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Scientific research: Latvia: “Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options”

LABOR MARKET AND SOCIAL CONDITIONS DIAGNOSTIC

POVERTY, INEQUALITY, AND THE SOCIAL IMPACT OF THE FINANCIAL CRISIS IN LATVIA



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***POVERTY, INEQUALITY, AND THE SOCIAL IMPACT OF THE
FINANCIAL CRISIS IN LATVIA***

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Foreword

The focus of the research is to explore poverty and income inequality trends in Latvia in an EU comparison before, during and after the financial and economic crisis. We aim to identify the winners and losers from the crisis and the vulnerable social groups. The main goal is to contribute with background evidence to the government strategy promoting inclusive growth.

Who are the main losers of the crisis? Which groups benefitted relatively with declining exposure to poverty? What is the poverty level of these groups? Has poverty declined most among the high-risk groups? Has it increased most among the low-risk groups? Is there any link between the level of poverty and change over time? In our overview chart we are using the anchored poverty rate for monitoring the impact of the crisis on poverty. We present the poverty rate and changes over time for the period 2006-2009. We use quantitative information to assess poverty developments in different groups in society grouped according to socio-economic, demographic and geographical factors. We do not take a qualitative approach.

Our analysis is based on Eurostat's August 2012 release of the 2010 round of the European Union Statistics on Income and Living Conditions (EU-SILC), with 530,000 individuals across 27 EU countries. The sample size for Latvia included 15,290 individuals living in 6,255 households.

The first part of the report presents the EU context, including the comparison of inequality and poverty trends of Latvia with that of other EU countries. In the second part we monitor the situation of specific social groups and its change over time in Latvia.

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Main findings

Latvia is one of the countries with the highest inequality within the EU, and inequality increased between 2004 and 2009. The incomes of the wealthier groups grew proportionately more than that of those below the poverty threshold.

In 2009, following the crisis Latvia stands out as the country with the highest at-risk-of-poverty rate. By 2010, the poverty rate fell to 19.1, which is below many other countries. According to our calculations, in Latvia, 1% of the population has an income which does not reach 2.5\$/ day, and 2.9% lives on incomes below 5\$/day. Only Lithuania or Romania has a similar degree of extreme poverty among the EU countries.

Severe material deprivation reaches 27% in Latvia¹. Changes in this measure exhibit a U-shape, with a decrease (the proportion of people who cannot afford most of the items has decreased from 39 per cent in 2004 to 16 per cent in 2007), followed by an increase (to 27 per cent in 2009). A similar U-shape pattern characterises the other two Baltic States, Lithuania and Estonia.

We assess the impact of the crisis on poverty rates in Latvia using the 'at-risk-of poverty rate anchored in 2006', as it reflects changes in price levels, but not changes in average incomes. In Latvia, due to the rapid rise in average incomes in 2007 and 2008, followed by a drop in 2009, the at-risk-of-poverty threshold differs significantly from the anchored threshold. The anchored measure can be considered to indicate the changing proportion of the population who can afford to purchase a fixed basket of goods and services.

Between 2006 and 2009, the poverty risk for children, young adults, single parents, tenants paying a market rate, those living in urban areas increased to a large extent. In contrast, there was a relative improvement (declining poverty rate) among older people, people living alone (including both those over 65 and below), people living in households with high work intensity and the foreign-born population.

There is no consistent relationship between a group's level of poverty in 2006 and the change in risk of poverty from 2006 and 2009. There was no major change in the situation of individuals with the highest poverty rate, i.e. those who live in households with very low or low work intensity. Among the high-risk groups, the situation of single parents and that of tenants paying a market rate worsened over time, while the situation of unemployed, single persons (including both those over 65 and below), improved over time. Among those with a relatively lower risk, the poverty rate of older people declined, while those living in urban areas increased.

Changes between 2006 and 2009 indicate the deepening of poverty and increasing polarisation. Differences across social groups in the extent of poverty gap (the depth of poverty) were much smaller in 2006 than in 2009.

Who are the poor? Nearly two thirds of the poor population are constituted by people who live in households with low work intensity. 28% of the poor population are unemployed. "Working poor" do exist in Latvia, even though the share of employed people is lower (26%) within the poor population than in the general population (46%). 62% of the poor live in rural areas, while actually only about half of the population lives there.

¹ It should be noted that there is a large subjective element in the material deprivation measure and thus we should read it with caution.

Our analysis is based on Eurostat's August 2012 release of the 2010 round of the European Union Statistics on Income and Living Conditions (EU-SILC)², with 530,000 individuals across 27 EU countries. The sample size for Latvia included 15,290 individuals living in 6,255 households in 2010³. The social situation is looked at it from a quantitative perspective using the EU's primary source of data for monitoring the poverty and social exclusion targets.

This dataset covers a period of six years for most of the EU Member States⁴, which limits the estimation of time trends of poverty and inequality measures. The estimation of long-term trends is prone to comparability problems, as there is no consistent data source including Latvia and other European countries.

Timeliness of the results is an issue. EU-SILC data is released with a delay of two years, which means that the latest year available was 2010 at the time of our data analysis⁵. Survey data collects retrospective data on annual incomes. Income data, and thus indicators of poverty and inequality refer to the situation in 2009.

Although in our view it would be essential to take into account the margins of error of the risk-of-poverty figures, we cannot provide exact estimated due the data constraints. The size of these margins of error depends on the size of the sample, i.e. the number of people surveyed relative to the population of the country, and also the specific sample design (stratification and clustering). As there is no detailed information on the latter in the EU-SILC User Data Base, the estimates based on sample size alone would underestimate confidence intervals, and thus statistically significant differences would be overstated. Therefore we are not able to provide the confidence intervals of the indicators.

1. The EU context: comparison of inequality and poverty trends of Latvia with that of other EU countries

In this section we compare empirical evidence referring to Latvia with that of other European Union countries.

1.1. Inequality of income distribution

The S80/S20 quintile ratio measures the proportion of the total equivalized disposable income received by the 20 per cent of the population with the highest income (top quintile) compared to that received by the 20 per cent with the lowest income (lowest quintile).

The difference between the income shares of the lowest quintile and the highest quintile groups in 2009 is highest in Lithuania, followed by Latvia and Spain. All three countries

² The EU Statistics on Income and Living Conditions, an annual survey to collect comparable data in EU Member States on these and related aspects. The survey project was launched in 2003 and covered six Member States (Belgium, Denmark, Greece, Ireland, Luxembourg and Austria) plus Norway; it was extended in 2004 to a further seven (to the EU15 — with the exceptions of Germany, the Netherlands and the UK — plus Estonia). In 2005, the survey covered all EU25 countries, and as from 2007 it covers Bulgaria and Romania as well (together with Turkey and Switzerland). Additional information can be found at: http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc

³ For more details on the Latvian sampling and data quality, see: Central Statistical Bureau of Latvia (2011). Intermediate Quality Report EU-SILC 2010 Operation in Latvia. Downloadable at:

http://www.csb.gov.lv/sites/default/files/eu-silc_intermediate_quality_report_latvia_2010_0.pdf

⁴ Eight years for Austria, Belgium, Denmark, Greece, Ireland and Luxembourg and four years for Bulgaria and Romania.

⁵ The data analysis for this paper was completed in February 2013.

exhibit of a ratio of about seven, which means that altogether the richest quintile has seven times more income than the poorest quintile. On the contrary, differences are relatively low in Hungary, Slovenia and Czech Republic, where the top quintile has only three times more than the lowest quintile. Eleven other countries (Sweden, Finland, the Netherlands, Austria, Slovakia, Belgium, Luxembourg, Denmark, Cyprus, France and Germany) have a ratio of four times higher incomes.

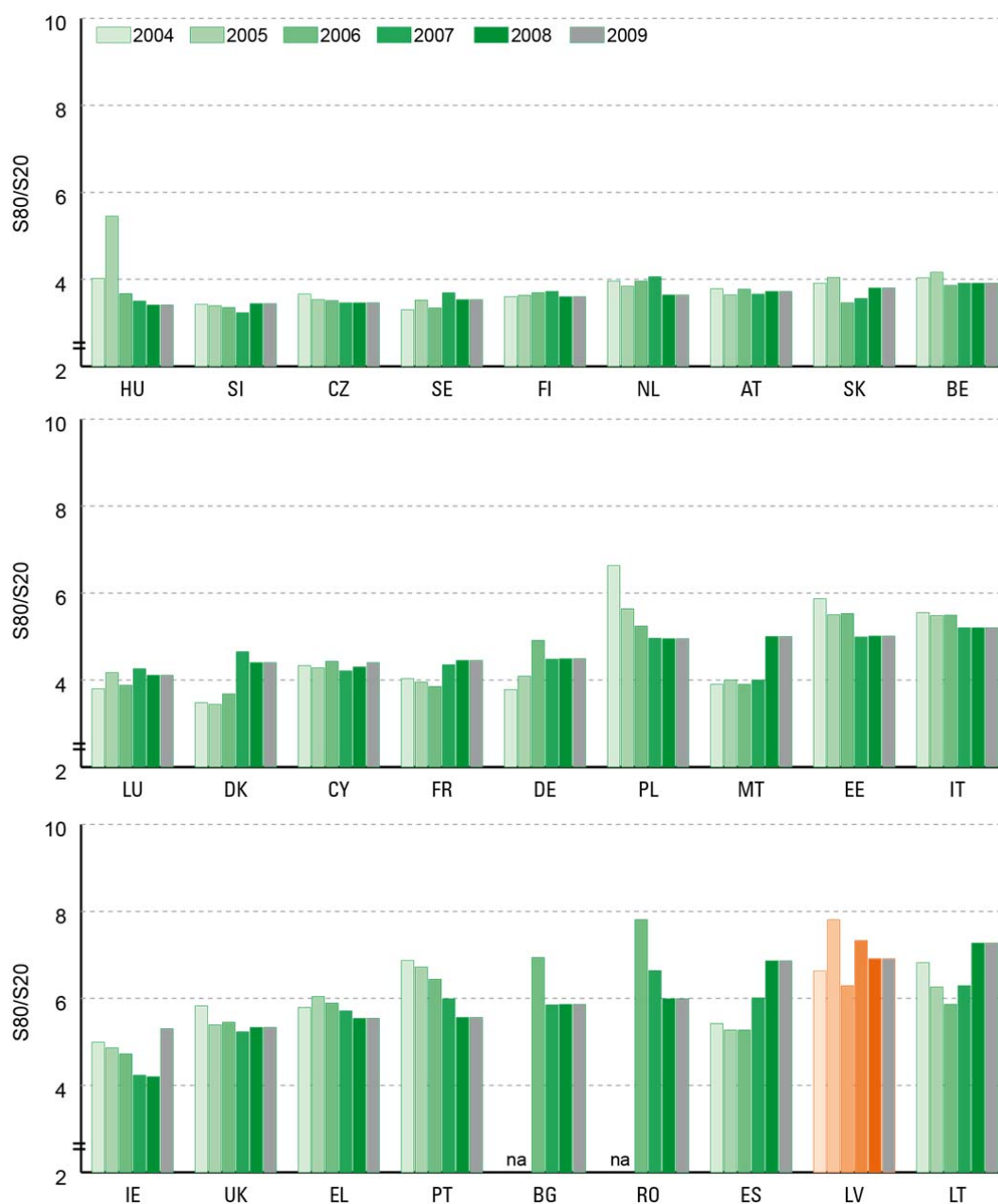
The level of inequality remained quite stable in those EU countries with relatively low levels of inequality. In contrast, there is considerable fluctuation in countries with higher inequality. Eastern European countries appear to cluster into two distinct groups:

- Latvia, together with Poland, and Lithuania had been the countries with the highest inequality with a ratio around seven times higher incomes. Inequality levels have been volatile in Latvia and in Lithuania during this period, and the 2009 value is somewhat higher than that of 2005. In contrast, inequality in Poland had a decreasing trend.
- In contrast, Hungary⁶, Slovenia, the Czech Republic and Slovakia were among the EU countries with the lowest inequality already in 2005, with relatively low fluctuations from year to year.

In Latvia, as measured by the S80/S20 ratio, inequality increased from 6.3 to 7.3 from 2006 to 2007 and levelled off at 6.9 during the last two years. These changes are mainly due to changes at the top of the distribution (top decile), while the share of other deciles within the total national equivalized income remained relatively stable over the whole period.

⁶ In Hungary, the sharp increase in 2005 is likely to be attributable to a measurement error (see Ward et al. 2009, p. 44.).

Figure 1: Inequality of income distribution across EU countries: S80/S20 quintile ratio, 2005-2009



Source: EU-SILC 2005-2010

Note: Ranked according to 2010 data. Data for Malta 2005-2008, Ireland and Cyprus 2010 retrieved from EUROSTAT database.

An alternative indicator of inequality, focusing on the bottom and the top of the distribution indicates that there was an increase in inequality in Latvia in the period between 2005 and 2009. The P90/P10 ratio (the ratio of the upper bound value of the ninth decile to that of the first decile) increased from 4.9 to 5.4 (Table 1). High incomes rose proportionately more than low incomes: the upper bound value of the 9th income decile rose by 212%, while that of the bottom income decile increased by only 191 per cent. The gap between low and high incomes became wider in Latvia.

Table 1: Income inequality in Latvia in 2005 and 2009

	2005	2009	Change in %
P90 (upper bound value of the 9th income decile)	4,808	10,171	212
P10 (upper bound value of the lowest income decile)	986	1,882	191
P90/P10 ratio	4.9	5.4	

Source: own calculations based on data retrieved from Eurostat database.

Note: P90/P10 ratio - the ratio of the upper bound value of the ninth decile to that of the first decile

1.2. Population at risk of poverty

The at-risk-of-poverty rate measures the share of persons with an equivalized disposable income below the risk-of-poverty threshold, which is set at 60 per cent of the national median equivalized disposable income (after social transfers).

The at-risk-of-poverty rate is a standard measure of social inclusion within the European Union. It displays the share of people who have a level of income below a certain threshold in relation to the median income in the country in which they live. Thus, someone defined as at-risk-of-poverty in one of the more prosperous EU Member States may have a significantly higher equivalized disposable income than someone above the at-risk-of-poverty threshold in one of the least prosperous countries.

We argue that it would be essential to take into account the margins of error of the risk-of-poverty figures. The figures for the risk of poverty are normally presented as single values. But since they are based on the information collected from only a sample of households, they are inevitably subject to a margin of error, even if the sample concerned is intended to be representative of the population of the country. It is important to take explicit account of the margins of error when assessing differences between countries or changes over time, otherwise there is a danger of reaching misleading conclusions. In particular, differences arising from these margins of error can be confused with real differences in the figures.

The poverty threshold value in comparison

The threshold for Latvia 2009 was 1,921 Lats, which amounts to 2,722 euros (see Table 2). This is 30% lower than in Estonia (reflecting higher average incomes in Estonia) and somewhat higher than in Lithuania. In terms of purchasing power standards that take into account the price levels of a country, there is no difference between the Lithuanian and Latvian poverty threshold levels, but the Estonian level is higher. The contrast is much larger with Germany, one of the main trading partners, where the poverty threshold is more than 11,000 euros, three times higher in purchasing power standards than the Latvian value.

Table 2: At-risk-of-poverty threshold (60% of median equivalized income) in single person households, 2009

	Latvia	Lithuania	Ratio LT/LV	Estonia	Ratio EE/LV	Germany	Ratio DE/LV
Euro	2,722	2,436	0.9	3,436	1.3	11,278	4.1
Euro in PPS	3,580	3,615	1.0	4,490	1.3	10,635	3.0
Lats	1,921	-		-		-	-

Source: own calculations based on data retrieved from Eurostat database.

These national standards express the assumption that individuals compare their situations to their compatriots and feel poor if they are not able to participate fully in their own society. With the ever increasing integration of the European Union, including the free movement of labour, people may increasingly use foreign countries as well as a reference point. With this caveat, the at-risk-of-poverty indicator is a useful instrument to identify those on low incomes and it enables the comparison of the situation of social groups within the country.

Poverty rates in 2009

In 2009, Latvia appears to stand out as the country with the highest at-risk-of-poverty rate. However, if taking confidence intervals into account, the poverty risk is not statistically different from its neighbouring country Lithuania followed by Bulgaria, Romania, Greece and Spain. The poverty risk in the third Baltic country, Estonia, is more than five percentage points lower than in Latvia, entirely because of a sharp drop in the at-risk-of-poverty rate in Estonia from 2008 to 2009.

Different country groups can be identified:

- Eastern European countries, including Latvia, Romania, Bulgaria, Lithuania and Poland with relatively high poverty rates (between 18 and 21 per cent).
- Other Eastern European countries, including Slovenia, Hungary, Slovakia and first of all the Czech Republic are among the EU Member States with the lowest poverty risk (between 9 and 13 per cent).
- Northern European countries, such as the Netherlands, Sweden, Finland and Denmark are also low risk countries, together with Austria, France, Germany, Luxembourg and Belgium (between 10 and 13 per cent).
- The Southern European countries, including Portugal, Italy, Greece and Spain are among the countries with the highest poverty risk (between 18 and 21 per cent). While Cyprus and Malta comprise of a statistically significant lower risk (around 15 per cent).
- Anglo-Saxon countries, the UK and Ireland tend to have a poverty rate of 16-17%. The situation is similar in Estonia, where the poverty rate is much below that of the other Baltic States.

1.2.1. Change in at-risk-of-poverty rate anchored in 2005

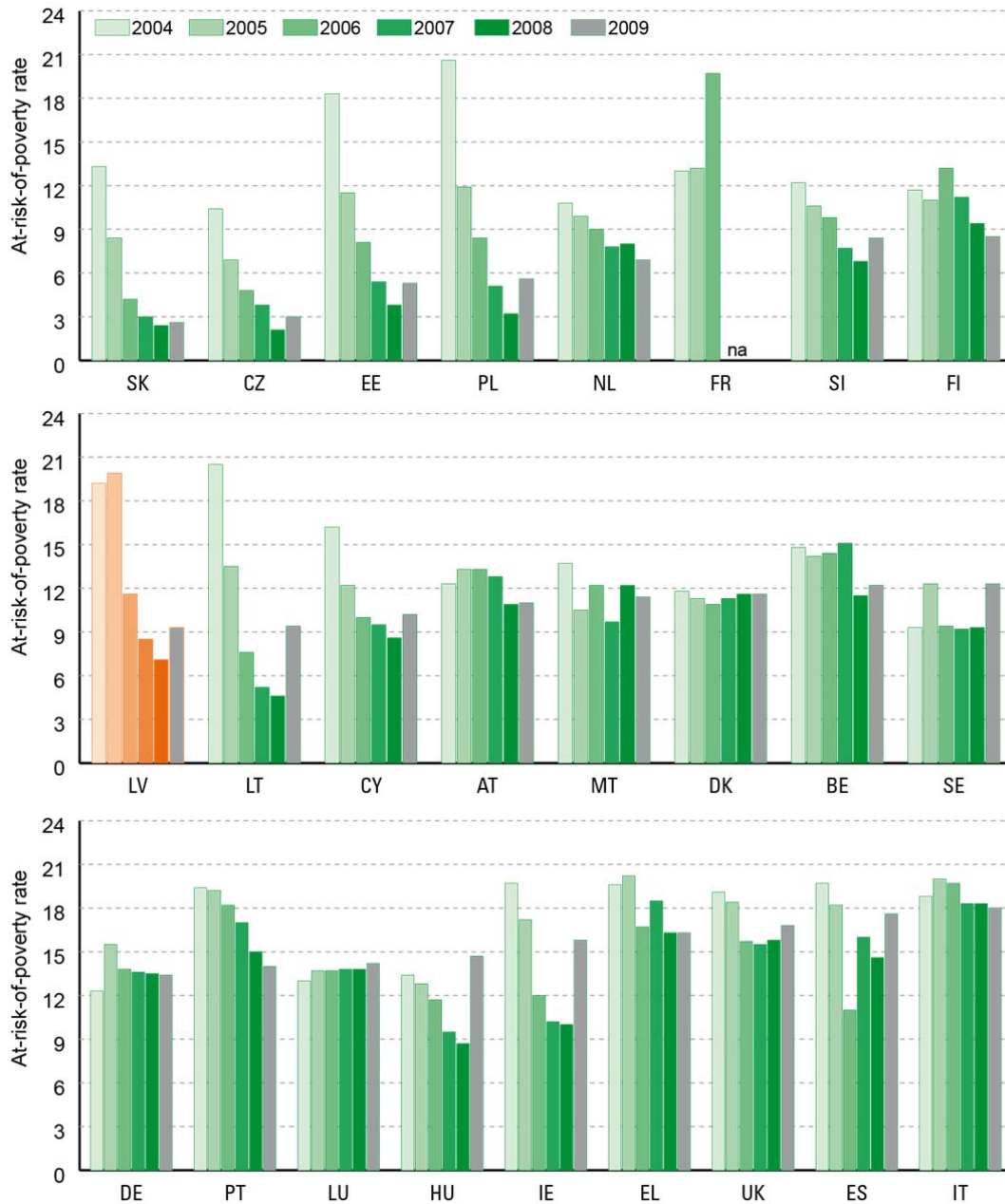
The 'change in the at-risk-of poverty rate anchored in 2005' is defined as the proportion of the population whose equivalized disposable income is below the 'at-risk-of-poverty threshold' in a particular year - the EU indicator currently uses 2005 - adjusted for inflation.

Our lead indicator of poverty in this section is the 'at-risk-of poverty rate anchored in 2005', as it reflects changes in price levels, but not changes in average incomes. In Latvia, due to the rapid rise in average incomes in 2007 and 2008, followed by a drop in 2009, the at-risk-of-poverty threshold differs significantly from the anchored threshold. The anchored measure can be considered to indicate the changing proportion of the population who can afford to purchase a fixed basket of goods and services.

With the threshold anchored in 2004, the proportion of people at-risk-of-poverty declined between 2004 and 2009 across most of the EU countries. Accordingly, this suggests that an increasing number of people in most parts of the EU could afford to buy a fixed basket of goods and services over the period. The exceptions are France (although no data is available for the latest years), Sweden, Germany and Hungary. Especially in Hungary and Sweden, the increase is due to a high increase from 2008 to 2009, while in previous years the anchored risk has either decreased or remained stable.

Similar to the latest developments in Hungary and Sweden, a number of other countries were also affected by the negative social consequences of the crisis. In Estonia, Poland, Slovenia, Latvia, Lithuania, Ireland and Spain, the anchored risk-of-poverty rate increased from 2008 to 2009. Most of these countries experienced a downward trend in earlier years.

Figure 2: At-risk-of-poverty rates anchored at a fixed moment in time (2004) across EU countries, 2004-2009

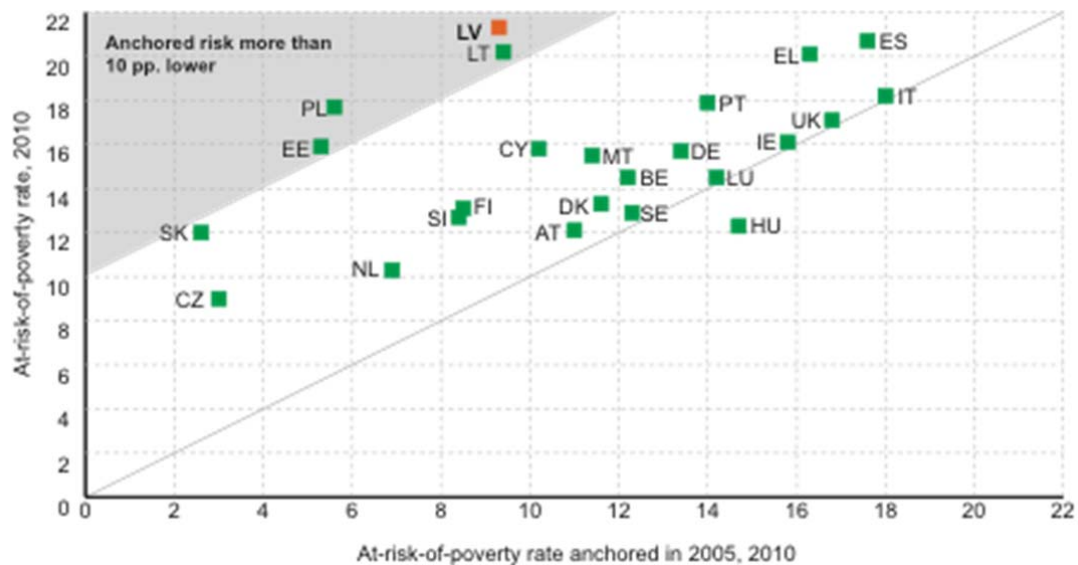


Source: EU-SILC 2005-2010
 Note: Ranked according to 2010 data. Data for Bulgaria and Romania not available. Data for the United Kingdom 2009 and 2010, Data for Malta 2005-2008, Ireland and Cyprus 2010 retrieved from EUROSTAT database.

Although the fixed poverty threshold indicates a general downward trend from 2004 to 2009 in most countries, the standard relative poverty indicator (At-risk-of-poverty rate) shows an increasing proportion of people with income below the poverty threshold in many countries. The difference between the changes in the two indicators in 2009 is particularly striking in the three Baltic States, as well as in Poland, with a difference of more than ten percentage points (see Figure 3). An explanation for the difference in the two poverty measures is the changing shape of the income distribution curve: high incomes grew more than low incomes.

There are countries where the two poverty measures show similar results, both in terms of level of poverty risk as well as in terms of trends over time: Austria, Belgium, Germany, Denmark, Italy and Luxembourg.

Figure 3: At-risk-of-poverty rates anchored at a fixed moment of time (2004) compared to non-anchored risk rates across EU countries, 2009

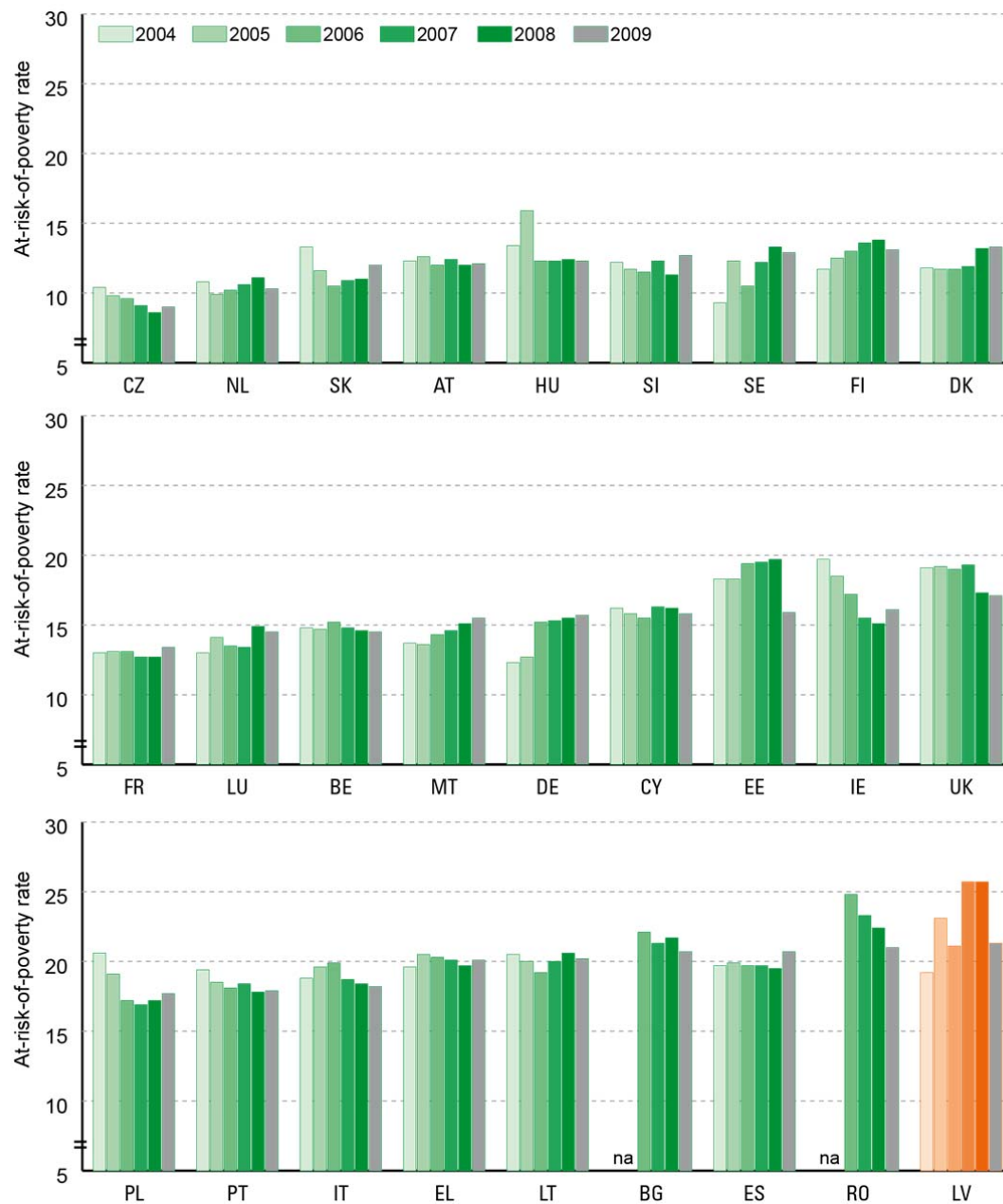


Source: EU-SILC 2010

Note: Data for Ireland, Cyprus and the United Kingdom retrieved from EUROSTAT database. Data for Bulgaria and Romania not available.

1.2.2. Time trends of the “conventional” at-risk-of-poverty indicator (based on annual incomes)

Figure 4: At-risk-of-poverty rates across EU countries, 2004-2009



Source: EU-SILC 2005-2010

Note: Ranked according to 2010 data. Data for Malta 2005-2008, France 2008, Ireland and Cyprus 2010 retrieved from EUROSTAT database.

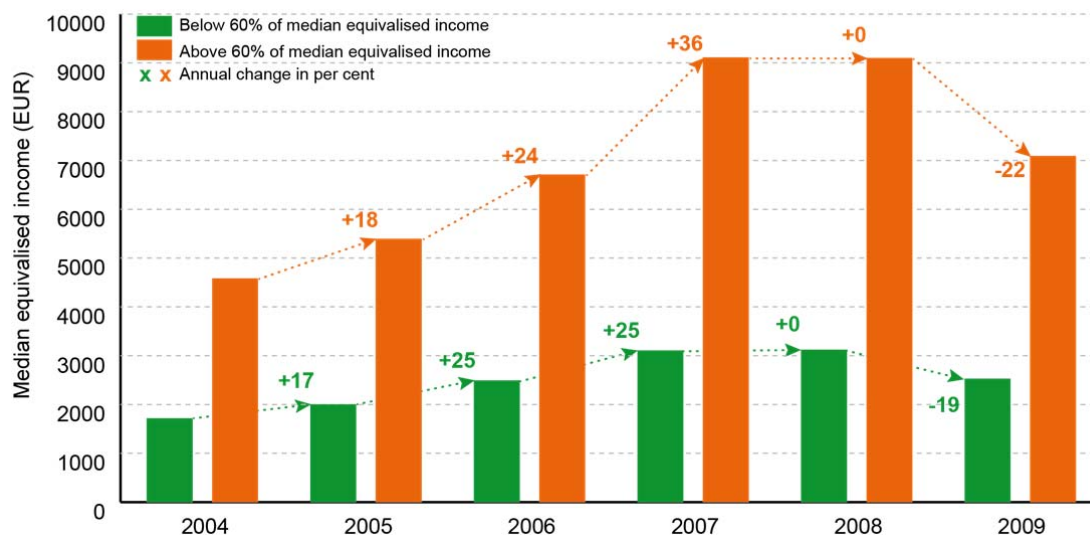
In about half of the EU countries, the at-risk-of-poverty rates remained stable during the period from 2004 till 2009 (survey years 2005 to 2010). In 13 out of 27 EU member States, there was no statistically significant change.

Comparing the situation in 2004 and in 2009, the proportion of population at-risk-of-poverty declined in the Czech Republic, Slovakia, Hungary, Estonia, Ireland, the United Kingdom and Poland. A clear declining trend during the whole period characterised Bulgaria, Poland, Ireland and to a lesser extent Portugal. In Ireland, the decrease was almost 4% points, the highest in the EU. The large drop of poverty rate in Estonia in the most recent data year (referring to 2009 incomes) (4%) moved the country closer to the Scandinavian level of poverty. Note, however, that this drop reflects falling real incomes and with the economic recovery and rising average income poverty may be on the rise again. In the UK, data suggest a substantial drop in 2007.

In contrast, the proportion of the poor increased in Sweden, Finland, Malta, Germany, Spain and Latvia. Similar to Hungary, the change in Germany is subject to measurement errors as poverty risk rates have been underestimated⁸. Latvia is the country with the highest fluctuations in annual poverty rates. In the survey years 2007 and 2008, Latvia has reached the highest risk-of-poverty rates both in country specific terms as well as in EU wide comparison across the survey years. This is partly due to a rise of median income.

In Latvia, inequality was on the rise before the financial crisis: the incomes of the wealthier groups grew proportionately more than that of those below the poverty threshold. The median income of persons above the threshold grew by 36 per cent from 2007, while the rise was only 25% for those on poverty levels of income. Due to the relational character of the poverty indicator, the over proportional increase in incomes at the upper end and the lower increase of incomes below the poverty threshold lead to an increase of the threshold value (and also to that of the poverty rate). In 2009, as shows, both groups experienced a drop in median equivalized incomes, although it was somewhat lower (proportionately) among the poor. The median income of those who are at risk of poverty fell back to its

Figure 5: Median equivalized income of persons above and below the at-risk-of-poverty threshold in Latvia, 2004 – 2009



Source: Eurostat.

The following two sub sections include two absolute poverty measures: at-risk-of-poverty rate anchored in 2004 and the absolute poverty risk set at Dollar 2.5 and Dollar 5 a day. The former controls for the impact of price changes within the country and the latter enables easy cross-country comparisons of destitution.

⁸ See Frick and Krell (2009)

1.2.3. Absolute poverty rates

The table below compares absolute poverty rates, using two alternative thresholds. The 2.5 US dollar / day and the 5 USD/day thresholds express a very low level of subsistence, and thus it is an indicator of extreme deprivation. According to our calculations, in Latvia, 1% of the population has an income which does not reach 2.5\$/ day, and 2.9% lives on incomes below 5\$/day.

Only Lithuania or Romania has a similar extent of extreme poverty among the EU countries.

Note, however, that these calculations include only the non-institutionalised population, living in private households. The homeless population, for example, is excluded from these figures, so extreme poverty is likely to be underestimated.

Table 3: Absolute poverty rates, using a 2.5 USD/day and a 5 USD/day threshold, 2009

		2.5 \$/day	5 \$/day
AT	Austria	0.0	0.1
BE	Belgium	0.0	0.2
BG	Bulgaria	0.1	1.8
CZ	Czech Republic	0.0	0.1
DE	Germany	0.0	0.1
DK	Denmark	0.3	0.6
EE	Estonia	0.3	0.9
EL	Greece	0.1	0.2
ES	Spain	0.8	1.4
FI	Finland	0.0	0.1
FR	France	0.1	0.2
HU	Hungary	0.0	0.1
IT	Italy	0.4	0.8
LT	Lithuania	1.2	3.0
LU	Luxembourg	0.0	0.0
LV	Latvia	1.0	2.9
MT	Malta	0.2	0.4
NL	Netherlands	0.1	0.3
PL	Poland	0.1	0.8
PT	Portugal	0.2	0.3
RO	Romania	0.9	6.1
SE	Sweden	0.2	0.4
SI	Slovenia	0.0	0.0
SK	Slovakia	0.3	0.6
UK	United kingdom	0.1	0.2

Source: Own calculations based on EU-SILC 2010

1.3. Severe material deprivation

The severe material deprivation rate measures the percentage of the population that cannot afford at least four of the following nine items:

- 1) pay rent or utility bills
- 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
- 9) or a telephone.

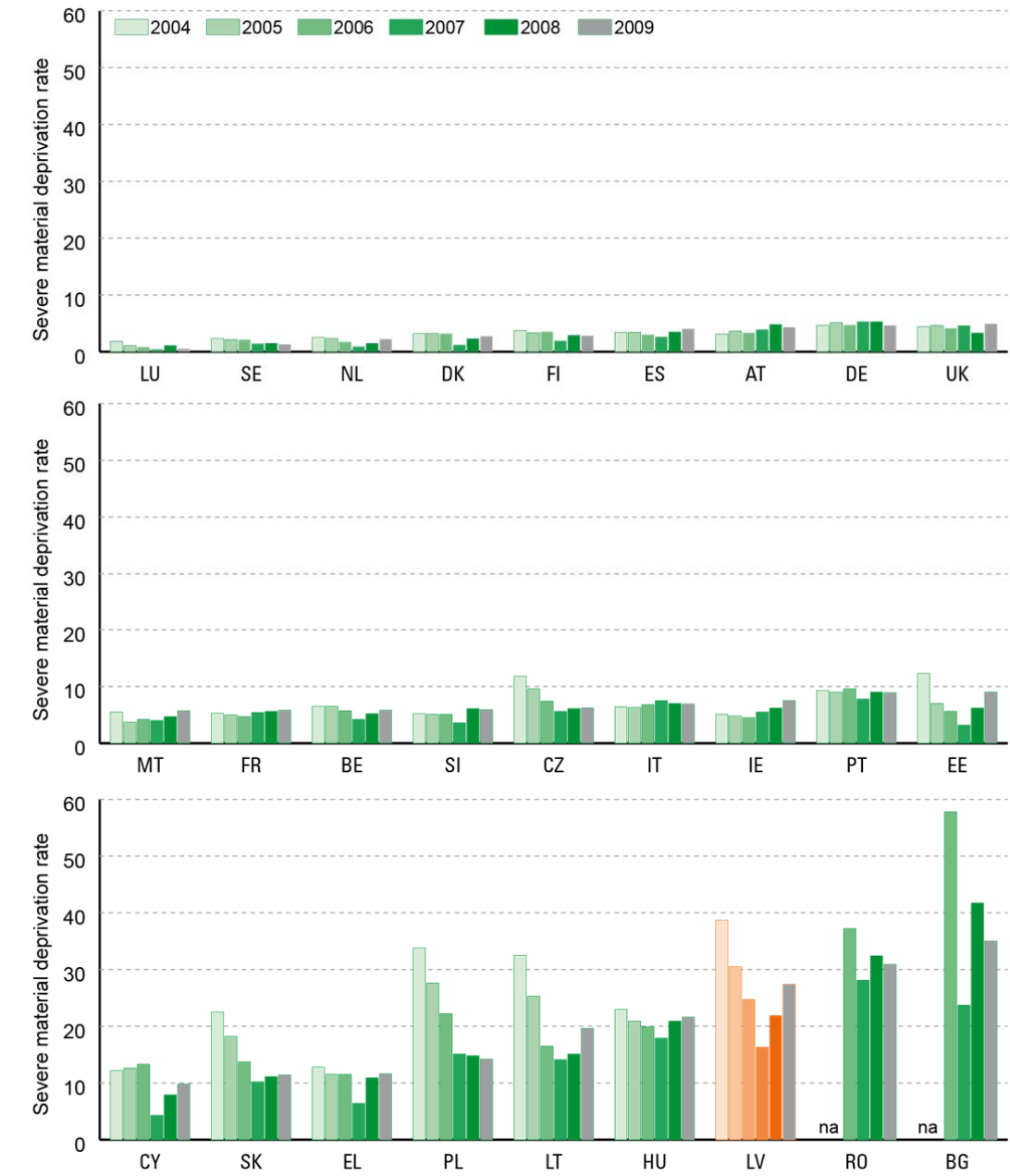
The severe material deprivation indicator measures the availability of fixed items considered by most people to be desirable or even necessary to lead an adequate life. Thus, the indicator uses an EU wide definition of severe material deprivation, in contrast to the country-specific poverty threshold values of the at-risk-of-poverty rate.

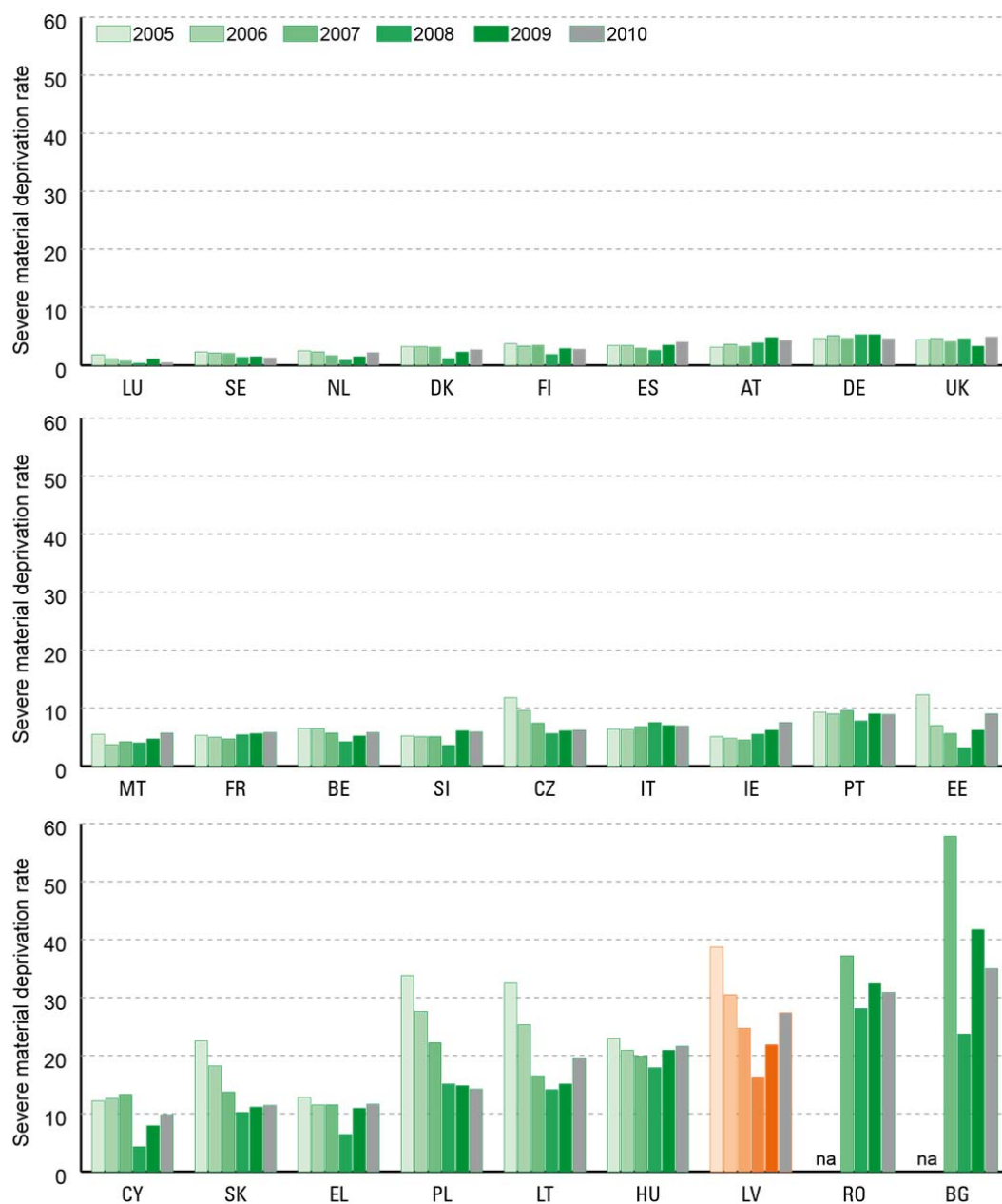
Severe material deprivation rates range from 0.5 per cent in Luxembourg to 35 per cent in Bulgaria. Latvia is among the countries with the highest proportion of people who cannot afford most of the items, with a severe material deprivation rate of more than 27 per cent. In contrast, most other countries show relatively low levels of severe material deprivation. In ten countries the proportion of people being severely materially deprived is below ten per cent, in five other countries even below five per cent.

Countries with relatively low severe material deprivation rates in 2009 experienced minor or no changes in the observed period. The three exceptions are the Czech Republic, Estonia and Cyprus. In the Czech Republic, the deprivation rate decreased from 12 per cent in 2004 to six per cent in 2009.

Changes in Latvia show a U-shape, with a decrease (the proportion of people who cannot afford most of the items has decreased from 39 per cent in 2004 to 16 per cent in 2007), followed by an increase (to 27 per cent in 2009). A similar U-shape pattern characterises the other two Baltic States, Lithuania and Estonia. Severe material deprivation in Latvia and Lithuania is much above the level of that in Estonia. In Lithuania, the rate is more than twofold and in Latvia it is more than threefold.

Figure 6: Severe material deprivation rate across EU countries, 2004-2009



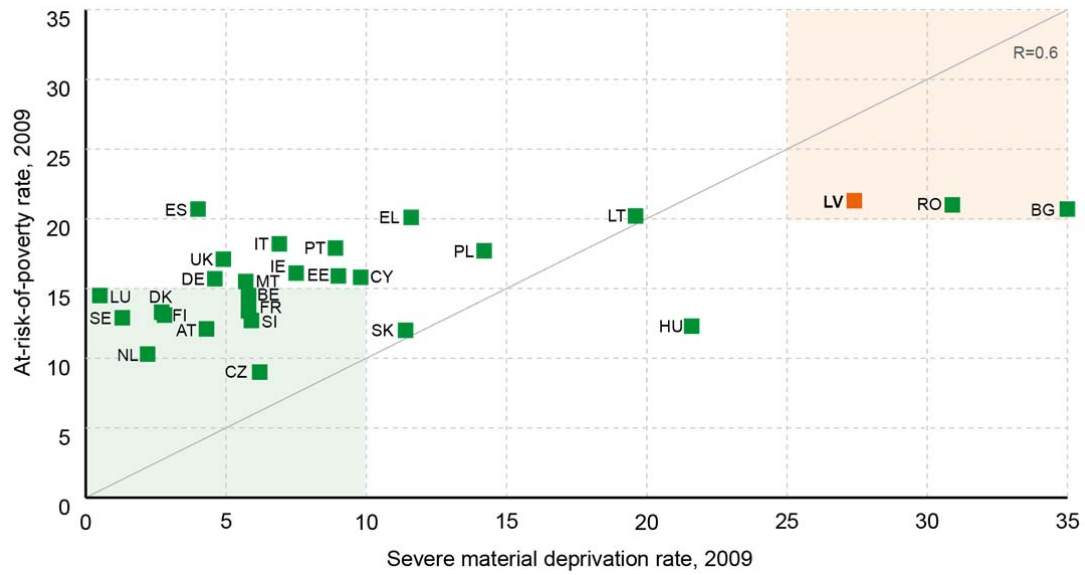


Source: EU-SILC 2005-2010

Note: Ranked according to 2010 data. Data for Malta 2005-2008, France 2008, Ireland and Cyprus 2010 retrieved from EUROSTAT database.

1.4. Indicators of social exclusion: an overview

Figure 7: Correlation between severe material deprivation rate and at-risk-of-poverty rate across EU countries, 2009



Source: EU-SILC 2010

Note: Data for Ireland and Cyprus 2010 retrieved from EUROSTAT database.

In Latvia, a large proportion of the population lives at risk of poverty or in severe material deprivation. The situation is similar to that of Bulgaria and Romania. The Latvian situation seems to be significantly worse than in the other two Baltic States of Estonia and Lithuania.

Table 4: Indicators of income inequality and poverty across the EU27, 2009

	At-risk-of-poverty rate	Severe material deprivation rate	Low work intensity
CZ	9	6.2	6.4
NL	10.3	2.2	8.2
AT	12.1	4.3	7.7
SI	12.7	5.9	6.9
SE	12.9	1.3	5.9
FI	13.1	2.8	9.1
DK	13.3	2.7	10.3
FR	13.4	5.8	9.8
LU	14.5	0.5	5.5
BE	14.5	5.8	12.6
MT	15.5	5.7	8.4
DE	15.7	4.6	11.1
UK	17.1	4.9	13.1
ES	20.7	4	9.8
IE	16.1	7.5	22.9
SK	12	11.4	7.9
CY	15.8	9.8	4.6
EE	15.9	9	8.9
PL	17.7	14.2	7.3
PT	17.9	8.9	8.6
IT	18.2	6.9	10.2
EL	20.1	11.6	7.5
HU	12.3	21.6	11.8
LT	20.2	19.6	9.2
BG	20.7	35	7.9
RO	21	30.9	6.8
LV	21.3	27.4	12.2

Source: EU-SILC 2010

Note: Data for Ireland and Cyprus 2010 retrieved from EUROSTAT database. The country grouping is based on a cluster analysis, using the Ward's linkage method. Low work intensity: refers to people aged 0-59.

The overview of three social exclusion indicators suggests that material deprivation varies the most across countries, followed by the low work intensity (Table 4). Therefore, the country grouping (based on a cluster analysis) is dominantly driven by the extent of material deprivation.

Social disparity in Latvia tends to be among the highest in the EU (Table 4). Inequality (the quintile ratio), the poverty rate and the severe material deprivation rate are all among the highest within the EU, reaching a similar high level as in Bulgaria and Romania. The situation in Latvia seems to be significantly worse than in Estonia and Lithuania, especially with

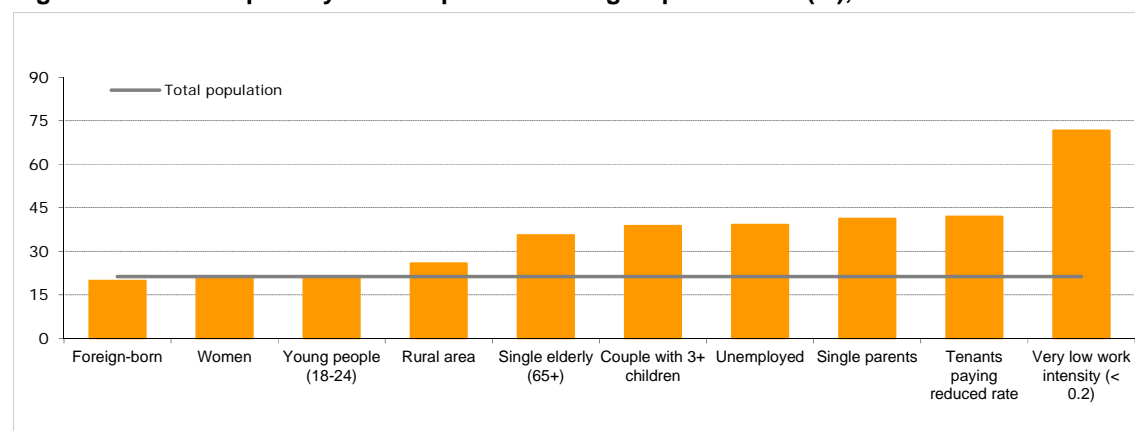
respect to severe material deprivation. Latvia thus seems to fare worse than other Baltic or Eastern-European countries.

2. The situation of specific social groups in Latvia

2.1. Poverty rates: the most recent evidence

Individuals living in households with very low work intensity have the highest poverty risk, affecting three out of four individuals living in such households (**Error! Not a valid bookmark self-reference.**). Similar high risks prevail in Lithuania and Estonia as well. The three Baltic States have the highest poverty rate for individuals living in very low work intensity households among the EU27.

Figure 8: At-risk-of-poverty rate of specific social groups in Latvia (%), 2009



Source: Own calculations based on EU-SILC 2010

Tenants (paying reduced rate), single parents, single elderly, couples with three or more children and the unemployed also face a risk well above the average.

Table 5: At-risk-of-poverty rate in regions of Latvia (%), 2006-2010

	2006	2007	2008	2009	2010
Riga	11.0	15.7	16.2	13.6	12.0
Pieriga	13.1	19.7	17.2	15.5	15.1
Vidzeme	28.1	31.6	38.1	24.8	23.8
Kurzeme	23.3	33.6	30.7	22.7	21.1
Zemgale	25.7	24.8	25.6	28.4	24.0
Latgale	40.4	42.1	42.2	34.7	30.3

Source: Statistics Latvia. Note that these regions are statistical regions, not administrative ones. The four statistical regions Kurzeme, Latgale, Vidzeme and Zemgale align with the planning regions of Latvia.

The poverty risk is the lowest in the Riga and the Pieriga regions, the latter being actually part of the Riga “planning region”, and is a neighbouring area (Table 5).

In contrast, poverty rate is the highest in the Latgale region, at the South-East, bordering mostly Russia and Belarus. These differences between the two extremes are well over

twofold, and have been prevalent in the past years as well, as suggested by our data series covering the years between 2006 and 2010.

Note that in Zemgale and Latgale, two high poverty regions, there was a marked decline of the poverty risk in 2010. This may be partly due to the fall of average national income, as these poverty figures are based on a national threshold.

Table 6: At-risk-of-poverty threshold (60% of median equivalized income) in Latvia, 2006-2009

	2006	2007	2008	2009
At-risk-of-poverty threshold (euros)	2,010	2,899	3,284	2,722

Source: Eurostat database

After a period of rapid rise of national income and thus the national poverty threshold in 2007 and 2008, there was a 17% drop in the poverty threshold value in 2009 (Table 6). These major changes in the poverty threshold imply that trends in the standard poverty rate, which is based on annual poverty thresholds, need to be interpreted cautiously. For example, the recent drop in the poverty rate may reveal very little on how the situation of the poor or the very poorest are protected by social policies. Using a fixed poverty threshold, which is only adjusted to price changes, a so called “anchored” rate seems to be more appropriate for analysing changes over time.

Table 7 presents detailed estimates for the at-risk-of-poverty rate for specific population subgroups in Latvia. This indicator is a lead indicator of social exclusion of the European Union. The indicator takes into account social benefits received in cash. As mentioned before, the at-risk-of-poverty rate is the share of people with an equivalized disposable income (after social transfer) below the at-risk-of-poverty threshold, which is set at 60 % of the national median equivalized disposable income after social transfers.

The evidence suggests an age pattern: child poverty is rather high, while poverty among the elderly is below average. The education gradient is very strong: individuals with primary or secondary education are more likely to have multiple levels of poverty than those with tertiary education. The difference between those with primary and tertiary education is over four fold.

Households with dependent children are more likely to be poor than those without. Single parents and couples with three or more children are most at risk. Single persons have a high risk as well: one in three individuals is at risk of poverty. In 2006, 2007 and 2008, single persons aged 65 or over had a poverty risk of over 75%. Our calculations are verified by the official Eurostat estimates, which indicate figures of similar magnitude. The large drop in 2009 is partly due to declining average incomes, partly to the relative stability of pension incomes as opposed to wages and salaries.

Households with low work intensity, especially those below 0.5 have a very high risk.

Retired persons have about twice as high poverty risk than those employed, and the unemployed nearly four times as high risk, reaching almost 40%.

Tenants face a significantly higher poverty rate than owners, although possible mortgage payments may worsen the situation of the latter group.

There is a pronounced urban-rural divide, and people in rural areas are more likely to experience poverty level of incomes.

Table 7: At-risk-of-poverty rate (%), 2006-2009

	2006	2007	2008	2009
Total	21.1	25.7	25.7	21.3
Gender				
Men	19.3	23.3	24.2	21.7
Women	22.7	27.8	27.0	21.0
Age				
0-17	20.4	24.7	25.7	26.6
18-24	17.1	17.2	19.2	21.2
25-64	18.4	20.2	20.5	20.3
65+	33.4	51.3	47.5	18.8
Educational attainment				
Primary	34.5	40.8	42.2	32.0
Secondary	19.0	22.7	23.4	20.0
Tertiary	8.3	12.6	10.3	6.5
Household type				
<i>Households without dependent children</i>	25.8	32.4	31.4	19.6
Single person	59.0	61.0	58.6	35.0
Single person younger than 65 years	44.3	40.5	38.6	34.4
Single person 65 years or over	75.1	82.6	79.6	35.6
Two adults younger than 65 years	19.7	20.3	18.6	17.7
Two adults, at least one aged 65 years or over	22.2	47.5	40.8	11.9
Other households without children				
<i>Households with dependent children</i>	17.8	20.8	21.4	22.7
Single parent	34.4	41.8	39.0	41.3
Couple with one child	11.8	13.4	15.0	17.4
Couple with two children	16.4	21.1	22.1	18.4
Couple with three or more children	46.3	38.0	44.8	38.8
Other households with children				
Work intensity of the household				
0.0-0.49	59.3	61.6	62.8	52.2
0.50	23.7	32.6	27.5	24.2
0.51-0.80	12.6	10.2	14.3	9.2
0.81-1.00	6.6	8.6	7.7	5.3
Employment status				
Employed	10.9	12.0	11.5	11.4
Unemployed	49.2	40.7	34.2	39.2
Retired	36.4	54.4	49.0	20.4
Other inactive	29.3	30.9	30.9	28.6
Country of Birth				
Native-born	20.5	24.7	24.8	21.6
Foreign-born	25.2	31.6	31.5	19.9
Citizenship				
with Latvian citizenship	21.2	24.8	25.3	20.0
with other citizenship	22.5	30.5	28.8	22.0
Tenure status				
Owner	18.5	23.5	23.6	18.2
Tenant paying rent at market rate	22.3	28.2	32.1	33.0
Tenant paying rent at a reduced rate or rent free	42.4	48.1	47.4	42.0
Degree of urbanisation				
Urban area	12.7	18.8	19.7	16.6
Rural area	28.8	32.5	31.7	25.9

Source: Own calculations based on EU-SILC (2006-2009) and Statistics Latvia (2010)

We also assessed the composition of the population at risk of poverty. In order to be able to say whether it is “much” or “little” we compared the share of a particular group within the poor population with that within the total population (see Figure 9 and Table 8

Who are the poor?

Figure 9).

There are more women among the poor than men, but it is largely due to their higher share within the population.

With respect to age groups, about half of the poor population is between the age of 25 and 64, but it is purely due to their high population share. 23% of the poor population consists of children (aged 0 to 17), surpassing their population share (19%).

The share of people at risk of poverty with only primary education is 42%, although their population share is only 27%, indicating their high relative poverty risk. Only 7% of the poor population has tertiary education.

Single persons constitute 17% of the poor population, single parents 11%, and individuals living in a household as a couple with three or more children constitute 8%. All three groups have a higher share among the poor than in the general population, indicating their higher poverty propensity.

Nearly two thirds of the poor population are constituted by people who live in household with low work intensity (below 0.5). 28% of the poor population are unemployed. Note that 26% of the poor are in employment. "Working poor" do exist in Latvia, even though the share of employed people is lower within the poor population than in the general population (46%).

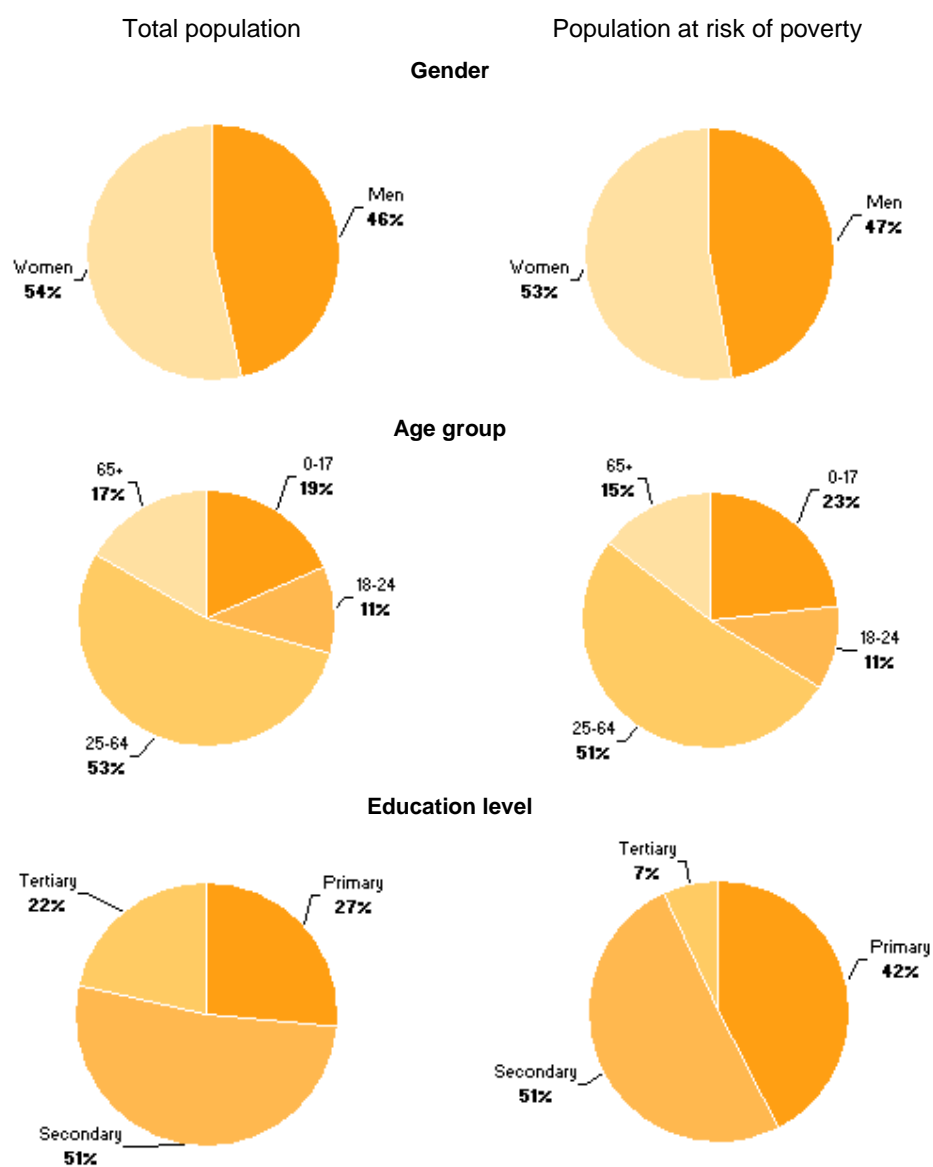
12% of the poor are foreign born, which is about the same as the share of foreign born population in the country. 19% of the poor are without a Latvian citizenship, which is again about the same as their share within the total population. Non-Latvian origin or citizenship thus do not seem to be associated with a higher prevalence of poverty.

72% of the poor population are owner-occupiers, 10% are tenants paying a market rate and 18% are tenants paying subsidized rent or no rent at all. The latter two groups are overrepresented among the poor compared to their population share.

62% of the poor live in rural areas, while actually only about half of the population lives there.

2.2. Who are the poor?

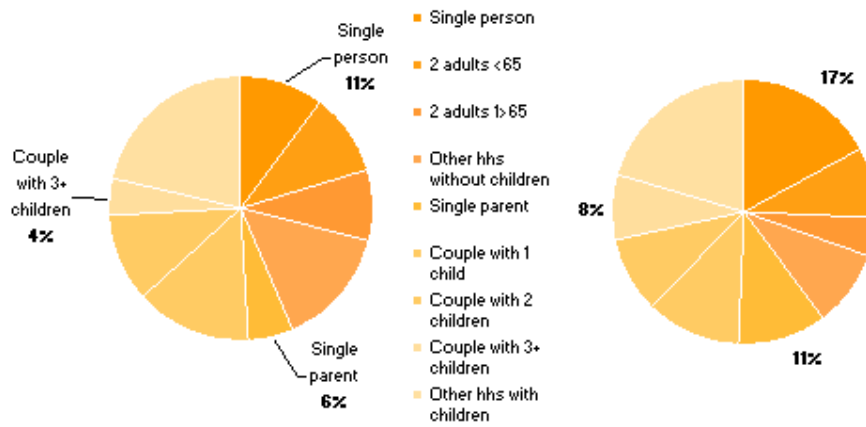
Figure 9: Composition of the total population and those at risk of poverty (%), 2009



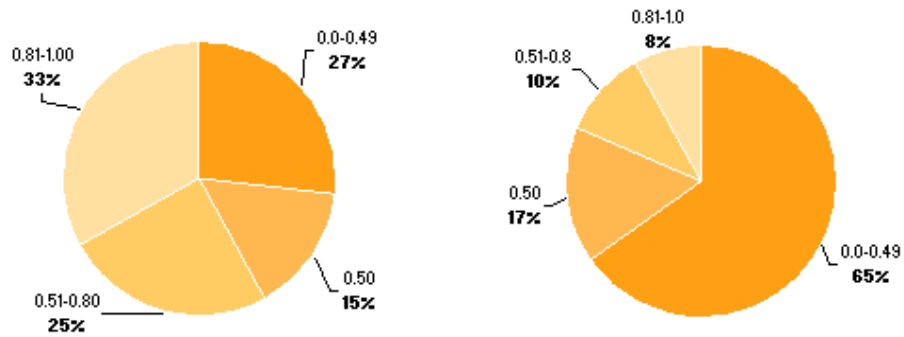
Total population

Population at risk of poverty

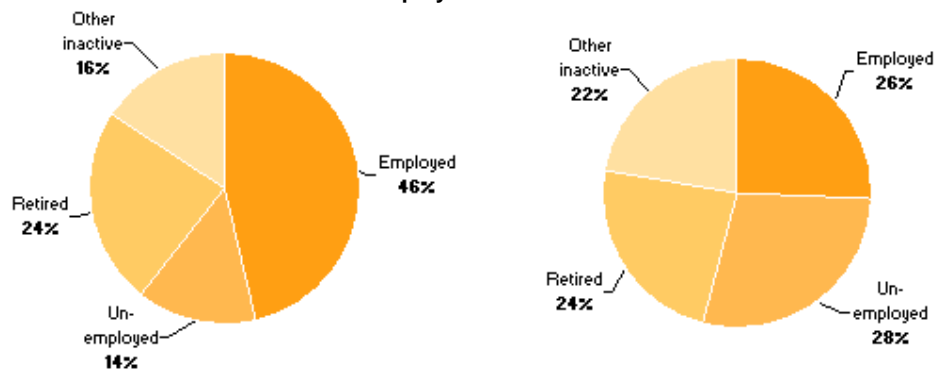
Household type



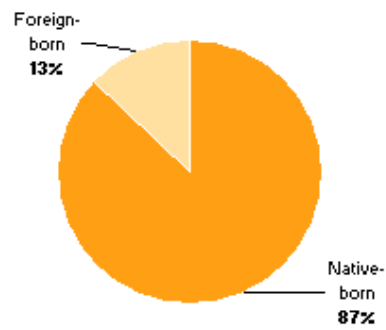
Work intensity



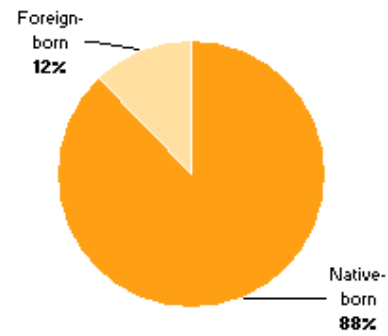
Employment status



Country of birth

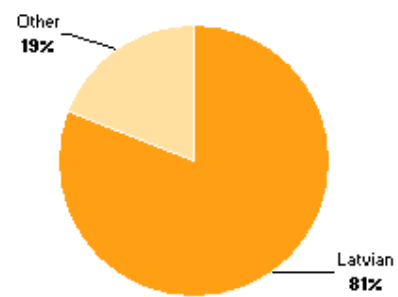
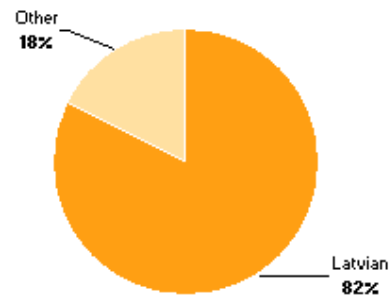


Total population

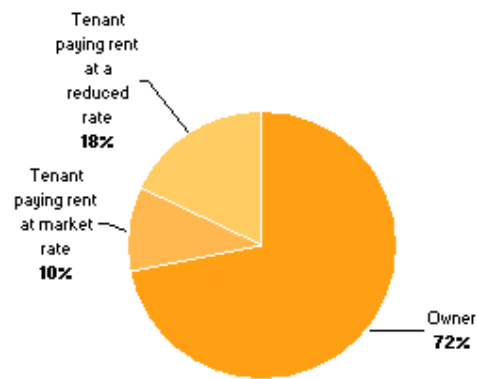
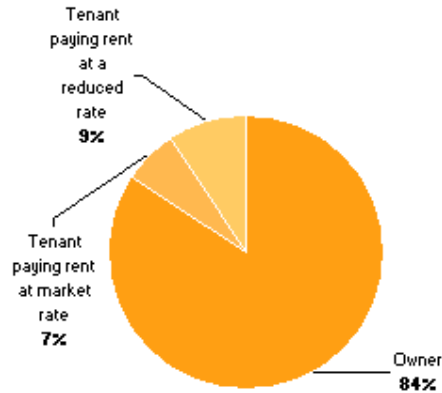


Population at risk of poverty

Citizenship



Tenure status



Degree of urbanisation

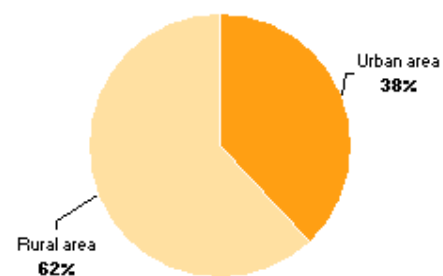
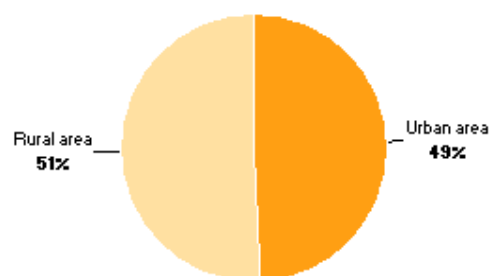


Table 8: Composition of the population and those at risk of poverty (%), 2006 and 2009

	2006		2009	
	<i>Total population</i>	<i>Population at risk of poverty</i>	<i>Total population</i>	<i>Population at risk of poverty</i>
Gender				
Men	46.1	42.1	46.1	46.9
Women	53.9	57.9	53.9	53.1
Age				
0-17	20.3	19.6	18.7	23.3
18-24	9.8	7.9	10.7	10.6
25-64	53.8	47.0	54.0	51.4
65+	16.1	25.4	16.6	14.6
Educational attainment				
Primary	27.4	44.2	26.8	42.3
Secondary	54.9	48.9	51.5	50.7
Tertiary	17.7	6.9	21.8	7.0
Household type				
<i>Households without dependent children</i>	<i>41.7</i>	<i>50.8</i>	<i>43.3</i>	<i>39.7</i>
Single person	9.6	26.8	10.7	17.5
Two adults younger than 65 years	9.3	8.7	9.9	8.2
Two adults, at least one aged 65 years or over	8.3	8.7	8.5	4.8
Other households without children	14.5	6.7	14.2	9.2
<i>Households with dependent children</i>	<i>58.4</i>	<i>49.2</i>	<i>56.6</i>	<i>60.3</i>
Single parent	5.5	9.0	5.7	10.9
Couple with one child	14.5	8.1	14.0	11.4
Couple with two children	11.5	8.9	11.0	9.5
Couple with three or more children	4.3	9.5	4.4	7.9
Other households with children	22.5	13.6	21.7	20.6
Work intensity of the household				
0.0-0.49	14.5	47.5	27.1	64.9
0.50	13.9	18.2	14.9	16.6
0.51-0.80	24.2	16.9	24.6	10.4
0.81-1.00	47.5	17.4	33.4	8.1
Employment status				
Employed	56.7	28.7	46.0	25.9
Unemployed	4.6	10.5	14.5	27.9
Retired	23.1	39.3	23.6	23.7
Other inactive	15.7	21.5	15.9	22.4
Country of Birth				
Native-born	86.8	84.3	86.9	87.8
Foreign-born	13.2	15.7	13.1	12.2
Citizenship				
with Latvian citizenship	82.1	81.2	82.3	80.8
with other citizenship	17.9	18.8	17.8	19.2
Tenure status				
Owner	84.4	74.2	84.1	71.6
Tenant paying rent at market rate	5.7	6.0	6.7	10.3
Tenant paying rent at a reduced rate or rent free	9.9	19.9	9.2	18.1
Degree of urbanisation				
Urban area	47.6	28.7	49.2	38.2
Rural area	52.4	71.4	50.9	61.9

Source: Own calculations based on EU-SILC 2007, 2008, 2009, 2010

The 'poverty gap' (the Laeken indicator termed the 'relative median at-risk-of-poverty gap') - measured as the difference between the median income of those below the poverty threshold and the threshold itself, expressed as a percentage of the threshold - indicates the extent to which the incomes of those at risk of poverty fall below the threshold. In policy terms, when combined with the at-risk-of-poverty rate it indicates the scale of transfers which would be necessary to bring the incomes of the people concerned up to the poverty threshold (by redistributing income from those above).

The median incomes of those below the poverty threshold of 60% of median income are, on average in Latvia, 30% lower than the threshold, i.e. below the minimum level of income regarded as being necessary to avoid relative deprivation. The poverty gap across the specific social groups analysed here varies from 6% (single elderly 65+) to 42% (tenants paying reduced rate) (see Poverty gap: the depth of poverty

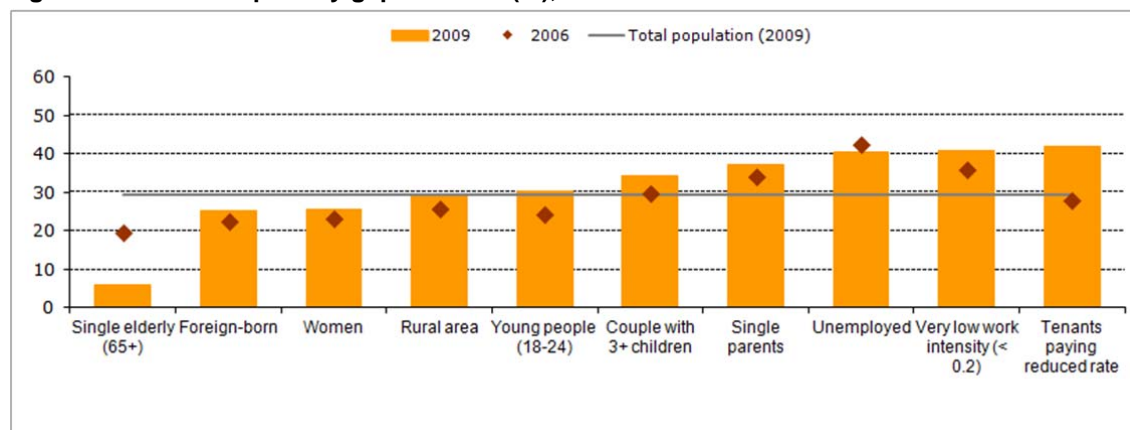
Figure 10 or for more details, see Table 9). Unemployed and individuals living in households with very low work intensity also have an outstanding poverty gap.

Changes between 2006 and 2009 indicate the deepening of poverty and increasing polarisation. Differences in the extent of poverty gap (the depth of poverty) were much smaller in 2006 than in 2009.

Note, however, that the at-risk-of-poverty gap indicates only the average income of those below the threshold; it says nothing about the distribution of income between them. Accordingly, the measure would not change if there was a transfer of income from the person with the lowest income level to someone with income just below the threshold, or vice versa.

2.3. Poverty gap: the depth of poverty

Figure 10: At-risk-of-poverty gap in Latvia (%), 2006 and 2009



Source: Own calculations based on EU-SILC 2007 and 2010

Table 9: At-risk-of-poverty gap (%), 2006-2009

	2006	2007	2008	2009
Total	24.6	28.6	29.0	29.4
Gender				
Men	27.2	27.4	31.3	32.4
Women	23.6	29.6	28.0	25.8
Age				
0-17	28.2	29.1	34.2	32.4
18-24	24.6	26.4	29.9	30.3
25-64	30.2	30.0	34.1	32.8
65+	18.7	27.3	25.0	9.7
Educational attainment				
Primary	24.5	30.1	29.1	30.3
Secondary	24.0	27.5	28.7	27.6
Tertiary	21.4	25.4	23.4	20.7
Household type				
<i>Households without dependent children</i>				
Single person	23.7	37.1	30.3	14.1
Single person younger than 65 years	36.4	44.5	41.9	39.7
Single person 65 years or over	19.8	35.5	28.3	5.9
Two adults younger than 65 years	29.6	28.1	36.3	48.1
Two adults, at least one aged 65 years or over	12.1	19.5	14.9	26.3
Other households without children	27.3	25.0	30.1	23.2
<i>Households with dependent children</i>				
Single parent	34.4	24.6	34.0	37.1
Couple with one child	27.6	31.0	27.4	38.1
Couple with two children	21.3	25.2	25.3	23.9
Couple with three or more children	29.9	37.4	43.8	34.5
Other households with children	22.6	26.8	27.4	30.8
Work intensity of the household				
0.0-0.49	36.1	41.0	45.1	40.9
0.50	22.9	24.5	27.3	22.5
0.51-0.80	21.3	19.7	25.0	21.1
0.81-1.00	21.1	16.9	22.0	20.4
Employment status				
Employed	24.5	24.4	26.3	27.1
Unemployed	42.8	38.4	37.0	40.4
Retired	20.2	28.6	25.7	12.7
Other inactive	32.8	33.0	35.6	32.7
Country of Birth				
Native-born	25.9	28.5	29.9	29.7
Foreign-born	22.8	29.6	27.0	25.4
Citizenship				
with Latvian citizenship	24.5	28.1	29.0	28.5
with other citizenship	23.4	29.7	27.5	25.4
Tenure status				
Owner	24.0	27.8	27.8	26.4
Tenant paying rent at market rate	29.0	27.4	27.7	31.2
Tenant paying rent at a reduced rate or rent free	28.2	35.7	40.9	41.9
Degree of urbanisation				
Urban area	21.6	26.6	26.4	29.6
Rural area	26.2	30.7	31.8	29.4

Source: Own calculations based on EU-SILC 2007, 2008, 2009 and 2010

2.4. Monitoring changes over time, using an anchored poverty rate

The 'at-risk-of-poverty rate anchored in 2006' is defined as the proportion of the population whose equivalized disposable income is below the 'at-risk-of-poverty threshold' that prevailed in 2006, adjusted only for inflation. This measures progress in poverty reduction compared to a standard of living that is fixed in real terms over time, and thus is an indicator of changes in absolute poverty. This is in contrast to the relative reference point of the standard EU risk-of-poverty indicator. For example, if all incomes doubled in real terms, the anchored poverty indicator would reflect a reduction in poverty, whereas the relative indicator would register no change at all in the poverty rate.

In Latvia, due to the rapid rise in average incomes in 2007 and 2008, followed by a drop in 2009, the at-risk-of-poverty threshold differs significantly from the anchored threshold (Table 10). In our view, using an anchored threshold is more suited to assess the situation of those on low incomes. Because the anchored measure is adjusted for inflation, it can also be considered as a measure to indicate the changing proportion of the population who can afford to purchase a fixed basket of goods and services.

Table 10: At-risk-of-poverty threshold (60% of median equivalized income) in Latvia in euro, 2006-2009

	2006	2007	2008	2009
At-risk-of-poverty threshold	2,010	2,899	3,284	2,722
Anchored threshold	2,010	2,226	2,586	2,674

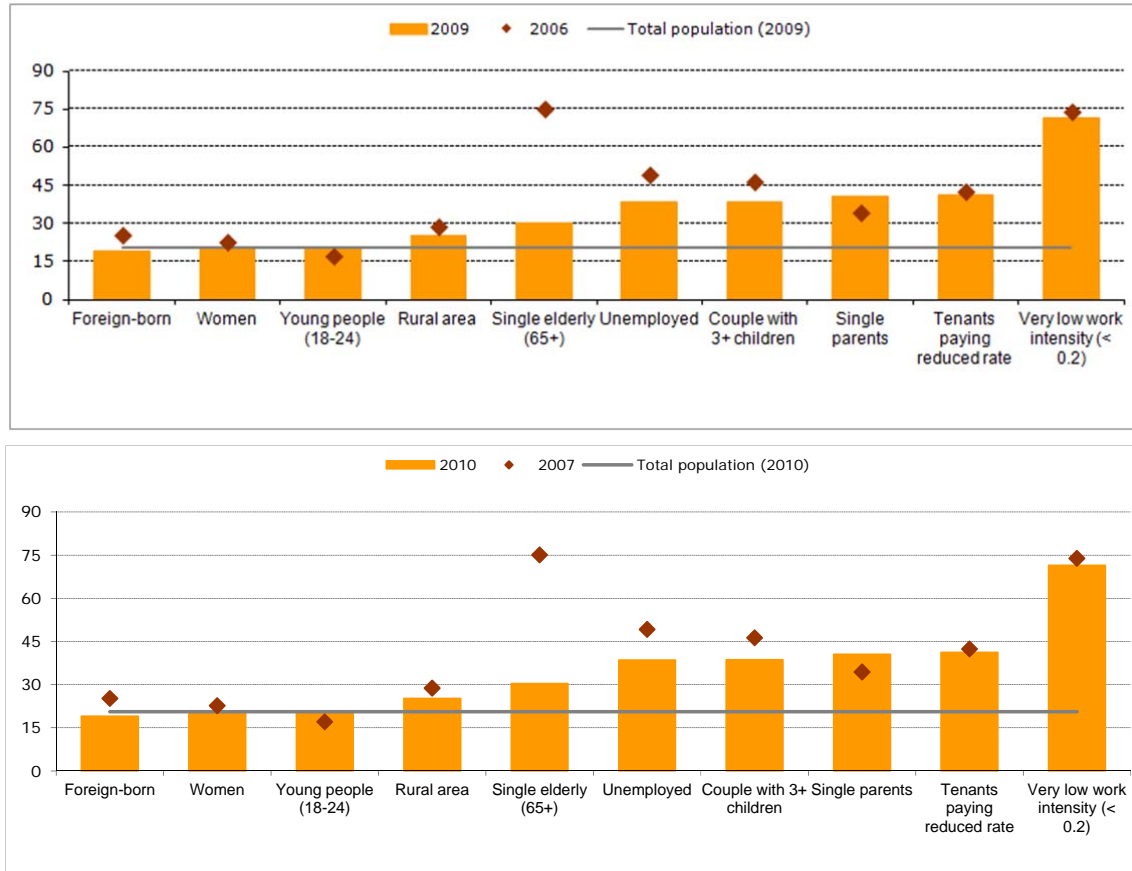
Source: Own calculations based on data retrieved from Eurostat database

Using an anchored poverty rate, we find that the extent of poverty has somewhat increased among the unemployed and among couples with three or more children. The most marked change, however, is the improvement of the situation of single elderly.

The figures for the risk of poverty are normally presented as single values. But since they are based on the information collected from only a sample of households, they are inevitably subject to a margin of error, even if the sample concerned is intended to be representative of the population of the country. Unfortunately, we cannot estimate the exact value of the confidence intervals (the estimation based on the sample size alone is likely to underestimate it).

Using a poverty rate anchored in 2006 suggests that there was a recent increase in the extent of poverty (from 2008 to 2009). Poverty in 2009 returned to its 2006 level, showing a U-shaped pattern during the four years analysed here.

Figure 11: At-risk-of-poverty rate anchored at a fixed moment in time (2006) (%), 2006 and 2009



Source: Own calculations based on EU-SILC 2007 and 2010

Table 11: At-risk-of-poverty rate anchored at a fixed moment in time (2006) with confidence intervals in Latvia (%), total population

At-risk-of-poverty rate	
2006	21.1
2007	15.5
2008	16.7
2009	20.6

Source: Own calculations based on EU-SILC 2007, 2008, 2009 and 2010

Although the extent of poverty on a national level is the same in 2009 as it was in 2006, using an anchored threshold (Table 11), there was a larger change in case of specific groups (Tables 12-13,

Figure 12).

There was a rise in the risk of poverty among single parents and young people between 2006 and 2009, using an anchored poverty rate (Table 12). In contrast, poverty declined among the unemployed, couples with three or more children, women, single elderly, those living in rural areas and the foreign-born population.

Table 12: At-risk-of-poverty rate anchored at a fixed moment in time (2006) with confidence intervals (%), 2006 and 2009

	2006	2009
	At-risk-of-poverty rate	At-risk-of-poverty rate
Foreign-born	25.2	19.0
Women	22.7	20.1
Young people (18-24)	17.1	20.5
Rural area	28.8	25.2
Single elderly (65+)	75.1	30.3
Unemployed	49.2	38.5
Couple with 3+ children	46.3	38.6
Single parents	34.4	40.5
Tenants paying reduced rate	42.4	41.2
Very low work intensity (< 0.2)	73.9	71.4

Source: Own calculations based on EU-SILC 2007 and 2010

The rise of poverty (using an anchored poverty rate) among both single parents or young people (aged 18-24) is due to a sudden rise in 2009, following a period of gradual decline since 2006 (Table 13 and

Figure 12).

The declining poverty seen among the elderly (aged 65 or over), appears to be a stable trend across the four years analysed here. The relatively large drop in the poverty rate for this group in 2009 is explained by increasing, pension incomes compared to the drop in median incomes (see also retired).

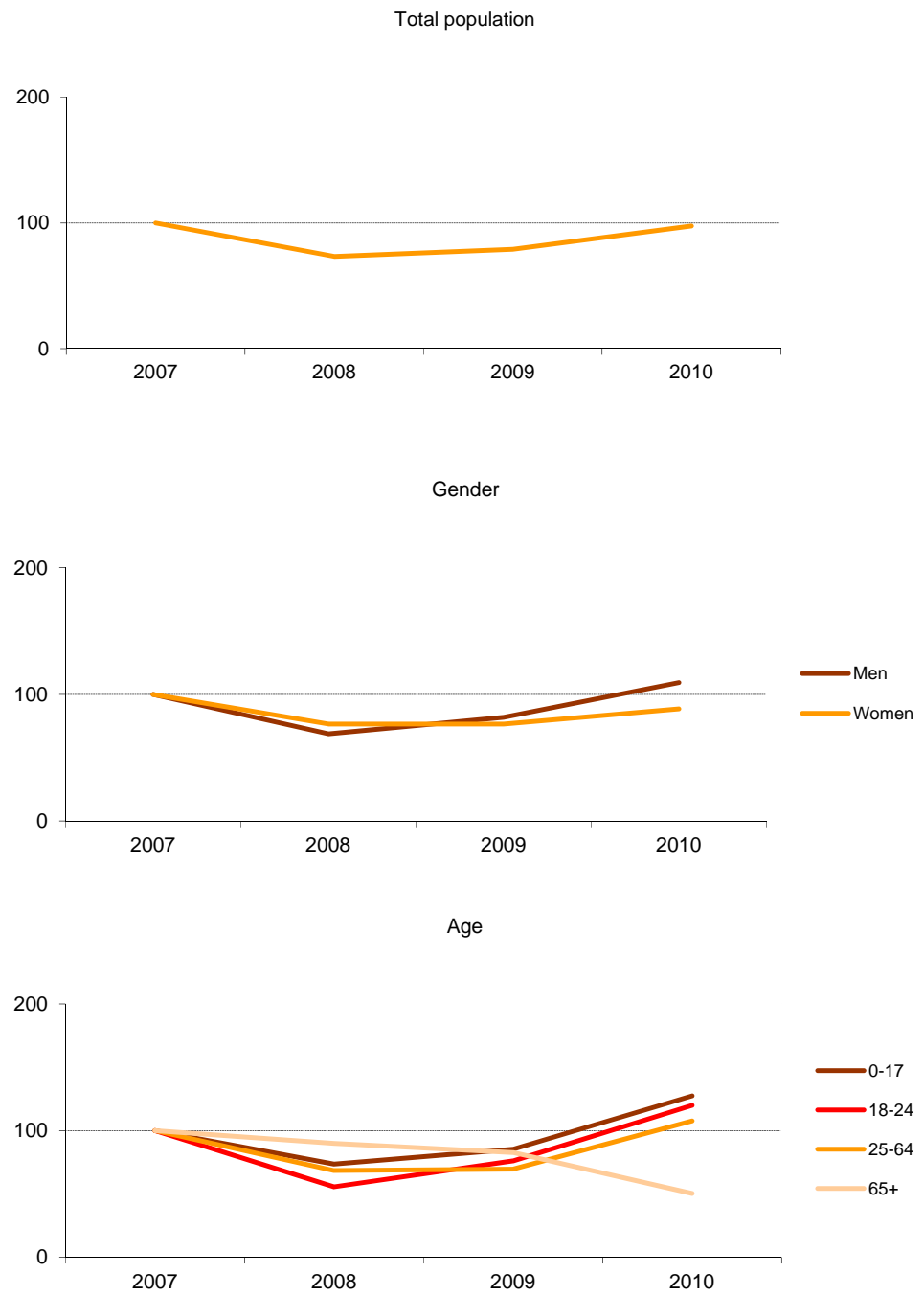
The trend in the poverty risk of women, large families (couples with three or more children), the unemployed seems to show a U-shape, with somewhat lower rates in 2009 than in 2006, using an anchored poverty line.

Table 13: At-risk-of-poverty rate anchored in a fixed moment in time (2006) (%), 2006-2009

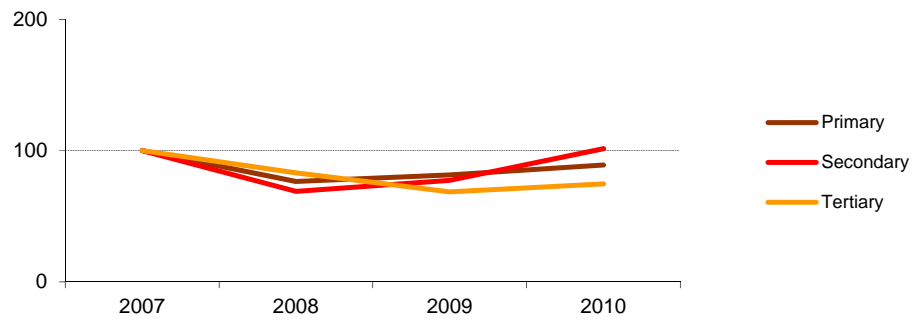
	2006	2007	2008	2009
Total	21.1	15.5	16.7	20.6
Gender				
Men	19.3	13.3	15.8	21.1
Women	22.7	17.4	17.4	20.1
Age				
0-17	20.4	15.0	17.4	26.0
18-24	17.1	9.5	13.0	20.5
25-64	18.4	12.6	12.8	19.8
65+	33.4	30.0	27.6	16.8
Educational attainment				
Primary	34.5	26.4	28.1	30.7
Secondary	19.0	13.1	14.7	19.3
Tertiary	8.3	6.9	5.7	6.2
Household type				
<i>Households without dependent children</i>				
Single person	59.0	48.0	44.7	31.9
Single person younger than 65 years	44.3	31.4	30.1	33.4
Single person 65 years or over	75.1	65.6	60.1	30.3
Two adults younger than 65 years	19.7	12.1	13.5	17.4
Two adults at least one aged 65 years or over	22.2	19.1	15.1	11.6
Other households without children	9.8	6.2	9.8	13.4
<i>Households with dependent children</i>				
Single parent	34.4	23.0	29.1	40.5
Couple with one child	11.8	7.8	8.9	16.9
Couple with two children	16.4	11.9	12.2	18.2
Couple with three or more children	46.3	26.0	35.8	38.6
Other households with children	12.8	9.9	10.4	19.4
Work intensity of the household				
0.0-0.49	57.8	48.2	50.4	51.5
0.50	22.6	17.3	16.6	23.0
0.51-0.80	11.9	4.4	8.1	8.9
0.81-1.00	6.4	3.3	4.0	5.1
Employment status				
Employed	10.9	6.2	6.6	11.0
Unemployed	49.2	28.8	25.4	38.5
Retired	36.4	33.2	29.2	18.6
Other inactive	29.3	21.0	22.3	28.2
Country of Birth				
Native-born	20.5	14.9	16.2	20.8
Foreign-born	25.2	19.4	19.6	19.0
Citizenship				
with Latvian citizenship	21.2	15.0	16.4	19.3
with other citizenship	22.5	19.1	17.8	20.9
Tenure status				
Owner	18.5	14.1	14.7	17.3
Tenant paying rent at market rate	22.3	15.4	19.7	32.5
Tenant paying rent at a reduced rate or rent free	42.4	32.1	39.6	41.2
Degree of urbanisation				
Urban area	12.7	10.2	11.9	15.8
Rural area	28.8	20.7	21.5	25.2

Source: Own calculations based on EU-SILC 2007, 2008, 2009 and 2010

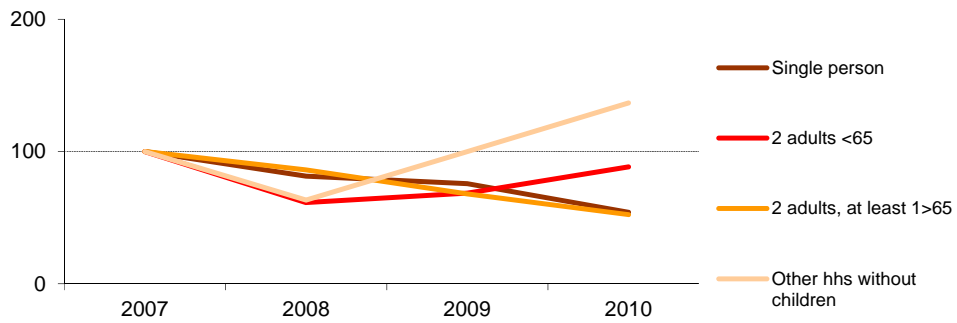
Figure 12: Trends of at-risk-of-poverty rates anchored at a fixed moment in time (2006) for specific social groups, 2006-2009



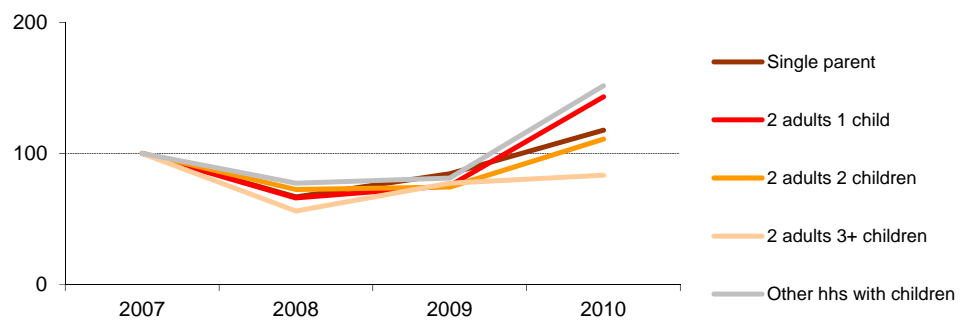
Educational attainment



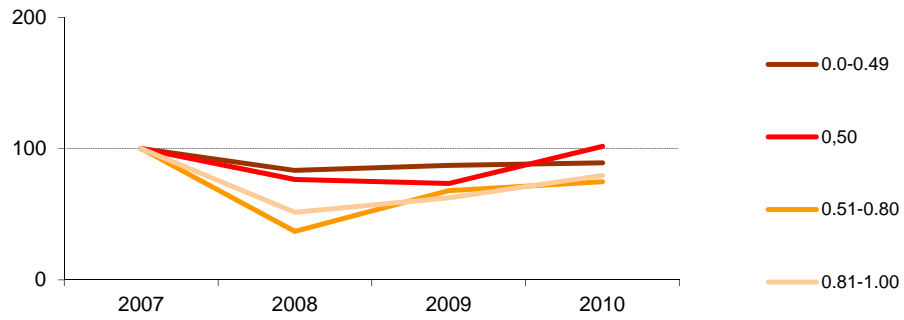
Households without children



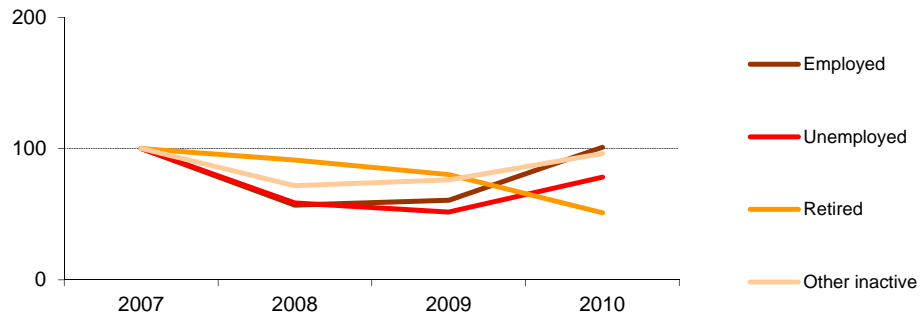
Households with children



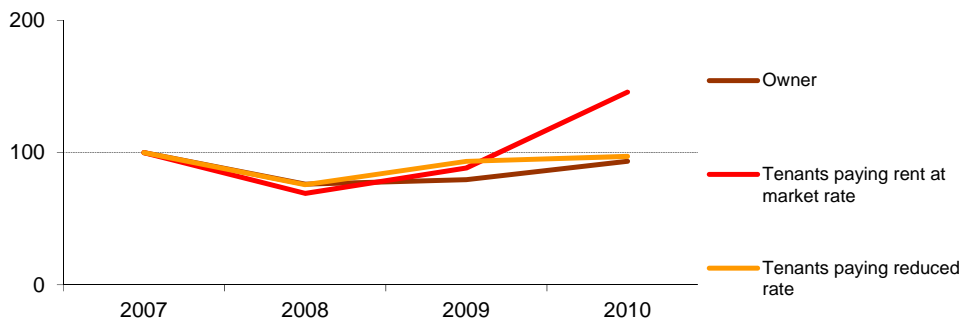
Work intensity of the household

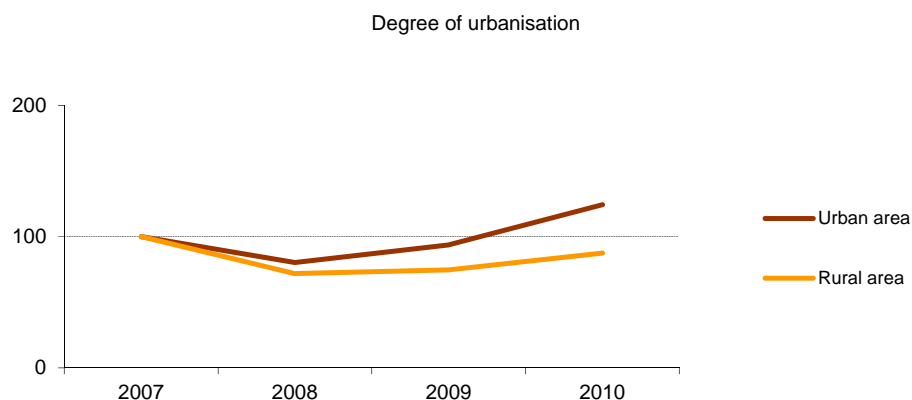


Employment status



Tenure status





Source: Own calculations based on EU-SILC 2007, 2008, 2009 and 2010

Who are the main losers of the crisis? Which groups benefitted relatively from a declining exposure to poverty? What is the poverty level of these groups? Has poverty declined most among the high-risk groups? Has it increased most among the low-risk groups? Is there any link between the level of poverty and change over time? In our overview chart we are using the anchored poverty rate for monitoring the impact of the crisis on poverty. We present the poverty rate and changes over time for the period 2006-2009.

As shown by Figure 13, there is no consistent relationship between a group's level of poverty in 2006 and its change between 2006 and 2009. There was no major change in the situation of individuals with the highest poverty rate, i.e. those who live in households with very low or low work intensity. Among the high-risk groups, the situation of single parents and that of tenants paying a market rate worsened from 2006 to 2009, while the situation of unemployed, single persons (including both those over 65 and below), improved over time. Among those with a relatively lower risk, the poverty rate of older people declined, while those living in urban areas increased.

In sum, during the period between 2006 and 2009, the poverty risk of children, young adults, single parents, tenants paying a market rate, those living in urban areas increased to a large extent. In contrast, there was an improvement (declining poverty rate) among older people, people living alone (including both those over 65 and below), people living in households with high work intensity, and the foreign-born population.

Figure 13: “Winners and losers of the economic crisis”. Changes in the poverty rate (using an anchored poverty threshold) and the level of poverty before the crisis

