

Income and poverty in Slovenia in 1996-2000 and the EU-15 in 2000, %						
	1996	1997	1998	1999	2000	2000 EU-15
Excluding income in kind						
A. Risk of poverty rate	12.2	14.0	13.8	13.6	12.9	15
B. Risk of poverty rate before social transfers (pensions included in income)	17.8	19.5	19.8	20.5	20.0	23
Risk of poverty rate before social transfers (pensions excluded from income)	37.0	40.2	39.9	40.8	40.6	40
C. Inequality of income distribution: quintile ratio (80/20)	3.6	3.7	3.6	3.6	3.6	4.4
Income in cash + income in kind						
Risk of poverty rate	11.2	11.3	11.6	11.4	11.2	N/A
Risk of poverty rate before social transfers (pensions included in income)	16.0	16.9	17.2	17.7	17.4	N/A
Risk of poverty rate before social transfers (pensions excluded from income)	33.8	36.1	36.2	37.4	37.1	N/A
Inequality of income distribution: quintile ratio (80/20)	3.1	3.2	3.2	3.2	3.2	N/A

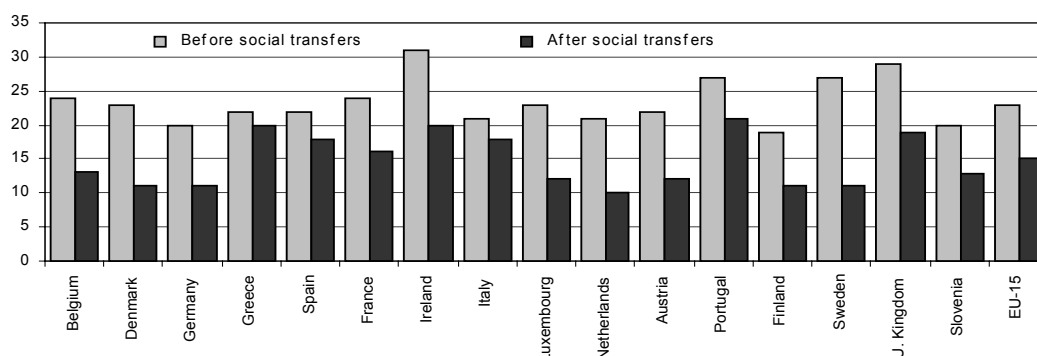
Source of data: SORS, First Release, No. 126, October 2003.

The indicators of income and poverty are part of the 18 structural indicators measuring social cohesion, which were adopted by the European Council in Laeken in order to monitor progress made in alleviating poverty and social exclusion. The fourth indicator – long-term exposure to poverty – can be calculated after the EU-SILC survey begins to be conducted in 2005 (the first part of the pilot survey was conducted in October 2003, while the second part is planned for spring 2004). The indicators shown in the table are taken from the Household Budget Survey and are based on the following methodological assumptions: the **threshold of poverty risk** is determined at **60% of the median of income in cash**, the calculation is made for **an individual** on the basis of the OECD's modified equivalence scale. The **risk of poverty rate** means the percentage of people living in households with a net equivalent income below the poverty threshold. In 2000, this threshold was set at SIT 65,104 a month (SIT 58,291 in 1999). The risk of poverty rate (A) has been declining since 1997. In 2000, it dropped by another 0.7 of a percentage over the year before and came in at 12.9% (meaning that 12.4% of men and 13.4% of women had less than SIT 65,104 of monthly income). The depth of poverty expressed as a percentage of people who are near the threshold of poverty risk was 22.2%, the same as in 1999. By comparing the risk of poverty rate before (B) and after (A) social transfers, we can assess the effectiveness of social policy measures and the accuracy of targeting social transfers. Data show that this effectiveness has increased in Slovenia. The difference between indicators A and B increased from 6.9 percentage points in 1999 to 7.1 percentage points in 2000. Social policy effectiveness was higher in the EU-15 on average, with the difference totalling 8 percentage points. The indicator of inequality of income distribution (C) stayed the same in 2000 compared to the year before (3.6%), while it dropped from 4.6% to 4.4% in the EU-15.

Broken down by **age and gender**, the **risk of poverty rate** was highest among women aged 65 or more (26.0%) and lowest in the 0-15 age group (11.4%). As regards **labour force participation**, poverty was by far the highest among the unemployed (39.9%). If we look at the **type of household**, the risk of poverty rate was high in single households and households of elderly people. Among households with children, the risk of poverty rate was above average in single-parent households (17.3%) and large households (19.0%). As far as **residence status** is concerned, an above-average risk of poverty rate (16.3%) was found among tenants.

The graph shows that Swedish social policy was the most and that of Greece the least effective in eliminating poverty. In 2000, the rates of poverty risk were lowest in the Netherlands (10%), Sweden, Denmark, Finland and Germany (all recording 11%). On the other hand, these rates were highest in Greece, Ireland (recording 20%) and the United Kingdom (19%).

Graph: **Risk of poverty rate before and after social transfers in the EU-15 and Slovenia (excluding income in kind) in 2000**



Source of data: EUROSTAT, database New Cronos.