

## **Session C: EU Indicators for Poverty and Social Exclusion**

**Edmunds Vaskis, Central Statistical Bureau of Latvia, Deputy Director of the Department of Social Statistics**

### **Comments on Chapter 5 EU Indicators for Poverty and Social Exclusion**

I would like to begin my comments on chapter 5 with Williams and Holland's Law, which says: "If enough data is collected, anything may be proven by statistical methods".

Statistical data is a tool, which, if used correctly, may indeed tell us many things. In comparison to data, indicators represent a much more refined instrument.

The Indicators Sub-Group of the EU Social Protection Committee and Eurostat have done a good job in developing and introducing the existing Laeken indicators. The development of indicators needs to be a continuous process while a halt to this process may lead to a stagnation of these indicators or turning them into a dogma.

This chapter is an outstanding contribution to the development of EU social inclusion indicators. The team of authors has grasped the problems of statistical indicators with a fundamental insight in these problems.

As the previous speakers have already made their comments on chapter 5 and owing to a lack of time I will dwell only on a few aspects of this chapter.

1. I must fully agree with the authors' view that the European Union has changed much over the last years. The EU enlargement process has also brought a new dimension in the understanding of the Social Inclusion Process. The character of the problems themselves in the EU25 is noticeably deeper and diversified than in the EU-15. At the same time this allows to look at the existing social inclusion indicators from another point of view.

I congratulate the initiative of the authors "to apply a poverty standard based on the median for the Union as a whole". Although simple, it is an extremely successful solution. And it is just a statistics like this that would allow measuring progress in poverty elimination in international comparisons and over time more profoundly than based on country-specific at-risk-of poverty thresholds.

Is the previous related to the 60% of median national income threshold bad? Of course not, but please try to explain to data users in my country the fact that the at-risk-of-poverty rate in the UK is higher than in Latvia...

2. I regard the proposal of the authors about the choice of equivalence scales with positive feelings. The introduction of country-specific third level indicators would indeed be a way out for a situation where easy solutions are not possible.

By applying the OECD modified equivalence scale the-at risk of poverty rate is inflated in single-person households and considerably narrowed down in households with 2 adults and 3 or more dependent children.

It certainly is not easy to accept such a recommendation, as statisticians are obliged to provide data users with information that should not be ambiguously interpreted; professional data users will however be able to orient themselves in these issues, especially for the most sensitive issues.

3. Another thing, which is necessary to mention, is the regional and other dimension discussed by the authors in section 5.3. In my view, a very interesting proposal is that the regional

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aspects of poverty and social inclusion be taken into account by inclusion of regional breakdowns for existing indicators where possible and meaningful. The problem has two sides. Territorial differences are sometimes more than considerable. I am afraid that NUTS 2 level does not always satisfy everybody if we are not speaking about the large countries. In Latvia we calculate some main indicators even at NUTS 3 level. But there is a demand for such data even at the lower levels, which is restricted by the effective magnitudes of the national samples. My view is that the member states should think about additional financing to enlarge the EU-SILC national sample sizes. An idea might emerge that we want to broaden our own business. But statistics is not a business, it serves the community whose needs are growing and we have no other intentions.

4. There is a conviction deep in my heart that the impact of the EU enlargement process on the EU Social Inclusion Process is not yet fully investigated. I fully agree with the authors that the analysis of the operational data of EU-SILC 2005, which will be made available at the end of 2006 and the beginning of 2007, will give an evaluation of the situation in regard of EU25. Presumably a study of the results will require reconsideration of certain fundamental attitudes to the Social Inclusion Process because the result obtained may differ from the one currently known. In other words, this may refer to the anticipated results from the implementation of the Lisbon process and updating of the strategy itself.

In the conclusion I would like to add that I am deeply convinced that the contribution of this Scientific Report to the real “War against Poverty and Social Exclusion” cannot be underestimated.