

STATISTICAL RELEASE

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Survey on Income and living conditions

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Poverty and Social Inequality, 2019

According to the results, the at-risk-of-poverty rate was 23.2% in 2019, and compared to 2018, it was lower by 1.1 percentage points. Beside this, the at-risk-of-poverty or social exclusion rate amounted to 31.7%, and it was lower by 2.6 percentage points relative to 2018.

Key indicators of poverty and social exclusion

	2016	2017	2018	2019
At-risk-of-poverty rate, %	25.9	25.7	24.3	23.2
At-risk-of-poverty or social exclusion rate, %	38.5	36.7	34.3	31.7
At-risk-of-poverty threshold (on a monthly level), RSD	14 680	15 600	16 615	19 381

The at-risk-of-poverty rate represents the share of persons whose equivalised disposable income is below relative poverty line, which amounted to 19 381 RSD a month on an average for a single person household in 2019. The at-risk-of-poverty rate does not show the actual number of poor people, but rather how many of them have an income below the at-risk-of-poverty threshold.

The at-risk-of-poverty threshold amounted to 34 886 RSD a month on an average for a household with two adults and one child aged below 14, while for a four-member household with two adults and two children aged below 14, it amounted to 40 700 RSD.

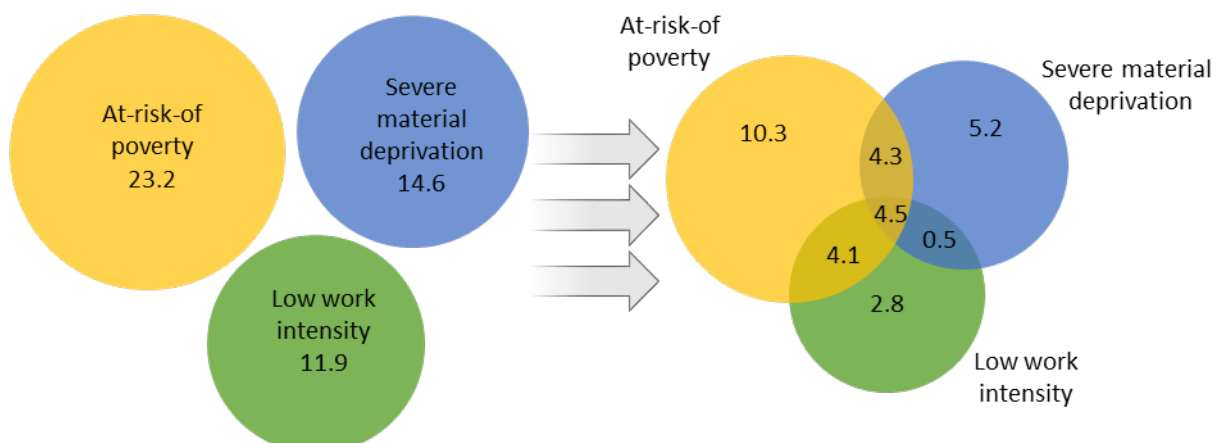
The at-risk-of-poverty or social exclusion rate shows the share of individuals who are at risk of poverty or are severely materially deprived or live in households with very low work intensity.

Observed by age, the at-risk-of-poverty rate shows that individuals up to 18 years of age were the most exposed to the poverty risk (28.9%), as well as individuals aged 18-24 (25.6%). 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 (51.9%), followed by individuals living in single parent households with one or more dependent children (41.6%).

According to the activity status for persons aged 18 and over, the most exposed to the at-risk-of-poverty were unemployed persons (47.5%), while the lowest at-risk-of-poverty rate was recorded for employees working for employers (6.5%). In case of self-employed persons, this rate amounted to 25.9%. The at-risk-of-poverty rate for pensioners was 17.2%.

At-risk-of-poverty or social exclusion rate, %



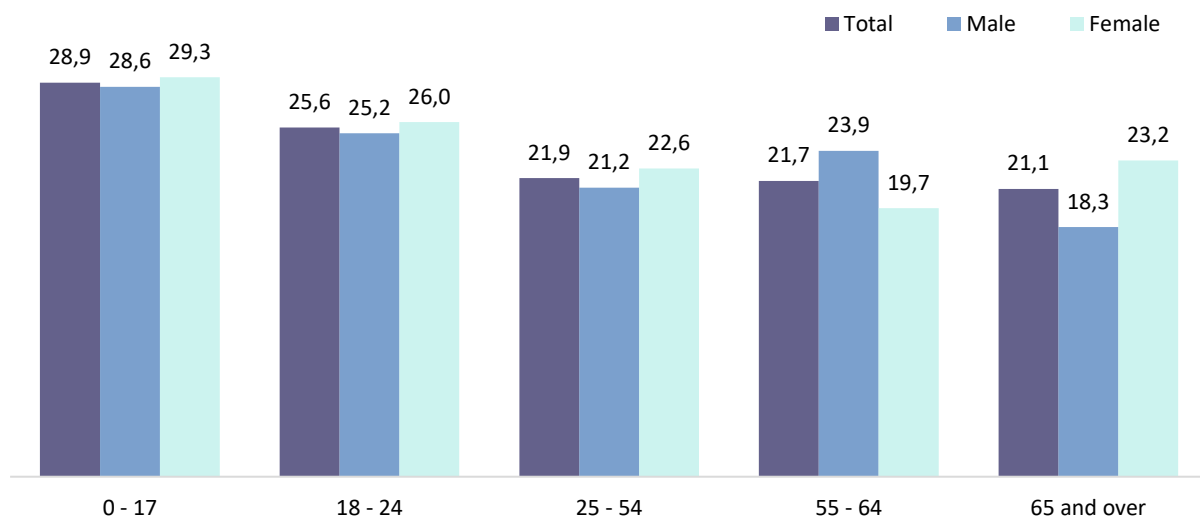
1. Poverty and social exclusion indicators

	2016	2017	2018	2019
At-risk-of-poverty rate, %	25.9	25.7	24.3	23.2
At-risk-of-poverty threshold (on a monthly level), RSD				
Single person household	14 680	15 600	16 615	19 381
Household with two adults and one child younger than 14 years	26 424	28 080	29 907	34 886
Household with two adults and two children younger than 14 years	30 828	32 760	34 892	40 700
At-risk-of-poverty or social exclusion rate, %	38.5	36.7	34.3	31.7
At-risk-of-poverty rate before social transfers, %				
Social transfers not included in the income	32.9	31.6	29.6	28.3
Pensions and social transfers not included in the income	52.1	51.3	48.7	46.6
Relative at-risk-of-poverty gap, %	39.4	38.8	37.4	32.1
S80/S20 income quintile share ratio	11.0	9.4	8.6	6.5
Gini coefficient	39.8	37.8	35.6	33.3
Persistent at-risk-of-poverty rate, %	16.7	18.4	19.6	15.9

2. At-risk-of-poverty rate by sex and age, 2019

	Total	Male	Female
At-risk-of-poverty rate	23.2	22.7	23.6
Age groups			
0 – 17	28.9	28.6	29.3
18 – 64	22.3	22.3	22.3
18 – 24	25.6	25.2	26.0
25 – 54	21.9	21.2	22.6
55 – 64	21.7	23.9	19.7
65 and over	21.1	18.3	23.2

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



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

%

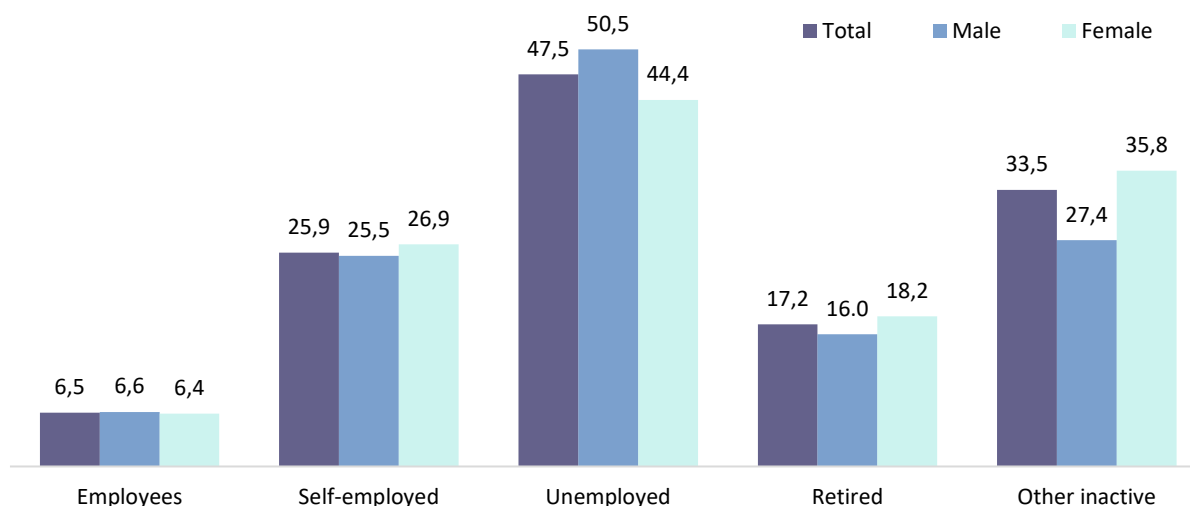
	2016	2017	2018	2019
All households without dependent children	22.9	22.8	21.2	19.8
Single person household	34.4	33.0	34.3	31.8
Male	38.1	31.1	33.7	28.9
Female	31.8	34.4	34.8	33.8
Younger than 65	41.2	39.6	37.2	32.7
Older than 65	29.6	29.1	32.6	31.2
Two adults without dependent children	20.6	22.7	19.8	19.4
Both younger than 65	25.2	29.2	24.3	21.4
At least one aged 65 years and over	16.9	18.0	16.9	18.4
Three or more adults without dependent children	20.1	19.0	17.4	15.7
All households with dependent children	28.2	28.0	26.8	26.1
Single parent with one or more dependent children	40.8	30.6	36.5	41.6
Two adults with one dependent child	21.5	26.4	24.1	23.9
Two adults with two dependent children	24.2	24.8	21.3	19.1
Two adults with three or more dependent children	53.1	55.8	53.6	51.9
Three or more adults with dependent children	28.2	26.1	25.5	25.4

4. At-risk-of-poverty rate by the most frequent status in the labour market and by sex (for persons aged 18 and over), 2019

%

	Total	Male	Female
At work	9.2	9.9	8.3
Employees	6.5	6.6	6.4
Self-employed ¹	25.9	25.5	26.9
Not at work	30.4	31.4	29.7
Unemployed	47.5	50.5	44.4
Retired	17.2	16.0	18.2
Other inactive	33.5	27.4	35.8

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



¹ Self-employed persons also involve agricultural workers.

5. Dispersion around the at-risk-of-poverty threshold

%

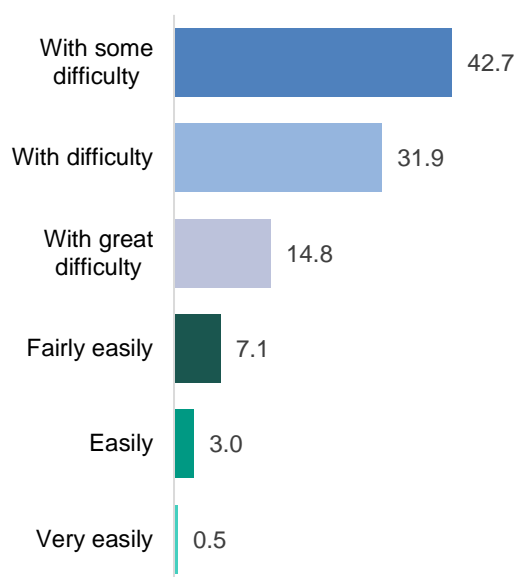
	2016	2017	2018	2019
40% of the national median equivalised disposable income				
At-risk-of-poverty rate	14.5	14.4	13.7	11.2
50% of the national median equivalised disposable income				
At-risk-of-poverty rate	20.0	19.8	18.0	16.8
70% of the national median equivalised disposable income				
At-risk-of-poverty rate	32.2	31.2	30.1	30.0

6. Material deprivation indicators

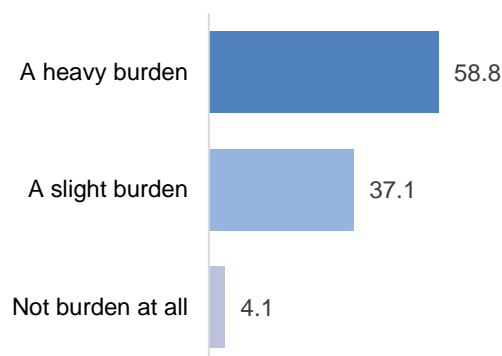
%

	2016	2017	2018	2019
Persons who live in a household that:				
Cannot afford paying for one week annual holiday away from home	62.8	56.9	52.0	50.5
Cannot afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day	20.3	21.2	18.8	15.1
Cannot afford unexpected financial expense (13, 900 RSD)	48.3	44.1	39.8	35.5
Cannot afford to keep home adequately warm	13.3	13.1	10.0	9.9
Material deprivation rate (three or more out of nine items of material deprivation)	37.4	30.7	30.4	25.5

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



Financial burden of the total housing costs, %



METHODOLOGY

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.

Out of total number of households envisaged for the survey in 2019. (6 013 households), a total of 5 130 households were surveyed (85.3%), i.e. 13 733 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 2018,
- **material deprivation** is the moment of surveying – the year 2019.

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. It does not show the actual number of poor people, but rather how many of them have an income below the at-risk-of-poverty threshold.

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.

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 (13 900 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.

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).