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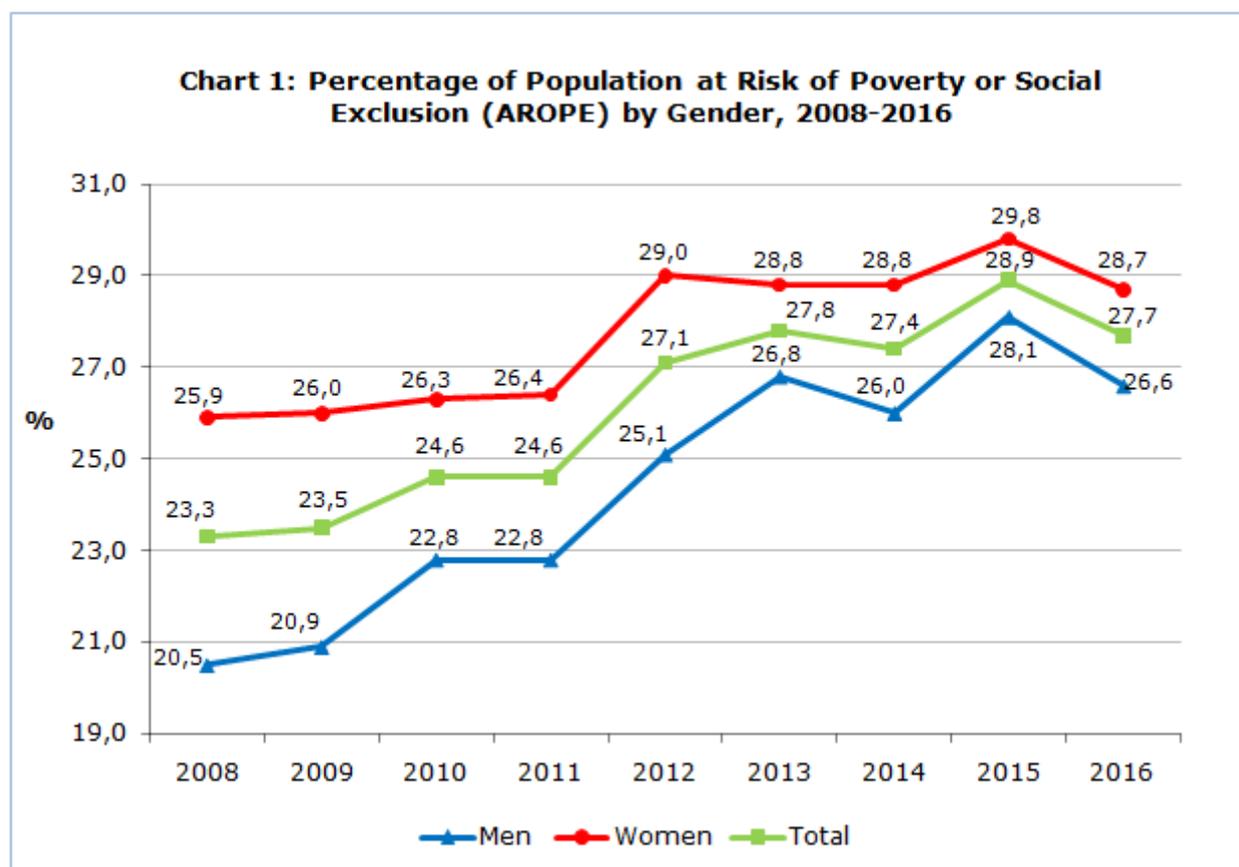
6 October, 2017

## PRESS RELEASE

### POVERTY AND SOCIAL EXCLUSION: 2016

#### **At Risk of Poverty or Social Exclusion (AROPE) 27,7%**

According to the results of the survey on Income and Living Conditions (SILC), 2016, with income reference period, year 2015, 27,7% of the population or 233.942 persons were at risk of poverty or social exclusion (AROPE indicator, one of the 9 headline indicators in the European Union's strategy «Europe 2020»). Namely, 27,7% of the population was living in households whose disposable income was below the at-risk-of-poverty threshold or was living in severely material deprived households or was living in households with very low work intensity. This indicator exhibited an improvement in comparison with the previous year which reached 28,9%. This improvement is reflected both in the percentages of men and women, with 26,6% and 28,7% respectively, with women maintaining throughout the years their unfavorable position in respect to men. Chart 1, shows the evolution of this indicator in the years 2008 to 2016.



### **At-Risk-of-Poverty Indicator (AROP)**

The percentage of the population that was at-risk-of-poverty, meaning that its disposable income was below the at-risk-of-poverty threshold, exhibited a marginal decrease, reaching 16,1% in respect to 16,2% that was in 2015, which was the highest ever reached. The at-risk-of-poverty threshold in 2016 was €8.412 for single person households in respect to €8.276 which was in 2015 and €17.665 for households with 2 adults and 2 dependent children in respect to €17.380 in 2015.

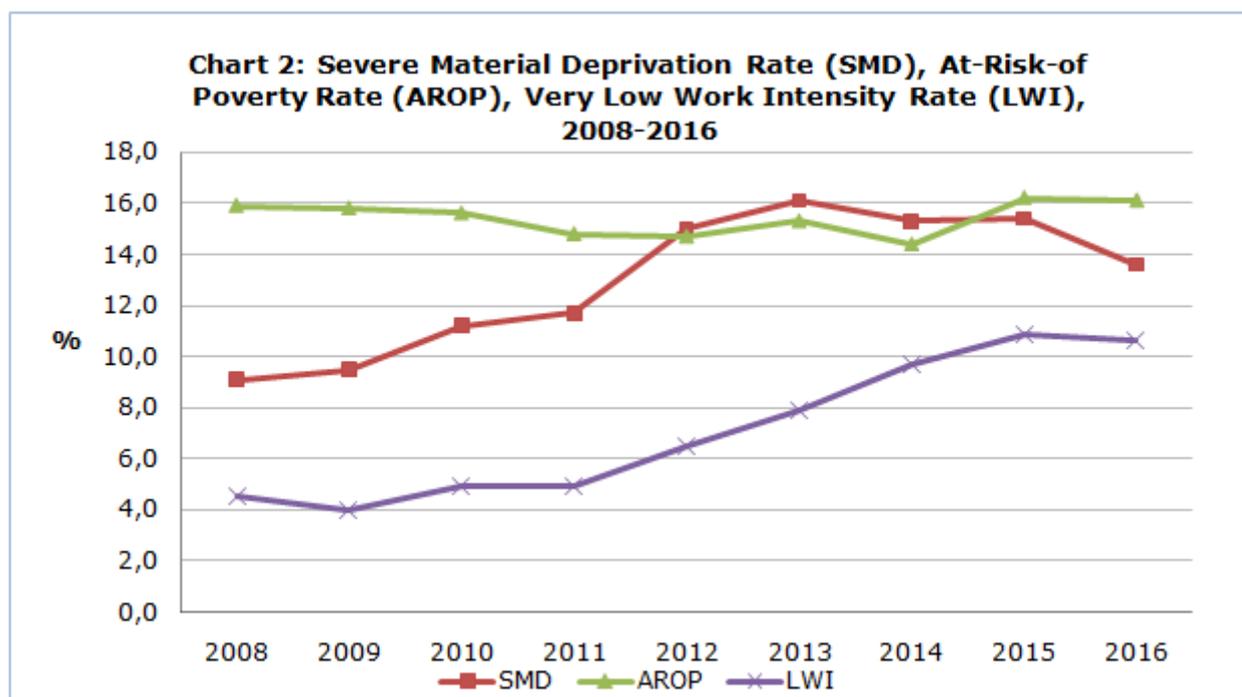
### **Severe Material Deprivation Indicator (SMD)**

The percentage of the population that were severely materially deprived, meaning that they could not afford for example to pay their rent or utility bills or their loans, to keep their home adequately warm in winter, to face unexpected but necessary expenses (see definitions in the methodological information), decreased in 2016 to 13,6% in comparison to 15,4% that was in 2015.

### **Very Low Work Intensity Indicator (LWI)**

The percentage of the population aged 0-59, that was living in households with very low work intensity, meaning that the adults in the household worked less than 20% of their work potential during the past year, also showed a marginal decrease in 2016, after exhibiting a continuous increase in the previous years, reaching 10,6% in comparison to 10,9% in 2015.

In Chart 2 that follows, each of the three indicators contributing to the computation of the strategic indicator at-risk-of-poverty or social exclusion is presented separately.



### **Income Inequality**

The mean annual disposable income of the household for 2016, with income reference period the year 2015, was €29.942, remaining at almost the same levels with the respective amount of the previous year, which was €29.959.

Income inequality is mainly described by the indicators on income distribution in quintiles, S80/S20 and the income inequality coefficient Gini. In 2016, both ratios of income inequality, referring to income year 2015, exhibited a decrease in relation to the previous year, thus indicating an improvement in the income distribution of the households. Specifically, the ratio S80/S20, which examines the income share of the 20% of the population with the highest income to that of the 20% of the population with the lowest income, reached 4,9 units in 2016. Namely, the income share of the 20% of the population with the highest income was 4,9 times higher than that of the 20% of the population with the lowest income, in comparison with 5,2 which was in 2015. Additionally, the Gini coefficient, which was estimated to 32,1%, has decreased in relation to 2015, which has reached 33,6%.

**Table**

Indicator			2013	2014	2015	2016
<b>At-risk-of-poverty or social exclusion rate (AROPE)</b>	<b>Total</b>	%	<b>27,8</b>	<b>27,4</b>	<b>28,9</b>	<b>27,7</b>
	Men	%	26,8	26,0	28,1	26,6
	Women	%	28,8	28,8	29,8	28,7
<b>At-risk-of-poverty threshold</b>	1 person households	€	9.524	8.640	8.276	8.412
	Households with 2 adults and 2 dependent children	€	20.001	18.144	17.380	17.665
<b>At-risk-of-poverty rate by age (AROP)</b>	Total	%	15,3	14,4	16,2	16,1
	0-17	%	15,5	12,8	16,7	17,1
	18-64	%	14,4	13,4	15,9	15,1
	65+	%	20,1	22,4	17,3	19,5
<b>Severe material deprivation (SMD)</b>	Total	%	16,1	15,3	15,4	13,6
<b>Percentage of population aged 0-59 living in households with very low work intensity, by gender (LWI)</b>	Total	%	7,9	9,7	10,9	10,6
	Men	%	7,6	8,9	10,3	9,9
	Women	%	8,2	10,5	11,4	11,2
<b>Mean annual disposable income of the household</b>		€	35.106	33.052	29.959	29.942
<b>S80/S20 quintile share ratio</b>			4,9	5,4	5,2	4,9
<b>Gini coefficient</b>		%	32,4	34,8	33,6	32,1

## **METHODOLOGICAL INFORMATION**

### **Survey identity**

The survey on Income and Living Conditions of the Households (EU-SILC) is conducted in accordance to the Regulation of the European Council and the European Parliament (No. 1177/2003) and is used by the European Statistical Service (EUROSTAT) as the main source of comparable information among the member states of the European Union (EU) on matters related to poverty and social exclusion.

The main objective of the survey is the study of various socio-economic indicators, which affect the living conditions of the population, the compilation of systematic statistics in relation to the income inequalities, the inequalities in living conditions of the households, poverty and social exclusion, as well as the compilation of structural social cohesion indicators.

### **Coverage and data collection**

The survey which was conducted in 2016, with income reference period, year 2015, covered a sample of 4.178 households in all districts of Cyprus, both urban and rural areas.

The survey is carried out on an annual basis with a rotational sample, since 2005 and it consists of two components, the cross-sectional and the longitudinal one. The cross-sectional refers to a point in time or period, whereas the longitudinal refers to the changes that arise on a personal level during a period of three to four years.

The data collection was carried out with personal and telephone interviews at the households using electronic questionnaires.

### **Definitions**

**At-risk-of-poverty or social exclusion rate (AROPE):** At-risk-of-poverty or social exclusion rate is the percentage of the population who are: at risk of monetary poverty or severely material deprived or living in a household with a very low work intensity. Persons are only counted once even if they are present in several sub-indicators.

**At-risk-of-poverty threshold:** is set at 60% of the national median equivalised disposable income, which is calculated by dividing the total disposable income of the household (total disposable income of all its members after social transfers) by the equivalised household size, which is calculated using the following weights: First adult=1,0 unit, second and each subsequent household member aged 14 years and over=0,5 and each household member aged under 14=0,3. The household equivalent size is the sum of the weights of its members.

**At-risk-of-poverty rate (AROP):** The at-risk-of-poverty rate is the share of persons with an equivalised disposable income (after social transfers) below the at-risk-of-poverty threshold. It measures relative poverty and not absolute poverty.

**Severe material deprivation (SMD):** Severely materially deprived is the population living in conditions severely constrained by a lack of resources. They experience **at least 4 out of 9** of the following deprivation items: Cannot afford 1) to pay rent or utility bills or loans 2) keep home adequately warm, 3) face unexpected expenses, 4) eat meat, fish or a protein equivalent every second day, 5) a week holiday away from home, 6) a car, 7) a washing machine, 8) a colour TV, or 9) a telephone.

**Very low work intensity (LWI):** The percentage of the population aged 0-59, that was living in households whose adults (aged 18-64) worked less than 20% of their work potential during the past year. **Work Intensity (WI):** The work intensity of a household is the ratio of the total number of months that all household members aged 18-64 (excluding dependent children) have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

**Income distribution ratio, S80/S20:** The income quintile share ratio or the S80/S20 ratio is calculated as the ratio of total equivalised disposable income received by the 20% of the population with the highest equivalised disposable income (the top quintile) to that received by the 20% of the population with the lowest equivalised disposable income (the bottom quintile).

**Inequality of income distribution, Gini coefficient:** Measure of (income) inequality or concentration. If incomes were equally distributed the Gini coefficient would be 0. At the other extreme if the richest unit received all income the Gini coefficient would be 100. An increase in the Gini coefficient thus represents an increase in inequality.

***For more information:***

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