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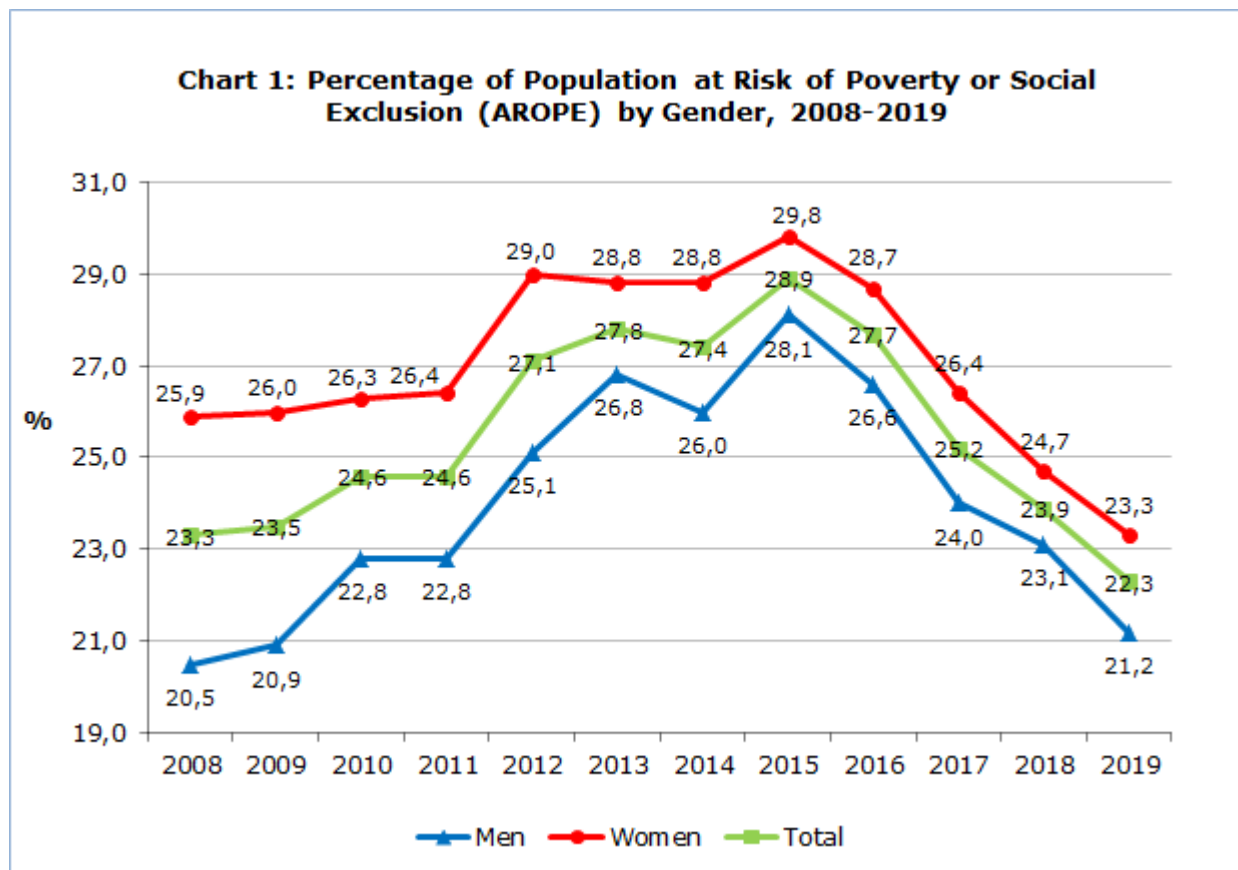
24 August, 2020

PRESS RELEASE

POVERTY AND SOCIAL EXCLUSION: 2019

At Risk of Poverty or Social Exclusion (AROPE) 22,3%

According to the results of the Survey on Income and Living Conditions 2019, with income reference period the year 2018, 22,3% of the population or 194.400 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, 22,3% of the population was living in households whose disposable income was below the at-risk-of-poverty threshold or was living in severely materially deprived households or was living in households with very low work intensity. This indicator exhibited an improvement in comparison with the previous year when it stood at 23,9%, continuing its downward trend of the recent years, after reaching in 2015 28,9%, the highest share ever recorded. This improvement is reflected in the percentages of both men and women, with 21,2% και 23,3% 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 2019.



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 decrease, reaching 14,7% in respect to 15,4% that was in 2018. The highest percentage that this indicator has ever reached was 16,2% in 2015. The at-risk-of-poverty threshold in 2019 has increased to €9.729 for single person households compared to €9.202 which was in 2018 and to €20.431 for households with 2 adults and 2 dependent children compared to €19.323 in 2018.

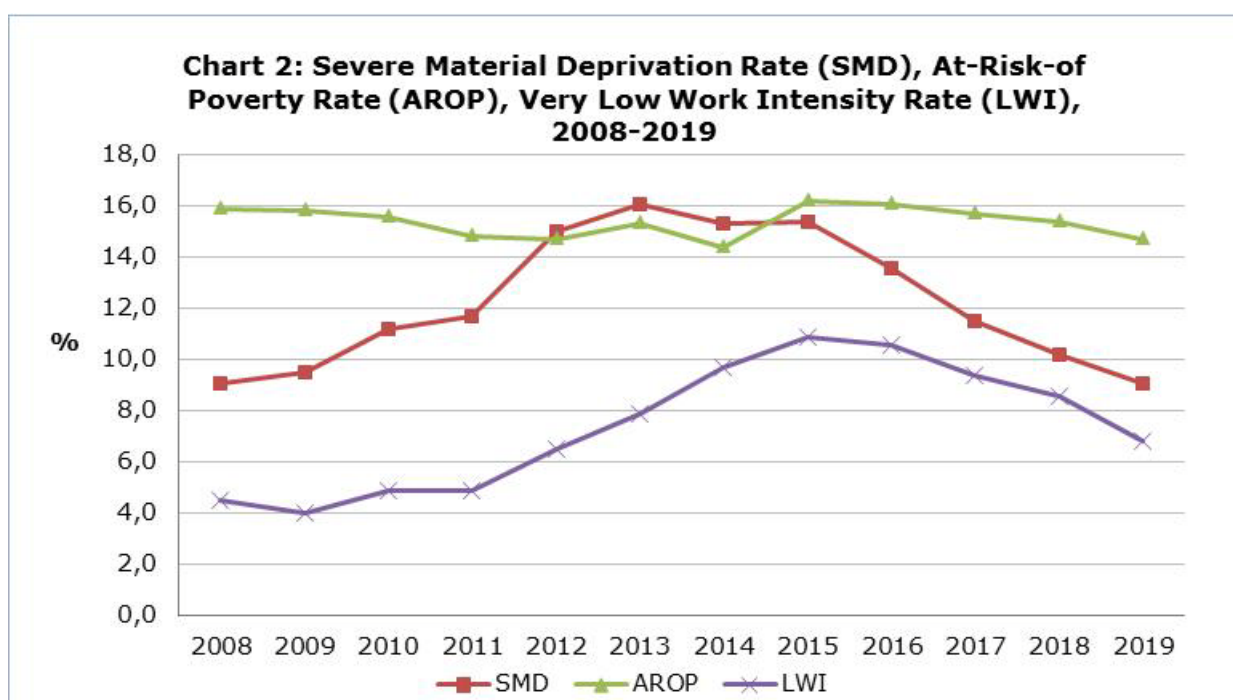
Severe Material Deprivation Indicator (SMD)

The percentage of the population that was severely materially deprived, meaning that they could not afford, for example, to pay their rent or utility bills or their loans, or keep their home adequately warm in winter, or face unexpected but necessary expenses (more information in the definitions in the methodological part), decreased in 2019 to 9,1% in comparison to 10,2% that was in 2018.

Very Low Work Intensity Indicator (LWI)

The percentage of the population aged 0-59 years, 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 decrease in 2019, reaching 6,8% in comparison to 8,6% in 2018.

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 2019, with income reference period the year 2018, was €33.584, exhibiting an increase of 9,0% in respect to that of the previous year, which was €30.807.

Income inequality is mainly described by the indicators on income distribution in quintiles, S80/S20 and the income inequality coefficient Gini. In 2019, both ratios of income inequality, referring to income year 2018, exhibited an increase in relation to the previous year, thus indicating a minor deterioration in the income distribution of the households. Specifically, the ratio S80/S20, which examines the income share of the 20% richer population to that of the 20% poorer population, reached 4,6 units in 2019. Namely, the income share of the 20% richer population was 4,6 times higher than the income share of the 20% poorer population in comparison with 4,3 in 2018. Additionally, the Gini coefficient increased to 31,1%, in relation to 29,1% in 2018.

Table

Indicator			2008	2016	2017	2018	2019
At-risk-of-poverty or social exclusion rate (AROPE)	Total	%	23,3	27,7	25,2	23,9	22,3
	Men	%	20,5	26,6	24,0	23,1	21,2
	Women	%	25,9	28,7	26,4	24,7	23,3
At-risk-of-poverty threshold	1 person households	€	9.614	8.412	8.698	9.202	9.729
	Households with 2 adults and 2 dependent children	€	20.190	17.665	18.266	19.323	20.431
At-risk-of-poverty rate by age (AROP)	Total	%	15,9	16,1	15,7	15,4	14,7
	0-17	%	14,0	17,1	16,5	17,3	16,7
	18-64	%	10,8	15,1	14,2	13,4	11,9
	65+	%	46,3	19,5	21,6	21,4	24,6
Severe material deprivation (SMD)	Total	%	9,1	13,6	11,5	10,2	9,1
Percentage of population aged 0-59 living in households with very low work intensity, by gender (LWI)	Total	%	4,5	10,6	9,4	8,6	6,8
	Men	%	3,3	9,9	8,6	8,3	6,5
	Women	%	5,7	11,2	10,1	8,9	7,1
Mean annual disposable income of the household		€	33.407	29.942	30.376	30.807	33.584
S80/S20 quintile share ratio			4,3	4,9	4,6	4,3	4,6
Gini coefficient		%	29,9	32,1	30,8	29,1	31,1

METHODOLOGICAL INFORMATION

Survey identity

The survey on Income and Living Conditions of the Households (EU-SILC) is conducted in accordance to Regulation (EC) No. 1177/2003 of the European Parliament and of the Council 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 conducted in 2019, with income reference period the year 2018, covered a sample of 4.211 households in all districts of Cyprus, in both urban and rural areas.

The survey is carried out since 2005 on an annual basis with a rotational sample and 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 materially 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.

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 years, that was living in households whose adults (aged 18-59 years) worked less than 20% of their work potential during the past year. The work intensity (WI) of a household is the ratio of the total number of months that all household members aged 18-59 years (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:

Statistical Service (CYSTAT) Website, subtheme [Living Conditions and Social Protection](#)

Contact

Demetra Costa: Tel: +35722605112, Email: dcosta@cystat.mof.gov.cy

Charalambos Charalambous: Tel: +35722602241, Email: chcharalambous@cystat.mof.gov.cy