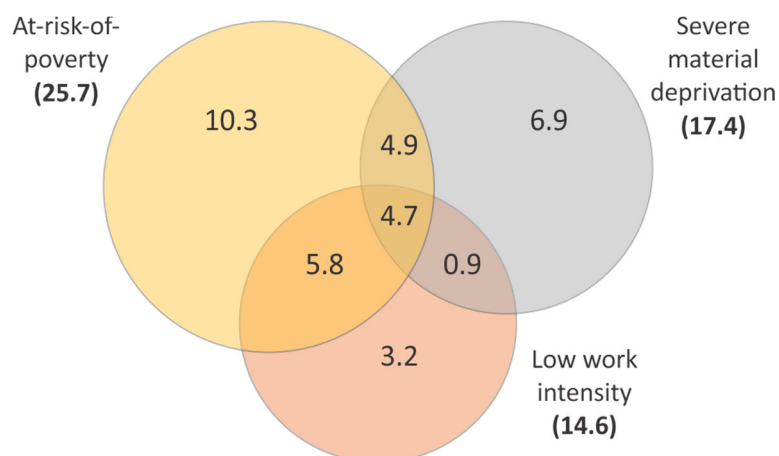


Table 1. Relative poverty and inequality indicators¹

	2014	2015	2016	2017
At-risk-of-poverty rate, %	25.0	26.7	25.9	25.7
At-risk-of-poverty threshold (on a monthly level):				
Single person household, in RSD	13725	13973	14680	15600
Household with two adults and one child younger than 14 years, in RSD	24705	25152	26424	28080
Household with two adults and two children younger than 14 years, in RSD	28823	29344	30828	32760
At-risk-of-poverty or social exclusion rate, %	42.6	41.7	38.5	36.7
At-risk-of-poverty rate before social transfers:				
Social transfers not included in the income, %	32.1	33.4	32.9	31.6
Pensions and social transfers not included in the income, %	52.0	52.2	52.1	51.3
Relative at-risk-of-poverty gap, %	39.3	37.5	39.4	38.8
S80/S20 income quintile share ratio	9.4	10.7	11.0	9.4
Gini coefficient	38.3	40.0	39.8	37.8
Persistent at-risk-of-poverty rate			16.7	18.4

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

	2017		
	Gender		Total
	Male	Female	
At-risk-of-poverty rate, %	25.4	26.0	25.7
Age groups			
0 – 17 ²	-	-	30.5
18 – 64	26.0	25.3	25.7
18 – 24	27.3	32.3	29.7
25 – 54	24.6	25.1	24.9
55 – 64	29.3	22.5	25.8
65 and over	16.9	24.7	21.3

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

	2014	2015	2016	2017
All households without dependent children	22.4	23.7	22.9	22.8
Single person household	28.4	31.2	34.4	33.0
Male	31.7	37.5	38.1	31.1
Female	26.4	27.2	31.8	34.4
Younger than 65	32.0	37.1	41.2	39.6
Older than 65	25.7	26.8	29.6	29.1
Two adults without dependent children	21.0	22.8	20.6	22.7
Both younger than 65	24.1	26.7	25.2	29.2
At least one aged 65 years and over	18.2	19.5	16.9	18.0
Other households without dependent children	21.2	21.4	20.1	19.0
All households with dependent children	27.0	29.1	28.2	28.0
Single parent with one or more dependent children	33.8	37.5	40.8	30.6
Two adults with one dependent child	19.4	22.6	21.5	26.4
Two adults with two dependent children	26.4	28.2	24.2	24.8
Two adults with three or more dependent children	35.2	34.2	53.1	55.8
Other households with dependent children	27.7	29.9	28.2	26.1

¹ Revised data for 2014, 2015 and 2016.² Presented is only total at-risk-of-poverty rate, without division by sex.

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), %

	2017		
	Gender		Total
	Male	Female	
Employed persons	12.2	9.1	10.8
Employees	6.5	7.1	6.8
Self-employed ³	38.4	28.6	35.5
Not employed persons	32.3	32.4	32.3
Unemployed persons	52.3	48.7	50.7
Retired persons	14.3	19.9	17.5
Other inactive persons	26.1	36.4	33.4

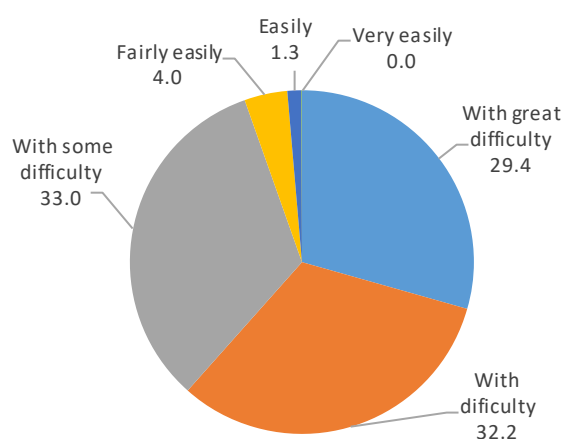
Table 5. Dispersion around the at-risk-of-poverty threshold, %

	2014	2015	2016	2017
40% of the national median equivalised disposable income At-risk-of-poverty rate	13.7	14.6	14.5	14.4
50% of the national median equivalised disposable income At-risk-of-poverty rate	19.1	20.4	20.0	19.8
70% of the national median equivalised disposable income At-risk-of-poverty rate	32.0	32.6	32.2	31.2

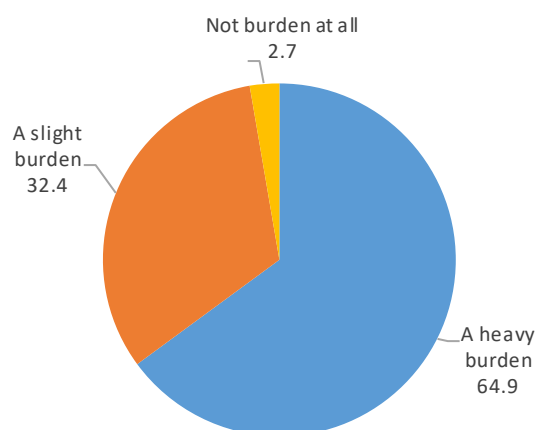
Table 6. Material deprivation indicators, %

	2014	2015	2016	2017
Persons who live in a household that:				
Cannot afford paying for one week annual holiday away from home	68.4	68.5	62.8	56.9
Cannot afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day	26.1	24.6	20.3	21.2
Cannot afford unexpected financial expense (10,000 RSD)	50.7	47.3	48.3	44.1
Cannot afford to keep home adequately warm	17.1	15.2	13.3	13.1
Material deprivation rate (three or more out of nine items of material deprivation)	44.1	40.9	37.4	30.7

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



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



³ 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 Metohia 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 fourth wave (6 037 households), a total of 5 224 households were surveyed (86.4%), i.e. 14 155 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 2016 for the fifth wave,
- **material deprivation** is the moment of surveying – the year 2017 for the fifth 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 shows the degree to which housing costs represent a financial burden for a household. 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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