Survey for poverty measurement in Latvia

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
CONFERENCE OF EUROPEAN STATISTICIANS
High-level Seminar
on Harmonisation of Poverty Statistics in CIS Countries
Sochi, Russian Federation
31 October – 2 November 2016

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Central Statistical Bureau of Latvia
Structure of the presentation

- About HBS in Latvia
- EU-SILC framework
- About EU-SILC in Latvia
- Modes of data collection
- Strategy "Europe 2020"
- Analysis of trends in poverty in Latvia
- Recommendations
- Subsistence minimum
- Minimum income level
- Future challenges
- Conclusions
About HBS in Latvia (1)

- Household Budget Survey (HBS):
  - 1926-1927 and 1936-1937 – first HBS in Latvia
  - 1952-1994 – Family Budget Survey
  - 1995-2016 – HBS with updated methodology (with the support of the UN and the World Bank). Prior to joining the EU, HBS was the main data source on income, inequality and poverty;
  - HBS will not be carried out in 2017 (at the moment there are no decision about the future of HBS after 2017)

In addition to HBS and EU-SILC in Latvia were carried out:

- Survey on income and living conditions (during the Soviet times; every 5 years)
- FAFO (Norway) NORBALT (1994) and NORBALT II (1999) – survey on living conditions in all Baltic States
About HBS in Latvia (2)

Response level in EU-SILC and HBS:

*1st half of 2016
CSB data
The distribution of persons according to data of HBS, receiving income within the intervals of deciles, which were calculated according to EU-SILC data in 2006 and 2014 (EUR, on average per household member monthly)
Consumption expenditure (HBS)
The availability of indicators in the CSB database:

- Income, monetary poverty indicators: 2004+
- Consumption expenditure: 2002+
- Structure of consumption expenditure (%): 1996+
Currently, the process of modernization of the social statistics of the European Statistical System (including EU-SILC survey) is running.

It is planned to introduce the new design of EU-SILC survey from 2019 onwards. Partly the changes have been already launched or are in progress.

Future changes are not related directly to monetary poverty statistics, but are related to the indicator of material deprivation, and thus to the indicator "At-risk-of-poverty or social exclusion (AROPE)".
EU-SILC framework (2)


- **Other EU-SILC regulations:**
  - 2004 enlargement and derogations;
  - definitions;
  - fieldwork and imputation procedures;
  - sampling and tracing rules;
  - list of permanent variables;
  - quality reports;
  - new material deprivation items from 2016 onwards;
  - EU-SILC ad-hoc modules.


- **docSILC065 (xxxx operation)** METHODOLOGICAL GUIDELINES AND DESCRIPTION OF EU-SILC TARGET VARIABLES (updated document for each year). Available in the CIRCA (public access to the group EU-SILC).
EU-SILC framework (3)

- All EU-SILC process is covered in the regulations, but at the same time large degree of freedom is provided to countries.
- There, of course, are recommended methods and best practices, but nevertheless countries can choose methods, which are the most appropriate taking account the situation in their country.
- Depending on the country, micro-data could come from:
  - one or more national sources (surveys and registers);
  - existing national survey combined or not with a new survey;
  - a new survey to meet all EU-SILC requirements was introduced in LATVIA in 2005.
Two methods of data harmonization:

- **ex-ante** meaning “before the event”. In statistics it means, that there is harmonization process before data collection (input harmonization). For example, harmonization of questions asked, so to obtain comparable results.

- **ex-post** meaning “after the event”. In statistics it means, that there is harmonization process after data collection (output harmonization). For example, income data can be collected during the interview, obtained from registers, combination of both etc. In this case the comparability of obtained income variable (despite how it is obtained) must be assured.
There is *ex-post* (output) harmonization in the EU-SILC survey. With the some features of *ex-ante* harmonization, which appeared during the comparision of variables related to the material deprivation or health. In this case comparability of data could have been influenced because EU countries are using different wording to obtain those variables.

To sum up: in most cases the outcome or variable is defined, but not the way it is obtained.

It means, that information can be obtained from registers (if available), one or several question can be asked to obtain the necessary variable.

National statistical office can choose the best way how to obtain the information taking into account the situation in their country (which they know the best).
Example of *ex-ante* data harmonization:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PH040</strong>: Was there any time during the past 12 months when you really needed to consult a specialist but did not?</td>
<td><strong>PH040_Q1</strong>: Was there any time during the past 12 months when you really needed medical examination or treatment (excluding dental) for yourself?</td>
</tr>
<tr>
<td>YES, there was at least one occasion</td>
<td>YES (I really needed at least at one occasion medical examination or treatment) - &gt; PH040_Q2</td>
</tr>
<tr>
<td>NO, there was no occasion</td>
<td>NO (I did not need any medical examination or treatment) - &gt; PH060_Q1</td>
</tr>
<tr>
<td><strong>PH040_Q2</strong>: Did you have a medical examination or treatment each time you really needed?</td>
<td><strong>PH040_Q2</strong>: Did you have a medical examination or treatment each time you really needed?</td>
</tr>
<tr>
<td>YES (I had a medical examination or treatment each time you really needed) - &gt; PH060_Q1</td>
<td>YES (I had a medical examination or treatment each time you really needed) - &gt; PH060_Q1</td>
</tr>
<tr>
<td>NO (there was at least one occasion when I did not have a medical examination or treatment) - &gt; PH050_Q1</td>
<td>NO (there was at least one occasion when I did not have a medical examination or treatment) - &gt; PH050_Q1</td>
</tr>
</tbody>
</table>
The result of changes in *ex-ante* data harmonization:

- CSB data
- * unweighted data
About EU-SILC in Latvia (1)

- The reference population of EU-SILC is all private households and their current members residing in the territory of Latvia at the time of data collection;
- Stratified two-stage sampling design;
- Panel survey, households must be followed-up for 4 years;
- Launched since 2005;
- Gross sample of the first wave in the beginning of the survey: 3158 - 3175 addresses (in 2016 - 3169 addresses);
- Fieldwork (CAPI / CATI): from March to June (in some areas - to July);
- Total response rate: 74-78% (in 2016 - 75.3%);
- Modes of data collection: CAPI, CATI, administrative registers (including income) + CAWI (from 2017 onwards);
- Income: gross and net for the year preceding to the survey year;
- Income data for the year N shall be published in January of year N+2; poverty and inequality data - in February of year N + 2.
The survey includes a wide range of topics:

- Household income (gross and net)
- Housing costs
- Living conditions
- Childcare
- Composition of the household
- Socio-economic characteristics of persons
- Material deprivation
- EU-SILC modules
- Self-perceived health status
- Access to health care
- Other indicators

As a result, the survey allows us to analyze the data in a very different dimensions.
What challenges EU-SILC survey caused for CSB of Latvia?

- One and the same households must be followed-up for 4 years. It allows to check information using data from previous years.
- Collection of Personal IDs
- Information about wide range of income and taxes must be collected
- Development of cooperation with income registers. Without income registers data it was difficult to collect income variables about previous year
- New methods must be implemented how to recalculate in monetary terms:
  - Non-cash employee income
  - Value of goods produced for own consumption
  - Imputed rent
- Imputation techniques must be implemented for all missing income components
- Forecasting and microsimulations (EUROMOD)
### About EU-SILC in Latvia (4)

#### Response rates

<table>
<thead>
<tr>
<th>Survey year</th>
<th>1st year</th>
<th>2nd year</th>
<th>3rd year</th>
<th>4th year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>66,1 %</td>
<td></td>
<td></td>
<td></td>
<td>66,1 %</td>
</tr>
<tr>
<td>2006</td>
<td>60,4 %</td>
<td>79,0 %</td>
<td></td>
<td></td>
<td>71,7 %</td>
</tr>
<tr>
<td>2007</td>
<td>50,0 %</td>
<td>81,0 %</td>
<td>81,5 %</td>
<td></td>
<td>66,6 %</td>
</tr>
<tr>
<td>2008</td>
<td>59,7 %</td>
<td>84,4 %</td>
<td>85,5 %</td>
<td>86,4 %</td>
<td>73,8 %</td>
</tr>
<tr>
<td>2009</td>
<td>60,7 %</td>
<td>84,1 %</td>
<td>88,5 %</td>
<td>90,7 %</td>
<td>76,2 %</td>
</tr>
<tr>
<td>2010</td>
<td>61,1 %</td>
<td>84,1 %</td>
<td>87,0 %</td>
<td>91,2 %</td>
<td>76,7 %</td>
</tr>
<tr>
<td>2011</td>
<td>61,4 %</td>
<td>87,2 %</td>
<td>86,9 %</td>
<td>90,5 %</td>
<td>78,0 %</td>
</tr>
<tr>
<td>2012</td>
<td>57,7 %</td>
<td>83,5 %</td>
<td>87,7 %</td>
<td>88,8 %</td>
<td>75,8 %</td>
</tr>
<tr>
<td>2013</td>
<td>53,9 %</td>
<td>86,4 %</td>
<td>85,7 %</td>
<td>88,4 %</td>
<td>74,1 %</td>
</tr>
<tr>
<td>2014</td>
<td>52,4 %</td>
<td>86,8 %</td>
<td>89,1 %</td>
<td>90,4 %</td>
<td>74,6 %</td>
</tr>
<tr>
<td>2015</td>
<td>56,7 %</td>
<td>89,1 %</td>
<td>88,4 %</td>
<td>90,3 %</td>
<td>76,3 %</td>
</tr>
<tr>
<td>2016</td>
<td>56,3 %</td>
<td>86,1 %</td>
<td>88,6 %</td>
<td>89,0 %</td>
<td>75,3 %</td>
</tr>
</tbody>
</table>
## Modes of data collection (1)

### Evolution of data collection modes in Latvian EU-SILC

<table>
<thead>
<tr>
<th>Survey year</th>
<th>Data entry program</th>
<th>PAPI</th>
<th>CAPI</th>
<th>CATI</th>
<th>CAWI</th>
<th>Income registers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SSIA(^1)</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>2006</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2007</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2008</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2009</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2010</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>2011</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2012</td>
<td>Blaise</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2013</td>
<td>ISDMS-CASIS(^5)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2014</td>
<td>ISDMS-CASIS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2015</td>
<td>ISDMS-CASIS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
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<td>2016</td>
<td>ISDMS-CASIS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2017</td>
<td>ISDMS-CASIS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

1. State Social Insurance Agency: pensions and benefits paid at state level (excluding few pensions and benefits), gross and net
2. State Revenue Service: wages and salaries, gross and net
3. Centralized system on municipal benefits: benefits paid at municipal level, in 2013 and 2014 excluding few municipalities
4. Old age pensions (only)
5. Integrated Statistical Data Management System – Computer Assisted Survey Information System
6. Pilot project in 2016
Modes of data collection (2)
Income registers

- CSB has a leading role in the development of administrative registers in the country.
- This right is secured by Statistics Law, which came into force on January 1st 2016. For example, in the 15th article of this law stated that:
  - A State institution upon a substantiated request of the statistical institution shall disclose information regarding data it processes in its administrative data sources in order for the statistical institution to evaluate options for using the respective data for production of official statistics.
  - A legal person governed by private law, an association of such persons or a State institution shall upon a substantiated request of the statistical institution provide data from its administrative data sources, including restricted access information needed for production of official statistics. Data from administrative data sources of a State institution shall be provided free of charge.
  - A State institution, maintaining, planning, implementing and improving administrative data source structure and content, shall create data source so that the data meet the needs of production of official statistics and that they can be provided to the statistical institution for production of official statistics. Compliance of the data with the needs of production of official statistics shall be assessed in accordance with types of data non-compliance laid down in Section 13, Paragraph two of this Law.
- Prior to the entry into force of Statistics Law, Law On Official Statistics was valid. Although there was given the right to use administrative registers data, this right has been described in more restricted and less specific way.
Modes of data collection (3)
Income registers

Principles of matching data on wages and salaries obtained from State Revenue Service (SRS) and EU-SILC survey:

- IF EU-SILC survey data > SRS data THEN EU-SILC survey data is used
- IF no data from EU-SILC survey, but SRS data > 0 OR EU-SILC survey data < SRS data THEN SRS data is used
- IF a person refuses to answer AND no data from SRS THEN mathematical imputation is done
Comparison of the old age pension in 2005 between the EU-SILC data (PY100N, without taking into account the imputation and pensions from other countries, as well as before the data verification) and the data of the State Social Insurance Agency (SSIA). There were compared data about the pensioners, who were in both data sources:

a) by month of the interview:

![Bar chart]

- **Month of the interview**
  - 3: -5.0%
  - 4: 2.3%
  - 5: 3.4%
  - 6: 2.9%
  - 7: 3.0%
  - 8: 3.0%
  - 9: 7.8%
  - 10: 10.4%
  - Total: 3.7%
b) by deciles, which were calculated according to SSIA data:

- those who started receiving pension during 2005, often reported total value about full year
- The richest persons often hide the size of their pensions

Modes of data collection (5)
Income registers
c) by age of the respondent at the end of 2005

- 60-62 years - retirement age in 2005;
- 60 years – retirement age of woman in 2005;
Because of CATI fieldwork duration was significantly shorten in 2008.
Modes of data collection (8)
CAWI (pilot project)

- Eurostat grant agreement, project „Action Plan for EU-SILC Improvements” (Increase the efficiency of the data collection and treatment, taking into account the timeliness and precession requirements by elaborating CAWI version of EU-SILC survey);

- The grant project has been launched on 1.09.2014 until 31.08.2016

- The CAWI program included all variables that had to be collected in the EU-SILC survey in 2016.

- Sample: all 4th wave households, who in 2015 agreed to participate in CAWI pilot in 2016 (255 households)

- 58 households participated in the CAWI pilot

- CAWI pilot project’s fieldwork: 01.02.2016 -14.02.2016
CAWI interviews were 1.6 times longer than CAPI/CATI interviews on average!
## Modes of data collection (10)

### CAWI (pilot project)

**Breakdown by answers regarding wages and salaries**

<table>
<thead>
<tr>
<th></th>
<th>Respondents of the EU-SILC 2015 survey</th>
<th>Respondents of 2015 who took part in the 2016 pilot project*</th>
<th>Respondents of the 2016 pilot project*</th>
<th>Respondents of the EU-SILC 2016 survey (before data verification)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual wages and salaries</td>
<td>74.8%</td>
<td>82.1%</td>
<td>63.1%</td>
<td>80.3%</td>
</tr>
<tr>
<td>Average monthly wages and salaries</td>
<td>5.8%</td>
<td>2.4%</td>
<td>12.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Interval of average monthly wages and salaries</td>
<td>13.1%</td>
<td>14.3%</td>
<td>20.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Did not know or refused to answer</td>
<td>6.2%</td>
<td>1.2%</td>
<td>4.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Total number of persons who indicated receipt of income from labour</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*the same persons*
CAWI respondents tend to choose more negative answers than in the presence of a CAPI interviewer or when answering to a CATI interviewer via phone.

Small number households and persons completing CAWI questionnaire makes it impossible to carry out a more detailed data analysis.

**Self-perceived general health of persons aged 16+ in 2015 and 2016**

<table>
<thead>
<tr>
<th>Breakdown of answers in 2016 (CAWI)</th>
<th>Very good</th>
<th>Good</th>
<th>Fair</th>
<th>Bad</th>
<th>Very bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good</td>
<td>3</td>
<td>37</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fair</td>
<td>0</td>
<td>17</td>
<td>40</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Very bad</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
### Strategy "Europe 2020" (1)

- Strategy "Europe 2020"
- National reform programme of Latvia for the implementation of the Strategy "Europe 2020"

<table>
<thead>
<tr>
<th>Strategy &quot;Europe 2020&quot; headline target</th>
<th>Measurement at EU level</th>
<th>Measurement at national level (LV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty and social exclusion</td>
<td>At least 20 million fewer people in or at risk of poverty and social exclusion</td>
<td>To reduce the number of persons at the risk of poverty and/or of those living in households with low work intensity by 121 thousand or 21 % until 2020</td>
</tr>
</tbody>
</table>
Strategy "Europe 2020" (2)

At-risk-of-poverty or social exclusion (AROPE) in 2015
(year=survey year)

AROP – at-risk-of-poverty, SMD – severe material deprivation, LWI – low work intensity
Ireland, Croatia, Switzerland – data about 2014 survey
Analysis of trends in poverty in Latvia (1)

At-risk-of-poverty or social exclusion (AROPE), at-risk-of-poverty (AROP), severe material deprivations (SMD) and low work intensity (LWI)

Changes in AROP and SMD

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SMD change</td>
<td>-8.0%</td>
<td>-7.3%</td>
<td>-4.7%</td>
<td>2.8%</td>
<td>5.5%</td>
<td>3.4%</td>
<td>-5.4%</td>
<td>-1.6%</td>
<td>-4.8%</td>
<td>-2.8%</td>
<td></td>
</tr>
<tr>
<td>AROP change</td>
<td>4.1%</td>
<td>-2.3%</td>
<td>4.7%</td>
<td>0.5%</td>
<td>-5.5%</td>
<td>-1.9%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>1.8%</td>
<td>1.3%</td>
<td></td>
</tr>
</tbody>
</table>
At risk of poverty or social exclusion in Latvia:

821 thsd. = 100%, including:

- At risk of poverty
  - 17.6%
  - 44.8%
  - 11.4%
  - 4.4%
  - 4.5%
  - Low work intensity

606 thsd. = 100%, including:

- At risk of poverty
  - 20.1%
  - 22.8%
  - 38.3%
  - 5.5%
  - 3%

Eurostat data
At-risk-of-poverty indicator strongly correlates to gross domestic product in Latvia.
Prior to the economic crisis, average wage was growing faster than average old age pension. Total employment was also growing. The situation radically changed when the crisis started: average pension remained stable, whereas average wage reduced. Total employment considerably shrinked. Starting from 2011, average old age pension grew more slowly than net wage. Total employment was also increasing, but the number of recipients of old-age pensions was stabile.
Analysis of trends in poverty in Latvia (5)

Number of employed persons in Latvia (thsd.)

CSB data
CSB data

Analysis of trends in poverty in Latvia (6)

Change in population in the beginning of each year as compared to 1991, 1991 = 100%

CSB data
Analysis of trends in poverty in Latvia (7)

Change in number of population in age group > 1 year (in the beginning of each year) as compared to 1991, 1991 = 100%
## Analysis of trends in poverty in Latvia (8)

### At-risk-of-poverty (%)

<table>
<thead>
<tr>
<th>Age\year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia, total</td>
<td>19.4</td>
<td>23.5</td>
<td>21.2</td>
<td>25.9</td>
<td>26.4</td>
<td>20.9</td>
<td>19.0</td>
<td>19.2</td>
<td>19.4</td>
<td>21.2</td>
<td>22.5</td>
</tr>
<tr>
<td>0-17</td>
<td>22.0</td>
<td>25.9</td>
<td>19.8</td>
<td>23.6</td>
<td>26.3</td>
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<td>25-49</td>
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CSB data
Analysis of trends in poverty in Latvia (9)
AROP in age group 65+

*Eurostat data; years correspond to the years of income
Analysis of trends in poverty in Latvia (10)
AROP in age group 65+

There is no direct link between AROP and SMD for the age group of 65+. This can be partially explained by the fact that household material wealth is cumulative and does not change as quickly as household income or expenditures.

For additional information:
Recommendations

- It is important to balance respondents’ burden and the amount of data that we wish to obtain from the respondents. Implementation of a separate survey on income and living conditions in Latvia has justified itself.
- Experience of Latvia shows that the society is interested in those indicators that we obtain and publish from the EU-SILC survey.
- Common methodology and common IT solutions greatly simplify daily work.
- Modularization of the survey allows to expand the range of data obtained from the respondents.
- Panel survey allows to improve the quality of data (comparability year-to-year, response level).
- Statistical Institute must play a leading role in the development of administrative registers in the country.
- It is necessary to develop different modes of data collection and pay particular attention to data quality.
- It is important to hold regular meetings at the regional level, particularly when new surveys are introduced.
Starting from 2014, the CSB stopped calculating subsistence minimum due to the outdated calculation methodology which was developed in 1991.

The Ministry of Welfare is working on the new methodology for calculating subsistence minimum. Unlike the minimum income level the new subsistence minimum will be for information only and will not be utilized in the regulation.

At the moment a competition to develop a new methodology of calculation of the subsistence minimum is published (Deadline: 04.11.2016).

In accordance with the regulation, new methodology for calculation of the subsistence minimum have to be developed within 16 months from the date of conclusion of the contract.
Subsistence minimum (2)

At-risk-of-poverty threshold: EUR, per equivalent consumer per month
Subsistence minimum: EUR, per person per month
Minimum income level (MIL)

The existing legal framework at the national level: concept paper "On setting minimum income level".

Data source: EU-SILC survey.

Calculation of the indicator: 40% of national average equivalised disposable income, using equivalence scale: 1; 0,7; 0,7 (1 for the first household member and 0.7 for any other household member, including children).

Availability: CSB database

At-risk-of-poverty threshold

The existing legal framework at the national level: Does not exist (only indirectly through the strategy "Europe 2020").

Data source: EU-SILC survey.

Calculation of the indicator: 60% of national average equivalised disposable income, using equivalence scale: 1; 0,5; 0,3.

Availability: CSB and Eurostat databases
Minimum income level (2)

CSB data
Future challenges (1)

- Population aging; impact of changes in the structure of population to other statistics
- What is well-being and how to measure it?
  - OECD/Eurostat/UN: Beyond GDP initiative
  - OECD: Better Life Index Dimensions
  - Eurostat: Quality of Life Dimensions
- What is sustainable development? How to create synergies between economic development, social protection and environmental protection?
  - UN: Sustainable development goals
- Statistics on income, consumption and wealth; comparison with the data of national accounts:
  - Vienna Memorandum
  - ESS Agreement on health (2nd priority), labour, over-indebtedness, consumption and wealth
  - European Central Bank: Household Finance and Consumption Survey
Evaluating the development of the society, sought a new balance between the points:

1) Macroeconomic Statistics Indicators ↔ Social Statistics Indicators

2) Objective indicators ↔ Subjective indicators
Future challenges (3)

Is there a correlation between objective and subjective indicators?
In European countries with lower level of inequality are living more happier people, and vice versa.

Eurostat data, 2013
Conclusions (1)

- EU-SILC survey provides wide opportunity to study phenomenon of poverty and social exclusion. It is important not only to improve the methodologies for estimating poverty and inequality indicators but also to focus on analyzing reasons of poverty, including the development of methodology for estimating the so-called "middle class", namely the development of the "middle class" most effectively allows to reduce poverty.

- EU-SILC – is a survey, which it is difficult to carry out without using data from the administrative registers, especially income registers.

- There are different approaches to the dissemination of multidimensional poverty indicators with respect to the reference either to the survey year or to the year for which respondents provided data necessary for calculating specific indicators.

- The general public faces difficulties with perceiving the methodology pertinent to multidimensional poverty indicators and its components.

- Taking into account various dimensions of poverty as well as various possible indicators to characterize poverty, there might be different trends, therefore the work on multidimensional poverty and its methodology should be continued and improved.
Conclusions (2)

- When there are significant changes in population’s income, monetary poverty indicators may demonstrate trends opposite to the economic situation. In such cases more attention should be given to analysing monetary poverty in different age groups taking into account the specifics of income sources for specific age groups.

- Due to the outdated methodology the CSB does not calculate the subsistence minimum indicator any longer but it plans to resume this practice after the Ministry of Welfare provides an updated methodology for calculating this indicator.

- The Latvian Government decided to introduce an indicator of minimum income level, which will be the starting point for support measures in social security system. Though the chosen poverty threshold is lower than the one used in EU-SILC, the CSB supports this initiative of the Ministry of Welfare.

- Taking into account the new future challenges, it should be noted that the methodology of statistics of well-being of society will continue to actively develop.
Thank you for your attention!

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