



Expert Meeting on Measuring Poverty and Inequality: SDGs 1 and 10

Session B: Supplemental poverty measures 1. Impact of social transfers on poverty

***Social transfers in kind for education and health
- imputation into EU - SILC data***

Eurostat

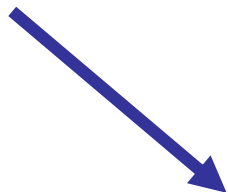
Outline

- Introduction
- Methodology
- Data sources
- Results
- Discussion

17-30% of ADI in EU



13-29% of ADI in EU



STIK

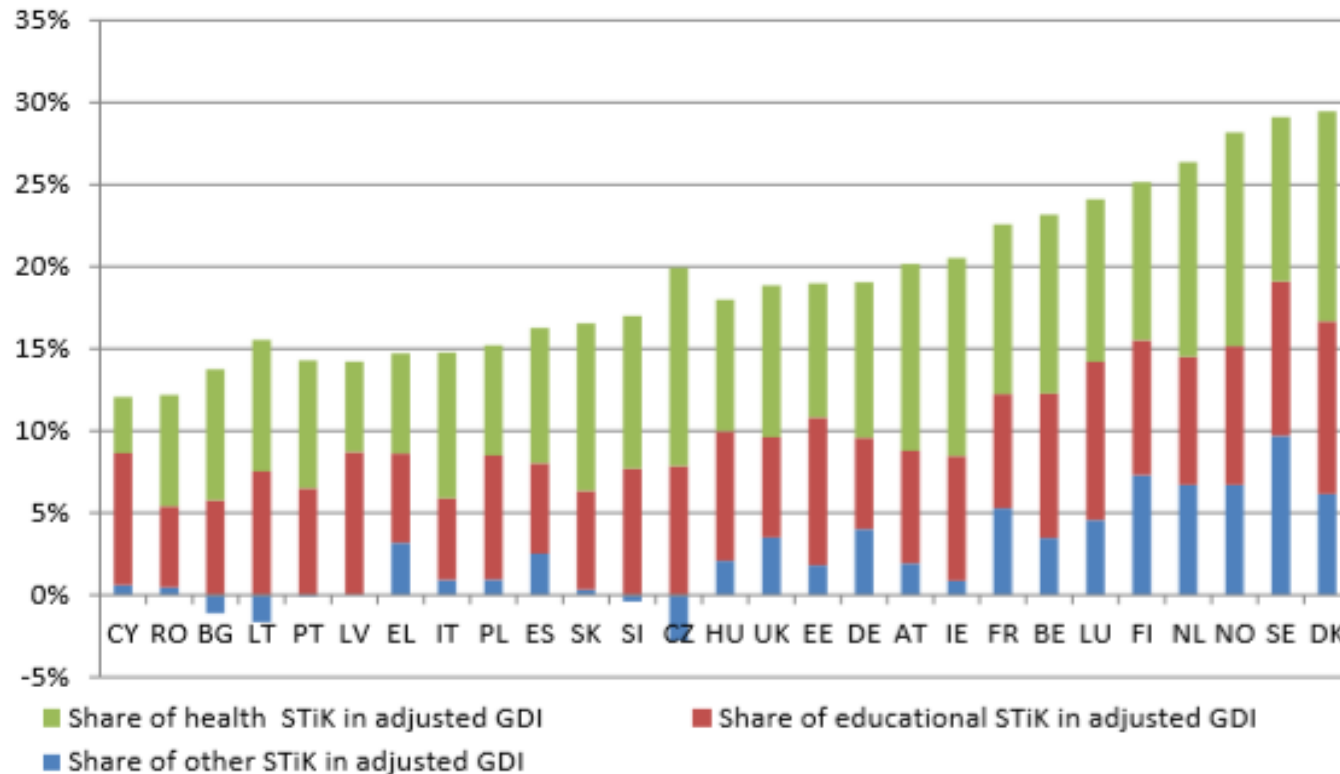


DI (incl. gov. cash
transf.)
+ STIK = ADI

Introduction

- Policy demand to take into account STiK in assessing inequality of well being
- In particular across countries and across time
- Amount of STiK varies largely across countries

Share of total and educational STiK in ADI, NA, 2015



Introduction

- The analysis of distribution of non- monetary income is limited to the two social in kind benefits (received from public spending): **education** and **health care**.
- The main purpose of the exercise of allocating the STiK services to the population members is to see how the STiK is distributed in the population. STiK can be thought of as an imputed income to a household with an exactly-matching imputed expenditure. It is expected that **adding** the value of **STiK** to the **monetary income** would **decrease** total income **inequality**, as these services are assumed to be equally accessible for all members of society irrespective to their monetary income situation.
- The year of analysis is **2015**.

Methodology - valuation of STiK- 'insurance' or the 'actual consumption' approach

- **The insurance approach** is one where the amount of income imputed to a person is based on an estimate of what the equivalent (notional) insurance premium might be, such that the sum of those equivalent insurance premiums across the entire population equals the total costs of the service;
- **The actual consumption approach** is one where the amount of income imputed to a person is based on that person's use of the service.

*Based on experts opinion and previous publications in this field, as well as on practical implementation in this paper the **insurance approach** is chosen **for health STiK**, and **consumption approach** is chosen for **education STiK**.*

Methodology - equivalised income including STiK

Modified OECD equivalence scale

first adult	1.0
second adult	0.5
each child aged under 14	0.3



Monetary income

NET-SILC2 equivalence scale (SNA scale)

Constant	0.46
0-3 years	0.41
4 years	0.57
5-13 years	0.69
14-16 years	0.95
17-54 years	0.54
55-64 years	0.60
65-74 years	0.67
75 years and above	0.75



Monetary income + STiK

Data sources

	Educational STiK	Health STiK
EU-SILC	▼	▼
2016 EU-SILC ad hoc module on access to services	▼	?
National Accounts COFOG	▼	▼
UNESCO/OECD/Eurostat education data	▼	
ECFIN aging report		▼

Data sources -2016 EU-SILC ad hoc module on access to services

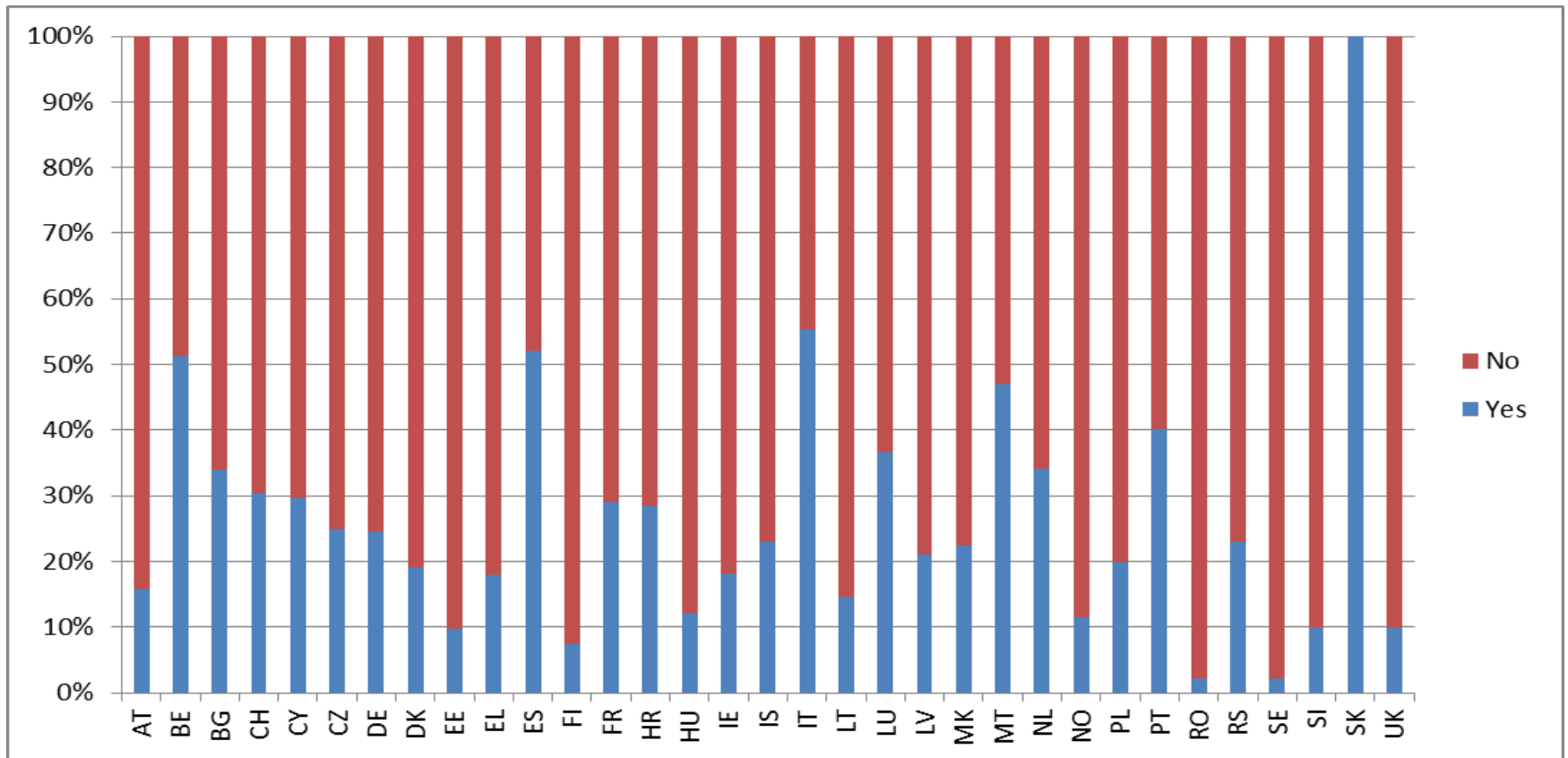
- **Education:**

RC070 – payment for tuition fees

answer categories are: yes/no

Data sources:

RC070 – payment for tuition fees (AD HOC SILC 2016)



Data sources -2016 EU-SILC ad hoc module on access to services

- **Education:**

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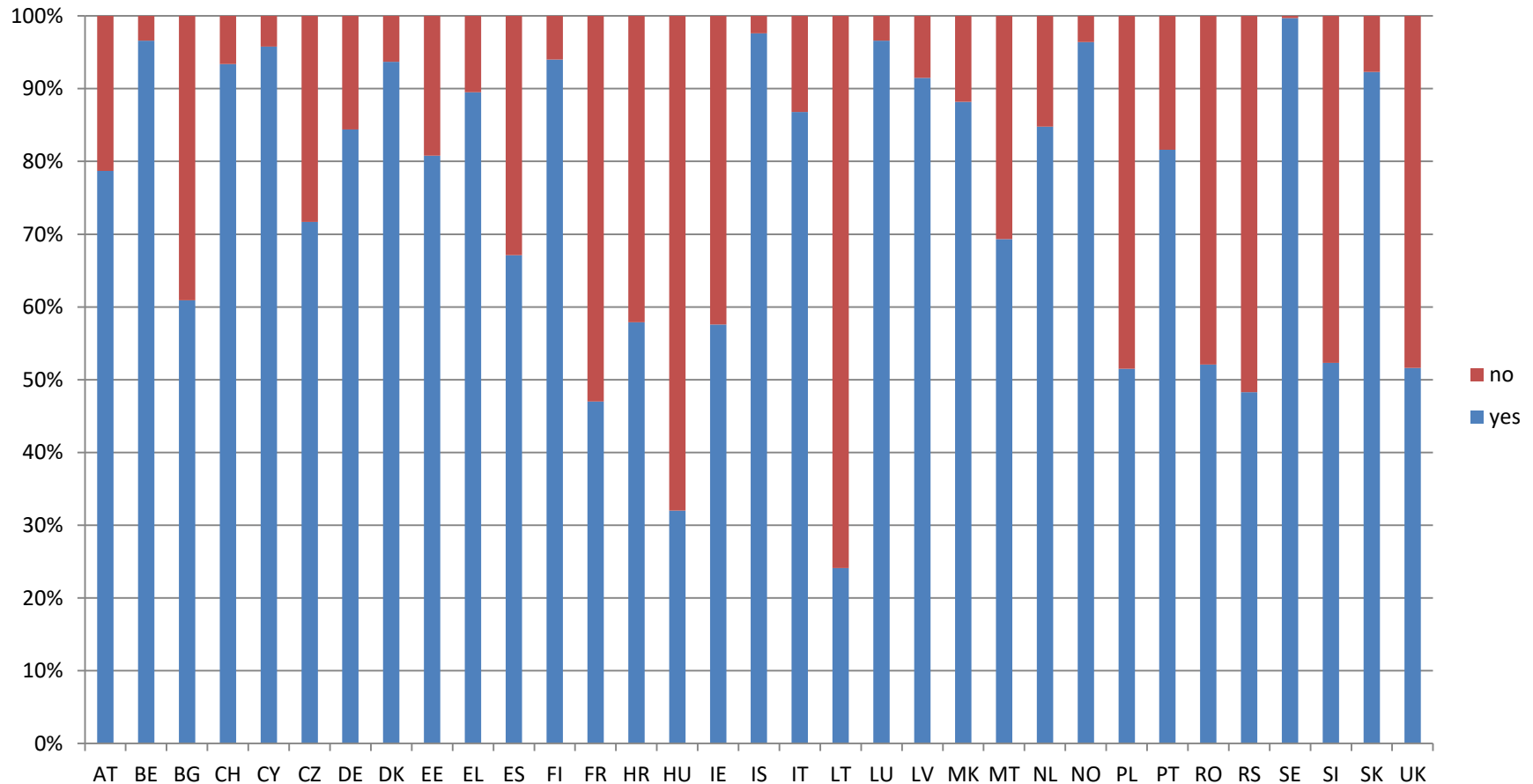
- **Health:**

HC170-payment for healthcare services

answer categories are: yes/no

Data sources:

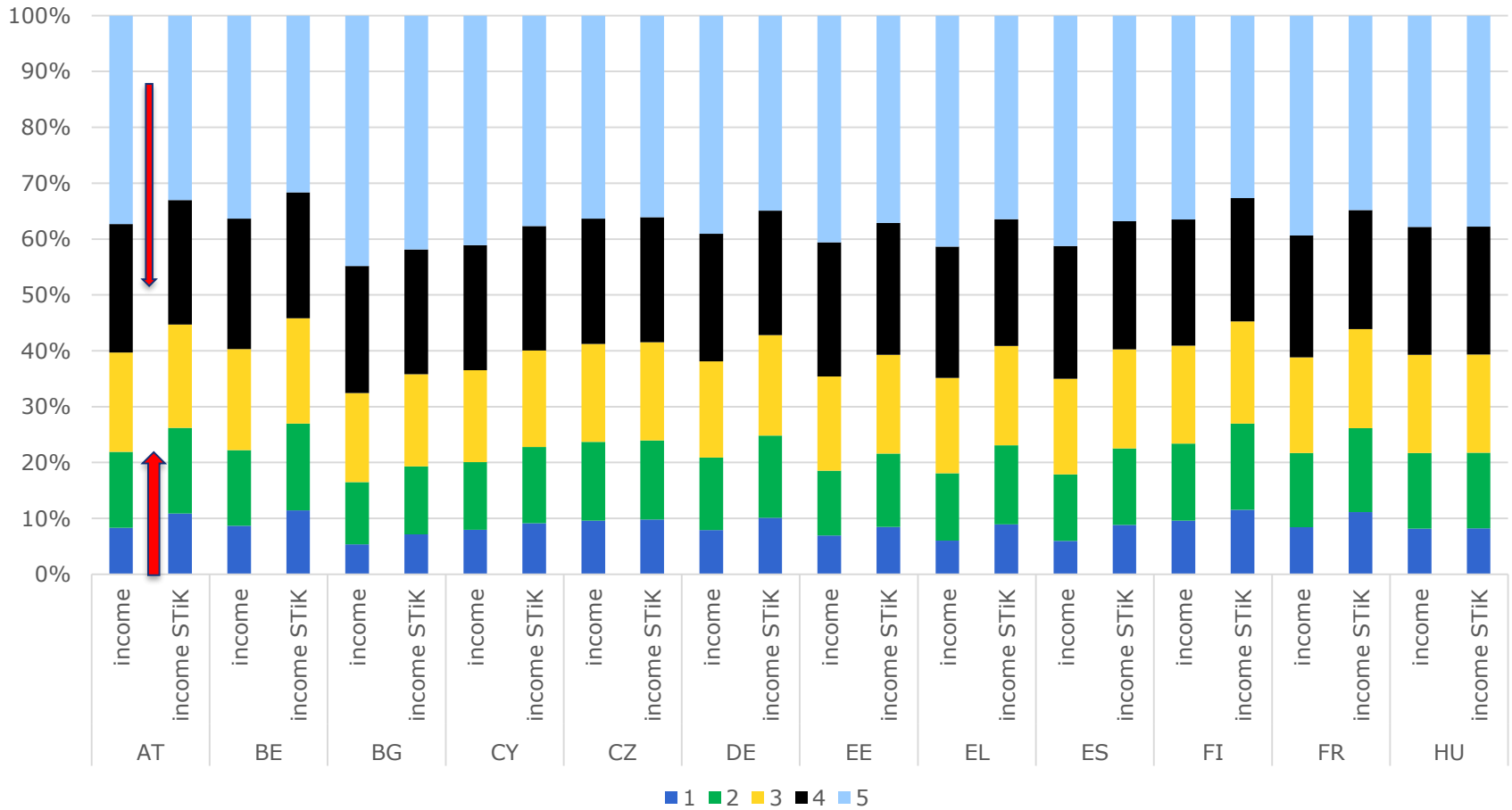
HC170-payment for health care services (*AD HOC SILC 2016*)



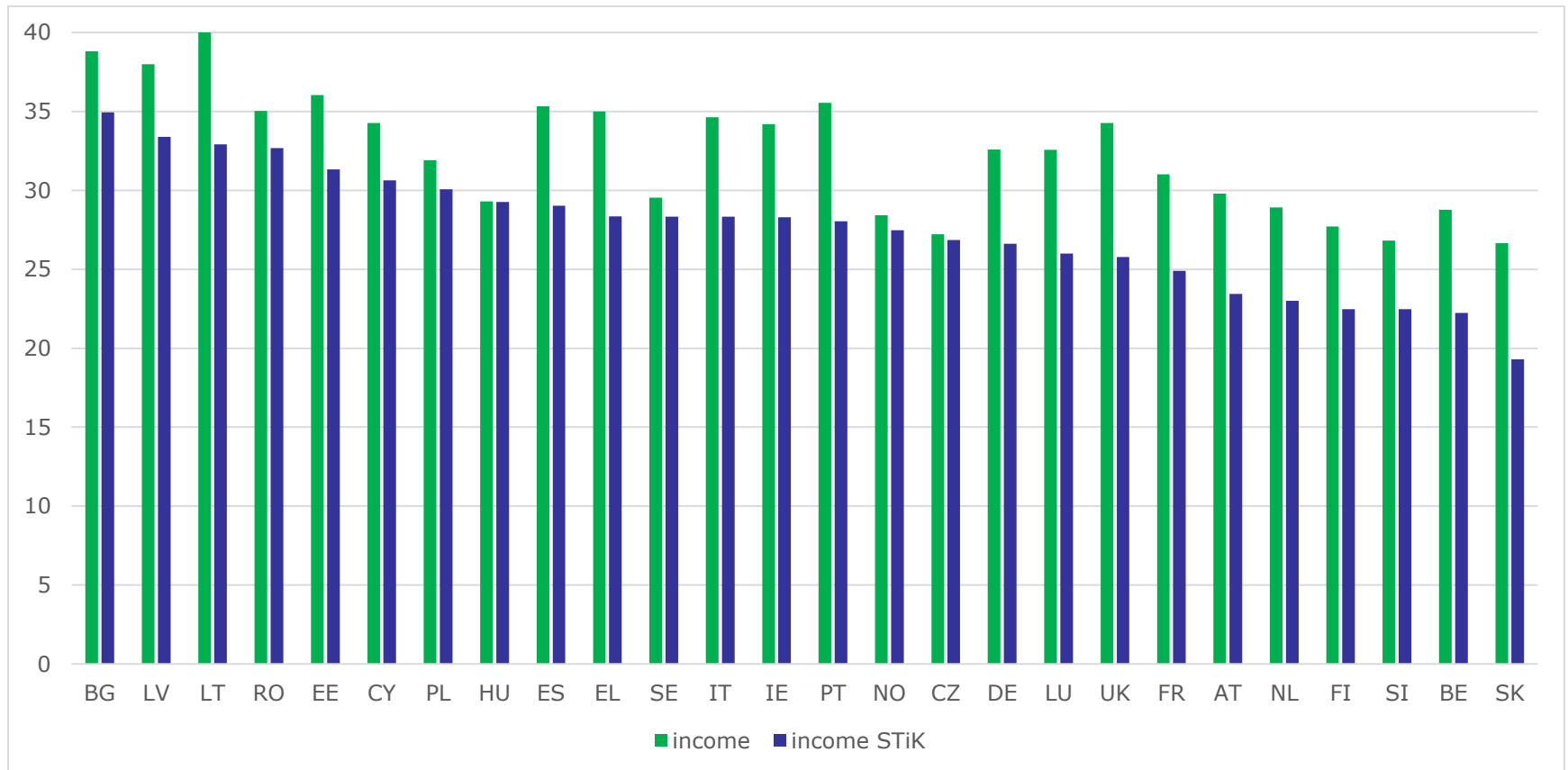


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Results – STiK:distribution



Results –STiK: GINI



Discussion

- **Centralised methodology** was used to calculate educational and health STiK
- The method is based on **various general assumptions** at central level, results are assumed to be not very accurate
- More precise results could be obtained at doing calculations at **national/local level using additional data sources**
- **Ad hoc module 2016** adds some precision for **education**, but not for health.

- Next:
 - **analysis of out of pocket expenditure for health and education (HBS)**
 - **Module will be repeated on 2024- questions needs to be thought futher**
 - **Experiments on consumption approach for health**



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Thank you!