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Poverty and income inequality in Poland - objective measures and social perception

Social cohesion, attempts to limit poverty and income inequality constitute one of the key goals of social policy, both on a national level, as well as within the context of Polish membership in the European Union. Reliable and comprehensive statistical data on the topic is of critical importance, as it is essential to the creation, monitoring and evaluation of policies which objective is to achieve the set goals. This paper aims to present the methods of measuring poverty and economic inequality that are used in Polish official statistics, as well as to present the basic analysis of the scale of the aforementioned phenomena in Poland.

Poverty is a complex issue and different aspects, such as adopting the so-called operational definition of poverty, choice of the particular poverty measurement methods as well as the data sources, have an influence on both, the number of poor people as well as their socio-demographic characteristics. Within the framework of the definition adopted by Statistics Poland [GUS], poverty is understood in absolute, as well as in relative terms. In order to evaluate the different aspects of poverty, two types of approach are used – a one-dimensional approach that is based on monetary data, as well as a multi-dimensional approach identified not only with low income or expenditure levels of households, but also with their inability to meet various needs, material and non-material ones.

Apart from measuring the scale of poverty and income inequality using the, so-called, objective method, the subjective approach is also applied. In this paper the authors will focus on presenting information on measuring of the social perception of poverty and income inequality. The diagnosis of how poverty and income inequality is perceived shows to what extent the identification of such phenomena based on objective measures is consistent with social perception of the issue. The data on perception provide additional information on the public sentiment and the latter, in turn, can inspire economic and political behaviour. For example, the degree of acceptance of income inequality is sometimes treated as an indicator of acceptance of social order.

While analysing and measuring the various forms of poverty and inequality Statistics Poland aims to use the best available data sources. In this paper the greatest emphasis will be placed on the analysis based on multi-dimensional Social Cohesion Survey. Moreover, data on poverty and income inequality based on the results of Household Budget Survey, as well as data collected by the European Union Statistics on Income and Living Conditions (EU-SILC) will be presented.