

158/2019 - 16 October 2019

17 October: International Day for the Eradication of Poverty

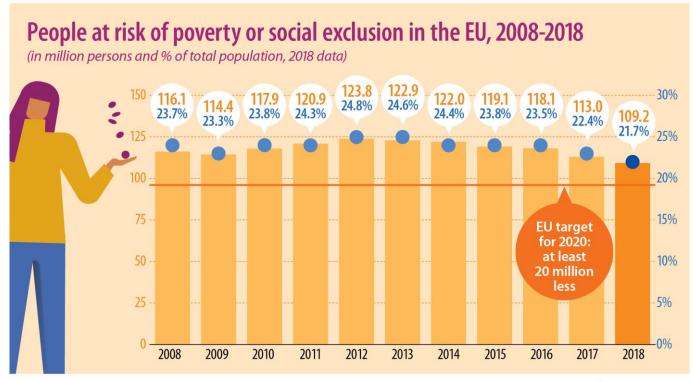
# Downward trend in the share of persons at risk of poverty or social exclusion in the EU

But still around 109 million people in this situation

In 2018, 109.2 million people, or 21.7% of the population, in the **European Union** (EU) were at risk of poverty or social exclusion. This means that they were in at least one of the following three conditions: at risk of poverty after social transfers (income poverty), severely materially deprived or living in households with very low work intensity. After three consecutive increases between 2009 and 2012 to reach almost 25%, the proportion of persons at risk of poverty or social exclusion in the **EU** has since continuously decreased to 21.7% last year, 2 percentage points below its 2008 reference-point and 0.7 percentage points below the 2017 level.

Despite this fall from the peak in 2012 (123.8 million people), only 8.2 million people (including Croatia) were lifted out of the risk of poverty or social exclusion compared to the 2008 baseline (116.1 million excluding Croatia). This number remains at a distance from the Europe 2020 target: lifting at least 20 million people out of the risk of poverty and social exclusion compared to the baseline. The reduction of the number of persons at risk of poverty or social exclusion in the EU is one of the key targets of the Europe 2020 strategy.

These figures are published by **Eurostat**, **the statistical office of the European Union**, on the International Day for the Eradication of Poverty. An <u>infographic</u> is also available on the Eurostat website.



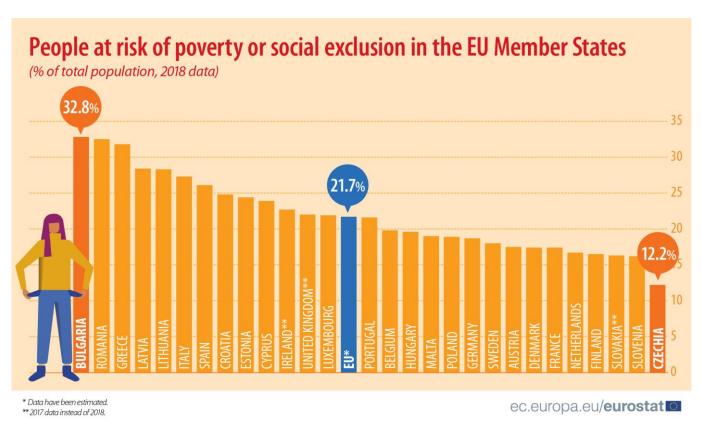
Data for 2008 and 2009 exclude Croatia. Data for 2018 have been estimated.

ec.europa.eu/eurostat

## Highest at risk of poverty or social exclusion rate in Bulgaria, lowest in Czechia

In 2018, more than a quarter of the population was at risk of poverty or social exclusion in seven Member States: **Bulgaria** (32.8%), **Romania** (32.5%), **Greece** (31.8%), **Latvia** (28.4%), **Lithuania** (28.3%), **Italy** (27.3%) and **Spain** (26.1%).

At the opposite end of the scale, the lowest shares of persons being at risk of poverty or social exclusion were recorded in **Czechia** (12.2%), **Slovenia** (16.2%), **Slovakia** (16.3%, 2017 data), **Finland** (16.5%), the **Netherlands** (16.7%), **Denmark** and **France** (both 17.4%) and **Austria** (17.5%).



The source dataset can be found here.

### Largest decrease in Bulgaria, highest increase in Luxembourg

Among Member States for which 2018 data are available, the at risk of poverty or social exclusion rate has grown since 2008 in nine Member States: **Luxembourg** (from 15.5% in 2008 to 21.9% in 2018, or +6.4 percentage points) **Greece** (+3.7 pp), **Estonia** (+2.6 pp), **Spain** (+2.3 pp), **Italy** and the **Netherlands** (both +1.8 pp), **Sweden** (+1.3 pp), **Denmark** (+1.1 pp) and **Cyprus** (+0.6 pp).

In contrast, the largest decrease was observed in **Bulgaria** (from 44.8% to 32.8%, or -12.0 pp), **Romania** (-11.7 pp) and **Poland** (-11.6 pp), followed by **Hungary** (-8.6 pp) and **Latvia** (-5.8 pp).

# About 1 in 6 persons in the EU at risk of income poverty...

Looking at each of the three elements contributing to being at risk of poverty or social exclusion, 16.9% of the **EU** population were at risk of poverty after social transfers in 2018, meaning that their disposable income was below their national at risk of poverty threshold. This proportion is stable compared with 2017 (16.9%), but is still slightly higher than in 2008 (16.6%). As the thresholds reflect actual income distribution in the countries, they vary greatly both between Member States and over time.

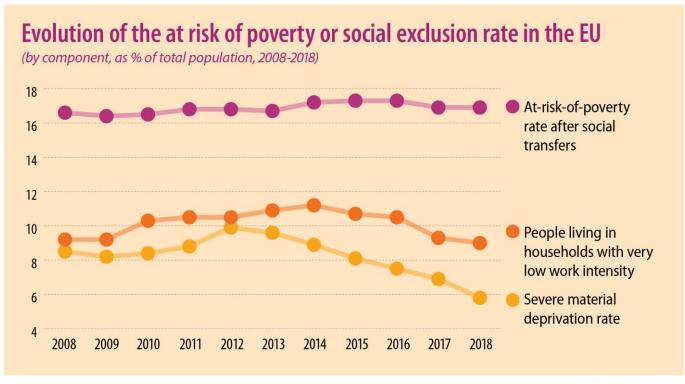
Across the EU Member States, more than 1 in 5 persons were at risk of income poverty in **Romania** (23.5%), **Latvia** (23.3%), **Lithuania** (22.9%), **Bulgaria** (22.0%), **Estonia** (21.9%), **Spain** (21.5%) and **Italy** (20.3%). In contrast, the lowest rates were observed in **Czechia** (9.6%), **Finland** (12.0%), **Slovakia** (12.4%, 2017 data), **Denmark** (12.7%), **Hungary** (12.8%), the **Netherlands** and **Slovenia** (both 13.3%) and **France** (13.4%). Compared with 2008, the proportion of persons at risk of income poverty has increased in sixteen Member States, for which data are available, and decreased in eight.

# ... 1 in 17 severely materially deprived...

In the **EU** in 2018, 5.8% of the population were severely materially deprived, meaning that they had living conditions constrained by a lack of resources such as not being able to afford to pay their bills, keep their home adequately warm, or take a one week holiday away from home. This proportion has decreased compared with both 2017 (6.6%) and 2008 (8.5%). The share of those severely materially deprived in 2018 varied significantly among Member States, ranging from 20.9% in **Bulgaria**, 16.8% in **Romania** and 16.7% in **Greece**, to less than 4% in **Luxembourg** (1.3%), **Sweden** (1.6%), the **Netherlands** (2.4%), **Czechia**, **Austria** and **Finland** (all 2.8%), **Malta** (3.0%), **Germany** (3.1%), **Denmark** (3.4%), **Slovenia** (3.7%) and **Estonia** (3.8%). Compared with 2008, the proportion of persons severely materially deprived has increased in seven Member States for which data are available, and decreased in seventeen.

# ...and 1 in 11 living in households with very low work intensity

Looking at low work intensity, 9.0% of the population aged 0-59 in the **EU** lived in households where the adults worked less than 20% of their total work potential during the past year. This proportion has decreased compared with 2017 (9.5%) and is also lower than the 2008 level (9.2%). **Ireland** (16.2%, 2017 data), **Greece** (14.6%), **Belgium** (12.1%), **Italy** (11.3%), **Croatia** (11.2%), **Denmark** (11.1%), **Finland** (10.8%) and **Spain** (10.7%) had the highest proportions of those living in very low work intensity households, while **Czechia** (4.5%), **Estonia** (5.2%), **Slovenia** (5.4%), **Slovakia** (5.4%, 2017 data), **Malta** (5.5%), **Poland** (5.6%) and **Hungary** (5.7%) had the lowest. Compared with 2008, the share of persons aged 0-59 living in households with very low work intensity has increased in fourteen Member States for which data are available, and decreased in ten.



Data for 2008 and 2009 exclude Croatia. Data for 2018 have been estimated.

ec.europa.eu/eurostat

The source dataset can be found <u>here</u> for at risk of poverty rate after social transfers, <u>here</u> for low work intensity and <u>here</u> for severe material deprivation.

The total number of people at risk of poverty or social exclusion is lower than the sum of the numbers of people in each of the three forms of poverty or social exclusion as some persons are affected simultaneously by more than one of these situations.

#### Geographical information

The **European Union** (EU) includes Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

For 2008 and 2009 data for the EU aggregate excludes Croatia.

#### Methods and definitions

Data on the risk of poverty or social exclusion presented in this News Release are based on the EU-Statistics on Income and Living Conditions (EU-SILC). The **EU-SILC survey** is the EU reference source for comparative statistics on income distribution, poverty and living conditions. More information can be found <a href="https://example.com/html/>here">here</a>.

The reference population is all private households and their current members residing in the territory of a given Member State at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population as well as small and remote parts of the national territory amounting to no more than 2% of the national population.

**Persons at risk of poverty** are those living in a household with an equivalised disposable income below the risk-of-poverty threshold which is set at 60% of the national median equivalised disposable income (after social transfers). The equivalised income is calculated by dividing the total household income by its size determined after applying the following weights: 1.0 to the first adult, 0.5 to each other household member aged 14 or over and 0.3 to each household member aged less than 14 years old.

**Severely materially deprived persons** have living conditions constrained by a lack of resources and experience at least four out of the nine following deprivation items: cannot afford 1) to pay rent/mortgage or utility bills on time; 2) to keep home adequately warm; 3) to face unexpected expenses; 4) to eat meat fish or a protein equivalent every second day; 5) a one week holiday away from home; 6) a car; 7) a washing machine; 8) a colour TV; or 9) a telephone (including mobile phone).

**People living in households with very low work intensity** are those aged 0-59 who live in households where on average the adults (aged 18-59) worked less than 20% of their total work potential during the past year. Students are excluded.

The total number of **people at risk of poverty or social exclusion** is lower than the sum of the numbers of people in each of the three forms of poverty or social exclusion as some persons are affected simultaneously by more than one of these.

**Comparability over time**: Some countries implemented statistical changes during the period under review. Consequently, caution is advised when interpreting poverty developments over time. situations.

#### For more information

Eurostat website section dedicated to statistics on income, social inclusion and living conditions.

Eurostat database on income and living conditions.

Eurostat interactive infographic on people at risk of poverty or social exclusion in the EU.

The European Commission website dedicated to the Europe 2020 strategy.

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People at risk of poverty or social exclusion in the EU, 2008 and 2018

	% of total po	pulation	in thousands			
	2008	2018	2008	2018		
EU*	23.7	21.7	116 070	109 160		
Belgium	20.8	19.8	2 194	2 250		
Bulgaria	44.8	32.8	3 421	2 315		
Czechia	15.3	12.2	1 566	1 264		
Denmark	16.3	17.4	887	997		
Germany	20.1	18.7	16 345	15 253		
Estonia	21.8	24.4	291	318		
Ireland**	23.7	22.7	1 050	1 088		
Greece	28.1	31.8	3 046	3 349		
Spain	23.8	26.1	10 786	12 047		
France	18.5	17.4	11 150	11 045		
Croatia	:	24.8	:	1 008		
Italy	25.5	27.3	15 082	16 441		
Cyprus	23.3	23.9	181	206		
Latvia	34.2	28.4	740	543		
Lithuania	28.3	28.3	910	794		
Luxembourg	15.5	21.9	72	126		
Hungary	28.2	19.6	2 794	1 887		
Malta	20.1	19.0	81	89		
Netherlands	14.9	16.7	2 432	2 833		
Austria	20.6	17.5	1 699	1 512		
Poland	30.5	18.9	11 491	6 976		
Portugal	26.0	21.6	2 757	2 223		
Romania	44.2	32.5	9 115	6 360		
Slovenia	18.5	16.2	361	326		
Slovakia**	20.6	16.3	1 111	856		
Finland	17.4	16.5	910	894		
Sweden	16.7	18.0	1 528	1 822		
United Kingdom**	23.2	22.0	14 069	14 325		
Iceland***	11.8	12.2	36	40		
Norway	15.0	16.2	701	860		
Switzerland	18.1	17.4	1 333	1 453		

The source dataset can be found here

Figures are rounded to the nearest thousand : data not available \* Data for 2008 exclude Croatia. Data for 2018 have been estimated.

<sup>\*\* 2017</sup> data instead of 2018 \*\*\* 2016 data instead of 2018

# Components of the at risk of poverty or social exclusion rate in the EU, 2008 and 2018

	At-risk-of-pove transfe			rely materially red (%)	Persons aged 0-59 living in households with very low work intensity (%)	
	2008	2018	2008	2018	2008	2018
EU*	16.6	16.9	8.5	5.8	9.2	9.0
Belgium	14.7	16.4	5.6	4.9	11.7	12.1
Bulgaria	21.4	22.0	41.2	20.9	8.1	9.0
Czechia	9.0	9.6	6.8	2.8	7.2	4.5
Denmark	11.8	12.7	2.0	3.4	8.5	11.1
Germany	15.2	16.0	5.5	3.1	11.7	8.1
Estonia	19.5	21.9	4.9	3.8	5.3	5.2
Ireland***	15.5	15.6	5.5	5.2	13.7	16.2
Greece	20.1	18.5	11.2	16.7	7.5	14.6
Spain	19.8	21.5	3.6	5.4	6.6	10.7
France	12.5	13.4	5.4	4.7	8.8	8.0
Croatia	:	19.3	:	8.6	:	11.2
Italy	18.9	20.3	7.5	8.5	10.4	11.3
Cyprus	15.9	15.4	9.1	10.2	4.5	8.6
Latvia	25.9	23.3	19.3	9.5	5.4	7.6
Lithuania	20.9	22.9	12.5	11.1	6.1	9.0
Luxembourg	13.4	18.3	0.7	1.3	4.7	8.3
Hungary	12.4	12.8	17.9	10.1	12.0	5.7
Malta	15.3	16.8	4.3	3.0	8.6	5.5
Netherlands	10.5	13.3	1.5	2.4	8.2	8.6
Austria	15.2	14.3	5.9	2.8	7.4	7.3
Poland	16.9	14.8	17.7	4.7	8.0	5.6
Portugal	18.5	17.3	9.7	6.0	6.3	7.2
Romania	23.6	23.5	32.7	16.8	8.5	7.4
Slovenia	12.3	13.3	6.7	3.7	6.7	5.4
Slovakia***	10.9	12.4	11.8	7.0	5.2	5.4
Finland	13.6	12.0	3.5	2.8	7.5	10.8
Sweden	13.5	16.4	1.8	1.6	7.0	9.1
United Kingdom**	18.7	17.0	4.5	4.6 <sup>p</sup>	10.4	10.1
Iceland****	10.1	8.8	0.8	1.9	2.6	4.3
Norway	11.4	12.9	2.0	2.1	6.5	9.2
Switzerland	15.7	14.6	2.1	2.1	3.3	6.1

<sup>:</sup> data not available.

The source dataset can be found <u>here</u> for at risk of poverty rate after social transfers, <u>here</u> severe material deprivation and <u>here</u> low work intensity.

p data provisional.

<sup>\*</sup> Data for 2008 exclude Croatia. Data for 2018 have been estimated.

<sup>\*\* 2017</sup> data instead of 2018 for at risk of poverty and low work intensity

<sup>\*\*\* 2017</sup> data instead of 2018

<sup>\*\*\*\* 2016</sup> data instead of 2018

# At-risk-of-poverty thresholds in the EU, 2008 and 2018

(in national currency)

		Annual national median equivalised disposable income (after social transfers)		Annual at-risk-of-poverty threshold			
	Currency			Single	Single adult		Two adults with two children younger than 14 years
		2008	2018	2008	2018	2008	2018
Belgium	euro	17 985	23 744	10 791	14 246	22 661	29 918
Bulgaria	BGN	4 247	7 022	2 548	4 213	5 351	8 848
Czechia	CZK	168 472	239 258	101 083	143 555	212 275	301 465
Denmark	DKK	180 015	223 930	108 009	134 358	226 819	282 151
Germany	euro	18 309	22 713	10 986	13 628	23 070	28 618
Estonia	euro	5 547	10 524	3 328	6 314	6 989	13 260
Ireland*	euro	22 995	22 879	13 797	13 727	28 973	28 827
Greece	euro	10 800	7 863	6 480	4 718	13 608	9 908
Spain	euro	13 966	14 785	8 379	8 871	17 597	18 629
France	euro	18 899	22 220	11 340	13 332	23 813	27 997
Croatia	HRK	:	49 700	:	29 820	:	62 622
Italy	euro	15 640	16 844	9 384	10 106	19 706	21 223
Cyprus	euro	16 024	15 336	9 614	9 202	20 190	19 323
Latvia	euro	4 740	7 333	2 844	4 400	5 972	9 240
Lithuania	euro	4 111	6 895	2 467	4 137	5 180	8 688
Luxembourg	euro	30 917	40 270	18 550	24 162	38 955	50 740
Hungary	HUF	1 105 926	1 677 081	663 556	1 006 249	1 393 467	2 113 122
Malta	euro	10 009	14 781	6 005	8 868	12 611	18 624
Netherlands	euro	19 522	24 016	11 713	14 410	24 598	30 260
Austria	euro	19 413	25 176	11 648	15 105	24 461	31 721
Poland	PLN	15 720	27 984	9 432	16 790	19 807	35 260
Portugal	euro	8 143	9 346	4 886	5 607	10 260	11 776
Romania	RON	6 510	15 004	3 906	9 002	8 203	18 905
Slovenia	euro	10 893	13 244	6 536	7 946	13 725	16 687
Slovakia*	euro	4 792	7 183	2 875	4 310	6 038	9 051
Finland	euro	19 794	24 544	11 876	14 727	24 940	30 926
Sweden	SEK	187 007	246 077	112 204	147 646	235 629	310 057
United Kingdom*	GBP	15 068	18 406	9 041	11 044	18 986	23 192
Iceland**	ISK	2 822 193	4 153 964	1 693 316	2 492 379	3 555 963	5 233 995
Norway	NOK	254 905	367 841	152 855	220 704	320 996	463 479
Switzerland	CHF	44 332	47 817	26 599	28 690	55 858	60 250

<sup>:</sup> data not available

The source dataset can be found <u>here</u> for income and <u>here</u> for thresholds

The **at risk of poverty rate** is the share of people whose total household income (after social transfers, tax and other deductions), available for spending or saving, is below the **at risk of poverty threshold**, which is set at 60% of the national median equivalised disposable income after social transfers.

This indicator does not measure wealth or absolute poverty but low income in comparison to other residents in that country.

The threshold depends on the income distribution in a country for a given year and varies with the composition of a household. It is therefore important to note that the 'at risk of poverty rate' is a **relative measure of poverty** and that the threshold varies greatly between Member States. It also varies over time as it follows the evolution of the national median disposable income: in a number of Member States the threshold has fallen over the period 2008-2018 (Greece and Cyprus) or stayed nearly stable (Spain and Italy).

<sup>\* 2017</sup> data instead of 2018

<sup>\*\* 2016</sup> data instead of 2018