Material deprivation as part of multidimensional poverty indicator: current situation and future challenges

Prepared by the Central Statistical Bureau of Latvia

Abstract

The paper presents the national experience in measurement of material deprivation in Latvia.

The analyses of measurement of material deprivation in the paper are based on the European Statistics on Income and Living Conditions (EU-SILC). EU-SILC survey introduced in Latvia starting from 2005. The Central Statistical Bureau (CSB) regularly publishes indicators of material deprivation according to methodology developed by Eurostat. It is planned to introduce the new design of EU-SILC survey from 2019 onwards and to change methodology of the material deprivation indicators.

The paper gives a brief overview of main tendencies of development of monetary poverty and material deprivation indicators in Latvia and includes in-depth analysis of material deprivation’s items (including seven new deprivation items). The paper also includes the first results of comparison of current and new material deprivation indicators with brief description of several important methodological issues.

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Main facts about EU-SILC survey in Latvia

Material deprivation and Severe material deprivation are one of the most important indicators in determining of living standards in Latvia. The measurement of this indicators is based on the European Statistics on Income and Living Conditions (EU-SILC) survey. Main characteristics of EU-SILC survey in Latvia are summarized below:

- **Sample design**: stratified two-stage sampling design (1st stage - Population Census counting areas, 2nd stage – addresses)
- **Sample unit**: households/addresses
- **Rotational groups**: four
- **Fieldwork duration**: from March to June
- **Modes of data collection from 2017 onwards**: CAPI, CATI, CAWI, administrative registers (including income)
- **Gross sample of the first wave addresses**: 3158 - 3175 addresses (in 2017 - 3174 addresses)
- **First wave response rate in the last five years**: 51-58% (in 2017 – 51.1%)
- **Total response rate in the last five years**: 74-78% (in 2017 – 74.4%)

The EU-SILC survey provided extensive information on various aspects influencing welfare of a household and every individual:

- household income;
- social exclusion, including material deprivation;
- living conditions;
- housing costs;
- self-perceived health status and access to health care;
- childcare;
- household composition and socio-economic characterization of its members.

According to the methodology developed by Eurostat, Severe material deprivation is part of the indicator “At risk of poverty or social exclusion” (AROPE). AROPE is one of the indicators to measure member states' progress in meeting the Europe 2020 goals. Definitions of the relevant indicators are described below:

**At-risk-of-poverty or social exclusion** - persons with disposable income below at-risk-of-poverty threshold or persons subjected to severe material deprivation or employed in low work intensity.

**Severe material deprivation rate** is defined as the proportion of people lacking at least 4 items (in case of material deprivation – lacking at least 3 items) among the 9 following: the household could not afford: 1) to face unexpected expenses, 2) one week annual holiday away from home, 3) to pay for arrears (mortgage or rent, utility bills or hire purchase instalments), 4) a meal with meat, chicken or fish every second day, 5) to keep home adequately warm, or could not afford (even if wanted to): 6) a washing machine, 7) a colour TV, 8) a telephone, 9) a personal car.

**At-risk-of-poverty rate** - share of persons with an equivalised disposable income below 60% of the national median equivalised disposable income.

Work intensity refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household. Individuals are classified into work
intensity categories that range from WI=0 (jobless household) to WI=1 (full work intensity). It is considered that person is living in household with *low work intensity*, if WI≤0.2.

**At-risk-of-poverty or social exclusion**

Figure 1 below demonstrate changes in ‘at-risk-of-poverty and social exclusion’ (AROPE), ‘at-risk-of-poverty’ (AROP), ‘severe material deprivations’ (SMD) and ‘low work intensity’ (LWI) in Latvia (years correspond to the years of a survey).

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

From Figure 2 it can be concluded that about half of the people at-risk-of-poverty or social exclusion are severely materially deprived, however this proportion decreased significantly from 77% in 2011 to 45% in 2016.

Severely materially deprived people as a share of the people at-risk-of-poverty or social exclusion in Latvia, 2005-2016 (AROPE = 100%)
This proportion varies significantly between European countries – from 5% in Sweden to 83% in Bulgaria (in EU on average – 34%). It indicates that social exclusion in more developed countries is less affected by material deprivation and vice versa. 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 several countries in EU (including Latvia) high level of material deprivation is important issue in context of sustainable development of the country.

Severely materially deprived people as a share of the people at-risk-of-poverty or social exclusion in EU countries in 2008 and 2015 (AROPE = 100%)

Material deprivation items

At ESS level it was decided to change Material deprivation indicators, because current version of it have some limitations:

- small number of items;
- some deprivation items are no longer relevant.

New Material deprivation items were included in EU-SILC modules in 2009, 2013, 2014 and 2015, but from 2016 onwards 7 new items are collected in the yearly SILC survey and 3 old items (a washing machine, a colour TV, a telephone) have been dropped, but they still could be collected on a voluntary basis (Annex 1), and they will be included in EU-SILC 2018 module. Latvia continues to collect these 3 items every year due to request of Ministry of Welfare.

In comparison with other EU Member States, Latvia has high rankings in almost all deprivation items (Annex 2). However, during the years after the economic crisis (2008 – 2010), all items of material deprivation show positive trends (Figure 4 and 5). The greatest
financial difficulties for Latvians cause “coping with unexpected expenses” (60.0% are deprived), “replacement of worn-out furniture” (50.7%), “lack of one week annual holiday away from home” (37.1%), “replacement of worn-out clothes by some new” (23.3%) and “lack of a personal car” (19.5%).

Proportion of people living in households, who cannot afford current items of material deprivation in Latvia, 2005-2016 (%)

Proportion of people, who cannot afford different new items of material deprivation in Latvia, 2009 & 2013-2016 (%)
In order to perform an analysis of all material deprivation items, they were divided by quintile groups (Figure 6) and by ability to make ends (Figure 7).

Distribution of deprivation of different MD items by quintile groups in Latvia, 2016 (%)

Among new MD items the most equal distribution of deprivation by quintile groups is in item “replacement of worn-out furniture” (the same as distribution of item “Coping with unexpected financial expenses”). Its means, that lack of this item is relevant to each income group. Distribution of deprivation in item “An internet connection” is similar to distribution of items, which will be dropped from list of MD items (a washing machine, a colour TV and a telephone), and lack of this item is more relevant to poor people. Distribution in all other new...
MD items are similar to distribution in rest of current MD items on average. There are not
significant differences in tendencies in distribution of different MD items by objective
financial situation of persons (quintile groups) and subjective evaluation of their financial
situation (ability to make ends meet).

**Current and new Material deprivation rate**

Currently there is no final decision on definitions of Material deprivation and Severe material
depprivation. Eurostat has proposed to identify material deprivation as a lack of 5 of 13 items,
including 6 current items at household level, 1 new item at household level and 6 new items at
personal level (Annex 1). The proposal is based on data-driven approach – average number of
new material deprivation items for persons deprived according current definition of material
depprivation is close to 5 items at EU level. According to CSB calculations, Latvia has
comparable result – 5.2 items in 2016, decreasing from 5.6 items in 2013 (Table 1).

<table>
<thead>
<tr>
<th>Current Material deprivation by number of item of deprivation</th>
<th>Average number of new material deprivation items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0.5 0.4 0.3 0.2 0.3</td>
</tr>
<tr>
<td>1</td>
<td>2.0 2.1 2.0 1.9 1.9</td>
</tr>
<tr>
<td>2</td>
<td>3.7 3.8 3.7 3.6 3.5</td>
</tr>
<tr>
<td>3</td>
<td>5.5 5.6 5.4 5.3 5.2</td>
</tr>
<tr>
<td>4</td>
<td>7.2 7.1 7.1 6.8 7.0</td>
</tr>
<tr>
<td>5</td>
<td>8.9 8.8 8.8 8.6 8.3</td>
</tr>
<tr>
<td>6</td>
<td>10.3 10.6 10.2 10.2 10.4</td>
</tr>
<tr>
<td>7</td>
<td>10.9 11.3 11.2 10.7 11.2</td>
</tr>
<tr>
<td>8</td>
<td>11.1 11.2 11.4 11.9 11.1</td>
</tr>
<tr>
<td>9</td>
<td>12.3 12.7 11.7 12.3 -</td>
</tr>
</tbody>
</table>

Eurostat proposed two versions for new definition of Material deprivation:
- Version 1 (MD5v1) – people are materially deprived, if they are lacking at least 5
  among the 13 items;
- Version 2 – people aged 16 or over are materially deprived, if they are lacking at least
  5 among the 13 items, but children below 16 are materially deprived, if they are
  lacking at least 5 among the 13 items and at least three items are at household level.

As 6 new MD items are at personal level (people aged 16 or over), in both versions children
below 16 will be considered as deprived from the item collected at personal level, if at least
half of household members aged 16 or over, for which the information is available in the
household, lack an item.

Definition of Severe Material deprivation is still under discussion and depends on agreement
within The Indicators' Sub-Group of the Social Protection Committee of European
Commission. Therefore, in this paper will be analyzed only both versions of Material
deprivation.

CSB calculated both versions of new Material deprivation rate (MD5v1 and MD5v2) using
definitions mentioned above in Latvia in 2009, 2013, 2014, 2015 and 2016 and compared
them with relevant Material deprivation rates, calculated according to current definition (MD3) (Figure 8).

Current and new MD indicators show the same trends year by year. Values of MD5v1 are higher than MD3 in 2009, 2013 and 2014. Comparing 2016 and 2009 data, MD3 decreased by 13.8 percent points, but MD5v1 and MD5v2 decreased more rapidly - by 16.6 and 15.9 percent points, respectively. It could be explained by the fact, that since the last economic crisis (2008-2010) household disposable income increased every year (Figure 9) and that new MD items are more flexible to changes of household income, because, on average, being out of deprivation of new MD items is less costly, than being out of deprivation of current MD items.

Changes in the household disposable income (average per household member) as compared to a previous year (%)

The data shows significant changes in the structure of deprived population. Approximately 6.5-6.6% of total population being deprived according to current MD definition are not deprived according to new MD definition, and vice versa – 5.2% or 4.0% of total population being deprived according to new MD definition (MD5v1 or MD5v2, respectively) are not deprived according to current MD definition (Table 2).
Table 2

Distribution of persons deprived according current and new MD definitions, 2016 (%)

<table>
<thead>
<tr>
<th></th>
<th>New MD definition (MD5v1)</th>
<th>New MD definition (MD5v2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not deprived</td>
<td>Deprived</td>
</tr>
<tr>
<td>Current MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>definition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(MD3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not deprived</td>
<td>68.4%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Deprived</td>
<td>6.5%</td>
<td>19.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>definition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(MD3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not deprived</td>
<td>69.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Deprived</td>
<td>6.6%</td>
<td>19.9%</td>
</tr>
</tbody>
</table>

Structure of population in cases described above differs a lot (Table 3). According to new definition of MD there are more deprived people in the age group 50-64, and less deprived people in the age group 16-24, than according to current definition.

Table 3

Structure of population by different levels of Material deprivation, 2016 (%)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Latvia*</th>
<th>Deprived only by MD3 (A)</th>
<th>Deprived only by MD5v1 (B1)</th>
<th>Deprived only by MD5v2 (B2)</th>
<th>Deprived by MD3 and MD5 (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>16.3%</td>
<td>15.2%</td>
<td>16.0%</td>
<td>15.9%</td>
<td>16.7%</td>
</tr>
<tr>
<td>16-24</td>
<td>9.2%</td>
<td>12.4%</td>
<td>4.7%</td>
<td>3.3%</td>
<td>8.7%</td>
</tr>
<tr>
<td>25-49</td>
<td>34.3%</td>
<td>30.6%</td>
<td>27.3%</td>
<td>28.1%</td>
<td>27.8%</td>
</tr>
<tr>
<td>50-64</td>
<td>20.7%</td>
<td>16.8%</td>
<td>26.7%</td>
<td>26.3%</td>
<td>24.1%</td>
</tr>
<tr>
<td>65+</td>
<td>19.6%</td>
<td>25.1%</td>
<td>25.3%</td>
<td>26.4%</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

*structure of population living in all private households

As one can see from the table below (Table 4), in 5 new MD items (“Replacement of worn-out clothes with some new ones”, “Two pairs of properly fitting shoes”, “Regular leisure activities”, “Getting together with friends/family for a drink/meal at least monthly”, “An internet connection”) deprivation rate is much higher for age group 50-64 than for age group 16-24.

Table 4

Proportion of people, who cannot afford MD items by age groups in Latvia, 2016 (%)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>0-15</th>
<th>16-24</th>
<th>25-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding arrears (mortgage or rent, utility bills or hire purchase)</td>
<td>14.9</td>
<td>20.4</td>
<td>18.7</td>
<td>16.2</td>
<td>13.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Keeping the home adequately warm</td>
<td>10.6</td>
<td>10.4</td>
<td>9.5</td>
<td>9.3</td>
<td>10.4</td>
<td>14.0</td>
</tr>
<tr>
<td>Coping with unexpected financial expenses</td>
<td>59.9</td>
<td>59.6</td>
<td>62.0</td>
<td>54.6</td>
<td>60.3</td>
<td>68.0</td>
</tr>
<tr>
<td>A meal with meat, chicken, fish or vegetarian equivalent every second day</td>
<td>15.6</td>
<td>13.1</td>
<td>13.9</td>
<td>11.4</td>
<td>19.3</td>
<td>21.8</td>
</tr>
<tr>
<td>One week annual holiday away from home</td>
<td>37.2</td>
<td>33.1</td>
<td>35.5</td>
<td>30.0</td>
<td>39.9</td>
<td>51.0</td>
</tr>
<tr>
<td>A personal car</td>
<td>19.5</td>
<td>17.8</td>
<td>23.2</td>
<td>17.8</td>
<td>22.3</td>
<td>19.3</td>
</tr>
<tr>
<td>A washing machine</td>
<td>3.3</td>
<td>1.6</td>
<td>1.9</td>
<td>2.1</td>
<td>4.1</td>
<td>6.6</td>
</tr>
<tr>
<td>A colour TV</td>
<td>0.5</td>
<td>0.4</td>
<td>0.1</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td>A telephone</td>
<td>0.3</td>
<td>0.2</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.6</td>
</tr>
<tr>
<td>* Replacement of worn-out clothes with some new ones</td>
<td>23.3</td>
<td>24.4</td>
<td>15.1</td>
<td>18.7</td>
<td>29.0</td>
<td>28.4</td>
</tr>
<tr>
<td>* Two pairs of properly fitting shoes</td>
<td>16.8</td>
<td>16.1</td>
<td>11.6</td>
<td>12.8</td>
<td>21.1</td>
<td>22.4</td>
</tr>
<tr>
<td>* Spending a small amount of money each week on him/herself</td>
<td>13.4</td>
<td>16.2</td>
<td>19.5</td>
<td>11.8</td>
<td>14.5</td>
<td>10.0</td>
</tr>
<tr>
<td>* Regular leisure activities</td>
<td>17.4</td>
<td>19.8</td>
<td>9.2</td>
<td>14.7</td>
<td>23.1</td>
<td>18.2</td>
</tr>
<tr>
<td>* Getting together with friends/family for a drink/meal at least monthly</td>
<td>7.7</td>
<td>7.4</td>
<td>5.0</td>
<td>5.9</td>
<td>9.8</td>
<td>10.4</td>
</tr>
<tr>
<td>* An internet connection</td>
<td>5.4</td>
<td>3.5</td>
<td>2.8</td>
<td>3.5</td>
<td>8.2</td>
<td>8.8</td>
</tr>
<tr>
<td>* Replacement of worn-out furniture</td>
<td>50.7</td>
<td>48.1</td>
<td>53.3</td>
<td>45.1</td>
<td>56.3</td>
<td>55.4</td>
</tr>
</tbody>
</table>

* new MD items
The table below summarizes data on current and new Material deprivation in urban and rural areas, by age group by household type and by quintile group in 2016 and shows difference to previous year in percent points.

<table>
<thead>
<tr>
<th></th>
<th>Current MD definition (MD3)</th>
<th>New MD definition (MD5v1)</th>
<th>New MD definition (MD5v2)</th>
<th>Differences between 2016 and 2015 in pp</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MD3</td>
</tr>
<tr>
<td>Total (all persons)</td>
<td>26.4%</td>
<td>25.1%</td>
<td>23.9%</td>
<td>-3.2 pp</td>
</tr>
<tr>
<td>Urban</td>
<td>24.2%</td>
<td>23.4%</td>
<td>22.0%</td>
<td>-4.6 pp</td>
</tr>
<tr>
<td>Rural</td>
<td>31.2%</td>
<td>28.6%</td>
<td>27.8%</td>
<td>-0.3 pp</td>
</tr>
<tr>
<td>by age group:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-15</td>
<td>26.4%</td>
<td>25.4%</td>
<td>24.3%</td>
<td>-1.7 pp</td>
</tr>
<tr>
<td>16-24</td>
<td>27.8%</td>
<td>21.6%</td>
<td>20.4%</td>
<td>-5.5 pp</td>
</tr>
<tr>
<td>25-49</td>
<td>22.0%</td>
<td>20.2%</td>
<td>19.4%</td>
<td>-3.4 pp</td>
</tr>
<tr>
<td>50-64</td>
<td>28.5%</td>
<td>29.8%</td>
<td>28.3%</td>
<td>-3.1 pp</td>
</tr>
<tr>
<td>65+</td>
<td>31.5%</td>
<td>29.8%</td>
<td>28.4%</td>
<td>-3.3 pp</td>
</tr>
<tr>
<td>by household type:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all households without dependent children</td>
<td>27.8%</td>
<td>27.2%</td>
<td>25.9%</td>
<td>-4.0 pp</td>
</tr>
<tr>
<td>single person household</td>
<td>38.3%</td>
<td>35.8%</td>
<td>34.5%</td>
<td>-3.6 pp</td>
</tr>
<tr>
<td>single men</td>
<td>31.1%</td>
<td>29.5%</td>
<td>28.9%</td>
<td>-6.6 pp</td>
</tr>
<tr>
<td>single women</td>
<td>41.9%</td>
<td>38.8%</td>
<td>37.2%</td>
<td>-2.1 pp</td>
</tr>
<tr>
<td>single person, &lt;65 years</td>
<td>33.3%</td>
<td>34.3%</td>
<td>32.8%</td>
<td>-5.1 pp</td>
</tr>
<tr>
<td>single person, 65 years +</td>
<td>42.8%</td>
<td>37.0%</td>
<td>36.0%</td>
<td>-2.3 pp</td>
</tr>
<tr>
<td>2 adults without dependent children</td>
<td>25.9%</td>
<td>25.9%</td>
<td>24.4%</td>
<td>-4.6 pp</td>
</tr>
<tr>
<td>both aged under 65 years</td>
<td>24.9%</td>
<td>24.4%</td>
<td>23.1%</td>
<td>-3.3 pp</td>
</tr>
<tr>
<td>at least one of them 65+</td>
<td>27.1%</td>
<td>27.6%</td>
<td>25.9%</td>
<td>-6.1 pp</td>
</tr>
<tr>
<td>all households with dependent children</td>
<td>25.1%</td>
<td>22.8%</td>
<td>21.9%</td>
<td>-2.0 pp</td>
</tr>
<tr>
<td>single parent, at least 1 dependent child</td>
<td>38.0%</td>
<td>34.9%</td>
<td>33.6%</td>
<td>-1.9 pp</td>
</tr>
<tr>
<td>2 adults with 1 dependent child</td>
<td>20.4%</td>
<td>17.3%</td>
<td>16.2%</td>
<td>1.0 pp</td>
</tr>
<tr>
<td>2 adults with 2 dependent children</td>
<td>18.9%</td>
<td>18.6%</td>
<td>17.4%</td>
<td>-3.4 pp</td>
</tr>
<tr>
<td>2 adults with 3 and more dependent children</td>
<td>33.4%</td>
<td>36.8%</td>
<td>35.0%</td>
<td>-1.3 pp</td>
</tr>
<tr>
<td>2 or more adults without dependent children</td>
<td>24.1%</td>
<td>24.2%</td>
<td>22.8%</td>
<td>-4.2 pp</td>
</tr>
<tr>
<td>2 or more adults with dependent children</td>
<td>23.6%</td>
<td>21.5%</td>
<td>20.6%</td>
<td>-2.1 pp</td>
</tr>
<tr>
<td>3 or more adults without dependent children</td>
<td>20.8%</td>
<td>21.2%</td>
<td>20.0%</td>
<td>-3.5 pp</td>
</tr>
<tr>
<td>3 or more adults with dependent children</td>
<td>26.7%</td>
<td>22.4%</td>
<td>22.0%</td>
<td>-3.6 pp</td>
</tr>
<tr>
<td>by quintile group:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; quintile group</td>
<td>55.8%</td>
<td>53.7%</td>
<td>52.0%</td>
<td>-4.3 pp</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; quintile group</td>
<td>35.7%</td>
<td>34.3%</td>
<td>32.4%</td>
<td>-3.0 pp</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; quintile group</td>
<td>22.8%</td>
<td>23.2%</td>
<td>21.8%</td>
<td>-0.6 pp</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; quintile group</td>
<td>13.8%</td>
<td>10.4%</td>
<td>10.0%</td>
<td>-4.1 pp</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt; quintile group</td>
<td>4.2%</td>
<td>3.9%</td>
<td>3.4%</td>
<td>-1.2 pp</td>
</tr>
</tbody>
</table>

The variations between 2016 and 2015 show the same direction in all breakdowns (all indicators decrease). However, decrease significantly differs in rural areas, in age group 16-24, in 1<sup>st</sup> – 4<sup>th</sup> quintile groups and in some household types (single parent with at least 1 dependent child, single person aged 65+ household, single men or women household). Values of the current and new Material deprivation rates also differs in some cases (in several
household types with dependent children, in single person aged 65+ household, in age group 16-24).

**Important issues and future challenges**

- Definition of Material deprivation rate: items have been chosen, threshold has been defined, but final decision still needs to be taken.
- Definition of Severe material deprivation rate: threshold has to be defined (political decision).
- Imputation rules for children and for item non-response: rule has been defined, but final decision still needs to be taken.
- According to Latvian experience there are two new MD items with complex methodologies: “to replace worn-out furniture” (difficulties to define “worn-out furniture”) and “two pairs of properly fitting shoes, including a pair of all-weather shoes” (difficulties to identify “all-weather shoes” in case of Latvian climate; difficulties to understand, how to calculate number of shoes in countries with different climate).
- Data distribution policy: it is important to decide, how to explain methodology of new Material deprivation indicators to data users (calculation, name of the new indicators, time series).

CSB of Latvia will continue to follow progress made by Eurostat towards developing of new indicators on Material deprivation. CSB fully understand and support the need for implementation of the new indicators. However, several important issues are still unclear and should be solved at the earliest convenience.

**Literature**


Annex 1

List of current and new Material deprivation items

<table>
<thead>
<tr>
<th>List of current Material deprivation items</th>
<th>List of new Material deprivation items</th>
<th>Level of item</th>
</tr>
</thead>
<tbody>
<tr>
<td>coping with unexpected expenses</td>
<td>coping with unexpected expenses</td>
<td>household level</td>
</tr>
<tr>
<td>one week annual holiday away from home</td>
<td>one week annual holiday away from home</td>
<td>household level</td>
</tr>
<tr>
<td>avoiding arrears (in mortgage or rent, utility bills or hire purchase instalments)</td>
<td>avoiding arrears (in mortgage or rent, utility bills or hire purchase instalments)</td>
<td>household level</td>
</tr>
<tr>
<td>a meal with meat, chicken, fish or vegetarian equivalent every second day</td>
<td>a meal with meat, chicken, fish or vegetarian equivalent every second day</td>
<td>household level</td>
</tr>
<tr>
<td>keeping the home adequately warm</td>
<td>keeping the home adequately warm</td>
<td>household level</td>
</tr>
<tr>
<td>a personal car</td>
<td>a personal car</td>
<td>household level</td>
</tr>
<tr>
<td>a washing machine</td>
<td></td>
<td>household level</td>
</tr>
<tr>
<td>a colour TV</td>
<td></td>
<td>household level</td>
</tr>
<tr>
<td>a telephone</td>
<td></td>
<td>household level</td>
</tr>
<tr>
<td></td>
<td>to replace worn-out furniture</td>
<td>household level</td>
</tr>
<tr>
<td></td>
<td>to replace worn-out clothes by some new (not second-hand)</td>
<td>personal level</td>
</tr>
<tr>
<td></td>
<td>two pairs of properly fitting shoes, including a pair of all-weather shoes</td>
<td>personal level</td>
</tr>
<tr>
<td></td>
<td>to spend a small amount of money each week on oneself without having to consult anyone</td>
<td>personal level</td>
</tr>
<tr>
<td></td>
<td>to get together with friends/family for a drink/meal at least monthly</td>
<td>personal level</td>
</tr>
<tr>
<td></td>
<td>to have regular leisure activities</td>
<td>personal level</td>
</tr>
<tr>
<td></td>
<td>to have access to Internet for personal use at home</td>
<td>personal level</td>
</tr>
</tbody>
</table>
Annex 2

Severe material deprivation in EU countries, 2016 (%)

Eurostat data; b – break in time series, p – provisional, e – estimated

Proportion of people living in households, who cannot afford different items of material deprivation in EU countries, 2016 (%)

<table>
<thead>
<tr>
<th>Avoiding arrears (mortgage or rent, utility bills or hire purchase)</th>
<th>Keeping the home adequately warm</th>
<th>Coping with unexpected financial expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece 47.9</td>
<td>Bulgaria (b) 39.2</td>
<td>Cyprus (2015) 60.5</td>
</tr>
<tr>
<td>Bulgaria (b) 34.2</td>
<td>Lithuania 29.3</td>
<td>Latvia 60.0</td>
</tr>
<tr>
<td>Croatia (p) 27.2</td>
<td>Cyprus (2015) 28.3</td>
<td>Romania 54.5</td>
</tr>
<tr>
<td>Romania 19.7</td>
<td>Portugal 22.5</td>
<td>Bulgaria (b) 54.2</td>
</tr>
<tr>
<td>Hungary 19.0</td>
<td>Italy (p) 15.8</td>
<td>Greece 53.6</td>
</tr>
<tr>
<td>Slovenia 17.4</td>
<td>Romania 13.8</td>
<td>Lithuania 53.2</td>
</tr>
<tr>
<td>Lithuania (2015) 15.9</td>
<td>Latvia 10.6</td>
<td>Hungary 50.8</td>
</tr>
<tr>
<td>Latvia 14.9</td>
<td>Spain 10.1</td>
<td>Ireland (2015) 50.0</td>
</tr>
<tr>
<td>EU-28 (2015) 11.5</td>
<td>Croatia (p) 9.6</td>
<td>Slovenia 41.7</td>
</tr>
<tr>
<td>Poland (p) 11.0</td>
<td>EU-28 (2015) 9.4</td>
<td>Italy (p) 40.2</td>
</tr>
<tr>
<td>Finland 10.9</td>
<td>Hungary 9.2</td>
<td>Spain 38.7</td>
</tr>
<tr>
<td>Italy (p) 10.7</td>
<td>Ireland (2015) 9.0</td>
<td>Portugal 38.3</td>
</tr>
<tr>
<td>Lithuania 10.7</td>
<td>Poland (2015) 7.5</td>
<td>Poland (p) 37.9</td>
</tr>
<tr>
<td>Spain 10.6</td>
<td>Malta (p) 7.1</td>
<td>Slovakia 37.9</td>
</tr>
<tr>
<td>Portugal 9.3</td>
<td>United Kingdom (p) 6.1</td>
<td>United Kingdom (p) 37.9</td>
</tr>
<tr>
<td>Estonia (p) 8.9</td>
<td>Slovakia 5.1</td>
<td>Czech Republic 32.1</td>
</tr>
<tr>
<td>France (p) 8.8</td>
<td>Belgium 4.8</td>
<td>Estonia (p) 31.9</td>
</tr>
<tr>
<td>United Kingdom (p) 8.7</td>
<td>Scotland 4.8</td>
<td>France (p) 31.8</td>
</tr>
<tr>
<td>Slovakia 7.5</td>
<td>Germany (p) 3.9</td>
<td>Germany (p) 31.0</td>
</tr>
<tr>
<td>Belgium 7.0</td>
<td>Czech Republic 3.8</td>
<td>Finland 29.4</td>
</tr>
<tr>
<td>Austria 6.5</td>
<td>Denmark 2.7</td>
<td>Belgium 25.9</td>
</tr>
<tr>
<td>Denmark 5.8</td>
<td>Austria 2.7</td>
<td>Luxembourg (2015) 23.0</td>
</tr>
<tr>
<td>Sweden 5.4</td>
<td>Netherlands 2.6</td>
<td>Austria 22.6</td>
</tr>
<tr>
<td>Luxembourg (2015) 5.2</td>
<td>Sweden 2.6</td>
<td>Netherlands 22.4</td>
</tr>
<tr>
<td>Netherlands 5.0</td>
<td>Estonia (2015) 2.0</td>
<td>Malta (p) 21.4</td>
</tr>
<tr>
<td>Czech Republic 4.4</td>
<td>Finland 1.7</td>
<td>Sweden 20.7</td>
</tr>
<tr>
<td>Germany (p) 4.3</td>
<td>Luxembourg (2015) 0.9</td>
<td></td>
</tr>
</tbody>
</table>
A meal with meat, chicken, fish or vegetarian equivalent every second day
Romania 34.6
Bulgaria (b) 21.8
Hungary 19.1
Slovakia 17.0
Lithuania 15.7
Latvia 15.6
Greece 14.4
Italy (p) 14.2
Croatia (p) 13.0

One week annual holiday away from home
Romania 66.6
Croatia (p) 62.8
Bulgaria (b) 56.4
Greece 53.6
Cyprus (2015) 53.5
Hungary 50.7
Portugal 47.2
Italy (p) 45.2
Slovakia 44.9
Poland (p) 41.2

A personal car
Romania 32.9
Bulgaria (b) 22.0
Hungary 20.6
Latvia 19.5
Estonia (p) 12.1
Slovakia 12.0
Lithuania 11.4
Greece 10.0
Denmark (2015) 9.8

Bulgaria (b) 34.6  Romania 66.6  Romania 32.9
Croatia (p) 26.8

Romania 21.8  Bulgaria (b) 56.4
Hungary 19.1  Greece 53.6

EU-28 (2015) 34.4

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
Bulgaria (b) 9.0
Latvia 3.3
Lithuania 1.9
Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

A washing machine
Romania 9.8
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Greece 1.4
Belgium 1.3
Denmark (2015) 1.3
Estonia (p) 1.3
Croatia (p) 1.2
EU-28 (2015) 1.1
Portugal 1.1
Hungary 1.0

A colour TV
Romania 1.4
Bulgaria (b) 1.4
Denmark (2015) 1.4

A telephone
Romania 3.6
Bulgaria (b) 2.8
Hungary 1.3
Poland (p) 1.2

EU-28 (2015) 0.4

Malta (p) 0.4

Romania 0.4

Austria 0.3

Spain 0.2

Eurostat data; b – break in time series, p – provisional