



POVERTY AND SOCIAL INCLUSION INDICATORS (DATA FOR 2011)

Poverty and social inclusion indicators are part of the general EU indicators for tracing the progress in the field of poverty and social exclusion. Main source of statistical data on which basis the indicators are calculated is the annually conducted Survey on Income and Living Conditions (EU-SILC).

Poverty estimation

According to the data from the 2012 survey, the average monthly poverty line in 2011 is 279.67 BGN per person. The number of persons who are below this line is 1558.8 thousand representing 21.2% of the population in Bulgaria.

1. Main poverty indicators

Survey year	2008	2009	2010	2011	2012
Reference year	2007	2008	2009	2010	2011
At-risk-of-poverty threshold (monthly average in BGN)	212.3	276.5	295.0	283.8	279.7
Number of persons below at-risk-of-poverty threshold (in thousand)	1632	1657	1565	1672	1559
At-risk-of-poverty rate (% of the population)	21.4	21.8	20.7	22.2	21.2
At-risk-of-poverty rate before social transfers (% of the population)	40.0	38.8	40.8	41.7	41.8
At-risk-of-poverty rate before social transfers with pensions included (% of the population)	27.1	26.4	27.1	27.4	25.9
Inequality of income distribution (S80/20)	6.5	5.9	5.9	6.5	6.1
Gini coefficient ¹	35.9	33.5	33.2	35.1	33.6

Compared to the previous year the poverty line has decreased by 1.5% and the share of poor population has decreased by one percentage point.

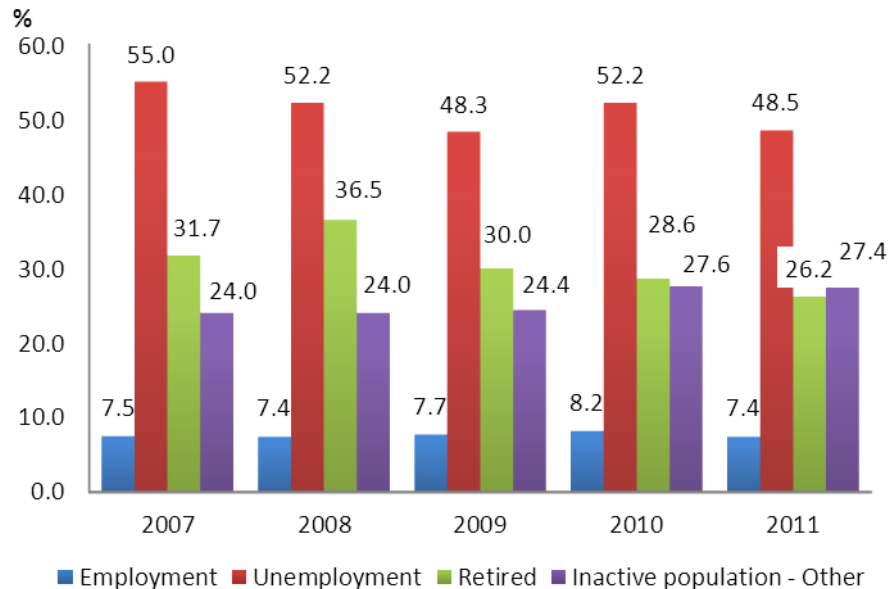
The social protection system contributes considerably to the poverty decrease. According to 2011 data, if the income from pensions is included into the household's income and the rest social transfers are excluded, the poverty level increases from 21.2 to 25.9%, or by 4.7 percentage points. And respectively, if the pensions and the rest of the social transfers are excluded, the poverty level increases to 41.8%, or by 20.6 percentage points.

The main factor influencing the risk of poverty for the prevailing part of population is the economic activity and participation in the labour market. For the observed period, the share of the poor is highest among the unemployed (48.5%) and the risk of poverty for unemployed men is 4.5 percentage points higher than unemployed women.

¹ Calculated based on data on the distribution of persons and households by income and normalized in the range from 0 to 100.



Fig. 1. At-risk-of-poverty rate, by most frequent activity status



In 2011, the rate of poverty among employed persons has decreased from the previous year to 7.4% or by 0.8 percentage points. Risk of poverty is approximately four times higher for the part time employed compared for those working full time. The risk of poverty among working females is lower by 0.6 percentage points than among working males.

Material deprivation of the households at national level

The general indicators of poverty assessment include subjective indicators related to material deprivation. They show the subjective assessment and personal attitude of the persons and households related to the possibility to meet individual needs. The subjective indicators are formed from the answers of nine questions related to the consumption of specific goods and services:

2. Subjective material deprivation items in 2011

	Questions related to deprivations asked to the households	deprived persons	% of population
1	Has the household been in arrears, i.e. has been unable to pay on time due to financial difficulties for any of the listed housing costs: *Mortgage repayment for the main dwelling * Rent * Utility bills for electricity, water, heating, etc. (without expenditures on telephone) * hire purchase installments or other loan payments	2 322 338	31.6
2	Can your whole household afford (if you wish) going for a week's annual holiday away from home every year, including staying at a second dwelling or with friends and relatives?	5 438 060	74.0
3	Can your whole household afford (if you wish) eating meat, chicken or fish (or their vegetarian equivalent) every second day?	3 809 186	51.8



4	Can your household afford an unexpected required expense and pay through its own resources (urgent repair of the dwelling or car; replacement of washing machine or refrigerator; sudden illness, etc.)?	5 043 337	68.6
5	Does your household have a telephone (incl. mobile)?	303 714	4.1
6	Does your household have a color TV?	111 469	1.5
7	Does your household have a washing machine?	672 058	9.1
8	Does your household have a car/van (incl. company car for private use)?	1 621 503	22.1
9	Can your household afford to keep its home adequately warm?	3 419 510	46.5

The data show that the highest number of households have arrears on going for a holiday away from home (74.0%) and the ability to afford unexpected required expenses with own resources (urgent repair of the dwelling or car, replacement of washing machine or refrigerator, sudden illness, etc.) – 68.6%. In parallel, only 4.1% of Bulgarians cannot afford having a telephone (including mobile), 1.5% - a color TV, 9.1% - a washing machine, and 51.8% of the households claim that they cannot afford having a meal with meat, chicken or fish every second day. One-third of the households have arrears on the payment of housing-related costs in time and 46.5% cannot keep their home adequately warm.

In 2011, 44.1 percent of the population lives in severe material deprivation (limit 4 of 9 indicators) and increased over the previous year by 0.5 percentage points.

Households with low work intensity status

Jobless households are households where no member has been in employment over the last four weeks, i.e. all members of the household aged 16 years old or more have been either unemployed or inactive. Low work intensity of the household refers to the ratio between on the one hand the number of months that all working age (18-59) household members have been working during the income reference year and on the other hand the total number of months that could theoretically have been worked by the same household members. For those who declare that they work part-time, number of months shall be converted to full-time based on hours worked.

People living in households with very low work intensity are defined as people of all ages (from 0-59 years) living in households where the adults (those aged 18-59, but excluding student aged 18-24) worked less than 20 % of their total potential during the income reference period.

3. People living in households with very low work intensity by age group 18-59 years and by gender

survey year		2008	2009	2010	2011	2012
income reference year		2007	2008	2009	2010	2011
total	1000 pers	350.3	303.1	322.6	444.4	473.8
	% of population	7.7	6.7	7.3	10.1	11.2
male	1000 pers	163.1	150.4	155.5	224.0	242.4
	% of population	7.1	6.7	7.0	10.2	11.3
female	1000 pers	187.2	152.7	167.1	220.3	231.4
	% of population	8.2	6.8	7.6	10.1	11.1



Following the definition, 473.8 thousand persons could be considered as living in a household with very low work intensity in 2011, or 11.2% of the population. Compared to 2010, their share increased by 0.5 percentage points.

Combined indicator

In relation to the goals set in strategy “Europe 2020”, a combined indicator for regular monitoring of countries’ progress in implementing the national targets is calculated using data from the survey of income and living conditions (EU-SILC). The indicator includes at-risk-of-poverty rate, severe material deprivation rate and rate of people living in households with low work intensity.

The combining of the three indicators show that in 2011 almost half of the population (49.3%) or 3621.1 thousand persons are in need of special care to combat poverty, social inequality and exclusion from active work.

4. Population at-risk-of-poverty or social exclusion

	survey year	2008	2009	2010	2011	2012
	income reference year	2007	2008	2009	2010	2011
total	1000 pers	3421	3511.2	3718.7	3693.2	3621.1
	% of population	44.8	46.2	49.2	49.1	49.3
male	1000 pers	1591.9	1624.1	1729.3	1732.8	1703.3
	% of population	43	44.1	47.3	47.7	47.6
female	1000 pers	1829	1887	1989.5	1960.5	1917.7
	% of population	46.4	48.1	50.9	50.5	50.9



Methodological notes

The Survey of Income and Living Conditions (EU-SILC) is a part of the European Statistical System (ESS) and is realized based on unified methodology, defined by the Regulation 1177/2003 of the European Parliament and of the Council. It provides cross-sectional and longitudinal data on changes in income, level and structure of poverty and social isolation.

The target population in EU-SILC consists of all **private** households and their members, living at the country territory at the reference period. Persons in institutional households are excluded.

The survey is conducted on the basis of 4-year rotation panel of private households. The annual sample size is about 7500 addresses/private households, distributed across the country districts. Subjects of survey are the household and all its members aged 16 years and more. The sample consists of 4 rotation groups and each year one of the rotation groups is dropped out and replaced by a new one. The rotation model ensures two types of data:

- Cross-sectional (data for the current year of survey);
- Longitudinal (data on households that have participated in at least two consecutive years).

Two types of questionnaires are used:

- Household questionnaire;
- Individual questionnaire for persons aged 16 years and more.

Basis concepts:

Poverty line

The total disposable net income is used in the Eurostat methodology for calculation of poverty line. Poverty line represents 60% of the average total disposable net income per equivalent unit.

Equivalent scales

Poverty and social inclusion indicators are calculated based on the total disposable net income per equivalent unit. Different equivalent scales are applied due to the different household's composition and number of members. The modified OECD scale is used according to which the first adult household member, aged 14 years and more is given weight 1, the second – 0.5 and each child under 14 years of age - 0.3. The weights are given to each household member and are summarized in order to obtain the equivalent household size. The total disposable net income of each household is divided to its equivalent size thus creating a total disposable net income per equivalent unit.

Weighting

Data base for each country consists of different types of weights:

- Household weight (target variable DB090) for obtaining the real number of households at the country territory;
- Individual weight (target variable RB050) for obtaining the real number of persons at the country territory;



- Individual weight for each household member aged 16 years and more (target variable PB040) for obtaining the number of persons aged 16 years and more at the country territory.

The individual weight (RB050) is used for calculation of the poverty indicators, since the poverty status is calculated at individual level and the target group is referred to the whole population living in private households. For some of the indicators and namely those concerning persons aged 16 years and more (for instance “share of employed poor”), the individual weight for persons aged 16 years and more is used (PB040).

In calculation of the indicators, the weights are corrected with a weighting factor thus eliminating the missing survey cases (RB050a).

Due to the sampling approach used in the Survey on Income and Living Conditions (EU-SILC), standard errors, coefficients of variation and confidence intervals are calculated for assessment of stochastic reliability of the estimation for main indicators:

Sampling errors indicators	Percent	Std Err of Percent	Variance of Percent	Confidence Limits for Percent	
				95% Lower CL for Percent	95% Upper CL for Percent
At risk of poverty and social inclusion	49.3	1.1	1.170	47.1	51.4
At risk of poverty – 60%	21.2	0.9	0.838	19.4	23.0
Severe material deprivation	44.1	1.1	1.190	42.0	46.2
Low work intensity	11.2	0.6	0.405	10.0	12.5

More information on the poverty and social inclusion indicators can be found at the NSI web page, section “Social inclusion and living conditions”.