

Measurement of poverty and social inclusion in the European Union policy context

International Seminar "Social inclusion and cohesion in Latin America in the
context of the 2030 Sustainable Development Agenda

May 28-29 2019, Santiago, Chile

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Overview

- Legal and political context
- Poverty and social exclusion in the EU: how is it understood and measured?
- Data
- Indicators
- Monitoring tools

Conceptualisation of poverty and social exclusion

EU definition:

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live.

(European Council 1973)

Poverty indicator (At-risk-of-poverty rate)

- 60% of median equivalent disposable household income
- Equivalence scale:
 - 1 for the first adult
 - 0.5 for every other adult
 - 0.3 for every child

2010-2010 Mid-term strategy (Europe 2020)

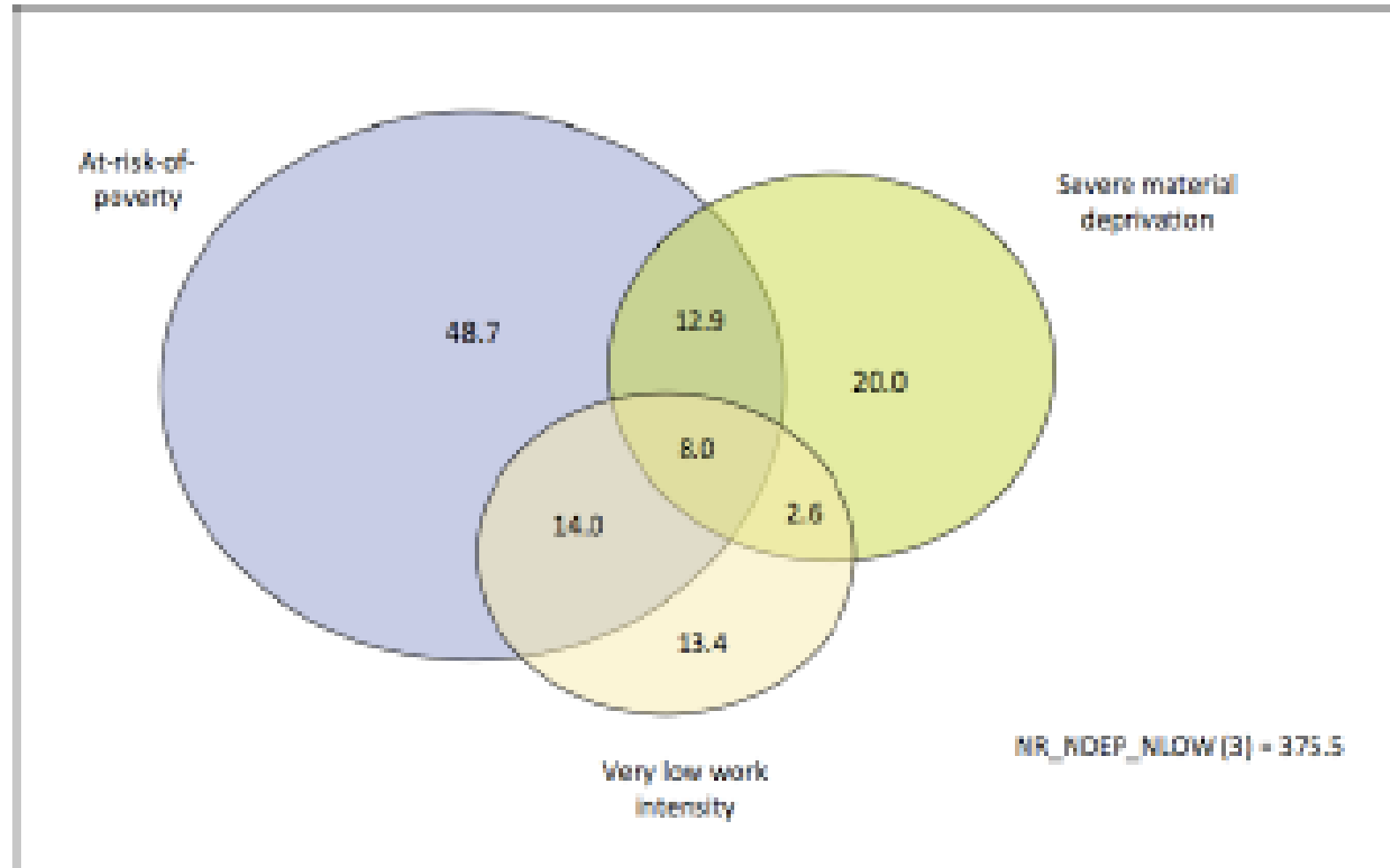
Target on reduction of poverty and social exclusion

Target based on 3 indicators:

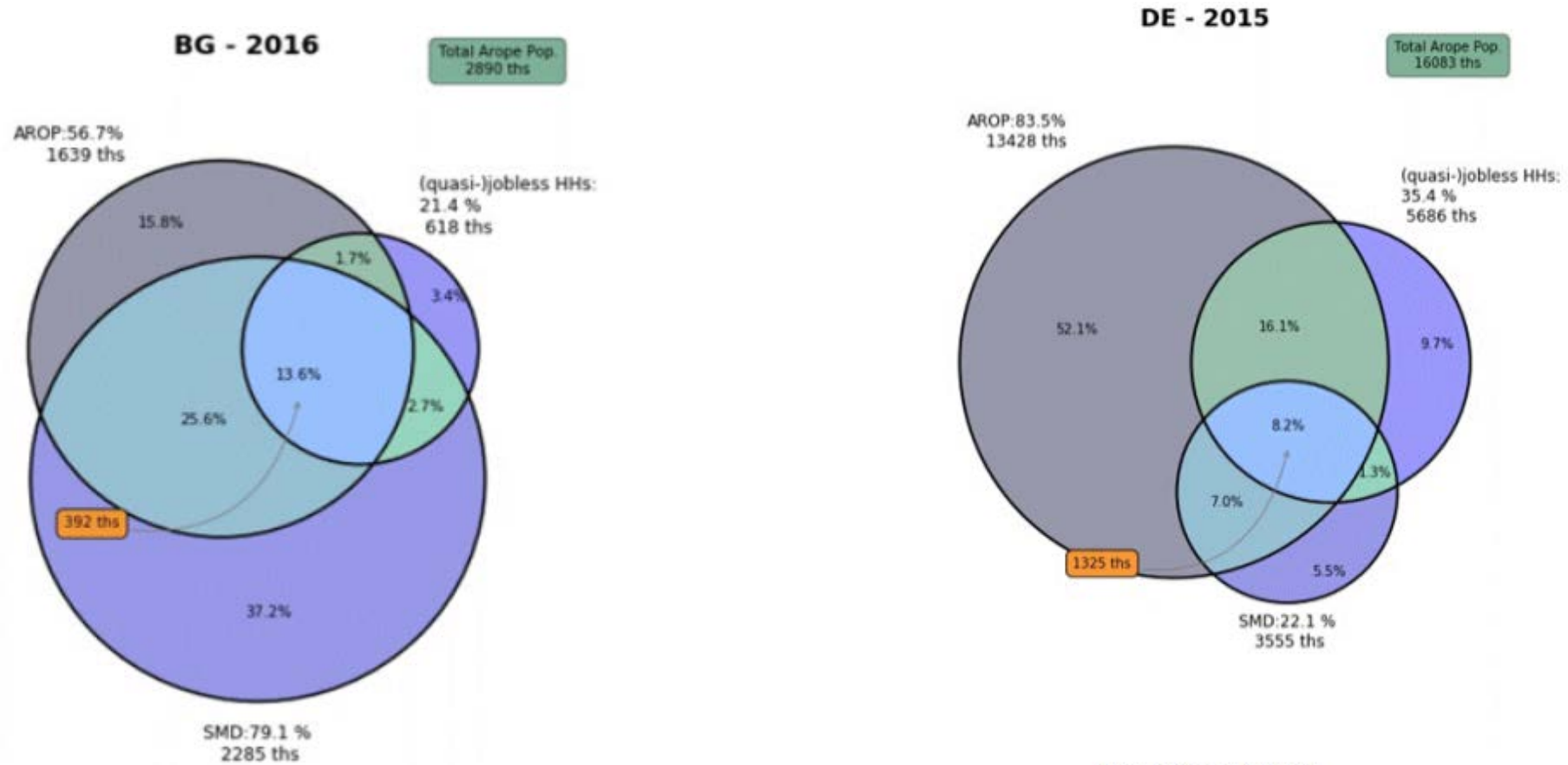
- **At-risk-of-poverty (AROP):** the number of persons living in a household whose income is below the poverty threshold
- **(quasi) jobless households:** the number of persons living in a household in which the adult household members work less than 20% of the potential working time
- **Severe Material deprivation:** the number of persons living in a household that cannot afford at least 4 of the following 9 goods or activities (*to pay for rent/ mortgage/utilities, keep the home adequately warm, to face unexpected expenses, to eat meat or proteins regularly, to go on holiday, television set, a washing machine, a car, a telephone*)

Number of people in poverty and/or social exclusion, EU (2011), source: Eurostat-EU-SILC

Figure 2. People at risk of poverty or social exclusion, EU-27, 2011 (million persons).

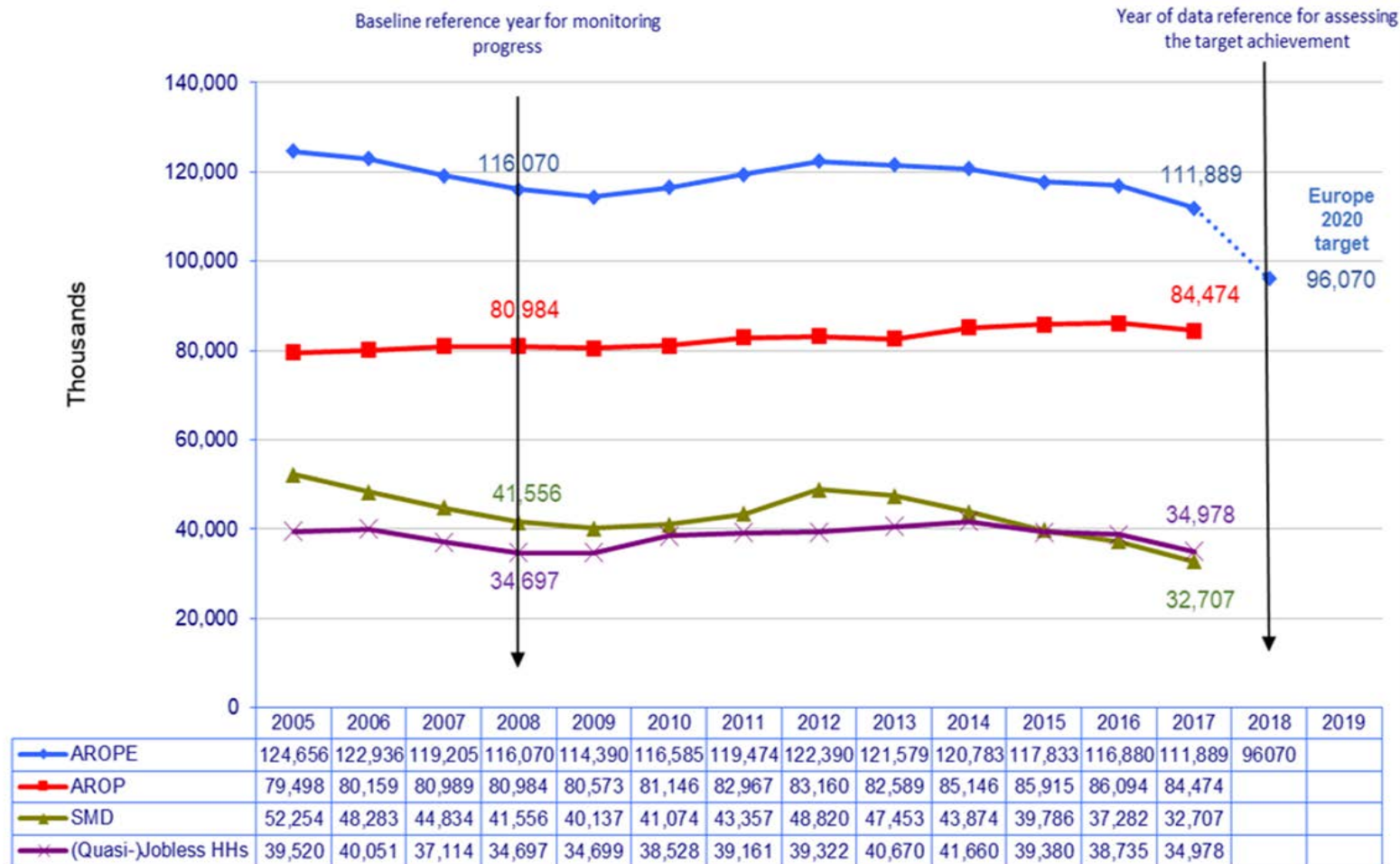


Poverty and/or social exclusion: Different situations in Member States



Source: Eurostat (EU-SILC)

Evolution of the number of people at-risk-of-poverty or social exclusion



Data

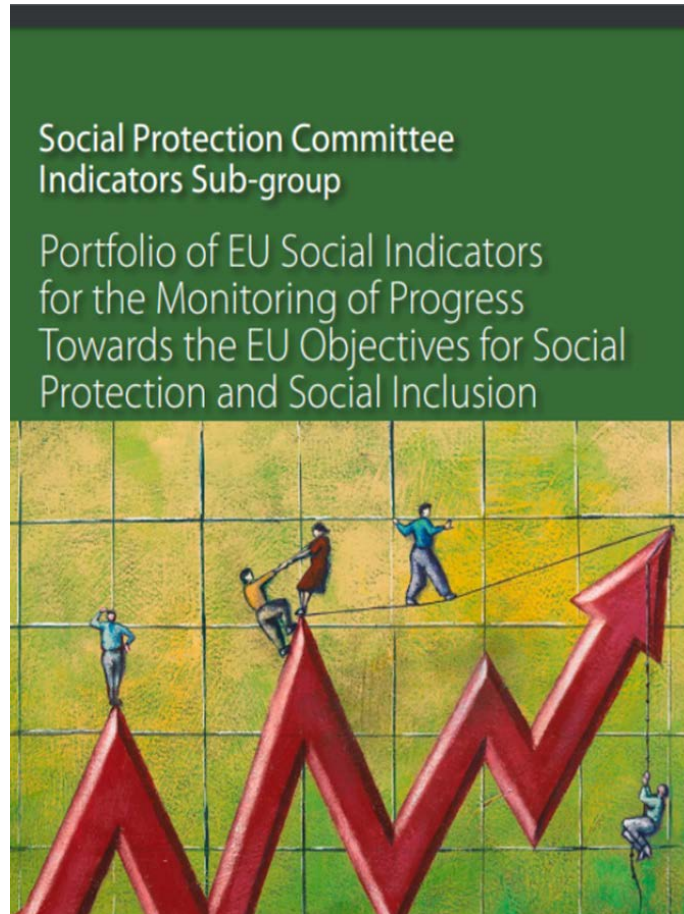
- **EU Statistics on Income and Living Conditions (EU-SILC)**
 - data on Income, employment, housing, health, deprivation, ...
 - Private households
 - Coordinated by Eurostat

EU-SILC

Minimum effective sample size per Member State

EU-Member States	Households		Persons aged 16 or over to be interviewed	
	Cross-sectional	Longitudinal	Cross-sectional	Longitudinal
Belgium	4 750	3 500	8 750	6 500
Bulgaria	4 500	3 500	10 000	7 500
Czech Republic	4 750	3 500	10 000	7 500
Denmark	4 250	3 250	7 250	5 500
Germany	8 250	6 000	14 500	10 500
Estonia	3 500	2 750	7 750	5 750
Greece	4 750	3 500	10 000	7 250
Spain	6 500	5 000	16 000	12 250
France	7 250	5 500	13 500	10 250
Ireland	3 750	2 750	8 000	6 000
Italy	7 250	5 500	15 500	11 750
Cyprus	3 250	2 500	7 500	5 500
Latvia	3 750	2 750	7 650	5 600
Lithuania	4 000	3 000	9 000	6 750
Luxembourg	3 250	2 500	6 500	5 000
Hungary	4 750	3 500	10 250	7 750
Malta	3 000	2 250	7 000	5 250
Netherlands	5 000	3 750	8 750	6 500
Austria	4 500	3 250	8 750	6 250
Poland	6 000	4 500	15 000	11 250
Portugal	4 500	3 250	10 500	7 500
Romania	5 250	4 000	12 750	9 500
Slovenia	3 750	2 750	9 000	6 750
Slovakia	4 250	3 250	11 000	8 250
Finland	4 000	3 000	6 750	5 000
Sweden	4 500	3 500	7 500	5 750
United Kingdom	7 500	5 750	13 750	10 500
Total of EU Member States	130 750	98 250	272 900	203 850

Indicators



Indicators: quality criteria

- An indicator should capture the **essence of the problem** and have a clear and accepted **normative interpretation**;
- An indicator should be **robust** and statistically validated;
- An indicator should provide a sufficient level of cross country **comparability**, as far as practicable with the use of internationally applied definitions and data collection standards;
- An indicator should be built on **available underlying data**, and be **timely** and susceptible to revision;
- An indicator should be **responsive to policy interventions** but **not subject to manipulation**.
- Set of indicators should be **balanced across different dimensions**

Indicators: types

- **Commonly agreed EU indicators**

contribute to a comparative assessment of Member States'

progress towards the common objectives on social protection and social inclusion. These indicators might refer to social outcomes, intermediate social outcomes or outputs.

- **Commonly agreed national indicators**

are based on commonly agreed definitions and

assumptions that provide key information to assess the progress of Member States in relation to certain objectives, while not allowing for a direct cross-country comparison, or not necessarily having a clear normative interpretation. These indicators are especially suited to measure the scale and nature of policy intervention. These indicators should be interpreted jointly with the relevant background information (exact definition, assumptions, representativeness).

- **Context information:**

Each portfolio will have to be assessed in the light of key context

information, and by referring to past, and where relevant, future trends. The list of context

information is indicative and leaves room for other background information that would be most relevant to better frame and understand the national context.

Indicators: types (2)

- **primary EU and national indicators**

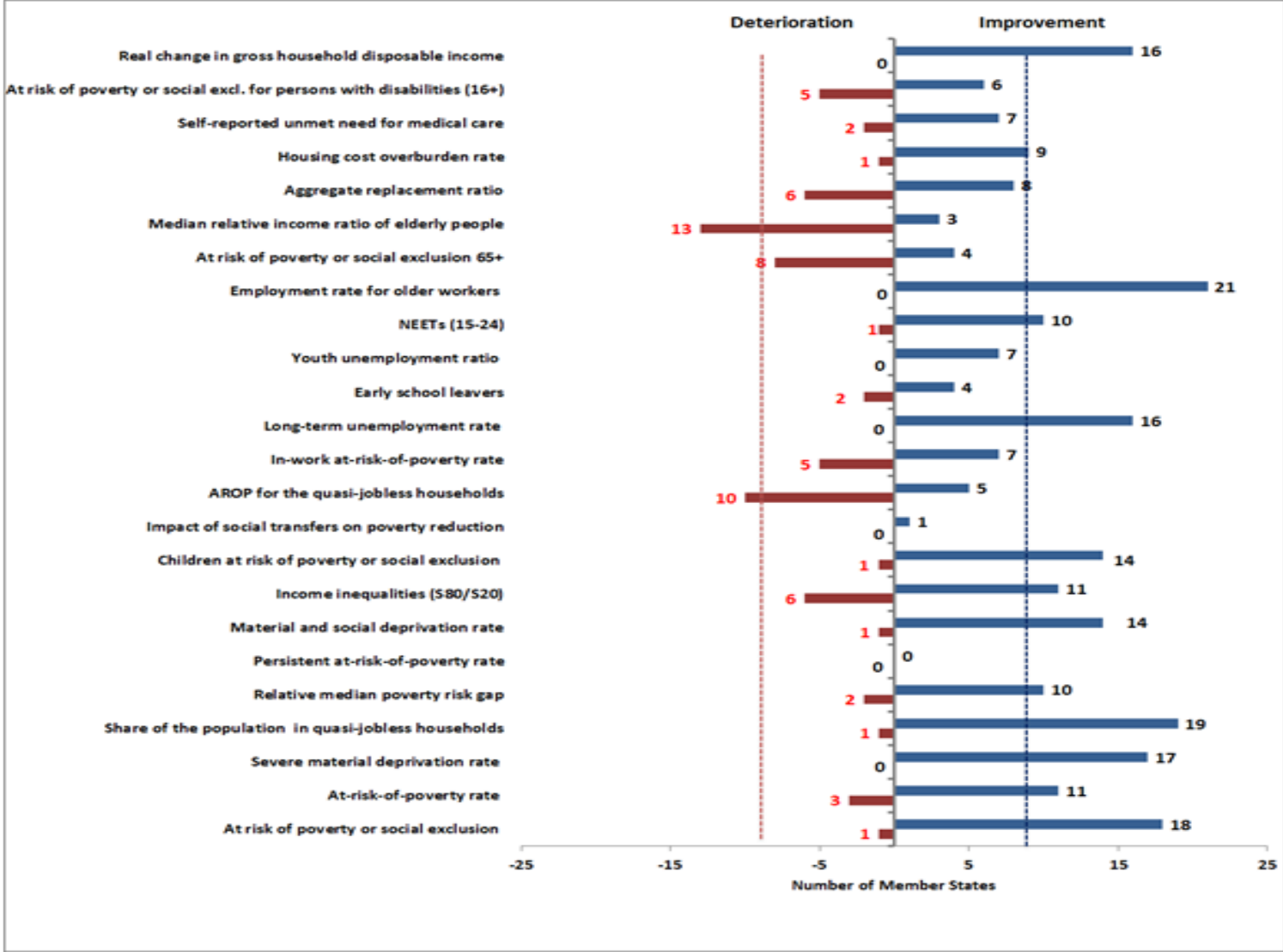
cover all essential dimensions of the defined objectives and/or highlight the social situation of key sub-populations

- **Secondary EU and national indicators**

support these lead indicators by providing a greater insight into the nature of the problem.

Social Protection Performance Monitor

Trends to watch



Policy use

- Mutual learning
- Evidence base for Country Specific Recommendations
- Monitor evolution towards common objectives
- Monitor upward convergence