

Session C:

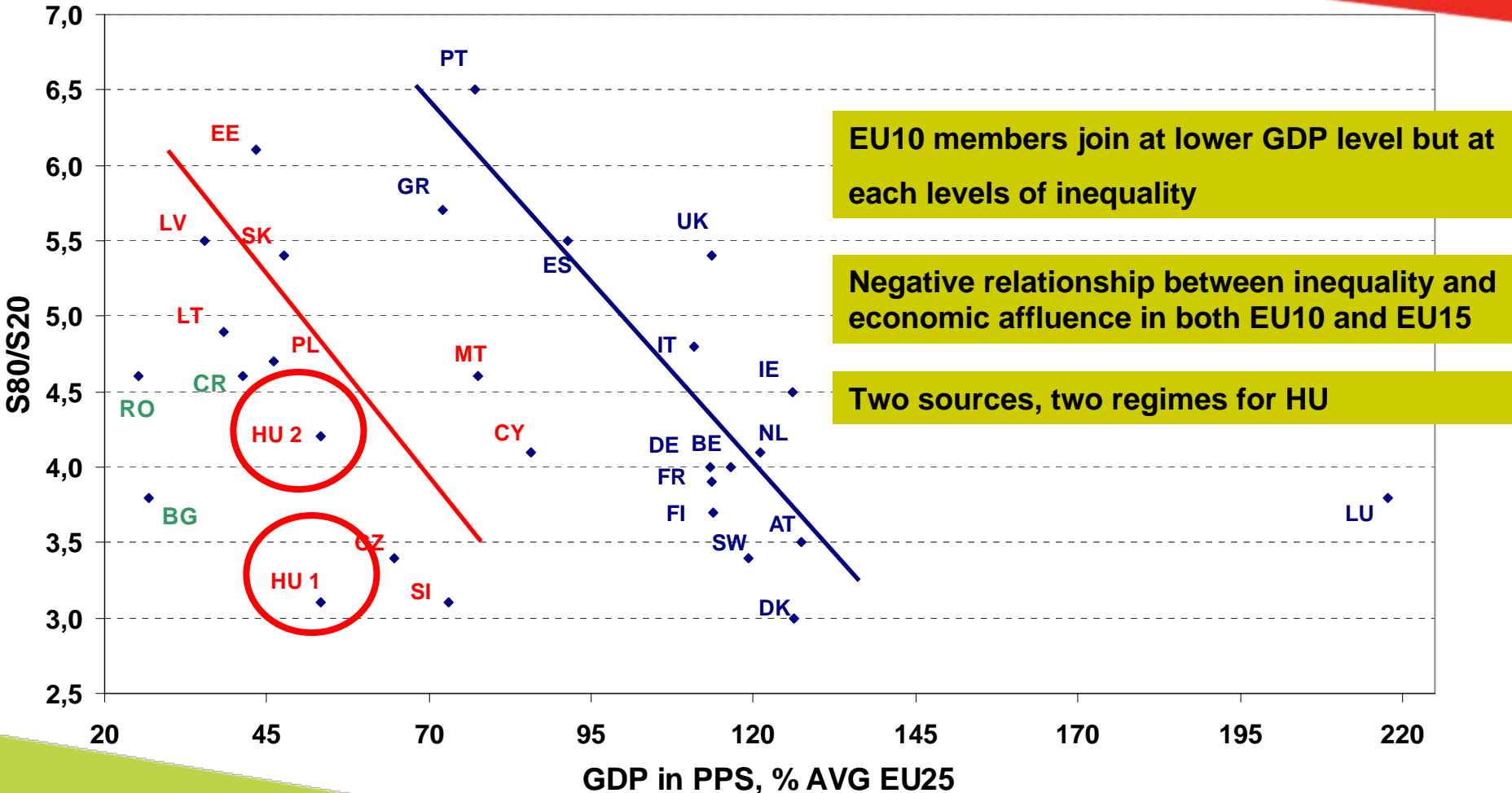
EU Indicators for Poverty and Social Exclusion

Country heterogeneity, indicator robustness and target setting (Seven comments in seven minutes on Chapter 5.)

Topics:

- Implications of enlargement
- Refining the indicators
- Presentation and use of indicators
- Data availability

1. Implications of Enlargement (re Ch. 5.2.)



2. Implications of Enlargement (re Ch 5.2.)

- Discussion of EU-wide threshold, absolute poverty measure, non-monetary indicators and subjective measures is well placed and welcomed here
- However, the issue of EQ scales is a broader methodological issue, could be treated separately, where sensitivity of measures is discussed
- Although inequality measures are less vulnerable to the choice of equivalence scales, uncertainty of poverty measures is sometimes large
- It is advisable to always cross check and publish sensitivity estimates.

3. Refining the indicators (re Ch 5.3.)

There are further arguments for including the (Roma) ethnicity as a breakdown category in reports and policies:

Significance: high share in at least some of the NMS and CC countries

	census estimate %	survey estimates %	thousands
CZ:	0.1%	1.6 - 3.0%,	500 - 750
HUN:	1.9%	4.0 - 6.0%	400 - 600
SK:	1.7%	9.1 - 9.8%	480 - 520
BG:	4.7%	7.7 - 9.6%	600 - 750
ROM:	1.8%	6.2 - 11.0%	1400 - 2500

Source: UNDP, 2003

differentiating factor:

poverty rates: 3-4 time higher than average in HU

income level: 45% of average in HU

3,5-5,0 M new Roma citizens of EU

4. Refining the indicators (re Ch 5.3., still)

➤ **The book differentiates between**

- Input indicators (policy efforts) and
- Outcome indicators (results or outcomes of policies)

➤ **However, introducing „institutional” indicators would also be helpful.**

➤ **Examples are:**

- Replacement ratios for various social insurance benefits
- Implicit tax rates for means tested social assistance benefits
- Ratios of subsistence minimum - minimum wage - average unemployment benefit

➤ **These could help in understanding**

- Links between input and outcome indicators
- Behavioral responses

5. Presentation and use of indicators, target setting (re Ch. 5.4. and 6.3.)

- There is a great deal of variance in poverty/inequality results, depending on the choice of datasets, measurement units and equivalence scales.
- As policy increasingly have to rely on representative datasets, statistical inference should also be analysed.
- When indicators are used as a base for target setting, in addition to validity of the metrics, robustness and sensitivity becomes crucial.
- A change in a value of an indicator in addition to policy changes and macro developments, can be responsive to research choices and measurement (sampling and non-sampling) error.
- To be credible at the end, it may be better setting target ranges rather than target values for the NAP/incls and policies in general.

6. Children mainstreaming (re Ch 5.5.):

Welcome.

7. Datasets, transparency, capacity building (re Ch 5.1)

- The introduction of EU-SILC is a major step ahead. However, as experiences in various countries (esp. HU) warn for detailed cross checks of various datasets.

Capacity building is a must in

- Maintaining alternative datasets
 - Analytic capacities of government agencies
- In addition, to encourage the use of analytic tools, a survey of available microsimulation attempts and family model exercises would be valuable in NMSs