The Italian Experience in Measuring Poverty

European Union Statistics on Income and Living Conditions (EUSILC)

Designing Household Surveys to Measure Poverty

Perugia, Italy
November 2017
Topics of the presentation

1. The European framework of EUSILC
2. Sampling strategy and survey techniques
3. User Data Base
4. Structure of the questionnaire
5. Indicators
   • At risk of poverty (ARP)
   • Material Deprivation (MD)
   • Low work intensity
   • At risk of poverty and social exclusion
   • At persistent risk of poverty (APRP)
Poverty and social exclusion in Italy using European indicators

In the framework of Europe 2020, the EU's growth strategy for the current decade, the European Council adopted in June 2010 a headline target for social inclusion: Reduction of poverty by lifting at least 20 million people out of the risk of poverty or social exclusion.

Several indicators have been defined to monitor progress towards this headline target, and in particular the At Risk of Poverty or Social Exclusion (AROPE), that combines the at-risk-of-poverty rate, the severe material deprivation rate, and the proportion of people living in households with very low work intensity.

EU-SILC is the source of this and other indicators.
EU Statistics on Income and Living Conditions

The EU statistics on income and living conditions (EU-SILC) is:

- the reference source for comparative statistics on income distribution and social inclusion in the European Union;

- multi-purpose instrument, focusing mainly on income (income components at individual and household level), but providing also information on social exclusion, housing conditions, labour, education and health;

- based on the idea of a common “framework” (not common “survey”) which defines the harmonised lists of target variables, common guidelines and procedures, common concepts and classifications aimed at maximising comparability of the information produced.
EU Statistics on Income and Living Conditions

The reference population includes all private households and their current members residing in the territory of the countries at the time of data collection. All household members are surveyed, but only those aged 16 and more are interviewed.

Household definition: cohabitants related through marriage, kinship, affinity, adoption, patronage and affection (Domestic personnel au pairs not included, but some demographic information are collected - date of birth, sex, marital status, length of stay in the household).

EU-SILC provides two types of annual data:

- cross-sectional data with variables on income, poverty, social exclusion and other living conditions;

- longitudinal data pertaining to individual-level changes over time, observed periodically over a four-year period.
Sample design: 4 rotational groups

Each cross-sectional sample is made of:
- 1 sub-sample at the 1\textsuperscript{st} interview
- 1 sub-sample at the 2\textsuperscript{nd} interview
- 1 sub-sample at the 3\textsuperscript{rd} interview
- 1 sub-sample at the 4\textsuperscript{th} interview
Sample design: 4 rotational groups

Each longitudinal release is made of:
- 1 sub-sample interviewed during 4 years
- 1 sub-sample interviewed during 3 years
- 1 sub-sample interviewed during 2 years
Survey modes: main changes

- PAPI 2004-2010
- CAPI 2011 onwards
- CAPI-CATI Mixed mode (2015)
- CATI pilot survey (2014)

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User Data Base (4 files)

- **D** *(1 record for each sample household)*
  - Rotational group
  - Degree of urbanization
  - HH status *(interviewed or not)*

- **R** *(1 record each household member)*
  - Sample/co-resident
  - Membership status
  - Relationship Father/Mother

- **H** *(1 record for each interviewed household)*
  - Housing conditions
  - Housing costs
  - Non-monetary deprivation
  - HH income

- **P** *(1 record for each interviewed individual, 16 +)*
  - Demographic characteristics
  - Education
  - Employment
  - Health
  - Individual income
Questionnaire structure

- Household contact register
  - Contact attempts
  - Interview outcome

- Individual register
  - Demographic information about each household member

- Household questionnaire
  - Detailed information about household living conditions:
    - HH income components
    - HH costs
    - Dwelling characteristics
    - HH deprivation items
    - Children deprivation items

- Individual questionnaire
  - Detailed information about individuals 16+:
    - Education
    - Employment
    - Income components
    - Health
    - Individual deprivation items
Ad hoc modules in questionnaire

- 2005 Intergenerational transmission of poverty
- 2006 Social Participation
- 2007 Housing conditions
- 2008 Over-indebtedness and financial exclusion
- 2009 Material Deprivation
- 2010 Intra-household sharing of resources
- 2011 Intergenerational transmission of disadvantages
- 2012 Housing conditions
- 2013 Well-being
- 2014 Material deprivation
- 2015 Social and cultural participation and Material deprivation
- 2016 Access to Services
- 2017 Health and children's health
At Risk of Poverty Rate (ARP)

Share of people with an equivalised disposable income below the at-risk-of-poverty threshold (i.e. 60% of the national median).

Relative measure of poverty:

- Individuals with lower standards of livings than the rest of the population
- It relies on an monetary measure of the standards of living
- It depends on national standards of living
At Risk of Poverty Rate (ARP)

Italy - ARP threshold (60% median) by year

At Risk of Poverty Rate (ARP)

IT - ARP by year

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At Risk of Poverty Rate (ARP)

EU - ARP threshold (60% median) by country - 2014

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At Risk of Poverty Rate (ARP)

EU - ARP by country - 2014

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Material Deprivation (MD) and Severe (SMD)

Share of people who **cannot afford** at least three or four of nine items considered desirable or necessary to lead an adequate life (for MD and SMD respectively):

1. pay unexpected expenses
2. afford a one-week annual holiday away from home
3. a meal involving meat, chicken or fish every second day
4. the adequate heating of a dwelling
5. a washing machine
6. colour television
7. telephone
8. car
9. being confronted with payment arrears (mortgage or rent, utility bills, hire purchase instalments or other loan payments)

**Non monetary measure of the standards of living**
Material Deprivation (MD) and Severe MD (SMD)

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Material Deprivation (MD) and Severe MD (SMD)

EU - SMD and MD by country - 2014

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Low Work Intensity

Share of people living in households with very low work intensity are defined as people of all ages (0–59) living in households where the members of working age worked less than 20.0 % of their total potential during the previous 12 months (i.e. work intensity below 0.20).

**Work Intensity** = ratio of the total number of months that all working-age household members have worked (during the income reference year) and the months they could have worked.

A working-age person is a person aged 18-59 years, with the exclusion of students in the age group between 18 and 24 years.

Households composed only of children, of students aged less then 25 and/or people aged 60 or more are completely excluded from the indicator calculation.
Low Work Intensity

IT - LWI by year

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Low Work Intensity

EU - LWI by country - 2014
At Risk of Poverty or Social Exclusion (AROPE)

Individuals at-risk-of-poverty (ARP), or severely deprived (SMD), or living in households with very low work intensity (LWI).
At Risk of Poverty or Social Exclusion (AROPE)

Individuals at-risk-of-poverty (ARP), or severely deprived (SMD), or living in households with very low work intensity (LWI).

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At Risk of Poverty or Social Exclusion

EU - AROPE by country - 2014

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At Risk of Poverty or Social Exclusion

AROPE by EU areas and year

EU27  EU15  NMS12

2010  2011  2012  2013  2014
At Persistent Risk of Poverty (APRP)

The persistent at-risk-of-poverty rate shows the percentage of the population at-risk-of-poverty in the current year and at least two out of the preceding three years.

Its calculation requires a longitudinal instrument, through which the individuals are followed over four years.
At Persistent Risk of Poverty (APRP)

**IT - APRP by year**

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At Persistent Risk of Poverty (APRP)

EU - APRP and ARP by country - 2014

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