

International and European Standards on Social Exclusion Statistics

*Strengthening of the National
Statistical System of Armenia –
Phase II*

*Mission on Poverty Statistics
Activity 4.1: Assessment and
planning of pilot survey*

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Outline

- Broader frameworks and initiatives
- European framework: EU-2020 strategy and EU-SILC
- Annex: handbooks and guidelines relevant for measurement of social exclusion

Broader frameworks & initiatives

United Nations:

- Millennium Development Goals & Sustainable Development Goals (to be adopted September 2015)
- SDG: 17 goals, e.g. "End poverty in all its forms everywhere"
- → 169 targets, such as "reduce by at least half the number of people living in poverty by 2030" and "eradicate extreme poverty"
- → a large set of statistical indicators

World Bank: "shared prosperity": Income of the bottom 40 % of population

"GDP and Beyond", Stiglitz Commission & follow-ups on multidimensional measurement of quality of life:

- OECD: [Better Life Initiative](#) & inclusive growth,
- Eurostat: [quality of life indicators](#)

EU-2020 strategy: people at risk of poverty or social exclusion

European Union: EU 2020 –strategy: five objects on 1) employment 2) innovation 3) education 4) [social inclusion](#) and 5) climate and energy

- European target: 20 million less people should be [at risk of poverty or social exclusion](#) (AROPE) by 2020 in European Union
- National targets: reduction of 2,2 million people in [Italy](#) , Finland 150,000 people
- National reform programs: document which presents the country's policies and measures to reach the Europe 2020 targets

Social exclusion is [multidimensional](#), and requires that [dimensions have to be measured in the same dataset](#): accumulation of dimensions of deprivation items

Main data source in Europe is EU-SILC (EU Statistics on Income and Living Conditions)

EU-SILC

EU-SILC is *“the reference source for comparative statistics on income distribution and social inclusion in the European Union (EU).”*

EU-SILC is a common framework, not a unique survey instrument

De facto it defines the dimensions of social exclusion and sets the standards on how it is measured in Europe

The EU legal framework and implementation regulations, guidelines and recommendations specify:

- the [list of target variables](#) to be transmitted to Eurostat
- [common definitions](#), concepts and units, classifications
- minimum effective sample sizes, transmission deadlines, quality reporting

Social indicators in Europe

Agreed set of common EU social inclusion indicators (Social Protection Committee SPC & Indicators sub-group ISG)

- initially the "Laeken" indicators in 2001; revised and amended after that

Dimensions covered: income, employment, education, health, material deprivation, housing, child well-being...

Aggregation to 1) material deprivation indicator and 2) to AROPE composite indicator: multi-dimensional counting approach

- Two-step procedure: choose the dimensions, then choose the number dimensions required to be deprived (deprivation threshold)
- Number of deprived (~poverty headcount), average number of deprivations (~poverty gap)
- Theoretical background: extension of the FGT poverty measure to multidimensional case (Alkire & Foster 2011)

EU-SILC: AROPE and its components

Definition: **at risk of poverty or social exclusion rate (AROPE)** refers to the situation of people either at risk of poverty, or severely materially deprived or living in a household with a very low work intensity.

AROPE is a composite union indicator (at risk of poverty or social exclusion, i.e. deprived in at least one the three dimensions)

1. At risk of poverty (ARP): it is the share of people with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income.

This indicator does not measure wealth or consumption poverty, but low income in comparison to other residents in that country, which does not necessarily imply a low standard of living. It is not expressed in absolute terms.

EU-SILC: AROPE and its components

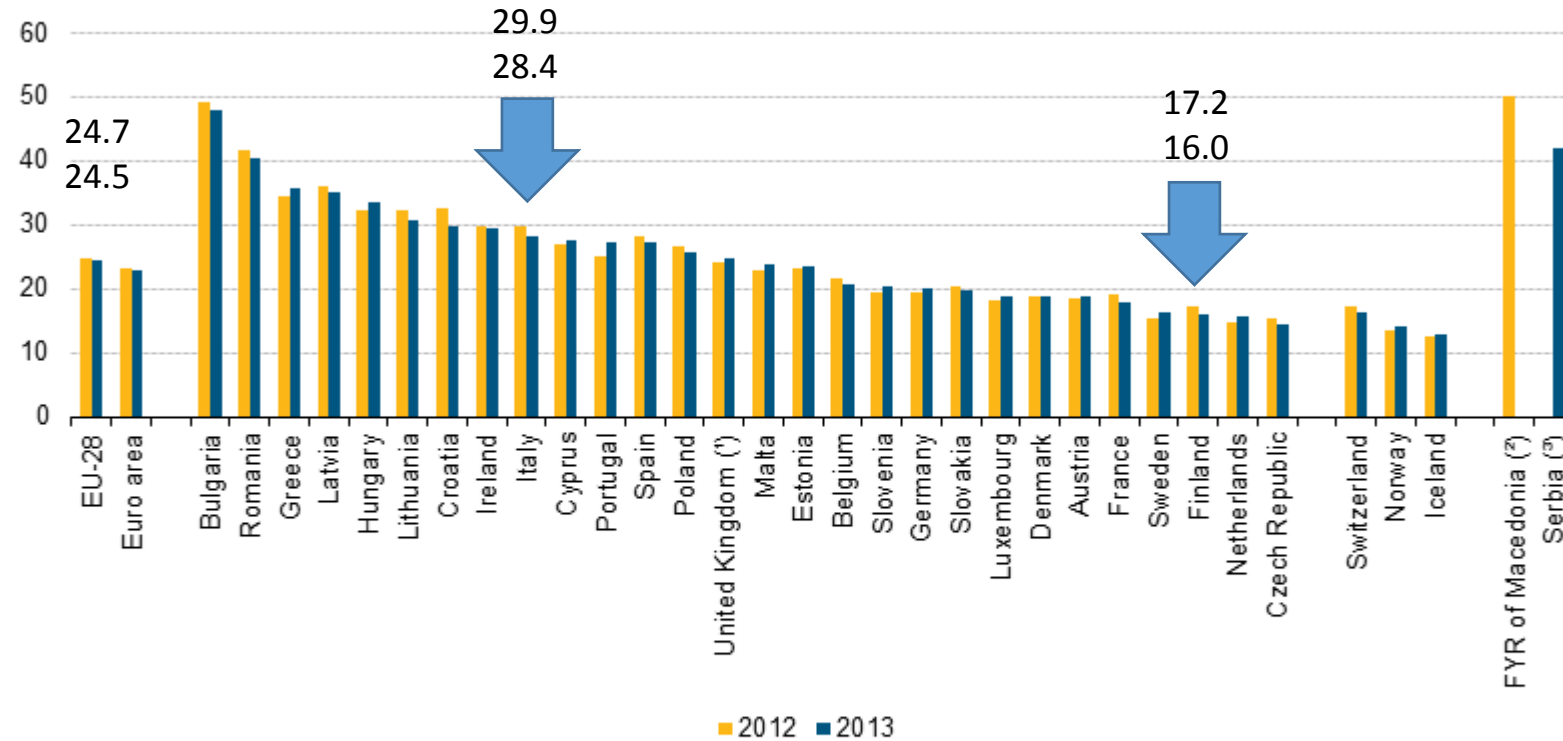
2. The material deprivation rate is an indicator that expresses the enforced inability (not a matter of choice!) to afford some items considered by most people to be desirable or even necessary to lead an adequate life.

Severe material deprivation rate is defined as the inability to pay for at least four of the [these](#) nine items, adopted by the Social protection committee.

3. The **work intensity** of a household is the ratio of the total number of months that all working-age household members have worked during the year and the total number of months the same household members theoretically could have worked in the same period.

The indicator **persons living in households with low work intensity** is defined as the number of persons living in a household having a work intensity below a threshold set at 0.20.

EU-SILC: AROPE in 2012-2013

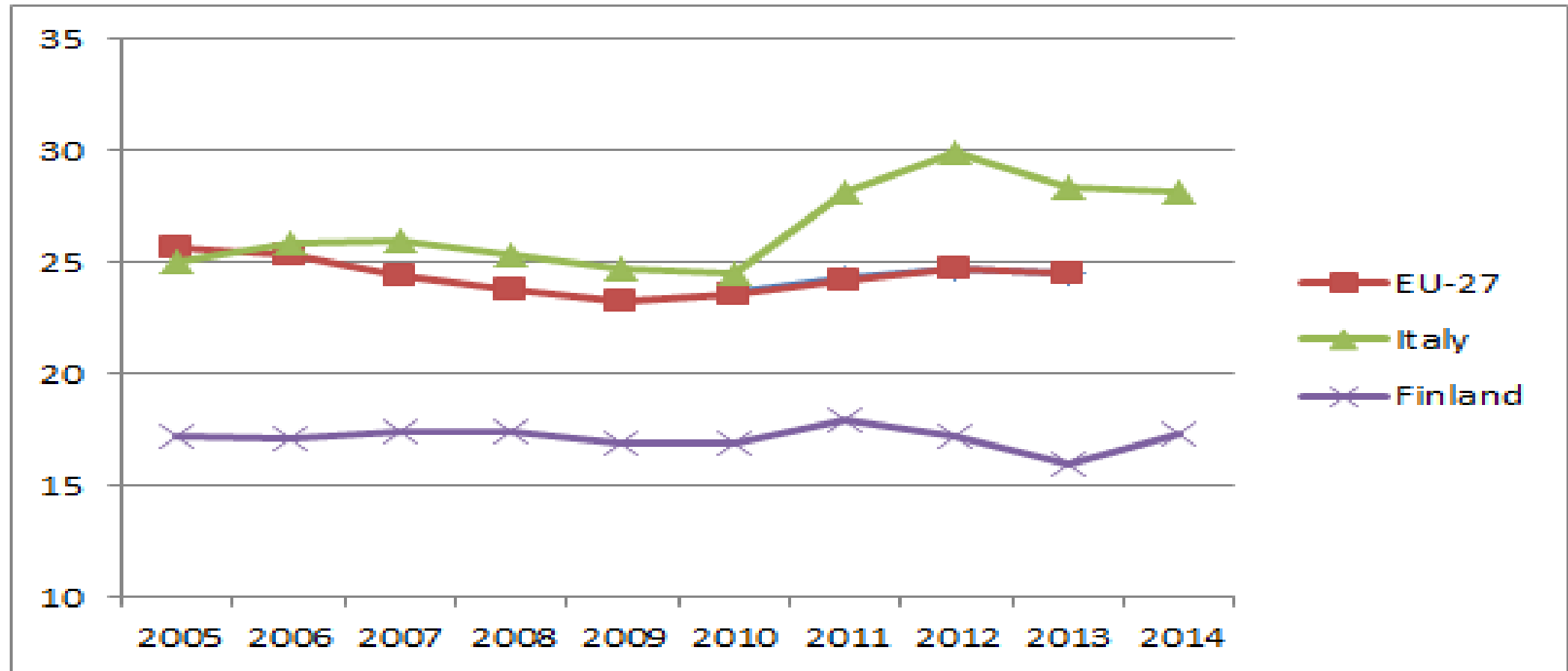


(*) Break in series, 2012.

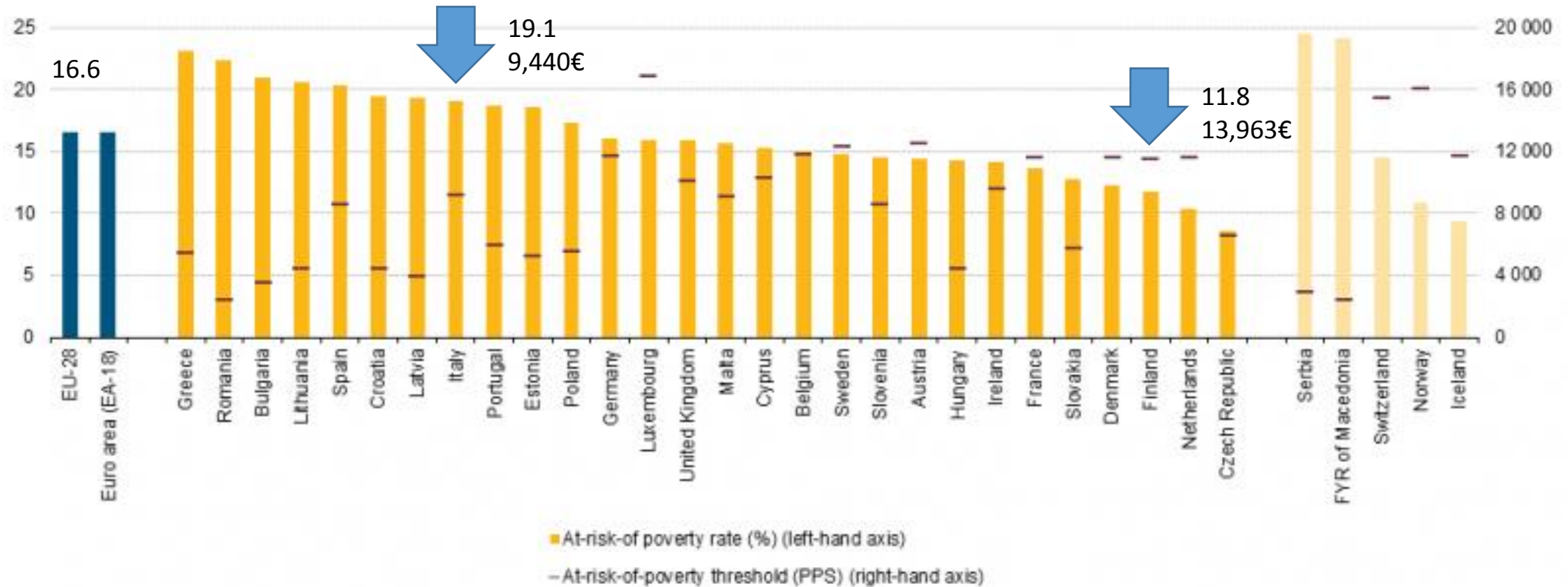
(*) 2013 data not available.

(*) 2012 data not available.

EU-SILC: AROPE 2005-2014

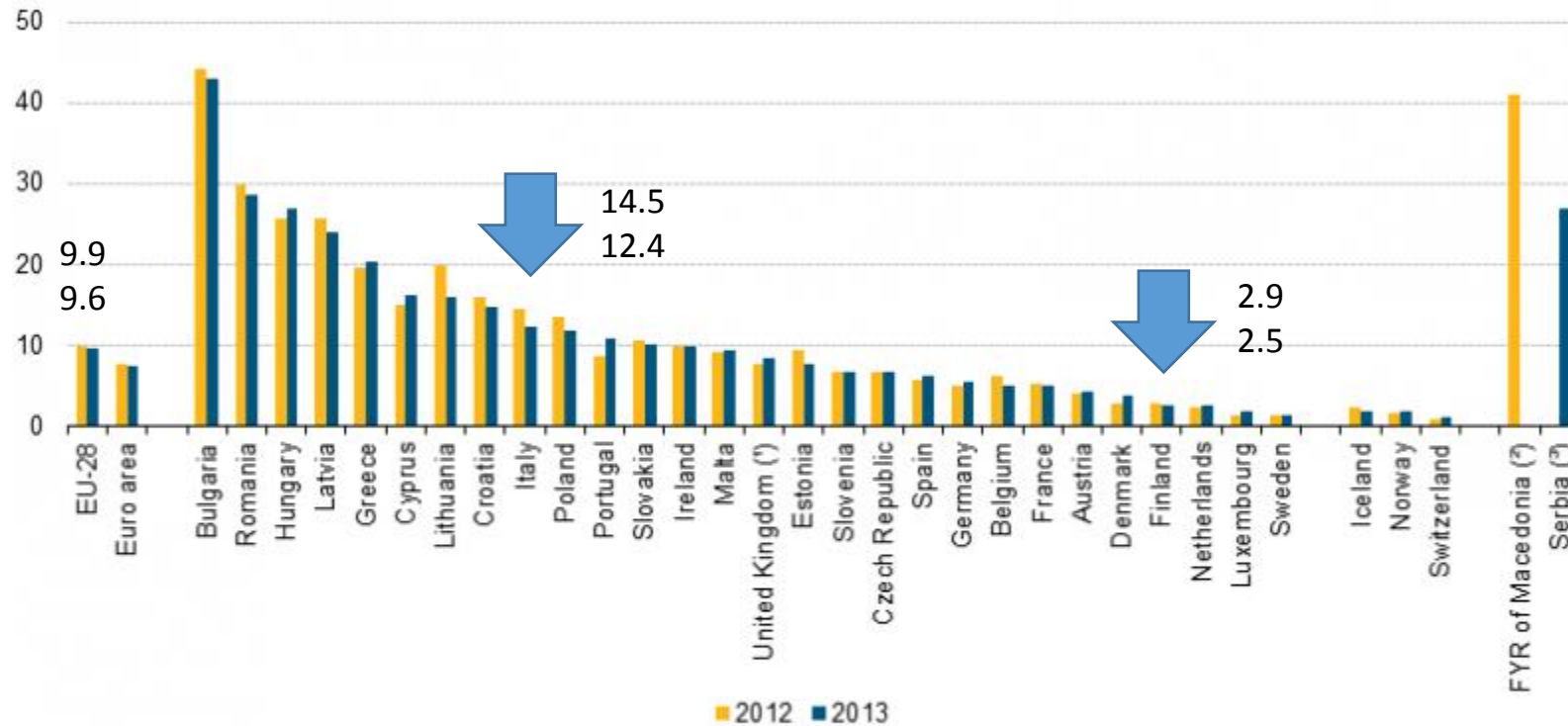


EU-SILC: ARP in 2013



Source: Eurostat (online data codes: ilc_li01 and ilc_li02)

EU-SILC: severe material deprivation in 2012-2013

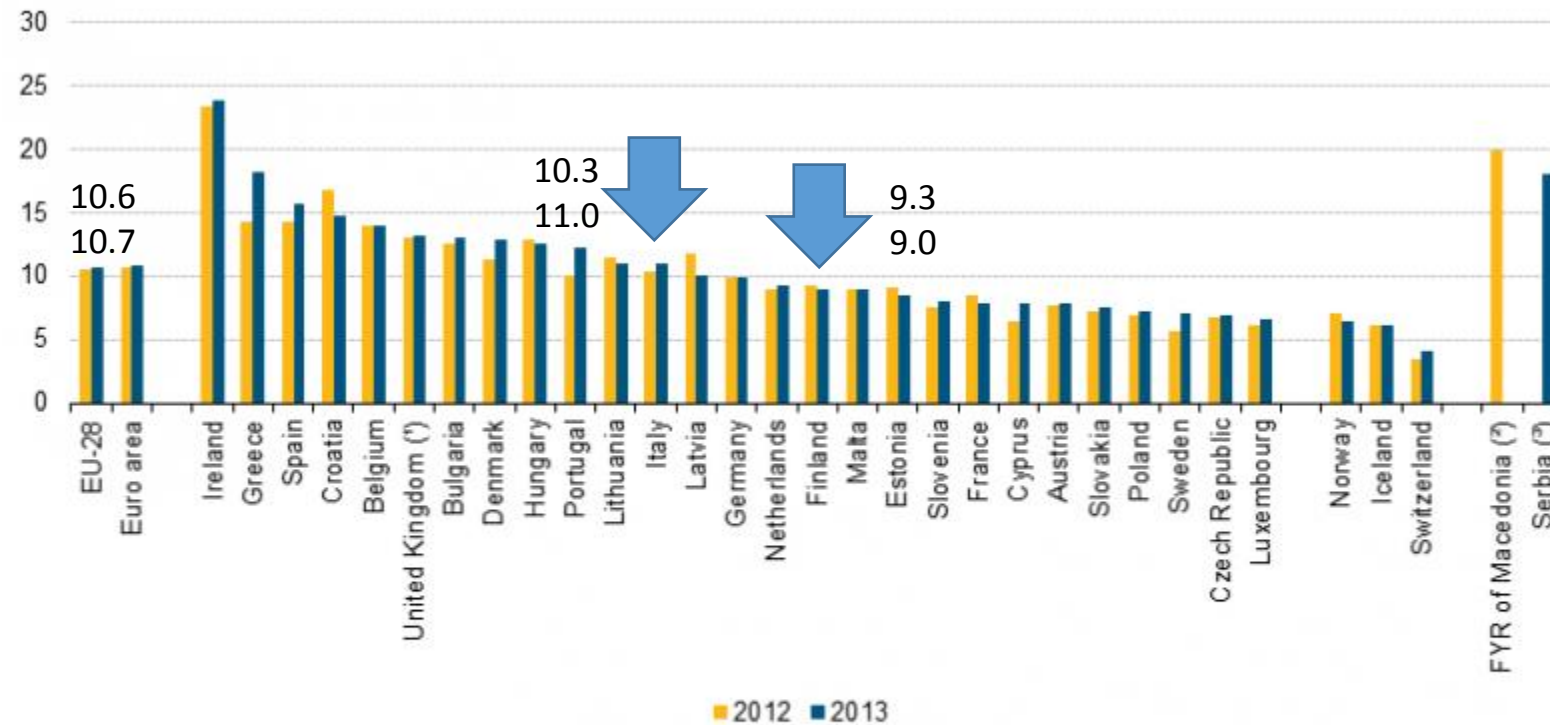


(*) Break in series, 2012.

(?) 2013 data not available.

(?) 2012 data not available.

EU-SILC: people aged <60 living in households with very low work intensity in 2012-2013



(*) Break in time series, 2012.

(?) 2013 data not available.

(?) 2012 data not available.

Guidelines and documentation relevant for measurement of the dimensions of social exclusion

- EU-SILC Methodological guidelines and target variables (Doc. 65)
- Eurostat website: [methodology](#), [material deprivation](#), National documentation of EU-SILC: [questionnaires](#), national [quality reports](#)
- OECD Guidelines on [Measuring Subjective Well-Being](#)
- OECD [Framework for Statistics on the Distribution](#) of Household Income, Consumption and Wealth
- Canberra Group Handbook on Household Income Statistics
- OECD Guidelines for [Micro Statistics on Household Wealth](#)