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Accuracy of poverty indicators derived from EU-SILC

The development of the Laeken indicators was a major step towards the quantification of poverty and social cohesion within the European Union. One of the aspects for the newly created EU-SILC survey is to provide an adequate database on which these Laeken indicators can be deployed.

For political decision making the estimation of poverty indicators for geographical areas beyond the national level is of special interest. Thus the behaviour of Laeken indicators if estimated for these areas has to be examined. Especially the accuracy is an important part of assessing the quality of local estimated indicators. For which traditional variance estimation techniques are not sufficient.

The paper will therefore address variance estimation of Laeken Indicators, on national and local scale, like NUTS 2, by using EU-SILC data. Because of the nonlinear nature of these indicators, adequate variance estimation methods like resampling and linearization techniques are employed.

To empirically explore the quality and accuracy measurement of Laeken indicators a Monte-Carlo study, based on the German EU-SILC data, is conducted. This research plays a crucial step towards the accomplishment of the EC funded 7th framework project "Advanced Methodology for European Laeken Indicators" (AMELI).