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POVERTY
IN THE CZECH REPUBLIC

A CRITICAL LOOK AT EU INDICATORS

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Introduction

The last decade saw a significant expansion of the means of monitoring living conditions and poverty in the enlarged European Union. This was due to the abundance of statistical and sociological data and the ever-improving tools of their analysis. Poverty attracts the attention of national and international research institutions whose recommendations help to formulate policies of income redistribution and targeted assistance. Research on poverty and its political status gained significance in the context of the Europe 2020 strategy, which aims to establish "inclusive growth" and to save at least 20 million people from poverty.

However, the facts regarding poverty depend on which one of the many definitions of poverty we choose to follow. The question of how many falls into the category of poor and how does their number evolve can only be answered with another question: which of the many forms or indications of poverty are we talking about? Some definitions are rather general and statistics-based; they allow enable to define percentages of the population exposed to poverty and make cross-national comparisons. Other definitions are more specific and rather sociological; they concern only the most vulnerable segments of society and are used in national analyses.

Within the EU some poverty indicators were defined that allow for more accurate comparisons between countries, and monitor developments at similar types of households. Specifically for the purposes of the Europe 2020 strategy, a composite indicator of the risk of poverty or social exclusion was designed (AROPE). It consists of three "sub-indicators": 1. at-risk-of-poverty rate, 2. severe material deprivation, and 3. very low work intensity. Any household member who falls under the set threshold in at least one of the indicators is identified as at risk of poverty or social exclusion.

For calculation of these indicators we rely mainly on data from EU-SILC surveys collected on representative samples of households (Box in Introduction). Since 2005 the survey involves all EU countries (and some others). It is often and rightly emphasized that the survey results rank the Czech Republic as the best in terms of the at-risk-of-poverty rate. Also in terms of the other two indicators the Czech Republic performs well. Also in the composite indicator of the risk of poverty or social exclusion the Czech Republic leads the ranking, thanks to the relative high importance of the at-risk-of-poverty rate, closely followed by the Netherlands, Sweden, Finland, Denmark, Slovakia, France and Austria (Table A.4).

This study aims to provide a critical look at the design of the indicators, with regard to the frequency of their use and political significance. We open two connected sets of questions. The first area concerns the construction of these indicators and their ability to depict poverty. The second area refers to problems with data collected in EU-SILC surveys. This is where our efforts correspond with those of the international expert group Net-SILC, even though the Czech Republic is currently not participating (Box). We do not aspire to any substantial revisions of what is already known about poverty in our country; our ambition is to verify, complete and if necessary correct the used information.

The study is organized as follows: First we look at the EU poverty indicators, especially from the point of view of the very probable underestimation of household incomes in surveys. In the second part we compare the above-mentioned indicators with households' reports about

their problems to cope with their income. In the third part we use panel data from EU-SILC survey to look at duration of poverty. In the fourth part we place the data on the Czech Republic in the Central-European context and point to some gaps in our knowledge.

Box: EU-SILC Survey and its testing

Since 2005 *European Union-Statistics on Income and Living Conditions (EU-SILC)* serves as the main data source in pursuing the social targets of the *Europe 2020* strategy. The questions are designed by the Eurostat, which also creates comparative data sets provided for research purposes. In the Czech Republic the survey is called *Living Conditions*. The surveys are widely used and their qualities discussed.

An international expert group *Net-SILC* tests the possibilities and limits of these surveys; however, despite some critical views, the group never fails to recognize the benefits of the surveys: "Without the investment in EU-SILC, and its predecessor the European Community Household Panel (ECHP), it would not have been possible for the EU to embark on the construction of social indicators, and the whole development of the social dimension of Europe would have been much poorer. The EU-SILC data have played a key role in policy formation. At the same time, the instrument has evident limitations. As its warm supporters, we have been concerned that too much weight might be placed on what can be achieved using EU-SILC data. It is therefore important that it be subjected to stringent tests" (Atkinson, Guio, Marlier 2015, p. 35).

As the main source of data the study relies on the representative statistical survey carried out under the supervision of the Eurostat, *the European Union Statistics on Income and Living Conditions (EU-SILC)*, or the corresponding Czech statistical survey called *Living Conditions* survey. In both cases, we analyse sets of persons who are assigned characteristics of their households and through weighting adapted to the Czech population, or the population of the EU states.

1. What do the "objective" indicators of poverty show?

In EU countries the default indicator for poverty comparison is the <u>at-risk-of-poverty rate</u> (also called income poverty hereafter). When calculating this rate, households of different sizes are first converted into one common base of the so-called equivalent units: the first adult is assigned a weight of 1.0, each child of 13 or less receives weight 0.3 and any other persons 0.5. The at-risk-of-poverty rate is then set at 60% of the national median equivalised income. It is a purely relative indicator, which reflects the level of income inequality in the country, or more specifically inequality of household incomes in the lower half of income distribution. Every step leading from the declared household income to poverty indicator is based on experts' decision.

Later on, another indicator was introduced: the level of <u>material deprivation</u>, which, in contrast to the previous purely relative indicator, is closer to the concept of absolute poverty. While the original definition applies the term "severe material deprivation", in Czech statistics and studies the predicate "severe" is omitted. This indicator is defined as the proportion of people living in households which for financial reasons cannot afford at least 4 out of 9 sets of items: 1. To pay an unexpected expense of several thousand CZK (9,600 CZK in 2014); 2. A meal with meat, poultry or fish (or vegetarian substitutes) every second day; 3. Heating to keep the home adequately warm; 4. One week's annual holiday away from home for all household members; 5. Washing machine; 6. Colour television; 7. Phone; 8. Car; 9. Housing costs - (arrears on) mortgage or rent payments, utility bills, hire purchase instalments or other loan payments.

> **Box 1.1: Time reference of EU-SILC data**
>
> Data for the EU-SILC survey is usually collected in spring of a given year. Income is reported in total for the previous year. Economic activity is reported for each month of the previous year, and, also, for the current period of data collection. So, for example, if a survey is carried out in 2006, indicators of income and labour participation of household members in each month relate to 2005. In practice, Eurostat and national statistical offices use to refer to the year of the data collection, arguing that income average in the previous year can be considered the best possible indicator of the current income (Eurostat 2010). However in this study, as we compare the data from EU-SILC surveys with other sources of information, we use the reference – previous – year for identification. This may not be possible if various indicators are combined.

The most recent of the EU indicators is the indicator of working intensity in household. It is based on data on economic activity of household members in individual months of the year prior to EU-SILC data collection, i.e. in months corresponding to the annual income reference period. It considers persons aged 18-59 years, while students under 24 years are excluded. The number of months of actual economic activity of the household members is divided by the number of months such activity was possible (i.e. the number of household members times twelve). The value of 0.2 and lower is identified as very <u>low work intensity</u> (the predicate "very" is omitted hereafter).

Figure 1.1: Composition of the indicator At risk of poverty or social exclusion in 2014 (%)

At-risk-of-poverty rate: 9.7%

Material deprivation: 6.7%

4.8%   1.1%   3.2%

2.0%

1.9%   0.4%

Poverty or social exclusion: 14.8%

1.5%

Low work intensity: 5.7%
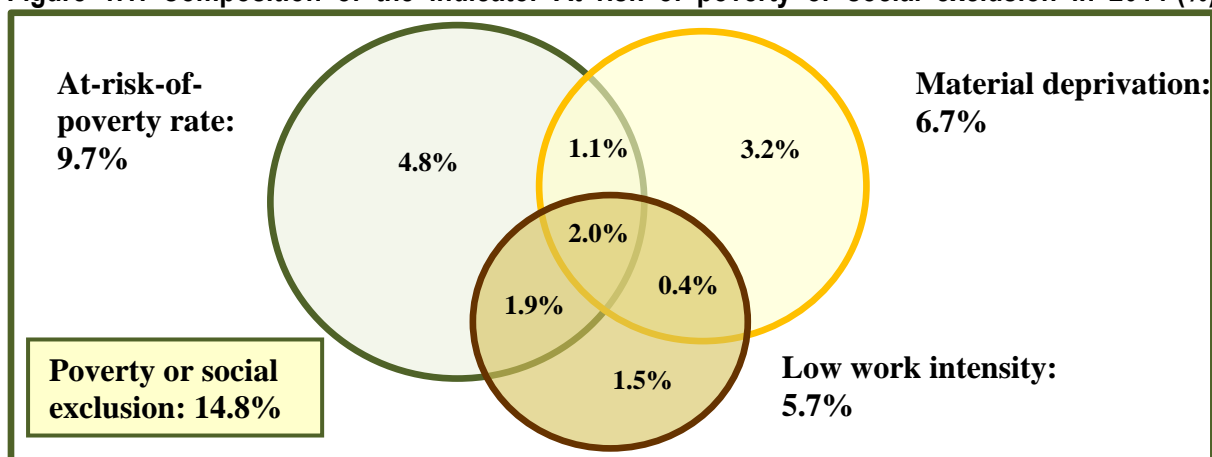
Source: EU-SILC 2014, authors' computations.

All three indicators are used as components of the composite indicator "At risk of poverty or social exclusion" (AROPE). Any member of a household that that falls below the defined threshold in at least one of these indicators is identified as at risk of poverty or social exclusion. In 2014, 9.7% of Czechs were found under the risk of income poverty, 6.7% fell into the category of (severe) material deprivation, 5.7% faced (very) low labour intensity and in total 14.8% fell into one of these criteria. In 2014, all three poverty criteria were met by 2.0% of the Czech population (Figure 1.1).

The national dataset of EU-SILC offers two additional indicators of income poverty given by the current legislation: income below the statutory subsistence minimum rate and receiving monetary assistance in material need. Subsistence minimum rate is calculated using prescribed amounts for each household based on its size and the age of children. Households with incomes below the subsistence minimum rate are those whose disposable income, after deducting the costs of housing (which are treated separately), falls below the calculated amount. After an income check, they are entitled to the state social benefit. Assistance in material need is paid to households with incomes that fail to provide for basic needs, following the discretion of local social authority.

The 2014 national EU-SILC indicates 4.3% of households (435,000 persons, 4.2% of the population) with incomes below the subsistence minimum rate and 2.7% of households (330,000 people, 3.2% of the population) receiving regular assistance in material need. If we relate these figures to the at-risk-of-poverty rate and material deprivation, we see that among households with incomes below the subsistence minimum rate, 95% people faced the risk of income poverty and 42% people faced material deprivation, according to EU definitions. 76% of households (80% of people) receiving assistance in material need found themselves at risk of income poverty, and 60% of households (63% people) met the criteria of material deprivation.

From now on we shall only be looking at "European" indicators of poverty, i.e. the at-risk-of-poverty rate, material deprivation and low work intensity. These indicators, or the sub-indicators of the composite indicator of the risk of poverty or social exclusion, may be regarded as "objective" or "expert" and thus be put in contrast to the "subjective" indicators, which are based on self-assessment of the household. However, before we do so, we should

consider the reliability of the used data and, wherever possible, verify their relevance from other sources.

We will concentrate on the first and the most popular indicator in comparative analyses – the at-the-risk-of-poverty rate (income poverty).

Box 1.2: Provision of information about household income in statistical surveys

In Microcensuses collected periodically since 1958 during the communist era in Czechoslovakia, the main household incomes were surveyed directly at the "source", namely, through mandatory inquiry at employers (wages) and by post offices responsible for pension delivery (pension benefits). The new situation after 1990 put an end to this practice. Since the 1992 Microcensus, all income sources have been surveyed directly in households. This practice is followed by almost all EU-SILC participants, although some countries use different ways to obtain income data; for example, Scandinavian countries use registers or other administrative sources. It has been proved that income data collected from interviews tend to show lower values than those obtained from registers.

Due to the survey method (Box 1.2), we shall expect a certain understatement of income, which usually grows with the amount of the actual income. This also applies for incomes flowing from several sources, e.g. multiple jobs. In an extreme example, the statement of a pensioner living on a single source will undoubtedly be more credible than one of an entrepreneur trying to "optimize" their tax duties, who will probably not be eager to reveal in a survey revenues higher than those disclosed to the tax office. To verify the results on household incomes we can only rely on two independent sources: wage statistics collected among companies (Box 1.3) and the statistics of the state administration of pension benefits (Box 1.4).

Box 1.3: Provision of data on wages from personal records of companies and institutions

When comparing incomes from the EU-SILC survey we can use the *Average Earnings Information System (ISPV)*, which monitors earnings for individual employees and employers both in the private sector (wages) and the public sector (salaries). The main indicators in the survey are gross monthly earnings, hourly earnings and working hours. The data are delivered directly from company records. Unfortunately, the data have not been collected consistently for very long, as in 2011 the methodology of ISPV and wage statistics of the Czech Statistical Office were harmonized and switched from the original KZAM-R classification of occupation to CZ-ISCO classification. However, the most reliable source of information about earned income is wage statistics of the Czech Statistical Office based on company records; unfortunately the data can be sorted only by characteristics of companies and institutions.

The information base of IPSV shows that the actual earnings of employees are higher than those declared by household members in EU-SILC (Table 1.1). On average, such underestimation reaches 10% and climbs up to 14% above the ninth decile of wage distribution. For our purposes of calculating poverty we are most interested in the lowest level of earnings, where the understatement is about 5%. Also wage statistics of the Czech Statistical Office based on company records confirm that average income is slightly higher than stated in the EU-SILC, although here the differences are smaller (Figure 1.2).

While for the majority of labour force company data on earnings are available, we should not forget the group of self-employed. According to the 2014 Labour Force Survey they

accounted for about one-sixth of all economically active persons, where 3.5% are entrepreneurs with employees and 14% are those working on their own account. This last category of economically active includes a wide range of situations: from typical freelancers and craftsmen to bogus self-employed working for a company without work contract, allowing it to avoid compulsory social contributions. Such self-employed person is in fact an employee deprived of his employee rights (Večerník 2011).

Table 1.1: Earnings of employees by company and household surveys (CZK monthly)

Quantile	Company survey (ISPV)			Household surveys (EU-SILC)			EU-SILC/ISPV ratio		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
1. decile	11 170	11 433	11 640	10 869	11 000	11 000	0.97	0.96	0.94
1. quartile	15 466	15 772	15 917	15 000	15 138	15 503	0.97	0.96	0.97
Median	21 224	21 613	21 911	20 000	20 097	20 798	0.94	0.93	0.95
3. quartile	29 004	29 513	30 103	26 814	27 235	27 839	0.92	0.92	0.92
9. decile	41 254	41 763	42 753	35 530	36 000	37 500	0.86	0.86	0.88
Mean	**25 693**	**26 228**	**26 555**	**23 118**	**23 199**	**23 838**	**0.90**	**0.88**	**0.90**

Source: ISPV database and EU-SILC survey, computations by Šárka Šustová.

The understatement of earnings and related total household income is most probably higher among self-employed than among employees. However, we must not forget that often it is hard for the self-employed to separate their business and private money and determine their net income that can be used for household costs. Unfortunately, no independent source is available to verify these earnings and we will return to this issue in the second part on the context of objective and subjective indicators of poverty.

Figure 1.2: Monthly earnings of employees, CZSO, ISPV and EU-SILC (ths. CZK)
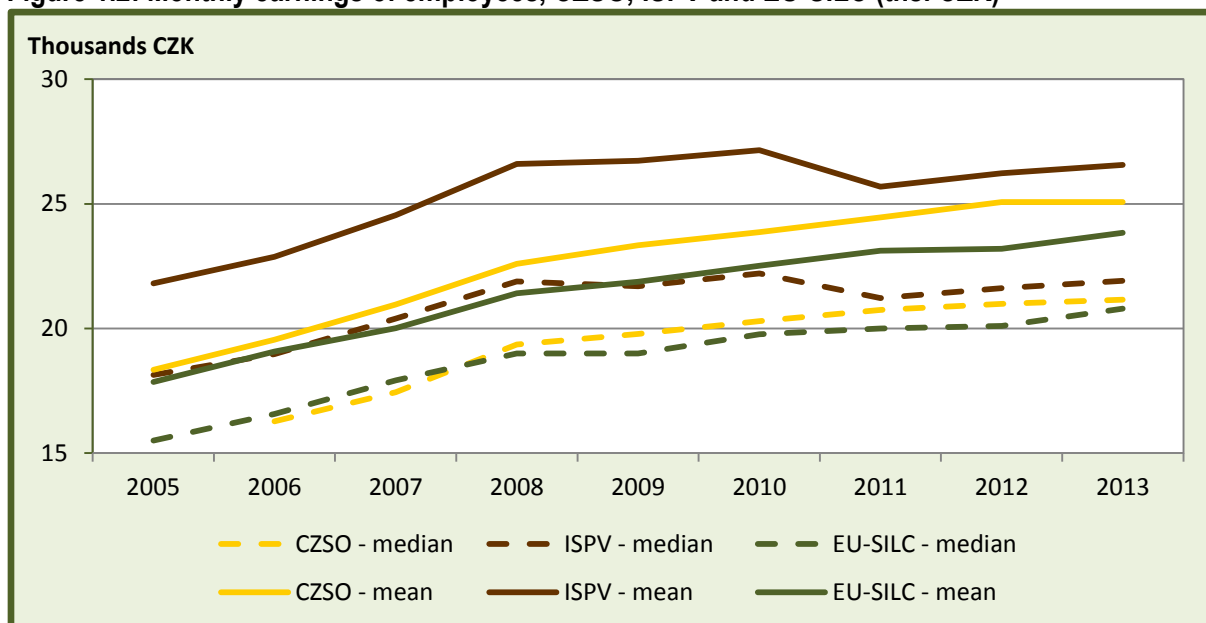
Source: CZSO (wage statistics), ISPV, EU-SILC, computations by Šárka Šustová.

Comparing pensions according to EU-SILC and administrative data (Table 1.2) provides rather satisfactory results, with corresponding average values of all the indicators. Surprisingly enough, the information on pensions collected from households achieved slightly higher levels than as indicated by administrative data. In 2013, when the latest information was collected, the average pensions according to EU-SILC were 2% higher than according to administrative data. The most overestimated pensions in EU-SILC are the lowest ones; above the first decile this overstatement is much smaller. In recent years, no significant changes in this area occurred.

> **Box 1.4: Information on pension benefits from state administration**
>
> Czech Social Security Administration (CSSA) regularly publishes information on pension benefits, broken down into old age pensions, widows/widowers' pension, orphans' pensions and disability support pensions (according to the degree of disability). The office also publishes the distribution of people into intervals according to the level of their pension, from which the differentiation of pensions can be determined. This data can be compared to the level of pensions in households as reported in EU-SILC. Our comparison excludes orphans' pensions and concentrates on old age, disability support, widows'/ widowers', or combined pensions.

The most probable reason for overestimation of pensions in EU-SILC is that only pensioners living in households are monitored. This means exclusion of those living in nursery homes or hospitals, i.e. those whose pensions are probably higher due to their higher age. Moreover, EU-SILC also covers pensions from abroad, unlike the CSSA, which only monitors pensions paid in the Czech Republic.

Table 1.2: Pensions by statistics of Czech Social Security Administration and EU-SILC survey (CZK monthly)

Quantile	CSSA			EU-SILC			Ratio EU-SILC/CSSA		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
1. decile	7 013	6 981	6 953	7 614	7 750	7 750	1.09	1.11	1.11
1. quartile	8 768	9 027	9 295	9 250	9 286	9 393	1.05	1.03	1.01
Median	10 361	10 554	10 778	10 800	11 000	11 000	1.04	1.04	1.02
3. quartile	11 345	11 947	12 134	12 100	12 464	12 725	1.07	1.04	1.05
9. decile	12 975	13 677	13 431	13 567	13 824	14 065	1.05	1.01	1.05
Mean	**10 376**	**10 570**	**10 733**	**10 738**	**10 920**	**10 997**	**1.03**	**1.03**	**1.02**

Source: Czech Social Security Administration database and EU-SILC survey, computations by Michaela Brázdilová.
Note: Pensions include all types except orphans' pensions.

It has thus been confirmed that while earnings tend to be underestimated in income reporting by household respondents (significantly also in the lowest income levels), old age or other types of pension benefits do not suffer from such underestimation. As a result, poverty of persons in households with wage earners, and even more in households of self-employed, may be overestimated in comparison with persons living in pensioners' households.

The underestimation of the declared income of households can undoubtedly be frequently attributed to omitting or underestimating other sources of income in declarations, such as

income from secondary jobs, property and other sources, and also income in kind. These sources of income are presented in Table 1.3, together with information on their occurrence and amount.

Mere one tenth of households declare income from secondary employment or self-employment. This is at odds with the number of valid business licences, which suggest the frequent concurrence of dependent employment and business. As other income, household members most frequently declare "other sources of income" and received gifts. However, if ever mentioned, the "other sources of income" are usually rather low and only reach significant values from the ninth decile on. This means that other income significantly affects the total income of only one tenth of households with the highest relevant income of those who declare such income.

Table 1.3: Other household income sources in 2013

	% of households with recorded income source	Annual income (ths. CZK) of households with recorded income source					
		Mean	1. decile	1. quartile	Median	3. quartile	9. decile
Earnings from secondary employment and self-employment:							
- secondary employment	6.6	49.8	7.6	16.5	42.0	62.4	100.0
- secondary self-employment	3.3	75.2	5.9	23.5	48.0	93.0	160.7
Income from capital investments, rental, sale and insurance:							
- capital	9.4	9.4	0.1	0.1	0.4	2.4	11.8
- rental	5.8	52.8	1.0	4.0	12.0	60.0	120.0
- sale	0.6	14.3	-	-	-		-
- retirement and life insurance	0.6	54.8	12.0		34.0		140.0
- other types of insurance	1.6	17.4	1.5	3.0	6.0	16.2	40.0
- another income	43.6	19.4	1.5	2.5	5.0	15.6	48.0
- private pensions	0.4	15.9	-	-	11.4	-	-
Inter-household transfers:							
- cash transfers	41.8	16.9	1.5	2.5	5.0	15.0	42.0
- non-cash transfers	49.5	4.8	1.0	2.0	3.0	5.0	10.0
Non-cash employee income:							
- meals vouchers and other food subsidies	38.0	10.6	4.6	6.6	9.3	13.2	19.0
- car, phone, fuel etc.	27.2	17.2	1.6	3.6	8.0	24.0	43.5
Value of goods produced for own consumption	59.8	7.1	1.0	2.0	4.4	8.7	15.6

Source: EU-SILC 2014, computations by Michaela Brázdilová.

Among other sources, income in kind deserves a special attention. Poverty calculations consider only its fraction, i.e. employee benefits like lunch vouchers, company car, telephone and training. These account for two thirds of total income in kind and according to the LCS are declared by 40% of households. Other sources of income have been reported in 60% households and contributed to the net household income on average by only 3.5%. This income includes yields from family gardens, which are hardly ever declared as family income and which thus do not show in the at-risk-of-poverty indicator. Better information about them can be obtained from the Family Budgets survey, which returns much higher figures.

The comparison of income data from EU-SILC with data from National Accounts shows just how underestimated the EU-SILC results are. Unfortunately, for now it is only possible to compare average income per capita (see Box 1.5). Since 2008, the personal income captured by EU-SILC has amounted to approximately 70% of the income calculated in national accounts. This may be partially due to different sample of population, however, for the most part the difference is attributed to underestimation of earnings and, in particular, of the various other household incomes (Table 1.4).

Box 1.5: Comparing National Accounts with the EU-SILC

The System of National Accounts provides aggregate data on income and consumption of the population. We use its data on the household sector, especially the total household disposable income. It gathers wages, gross operating surplus and gross mixed income as well as income from property and other current transfers, social benefits (net of social contributions and income or property tax). The indicator is compared with EU-SILC data on household disposable income calculated per person. This data thus concerns only persons in households.

National Accounts provide data that can only be used as national averages per capita and thus fail to capture actual living conditions of people regarding the income inequality hidden behind these averages. For this reason, the OECD and Eurostat make efforts to link micro and macro levels in the work of the *Expert Group on Disparities in National Accounts (EG DNA)*, with task to supply the national accounts with basic information about a rough differentiation of income, which comes from the household survey or administrative data.

Table 1.4: Total disposable income per capita by National Accounts and EU-SILC survey (annual ths. CZK)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
National Accounts (NA)	154.9	163.0	173.7	184.8	195.9	201.6	201.7	204.2	206.8
EU-SILC	103.1	107.9	116.7	126.3	137.5	140.9	143.0	145.5	147.7
EU-SILC/NA ratio	0.67	0.66	0.67	0.68	0.70	0.70	0.71	0.71	0.71

Source: National Accounts database and EU-SILC survey, computations by Michaela Brázdilová.

Statistical surveys collected on samples of the population are not sensitive enough to capture the extremes of social stratification and income differentiation on either side of the spectrum. This means that the number of people most exposed to poverty and social exclusion may be understated. Targeted surveys, e.g. in socially excluded areas, can help us capture marginalized groups (Box 1.6), although the data cannot be incorporated into datasets collected on representative samples of the population. Following the growing interest in better representing these extremes, one of the next EU-SILC modules will focus on previous experiences of respondents with homelessness.

Box 1.6: Analysis of socially excluded areas

In 2006 Ivan Gabal Analysis & Consulting (GAC) prepared the "Analysis of socially excluded Roma areas and the absorption capacity of entities operating in this area". In May 2015 this report was followed by another one, which reported an increase in the number of socially deprived areas and their inhabitants. At present we can speak of up to 115,000 people in a total of 606 locations. According to this report, social deprivation is losing its urban character, as the people move, or rather are moved, from towns to remote villages with underdeveloped infrastructure.

2. How do "objective" indicators correspond to households' declaration?

Poverty is a both subjective and objective issue. People undoubtedly experience poverty if they cannot afford a decent meal, but they can also feel poor when they cannot buy their children clothes or electronic devices that their classmates have. Accordingly, households' declarations include objective and subjective elements. The objective elements, which are not covered by expert indicators based on income, are necessary expenditures, first and foremost housing expenses, together with associated mortgage and debts. Otherwise, overall costs of living differ by region and locality. We assume that the subjective assessment of the situation reflects the objective relationship between income and expenses rather than the exaggerated consumer aspirations.

The attention paid to the subjective indicators of poverty reflects the growing interest in subjective well-being indicators in general; after all, this fact has been confirmed by selecting Angus Deaton the most recent Nobel laureate in economics (Box 2.1). Yet, this interest is not just an academic matter. Its purpose is to create better evaluation criteria for good governance and related policies. This approach has been promoted by France, where in 2008 the former president Sarkozy ordered the establishment of the "Commission on the Measurement of Economic Performance and Social Progress", which drew up a comprehensive recommendation paper (CMEPSP 2009). France was followed by the United Kingdom, where, upon the Prime Minister's call, the Office for National Statistics began to monitor the general welfare including subjective indicators (ONS 2010).

> **Box 2.1: Angus Deaton and subjective welfare indicators**
>
> Angus Deaton dedicated a significant part of his research to subjective indicators of wealth and poverty. He stressed that for poverty analysis and development policies it is important that surveys are conducted directly in households (Deaton 1997). Furthermore, he opposed the economists' reluctance towards subjective indicators (Deaton and Stone 2013). In its decision the Nobel Committee cited, among others, his efforts on the wider use of various welfare indicators that are based on personal interviews with the respondents. It was also noted that as a researcher expert of the *Gallup World Poll* Deaton collaborated on surveys in the said area. He later used these surveys to finding out how subjective welfare indicators differ in various social groups and countries (Committee 2015).

Two subjective indicators can be deduced from EU-SILC survey: first, the difference between declared actual income and the subjective idea of the minimum necessary income for a given household and second, how easy or difficult is it for the household to cope with its monthly income (Box 2.2).

With regard to the <u>minimum necessary income</u>, economic literature states that the estimate is mostly governed by the actual household income, i.e. that it grows together with the actual income. While this is true, the estimated minimum necessary income shows significantly slower growth than actual income (Figure 2.1). On average, in the Czech Republic the actual income is 38% higher than the minimum necessary income and the distance between the two amounts gradually grows with the increasing income. While in the lowest-income decile the

difference between the actual income and the minimum necessary income is -27%, in the highest-income decile, the actual monthly income of a household is 136% higher than the estimated minimum necessary income.

Box 2.2: Indicators of subjective poverty in the EU-SILC

The questionnaire asks the following questions:

"In your opinion, what is the very lowest net monthly income that your household would have to have in order to make ends meet, that is to pay its usual necessary expenses? Please answer in relation to the present circumstances of your household and what you consider as usual necessary expenses".

Due to the continuous difference between the actual and estimated necessary income, categorization based on the quantile shares of the declared actual income to the minimum necessary income has been added. It ranges between 75% in the lower income decile and 235% in the upper decile. We consider as "poor" those persons that live in households with declared actual income lower than 75% of the minimum necessary income. This indicator is than called "Low income".

"A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total income, is your household able to make ends meet, namely, to pay for its usual necessary expenses?" with possible answers 1. With great difficulty, 2. With difficulty, 3. With some difficulty, 4. Fairly easily, 5. Easily, 6. Very easily.

In 2014, 9% of Czech respondents were in the first category (with great difficulty), 21% in the second and 37% in the third. In poverty research we only consider the lowest category of person living in households declaring "great difficulty to make ends meet".

Figure 2.1: Actual and minimum necessary monthly income by actual income deciles in 2014 (ths. CZK)
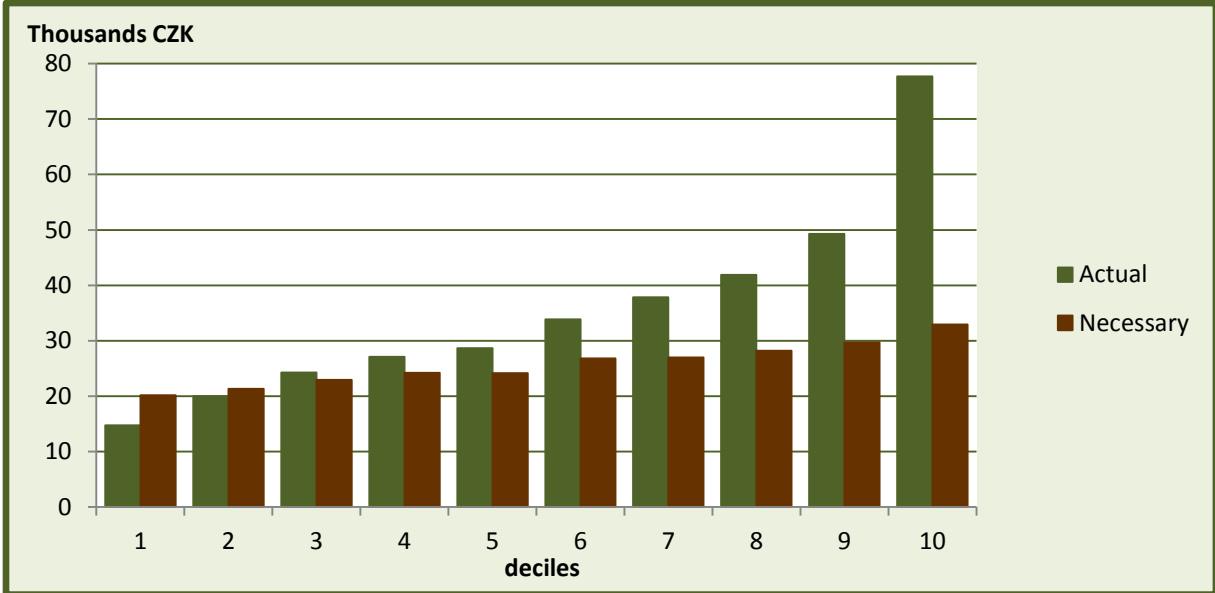
Source: EU-SILC 2014, authors' computations.
Note: Deciles of equivalised actual income.

Compared to the minimum necessary income, the ability to make ends meet is less influenced by the actual income. Here, the estimate reflects a number of other factors, in particular the

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housing cost burden and financial liabilities. The derived indicator of poverty can therefore be called "subjective" only conditionally. For example, paying market rent (18% of households in 2014) increases very significantly the chance of a household to be categorized as a household with great difficulty to make ends meet.

Although family expenditures are, besides income, influenced by many different circumstances, concentration of people declaring great difficulty to make ends meet in low income categories is apparent: 39% in the first income decile and 17% in the second income decile declare great difficulty to make ends meet (Figure 2.2). From the other point of view, the situation is similar: from people in households reporting great difficulty to make ends meet, 42% are located in the first income decile and 18% in the second income decile.

Figure 2.2: Great difficulty to make ends meet by real income deciles in 2014 (%)
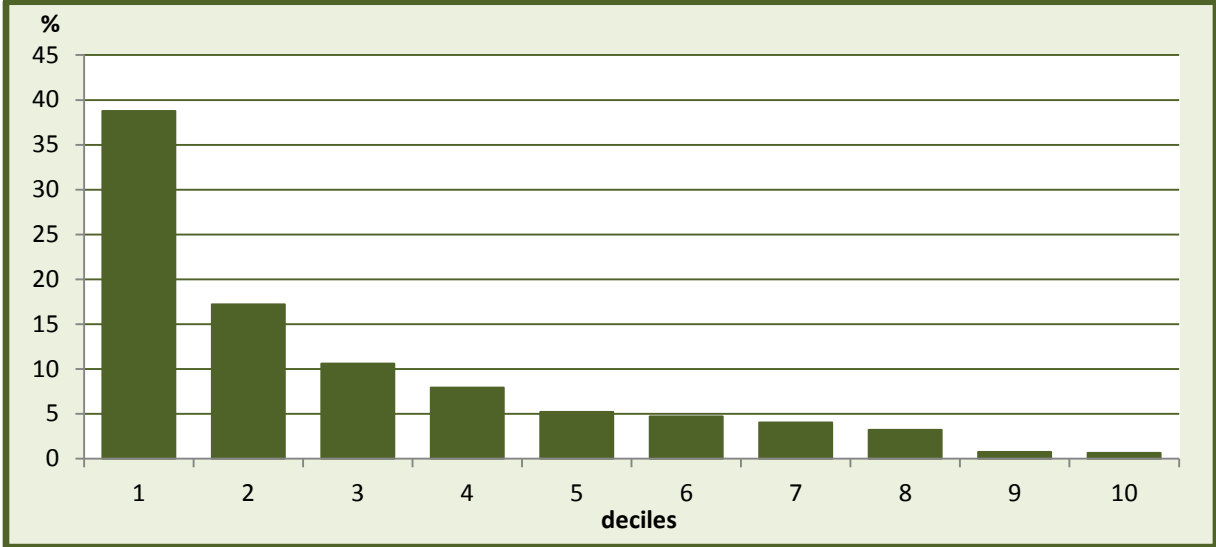
Source: EU-SILC 2014, authors' computations.
Note: Deciles of equivalised actual income using.

However, our main topic of concern here is the <u>comparison of "objective" and "subjective" indicators</u>. Table 2.1 shows the shares of people in households falling under any of the poverty criteria in total population and organized by economic activity. If the three sub-indicators are considered separately, most people are facing risk-of-poverty. According to the EU composite indicator of poverty or social exclusion, 15% of people fall under the poverty line. The "subjective" indicators of low income and great difficulty to make ends meet point to 9-11% of people.

Looking at the economic activity breakdown, the most striking feature is the mismatch between the different indicators for self-employed. While a far greater number of self-employed than employees fall into the category of at-risk-of-poverty, their share in the category of material deprivation is the lowest. Similarly, while their reported actual income is far below the minimum necessary income (second highest after the unemployed), their share among people living in households with great difficulty to make ends meet is the lowest of all. Apparently, the most probable reason behind this paradox is a severe underestimation of declared income.

Table 2.1: Poverty indicators by economic activity in 2014 (% of persons)

	Employees	Self-employed	Unemployed	Retired	Total
Income poverty	3.0	7.2	44.8	8.1	9.7
Material deprivation	3.9	2.2	23.7	6.1	6.7
Low work intensity	0.0	0.1	35.9	5.5[a]	5.7
Poverty or social exclusion	*6.4*	*8.9*	*55.1*	*15.6*	*14.8*
Low income	6.9	12.7	31.8	10.4	10.7
Great difficulty to make ends meet	6.0	3.7	32.0	8.4	9.3

Source: EU-SILC 201, authors' computations.
Note: [a] By definition, only retired younger than 60 years can achieve Low work intensity.

The question is how much do these indicators correspond or overlap. In other words, do individual indicators point to the same poverty or do they rather reveal its various types? Due to their diverse construction, strong associations between the individual indicators cannot be expected. The exception is the composite indicator of risk of poverty or social exclusion, which is constructed from, and thus dependent on, the three "sub-indicators" (at-risk-of-poverty being the most influential one). However, other indicators describe different aspects of poverty and low income, being located at different distances from the hypothetical "real" poverty threshold, which in fact is only approximated by various indicators.

Figure 2.3: Relation of poverty indicators in 2014 (%)
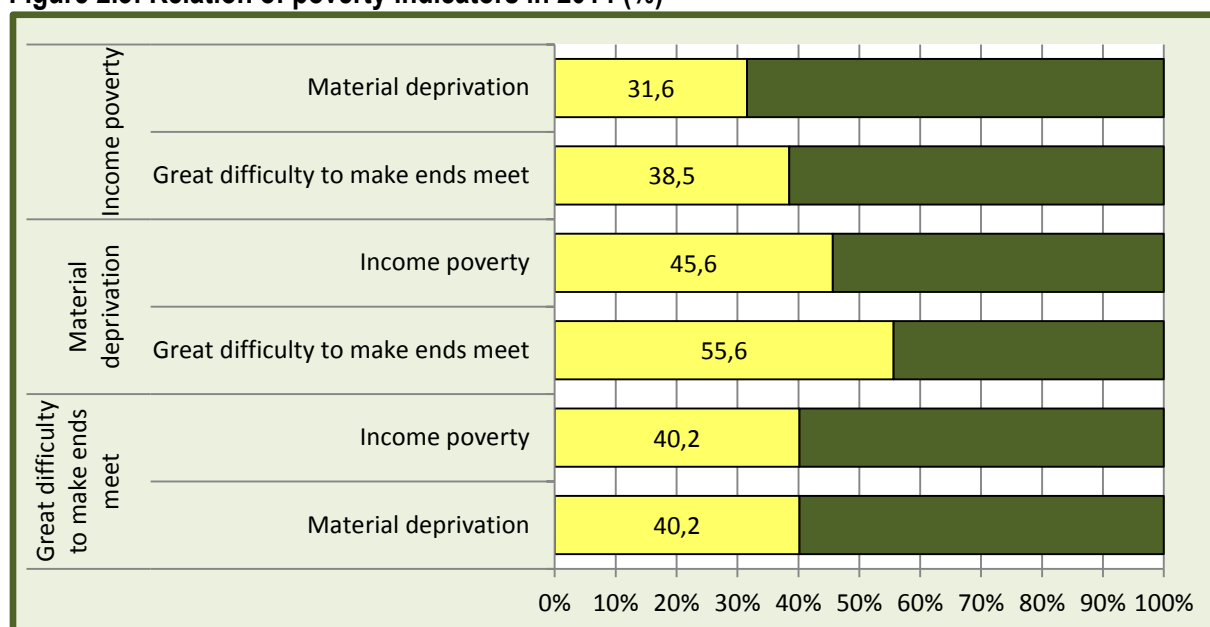
Source: EU-SILC 2014, authors' computations.

Two indicators seem to be rather closely connected: the indicators of material deprivation and great difficulty to make ends meet. Figure 2.3 shows that they overlap to quite a high extent. In concrete terms, among materially deprived persons, 56% live in households with great difficulty to make ends meet. And the other way round, among members of such households, 40% fall under the category of materially deprived persons. Therefore, it can be deduced that

both indicators to various extent capture the true limits of household economy, or long-term aspects of household economy.

Conversely, a weak link exists between the at-risk-of-poverty indicator (the most widely used indicator in cross-national comparisons) and great difficulty to make ends meet. Results of both of these indicators overlap only very slightly. Only 39% of those who fall under the EU criteria of income poverty live in households with great difficulty to make ends meet. And vice versa, only 40% of members of households with great difficulty to make ends meet face income poverty risk as defined by the EU.

What makes this finding interesting is that it disproves the originally expected dissonance between the "objective" and the "subjective" indicators. In the beginning, we assumed that on the one hand, the "objective" calculation would be biased by the order of steps being chosen by experts, and on the other, that in their "subjective" estimation, households might actually be able to quite objectively take into account a number of circumstances that cannot be incorporated in calculation of income poverty, especially housing costs and debt burden.

However, it turned out that the dividing line lies somewhere else: between the "income" and "consumption" oriented indicators. Again, we place both terms between quotation marks, as the "income" indicators suffer from the above-mentioned misrepresentation, or more precisely underestimation, of earnings. Also the "consumption" indicators are very approximate, both because of the items selected for the material deprivation index and the inevitable simplification in stating difficulties in coping with household finances.

For instance, the fact that a household pays market rent influences its fall into the category of those with great difficulty to make ends meet as much as the household size, which has only a slightly lesser impact than the disposable income. Half of persons living in households with great difficulty to make ends meet are not able to timely pay their rent, heating, electricity, gas and water or loan instalments.

Figure 2.4: Great difficulty to make ends meet and at-risk-of-poverty rate in 2014 (ths. of persons and %)
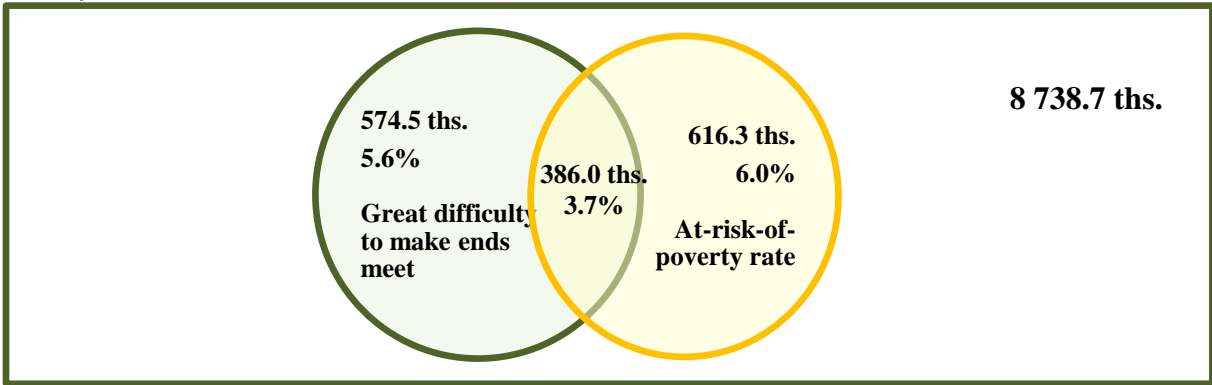
Source: EU-SILC 2014, authors' computations.

Of total population, 9.7% fall into the at-risk-of-poverty group and 9.3% have great difficulty to make ends meet. Although the two indicators both point to a tenth of the total population, the two group overlap only to a very low extent. In fact only 3.7% (mostly unemployed or living in single-parent households) fall into both categories (Figure 2.4). On the contrary,

people with secondary and university education, workers (employees and self-employed) and pensioners fall less frequently in the group where both indicators overlap.

For the sake of brevity of the description of differences in populations identified by the two poverty indicators, let's call the "objective" poverty risk indicator the first indicator and the "subjective" indicator of great difficulty to make ends meet call the second indicator. Indeed, there were revealed striking differences in comparing the group of persons falling under the first or the second poverty indicator (notwithstanding their overlapping) regarding age, economic activity, household composition and the size of community.

- As far as age is concerned, more children under 19 and fewer persons of middle and older age fall into the first compared to the second indicator.
- Concerning economic activity, employees are considerably less represented under the first indicator compared to the second indicator, contrary to the considerably more represented self-employed and unemployed.
- Regarding household composition, one-person households and one-parent households are more represented under the first than the second indicator, while couples living without dependent children are represented less under the first indicator.
- When it comes to the size of community, inhabitants of Prague are much less represented under the first indicator, while people living in the countryside appear much more often when measured with the first as opposed to the second indicator.

Figure 2.5: At-risk-of-poverty rate by regions in 2014 (%)

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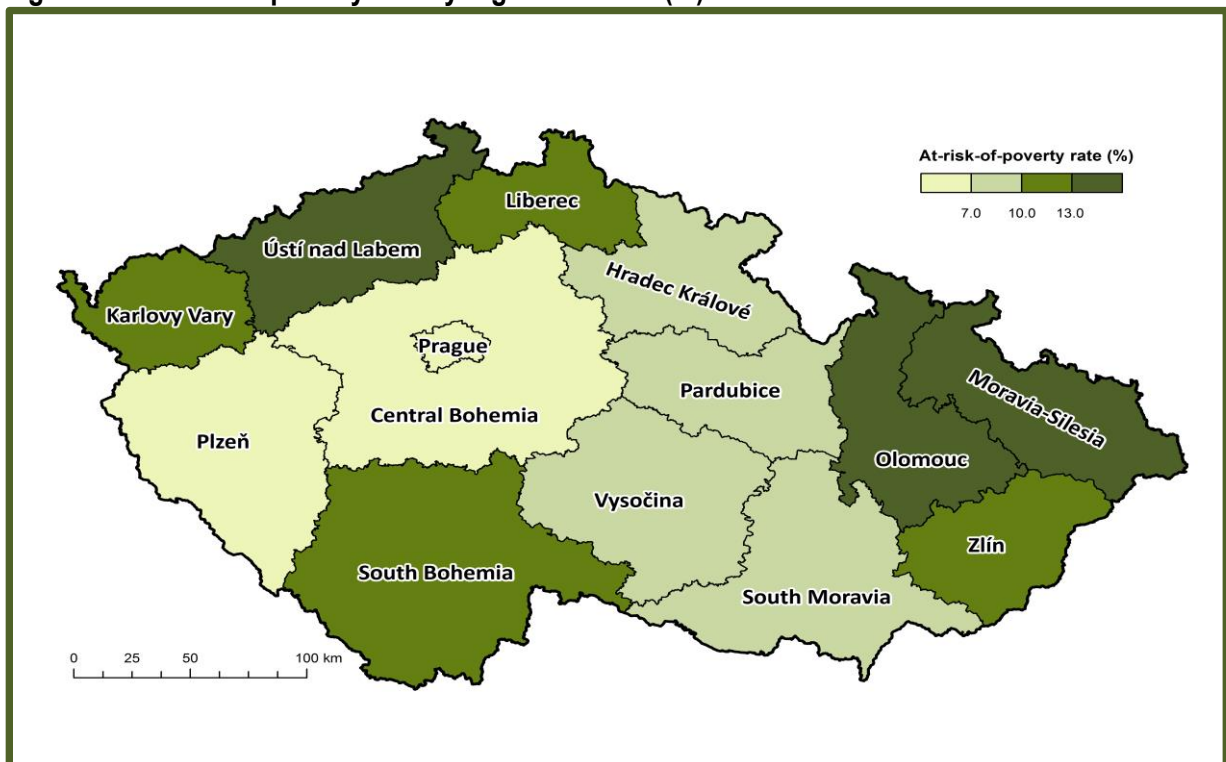
Figure 2.6: Great difficulty to make ends meet by regions in 2014 (%)

Figure 2.7: The difference between at-risk-of-poverty rate and great difficulty to make ends meet by regions in 2014 (pp)

Source: EU-SILC 2014, authors' computations.

There are basically three ways to explain the observed differences between the "objective" and the "subjective" indicator: first, the formula used to equivalise household income, especially the coefficients applied to account for children and common costs; second, under-evaluation of earnings and of revenue reserves (for the unemployed); and third, unequal living costs, which vary by community size and region. Figures 2.5-2.7 show divisions of both indicators by administrative regions and also the difference between them.

The biggest difference between the two indicators can be seen in Prague, where only 5% of people live at risk of income poverty but 9% of all live in households that have great difficulty to make ends meet. Similar, albeit smaller, difference between the size of population identified as "poor" under the first and second indicator can be seen in the regions of Pardubice, Karlovy Vary, Central Bohemia and Ústí nad Labem.

The largest difference in the opposite direction, i.e. more people defined as poor under the at-risk-of-poverty indicator compared to the make-ends-meet indicator, can be found in Olomouc region. Here, 13% of people live in poverty according to the first indicator compared to 9% according to the second one. In terms of the size of the difference between the two indicators, Olomouc is followed by the regions of Liberec, Zlín and South Bohemia.

Answering questions opened by that comparison requires further analyses. Regarding the equivalence scales, since the seminal work of Buhman et al. (1988) lot of research was made. However, the so-called OECD modified equivalence scale, which was introduced by Eurostat on the base of Hagenaars, de Vos and Zaidi's (1994) paper is not thoroughly disputed, although it is clear that its application to countries with different and changing family budgets is questionable.

Comparing poverty indicators in various perspectives is important not only in terms of research but also in terms of providing information for policy makers. The most important fields of comparison are the aforementioned distribution by age, or, more simplistically, the number of children (obtained from households with dependent children) and pensioners affected by poverty. According to the at-risk-of-poverty indicator, the ratio between the number of children and pensioners is 2:1. This is not an internationally exceptional situation (see Table A.11 in the Appendix). However, it is not clear whether this information conforms to reality. There are several reasons for being cautious.

As showed above, households tend to significantly undervalue their earnings as well as other revenue resources. We are not risking too much in claiming that most income under-representation comes from middle-age households, i.e. those with children under 18. On the contrary, old age pensions tend not to be undervalued at all. It is also realistic to assume that even secondary revenue sources dry out with age, and so even here any income misrepresentation is not probable. This means that a declared income-based indicator overrates child poverty while underestimating old-age poverty.

Let us again take a closer look at the different indicators shown by Figure 2.8, which presents age distribution of individual indicators. At-risk-of-poverty indicator is rather high for children and culminates in category 15-19 years (and again in category 50-54 years), while material deprivation and great difficulty to make ends meet see a much slower development in age distribution. Poverty fluctuates the least when measured by the material deprivation indicator.

Figure 2.8: At-risk-of-poverty rate (income poverty), material deprivation and great difficulty to make ends meet by 5-year age categories in 2014 (%)
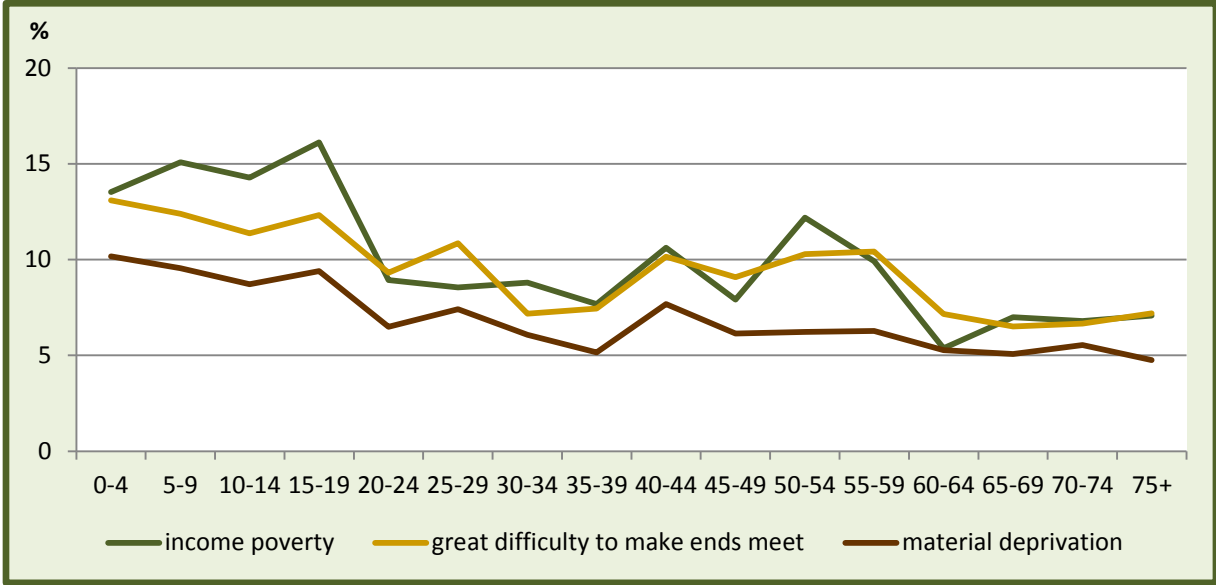
Box 2.3: EU-SILC 2013 module on subjective well-being

As part of the 2013 survey, all 16+ respondents (total of 15,670 persons) received a separate questionnaire, which was introduced with these words: "More and more often, the evaluation of household living conditions concentrates on the topic of well-being, a term which describes the feeling of happiness and overall life satisfaction." For our study we use answers to the following question on life satisfaction: "To what extent do you consider yourself satisfied with your life?" The answers evaluated the person`s satisfaction with their life and its various areas on an 11-point scale, ranging from 0 (not at all satisfied) to 10 (completely satisfied). The same module included one more question we use here. It looked at satisfaction with the financial situation of the household and the answers were provided on the same 11-point scale as the previous one.

To test the performance of the various poverty indicators, we may compare their results with the life-satisfaction declaration included in the EU-SILC 2013 module (Box 2.3). However, here we compare one person's testimony to indicators which relate to the individual's household, so the link is far from direct. The comparison shows that the biggest difference in life satisfaction among persons falling under one of the poverty indicators is between those under material deprivation and great difficulty to make ends meet. On the contrary, the least striking contrast between the poor and the "non-poor" in terms of life satisfaction occurs for low income and for the at-risk-of-poverty, as well as for the composite indicator of poverty or social exclusion risk (Figure 2.9).

The same holds for the satisfaction with the financial situation of the household (Figure 2.10). The information, which was provided by persons over 16 years of age, is in a relatively weak relationship with the at-risk-of-poverty indicator, but in a strong relationship with the great difficulty to make ends meet, which again confirms the reliability of the latter indicator. At the same time, we should not forget that the household's financial situation may be perceived differently by different household members.

Figure 2.9: Average score of life satisfaction (0-10) of persons at risk of poverty and others, by various indicators in 2013
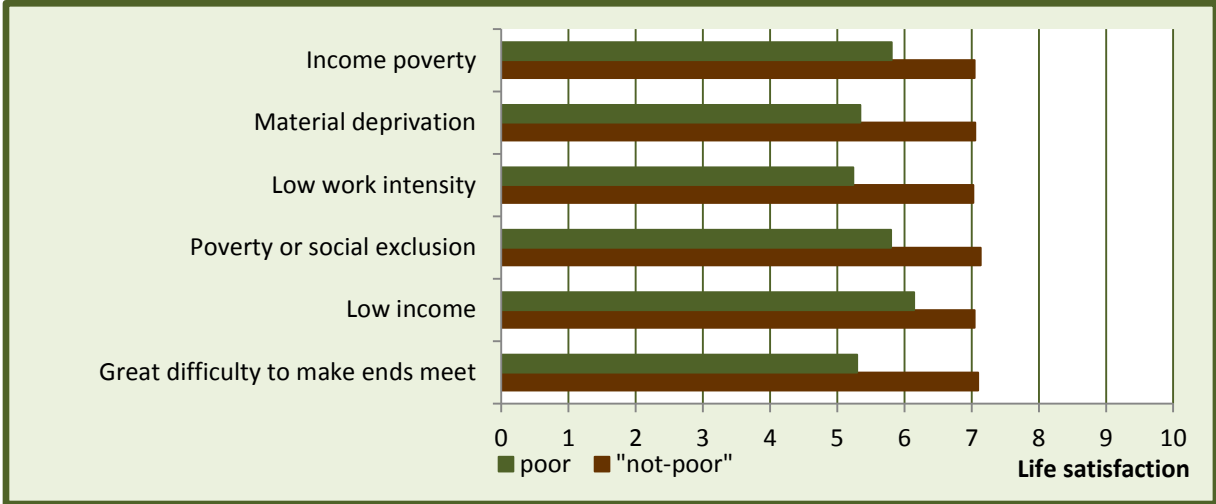
Source: EU-SILC 2013, authors' computations.

Figure 2.10: Average score of satisfaction with financial situation (0-10) of persons at risk of poverty and others, by various indicators in 2013
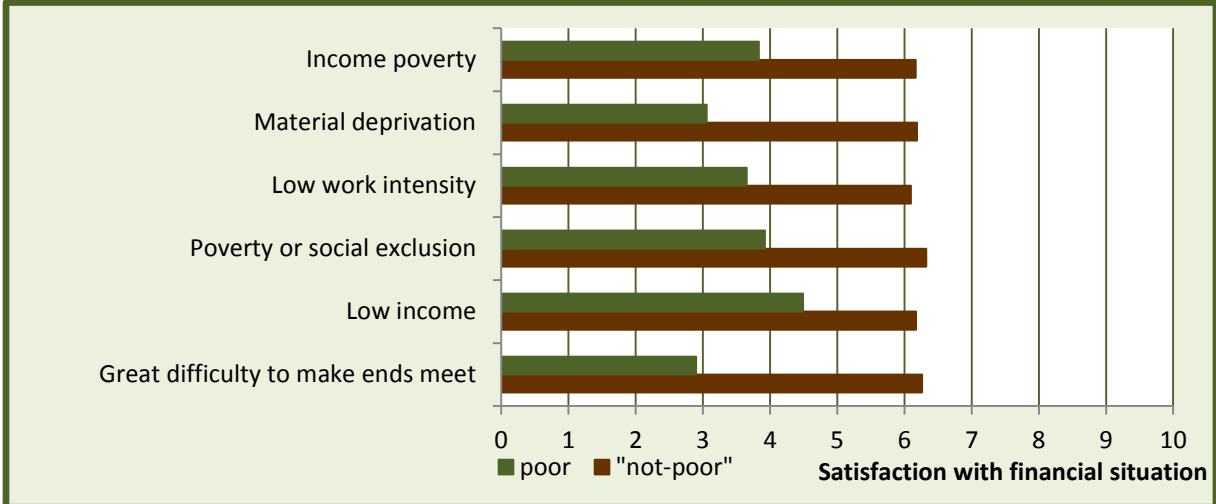
Source: EU-SILC 2013, authors' computations.

3. How long do people stay in poverty?

Cross-sectional data, which are still almost exclusively used for describing poverty in the Czech Republic, do not say anything about the duration of the person's/household's poverty. Taking two extreme situations, poverty can be life-long or, on the contrary, only occur for a short period of time. A short-term drop in revenues usually has no important implications for material deprivation or a person's frustration. However, if such a decline occurs repeatedly, or if it is a lasting or even permanent state, poverty inevitably impacts the fate of individuals and their families with all the devastating material, social and mental consequences. The temporal aspect of poverty needs to be tracked with the help of panel data, which was previously available only in the US and the EU-15, but which is now also provided by EU-SILC surveys (Box 3.1).

Box 3.1: Monitoring poverty duration in statistical surveys

The U.S. boasts the longest tradition of monitoring long-term poverty. Here, in 1966-67 the statistical office launched the panel survey called *Panel Study of Income Dynamics (PSID)*, as part of President Johnson's "war on poverty". Originally designed for five years, this survey still continues until present. In Western Europe a household panel survey called *European Community Household Panel (ECHP)* was carried out in 1994-2001. Since 2005 as part of EU-SILC Survey a four-year panel is conducted. Yet, using panel data from this survey in monitoring poverty duration is still in its beginnings (Papadopoulos a Tsakloglou 2015, Andriopoulou a Tsakloglou 2015, ONS 2015).

In terms of risk of poverty duration we distinguish one-time poverty, temporary poverty, returning poverty and long-term or permanent poverty. Foreign literature also uses terms "persistent" (lasting several years) or "chronic" (more or less continuous) poverty. It is very likely that disregarding short-term poverty in our research would result in much lower levels of the indicators. If it was realistic to only address long-term poverty, inclusive policies could be a lot more effective.

Box 3.2: EU-SILC panel survey and its use in poverty monitoring

EU-SILC monitors individuals and households and changes in their situation, and that once a year four times in a row. The survey is collected on a so-called rotating panel, which means that every year about one quarter of households is visited for the first time, while other households are undergoing a second, third or fourth visit. Therefore, every survey provides us with information on four-year cycle, which informs us about possible changes in poverty indicators and frequency of such changes. Unfortunately, to distinguish between long-term or permanent poverty and a short one, the data is not gathered long enough. Thus, for instance, if a household finds itself at risk of poverty in the first year of the survey, we cannot determine how long this situation had already been going on (i.e. left data censoring). Similarly, if a household faces risk of poverty in the last year of the survey, we do not know whether the situation would improve in the coming years or not (i.e. right data censoring).

Thanks to the long existence of the EU-SILC, the changes in poverty indicators can be monitored in two four-year periods, i.e. in years 2006-2009 and 2010-2013. Although from a point of view of longitudinal data collection this looks as a long period, from the family

perspective this is quite a short period within which in particular chronic poverty cannot be detected (Box 3.2). Therefore, we need to bear in mind the apparent limit of only being able to see how many times a family has faced poverty over a period of four years: from "never" to "over the whole period".

According to the EU most widely used indicator, in both periods about 15% of respondents faced the risk of income poverty (Figure 3.1). In 2006-2009 the share of persons whose households found themselves under the risk of income poverty at least once was higher than in 2010-2013. While almost half of those persons only faced the risk once (6-7%), much fewer people were confronted with poverty twice (3-4%). For most people in the groups, risk of poverty is only a temporary situation.

Figure 3.1: Incidence of income poverty in two 4-year periods (%)
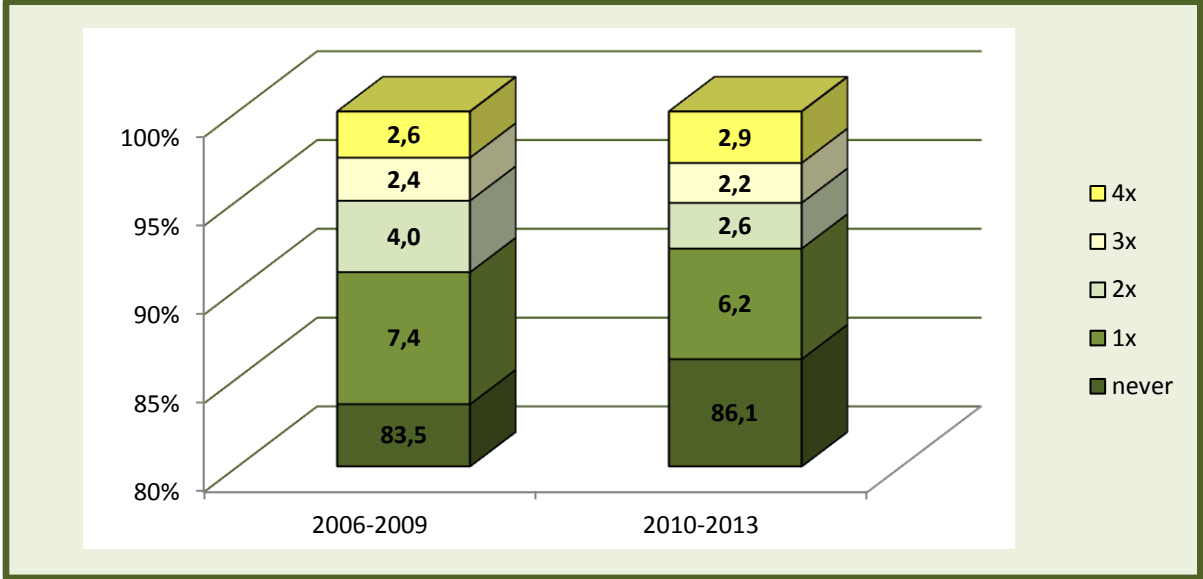
Source: longitudinal EU-SILC 2009 and 2013, authors' computations.

The situation is more serious for those who had been in poverty for most of the observed period and who are possibly exposed to poverty also after the end of the survey. About 2% of people faced poverty risk three times. In most cases such risk had been present for three consecutive years, while only in a few cases the risk ceased and came back. The most endangered group is the approximately 3% of respondents, who have been facing poverty as measured by this indicator for four consecutive years, especially since it can be assumed that such risk had been present for more than the four observed years.

In the first reference period (2006-2009) about 11% of respondents were at least once exposed to material deprivation (Figure 3.2). Like in the case of the previous indicator, the at-risk-of-poverty indicator, in the second reporting period (2010-2013) the number dropped to 8%. In both periods roughly one half was only once exposed to material deprivation, while the remaining half had been exposed several times. Contrary to the previous indicator, the share of persons whose material deprivation lasted over the whole four-year period was very low (less than 1% of the population). It can be concluded that permanent material deprivation only occurs very rarely.

Figure 3.2: Incidence of material deprivation in two 4-year periods (%)
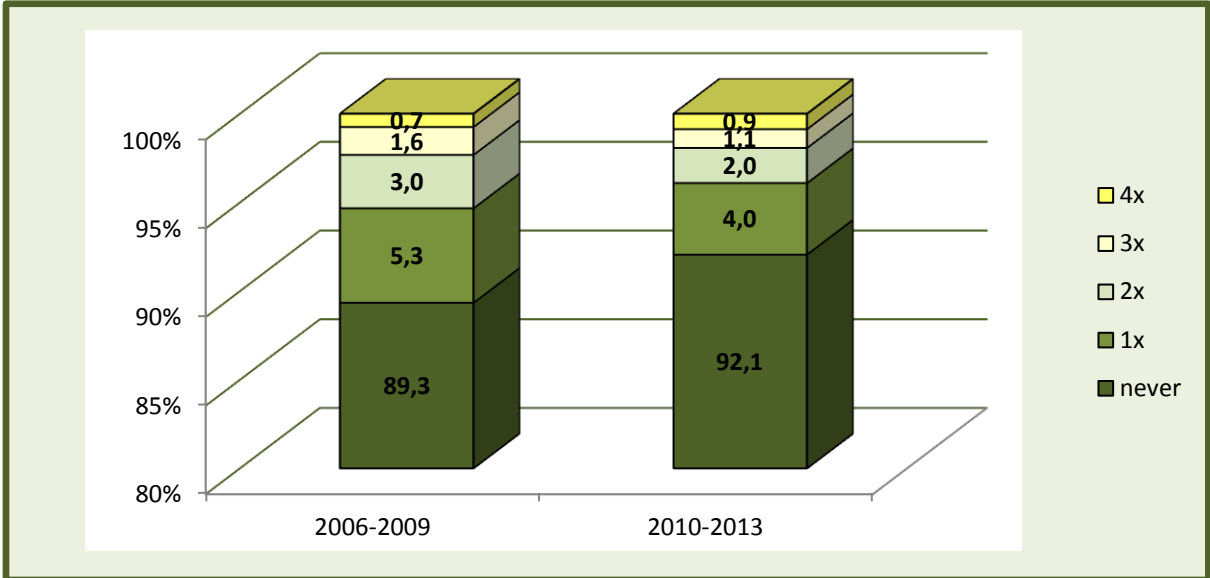
Over the two four-year periods about 15% of persons lived in households that once or several times encountered <u>great difficulty to make ends meet</u> (Figure 3.3). Similarly to the previous indicators, also here more than half of them only experienced these difficulties once. It is the only of the three observed indicators where the situation slightly worsened in the second period. However, the slight growth in this indicator was caused by households that only fell into such troubles once. Hence, this can be considered a temporary effect, possibly of the economic downturn. Although this was only a light deterioration, it is quite significant that it is expressed in the subjective, not objective indicator. The steepest growth occurred in the most critical category, where the observed poverty lasted for four years.

Figure 3.3: Incidence of great difficulty to make ends meet in two 4-year periods (%)
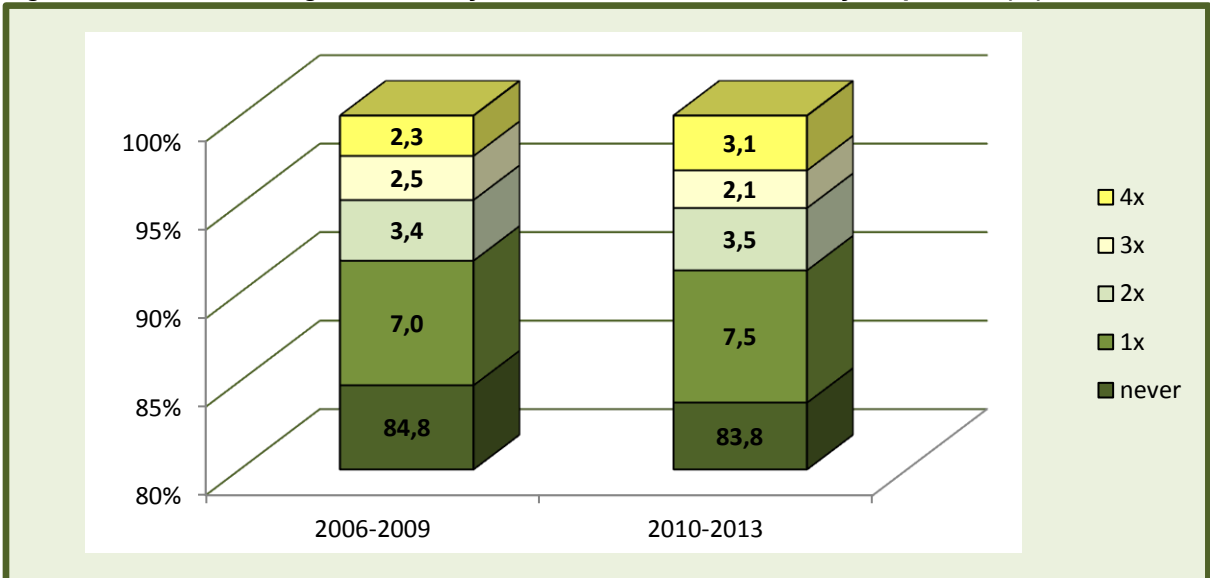
Probably the most serious issue is the intergenerational poverty, where through material deprivation, insufficient education and poor upbringing, miserable conditions and demotivation behavioural patterns are passed on from parents to children. Such unfortunate phenomenon nowadays occurs not only in poor countries but also in developed ones in form of the so-called welfare dependency, i.e. long-term or even life-long dependence on social benefits accompanied by lack of motivation to search for a job. The extent of this phenomenon can be deduced from a module on the intergenerational transmission of disadvantage, which was part of the survey EU-SILC 2011 (Box 3.3).

Box 3.3: EU-SILC 2011 module on the intergenerational transmission of disadvantage

In 2011 (and before also in 2005) the EU-SILC included a module concerning respondents' families – on the education and economic status of parents, financial situation and housing in respondent's childhood. All household members aged 25-59 years answered questions related to the situation when they were 14 years old. Thus, due to the different ages of the respondents, information from different time periods was gathered. One of the questions was: "How was your then household able to make ends meet?" The alternative answers corresponded with the question relating to the current situation (see Box 2.2). But, because the current situation was only evaluated by one household member, for the purposes of monitoring the intergenerational change we have to assume that all household members would evaluate the current situation in the same way. Hence, evaluation of how a household copes with its income at the time of the survey is compared with situation as it was in the respondents' youth.

The intergenerational comparison between how a household was able to cope with its monthly income when the respondents were young and how it is now, revealed a rather surprising shift toward a feeling of uneasiness. In comparison to the assessment of the situation in youth, a lot fewer household members cope with their income easily or very easily (Figure 3.4). The current situation is therefore generally more critically assessed than the situation "back then". The most probable reason for possible distortion of the comparison is retrospection, especially where the time gap is extensive (up to 45 years).

Figure 3.4: Ability to make ends meet when respondents were around 14 years old and current situation (%)
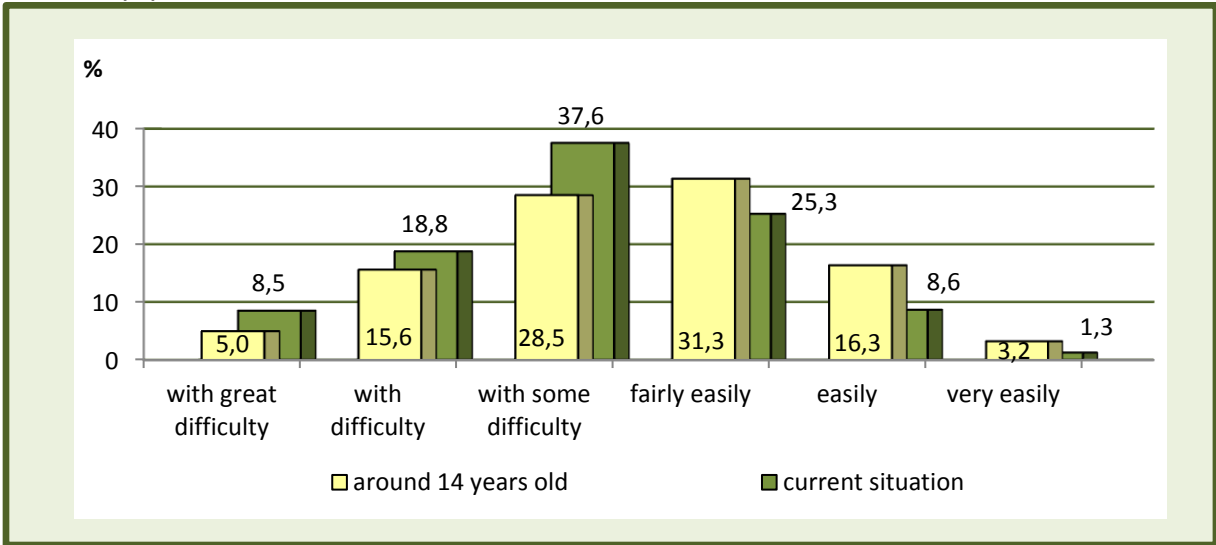
Source: EU-SILC 2011, authors' computations.

Generally, arduous times are more easily forgotten than better times. And in the past, just like now, permanent poverty was probably much less frequent than temporary one. However, we should not forget that in our comparison in Figure 3.4 we are not looking at the situation of the same persons now and in their youth: While the situation "back then" is assessed by each household member, today's situation is only described by one representative of the households. We see that 26% of people see their current situation as better, 29% as the same and 45% as worse.

Figure 3.5 shows the development of perception of financial difficulties in youth and now. In the survey, 5% of respondents said that in their youth, their families could make ends meet with great difficulty; 25% of them feels the same about their current situation. This group (though representing only 1% of people aged 26-60 years) thus shows signs of intergenerational poverty, a situation where the financial situation of the family of origin is transmitted from parents to children either directly (as a consequence of material deprivation and lack of financial support for education) or indirectly (as a result of motivational patterns and social capital). Another quarter of those who in their youth felt great difficulty to cope with the household's income showed only a slight improvement in the financial situation, and almost one-third experiences improvement from great to minor difficulties (Table A.12 in the Appendix).

Figure 3.5: Ability to make ends meet when respondents were around 14 years old and change to current situation (%)
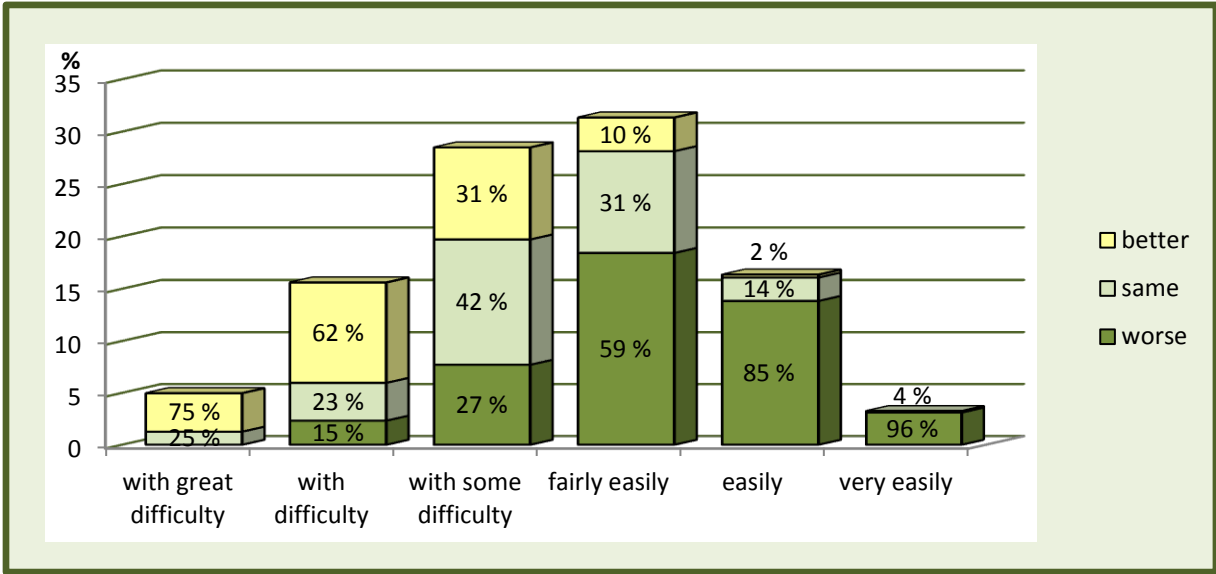
The same applies to people who remember their parents having difficulty to make ends meet: almost a quarter of them feel the same difficulty also now, 15% even great difficulty. The survey showed that 38% of persons experienced a one-category upward shift. The intergenerational transmission of the financial situation from parents to children is also confirmed by the relatively high proportion of people whose parents had "medium" difficulties getting along with the household's income and who are now experiencing the same. Of those who recall some difficulties to cope with their monthly income, 42% report some difficulties today, and of those whose families coped with their income fairly easily, 31% feels the same way about their current situation.

4. Poverty in the Czech Republic in cross-national comparison

As stated in the introduction, the Czech Republic regularly boasts the lowest *at-risk-of-poverty rate* among the EU countries (Figure 4.1). This generally known fact is very often cited and highlighted, although the indicator testifies more about the degree of income inequality than about the actual poverty risk. However, one also cannot argue that the indicator merely copies the degree of income inequality, as, according to the Gini coefficient, Belgium, Finland, Sweden and Slovenia also feature low degree of income inequality, yet their at-risk-of-poverty rate is higher. In fact, this indicator is derived solely from the level of income below the median, and depends largely on where the poverty line has been established.

Figure 4.1: At-risk-of-poverty rate in EU countries in 2014 (%)
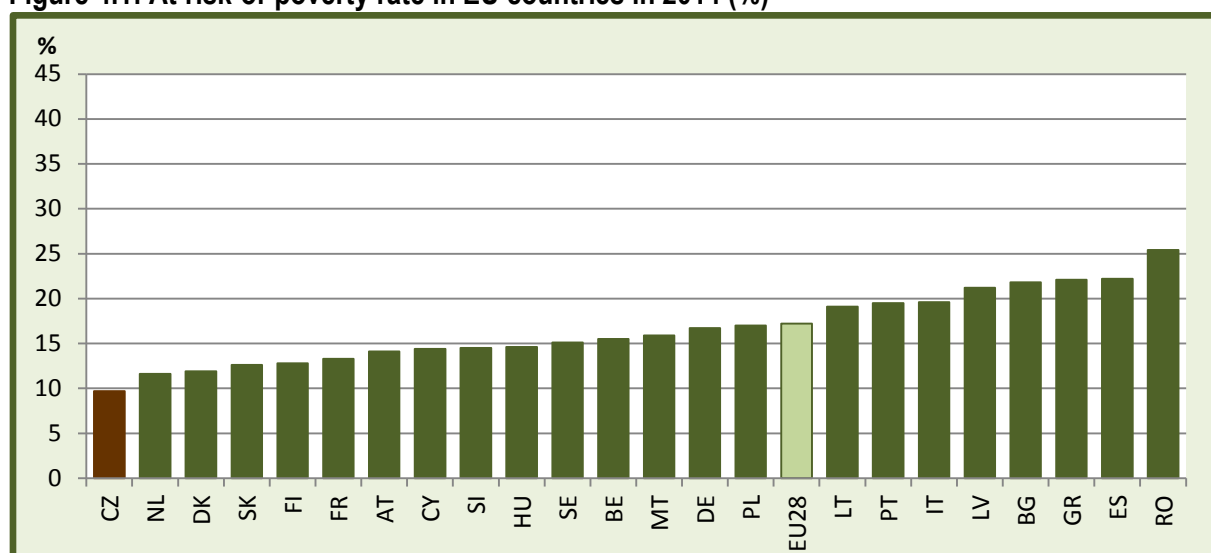
Source: EU-SILC - Eurostat tab ilc_li02.

The material deprivation rate better captures the concept of absolute poverty, and thus is more suitable for cross-national comparisons. At the same time, given their affordability, the selection of items used to define material deprivation is to a certain degree amusing, such as a telephone or a colour television. In this indicator (described in detail in the first part), the Czech Republic ranks tenth, following developed Western countries and Slovenia, and leaving behind Poland, Slovakia, southern European countries and the Baltics. In Hungary and at the Balkans, between one-fifth and one-third of population falls under the threshold of (severe) material deprivation (Figure 4.2). The items defining material deprivation are currently undergoing revision at the Eurostat and a new material deprivation indicator is being constructed, which for some time shall be monitored parallel with the existing indicator.

In terms of *work intensity of the working age population*, the Czech Republic has fared well in the EU comparisons (Figure 4.3). Surprisingly, the top countries in the ranking, i.e. countries with very low incidence of low work intensity, are two countries with opposing economic and social characteristics - Sweden and Romania. Similarly, the other end of the ranking has

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brought together strikingly different countries, both in terms of economic performance and in terms of generosity of the welfare system, among others Hungary and the Netherlands. However, it needs to be emphasised that the between-country gaps in this indicator are far smaller than in other discussed indicators.

Figure 4.2: Material deprivation in EU countries in 2014 (%)
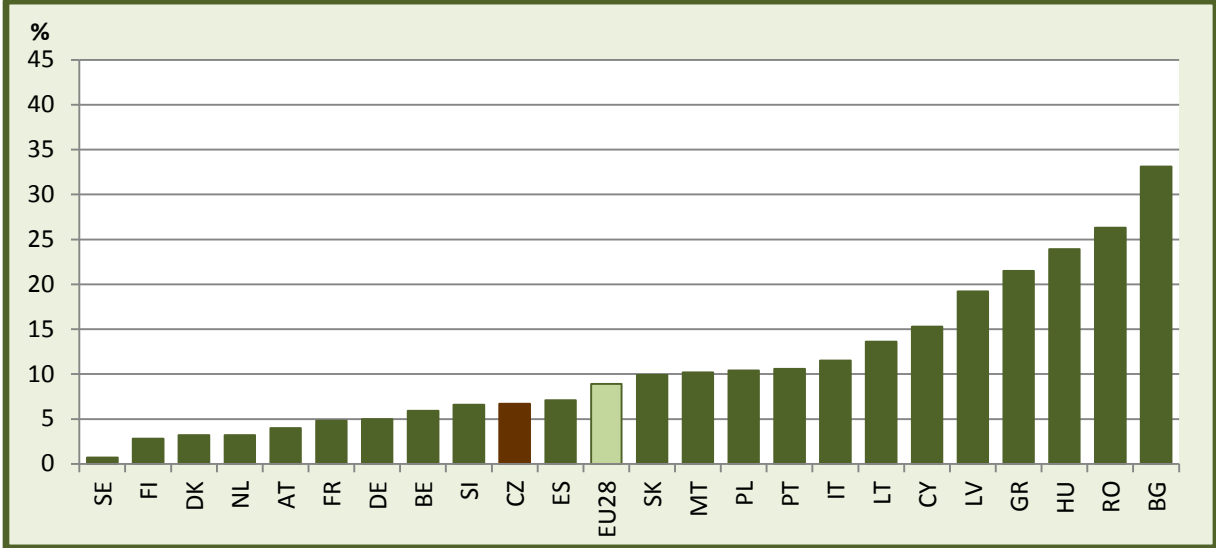
Source: EU-SILC - Eurostat tab ilc_sip8.

Due to the low percentage of people facing the risk of income poverty, the Czech Republic ranks first among EU countries in the composite indicator of the risk of poverty or social exclusion, closely followed by countries with the most developed welfare systems from Western and Northern Europe, and also Slovakia (Figure 4.4). Let's point out that the good performance of the Czech Republic in the composite indicator of poverty and social exclusion is the result of relatively small differences at the bottom of the income distribution, as well as of a rather low level of material deprivation and high labour involvement of the population.

Figure 4.3: Low work intensity in EU countries in 2014 (% of population 18-59)
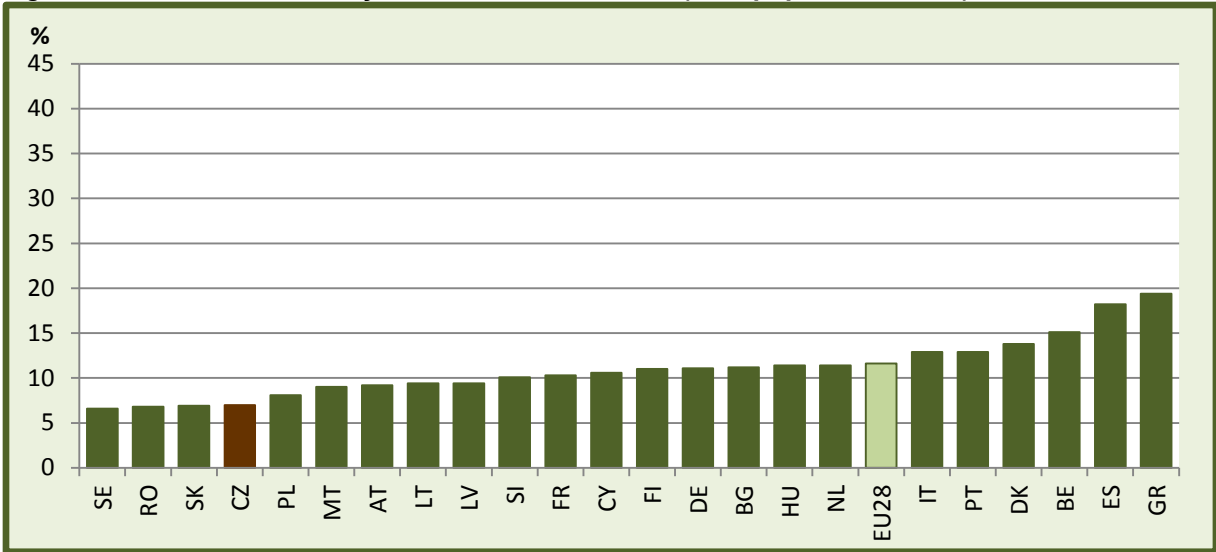
Source: EU-SILC - Eurostat tab ilc_lvhl14.

Here it should be noted that the composite indicator of poverty or social exclusion (AROPE) is a conglomerate of sub-indicators of very diverse nature – of a purely relative income distribution, mainly absolute level of deprivation in selected commodities and services (including some easily available ones), and finally of the level of economic activity, which excludes the population in post-active age.

Figure 4.4: Poverty or social exclusion in EU countries in 2014 (%)
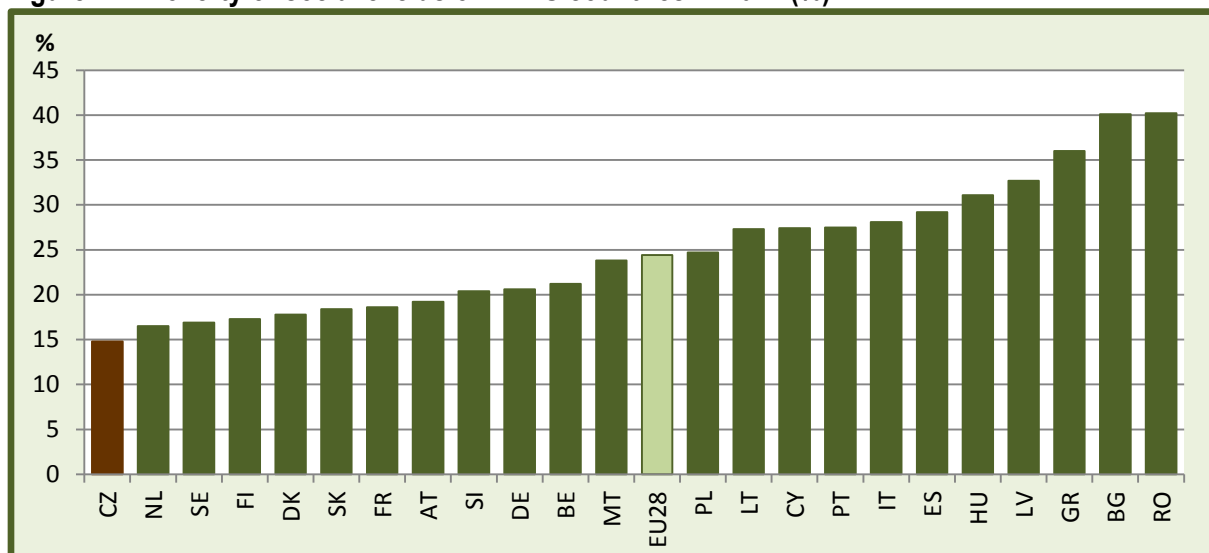
Unfortunately, in Eurostat documentation we so far failed to find a theoretical or methodological explanation for the construction of the aforementioned composite indicator. The most concise methodological study in the field (Atkinson and Marlier 2010) does not mention the indicator yet, as it has only been introduced as an assessment indicator for the "ten-year strategy Europe 2020" declared by the European Commission in March 2010. Yet, in all related documents the indicator has been used without any detailed justification and even years later we failed to find a thorough analysis of the relative importance of the individual sub-indicators that would indicate its sensitivity to the construction items in cross-national comparisons and over time.

For most countries, an easy correlation analysis shows the strongest tie of the composite indicator AROPE to the at-risk-of-poverty sub-indicator. This is the case for, for example, all Central European countries except for Hungary. Here the strongest link lies between the aggregate indicator and material deprivation, similarly to other two countries where this absolute poverty indicator reaches the highest levels, Bulgaria and Romania.

As in the second chapter of our study, which compared "objective" and "subjective" indicators, we shall again relate the aforementioned EU indicators to the discrepancies between the indicated minimum necessary and the actual household income, as well as to the households' difficulty to make ends meet. In the last indicator the Czech Republic has overtaken all other transitional countries (except for Lithuania) but has ranked behind all developed Western countries (Figure 4.5).

Table 4.1 shows an overview of all discussed poverty indicators in Central European countries and in the EU-28. From Visegrád group, our results are the closest to Slovakia,

while Hungary and Poland show very different levels, both in the relative at-risk-of-poverty indicator (esp. Poland) and in the absolute indicator of material deprivation (esp. Hungary). With the exception of Hungary, all Central European transition countries perform below the average of the EU-28 in the EU poverty indicators. As for the "subjective" indicators, the EU-28 average is surpassed by Slovakia (in low income indicator), and Hungary (and to a smaller extent Slovakia) in the make-ends-meet-with-great-difficulty indicator.

Figure 4.5: Great difficulty to make ends meet in EU countries in 2014 (%)
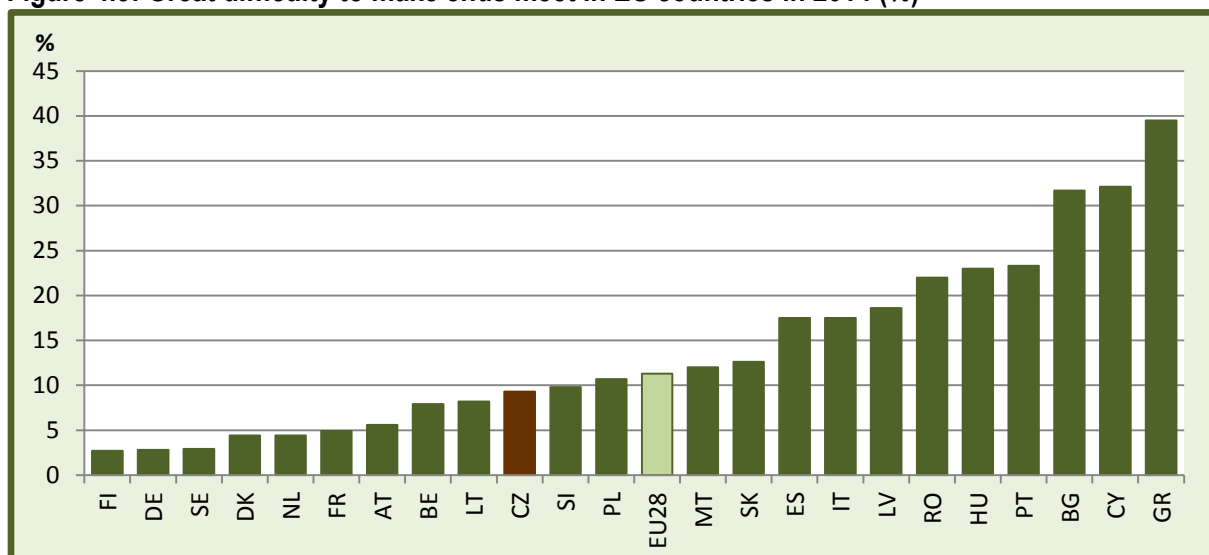
There is a considerable discrepancy between the last group of countries: while in Hungary nearly one quarter of people have great difficulty to make ends meet (the same holds for material deprivation), only one-tenth of people live in households with reported income of below 75% of their estimated minimum required income. In Slovakia, the relation is almost opposite. Differences also exist between Austria and Germany: while in both countries approximately the same percentage of people live in households which fall below the threshold of material deprivation, subjective indicators show corresponding levels only in Austria, while the data for Germany are inconsistent.

Table 4.1: Poverty indicators in central European countries in 2014 (% of persons)

	CR	Hungary	Poland	Slovakia	Austria	Germany	EU-28
Income poverty	9.7	14.6	17.0	12.6	14.1	16.7	17.2
Material deprivation	6.7	23.9	10.4	9.9	4.0	5.0	18.9
Low work intensity[a]	7.0	11.4	8.1	6.9	9.2	11.1	11.6
Poverty or social exclusion	*14.8*	*31.1*	*24.7*	*18.4*	*19.2*	*20.6*	*24.4*
Low income[b]	10.6	9.6	11.9	24.5	4.7	8.2	15.2
Great difficulty to make ends meet	9.3	23.0	10.7	12.6	5.6	2.8	11.3

For graphical presentation we pick *two contrasting poverty indicators*, namely the "objective" at-risk-of-poverty rate and "subjective" great difficulty to make ends meet (Figure 4.6). Figure 4.6 is constructed in the same manner as the above-shown Figure 2.3 for the Czech Republic. Evidently, large differences exist between countries in the Central European region. In Germany, only one-tenth of those at risk of poverty have also great difficulty to make ends meet, one-sixth in Austria, approximately one-third in the Czech Republic and Poland and two-thirds in Hungary. In principle, the higher the national standard of living, the less do the two indicators overlap.

Figure 4.6: Relation of "objective" and "subjective" poverty indicators in Central European countries in 2013 (%)
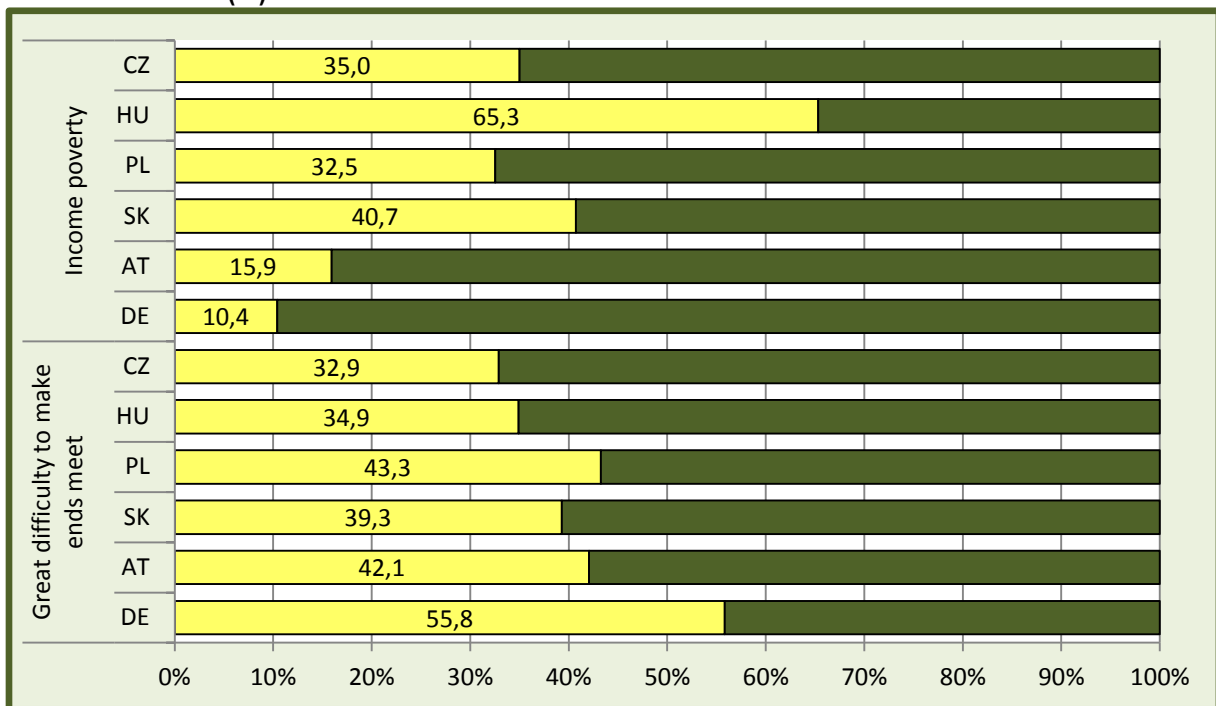
The lower part of Figure 4.6 shows the extent to which the at-risk-of-poverty indicator covers persons in the households with great difficulty to make ends meet. In the Czech Republic, the two groups overlap only at one-third of population, similarly to Hungary, despite its much larger scale of poverty. Therefore, even the comparative view confirms the limited reliability of the at-risk-of-poverty rate in the Central European region in general, but especially in the Czech Republic.

In the second part of our study we broke down the indicators according to age, in other words, we showed how many children and pensioners fall into poverty under those indicators. Table A.8 in the Appendix manifests an extremely differentiated ratio of children to pensioners in the EU countries, with the most striking differences between Central European countries (see Table 4.2). The at-risk-of-poverty indicator puts Germany to one side, with a similar level of poverty among children and the elderly (similar situation is in Denmark and Sweden), and Hungary to the other, with an above-average child poverty and surprisingly low poverty of elderly. The ratio of 6:1 reached in Hungary is otherwise unparalleled in Europe (only Luxembourg comes close with the ratio of 4:1).

Table 4.2: Income poverty and great difficulty to make ends meet by age in Central European countries in 2013/2014 (% of age category)

	CR	Hungary	Poland	Slovakia	Austria	Germany
Income poverty (2014)						
Total	9.7	14.6	17.0	12.6	14.1	16.7
0-17	14.7	24.6	22.3	19.2	18.2	15.1
18-64	9.1	14.5	16.7	12.3	12.9	17.2
65+	7.0	4.2	11.7	6.2	14.2	16.3
Ratio 0-17/65+	*2.10*	*5.86*	*1.91*	*3.10*	*1.28*	*0.93*
Great difficulty to make ends meet (2013)						
Total	9.1	26.7	13.0	13.3	5.4	3.0
0-17	11.3	35.5	13.7	15.4	7.2	3.2
18-64	9.1	26.6	13.0	13.1	5.7	3.4
65+	7.2	17.8	12.3	11.6	2.8	1.7
Ratio 0-17/65+	*1.58*	*1.99*	*1.11*	*1.32*	*2.59*	*1.91*

Source: EU-SILC - Eurostat tab ilc_li02 for Income poverty;
EU-SILC 2013 for Great difficulty to make ends meet (authors' computations).

The bottom part of Table 4.2 presents the age breakdown for the great-difficulties-to-make-ends-meet indicator. As in other cases, the resulting differences are smaller and in a sense more plausible, except for the surprising differences between Austria and Germany, where Austria shows the highest difference between the number of children living in households with great difficulty to make ends meet and the number of elderly people.

In the first part of this study, in order to assess the level of household income, we compared the average income per capita *according to the EU-SILC and the National Accounts* (see Table 1.4). The data prove that the Czech Republic is performing quite well in comparison with other Central European transition countries, where the EU-SILC household survey shows much lower per capita income than the national accounts (Figure 4.7). The Czech Republic also achieves very good results in cross-Europe comparison, where it ranks just behind the countries that use administrative data to survey household income (a more reliable approach, as explained in Box 1.2 and shown in detail in Table A.6 in the Appendix).

Since the start of EU-SILC survey in 2005 (based on income from 2004), the share of income calculated in the system of national accounts and covered in EU-SILC has increased. The Czech Republic has not been experiencing a rapid improvement because since the very beginning the situation here was very good. The other three countries saw a recent drop in coverage; the largest one occurred in Slovakia. The Figure 4.7 lacks the usual comparison with Austria and Germany, as the required comparative information on these countries is missing in the Eurostat documents.

At this point, we should remember one relationship between the validity of data from EU-SILC survey and the revealed level of poverty (especially of the original EU at-risk-of-poverty indicator), which also applies to countries other than the Czech Republic. Underestimation of the declared household income may lead to overestimation of the extent of poverty, more or less adequate to the degree of underestimation of income. Such reasoning, however, applies only conditionally with respect to inequality in the bottom half of income distribution.

Figure 4.7: Total disposable income per capita - comparison of National Accounts and EU-SILC in transition Central European countries (EU-SILC/NA ratio)
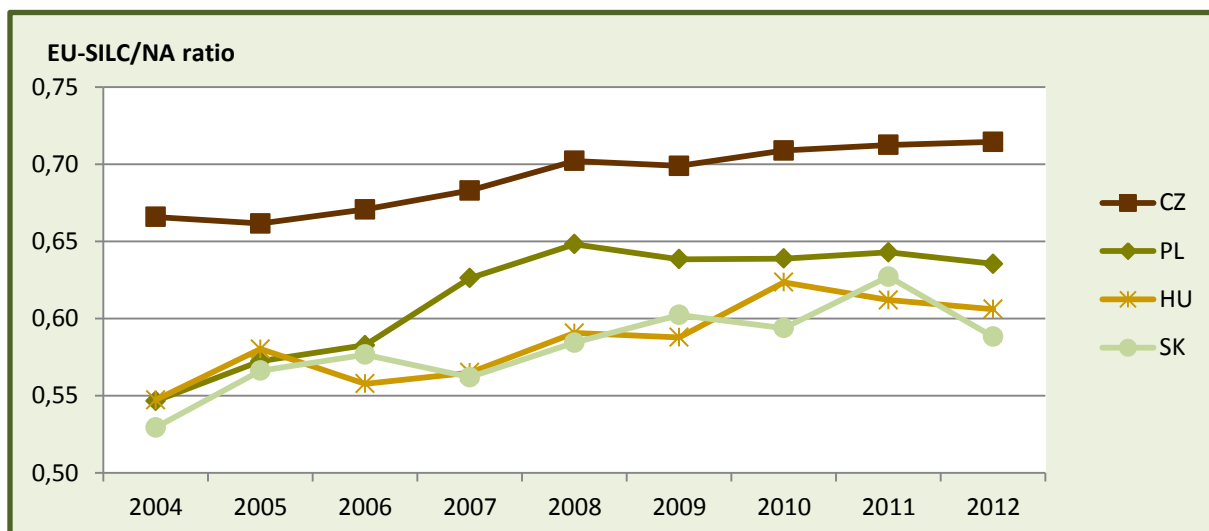
Source: Eurostat/NA/ nasa_nf_tr and EU-SILC, computations by Michaela Brázdilová.

If the understatement concerns higher rather than lower incomes (which is very likely), then an "adjustment" to the actual incomes would not bring any change to the poverty indicator. If, however, such adjustment would increase incomes in the middle of the income distribution, it may lead to raising the poverty line. And if, at the same time, such adjustment would not increase adequately also incomes on the bottom of the income distribution, poverty rate would increase. Nevertheless, the income undervaluation mostly concerns socially or demographically defined categories, as already shown on the example of the Czech Republic in the previous sections.

Another circumstance can have a similar impact, which often concerns southern European countries, and especially the Balkans. Here, income surveys suffer from the fact that the at-risk-of-poverty indicator does not include income from self-production and that work intensity does not contain non-paid activity of family members in agriculture. Although this does not affect the international comparisons of the poverty risk indicator, because this indicator expresses the distribution of people within the income distribution of the country, still, this distribution may be slightly affected by the way local residents make their living. Households with partially grown own food and with low cash income may fall below the poverty line even if they do not actually belong there.

Thanks to the long existence of the EU-SILC surveys we can, for the first time on a broader international scale, track the *duration of poverty* as defined by any of the poverty criteria. The surveys cover two four-year periods, 2006-2009 and 2010-2013. Although from the point of view of longitudinal data collection these are relatively long periods, for a family four years is a short period within which chronic poverty cannot be detected (see Box 3.2). Therefore, we need to bear in mind that we only see how many times a family has faced any forms of poverty over a period of four years: from "never" to "over the whole period". The calculations based on longitudinal data of EU-SILC surveys are presented in Tables A.9-A.11 in the Appendix.

Table 4.3: Incidence of poverty in two 4-year periods in Central European countries (%)

	CZ	HU	PL	SK	AT
First period (2006-2009)					
At-risk-of-poverty rate					
Never	83.5	72.1	69.3	76.6	74.7
1x	7.4	12.9	11.5	12.7	11.2
2x-4x	9.0	15.1	19.2	10.8	14.1
Total	100.0	100.0	100.0	100.0	100.0
Ratio 2x-4x / at least 1x	54.9	53.9	62.5	46.0	55.7
Great difficulty to make ends meet					
Never	84.8	63.3	69.4	75.1	90.4
1x	7.0	16.3	12.0	13.1	6.8
2x-4x	8.2	20.4	18.6	11.9	2.8
Total	100.0	100.0	100.0	100.0	100.0
Ratio 2x-4x / at least 1x	53.9	55.6	60.8	47.6	29.2
Second period (2010-2013)					
At-risk-of-poverty rate					
Never	86.1	77.6	71.9	75.0	75.1
1x	6.2	8.7	9.8	10.9	8.6
2x-4x	7.7	13.7	18.3	14.1	16.3
Total	100.0	100.0	100.0	100.0	100.0
Ratio 2x-4x / at least 1x	55.4	61.2	65.1	56.4	65.5
Great difficulty to make ends meet					
Never	83.8	58.6	76.6	80.0	87.0
1x	7.5	13.6	8.9	9.1	7.2
2x-4x	8.7	27.8	14.5	10.9	5.8
Total	100.0	100.0	100.0	100.0	100.0
Ratio 2x-4x / at least 1x	53.7	67.1	62.0	54.5	44.6

Source: longitudinal EU-SILC 2009 and 2013, authors' computations.

For greater clarity, we only selected Central European countries (without Germany, where longitudinal EU-SILC data are missing) and two indicators from the tables in the Appendix. Furthermore, we merged the category of poverty occurring two to four times per period into one category, and added a calculation of the share in total poverty of people living in poverty for more than one year (Table 4.3). Such comparison may, roughly and in simple terms, indicate the impact of the financial crisis and recession on poverty duration.

In the Czech Republic, poverty lasting over a year accounts for a little more than half of all poverty cases, and that according to both indicators. No changes have been observed between the two periods, which means that no influence of economic downturn on poverty duration has been detected. Small shift appeared in Poland, but there the share of lasting poverty is substantially larger. A bigger inter-period change occurred in Slovakia (10-percentage-point growth in at-risk-of-poverty rate and 7-percentage-point growth in the difficulties to make ends meet) and in Slovakia (7 and 11 percentage points, respectively). However, the most dramatic growth has been recorded in Austria: while the one-time poverty has remained more or less unchanged, the share of lasting poverty almost doubled.

In the third part, our study addressed the *intergenerational transmission of disadvantage.* We showed that in the Czech Republic only one percentage of people aged 26-60 surveyed in EU-SILC 2011 fell into the category of great difficulty to make ends meet both when they were

young and at the time of the survey. The relevant international data can be found in Table A.12 in the Appendix. Despite the negligible figure, the Czech Republic occupies a place somewhere around the middle of the ranking, behind the developed western EU countries, next to Belgium and in front of South Europe (Figure 4.8).

Figure 4.8: Great difficulty to make ends meet when respondents were around 14 years old and currently - intergenerational transmission of poverty (%)
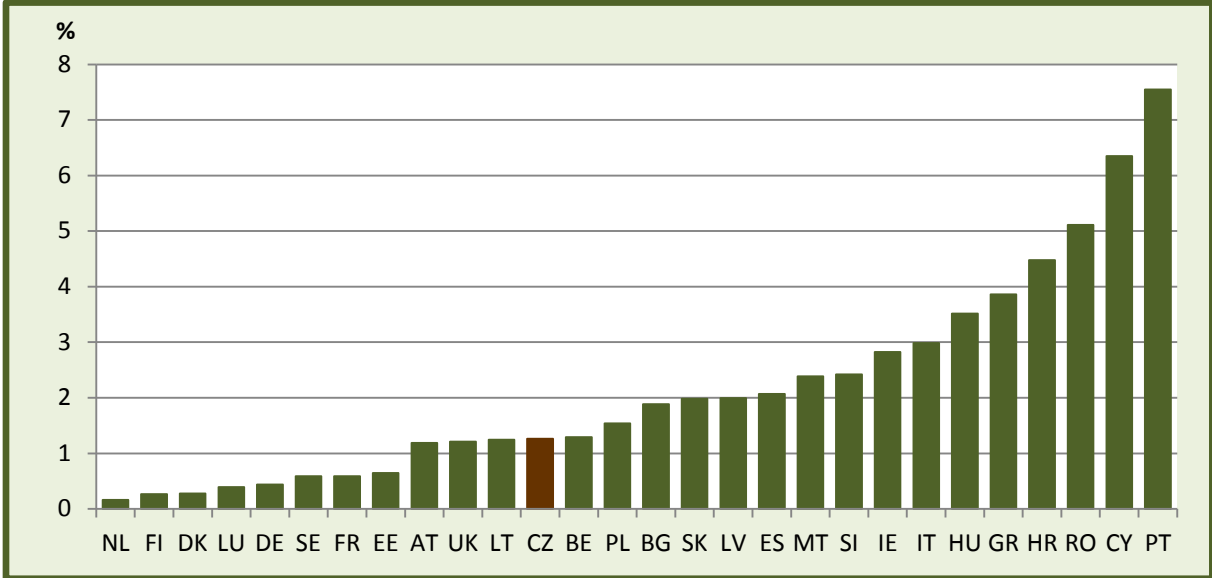
Figure 4.9 offers the other perspective, i.e. the percentage of people who faced great difficulty to make ends meet in their youth and whose situation improved, even if only by one point on the six-point scale that defines the difficulty of a household to make ends meet. Also here the Czech Republic ranks around the middle of the surveyed countries, together with Belgium. Also other features are shared with this country: the level of indicators of material deprivation and making ends meet with great difficulty.

Figure 4.9: The share of persons with improved situation (as a % of persons with great difficulty to make ends meet when respondents were around 14 years)
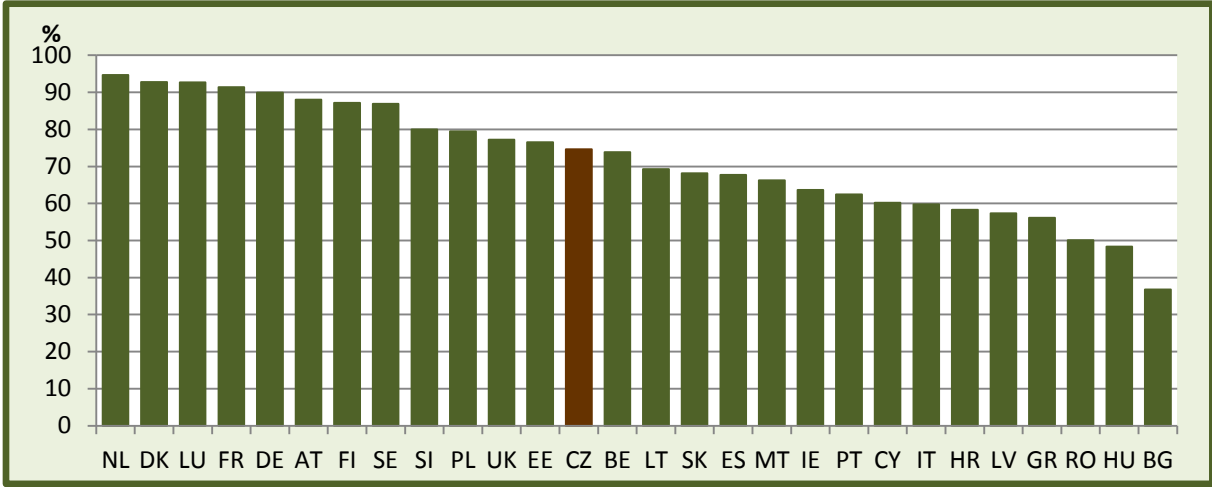
Conclusion

Research of poverty in Europe has been subject to long-term attention. When designing statistical indicators, a compromise needs to be found between general reliability of the data and ability to collect it. By them, surely it is not feasible to describe the infinite number of individual situations. But to come as close as possible is a long-term challenge within both national and international research, where numerous teams seek synthesis and innovation.

Within different EU research programmes, a number of projects on this topic have been supported. Currently a large project is finalized, called ImPRovE (Poverty Reduction in Europe: Social Policy and Innovation) planned for period 2012-2016. Among many other achievements, longitudinal data from EU-SILC have been processed within the project (Papadopoulos, Tsakloglou 2015; Andriopoulou, Tsakloglou 2015) and a process of designing a referential family budget has been launched (Goedemé and others 2015).

Our study focused on the Czech Republic. It was elaborated within a programme of the Czech Academy of Sciences addressed to a larger public. We opened it by saying that we do not aspire to draw revolutionary conclusions about poverty but merely wanted to check, complement and, if necessary, correct the existing information. We worked with the available literature and data sets, and realized that our intentions correspond with those of many international initiatives and projects, which aspire to improve the current knowledge of poverty in Europe.

In the study, we consider that for evaluation of poverty – in international context in particular – we should look at income and expenditure, i.e. that we should deal not only with relative income inequality, but also take into account the purchasing power of the population. One of possible, albeit partial, solutions to such a complicated task is to use so-called subjective indicators. Although the questions of subjective welfare have entered the scope of interest of social sciences, and although EU-SILC contains data which are very useful for such purpose, subjective indicators as complementary or alternative indicators for poverty research have been applied only sporadically, if at all.

Against the "objective" relative income indicator of poverty, we thus tried to present the advantages of the "subjective" indicator, which is based on the question "How difficult is it for your household to make ends meet with its total monthly income?". Here we do not share other scholars' fear of the answers reflecting unrealistic consumer needs of the respondents. In contrast, we believe that here the respondents quite really assess both household income and expenditures, by including at least a part of not-declared income sources and, in any case, housing costs and financial liabilities.

Compared to other indicators the indicator based on the statement that a household can make ends meet with great difficulty seems to us as relatively well-balanced for the following reasons:

- It takes into account both income and expenditure, such as basic living expenses and financial burdens while staying within the frame of reference of the living standard of the society.

- Its character also reflects the current trend in social sciences and politics, both of which increasingly more look at subjective indicators of well-being.

- It provides more uniform results in terms of social stratification, demography and place of residence.

- Compared to other poverty indicators it has the strongest link to the declared life satisfaction and satisfaction with household finance, which only highlights its reliability.

Under this indicator the Czech Republic loses its undeserved status of a country with the lowest poverty in the EU, it performs better than the rest of the transition countries.

We made various comparisons based on EU-SILC surveys and some administrative data. We compared indicators, the so-called objective ones versus subjective, and we addressed the differences in population groups defined as poor by either of the indicators. We compared the data from the EU-SILC with data gathered from public administration to establish their reliability; finally, we also compared the total income as disclosed by the households with data from national accounts. Long- and short-term poverty has been compared. And, in the very end, the Czech Republic has been put in context of Central European countries and of the entire EU.

Based on the various comparisons, the following conclusions have been drawn:

- The EU indicators of income poverty, material deprivation and very low work intensity overlap only to a small extent. While all three indicators together indicate 2% of respondents in critical situation, when applied separately, they point to 15% of people. This suggests that each indicator captures different aspects of poverty risk.

- Both the most often cited objective indicator, the risk-of-poverty indicator, and the subjective household's assessment of difficulty to make ends meet indicate 10% of population under risk of poverty; however, the two groups overlap only to a very small extent and their composition differs.

- In contrast to the group facing the risk of income poverty, the population declaring great difficulty to make ends meet is more age-balanced, includes fewer self-employed persons, persons living alone and single-parent households. Also, people living in the countryside and rural regions are less represented.

- When poverty of children is compared with poverty of elderly people according to the risk of income poverty indicator, it seems that children are significantly more disadvantaged in the Czech Republic. Yet, our investigation suggests a less dramatic relation. We concluded that while poverty of those sharing household with economically active people (children living with parents) tends to be overvalued, poverty of elderly people is more likely to be undervalued.

- An analysis of undervaluation of incomes revealed that old-age pensions are not affected at all, incomes of employees only to a small degree, but self-employed persons' incomes are concerned to a very high extent. Also other sources of income tend to be undervalued. In the cross-national comparison, the Czech survey performs quite well regarding the

comparison of average income as reported by households and as recorded in national accounts. This proved high quality of the Czech statistics.

- Regarding poverty duration, most people faced income poverty only temporarily, while only 3% were under risk of long-term income poverty. Other indicators confirmed that poverty is mostly a temporary problem. The economic downturn only showed an impact on the indicator of great difficulty to make ends meet, which in 2010-2013 witnessed a slight drop caused in particular by an increase in short-term difficulties.

- Measured with the relative income indicator, poverty in the Czech Republic is the lowest in the EU; the country also performs very well in terms of work intensity. In material deprivation and difficulty to make ends meet the Czech Republic ranks closer to the EU average, on about tenth position. We consider the last two indicators more appropriate for international comparison.

Research efforts in the area of poverty measuring continue, for instance in the effort to correct the results from EU-SILC using National Accounts (as explained above), or the attempt to simultaneously monitor income, expenditure and material deprivation based on EU-SILC survey linked with the Household Budget Survey (Eurostat 2013). Several other questions remain open, such as formula applied for calculation of scale economies which has been drawn already long time ago, and its universal use in countries with a very diverse structure of family budgets. Another question concerns the risk of social exclusion, currently indicated by relative income, severe material deprivation or very low labour involvement of people in active age. On the one hand, such list is far from complete and on the other hand, the indicator involves too many fields, although being deprived in one does not necessarily mean social exclusion in general.

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Appendix: Comparative tables in EU countries

Country abbreviations

AT   Austria
BE   Belgium
BG   Bulgaria
CY   Cyprus
CZ   Czech Republic
DE   Germany
DK   Denmark
EE   Estonia
ES   Spain
FI   Finland
FR   France
GR   Greece
HR   Croatia
HU   Hungary
IE   Ireland
IS   Iceland
IT   Italy
LT   Lithuania
LU   Luxembourg
LV   Latvia
MT   Malta
NL   Netherlands
NO   Norway
PL   Poland
PT   Portugal
RO   Romania
SE   Sweden
SI   Slovenia
SK   Slovakia
UK   United Kingdom

Table A.1: At-risk-of poverty rate (income poverty) (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AT	12.6	12.6	12.0	15.2[a]	14.5	14.7	14.5	14.4	14.4	14.1
BE	14.8	14.7	15.2	14.7	14.6	14.6	15.3	15.3	15.1	15.5
BG	14.0	18.4	22.0	21.4	21.8	20.7	22.2	21.2	21.0	21.8
CY	16.1	15.6	15.5	15.9[a]	15.8	15.6	14.8	14.7	15.3	14.4
CZ	**10.4**	**9.9**	**9.6**	**9.0**	**8.6**	**9.0**	**9.8**	**9.6**	**8.6**	**9.7**
DE	12.2	12.5	15.2	15.2	15.5	15.6	15.8	16.1	16.1	16.7
DK	11.8	11.7	11.7	11.8	13.1	13.3	13.0	13.1	12.3	11.9[a]
EE	18.3	18.3	19.4	19.5	19.7	15.8	17.5	17.5	18.6	
ES	20.1	20.3	19.7	20.8	20.4[a]	20.7	20.6	20.8	20.4	22.2
FI	11.7	12.6	13.0	13.6	13.8	13.1	13.7	13.2	11.8	12.8
FR	13.0	13.2	13.1	12.5[a]	12.9	13.3	14.0	14.1	13.7	13.3
GR	19.6	20.5	20.3	20.1	19.7	20.1	21.4	23.1	23.1	22.1
HR	18.0	17.0	18.0	17.3	17.9	20.6[a]	20.9	20.4	19.5	19.4
HU	13.5	15.9	12.3	12.4	12.4	12.3	13.8	14.0	14.3	14.6
IE	19.7	18.5	17.2	15.5	15.0	15.2	15.2	15.7	14.1	
IS	9.7	9.6	10.1	10.1	10.2	9.8	9.2	7.9	9.3	
IT	18.9	19.6	19.8	18.7	18.4	18.2	19.6	19.4	19.1	19.6[b]
LT	20.5	20.0	19.1	20.9	20.3	20.5	19.2	18.6	20.6	19.1
LU	13.7	14.1	13.5	13.4	14.9	14.5	13.6	15.1	15.9	16.4
LV	19.4	23.5	21.2	25.9	26.4	20.9	19.0	19.2	19.4	21.2
MT	14.3	14.2	15.1	15.3	14.9	15.5	15.6	15.1	15.7	15.9
NL	10.7	9.7	10.2	10.5	11.1	10.3	11.0	10.1	10.4	11.6
NO	11.4	12.3	11.9	11.4	11.7	11.2	10.5	10.0	10.9	10.9
PL	20.5	19.1	17.3	16.9	17.1	17.6	17.7	17.1	17.3	17.0
PT	19.4	18.5	18.1	18.5	17.9	17.9	18.0	17.9	18.7	19.5
RO			24.8	23.4	22.4	21.1	22.2	22.6	22.4	25.4
SE	9.5	12.3	10.5	12.2	13.3	12.9	14.0	14.1	14.8	15.1
SI	12.2	11.6	11.5	12.3	11.3	12.7	13.6	13.5	14.5	14.5
SK	13.3	11.6	10.6	10.9	11.0	12.0	13.0	13.2	12.8	12.6
UK	19.0	19.0	18.6	18.7	17.3	17.1	16.2	16.0[a]	15.9	:
EU28						16.4	16.8	16.8	16.6	17.2[c]
EU27	16.4[c]	16.5[c]	16.5[c]	16.6	16.4	16.4	16.8	16.8	16.6	17.2[c]
EU15	15.7	16.0	16.0[c]	16.4	16.2	16.3	16.6	16.6	16.4	17.0[c]
NMS12	18.9	18.5	18.2[c]	17.3	17.1	16.9	17.5	17.3	17.3	18.0[c]

Source: EU-SILC - Eurostat tab ilc_li02.
Notes: [a] break in time series; [b] provisional; [c] estimated.

Table A.2: Material deprivation (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AT	3.5	3.6	3.3	5.9[a]	4.6	4.3	4.0	4.0	4.2	4.0
BE	6.5	6.4	5.7	5.6	5.2	5.9	5.7	6.3	5.1	5.9
BG		57.7	57.6	41.2[a]	41.9	45.7	43.6	44.1	43.0	33.1[a]
CY	12.2	12.6	13.3	9.1[a]	9.5	11.2	11.7	15.0	16.1	15.3
CZ	**11.8**	**9.6**	**7.4**	**6.8**	**6.1**	**6.2**	**6.1**	**6.6**	**6.6**	**6.7**
DE	4.6	5.1	4.8	5.5	5.4	4.5	5.3	4.9	5.4	5.0
DK	3.2	3.1	3.3	2.0	2.3	2.7	2.6	2.8	3.8	3.2
EE	12.4	7.0	5.6	4.9[a]	6.2	9.0	8.7	9.4	7.6	
ES	4.1	4.1	3.5	3.6	4.5[a]	4.9	4.5	5.8	6.2	7.1
FI	3.8	3.3	3.6	3.5	2.8	2.8	3.2	2.9	2.5	2.8
FR	5.3	5.0	4.7	5.4	5.6	5.8	5.2	5.3	4.9	4.8
GR	12.8	11.5	11.5	11.2	11.0	11.6	15.2	19.5	20.3	21.5
HR						14.3	15.2	15.9	14.7	13.9
HU	22.9	20.9	19.9	17.9	20.3	21.6	23.1	25.7	26.8	23.9
IE	5.1	4.8	4.5	5.5	6.1	5.7	7.8	9.8	9.9	
IS	2.7	2.1	2.1	0.8[a]	0.8	1.8	2.1	2.4	1.9	
IT	6.4	6.3	6.8	7.5	7.0	6.9	11.2	14.5	12.4	11.5[b]
LT	32.6	25.3	16.6	12.5[a]	15.6	19.9	19.0	19.8	16.0	13.6
LU	1.8	1.1	0.8	0.7	1.1	0.5	1.2	1.3	1.8	1.4
LV	39.3	31.3	24.0	19.3[a]	22.1	27.6	31.0	25.6	24.0	19.2
MT	5.4	3.9	4.4	4.3	5.0	6.5	6.6	9.2	9.5	10.2
NL	2.5	2.3	1.7	1.5	1.4	2.2	2.5	2.3	2.5	3.2
NO	3.5	2.8	2.3	2.0	2.2	2.0	2.3	1.7	1.9	1.2
PL	33.8	27.6	22.3	17.7[a]	15.0	14.2	13.0	13.5	11.9	10.4
PT	9.3	9.1	9.6	9.7	9.1	9.0	8.3	8.6	10.9	10.6
RO			36.5	32.9	32.2	31.0	29.4	29.9	28.5	26.3
SE	2.3	2.1	2.2	1.4	1.6	1.3	1.2	1.3	1.4	0.7
SI	5.1	5.1	5.1	6.7	6.1	5.9	6.1	6.6	6.7	6.6
SK	22.1	18.2	13.7	11.8	11.1	11.4	10.6	10.5	10.2	9.9
UK	5.3	4.5	4.2	4.5	3.3[d]	4.8	5.1	7.8[a]	8.3	
EU28						8.4	8.9	9.9	9.6	8.9[c]
EU27	10.8[c]	9.9[c]	9.1	8.5	8.2[c]	8.4	8.8	9.9	9.6	8.9[c]
EU15	5.2	5.1	4.9	5.4	5.1[c]	5.3	6.2	7.3	7.3	7.0[c]
NMS12	31.3	27.9	24.9	20.7	19.8	20.0	19.2	19.7	18.6	16.6[c]

Source: EU-SILC - Eurostat tab ilc_sip8.
Notes: [a] break in time series; [b] provisional; [c] estimated. [d] low reliability.

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Table A.3: Low work intensity (% of population aged 18-59)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AT	7.9	8.4	8.8	8.0[a]	7.6	8.4	9.1	8.2	7.9	9.2
BE	14.2	13.2	13.1	11.9	12.6	12.8	13.7	14.1	14.6	15.1
BG		13.0	15.0	7.3[a]	6.3	6.8	9.8	11.0	11.3	11.2
CY	4.7	4.1	4.0	5.0[a]	4.3	5.3	5.4	6.9	8.3	10.6
CZ	**8.8**	**8.9**	**8.1**	**7.0**	**5.9**	**6.2**	**6.4**	**6.8**	**7.0**	**7.0**
DE	12.7	13.5	12.8	11.8	11.2	11.9	11.3	10.3	10.3	11.1
DK	10.9	10.5	11.0	9.7	9.8	11.3	12.4	13.2	14.4	13.8
EE	9.4	7.3	6.8	5.8	6.0	9.2	10.3	9.9	8.9	
ES	6.8	6.6	6.9	6.8	7.5[a]	10.7	13.3	14.4	16.0	18.2
FI	10.8	9.8	9.7	8.4	9.2	10.1	10.6	10.3	10.0	11.0
FR	9.3	9.8	10.3	9.2	8.9	10.1	9.7[a]	8.9	8.7	10.3
GR	8.5	9.2	9.0	8.3	7.8	8.5	13.3	16.2	19.4	19.4
HR						14.6	16.6	17.0	15.7	15.3
HU	9.5	12.8	11.8	12.3	11.1	11.2	11.6	11.8	11.9	11.4
IE	12.4	11.6	13.5	12.9	18.4	21.1	22.9	23.3	23.4	
IS	3.1	2.8	2.3	2.7	2.5	5.8	6.0	6.3	6.0	
IT	11.3	12.1	11.0	10.6	9.7	11.0	11.1	11.4	12.0	12.9[b]
LT	11.0	9.4	6.3	6.4	7.7	10.5	13.0	11.9	11.4	9.4
LU	6.7	5.8	5.6	5.2	7.1	6.3	6.9	6.8	7.3	6.7
LV	8.3	7.2	6.4	5.6	7.4	12.5	12.5	12.1	10.2	9.4
MT	9.5	9.7	9.4	8.0	8.8	8.9	8.6	8.6	8.3	9.0
NL	10.7	11.8	11.0	9.5	9.7	9.4	10.0	9.9	10.5	11.4
NO	7.7	8.7	8.6	7.1	7.6	8.5	7.9	8.0	7.1	6.7
PL	15.9	13.8	11.5	9.2	8.1	8.5	8.1	7.9	8.1	8.1
PT	5.9	6.5	7.5	5.9	6.5	8.2	7.8	9.6	11.9	12.9
RO			8.8	8.6	8.0	7.3	7.0	7.4	6.8	6.8
SE	8.2	7.3	6.1	5.8	7.2	6.5	7.3	5.8	7.2	6.6
SI	9.8	7.8	8.1	7.5	6.4	7.9	8.5	8.8	9.1	10.1
SK	7.1	6.7	6.6	5.3	5.5	7.8	7.7	7.2	7.2	6.9
UK	11.6	10.9	8.7	9.5	11.7	12.0	10.7	11.5[a]	11.8	
EU28						10.4	10.6	10.7	11.1	11.6[c]
EU27	10.7[c]	10.8[c]	10.2	9.4	9.4	10.3	10.6	10.6	11.0	11.6[c]
EU15	10.4	10.7	10.2	9.6	9.8	10.9	11.1	11.2	11.7	12.5[c]
NMS12	11.8	11.2	10.1	8.5	7.7	8.2	8.4	8.5	8.4	8.3[c]

Source: EU-SILC - Eurostat tab ilc_lvhl14.
Notes: [a] break in time series; [b] provisional; [c] estimated.

Table A.4: Poverty or social exclusion (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AT	17.4	17.8	16.7	20.6[a]	19.1	18.9	19.2	18.5	18.8	19.2
BE	22.6	21.5	21.6	20.8	20.2	20.8	21.0	21.6	20.8	21.2
BG		61.3	60.7	44.8[a]	46.2	49.2	49.1	49.3	48.0	40.1[a]
CY	25.3	25.4	25.2	23.3[a]	23.5	24.6	24.6	27.1	27.8	27.4
CZ	**19.6**	**18.0**	**15.8**	**15.3**	**14.0**	**14.4**	**15.3**	**15.4**	**14.6**	**14.8**
DE	18.4	20.2	20.6	20.1	20.0	19.7	19.9	19.6	20.3	20.6
DK	17.2	16.7	16.8	16.3	17.6	18.3	18.9	19.0	18.9	17.8[a]
EE	25.9	22.0	22.0	21.8	23.4	21.7	23.1	23.4	23.5	
ES	24.3	24.0	23.3	24.5	24.7[a]	26.1	26.7	27.2	27.3	29.2
FI	17.2	17.1	17.4	17.4	16.9	16.9	17.9	17.2	16.0	17.3
FR	18.9	18.8	19.0	18.5[a]	18.5	19.2	19.3	19.1	18.1	18.6
GR	29.4	29.3	28.3	28.1	27.6	27.7	31.0	34.6	35.7	36.0
HR						31.1	32.6	32.6	29.9	29.3
HU	32.1	31.4	29.4	28.2	29.6	29.9	31.0	32.4	33.5	31.1
IE	25.0	23.3	23.1	23.7	25.7	27.3	29.4	30.0	29.5	
IS	13.3	12.5	13.0	11.8	11.6	13.7	13.7	12.7	13.0	
IT	25.0	25.9	26.0	25.3	24.7	24.5	28.2	29.9	28.4	28.1[b]
LT	41.0	35.9	28.7	28.3	29.6	34.0	33.1	32.5	30.8	27.3
LU	17.3	16.5	15.9	15.5	17.8	17.1	16.8	18.4	19.0	19.0
LV	46.3	42.2	35.1	34.2[a]	37.9	38.2	40.1	36.2	35.1	32.7
MT	20.5	19.5	19.7	20.1	20.3	21.2	22.1	23.1	24.0	23.8
NL	16.7	16.0	15.7	14.9	15.1	15.1	15.7	15.0	15.9	16.5
NO	16.2	16.9	16.5	15.0	15.2	14.9	14.5	13.7	14.1	13.5
PL	45.3	39.5	34.4	30.5[a]	27.8	27.8	27.2	26.7	25.8	24.7
PT	26.1	25.0	25.0	26.0	24.9	25.3	24.4	25.3	27.5	27.5
RO			45.9	44.2	43.1	41.4	40.3	41.7	40.4	40.2
SE	14.4	16.3	13.9	14.9	15.9	15.0	16.1	15.6	16.4	16.9
SI	18.5	17.1	17.1	18.5	17.1	18.3	19.3	19.6	20.4	20.4
SK	32.0	26.7	21.3	20.6	19.6	20.6	20.6	20.5	19.8	18.4
UK	24.8	23.7	22.6	23.2	22.0	23.2	22.7	24.1[a]	24.8	
EU28						23.7	24.3	24.7	24.5	24.4[c]
EU27	25.7[c]	25.3[c]	24.4	23.8	23.3	23.6	24.2	24.7	24.5	24.4[c]
EU15	21.6	21.9	21.6	21.7	21.4	21.8	22.6	23.1	23.1	23.3[c]
NMS12	41.0	38.0	35.0	31.7	30.6	30.8	30.6	30.7	30.0	28.6[c]

Source: EU-SILC - Eurostat tab ilc_peps01.
Notes: [a] break in time series; [b] provisional; [c] estimated.

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Table A.5: Great difficulty to make ends meet (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AT	3.0	2.4	3.3	4.6	5.4	5.9	5.5	6.0	5.4	5.6
BE	6.0	5.7	5.6	7.5	8.3	7.7	8.8	8.3	8.8	7.9
BG	35.7	35.7	33.3	31.1	27.8	29.0	27.8	32.8	32.9	31.7[a]
CY	14.4	18.7	17.3	21.0	20.1	23.3	26.3	22.3	32.1	32.1
CZ	**10.6**	**9.0**	**7.4**	**7.8**	**7.9**	**8.4**	**8.7**	**9.3**	**9.1**	**9.3**
DE	3.3	2.7	2.0	2.1	3.3	2.8	3.1	3.0	3.0	2.8
DK	2.6	2.8	2.9	3.0	3.5	3.7	4.2	3.4	4.9	4.4
EE	1.0	4.7	3.4	3.1	7.9	8.5	8.5	8.5	7.5	6.5[b]
ES	11.1	12.1	11.1	13.7	16.2	15.5	11.1	14.7	18.6	17.5
FI	3.1	2.6	2.6	2.9	2.3	2.4	2.6	2.3	2.2	2.7
FR	3.1	2.9	3.3	2.9	4.2	4.4	4.5	4.4	4.6	4.9
GR	17.1	18.4	18.8	20.0	22.3	24.2	25.6	35.0	39.6	39.5
HR						18.3	19.7	22.1	26.3	
HU	13.8	16.2	13.8	16.7	23.8	25.3	26.1	26.3	26.7	23.0
IE	9.9	9.6	8.4	9.3	11.2	15.2	14.7	17.4	17.4	
IS	5.8	5.0	5.2	5.0	7.8	12.8	12.3	10.6	11.7	
IT	15.2	15.2	16.1	18.1	16.6	16.8	17.0	17.2	19.0	17.5[b]
LT	9.2	7.9	4.6	6.3	11.0	12.0	11.5	12.9	9.6	8.2
LU	1.9	1.6	1.8	1.9	2.0	1.9	2.7	3.6	4.4	
LV	24.3	17.8	12.9	13.5	17.7	23.5	24.0	21.8	25.4	18.6
MT	13.1	14.2	11.9	13.3	18.9	19.7	14.9	17.0	15.1	12.0
NL	4.3	4.2	2.7	2.8	2.9	3.8	3.3	3.9	3.8	4.4[b]
NO	3.4	2.9	2.0	2.4	3.0	2.3	2.5	2.4	2.2	
PL	25.0	20.6	17.0	14.4	14.4	14.1	12.4	13.3	12.7	10.7
PT	16.2	14.9	15.6	24.2	23.5	20.3	19.2	21.9	24.8	23.3
RO			23.0	18.7	19.4	20.9	20.8	22.6	23.4	22.0
SE	3.6	3.8	3.6	3.7	3.3	2.9	3.3	2.9	2.9	2.9
SI	6.6	6.6	5.1	8.2	7.1	8.9	9.3	8.9	11.2	9.8
SK	12.5	12.4	10.7	11.6	11.1	11.5	10.7	11.6	13.3	12.6
UK	5.0	4.9	4.7	6.5	6.8	6.5	7.3	8.0	9.6	
EU28						10.5	10.2	11.1	12.2	11.3[c]
EU27			9.1	9.7	10.4	10.4	10.1	11.0	12.1	11.3[c]

Source: EU-SILC - Eurostat tab ilc_mdes09.
Notes: [a] break in time series; [b] provisional; [c] estimated.

Table A.6: Total disposable income per capita – comparison of National Accounts and EU-SILC (EU-SILC/NA ratio)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
BE	0.75	0.76	0.73	0.73	0.73	0.73	0.75	0.75	0.77
BG			0.54	0.75	0.74	0.81	0.79	0.70	0.72
CY	0.77	0.81	0.85	0.81	0.78	0.80	0.80	0.81	0.84
CZ	**0.67**	**0.66**	**0.67**	**0.68**	**0.70**	**0.70**	**0.71**	**0.71**	**0.71**
EE	0.65	0.68	0.72	0.71	0.76	0.76	0.73	0.73	0.80
ES	0.61	0.61	0.63	0.64	0.72	0.72	0.73	0.72	0.72
FI	0.85	0.86	0.85	0.85	0.85	0.84	0.85	0.85	0.85
FR	0.68	0.67	0.65	0.77	0.78	0.78	0.79	0.79	0.80
GR	0.59	0.58	0.56	0.54	0.56	0.58	0.56	0.50	0.51
HR						0.64	0.59	0.58	0.56
HU	0.55	0.58	0.56	0.57	0.59	0.59	0.62	0.61	0.61
IT	0.68	0.66	0.67	0.67	0.68	0.71	0.70	0.70	0.70
LT	0.48	0.50	0.56	0.62	0.60	0.55	0.48	0.52	0.55
LV	0.54	0.58	0.59	0.67	0.63	0.63	0.60	0.61	0.59
NL	0.84	0.84	0.88	0.90	0.92	0.93	0.92	0.92	0.93
PL	0.55	0.57	0.58	0.63	0.65	0.64	0.64	0.64	0.64
PT	0.62	0.61	0.62	0.61	0.60	0.61	0.59	0.58	
RO			0.48	0.44	0.40	0.47	0.44	0.44	
SE	0.87	0.85	0.85	0.87	0.90	0.89	0.91	0.92	0.91
SI	0.70	0.72	0.71	0.71	0.72	0.74	0.75	0.74	0.75
SK	0.53	0.57	0.58	0.56	0.58	0.60	0.59	0.63	0.59

Source: Eurostat/NA/ nasa_nf_tr and EU-SILC (computations by Michaela Brázdilová).

Table A.7: Poverty or social exclusion by age category in 2014 (% of age category)

	Total	0-17	18-64	65+	Ratio 0-17/65+
AT	19.2	23.3	18.9	15.7	1.48
BE	21.2	23.2	21.6	17.3	1.34
BG	40.1	45.2	36.4	47.8	0.95
CY	27.4	24.7	28.3	27.2	0.91
CZ	**14.8**	**19.5**	**14.6**	**10.7**	**1.82**
DE	20.6	19.6	22.0	17.4	1.13
DK	17.8	14.5	21.3	10.4	1.39
ES	29.2	35.8	31.8	12.9	2.78
FI	17.3	15.6	17.9	17.0	0.92
FR	18.6	21.6	20.0	10.1	2.14
GR	36.0	36.7	40.1	23.0	1.60
HR	29.3	29.0	29.3	29.8	0.97
HU	31.1	41.4	31.5	18.1	2.29
IT[b]	28.1	32.0	29.6	20.8	1.54
LT	27.3	28.9	25.6	31.9	0.91
LU	19.0	26.4	19.4	6.4	4.13
LV	32.7	35.3	30.0	39.3	0.90
MT	23.8	31.3	21.8	23.3	1.34
NL	16.5	17.1	18.9	6.9	2.48
NO	13.5	11.9	15.0	9.9	1.20
PL	24.7	28.2	25.2	18.2	1.55
PT	27.5	31.4	28.3	21.1	1.49
RO	40.2	51.0	38.7	34.0	1.50
SE	16.9	16.7	17.2	16.5	1.01
SI	20.4	17.7	21.3	20.1	0.88
SK	18.4	23.6	18.1	13.4	1.76

Source: EU-SILC - Eurostat tab ilc_peps01.
Note: [b] provisional.

Table A.8: Income poverty and great difficulty to make ends meet by age in 2013/2014 (% of age category)

	Income poverty 2014					Great difficulty to make ends meet 2013				
	Total	0-17	18-64	65+	Ratio 0-17/65+	Total	0-17	18-64	65+	Ratio 0-17/65+
AT	14.1	18.2	12.9	14.2	1.28	5.4	7.2	5.7	2.8	2.59
BE	15.5	18.8	14.2	16.1	1.17	8.8	11.1	8.9	5.5	2.01
BG	21.8	31.7	18.9	22.6	1.40	32.9	41.3	31.1	32.2	1.28
CY	14.4	12.8	13.4	22.4	0.57	32.1	38.2	33.2	17.8	2.15
CZ	**9.7**	**14.7**	**9.1**	**7.0**	**2.10**	**9.1**	**11.3**	**9.1**	**7.2**	**1.58**
DE	16.7	15.1	17.2	16.3	0.93	3.0	3.2	3.4	1.7	1.91
DK	11.9	9.2	13.7	9.5	0.97	4.9	6.0	5.5	2.1	2.90
ES	22.2	30.5	22.9	11.4	2.68	18.6	23.2	19.5	11.1	2.09
FI	12.8	10.9	12.5	16.0	0.68	2.2	2.6	2.4	1.1	2.34
FR	13.3	17.6	13.2	8.6	2.05	4.5	6.9	4.8	0.9	7.60
GR	22.1	25.5	23.5	14.9	1.71	39.6	44.1	40.1	34.5	1.28
HR	19.4	21.1	17.9	23.2	0.91	26.3	27.9	25.6	27.3	1.02
HU	14.6	24.6	14.5	4.2	5.86	26.7	35.5	26.6	17.8	1.99
IT[b]	19.6	25.2	19.7	14.7	1.71	19.0	22.7	19.6	14.6	1.56
LT	19.1	23.5	17.6	20.1	1.17	9.6	10.1	8.9	11.1	0.91
LU	16.4	25.4	15.8	6.3	4.03	4.4	5.5	4.5	2.2	2.57
LV	21.2	24.3	18.4	27.6	0.88	25.4	26.2	24.1	29.0	0.90
MT	15.9	24.1	13.2	16.9	1.43	15.1	18.1	15.0	12.4	1.46
NL	11.6	13.7	12.4	5.9	2.32	3.8	4.9	3.9	1.9	2.60
NO	10.9	10.2	11.5	9.8	1.04	2.2	3.1	2.4	0.6	5.33
PL	17.0	22.3	16.7	11.7	1.91	13.0	13.7	13.0	12.3	1.11
PT	19.5	25.6	19.1	15.1	1.70	24.8	29.8	24.8	20.1	1.49
RO	25.4	39.4	23.8	15.5	2.54	23.5	29.4	22.3	22.1	1.33
SE	15.1	15.1	14.7	16.5	0.92	2.9	4.4	3.0	1.0	4.36
SI	14.5	14.8	13.7	17.1	0.87	11.2	10.8	11.4	10.9	0.99
SK	12.6	19.2	12.3	6.2	3.10	13.3	15.4	13.1	11.6	1.32
UK	16.8	19.9	15.5	17.9	1.11	9.6	13.2	10.2	2.9	4.54

Source: EU-SILC - Eurostat tab ilc_li02 for Income poverty;
EU-SILC 2013 for Great difficulty to make ends meet (authors' computations).
Note: [b] provisional (for Income poverty).

Table A.9: Incidence of income poverty in two 4-year periods (%)

	2006-2009					2010-2013				
	Never	**1x**	**2x**	**3x**	**4x**	**Never**	**1x**	**2x**	**3x**	**4x**
AT	74.7	11.2	6.5	4.1	3.5	75.1	8.6	6.1	3.8	6.5
BE	72.8	10.1	4.7	6.9	5.6	74.3	10.4	5.4	4.1	5.7
BG						71.7	7.7	4.9	5.4	10.2
CY	78.8	6.0	3.4	3.0	8.8	75.0	8.2	4.4	6.3	6.1
CZ	**83.5**	**7.4**	**4.0**	**2.4**	**2.6**	**86.1**	**6.2**	**2.6**	**2.2**	**2.9**
DK	81.6	7.6	6.6	3.2	1.0	76.7	10.7	5.0	3.8	3.8
EE	68.4	10.8	5.7	6.6	8.6	69.3	11.2	8.2	4.7	6.5
ES	60.8	14.4	10.3	7.2	7.2	70.1	9.6	6.4	6.1	7.9
FI	80.3	7.0	5.2	3.2	4.3	82.1	6.3	3.2	2.8	5.6
FR	77.2	10.0	5.8	3.4	3.6	78.6	7.8	4.3	4.7	4.7
GR	58.9	14.4	8.3	8.0	10.4					
HU	72.1	12.9	5.5	4.6	5.0	77.6	8.7	4.4	4.2	5.0
IE						70.1	14.0	6.4	5.3	4.0
IS	81.6	8.9	4.1	3.2	2.1	85.7	8.6	2.6	1.4	1.7
IT	69.3	8.7	6.9	6.2	8.9	69.5	9.0	6.8	6.3	8.5
LT	66.6	10.8	9.4	6.2	7.1	69.3	10.2	9.0	4.4	7.2
LU	79.3	6.5	4.2	3.5	6.5	74.2	9.3	5.0	5.1	6.3
LV	58.4	12.4	10.7	9.3	9.3	67.8	9.7	7.9	7.3	7.4
MT						75.0	9.1	4.4	5.2	6.4
NL	83.4	7.3	4.0	2.4	3.0	82.6	6.3	3.5	3.2	4.4
NO	80.0	8.6	4.9	2.7	3.8	85.2	5.2	2.5	3.4	3.7
PL	69.3	11.5	6.9	5.5	6.8	71.9	9.8	6.8	4.3	7.1
PT	69.8	9.6	9.1	3.8	7.7	68.1	11.9	5.2	6.1	8.7
SE	89.6	4.2	2.4	2.2	1.6					
SI	82.3	5.4	4.0	2.9	5.4	86.7	4.4	2.5	1.8	4.6
SK	76.6	12.7	4.1	3.2	3.5	75.0	10.9	6.3	2.9	4.8
UK	64.9	16.8	8.3	5.4	4.5	67.5	13.9	9.1	5.5	4.0

Source: longitudinal EU-SILC 2009, 2013, authors' computations.

Table A.10: Incidence of material deprivation in two 4-year periods (%)

	2006-2009					2010-2013				
	Never	**1x**	**2x**	**3x**	**4x**	**Never**	**1x**	**2x**	**3x**	**4x**
AT	92.5	5.5	1.2	0.5	0.3	92.3	3.7	2.3	1.2	0.6
BE	88.5	7.0	2.8	1.0	0.6	91.0	4.7	2.6	0.9	0.8
BG	30.1	24.8	19.9	11.6	13.7	41.6	17.3	8.6	11.5	21.1
CY	80.7	11.4	4.5	1.7	1.6	69.5	15.8	8.9	3.1	2.7
CZ	**89.3**	**5.3**	**3.0**	**1.6**	**0.7**	**92.1**	**4.0**	**2.0**	**1.1**	**0.9**
DK	95.9	3.2	0.7	0.2	0.0	94.5	2.7	1.3	1.5	0.0
EE	90.5	6.2	2.1	0.6	0.5	88.2	6.2	3.4	1.3	0.9
ES	95.0	3.8	0.8	0.4	0.0	92.4	5.7	1.4	0.5	0.0
FI	96.5	1.6	1.5	0.2	0.2	96.4	2.1	1.0	0.4	0.1
FR	91.7	4.6	1.6	1.3	0.8	90.5	5.2	1.9	1.5	0.9
GR	75.8	12.0	5.9	3.0	3.3					
HU	69.9	12.9	8.4	4.4	4.3	68.4	10.5	6.0	6.7	8.3
IS	97.0	2.2	0.4	0.3	0.0	97.0	2.2	0.3	0.3	0.2
IT	88.3	6.5	2.7	1.6	1.0	76.5	12.1	6.9	3.4	1.1
LT	67.8	16.0	8.8	3.9	3.5	73.6	11.3	5.1	5.2	4.7
LU	98.5	1.2	0.2	0.2	0.0	96.9	2.4	0.1	0.6	0.0
LV	63.4	16.2	8.4	7.6	4.4	61.8	16.6	10.7	5.7	5.3
MT	90.9	5.5	2.2	0.8	0.6	88.2	4.1	3.1	1.5	3.2
NL	98.8	0.9	0.1	0.1	0.1	96.2	3.0	0.2	0.6	0.0
NO	96.4	2.5	0.7	0.1	0.2					
PL	70.3	12.1	6.7	5.0	5.9	81.9	7.3	3.6	2.7	4.5
PT	87.4	5.5	2.3	2.5	2.4	83.1	10.6	2.6	2.5	1.3
SE	98.3	1.3	0.4	0.0	0.0					
SI	89.8	6.2	2.6	1.1	0.3	89.2	6.3	2.7	1.4	0.5
SK	82.0	10.9	4.1	2.2	0.9	84.4	8.2	3.1	1.4	2.8
UK	92.9	5.0	1.2	0.8	0.1					

Source: longitudinal EU-SILC 2009, 2013, authors' computations.

Table A.11: Incidence of great difficulty to make ends meet in two 4-year periods (%)

	2006-2009					2010-2013				
	Never	**1x**	**2x**	**3x**	**4x**	**Never**	**1x**	**2x**	**3x**	**4x**
AT	90.4	6.8	2.4	0.2	0.2	87.0	7.2	3.1	2.3	0.5
BE	85.4	6.6	4.3	1.9	1.8	83.2	6.9	4.6	3.4	1.9
BG	40.4	20.9	19.1	10.8	8.8	52.0	14.2	10.6	9.5	13.7
CY	66.3	16.3	8.4	6.5	2.5	49.7	19.4	13.5	11.2	6.3
CZ	**84.8**	**7.0**	**3.4**	**2.5**	**2.3**	**83.8**	**7.5**	**3.5**	**2.1**	**3.1**
DK	94.2	4.0	1.6	0.2	0.0	93.9	2.3	2.6	0.1	1.1
EE	88.2	7.7	3.3	0.6	0.3	84.4	8.1	3.9	2.4	1.3
ES	73.1	14.4	6.5	4.0	1.9	70.5	14.7	7.7	5.1	1.9
FI	95.2	3.5	1.2	0.1	0.0	95.0	3.1	1.3	0.4	0.1
FR	92.7	4.4	1.5	0.8	0.5	90.5	5.2	2.4	1.1	0.8
GR	61.4	14.7	8.5	7.8	7.6					
HU	63.3	16.3	11.1	5.7	3.6	58.6	13.6	8.7	8.1	11.0
IE						71.0	14.5	7.8	3.5	3.2
IS	86.2	8.1	3.3	1.5	0.9	74.5	12.1	4.8	5.2	3.4
IT	69.1	14.2	8.6	4.6	3.4	65.6	15.0	9.8	5.6	4.0
LT	82.9	11.4	3.8	1.4	0.6	78.2	8.7	5.4	3.6	4.1
LU	95.3	3.0	0.8	0.9	0.0	92.2	4.8	1.6	1.1	0.3
LV	67.3	15.0	7.7	6.3	3.7	58.3	17.9	12.9	6.8	4.2
MT	69.4	17.8	7.3	4.2	1.2	69.9	10.8	8.0	6.0	5.3
NL	93.3	3.3	2.1	0.3	0.9	89.8	6.2	3.0	0.7	0.3
NO	94.1	3.5	1.5	0.5	0.4	95.3	3.4	0.9	0.2	0.1
PL	69.4	12.0	6.5	6.2	5.9	76.6	8.9	5.3	4.2	4.9
PT	60.9	18.1	9.4	5.7	5.9	57.1	15.6	11.7	9.0	6.6
SE	93.2	4.4	0.9	0.6	1.0					
SI	84.9	9.7	3.5	1.2	0.7	81.6	10.5	4.2	2.3	1.5
SK	75.1	13.1	4.5	4.5	2.9	80.0	9.1	4.0	3.2	3.8
UK	85.0	10.5	2.6	1.5	0.4	82.4	10.3	3.5	2.1	1.7

Source: longitudinal EU-SILC 2009, 2013, authors' computations.

Table A.12: Great difficulty to make ends meet when respondents were around 14 years old and change to current situation (%)

	14 years old	Out of which ability to make ends meet currently:						Improvement
		with great difficulty	with difficulty	some difficulty	fairly easily	easily	very easily	
AT	9.9	12.0	16.9	31.0	20.8	12.1	7.2	88.0
BE	4.9	26.1	17.0	29.1	15.8	10.2	1.9	73.9
BG	3.0	63.2	18.3	13.6	4.3	0.5	0.0	36.8
CY	15.9	39.8	28.8	20.7	7.9	2.3	0.4	60.2
CZ	**5.0**	**25.3**	**23.9**	**31.0**	**13.7**	**5.2**	**0.9**	**74.7**
DE	4.3	10.1	13.0	20.1	35.7	17.2	4.0	89.9
DK	3.9	7.2	9.8	19.3	27.5	19.1	17.1	92.8
EE	2.7	23.5	14.3	31.9	19.3	11.1	0.0	76.5
ES	6.4	32.3	26.9	22.2	12.7	5.8	0.0	67.7
FI	2.1	12.9	11.4	16.3	25.9	18.3	15.2	87.1
FR	6.8	8.6	21.5	44.6	17.5	6.7	1.0	91.4
GR	8.8	43.8	29.4	14.2	7.0	4.4	1.2	56.2
HR	10.7	41.7	29.7	23.6	4.2	0.6	0.2	58.3
HU	6.8	51.6	27.5	18.8	1.6	0.4	0.0	48.4
IE	7.8	36.3	21.0	29.3	9.6	2.9	0.9	63.7
IT	7.4	40.3	23.9	28.3	6.4	1.1	0.1	59.7
LT	4.0	30.8	34.6	24.1	5.5	5.0	0.0	69.2
LU	5.4	7.3	14.0	34.5	24.2	14.9	5.2	92.7
LV	4.7	42.7	26.6	25.0	3.7	1.6	0.3	57.3
MT	7.1	33.7	29.4	24.2	10.3	1.4	1.0	66.3
NL	3.1	5.3	12.2	19.7	14.1	40.3	8.4	94.7
PL	7.5	20.6	25.1	34.2	15.3	4.1	0.7	79.4
PT	20.1	37.5	24.9	27.3	8.3	1.7	0.2	62.5
RO	10.2	49.9	24.1	22.3	2.5	0.8	0.3	50.1
SE	4.5	13.1	8.9	11.0	40.3	13.4	13.4	86.9
SI	12.1	20.0	28.6	37.2	10.0	4.0	0.3	80.0
SK	6.2	31.9	22.4	33.3	9.8	2.5	0.2	68.1
UK	5.3	22.8	16.6	25.6	19.5	11.4	4.0	77.2

Source: EU-SILC 2011, authors' computations.