



EUROPEAN COMMISSION  
EUROSTAT

Directorate F – Social statistics  
F.4 – Income and living conditions; Quality of life

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**Subject: Note on the indicator “Persons at risk of poverty or social exclusion - EU2030 target” (ILC\_PECS01) containing adjusted estimates of “Persons at risk of poverty or social exclusion by age and sex” ILC\_PEPS01N and its components for Germany and the EU relative to 2019**

### *Why the need for adjusted estimates relative to 2019*

**The agreed reference year against which progress is to be assessed towards meeting the EU target of a reduction of 15 million in the population at risk of poverty or social exclusion (AROPE) by 2030, as part of the Action Plan for the European Pillar of Social Rights, is the year 2019. For meaningful comparisons to this year, time series are required that are free from major breaks.**

In 2020, the German EU-SILC survey, on which the AROPE indicator is based, was integrated into the newly designed German microcensus<sup>1</sup>, leading to a substantial break in the time series between 2019 and 2020, with income variables being the most affected by the break. Given the size of the German population in the EU aggregate, the break has important implications not only for assessing progress in Germany but also for the EU as a whole. Consequently, efforts have been made by Eurostat to produce an adjusted break-free time series for AROPE and its components both for Germany and the EU aggregate.

### *How are the estimates made*

**To allow policy users to carry out comparisons relative to 2019, Eurostat has re-estimated the number of people at-risk-of-poverty or social exclusion, and the populations in the underlying components, namely those at risk of poverty, those living in households experiencing severe material or social deprivation, and those living in (quasi-)jobless households - using the following method.**

In 2020, DESTATIS ran two parallel data collections: a new microcensus-based data collection was started (with a new sample) [“new sample”]; the previous data collection (based on the old sample) was extended for one more year (in 2020) to ensure some continuity of the longitudinal data collection [“old sample”].

The adjusted estimates assume that the new sample allows identifying a level shift in the income distribution while the old sample allows estimating year on year variations. As in the old sample the same people were surveyed both in 2019 and 2020, the number of people

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<sup>1</sup> For EU-SILC, a new rotation scheme and a full multi-mode-design were implemented along with completely new and complex IT tools for survey management and data collection. Furthermore, there is an obligation to provide information on most of the SILC variables since 2020.

at-risk-of-poverty or social exclusion in 2019 and 2020 has been estimated based on the old sample. Using the old sample, the growth factor between 2019 and 2020 was estimated as the 2020 value divided by the 2019 value. This growth factor was applied to the 2020 value from the new sample to obtain a break-free 2019 value for the number of people at risk of poverty or social exclusion. The same treatment was applied to the three components, to ensure a consistent approach. The result gives re-based 2019 estimates more in line with the new survey figures for 2020 onwards.

***Where will the estimates be used***

**The break-free estimates of AROPE (displayed in the dataset [ILC PECS01](#)) and its components are to be used for the express purpose of assessing the overall progress towards the 2030 poverty and social exclusion target, and not to assess progress on individual Member State related targets.** If only assessing the progress in Germany, the year 2020 would be the better reference point due to the break in time series. Therefore, the adjusted figures for 2019 will be used in the assessment of progress which appears in the Social Protection Committee’s annual report on the social situation, the Joint Employment Report of the Commission as well as the Employment and Social Protection Committees. They might also be used in the assessment of the related indicators in the EU report on progress towards the UN Sustainable Developments Goals.

The figures for the break-free series are published on the Eurostat online database, under the branch “Persons at risk of poverty or social exclusion (EU 2030 target)” (data tree code: `ilc_pe`). It should be noted that no further breakdowns are published for the adjusted series and for all other purposes use should be made of the unadjusted figures available on the Eurostat website.

For illustration purposes, in the below table the re-estimated values for Germany and the EU for the components of AROPE are displayed:

- ARPT: persons who are [at risk of poverty](#)
- MDSD: persons who suffer from [severe material and social deprivation](#)
- LWI: persons [living in households with low work intensity](#)

GEO	AGE	SEX	INDICATOR	UNIT	2019	2020
DE	TOTAL	T	ARPT	PC	16.5~e	16.1
DE	TOTAL	T	ARPT	THS_PER	13533.2~e	13202.7
DE	Y_LT18	T	ARPT	PC	12.4~e	15.4
DE	Y_LT18	T	ARPT	THS_PER	1753.9~e	2176
DE	TOTAL	T	MDSD	PC	5.9~e	4.4
DE	TOTAL	T	MDSD	THS_PER	4842.8~e	3585
DE	Y_LT18	T	MDSD	PC	9.0~e	5.9
DE	Y_LT18	T	MDSD	THS_PER	1267.9~e	828
DE	Y_LT65	T	LWI	PC_Y_LT65	9.1~e	8.3
DE	Y_LT65	T	LWI	THS_PER	5553.1~e	5117.6
DE	Y_LT18	T	LWI	PC_Y_LT65	9.9~e	9.4
DE	Y_LT18	T	LWI	THS_PER	1398.9~e	1323

<b>GEO</b>	<b>AGE</b>	<b>SEX</b>	<b>INDICATOR</b>	<b>UNIT</b>	<b>2019</b>	<b>2020</b>
EU27	TOTAL	T	ARPT	PC	16.8~e	16.7
EU27	TOTAL	T	ARPT	THS_PER	73515.2~e	73281
EU27	Y_LT18	T	ARPT	PC	18.6~e	19.2
EU27	Y_LT18	T	ARPT	THS_PER	14971.9~e	15477
EU27	TOTAL	T	MDSO	PC	7.3~e	6.8
EU27	TOTAL	T	MDSO	THS_PER	30584.8~e	29027
EU27	Y_LT18	T	MDSO	PC	8.6~e	8.3
EU27	Y_LT18	T	MDSO	THS_PER	6790.9~e	6656
EU27	Y_LT65	T	LWI	PC_Y_LT65	8.4~e	8.3
EU27	Y_LT65	T	LWI	THS_PER	27158.3~e	27154
EU27	Y_LT18	T	LWI	PC_Y_LT65	7.7~e	7.6
EU27	Y_LT18	T	LWI	THS_PER	5872.1~e	6123