SOCIAL PROTECTION COMMITTEE ANNUAL REPORT 2016

REVIEW OF THE SOCIAL PROTECTION PERFORMANCE MONITOR AND DEVELOPMENTS IN SOCIAL PROTECTION POLICIES

Annex 1. Detailed review of the latest social developments in the EU: SPPM results

Abbreviation	Full name
EU28	European Union (28 countries)
EU27	European Union (27 countries)
EA18	Euro area (18 countries)
BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

Introduction

This annex provides a more detailed review of the latest social developments[1] than in the main body of the Annual SPC report, and is based on a more extensive examination of the trends in the indicators in the Social Protection Performance Monitor (SPPM) dashboard together with supplementary indicators and information. It should be borne in mind that analysis mainly focuses on the indicators included in the SPPM, which present a summary picture of the social situation in the EU, and that data used in the report can refer to different years for different types of information (e.g. income versus labour market developments), due to the different sources and reference periods of the data collected. It draws upon some additional context information, including the broad macro-economic and labour market situation in the EU and specific administrative data on benefit recipients, collected through SPC delegates, in order to provide a comprehensive view on the main developments in social policy outcomes across Member States.

[1] The figures quoted in this annex are based on data available around 17 May 2016, unless otherwise stated.

Summary of developments in the social situation in the EU

1. It is now three years since the EU economy started its slow though consistent recovery following the double-dip recession. Economic activity has expanded in most Member States, but the recovery remains uneven. Increases in employment in the EU have progressed gradually in line with economic growth and, compared to the trough observed in mid-2013, employment has increased by almost 7 million. As a result the employment rate for the EU returned to its pre-crisis level in the fourth quarter of 2015, but large disparities across countries remain.

2. The increase in employment has extended to all sub-population groups and unemployment, including youth unemployment, continues to slowly recede in the EU (although the impact of this is yet to be fully reflected in all social indicators). Household incomes and financial conditions of EU households continue to improve, thanks mainly to higher income from work. Nevertheless, despite the gradual improvements, labour market and social conditions remain very challenging.

3. The latest update of the Social Protection Performance Monitor generally points to a continued favourable evolution especially on the labour market, with more indicators flagging up a shift to positive changes. Nevertheless, and despite the fact that 8 Member States registered significant falls in the share of the population at risk of poverty or social exclusion in 2014 and only 2 significant rises, at EU level the overall figure for the at-risk-of poverty or social exclusion rate still points to stagnation at a high level. Indeed, the latest figures on living and income conditions in the EU show that the EU is still not making any significant progress towards achieving its Europe 2020 poverty and social exclusion target of lifting at least 20 million people from the risk of poverty or social exclusion by 2020, and is in fact significantly further away from the target than in 2008. In 2014 there were around 4.6 million more people living at risk of poverty or social exclusion in the EU28 compared to 2008, and a total of 122.2 million or close to 1 in 4 Europeans.

4. For the EU as a whole the following main negative trends, or "trends to watch" (i.e. where around a third or more of all Member States show a significant deterioration in the given indicator), are identified for the most recent period[2]:

   - a general continued deterioration in the (relative) poverty situation, with increases in the extent of poverty as recorded by the poverty risk in many Member States, and in the depth of poverty and its persistence;

[2] These income- and household work intensity-based trends in fact refer to the data period 2012-2013 with the exception of the UK where income collected via EU-SILC in any one year relates to that year, rather than the previous one.

- increases in the share of the population living in (quasi-)jobless households, together with rises in the at-risk-of-poverty rates for people residing in such households.

5. In contrast to the above-mentioned negative trends, positive developments can be observed for the latest period in several areas. Firstly, although the overall situation for youth remains of concern there has been a clear improvement over 2014-2015, with falls in the NEET rate and in the youth unemployment ratio, while the situation also continues to improve regarding the labour market participation of older workers and the income and living conditions of the elderly relative to the rest of the population. Household incomes are now increasing again in many Member States, leading to a reduction in severe material deprivation rates and in the burden of housing costs in several countries.

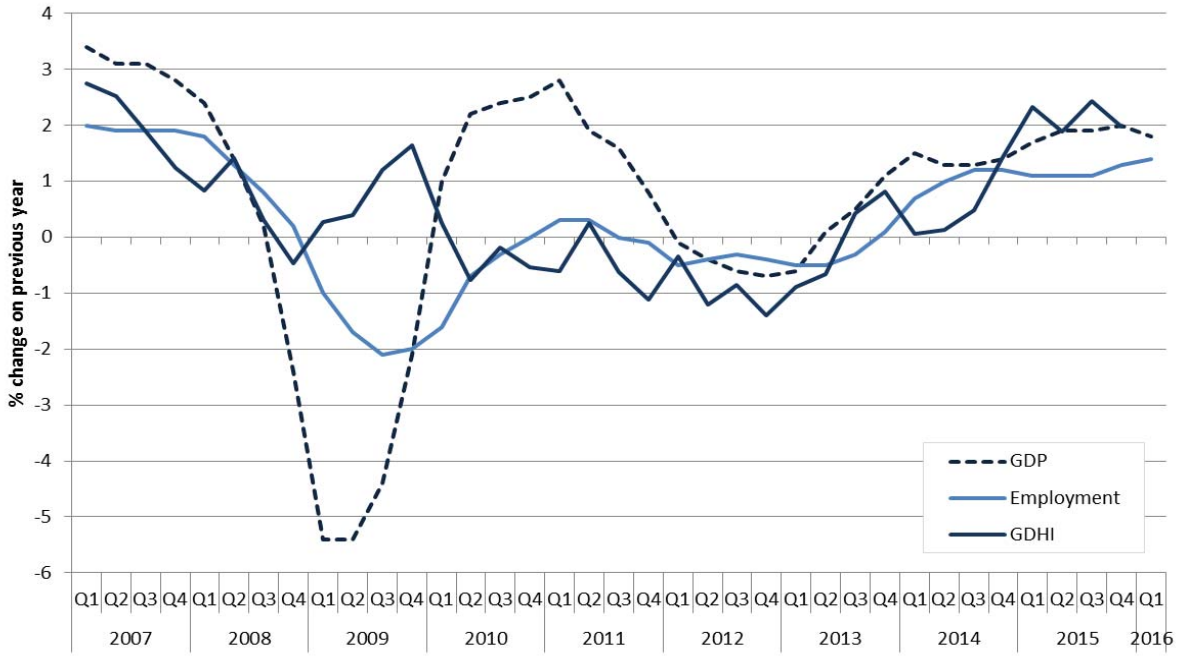
I. The social situation in the European Union

Macro-economic and labour market context positive

It is now three years since the EU economy started its slow though consistent recovery, following the post-crisis period in which it experienced a double dip recession (Figure 1). Economic activity has expanded in most Member States, but the recovery remains uneven. Increases in employment in the EU have progressed gradually in line with economic growth, and compared to the recent trough observed in mid-2013, employment has increased by almost 7 million. In the year to the first quarter of 2016, employment in the EU continued to expand and posted a 1.4% increase. As a result of these developments the employment rate for the EU had returned to its pre-crisis level by the fourth quarter of 2015, but large disparities remain in labour market outcomes across countries.

The increase in employment has extended to all sub-population groups and unemployment, including youth unemployment, continues to slowly recede in the EU (although the impact of this is yet to be fully reflected in all social indicators). Household incomes and financial conditions of EU households have continued to improve, thanks mainly to higher income from work. Nevertheless, despite the gradual improvements, labour market and social conditions remain very challenging.

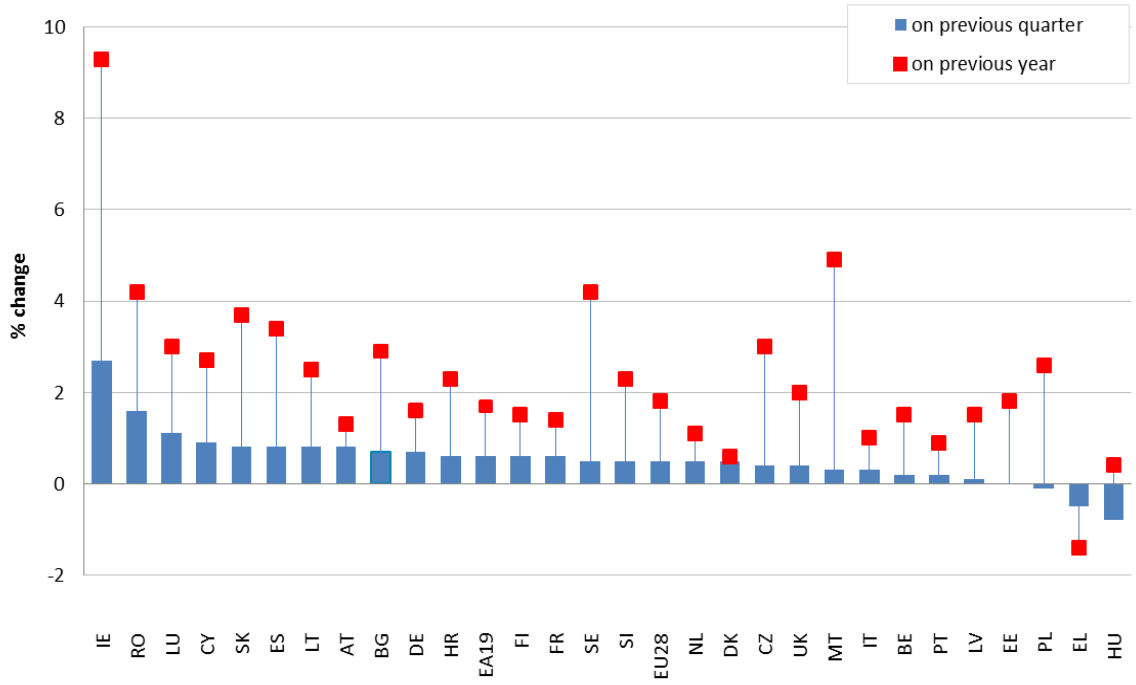
Figure 1: Real GDP, GDHI and employment growth in the EU



Source: Eurostat, National Accounts, data non-seasonally adjusted (DG EMPL calculations for GDHI)
Note: GDHI EU aggregate for Member States for which data are available, GDP for EU28

In the first quarter of 2016, real GDP was higher than in the first quarter of 2015 in all Member States except for Greece. Among the largest Member States, the year-on-year growth was strongest in Spain (3.4%), followed by Poland (2.6%) and the United Kingdom (2.0%). It strengthened in Germany (to 1.6%), but remained broadly unchanged in France (1.4%) and Italy (1.0%). Among the remaining Member States, real GDP growth continued to be strongest in Ireland, Malta and Sweden, and also in Romania where it exceeded 4% (Figure 2).

Figure 2: Real GDP growth - EU, EA and Member States, 2015Q4



Source: Eurostat, National Accounts, data seasonally adjusted

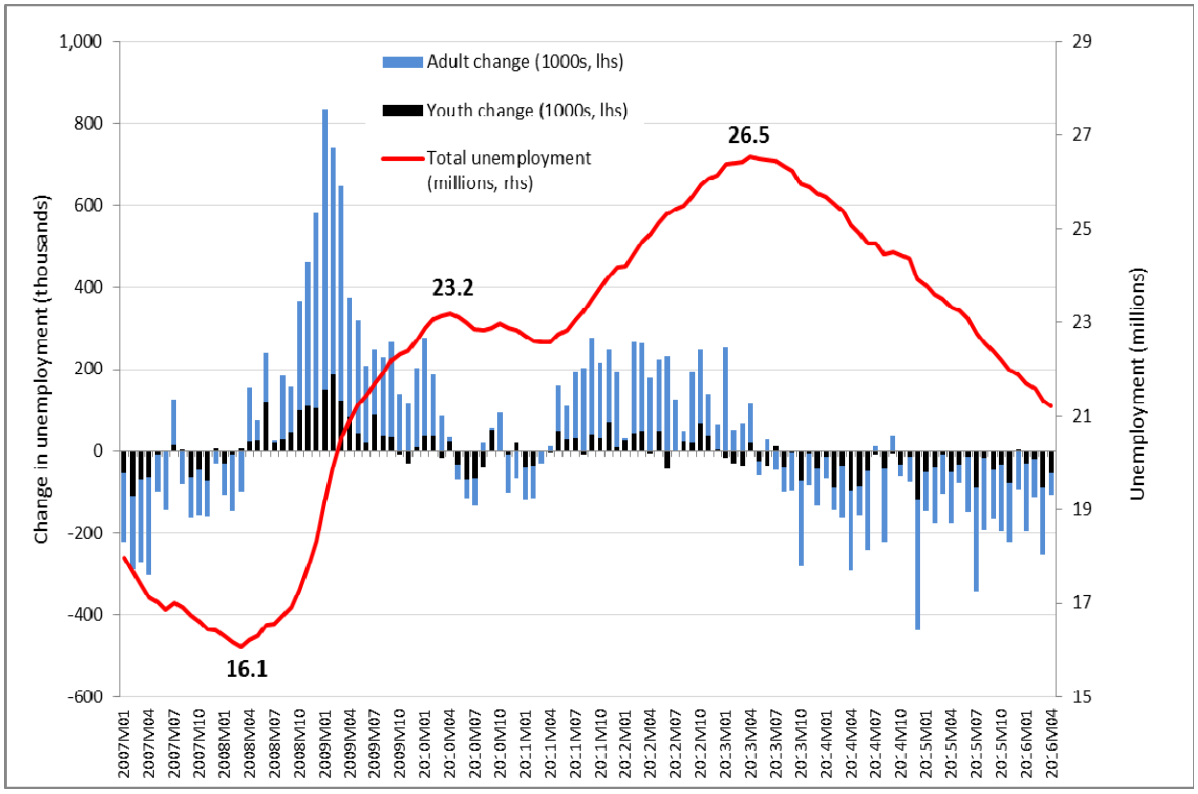
The spring 2016 European Commission Economic Forecast (European Commission (2016)) suggests that the economic recovery is set to continue, with real GDP growth for 2016 as a whole expected to be 1.6% and 1.8% in the euro area and the EU respectively. Economic growth in Europe is expected to remain modest as key trading partners' performance has slowed and some of the so far supportive factors (including low oil prices, a low euro exchange rate, and supportive monetary policy measures) start to wane. As a result, GDP in the euro area and EU is forecast to continue growing at modest rates, rather than gather momentum, and is projected to be 1.8% and 1.9% respectively in 2017.

Labour market conditions are set to continue their moderate pace of improvement, driven by the lagged response to improved cyclical conditions and contained wage growth. In some Member States, labour market reforms implemented in recent years and fiscal policy measures are also supporting a rise in net job creation. Overall, employment in the EU is set to continue to grow at about 1% this year and next. The unemployment rate in the EU is projected to fall from 9.4% in 2015 to 8.9% this year and 8.5% next year. Although labour market disparities are set to remain for some time, unemployment is expected to fall in almost all Member States over the forecast

horizon, particularly in those that have implemented labour market reforms (e.g. Spain, Cyprus, Ireland and Portugal).

Despite the generally positive economic outlook, labour market and social conditions remain very challenging. The euro area (EA19) seasonally-adjusted unemployment rate remains high (at 10.2% in April 2016), although slightly down from the peak of 12.1% recorded around mid-2013, while the EU28 unemployment rate was 8.7% in April, compared with 9.6% one year earlier. The number of (seasonally adjusted) unemployed in the EU28 reached an all-time high of 26.5 million in April 2013, but subsequently has been declining on a consistent basis to fall to around 21.2 million in April 2016 (Figure 3). This nevertheless still represents an increase of over 5 million on the low of 16.1 million recorded in March 2008.

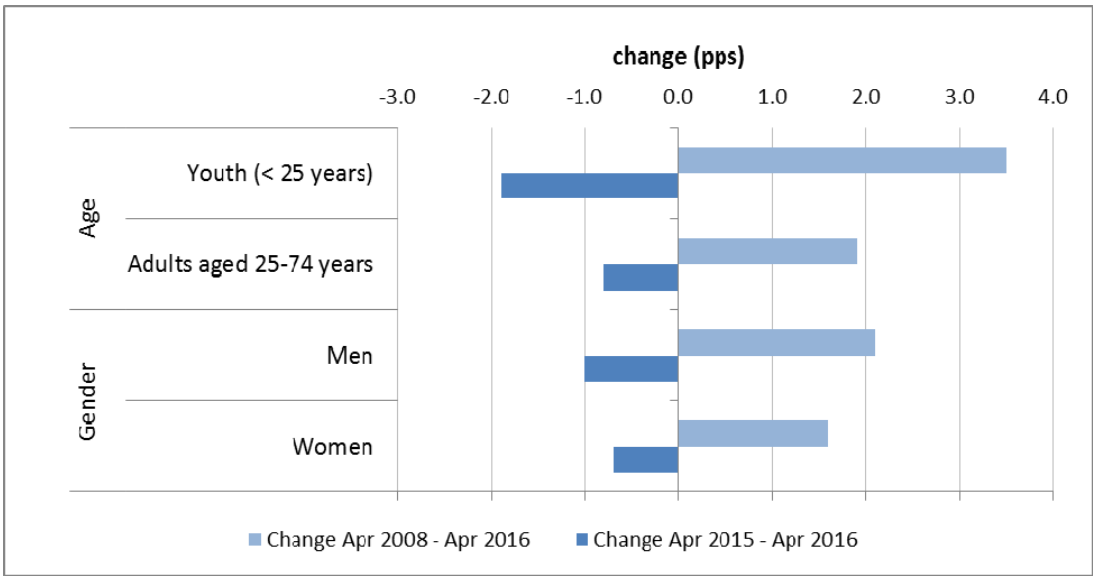
Figure 3: Monthly change in youth and adult unemployment and the total level of unemployment in the EU, January 2007 - April 2016



Source: Eurostat, data seasonally adjusted

In the year to April 2016, the unemployment rate declined in the EU for all age-groups and for both men and women (Figure 4). In that period, it declined by 1.0 pp for men and 0.7 pp women. For those aged 25-74, the unemployment rate in the EU declined by 0.8 pp in the year to April, with a sharper 1.9 pp decrease observed for those aged 15-24. Nonetheless, these recent changes are not enough to return to the values observed in 2008, with the rate remaining especially high for youth and still with close to one in five economically active young people being unemployed.

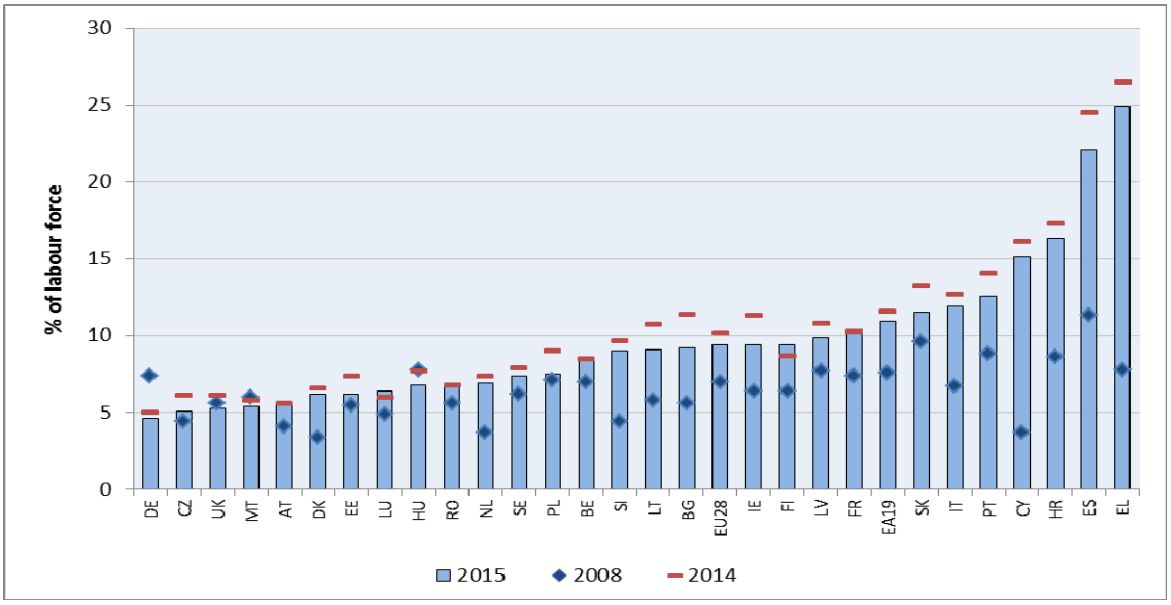
Figure 4: EU unemployment rate by population group - change to April 2016



Source: Eurostat, series on unemployment and LFS

The increased divergence between countries in terms of labour market and social impacts which resulted from the recent crisis remains a key feature, especially within the Euro Area. This divergence is still clearly evident in the change in unemployment rates compared to 2008 (Figure 5), with huge increases still observed in many southern Member States (IT (up 5.2 pp), HR (7.7 pp), ES (10.8 pp), CY (11.2 pp), and EL (17.1pp)) compared to more moderate rises of under 2 pp in AT, BE, CZ, EE, LU, RO, SE and SK, little change in PL and the UK, and noticeable reductions in HU (down 1.0 pp), MT (down 0.6 pp) and especially DE (down 2.8 pp).

Figure 5: Unemployment rate developments across EU Member States, 2008, 2014 and 2015



Source: Eurostat (LFS)

Note: For RO, break in series in 2010

In terms of more recent trends, compared with a year earlier the unemployment rate in 2015 had decreased in the vast majority of Member States and rose appreciably in only 2 (LU and FI). BG, ES, EL, IE, LT, PL, PT and SK experienced decreases in excess of 1.5 pp. Despite the recent improvement in the EU labour market, and the relatively stronger falls in the unemployment rates in many of the southern Member States which perhaps signals the beginning of a return to convergence, the rates in CY, EL, ES and HR (14.9%, 24.9%, 22.1% and 16.3% respectively) remain far above those of the central and northern countries. In contrast, some of the other Member States hit particularly hard by the crisis, namely the Baltic States (EE, LV and LT) and IE, have seen a very strong recovery in their labour markets over recent years which has led to a substantial fall in unemployment in those countries. The lowest unemployment rates at the end of 2015 were observed in AT, CZ, DE, MT and the UK, all with rates below 6%.

The long-term unemployment rate for the EU shows some signs of reducing but remains relatively high. The rate fell 0.6 pp year-on-year to the last quarter of 2015, a more noticeable drop than that over the previous year (0.3 pp). Nevertheless, in the last quarter of 2015, those unemployed for more than a year continue to represent 4.3% of the EU labour force or around 10.5 million people, some 4.5 million more than in 2008. Long-term unemployment rates continue to be particularly high in ES and HR, at over 10%, and above all in EL (at around 18%).

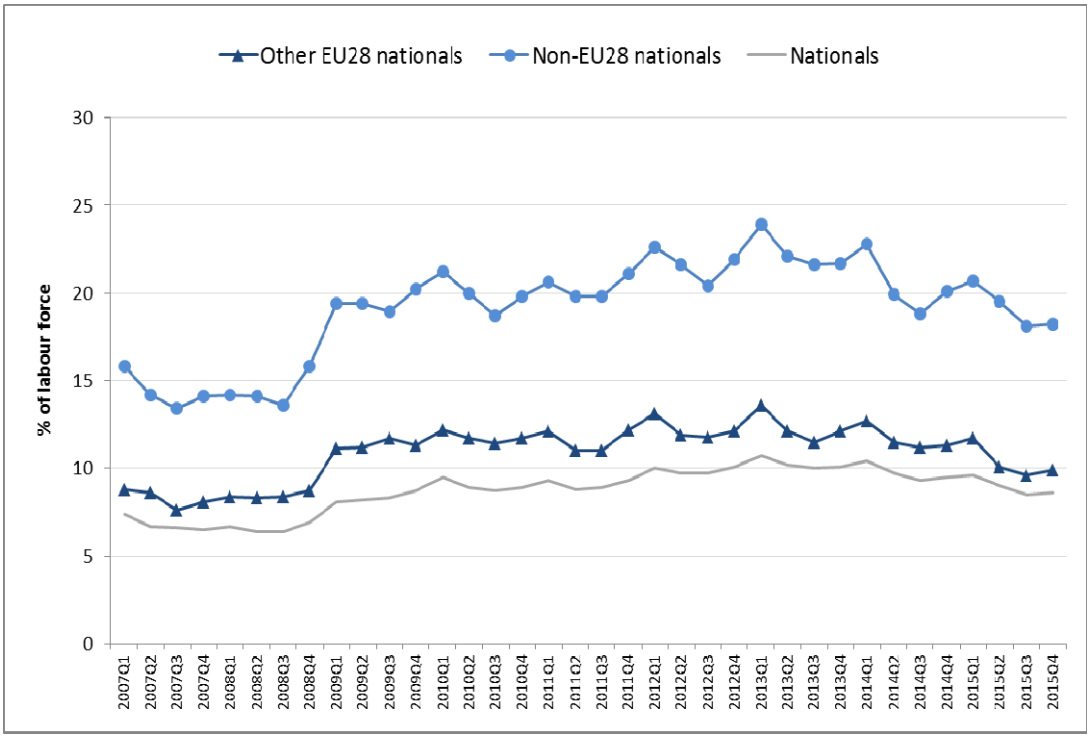
Still around 4.2 million young persons (aged 15-24 years) were unemployed in the EU28 in April 2016, representing close to one in five young people in the labour market. Nevertheless, driven by continuing strong falls in ES and the UK, and to a lesser extent in IT and PL, compared with April 2015 the situation of youth has improved noticeably. Youth unemployment decreased by 0.5 million, following on to a similar fall the year before. Despite recent progress, in April 2016, the seasonally adjusted youth unemployment rate was still a high 18.8% in the EU28 and 21.1% in the euro area, compared with 20.7% and 22.5% respectively in April 2015. The lowest rate was observed in DE (7.0%), with CZ and MT also recording rates under 10%, while, in contrast, the highest rates were in ES (45.0%) and EL (51.4%) and with HR and IT also reporting rates of the order of 40%.

The proportion of young people (aged 15-24 years) who are neither in employment, education, nor in training (NEET) increased sharply since the start of the crisis but appears to have peaked in 2012 and has subsequently recorded a moderate fall. The average NEET rate in 2015 was 12.0% (compared to 13.2% for 2013), still representing an increase of 1.1 pps on the rate at the start of the crisis in 2008 (10.9%). Most Member States have recorded falls in NEET rates over the last year, the main exceptions being RO and SK where rates rose appreciably. Some of the largest declines were among the southern Member States experiencing the highest rates, namely CY, EL and ES, although rates remain above 15% in these countries along with BG, HR, IT and RO. In contrast, rates remain comparatively low in the northern Member States, with AT, CZ, DE, DK, LT, LU, NL, SE and SI all posting rates under 10%.

Migrants have tended to be more affected by unemployment than the general population (Figure 6), with 18.2% of economically active third-country nationals in the EU without a job in the last quarter of 2015. The gap between the unemployment rates of migrant and native workers already existed before the crisis but increased markedly since it hit, although broadly declining over recent

years. As for intra-EU mobile citizens, their unemployment rates have been much closer to those of nationals, and over 2015 have generally been only around 1pp higher.

Figure 6: Unemployment rate breakdown for native workers, EU27 nationals and third-country workers, 2007-2015



Source: Eurostat (LFS)

Another issue relevant to the context for understanding developments in the social situation, especially regarding the target on the reduction of the population in poverty or social exclusion (see the following section), is the change in the size of the overall population since 2008, which has been quite dramatic in certain Member States. For example, between 2008 and 2015 the total population in LV and LT has declined by over 9%, while it has expanded by around 9% in CY and over 16% in LU (Table 1). Other Member States with sizable relative increases in the population include MT (5.3%), UK (5.4%), BE (5.5%) and SE (6.1%). For the EU as a whole, the total population increased by 1.6% or 8.2 million, mainly reflecting net rises of around 800 thousand in ES, 2.4 million in FR, 2.1 million in IT and 3.3 million in the UK. Note that, since these figures refer to the population at the start of the year, they do not yet reflect the impact of the wave of refugees which entered the EU over 2015.

Table 1: Population change between 2008 and 2015

	2008	2015	% change
EU28	500,297,033	508,450,856	1.6
EU27	495,985,066	504,225,540	1.7
EA19	333,096,775	338,471,000	1.6
EA18	329,884,170	335,549,738	1.7
BE	10,666,866	11,258,434	5.5
BG	7,518,002	7,202,198	-4.2
CZ	10,343,422	10,538,275	1.9
DK	5,475,791	5,659,715	3.4
DE	82,217,837	81,197,537	-1.2
EE	1,338,440	1,313,271	-1.9
IE	4,457,765	4,628,949	3.8
EL	11,060,937	10,858,018	-1.8
ES	45,668,939	46,449,565	1.7
FR	64,007,193	66,415,161	3.8
HR	4,311,967	4,225,316	-2.0
IT	58,652,875	60,795,612	3.7
CY	776,333	847,008	9.1
LV	2,191,810	1,986,096	-9.4
LT	3,212,605	2,921,262	-9.1
LU	483,799	562,958	16.4
HU	10,045,401	9,855,571	-1.9
MT	407,832	429,344	5.3
NL	16,405,399	16,900,726	3.0
AT	8,307,989	8,576,261	3.2
PL	38,115,641	38,005,614	-0.3
PT	10,553,339	10,374,822	-1.7
RO	20,635,460	19,870,647	-3.7
SI	2,010,269	2,062,874	2.6
SK	5,376,064	5,421,349	0.8
FI	5,300,484	5,471,753	3.2
SE	9,182,927	9,747,355	6.1
UK	61,571,647	64,875,165	5.4

Source: Eurostat, population statistics.

Notes: Population figures on 1 January of given year.

This year the report attempts to highlight better the gender dimension of the social situation by including a focus on gender-specific results for some of the indicators in the SPPM dashboard for which meaningful results can be provided (see Box 1).

Box 1. The gender aspect of social indicators

Currently many of the social indicators used in the SPPM do not allow to show figures fully distinguishing the situation for men versus women, resulting in gender aspects not being highlighted sufficiently.

This is particularly the case for the income-based indicators derived from EU-SILC for which the underlying assumption of the equal sharing of resources at household level is applied. For example, the calculation of the at-risk-of-poverty rate is based on people's equivalised income, which is defined as the household's total disposable income divided by its "equivalent size" (i.e. the number of "equivalent adults", to take account of the size and composition of the household), and is attributed to each household member including children. As a result, for households consisting of both sexes there will be no difference between the equivalised income of men and women. Challenging the "equal sharing of resources" hypothesis is extremely complex because of the lack of data concerning the way household members actually pool their resources (for a recent example of such an attempt, see: *Ponthieux, S. (2016), Intra-household pooling and sharing of resources: a tentative "modified" equivalised income, in A.B. Atkinson, A.-C. Guio and E. Marlier (eds), Luxembourg: European Publications Office*).

Other key indicators such as those on material deprivation and (quasi-)jobless households also use the household as the unit of reference and thus cannot fully reflect gender disparities for the same reasons.

Currently only a few EU-SILC based indicators in the SPPM can fully provide gender breakdowns, namely:

- Aggregate replacement ratio;
- Share of the population with unmet need for medical examination;
- Healthy Life Years.

It will be possible in the near future, with the collection from EU-SILC of a number of deprivation items collected at individual level, to compute more gender sensitive material deprivation indicators.

In contrast, indicators based on the EU labour force survey do already provide full breakdowns by gender, since the indicators related to employment and unemployment, such as the long-term unemployment rate, youth unemployment ratio, NEETs rate and the employment rate of older workers, reflect the situation at individual rather than household level.

Where possible, the gender breakdown of some of the indicators in the SPPM dashboard have been included in this report, to illustrate what is currently known about the gender specific outcomes in the areas covered by these indicators.

Still little progress towards the Europe 2020 poverty and social exclusion target

The commitment made in 2010 by the EU Heads of States and Governments to lift at least 20 million people out of being at risk of poverty or social exclusion, in the context of the Europe 2020 strategy, was a significant step forward. It stressed the equal importance of inclusive growth alongside economic objectives for the future of Europe, and it introduced a new monitoring and accountability scheme[3]. Within the framework of the Europe 2020 target, Member States set national poverty and social exclusion targets (Table 2), although the individual poverty-reduction ambitions of the Member States sums to a figure much lower than the EU level commitment to reduce poverty and social exclusion by 20 million. In June 2016 the Council invited the Commission to keep the prevention and fight against poverty high on the political agenda and to support Member States in delivering on their national EU2020 targets (see Box 2).

Table 2: Europe 2020 poverty and social exclusion target - national targets

	National 2020 target for the reduction of poverty or social exclusion (in number of persons)
EU28	**20,000,000**
BE	380,000
BG	260,000 persons living in monetary poverty*
CZ	100,000
DK	Reduction of the number of persons living in households with very low work intensity by 22,000 by 2020*
DE	Reduce the number of long-term unemployed by 320,000 by 2020*
EE	Reduction of the at risk of poverty rate after social transfers to 15%, equivalent to an absolute decrease by 36,248 persons*
IE	Reduce the number of person in combined poverty (either consistent poverty, at-risk-of-poverty or basic deprivation) by at least 200,000*
EL	450,000
ES	1,400,000-1,500,000
FR	1,900,000
HR	Reduction of the number of persons at risk of poverty or social exclusion to 1,220,000 by 2020
IT	2,200,000
CY	27,000 (or decrease the percentage from 23.3% in 2008 to 19.3% by 2020)
LV	Reduce the number of persons at the risk of poverty and/or of those living in households with low work intensity by 121 thousand or 21 % until 2020*
LT	170,000 (and the total number of people at risk of poverty or social exclusion must not exceed 814,000 by 2020)
LU	6,000
HU	450,000
MT	6,560
NL	Reduce the number of people aged 0-64 living in a jobless household by 100,000 by 2020*
AT	235,000
PL	1,500,000
PT	200,000
RO	580,000
SI	40,000
SK	170,000
FI	140,000 (Reduce to 770,000 by 2020 the number of persons living at risk of poverty or social exclusion)
SE	Reduction of the % of women and men aged 20-64 who are not in the labour force (except full-time students), the long-term unemployed or those on long-term sick leave to well under 14%*
UK	New statutory and non-statutory Life Chances measures*

*Source: National Reform Programmes. Notes: * denotes countries that have expressed their national target in relation to an indicator different to the EU headline target indicator (AROPE). For some of these Member States (BG, DK, EE, LV) it is expressed in terms of one or more of the components of AROPE, but for the others (DE, IE, NL (age range differs), SE and UK (not yet defined)) it is neither in terms of AROPE nor the standard definition of one or more of its components.*

[3] COM (2010) 758 final

Box 2. Council Conclusions on 'Combating Poverty and Social Exclusion: an Integrated Approach'

In June 2016 the Council adopted conclusions on an integrated approach to combatting poverty and social exclusion. In these Council Conclusions the Council calls on the Commission and the Member States to develop an integrated approach to combat poverty and social exclusion by combining adequate income support, access to quality services and inclusive labour markets, while ensuring equal opportunities for women and men and addressing the different risks of poverty during the life cycle, from early childhood to old age.

An integrated approach means looking at the individual (or household) situation from a broad perspective – ranging from a lack of income to social exclusion. It also implies recognition of the role of, and consequences for, a whole range of life-domains such as employment, health and long-term care, education and housing. It also requires constructive cooperation with all the parties involved, in the public, private and civil society spheres.

The integrated approach is therefore characterised by comprehensive, continuous and coordinated interventions throughout the life cycle and requires cooperation among all stakeholders, namely:

- Social partners;
- Private partners;
- Non-governmental organisations;
- Civil society;
- The target groups.

The Council conclusions invite the Commission to keep the prevention and fight against poverty high on the political agenda and to support Member States in delivering on their national Europe 2020 targets. The Council further encourages Member States to make better use of available European funding and instruments and calls upon all parties to strengthen the involvement of relevant stakeholders, such as social partners and civil society, throughout the policy process. By adopting these conclusions, all Member States have shown a renewed commitment to increasing their efforts to reduce the number of people living in poverty or social exclusion.

Moreover, the Council invites the Commission to monitor the situation in the field of poverty and social exclusion in close cooperation with the Member States, while giving special consideration to innovative integrated approaches. The Council invites the Employment and Social Protection Committee to give special attention to the effectiveness of integrated approaches.

The Council Conclusions are accompanied by an addendum[4], which contains a collection of innovative best practices from all over Europe for integrated approaches to combat poverty and social exclusion. The best practices presented in the addendum illustrate the value of an integrated approach for different vulnerable groups, such as children, migrants, people with disabilities, elderly people, young people, the unemployed, people with a migrant background and homeless people.

[4] http://ec.europa.eu/social/BlobServlet?docId=15732&langId=en

The EU poverty and social exclusion target is based on a combination of three indicators – the at-risk-of-poverty rate, the severe material deprivation rate, and the share of people living in (quasi-)jobless (i.e. very low work intensity) households. It considers people who find themselves in any of these three categories and, while very broad, it reflects the multiple facets of poverty and social exclusion across Europe. This definition extends the customary concept of relative income poverty to cover the non-monetary dimension of poverty and labour market exclusion.

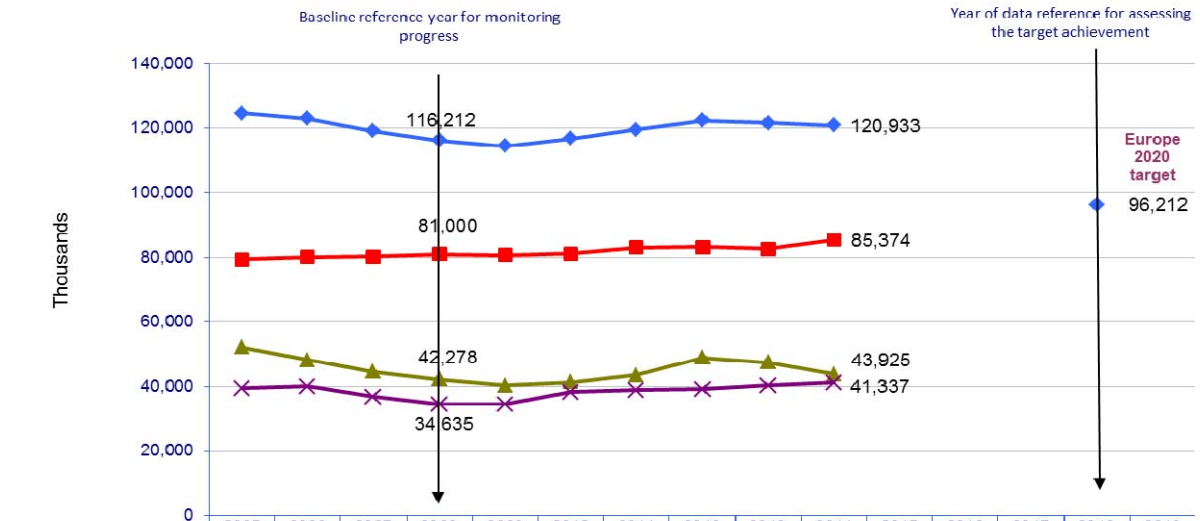
Despite the fact that 8 Member States registered significant falls in the share of the population at risk of poverty and social exclusion in 2014 and only 2 significant rises, overall figures for the EU at-risk-of poverty or social exclusion (AROPE) rate still point to continued stagnation at a high level. Indeed, the latest figures on living and income conditions in the EU show that the EU is not making any significant progress towards achieving its Europe 2020 poverty and social exclusion target of lifting at least 20 million people from the risk of poverty or social exclusion by 2020. In 2014 there were around 4.6 million more people living at risk of poverty or social exclusion in the EU28 compared to 2008 (the reference year, due to data availability, for the target adopted in 2010), and a total of 122.2 million or close to 1 in 4 Europeans. Underlying little change in the AROPE rate are more substantial changes in its components, with a noticeable reduction in severe material deprivation over recent years being more-or-less counter-balanced by rises in the share of people living in (quasi-)jobless households and especially in the share at risk of poverty (Figure 7, which shows time series since 2005 for the EU27 aggregate[5]).

The overall trend masks persisting divergence between Member States. Increases in the AROPE rate between 2008-2014 have been observed mainly in the countries most affected by the economic crisis (CY, EL, IE, ES and IT), have persisted in a number of Eastern European countries which have some of the biggest challenges related to poverty and social exclusion (BG, HU) but have started becoming a significant trend also in countries such as MT and also in countries with some of the lowest shares of AROPE and solid welfare systems like LU and SE. The AROPE rate has remained more or less stable compared to 2008 in AT, BE, CZ, DE, FI, FR, LV, LT, NL, PT and the UK, while it has decreased in only three countries in the whole of the EU, namely PL, RO and SK (Figure 8). In contrast to the generally worsening trend in the years since the crisis hit, several Member States have registered significant improvements between 2013 and 2014, most notably IE, HU, LV and LT, although ES and FI registered significant rises over the year.

Previous analysis (see the SPC 2014 report on the social situation in the EU) shows that behind the changes in the AROPE rates since the crisis of 2008 lie very different dynamics. Some countries show quite similar patterns in terms of the type of individuals most affected but a number of Member States have very heterogeneous profiles. This is due not only to the way the economic crisis has affected countries and their population but also to the structural challenges they face and the policy mix they have implemented. Substantial and focused policy efforts need to become a political priority so that the EU poverty and social exclusion target remains a credible political commitment. Since current levels of poverty and social exclusion are 4.6 million people higher than in 2008, and assuming no further negative developments, almost 25 million people now need to be lifted out of poverty or social exclusion by 2020 for the EU to still achieve the target.

[5] EU27 is used as the time series for the EU28 aggregate is not available back to 2005.

Figure 7: Evolution of the Europe 2020 poverty and social exclusion target in the EU27 (figures in 1000s)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AROPE	124,656	122,936	119,170	116,212	114,524	116,821	119,647	122,450	121,623	120,933				96212	
AROP	79,498	80,159	80,302	81,000	80,692	81,129	83,108	83,267	82,603	85,374					
SMD	52,254	48,283	44,681	42,278	40,342	41,479	43,626	48,919	47,522	43,925					
(Quasi)Jobless HHs	39,520	40,051	36,904	34,635	34,569	38,332	38,987	39,163	40,432	41,337					

Source: Eurostat (EU-SILC)

Note: AROPE – at risk of poverty or social exclusion rate; AROP - at-risk-of-poverty rate; (Quasi-)jobless HHs - share of population living in (quasi)-jobless households; SMD - severe material deprivation rate. For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-) jobless households (i.e. very low work intensity) rate refers to the previous calendar year while for the severe material deprivation rate, the reference is the current survey year.

Figure 8: At risk of poverty or social exclusion rate (in %), evolution (in pp) 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	24.4	24.4	23.5	23.5	21.2	40.1	14.8	17.9	20.6	26.0	27.6	36.0	29.2	18.5	29.3	28.3
2013-2014 change in pp	~	~	~	~	~	n.a.	~	~	~	n.a.	-1.9	~	1.9	~	~	~
2008-2014 change in pp	n.a.	~	1.9	1.8	~	3.2	~	n.a.	~	1.7	3.9	7.9	5.4	~	n.a.	2.8
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	27.4	32.7	27.3	19.0	31.8	23.8	16.5	19.2	24.7	27.5	39.5	20.4	18.4	17.3	16.9	24.1
2013-2014 change in pp	~	-2.4	-3.5	~	-3.0	~	~	~	-1.1	~	-0.9	~	-1.4	1.3	~	-0.7
2008-2014 change in pp	4.1	~	~	3.5	3.6	3.7	~	~	-5.8	~	-4.7	1.9	-2.2	~	2.0	~

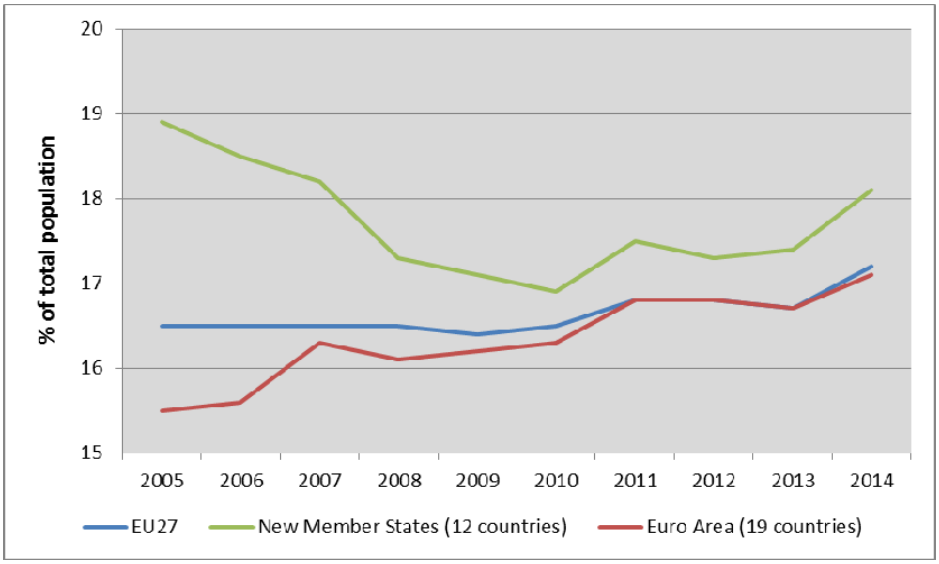
Source: Eurostat (EU-SILC)

Notes: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance. ii) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-)jobless households rate refers to the previous calendar year (i.e. 2013) while for the severe material deprivation rate, the reference is the current year (i.e. 2014). iii) For BG, major break in the time series for the material deprivation indicators, so SMD and AROPE are reported as not available for the latest year period, and the change 2008-2013 is used for the longer period compared to 2008; iv) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes ("n.a." shown for the period compared to 2008).; v) For EE, major break in series in 2014 for variables in EU-SILC. Hence change in EU-SILC based indicators not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; vi) For HR, the long-term comparison for EU-SILC-based indicators is not availalble as no EU-SILC data published by Eurostat before 2010; vii) For UK, changes in the EU-SILC survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious.

Continued deterioration in the relative poverty risk

Looking at the evolution in the relative poverty rate over the past 9 years, we can see that the EU27 rate has generally been quite stable and only started to increase noticeably in 2010. Although it broadly stabilised in 2012 and 2013, there was again a notable increase in the rate in 2014[6]. Behind the movements in the average, there are two underlying trends worth highlighting – the overall trend for the average poverty rate of new Member States was downward until 2010 before generally rising subsequently, while the Euro area poverty rate registered a rather consistent increase through to 2011, before stabilising over 2012 and 2013. However, both the Euro area grouping and that of the new Member States registered sizeable increases in 2014 (Figure 9).

Figure 9: At-risk-of-poverty rate (EU27, EA19, NMS12), 2005-2014



Source: Eurostat (EU-SILC)

11 Member States experienced increasing at-risk-of-poverty rates between 2013 and 2014 (actually reflecting changes in the income situation between 2012 and 2013), the most notable rises being observed in ES, IE, LV and RO. In half of the Member States, the poverty rate has remained stable during this period, and only 2 Member States (EL and LT) saw an improvement (Figure 10). In the longer term, 8 Member States had substantially worse relative poverty rates compared to the start of the crisis in 2008, with the highest increases in EL (2.0 pp), ES (2.4 pp), HU (2.6 pp), LU (3.0 pp), SI (2.2 pp) and SE (2.9 pp).

However, the changes in the at-risk-of-poverty rate must be assessed in parallel with the underlying developments in the poverty threshold. In this regard, for the vast majority of Member States there was no significant change in the threshold between 2013 and 2014, while for a couple (BG and LV) there was a substantial increase. However, of particular note are the 7% and 9% declines (the real change in national currency terms) in the poverty threshold in EL and CY respectively.

[6] Income data actually generally refer to the year before that quoted, which is the EU-SILC survey reference year.

Figure 10: Evolution (in pp) of the at-risk-of-poverty rate and the associated at-risk-of-poverty threshold (in %, as real change in national currency terms), 2013-2014 and 2008-2014

AROP

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	17.2	17.2	17.1	17.1	15.5	21.8	9.7	12.1	16.7	21.8	15.6	22.1	22.2	13.3	19.4	19.4
2013-2014 change in pp	~	~	~	~	~	0.8	1.1	~	0.6	n.a.	1.5	-1.0	1.8	~	~	~
2008-2014 change in pp	n.a.	~	1.1	~	~	~	~	n.a.	1.5	~	~	2.0	2.4	~	n.a.	~
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	14.4	21.2	19.1	16.4	15.0	15.9	11.6	14.1	17.0	19.5	25.4	14.5	12.6	12.8	15.1	16.8
2013-2014 change in pp	~	1.8	-1.5	~	~	~	1.2	~	~	0.8	3.0	~	~	1.0	~	0.9
2008-2014 change in pp	~	-4.7	~	3.0	2.6	~	~	~	~	~	~	2.2	1.7	~	2.9	-1.9

AROP threshold (real change in national currency)

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	n.a.	n.a.	n.a.	n.a.	11755	4052	6654	11992	11530	5545	9598	5166	8517	11584	4644	9165
2013-2014 change in %	n.a.	n.a.	n.a.	n.a.	~	15.1	~	~	~	n.a.	~	-7.0	~	~	~	~
2008-2014 change in %	n.a.	n.a.	n.a.	n.a.	9.3	38.1	7.2	n.a.	~	~	-15.7	-34.2	-12.7	~	n.a.	-8.8
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	9457	4392	4557	16962	4535	9300	11283	12997	5736	6075	2454	8597	5883	11550	12368	10160
2013-2014 change in pp	-9.0	10.8	~	~	~	~	~	~	~	~	~	~	~	~	~	~
2008-2014 change in pp	-18.1	~	~	~	~	14.2	~	6.4	22.8	-5.8	16.2	~	27.8	5.1	15.3	-6.7

Source: Eurostat (EU-SILC)

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance. ii) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2012) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey); iii) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008 for these).; iv) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files. Hence change in EU-SILC based indicators not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; v) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; vi) For UK, changes in the EU-SILC survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious.

Focusing on the longer term changes since 2008 in the above table again highlights the especially worrying developments in EL where a significant rise in the risk of poverty is combined with a substantial fall in the poverty threshold of 34% (real change in national currency terms). In addition, CY, IE and ES have also seen marked real falls (of around 18%, 16% and 13% respectively in real terms based on national currency series) in the poverty threshold, which in ES is also combined with a marked rise in the at-risk-of-poverty rate.

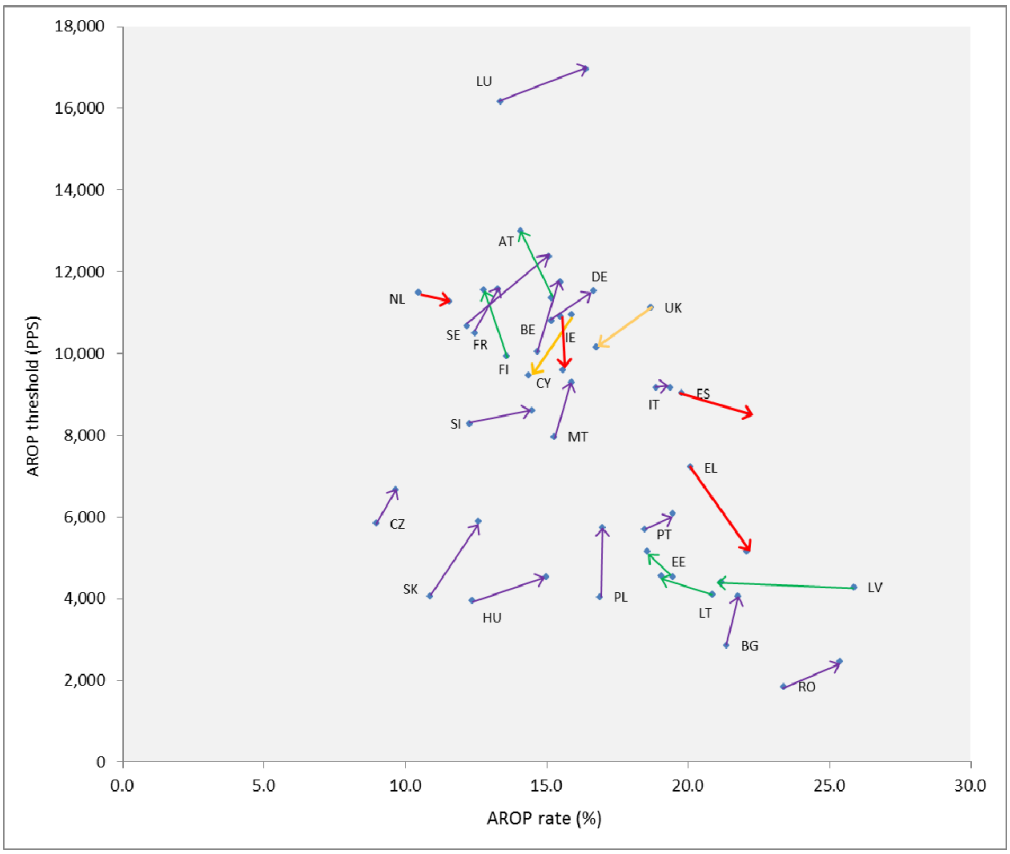
Taking a slightly different perspective in terms of looking at combined changes in the at-risk-of-poverty rate and the poverty threshold in terms of purchasing power parities[7] (Figure 11), confirms the marked differences in patterns of developments across Member States since 2008. Making reference to the threshold in purchasing power parities (and not in national currency),

[7] Purchasing power parities (PPPs) are used as currency conversion rates to convert income or expenditures expressed in national currencies into an artificial common currency (the Purchasing Power Standard, PPS), thus eliminating the effect of price level differences across countries.

developments of the threshold in an EU comparative perspective are measured. The graph shows the combined evolution in the at-risk-of-poverty rate and the associated at-risk-of-poverty threshold over the period 2008-2014, although with no indication of the statistical significance of the changes. The arrows depict how Member States have moved on the two indicators over the full period since the start of the crisis. Arrows pointing to the top left corner (in green) point to progress on both indicators, while arrows pointing to the bottom right corner (in red) point to a negative development on both indicators. This visual representation can contribute to a better understanding of the development of the risk-of-poverty at Member State level. It also helps in assessing the situation at the level of the EU, e.g. by showing whether trends are converging or diverging between the Member States.

An increase in the threshold with a decreasing poverty rate points to stronger increases among the lowest incomes compared to the median income, while increasing poverty rates with a decreasing poverty threshold points to incomes (just) above the threshold dropping faster than the median. Increases in both the threshold and the rate points to increasing median income, while the lowest incomes remain stable or are increasing more slowly than the median. Finally, a situation of both a decreasing rate and threshold points to a drop in median income, while incomes (just) below the threshold remain stable (or increase).

Figure 11: Combined evolution in the at-risk-of-poverty rate (in %) and the associated at-risk-of-poverty threshold (in PPS), 2008-2014



Source: Eurostat (EU-SILC)

*Notes: i) Major break in series in 2014 in EE for income variables in EU-SILC, so changes are presented for the period 2008-2013 only; ii) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes, so no figures shown; iii) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; iv) The income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey); v) Line colours reflect the combined movement of the threshold and AROP rate: **Green** = threshold up and rate down, **purple** = both threshold and rate up, **orange** = threshold down and rate down, **red** = threshold down and rate up); vi) In this chart all changes are shown without regard to the statistical significance of the change.*

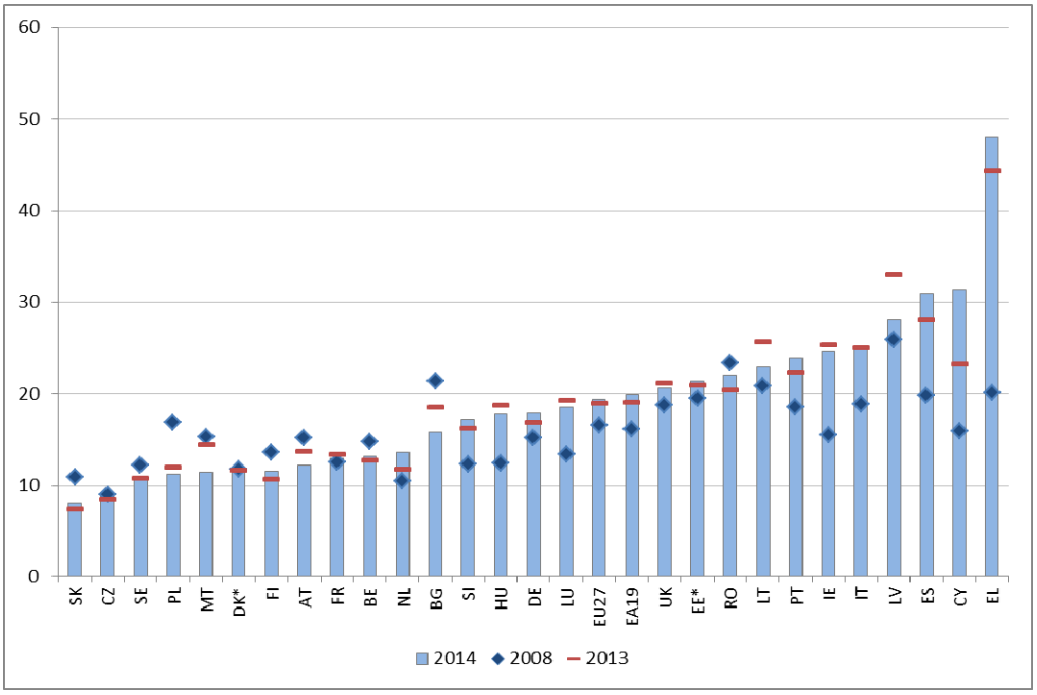
The results again highlight the especially worrying developments in EL where a significant rise in the risk of poverty is combined with a substantial fall in the poverty threshold of close to 30% in purchasing power parity (PPP) terms. Similarly, in ES a significant increase in the poverty rate occurs simultaneously with a fall of around 6% in the threshold. In addition, although IE has not seen a significant change in the risk of poverty, this is nevertheless associated with a fall of around 12% in the poverty threshold in PPPs. Many Member States have experienced a combined significant rise in both the poverty risk and the threshold (most notably LU, SE and SK), and some a significant fall in the poverty risk combined with a rise in the threshold (most notably AT and FI as well as the Baltic States EE, LV and LT). Finally, a couple of countries (CY and UK) have seen a fall in the poverty risk together with a drop (in PPP terms) in the poverty threshold.

As the above results highlight, in periods of sudden changes in the median income of the population, as has been the case in a number of Member States during the economic crisis, the poverty threshold can move quite substantially and impact on the real implication of evolutions of the poverty rate. A useful way to account for this is to keep the poverty threshold fixed in real terms over a longer period of time, therefore controlling for the effects of a moving poverty threshold, and reflect the evolution of the real income of the poor and the effectiveness of social inclusion policies. In the current context this method reflects better the deterioration of the real income of the poor and the lack of effectiveness of social inclusion policies.

Figure 12 shows the evolution of the at-risk-of-poverty rates anchored in 2008 poverty threshold levels. Results suggest that between 2013 and 2014 the largest increases were observed in CY (8.0 pp), EL (3.7 pp), and ES (2.8 pp) while the largest decreases were registered in BG (down 2.7 pp), LT (2.7 pp) and MT (2.9 pp), and above all LV (down 5.0 pp). Looking at the longer timeframe 2008-2014, and keeping the poverty threshold at the 2008 value, EL has clearly seen the most dramatic increase in its anchored poverty rate (up 27.9 pp), followed by CY (15.4 pp), ES (11.1 pp), IE (9.2 pp) and IT (6.1 pp), while HU, LU, PT and SI have all seen rises of the order of 5 pps. The biggest improvements were observed in BG and PL, both with decreases of 5.6 pp, while AT, MT and SK also saw declines of the order of 3 pp. In absolute terms, 19.4 % of the population in the EU were at-risk-of-poverty in 2014, anchored at 2008 poverty threshold levels, which is 2.2 pp higher than the ordinary rate of 17.2 %.

Another issue of concern is the rise in the share of the population suffering persistent poverty (Figure 13). In 2014, the persistent at-risk-of-poverty rate[8] in the EU was 10.4%, up from 8.6% in 2008. Significant rises in the persistent poverty rate for the latest year of data available can be seen in 10 Member States, with the most notable increases being in BG (3.1 pp), LT (5.8 pp) and RO (3.2 pp). Significant longer term developments since 2008 are apparent in ES and MT (both up around 3 pp) and especially in LT and SE (both up 5 pp), while there has been a significant reduction in EE (down 4.3pp) over 2008-2013.

Figure 12: At-risk-of-poverty rate anchored in 2008 for 2008, 2013 and 2014



Source: Eurostat (EU-SILC)

Note: i) Sorted on the anchored-AROP rate for 2014; ii) break in series in 2014 for EE and over 2008-2014 in DK iii) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; iv) for the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Figure 13: Persistent at-risk-of-poverty rate (in %), evolution (in pp) 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	10.4	10.3	10.5	n.a.	9.5	16.5	3.4	5.1	9.5	11.2	n.a.	14.5	14.3	7.9	13.2	12.9
2013-2014 change in pp	~	~	~	n.a.	~	3.1	~	n.a.	-1.1	n.a.	n.a.	2.1	2.2	~	n.a.	~
2008-2014 change in pp	n.a.	1.7	1.7	n.a.	~	n.a.	~	n.a.	2.3	-4.3	n.a.	1.5	3.3	n.a.	n.a.	~
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	7.3	10.8	16.0	8.7	8.6	10.6	7.7	8.5	10.7	12.0	20.2	9.5	7.1	7.0	7.6	6.5
2013-2014 change in pp	-2.7	-1.3	5.8	~	1.3	2.1	1.2	~	1.7	~	3.2	2.0	n.a.	~	n.a.	-1.3
2008-2014 change in pp	-2.6	-1.8	5.1	~	~	2.9	1.3	n.a.	~	-1.1	n.a.	1.8	2.2	~	5.0	-2.0

[8] The indicator shows the percentage of the population whose equivalised disposable income was below the 'at-risk-of-poverty threshold' for the current year and at least 2 out of the preceding 3 years

Source: Eurostat (EU-SILC)

Note: i) For AT, break in series in 2011 for persistent poverty ("n.a." shown for the period compared to 2008); ii) Major break in series in 2014 in EE for income variables in EU-SILC, so changes are presented for the period 2008-2013 only; iii) For DK, SE and SK, no data for 2014, so no figures shown for latest year changes; iv) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); v) For SE and SK longer term change refers to 2008-2013; vi) Data missing for IE, FR and HR.

Negative developments still observed in the depth of poverty in several countries, but more timely data on material deprivation suggest a recent improvement in living standards

The poverty gap shows what is happening in terms of the depth of poverty, indicating the extent to which the incomes of those at risk of poverty fall below the poverty threshold on average. In policy terms, it indicates the scale of transfers which would be necessary to bring the incomes of those concerned up to the poverty threshold. The poverty gap in the EU in 2014 was 24.6% of the at-risk-of-poverty threshold, and has expanded by 2.7 pp since 2008. In 2014, the poverty gap in EU countries varied between 14% (in FI) to over 30% in BG, EL, ES, PT and RO. It is especially concerning that the poverty gap has increased in almost two-thirds of Member States since 2008, and in some countries quite substantially so (by around 5 pp or more in BG, EL, ES, IT, HU, PT and SK) (Figure 14). Also of concern is the fact that the gap widened considerably in several Member States over 2013-2014, with particularly marked jumps in BG, DE, PT, RO and SK.

Figure 14: Relative median at-risk-of-poverty gap, evolution in pp, 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	24.6	24.6	24.8	24.8	18.8	33.2	18.0	18.5	23.2	22.0	17.2	31.3	31.6	16.6	27.9	28.2
2013-2014 change in pp	~	~	~	~	~	2.3	1.4	-5.0	2.8	n.a.	~	-1.4	~	~	~	~
2008-2014 change in pp	n.a.	2.7	3.4	3.4	1.6	6.2	~	n.a.	~	1.2	~	6.6	6.0	2.1	n.a.	5.0
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	18.5	23.6	22.7	16.3	22.3	17.8	16.9	20.1	23.2	30.3	35.1	22.0	29.0	13.9	20.4	19.6
2013-2014 change in pp	~	-3.9	-2.1	-1.2	1.3	-1.3	~	-1.2	~	2.9	2.5	1.6	4.9	-1.1	~	~
2008-2014 change in pp	3.2	-5.0	-2.9	~	5.0	-2.5	2.0	~	2.6	7.1	2.8	2.7	10.9	-1.8	2.4	-1.4

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes "n.a." shown for the period compared to 2008).; ii) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files. Hence change in EU-SILC based indicators not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

In the period 2013-2014[9], 9 Member States recorded statistically significant reductions in severe material deprivation (Figure 15), with particularly notable improvements in the Baltic States (LT (down 2.4 pp) and LV (down 4.8 pp)), HU (down 3.8 pp) and RO (down 3.5 pp), while only 4 countries registered a deterioration. Nevertheless, the longer term trend remains mainly negative overall, with the rate of severe material deprivation having increased since 2008 in 10 Member States and having reduced only in 4 (Figure 16). The countries having experienced the worst longer-term increases were EL (10.3 pp), CY (6.2 pp), HU (6.1 pp) and MT (5.9 pp), but several other Member States (EE, IE, ES, IT and the UK) have also experienced sizeable rises of the order of 3-4 pp. In comparison, LV and LT – among those most affected by the economic crisis and previously showing strong increases in severe material deprivation - have experienced a very sharp improvement in the situation over the last few years to the extent that there is now no significant change compared to 2008. Among the few countries having seen an improvement compared to 2008, PL and RO have recorded considerable reductions in SMD rates of around 7-8 pps.

Figure 15: Severe material deprivation rate, evolution in pp, 2013-2014 and 2008-14

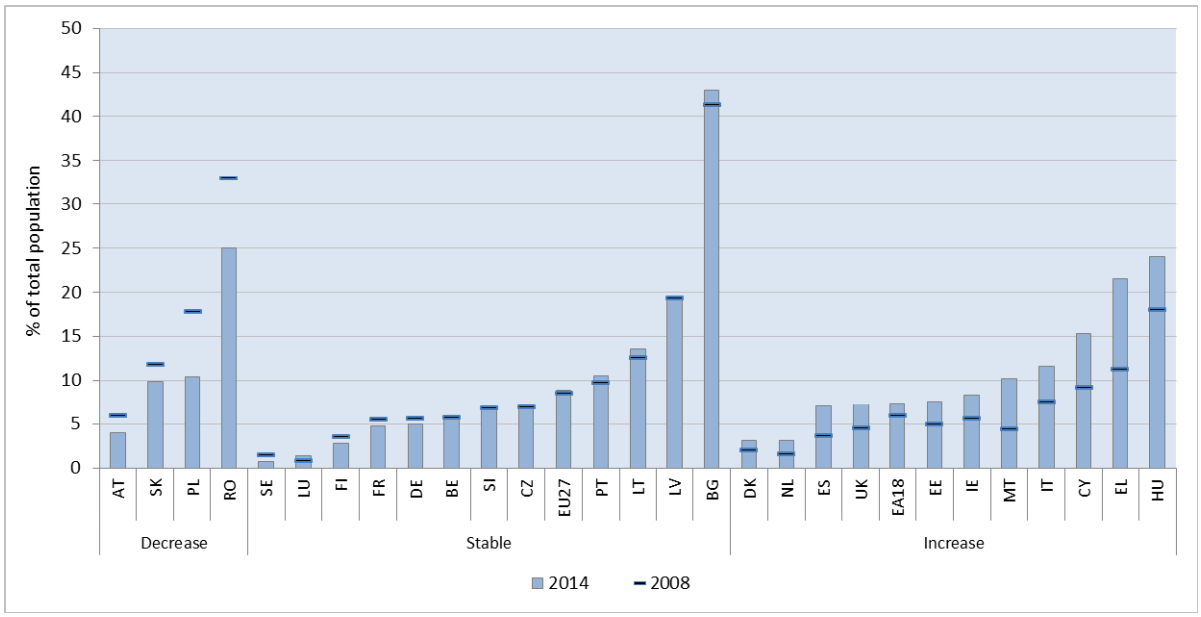
	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	8.9	8.9	7.3	7.4	5.9	33.1	6.7	3.2	5.0	6.2	8.4	21.5	7.1	4.8	13.9	11.6
2013-2014 change in pp	-0.7	-0.7	~	~	0.8	n.a.	~	~	~	n.a.	-1.5	1.2	0.9	~	-0.8	~
2008-2014 change in pp	n.a.	~	1.4	1.5	~	~	~	n.a.	~	2.7	2.9	10.3	3.5	~	n.a.	4.1
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	15.3	19.2	13.6	1.4	24.0	10.2	3.2	4.0	10.4	10.6	25.0	6.6	9.9	2.8	0.7	7.3
2013-2014 change in pp	~	-4.8	-2.4	~	-3.8	~	0.7	~	-1.5	~	-3.5	~	~	~	-0.7	-1.0
2008-2014 change in pp	6.2	~	~	~	6.1	5.9	1.7	-1.9	-7.3	~	-7.9	~	-1.9	~	~	2.8

Source: Eurostat (EU-SILC)

Notes: i) For BG, major break in the time series for the material deprivation indicator (SMD), so SMD reported as not available for the latest year period, and the change 2008-2013 is used for the longer period compared to 2008; ii) For DK, breaks in series for the period 2008-2014 so "n.a." shown for the period compared to 2008; iii) For EE, major break in series in 2014 for variables in EU-SILC. Hence change in EU-SILC based indicators not available for the latest year period, and change 2008-2013 used for the longer period; iv) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; v) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious;; vi) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change).

[9] The majority of Member States have provided early delivery material deprivation figures to Eurostat. As a result, for many countries more recent figures or estimates for SMD are already available, and the more recent changes between 2014 and 2015 are discussed in the main body of the report.

Figure 16: Longer term developments in the severe material deprivation rate, 2008-2014



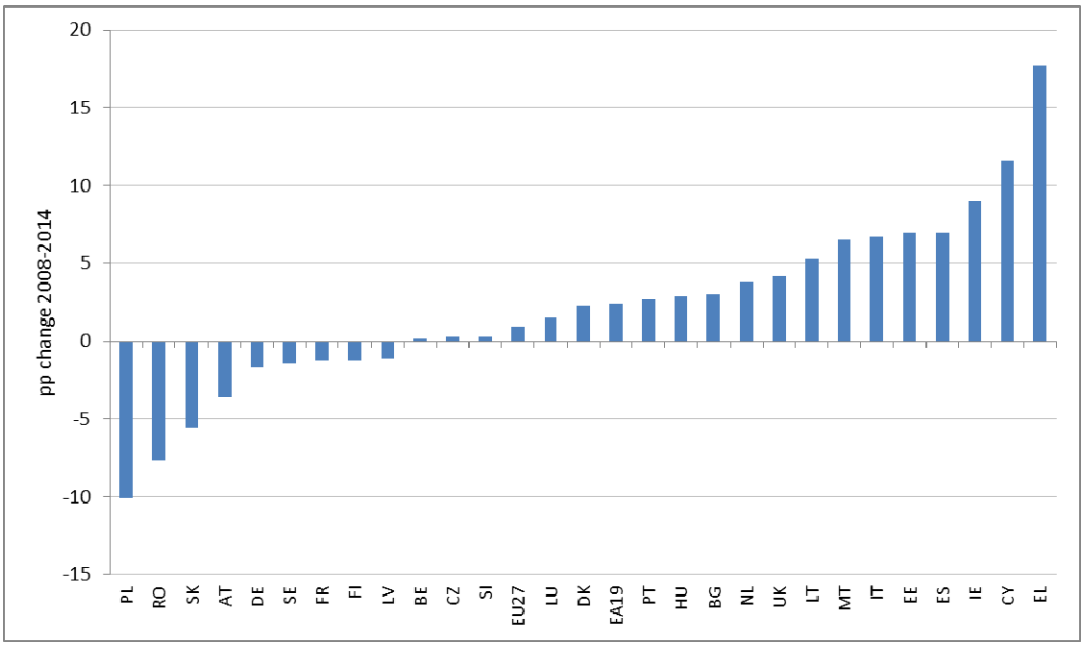
Source: Eurostat (EU-SILC)

Notes: i) For BG, major break in the time series in 2014 for the material deprivation indicator (SMD), so the change 2008-2013 is used; ii) For DK, breaks in series for the period 2008-2014; iii) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files, so change 2008-2013 used; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes used for assigning countries to "decrease", "stable" and "increase" groups.

If one looks at the "standard" material deprivation rate (defined as the percentage of the population with an enforced lack of at least three out of nine material deprivation items in the 'economic strain and durables' dimension), the general pattern of longer term changes across Member States since 2008 is broadly similar to that for the severe material deprivation rate (Figure 17). The largest rises in material deprivation since 2008 are observed in the southern Member States of CY, EL, ES, IT and MT as well as IE, all with increases in excess of 6 pp. The increases in CY (up 11.6 pp) and EL (up 17.7 pp) are particularly marked. In contrast, countries such as PL, RO and SK have seen significant declines ranging from 5 to 10 pp. Turning to more recent developments, figures for the latest annual changes 2013-2014 point to noticeable falls in material deprivation in around two-thirds of Member States, although notable increases of the order of 1 pp were still recorded in ES, MT and NL, and of 2.2 pp in EL.

The indications of a recent general improvement in living standards are supported by the latest figures on the real change in gross household disposable income across the EU between 2013 and 2014 (Figure 18). Among those Member States for which figures are available, 17 have seen a significant rise in real household income, while it has only decreased in 4 countries. In a longer term perspective, however, in many Member States real incomes are still markedly below those just before the crisis hit, with particularly strong falls still in evidence in ES (-8.6%), IE (-9.1%), HR (-8.0%), IT (-9.6%), LV (-14.7%), PT (-8.9%), RO (-11.5%) and above all CY (-21.0%) and EL (-32.3%).

Figure 17: Changes in the "standard" (enforced lack of at least 3 items) material deprivation rate, 2008-2014



Source: Eurostat (EU-SILC)

Notes: i) For BG, break in the time series in 2014 for the material deprivation indicator, so change 2008-2013 is used; ii) For DK, breaks in series for the period 2008-2014 so change compared to 2008 may be affected; iii) For EE, major break in series in 2014 for variables in EU-SILC, so change 2008-2013 used; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) The "standard" material deprivation rate is defined as the percentage of the population with an enforced lack of at least three out of nine material deprivation items in the 'economic strain and durables' dimension.

Figure 18: Real change in gross household disposable income 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2013-2014 change in pp	1.6	n.a.	n.a.	0.7	~	n.a.	1.6	1.5	1.4	2.1	0.8	-1.2	0.6	1.2	0.9	~
2008-2014 change in pp	2.4	n.a.	n.a.	-2.2	~	6.5	~	6.0	4.0	-2.8	-9.1	-32.3	-8.6	3.5	-8.0	-9.6
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2013-2014 change in pp	-12.7	4.1	2.4	n.a.	2.8	n.a.	1.1	~	2.7	~	-21.5	1.4	3.2	-1.0	2.1	0.6
2008-2014 change in pp	-21.0	-14.7	-4.9	n.a.	-2.3	n.a.	~	~	13.7	-8.9	-11.5	-5.0	5.4	4.0	16.8	3.6

Source: DG EMPL estimates based on Eurostat (National Accounts)

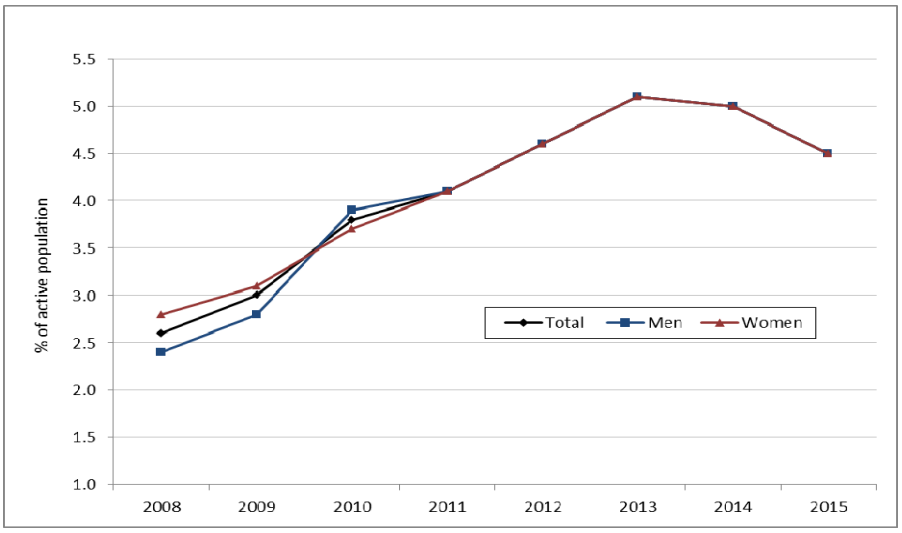
Notes: i) Growth for the EU28 in real terms is estimated from existing Member States' data which must cover at least 85% of the EU nominal GDHI, iii) Year-on-year changes of magnitude greater than 0.5% and changes since 2008 of magnitude greater than 1% are highlighted as significant.

Despite recent improvements, long-term exclusion from the labour market remains a key challenge

Rises in unemployment and long-term unemployment were some of the more immediate and tangible impacts of the economic crisis, and the consequences remain a challenge today. The long-term unemployment rose sharply from 2008 onwards, and by 2013 had doubled to 5.1% of

the active population before easing slightly over 2014 and 2015. The rates for men and women converged following the crisis and since 2011 have been the same. Both peaked at just over 5% in 2013 and have declined subsequently to 4.5% in 2015 (Figure 19).

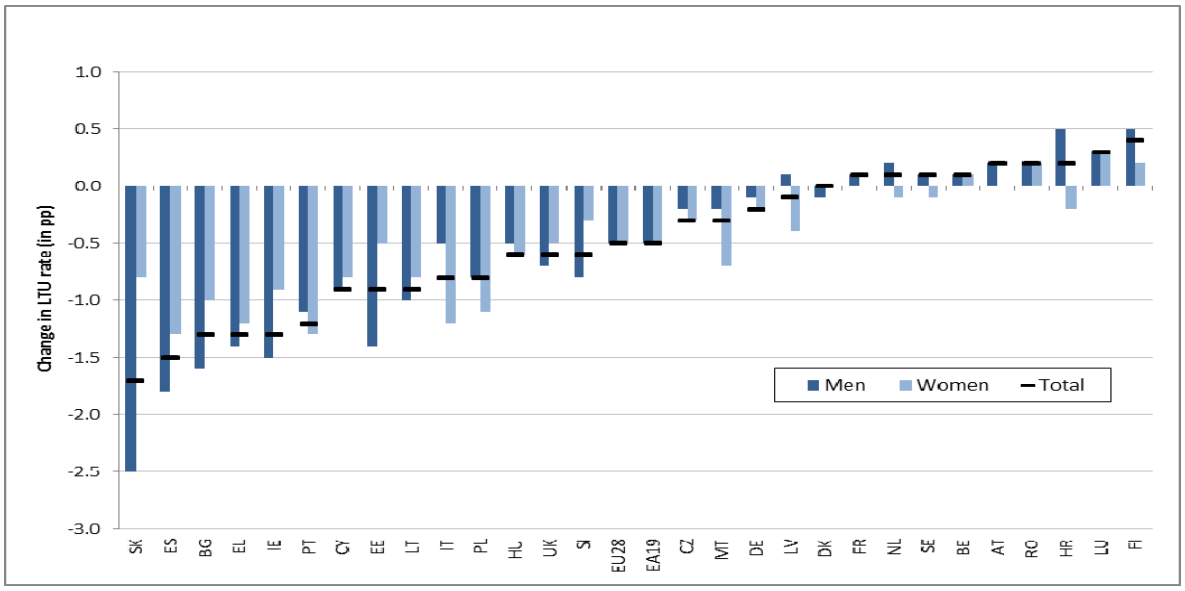
Figure 19: EU long-term unemployment rate by gender, 2008-2015



Source: Eurostat (LFS)

Over the latest year, in countries where the LTU rate declined the fall has generally been stronger for men than for women (and notably so in EE and SK), although there are several cases where the reverse is true, most notably in IT, LV, MT, PL and PT (Figure 20). In countries where the rate rose or changed little, the increase was either similar for both genders or more pronounced among men, and in some cases (HR, NL and SE) rates rose for men while they declined slightly for women. Overall, at EU level the LTU decreased by 0.5 pp for both men and women.

Figure 20: Changes in LTU rates across Member States 2014-2015, by gender



Source: Eurostat (LFS)

The most recent data available show that the share of (quasi-)jobless households increased in 9 countries as reported in 2014 EU-SILC survey data (the data actually refer to the situation in 2013), most noticeably in some of the southern Member States most affected by the crisis (CY, ES, IT) but also more notably in AT, FI and FR. Only 6 countries registered a significant reduction (BG, EL, IE, LT, SE and the UK) in that period (Figure 21). With reference to 2008, 2/3 of Member States recorded statistically significant increases in their share and for around a 1/3 of them (CY, EL, ES, IE and PT) the increase is around 5pp or more.

Figure 21: Evolution of the share of people living in (quasi-) jobless households, 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	11.2	11.1	11.9	11.9	14.6	12.1	7.6	12.1	10.0	7.6	21.1	17.2	17.1	9.6	14.7	12.1
2013-2014 change in pp	~	~	0.7	0.7	0.6	-0.9	0.7	~	~	n.a.	-2.8	-1.0	1.4	1.5	~	0.8
2008-2014 change in pp	n.a.	1.9	2.6	2.6	2.9	4.0	~	n.a.	-1.7	3.1	7.4	9.7	10.5	~	n.a.	1.7
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	9.7	9.6	8.8	6.1	12.8	9.8	10.2	9.1	7.3	12.2	6.4	8.7	7.1	10.0	6.4	12.2
2013-2014 change in pp	1.8	~	-2.2	~	~	~	~	1.3	~	~	~	0.7	~	1.0	-0.7	-1.0
2008-2014 change in pp	5.2	4.2	2.7	~	~	~	2.0	1.7	~	5.9	-1.9	2.0	1.9	2.5	~	1.8

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 so "n.a." shown for the period compared to 2008; ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v); Only significant changes have been marked in green/red (positive/negative changes) while "~" refers to stable performance (i.e. insignificant change).

Unemployment has worrisome social costs – greater probabilities of lower life-satisfaction, poorer health, a greater sense of disillusionment with society and a far more pessimistic assessment of labour market prospects. The important point about all these is that, once established, they become increasingly difficult to eradicate. In addition, past experiences of recessions in the EU and other parts of the world show that long-term unemployment continues to rise after total unemployment has peaked, and takes a long time before it starts to decline.

The overall share of working poor is increasing

Having a job is not always a guarantee against the risk of poverty, as the working poor represent one third of working-age adults who are at-risk-of-poverty. In 2014, 9.6% of people aged 18-64 in employment in the EU were living under the poverty threshold, up 0.6 pp on the previous year. Compared to rates in 2008, in work poverty has increased significantly in 9 Member States, most notably in DE and RO where rates have risen by close to 3 pp, and for the EU as a whole by 1.1 pp (Figure 22). Over 2013-2014, the risk increased in 7 Members States, most notably in BG (up 2.1 pp), ES (2.0 pp) and RO (1.8 pp), but also in DE, IE, NL and SE, where rates all rose of the order of 1 pp and raising concerns over the trends in the quality of jobs on offer to get people back into work. In contrast, improvements were recorded in only 3 Member States, namely CY, LV and SI,

where rates of in work poverty fell by around a percentage point. The highest rates of in work poverty are now observed in RO (19.5%), EL (13.2%) and ES (12.6%), but rates also exceed 10% in EE, IT, LU, PL and PT. It is also interesting to note that as a result of substantial rises in recent years, the rate in DE (9.9%) is now above the EU average.

Figure 22: Evolution of the share of working poor, 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	9.6	9.6	9.4	9.4	4.8	9.3	3.6	4.8	9.9	11.8	5.5	13.2	12.6	8.0	5.7	11.1
2013-2014 change in pp	0.6	0.6	0.7	0.7	~	2.1	~	~	1.3	n.a.	1.0	~	2.0	~	~	~
2008-2014 change in pp	n.a.	1.1	1.3	1.3	~	1.7	~	n.a.	2.8	~	~	~	1.3	1.5	n.a.	2.0
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	7.8	8.3	8.4	11.1	6.7	5.7	5.3	7.2	10.7	10.7	19.5	6.4	5.7	3.7	7.8	8.7
2013-2014 change in pp	-1.2	-0.8	~	~	~	~	0.8	~	~	~	1.8	-0.7	~	~	0.7	~
2008-2014 change in pp	1.5	-2.4	-1.1	1.7	~	~	~	-1.3	~	~	2.7	1.3	~	-1.4	~	~

Source: Eurostat (EU-SILC)

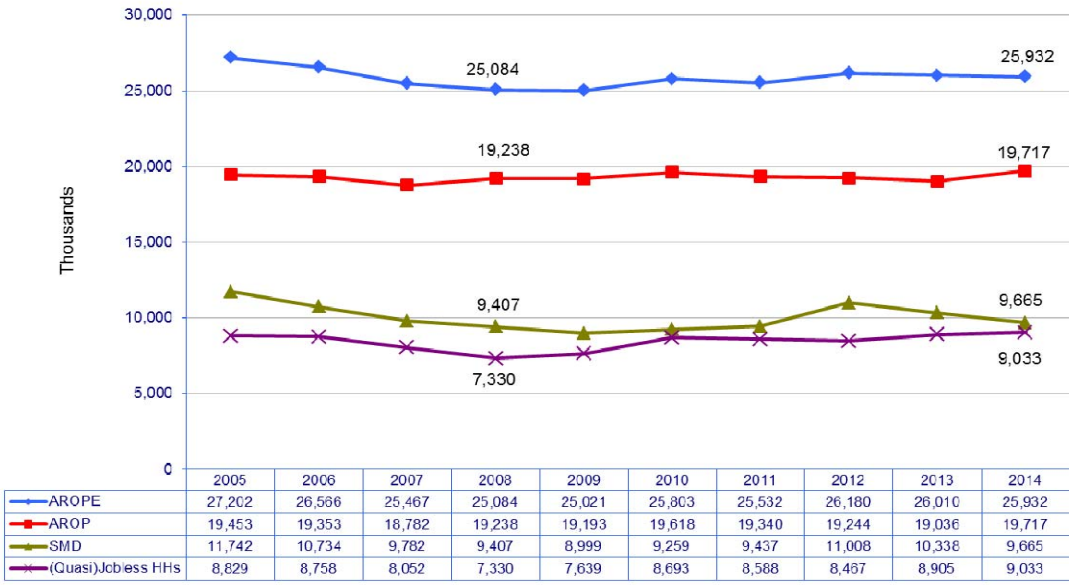
Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). vi) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Child poverty and youth exclusion remain major concerns

As highlighted in the previous sections, long-term exclusion from the labour market alongside rising levels of in-work poverty are key challenges to address in order to raise income and living standards. This is particularly important when discussing the situation of children as unemployment, low work intensity of parents and low earnings, in some countries coupled with low access to services and the weak impact of income support measures, are among the main factors leading to child poverty and social exclusion.

There were 26.1 million children in the EU-28 (25.9 million in the EU-27) living at risk of poverty or social exclusion in 2014, little changed from the previous year and accounting for around 1/5 of all people living in poverty or social exclusion. The situation of children had been improving up until the crisis but worsened subsequently, adding around another million children to the total at risk, and mainly reflecting rises in severe material deprivation among children and in the number of children living in (quasi)jobless households (Figure 23). However, the overall risk of poverty or social exclusion for children has remained broadly stable since 2012, as the declines in severe material deprivation among the child population have been counterbalanced by developments in their risk of poverty and in the number of children living in (quasi-)jobless households.

Figure 23: Evolution in child poverty and social exclusion and its components in the EU-27, 2005 to 2014



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AROPE	27,202	26,566	25,467	25,084	25,021	25,803	25,532	26,180	26,010	25,932
AROP	19,453	19,353	18,782	19,238	19,193	19,618	19,340	19,244	19,036	19,717
SMD	11,742	10,734	9,782	9,407	8,999	9,259	9,437	11,008	10,338	9,665
(Quasi)Jobless HHs	8,829	8,758	8,052	7,330	7,639	8,693	8,588	8,467	8,905	9,033

Source: Eurostat (EU-SILC)

Note: i) Figures are in 1000s; ii) AROPE – at risk of poverty or social exclusion rate; AROP - at-risk-of-poverty rate; (quasi)-Jobless households - share of population living in (quasi-)jobless (i.e. very low work intensity) households; SMD - severe material deprivation rate; iii) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-)jobless household (i.e. very low work intensity) rate refers to the previous calendar year (i.e. 2013) while for the severe material deprivation rate, the reference is the current survey year (i.e. 2014).

In 2014, 6 Member States registering statistically significant reductions in the poverty or social exclusion rate for children compared to the year before, most notably LT (-6.5 pp), IE (-3.6 pp), CY (-3.0) and LV (-3.1 pp). Nevertheless, 6 Member States recorded a clear worsening in the situation for children, for some (CZ and ES) with very sharp increases of around 3pp. The situation with respect to the longer term trend is particularly alarming in some Member States, which have seen significant increases in the rate of child poverty or social exclusion between 2008 and 2014. In a number of countries, these longer term increases are in the range of 6-10 pp (HU (8.4 pp), EL (8.0 pp), BG (7.3 pp), MT (6.3 pp), and ES (5.7 pp), while only one Member States (PL) has recorded a significant decrease in their child poverty or social exclusion rates (Figure 24). Levels of child poverty or exclusion above 30% are observed in 11 Member States, and among these rates of over 40% in BG and LV, and around 50% in RO, are of particular concern.

Figure 24: Evolution of the share of children (0-17) at risk of poverty or social exclusion, 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	27.8	27.7	25.6	25.7	23.2	45.2	19.5	14.5	19.6	23.8	30.3	36.7	35.8	21.6	29.0	32.1
2013-2014 change in pp	~	~	~	~	1.3	n.a.	3.1	~	~	n.a.	-3.6	~	3.2	0.8	~	~
2008-2014 change in pp	n.a.	1.3	2.0	2.0	~	7.3	~	n.a.	~	~	~	8.0	5.7	~	n.a.	3.7
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	24.7	35.3	28.9	26.4	41.8	31.3	17.1	23.3	28.2	31.4	50.5	17.7	23.6	15.6	16.7	31.3
2013-2014 change in pp	-3.0	-3.1	-6.5	~	~	~	~	~	-1.6	~	2.0	~	~	2.6	~	-1.3
2008-2014 change in pp	~	~	~	5.5	8.4	6.3	~	~	-4.7	~	~	~	~	~	~	~

Source: Eurostat (EU-SILC);

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). vi) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-)jobless households (i.e. very low work intensity) rate refers to the previous calendar year (i.e. 2013) while for the severe material deprivation rate, the reference is the current survey year (i.e. 2014).

While the worrisome levels of child poverty and what they imply in terms of human capital development pose an important question for the longer-term future of European countries, the disproportionate ways in which the recent economic crisis has affected youth has more immediate consequences, including risks of long-term unemployment and lasting inactivity, while remaining outside the labour market has far reaching consequences – not solely economic. These include a loss of confidence, an undermining of trust and expectations, and an increasing risk of social exclusion and disengagement from society.

The labour market situation of young people and their exclusion from social security rights is therefore a matter of utmost priority and is being addressed partly through EU initiatives such as the Youth Guarantee[10] adopted by the Council in April 2013[11]. This is a new approach to tackling youth unemployment which ensures that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within 4 months of them leaving formal education or becoming unemployed. The good-quality offer should be for a job, apprenticeship, traineeship, or continued education and be adapted to each individual need and situation. Another EU initiative has been the Youth Employment Initiative[12] (2013), which aims to support particularly young people not in education, employment or training in regions with a youth unemployment rate above 25%.

10 http://ec.europa.eu/social/main.jsp?catId=1079&langId=en.

11 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013H0426(01).

12 http://ec.europa.eu/social/main.jsp?catId=1176&langId=en.

As a result of such initiatives and the general improvement in EU labour markets in recent years, in 2015 the youth unemployment ratio[13] showed strong declines across the vast majority of Member States, with 19 countries registering significant falls and only one (FI) an increase. Of particular note were falls of the order of 2 pp in CY, EL and ES. Nevertheless, compared to the before the crisis the overall picture is still one of strong deterioration in the labour market situation of young people, with a significant increase in the youth unemployment ratio still evident in around half of Member States and still with rises in excess of 5pp in CY, EL, ES and HR. Improvement over the longer term reference period has only been registered in DE (Figure 25), and at EU level the ratio remains 1.5 pp up on the level in 2008.

Figure 25: Evolution of youth unemployment ratio (15-24), 2014-2015 and 2008-2015

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2015	8.4	8.4	8.9	8.8	6.6	5.6	4.1	6.7	3.5	5.5	7.6	12.9	16.8	9.1	14.3	10.6
2014-2015 change in pp	-0.8	-0.8	-0.6	-0.7	~	-0.9	-1.0	-1.1	~	~	-1.3	-1.8	-2.2	~	-1.0	-1.0
2008-2015 change in pp	1.5	1.5	2.0	1.9	~	1.8	~	~	-2.0	~	~	6.3	5.1	2.0	5.6	4.1
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2015	12.3	6.7	5.5	6.1	5.4	6.1	7.7	6.1	6.8	10.7	6.8	5.8	8.4	11.7	11.2	8.6
2014-2015 change in pp	-2.2	-1.2	-1.1	~	-0.6	~	-0.9	~	-1.3	-1.2	~	-1.0	-0.8	1.0	-1.5	-1.2
2008-2015 change in pp	8.5	~	1.5	~	~	~	3.8	~	1.1	3.9	n.a.	1.3	2.2	2.9	~	~

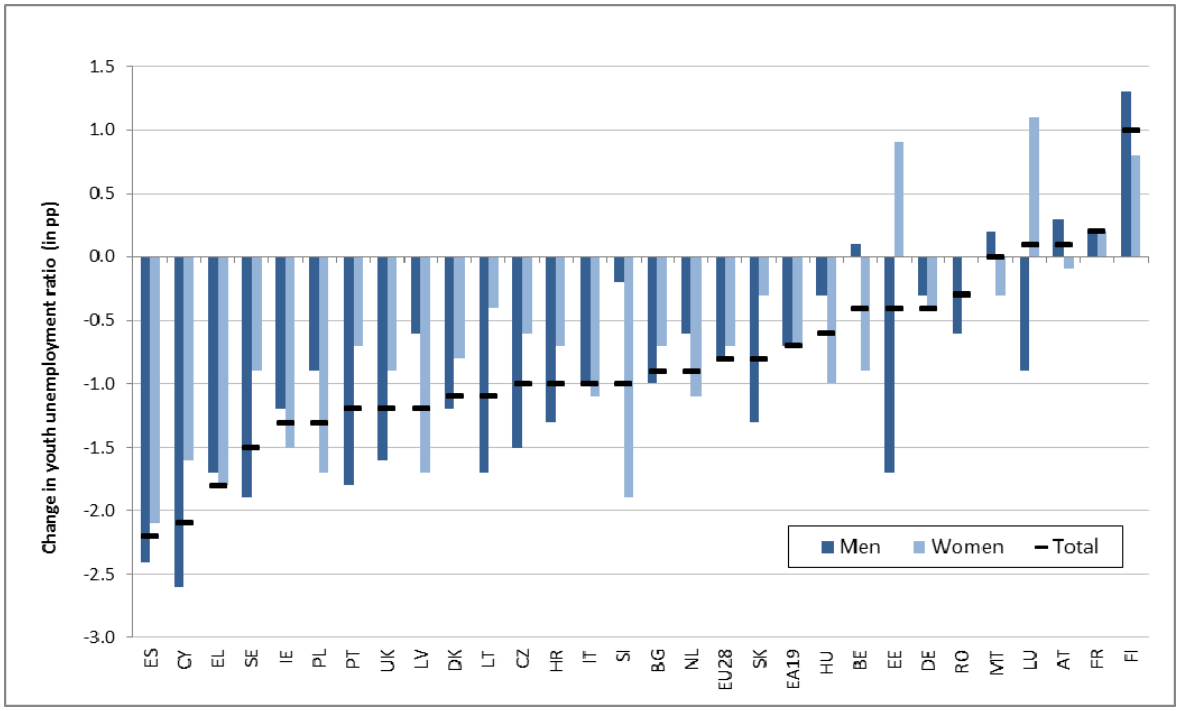
Source: Eurostat (LFS)

Notes: i) For FR, there is a break in series in 2014; ii) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not shown; ii) Year-on-year changes of magnitude greater than 0.5pp and changes since 2008 of magnitude greater than 1pp are highlighted as significant..

At EU level the 0.8 pp fall in the youth unemployment ratio over the latest year reflects very similar changes for male and female youth. However, the situation varies strongly across individual Member States, with falls in the ratio for male youth noticeably more pronounced in CY, CZ, HR, LT, PT, SE, SK and the UK, and with the ratio declining strongly for men in EE and LU while rising for female youth (Figure 26). In contrast, female youth in BE, HU, LV, NL, PL and especially SI experienced much stronger falls than those for young males. Finland stands out as having seen significant rises for both male and female youth between 2014 and 2015.

[13] The reason for looking at both youth unemployment rates and ratios is that a use of only the unemployment rate can produce a distorted picture when comparing the youth labour markets of different countries. More precisely, one difficulty with using the unemployment rate as an indicator for the labour market performance, especially of young people, is that it shows the number of unemployed youth as a percentage of the youth labour force, i.e. those who are either employed or unemployed but actively looking for work. Using the youth labour force as a denominator can lead to distortions when comparing countries with great differences in youth activity rates or when activity rates change significantly over time. For instance, youth unemployment rates for two countries with identical numbers of youth and unemployed youth will differ if one country has a higher share of youth not available for the labour market because of, for example, a higher number of youth in education. More concretely, the country with a higher share of youth in education (or otherwise inactive) will display a higher youth unemployment rate.

Figure 26: Changes in the youth unemployment ratio 2014-2015, by gender



Source: Eurostat (LFS)

Young people are particularly vulnerable to social exclusion and poverty as they move towards an independent life away from the parental household, a key step which involves looking for work and establishing their own household. For many, however, this is far from easy. Even if they find employment, they often start with low-paid jobs, which can make sustaining a household difficult. As Ward et al (2006) highlight, the process of achieving autonomy is influenced by public policies in a number of areas including employment, education, housing and social protection, and the outcomes have important implications for society as revealed in fertility and demographic trends. Low economic activity of youth as such should not be the main concern, given the high proportion of students among the young generation, but rather the proportion of young people who are neither in employment nor in education and training (NEET).

The share of NEETs in the EU in the age group 15-24 had been shrinking up until 2008 (when the share was 10.9%), but then grew substantially through to 2012 when it reached 13.2%. However, since then there has been a steady reduction in the rate, so that by 2015 it had fallen to 12.0%. Over the latest year, 2014-2015, developments have been clearly positive, with the NEET rate falling in 16 Member States and with especially strong declines in CY, EL, ES, HU and LV (Figure 27).

Nevertheless, the longer term picture remains decidedly bleak, with 17 Member States still showing significant increases in their NEET rates compared to 2008 and particularly so in CY, EL, HR and IT. Only DE, LV and SE have seen an improvement relative to 2008. While generally coming down, NEET rates in 2015 were still over 15% in BG, CY, EL, ES, HR and RO, and above 20% in IT. In contrast, rates in DE, DK, LU, NL and SE were below 7%.

Figure 27: Evolution in NEET (not in employment, education or training) rates (15-24), 2014-2015 and 2008-2015

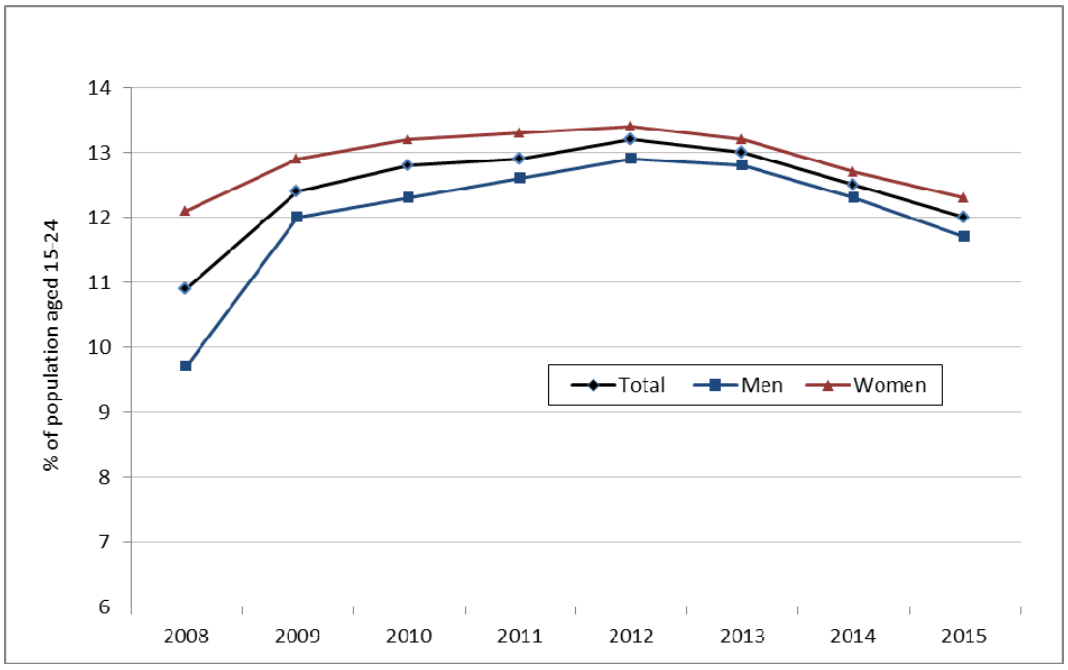
	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2015	12.0	12.0	12.2	12.2	12.2	19.3	7.5	6.2	6.2	10.8	14.3	17.2	15.6	11.9	18.5	21.4
2014-2015 change in pp	~	~	~	~	~	-0.9	-0.6	~	~	-0.9	-0.9	-1.9	-1.5	~	-0.8	-0.7
2008-2015 change in pp	1.1	1.1	1.2	1.2	2.1	1.9	~	1.9	-2.2	2.1	~	5.8	1.3	1.4	6.9	4.8
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2015	15.2	10.5	9.2	6.2	11.6	10.4	4.7	7.5	11.0	11.3	18.1	9.5	13.7	10.6	6.7	11.1
2014-2015 change in pp	-1.8	-1.5	-0.7	~	-2.0	~	-0.8	~	-1.0	-1.0	1.1	~	0.9	~	~	-0.8
2008-2015 change in pp	5.5	-1.3	~	~	~	2.1	1.3	~	2.0	1.1	n.a.	3.0	2.6	2.8	-1.1	~

Source: Eurostat (LFS)

Notes: i) For FR, there is a break in series in 2013 and 2014; ii) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not shown; iii) Year-on-year changes of magnitude greater than 0.5pp and changes since 2008 of magnitude greater than 1pp are highlighted as significant.

At EU level NEET rates have converged between young males and young females aged 15-24 following the 2008 crisis, which saw rates for both rise but more so for young males (Figure 28). Rates for both peaked in 2012 and have been falling at a similar rate since. The latest year, 2014-2015, showed quite substantial differences in changes in gender-specific NEET rates for many Member States, with again notably the rate declining strongly for young men in EE and LU while rising for female youth (Figure 29).

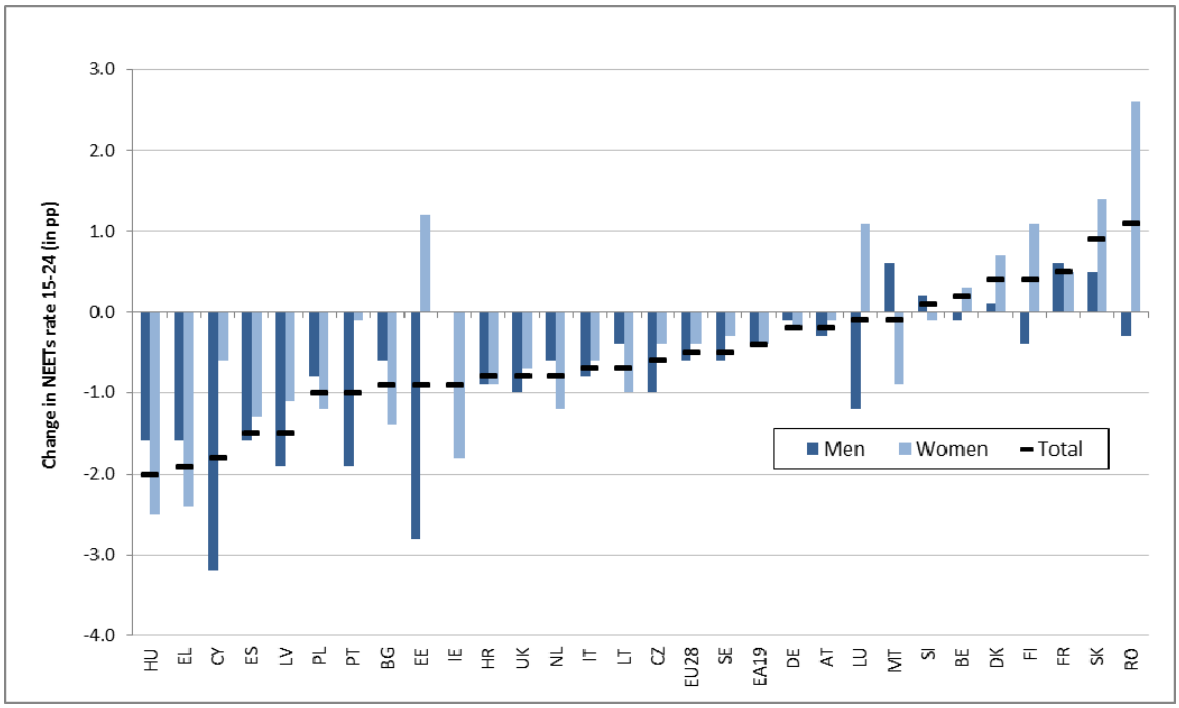
Figure 28: EU NEETs rate by gender, 2008-2015



Source: Eurostat (LFS)

A recently published Eurofound report (Eurofound 2016) explores the diversity of NEETs and suggests seven subgroups into which the NEET population can be disaggregated using data routinely collected for the EU Labour Force Survey. The report shows that the largest category of NEETs aged 15–24 in Europe were the short-term unemployed (29.8%), followed by the long-term unemployed (22%). Re-entrants accounted for 7.8%; those NEET due to family responsibilities, 15.4%; those unavailable due illness or disability, 6.8% while around 5.8% of NEETs are discouraged workers. However, the report also finds that the composition of the NEET population varies greatly among European Member States.

Figure 29: Change in NEETs rate 2014-2015 by gender



Source: Eurostat (LFS)

Early school leaving increases the likelihood of young people entering the labour market without adequate skills, who then may face unemployment or in-work poverty. Across Europe, rates of early leavers from education and training range from as low as around 3-6% in CY, CZ, HR, LT, PL and SI to as high as around 20% in ES, MT and RO. Developments since 2008 have been widely positive across the EU, with significant reductions in early school leavers rates in 20 Member States, most notably in CY, EL, ES, MT, PT and the UK. In the latest year for which data is available, 5 Member States recorded still further improvements, but 6 showed signs of the rate picking up again. At EU level there was no significant reduction over the latest year, and this may point to an end to the recent trend of declines in early school leaving and in turn reflect the draw of improving labour markets on young people (Figure 30).

Figure 30: Evolution in early school leavers' rates (in %) from education and training (18-24), 2014-2015 and 2008-2015

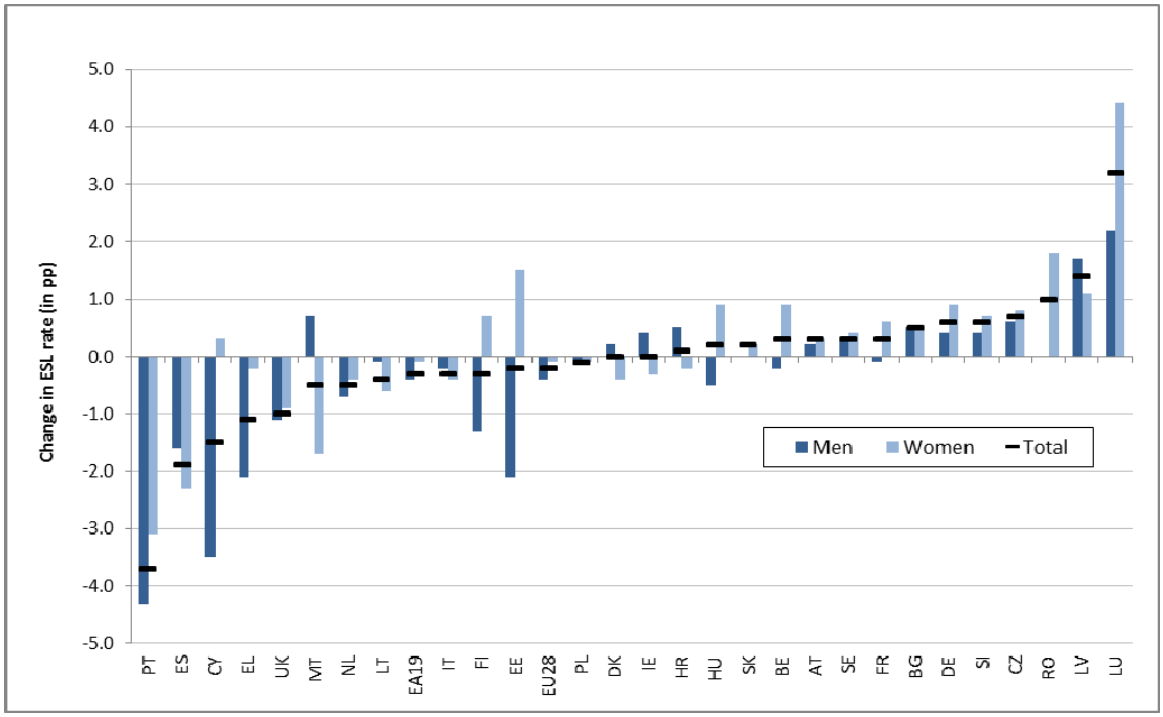
	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2015	11.0	11.0	11.7	11.6	10.1	13.4	6.2	7.8	10.1	11.2	6.9	7.9	20.0	9.3	2.8	14.7
2014-2015 change in pp	~	~	~	~	~	~	0.7	~	0.6	~	~	-1.1	-1.9	~	~	~
2008-2015 change in pp	-3.7	-3.8	-4.7	-4.7	-1.9	-1.4	~	-4.7	-1.7	-2.8	-4.5	-6.5	-11.7	-2.5	-1.6	-4.9
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2015	5.3	9.9	5.5	9.3	11.6	19.8	8.2	7.3	5.3	13.7	19.1	5.0	6.9	9.2	7.0	10.8
2014-2015 change in pp	-1.5	1.4	~	3.2	~	~	~	~	~	-3.7	1.0	0.6	~	~	~	-1.0
2008-2015 change in pp	-8.4	-5.6	-2.0	-4.1	~	-7.4	-3.2	-2.9	~	-21.2	n.a.	~	~	~	~	-6.1

Source: Eurostat (LFS)

Notes: i) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not shown; ii) Year-on-year changes of magnitude greater than 0.5pp and changes since 2008 of magnitude greater than 1pp are highlighted as significant.

In countries where the early school leavers' rate has risen over the latest year, it has mainly been due to sharper rises among female youths, while for those countries where it has fallen the decrease has generally been stronger for male youths (Figure 31).

Figure 31: Change in early school leavers' rate 2014-2015 by gender



Source: Eurostat (LFS)

The 2012 SPC Advisory Report on "Tackling and Preventing Child Poverty, Promoting Child Well-being"[14] and the European Commission Social Investment Package[15] highlighted the importance of following a comprehensive approach to tackle early school-leaving. This means integrated multi-level responses linking the home, the child, the school, adult education, community and relevant services. Schools, social and employment services and parents should combine their efforts and work together to prevent early school leaving. Offering a greater variety of education and training possibilities, both formal and informal as well as after school programmes, creating permeable and flexible education pathways, forming smaller classes and preparing individualised education plans, may help reduce early school-leaving. Providing quality vocational training options, educational experimental frameworks aimed at boosting the attractiveness of schools and enhancing motivation of pupils as well as special programmes for children with specific needs are vital to combat disadvantages. Improving availability of alternative or non-formal education, raising the compulsory schooling age or making secondary schools universally accessible will improve the flexibility of education systems.

Income inequality has grown across and within Member States

As highlighted by the 2014 Joint Employment Report[16], and analysed extensively in the Employment and Social Developments in Europe 2013 report (European Commission (2013)), the crisis has substantially altered the dynamics of inequality and affected different sections of the population in different ways. Income inequality is growing across and within many Member States, particularly in most of the Southern Member States and in several non-Central European countries. These are also the Member States that witnessed the largest increases in unemployment. In many countries, the crisis has intensified the long-term trends of wage polarisation and labour market segmentation, which together with less redistributive tax and benefit systems have fuelled rising inequalities. High levels of unemployment, and in some cases the impact of fiscal consolidation, also explain the significant increases in inequalities observed in the countries most affected by the crisis.

With regard to income inequality, the income quintile ratio (S80/S20) shows that while on average inequality has remained broadly stable between 2008 and 2014 at EU level, there is a wide dispersion and growing divergence in inequality between Member States. The S80/S20 inequality ratio has increased significantly in 12 Member States compared to 2008, especially in most of the Southern Member States (CY, EL, ES, IT) as well as in DE, EE, IE, HU, LU, SI, SK and SE (Figure 32 and Figure 33). In contrast, significant reductions have been registered in BE, FI, LV, MT and the UK over the same period. Over the most recent period 2013-2014, inequality has risen sharply in CY, DE, RO, SK and the UK, where income quintile ratios have all increased by over 8%. The highest income inequalities are currently found in BG, EE, EL, ES, LV, LT, PT and RO, where the equivalised income of the richest 20% of the population is more than 6 times that of the poorest 20%.

[14] http://ec.europa.eu/social/BlobServlet?docId=7849&langId=en
[15] http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=1807&moreDocuments=yes&tableName=news
[16] http://ec.europa.eu/europe2020/pdf/2014/jer2014_en.pdf

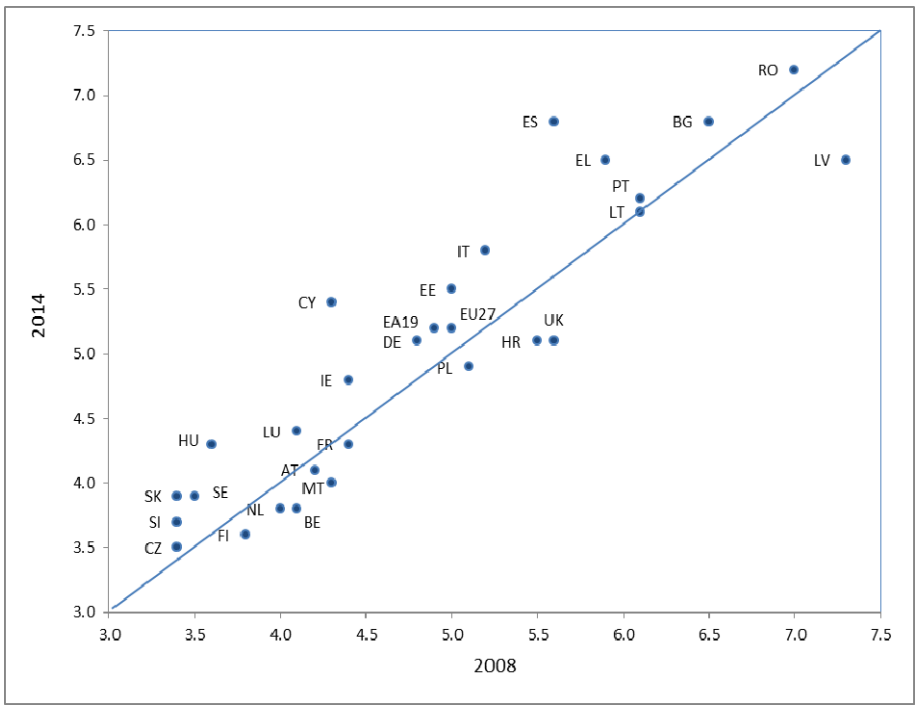
Figure 32: Income quintile ratio (S80/S20), evolution (% change) 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	5.2	5.2	5.2	5.2	3.8	6.8	3.5	4.1	5.1	6.5	4.8	6.5	6.8	4.3	5.1	5.8
2013-2014 change in %	~	~	~	~	~	~	~	~	10.9	n.a.	~	~	~	~	~	~
2008-2014 change in %	n.a.	~	6.1	6.1	-7.3	~	~	n.a.	6.2	10.0	9.1	10.2	21.4	~	n.a.	11.5
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	5.4	6.5	6.1	4.4	4.3	4.0	3.8	4.1	4.9	6.2	7.2	3.7	3.9	3.6	3.9	5.1
2013-2014 change in %	10.2	~	~	~	~	~	~	~	~	~	9.1	~	8.3	~	5.4	10.9
2008-2014 change in %	25.6	-11.0	~	7.3	19.4	-7.0	~	~	~	~	~	8.8	14.7	-5.3	11.4	-8.9

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only statistically significant changes have been marked in green/red (positive/negative changes). A 5% threshold has been used. "~" refers to stable performance (i.e. statistically insignificant change); vi) Income reference year is the calendar year prior to the survey year (i.e. 2013) except for the UK (survey year) and Ireland (12 months preceding the survey).

Figure 33: Income quintile ratio (S80/S20), evolution 2008-2014



Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes, so comparison not shown ii) For EE, major break in series in 2014 for variables in EU-SILC, so 2013 figure shown instead of 2014; iii) For HR, data refer to 2010 instead of 2008; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) The blue line shows equal inequality in 2008 and 2014, so countries to the left of the line have seen a rise in inequality, and those to the right a reduction.

In late 2015 the SPC carried out a thematic review on income inequality in the EU and the role of social protection systems. This focused on fostering a shared understanding of the trends and drivers of income inequalities, on exploring the extent to which preventing and reducing inequalities is an explicit objective in Member States, and on analysing the potential of different approaches to social protection and social policies to effectively prevent and reduce income inequalities. The findings of this review are reported on in Annex 3 of this annual report.

General weakening in the effectiveness of income support systems for those furthest away from the labour market

Member States differ substantially in terms of the minimum safety nets they provide to jobless or quasi-jobless households, especially relative to the at-risk-of-poverty threshold, and the relative incentives for taking up employment. Increasing emphasis is now being placed on the need to assess income protection through a broader focus on the collective features of national minimum income packages, rather than separately assessing individual indicators. For an example of interesting research in this area see Box 3. Other relevant research includes a recent study on "*Minimum income schemes in Europe. A study of national policies*" (Frazer, H. and Marlier, E. (2016), European Social Protection Network (ESPN), Brussels: European Commission) and on "*Work-life balance measures for persons of working age with dependent relatives in Europe. A study of national policies*" (Bouget, D., Spasova, S. and Vanhercke, B. (2016), European Social Protection Network (ESPN), Brussels: European Commission).

Box 3. Assessment of minimum income policy packages based on 2012 data

Extract from European Policy Brief "Decent incomes for the poor: Which role for Europe?" (Poverty Reduction in Europe: Social policy and innovation – ImPRovE (Project reference: 290613))

Bea Cantillon, Sarah Marchal, Chris Luigjes – Herman Deleeck Centre for Social Policy – Antwerp University

[Note: The purpose of this box is to illustrate research carried out on a methodological approach to the assessment of minimum income provision rather than to focus on specific country results, which are not fully up to date (they relate to the year 2012 and the particular situation may have changed for countries in the meantime if there have been major changes in minimum income policy packages). In addition the analysis is limited to a single family type.]

In this study the authors argue for the inclusion and simultaneous assessment of social policy indicators that grasp the balance of minimum income protection packages for out-of-work and in-work families, and that the introduction of a broad focus on minimum income protection, including minimum wages, provides an important inroad into a stronger role for social Europe in the fight against poverty. They emphasise that including carefully selected indicators of policy packages can bring out different policy mixes, available options and potential imbalances. Such indicators can pinpoint imbalances in the nexus of minimum wages, work incentives and minimum

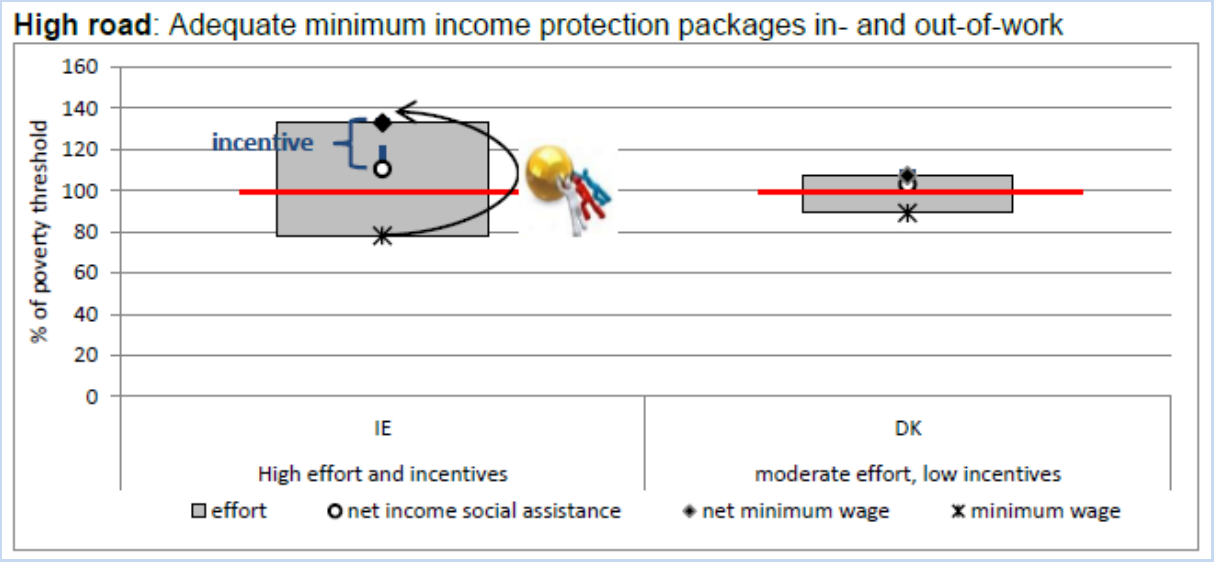
incomes for jobless households. This broad focus (including minimum wages, gross-to-net efforts and work incentives) is needed as minimum wages are inextricably linked to minimum income protection while adequate minimum income protection should be in balance with work incentives.

EVIDENCE AND ANALYSIS

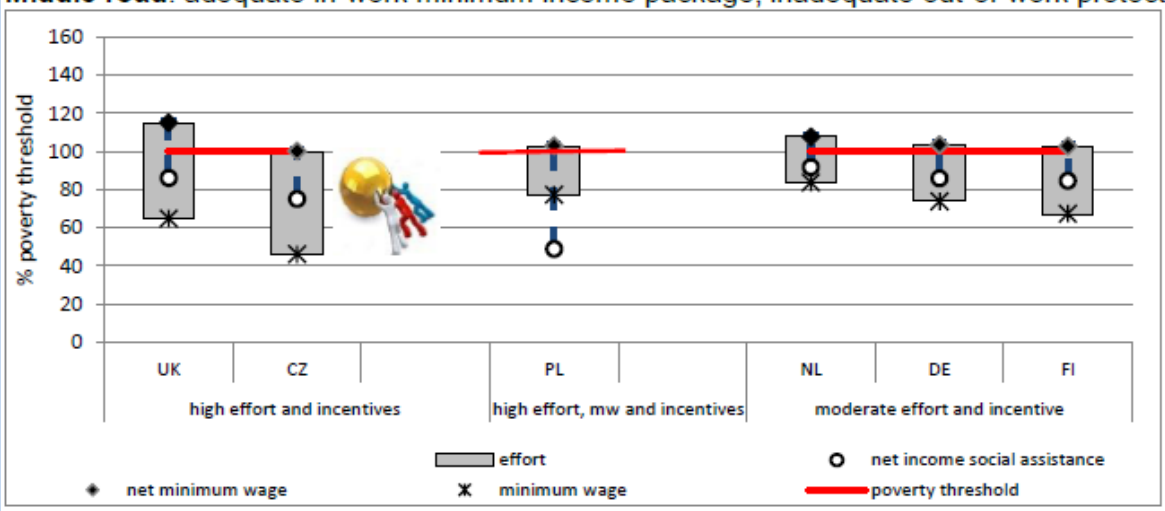
The policy indicators proposed are indicators that solely inform on the policy design and policy choices of member states regarding minimum incomes for working and non-working households: gross minimum wage, gross-to-net efforts, net disposable income on minimum wage, work incentives and net disposable income on social assistance (i.e. including the impact of taxes and non-discretionary benefits). To gauge the interrelations and incentive effects at the bottom of the labour market an assessment is made on the net disposable income packages of a hypothetical lone parent family.

The graphs below (Figure 34) divide countries into three groups, based on the adequacy of their income floors: 1) "*High road countries*" (first graph) where the guaranteed minimum income package for families in and out of work exceeds the at-risk-of poverty thresholds (defined as 60% of equivalised median income in each country). Ireland starts from a moderate gross minimum wage but thanks to significant gross-to-net efforts relatively high work incentives are combined with an adequate income for work poor households. In Denmark the adequate social floor goes together with low gross-to-net efforts as well as low work incentives; 2) "*Middle road countries*" where the guaranteed net income package of a working family exceeds the poverty threshold, but the final income protection for jobless lone parent families is inadequate (UK, Czech Republic, the Netherlands, Germany, Finland and Poland). In some of these countries low minimum wages are increased by considerable gross-to-net efforts (e.g. the UK and the Czech Republic) while others combine higher minimum wages with moderate efforts; 3) "*Low road countries*" that display inadequate income protection for both families in-work and out-of-work. This group encompasses the largest number of member states. However, large variation exists regarding the extent of the minimum income packages' inadequacy.

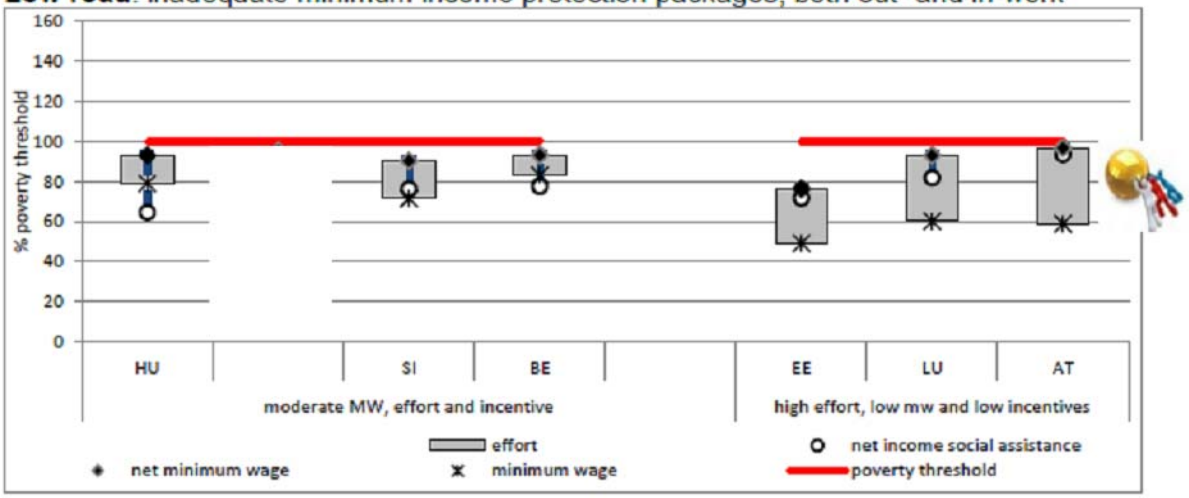
FIGURE 34: MINIMUM INCOME PROTECTION PACKAGES IN- AND OUT-OF-WORK, LONE PARENT WITH 2 CHILDREN, 2012



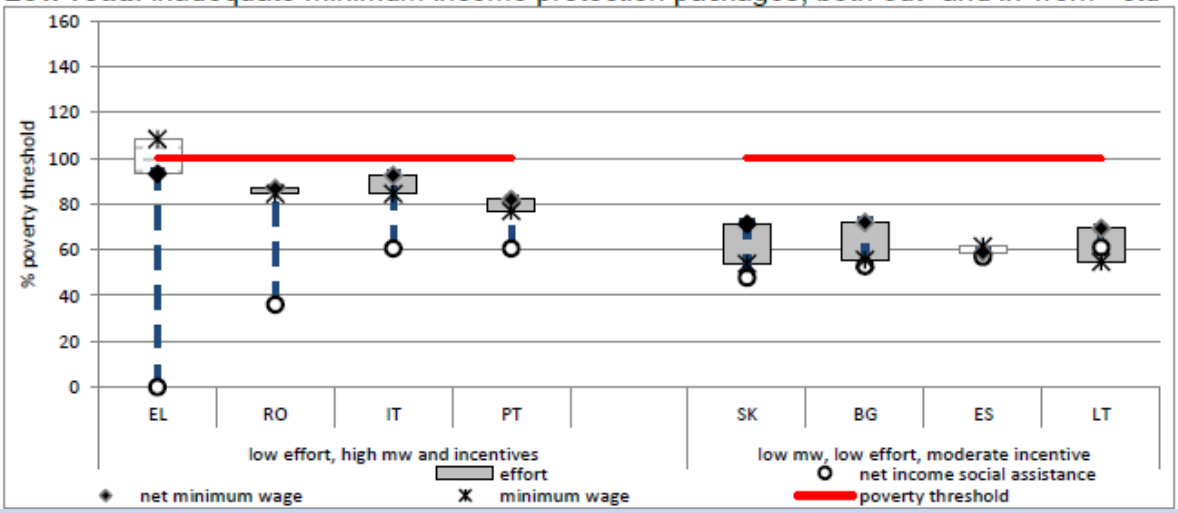
Middle road: adequate in-work minimum income package, inadequate out-of-work protection



Low road: inadequate minimum income protection packages, both out- and in-work



Low road: inadequate minimum income protection packages, both out- and in-work - ctd



NOTE: VERTICAL DASHED LINES REPRESENT THE FINANCIAL INCENTIVE (I.E. THE GAP BETWEEN NET DISPOSABLE INCOME AT SOCIAL ASSISTANCE AND NET DISPOSABLE HOUSEHOLD INCOME AT FULL-TIME MINIMUM WAGE EMPLOYMENT). EFFORT: THE (POSITIVE OR NEGATIVE) COMBINED IMPACT OF TAXES AND TRANSFERS ON THE GROSS MINIMUM WAGE TO ARRIVE AT THE NET DISPOSABLE HOUSEHOLD INCOME AT MINIMUM WAGE (NET HOUSEHOLD INCOME AT MINIMUM WAGE – GROSS MINIMUM WAGE).

Source: CSB MIPI Version 3/2013

In 2014 the poverty risk for (quasi-) jobless households ranged between as much as 79.3% in SK, and over 70% in the three Baltic States of EE, LV and LT, to 50% or under in DK, IE, NL and the UK. Between 2013 and 2014, 11 Member States experienced a significant worsening of the poverty risk for (quasi-)jobless households, with particularly strong increases in CZ, IE, LU, NL, RO and the UK (Figure 35). In contrast, strong reductions of the order of 7 or 8 percentage points were recorded in EL, FR and SE, suggesting an improved effectiveness of safety nets in terms of income support in these countries. The longer term trend since the beginning of the crisis (2008) has mainly been one of worsening poverty among (quasi-)jobless households, with 19 Member States seeing an increased poverty risk for people in such households, and with increases of around 8-10 pp in BE, LU, NL and RO, of 11-15 pp in CZ, EL, ES, HU and SE, and as much as 26% in SK. When looked at in parallel with the evolution of the share of the population in (quasi-)jobless households, it is evident that in some Member States income support levels of last resort schemes worsened significantly at the same time as the number of people counting on them increased.

Figure 35: At-risk-of-poverty rate for the population living in (quasi-) jobless households (in %), evolutions 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	58.2	58.1	59.3	59.4	62.2	67.7	67.1	43.8	65.0	70.9	49.0	51.1	63.1	52.3	63.3	59.7
2013-2014 change in pp	2.0	2.0	~	~	~	-4.3	13.6	~	~	n.a.	7.9	-7.3	1.8	-8.1	~	~
2008-2014 change in pp	n.a.	2.4	4.1	4.1	7.5	-10.1	11.7	n.a.	~	-3.9	2.4	10.8	11.7	2.5	n.a.	4.8
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	51.7	73.0	70.9	58.3	63.2	64.1	48.7	54.1	55.9	59.5	59.7	61.4	79.3	52.9	66.5	50.0
2013-2014 change in pp	~	5.1	4.9	6.4	~	~	8.9	~	~	~	10.4	4.6	5.7	~	-7.2	8.8
2008-2014 change in pp	1.3	-10.3	~	8.9	14.7	2.5	9.0	4.5	6.7	6.3	9.3	6.4	26.2	-3.4	15.1	-13.1

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). vi) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, (quasi-)jobless households (i.e. very low work intensity) refers to the household situation in the previous calendar year (i.e. 2013).

To support the needs of people at risk of poverty, governments provide social security in the form of social transfers. The effectiveness of social provision can be examined by comparing the at-risk-of-poverty rate before and after social transfers. The impact of social transfers on poverty reduction varies greatly across Member States. In 2014, it ranged from only 11% in RO to 55% in DK and 58% in IE (Figure 36). These large differences highlight the potential for improvement in some Member States in the size and effectiveness of social protection expenditure. Between 2013 and 2014, however, there were no countries with significant improvements in the capacity of social transfers to reduce poverty, and in fact in 3 Member States (IE, LU and RO) the impact was significantly reduced. In the longer term (2008-2014) only 6 countries (the Baltic States of EE, LV and LT as well as CY, ES, and the UK) have strengthened the impact of social transfers in reducing poverty as opposed to 5 countries (CZ, HU, PL, RO and SE) where the impact has decreased.

Figure 36: Impact of social transfers (excluding pensions) on poverty reduction, evolutions 2013-2014 and 2008-2014[17]

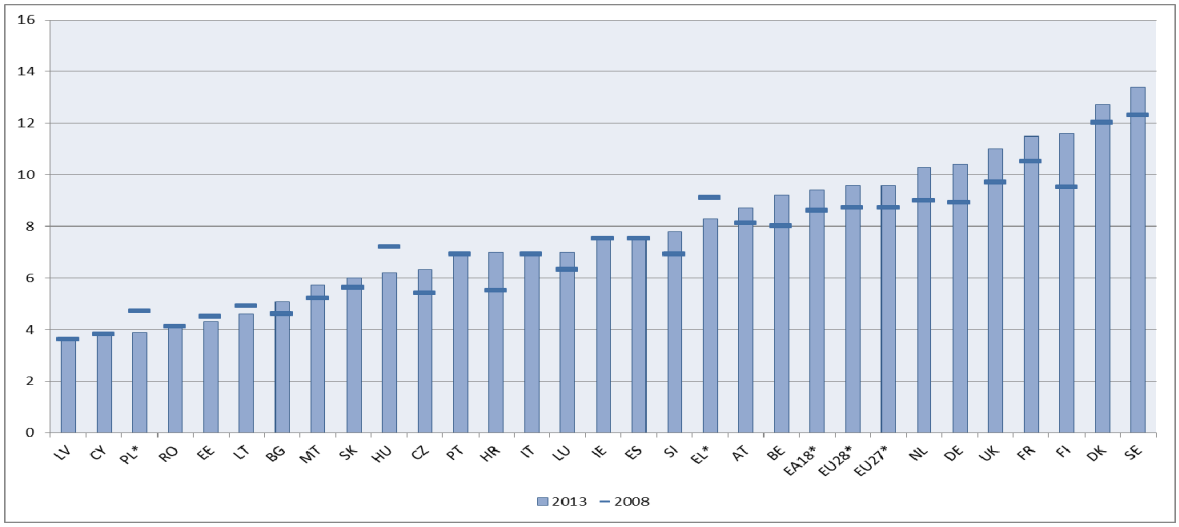
	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	34.1	34.1	33.5	33.7	43.6	20.1	43.6	55.0	33.2	23.2	58.1	15.0	28.6	44.6	35.1	21.5
2013-2014 change in pp	~	~	~	~	~	~	~	~	~	n.a.	-5.3	~	~	~	~	~
2008-2014 change in pp	n.a.	~	~	~	~	~	-11.4	n.a.	~	5.7	~	~	5.7	~	n.a.	~
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	41.5	21.5	30.6	40.6	43.6	33.2	45.5	44.5	26.4	27.0	10.9	42.2	35.7	53.6	47.0	42.7
2013-2014 change in pp	~	~	~	-5.3	~	~	~	~	~	~	-8.5	~	~	~	~	~
2008-2014 change in pp	10.9	7.2	6.8	~	-15.6	~	~	~	-6.3	~	-12.9	~	~	~	-10.2	7.4

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) The income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

The above assessment of the impact of social transfers does not take into account non-cash benefits such as transfers in kind. A number of Member States provide public services to those furthest away from the labour market which contribute to general welfare and are not reflected in purely income-based measures. However, if we look into the expenditure on such in-kind services (Figure 37), we can see that in general the countries which achieve a low impact of social transfers on poverty reduction tend also to be those that spend less on in-kind services. In most countries the spending on in-kind benefits has slightly increased since 2008, with an average increase of 0.9 pp at EU level and with more substantial rises of over 1.5 pp recorded in DE, FI and HR.

Figure 37: Social benefits in-kind, as % of GDP, 2008 and 2013



Source: Eurostat (Esspros)

Notes: i) For EL, PL and EA18, EU27, EU28, figures refer to 2012 instead of 2013.

[17] The impact of social transfers is a theoretical indicator which is calculated using a fixed poverty line and ignores the influence of social transfers on median income. This should be taken into account when interpreting the figures.

Consistent and widespread improvement of the employment rate of older workers

Considerable effort has been made over the last decade or so to improve older people's labour market participation. As can be seen in Figure 38, this is an area where substantial positive strides have been made, even during the period of the crisis. The employment rate of older workers aged between 55 and 64 years increased to 53.3% in the EU in 2015, a rise of close to 8 pp since the beginning of the crisis in 2008. The increase has been highest in DE (up 12.4 pp), HU (14.4 pp), IT (13.9 pp) and PL (12.7 pp), but also substantial (around 8-10 pp) in BE, CZ, FR, MT, and NL, in some of which the financial incentives to continue work at older ages have improved strongly in recent years (e.g. DE, FR, IT and NL). Overall, since 2008, 23 Member States have significantly improved their employment rates for older workers, and the widespread positive impetus is continuing as significant rises were also recorded between 2014 and 2015 in 23 Member States. Only in the southern Member States of CY and EL were older workers' employment rates in 2015 significantly below those observed in 2008 (down around 7 pp and 9 pp respectively).

Figure 38: Employment rate of older workers (55-64), evolution 2014-2015 and 2008-2015

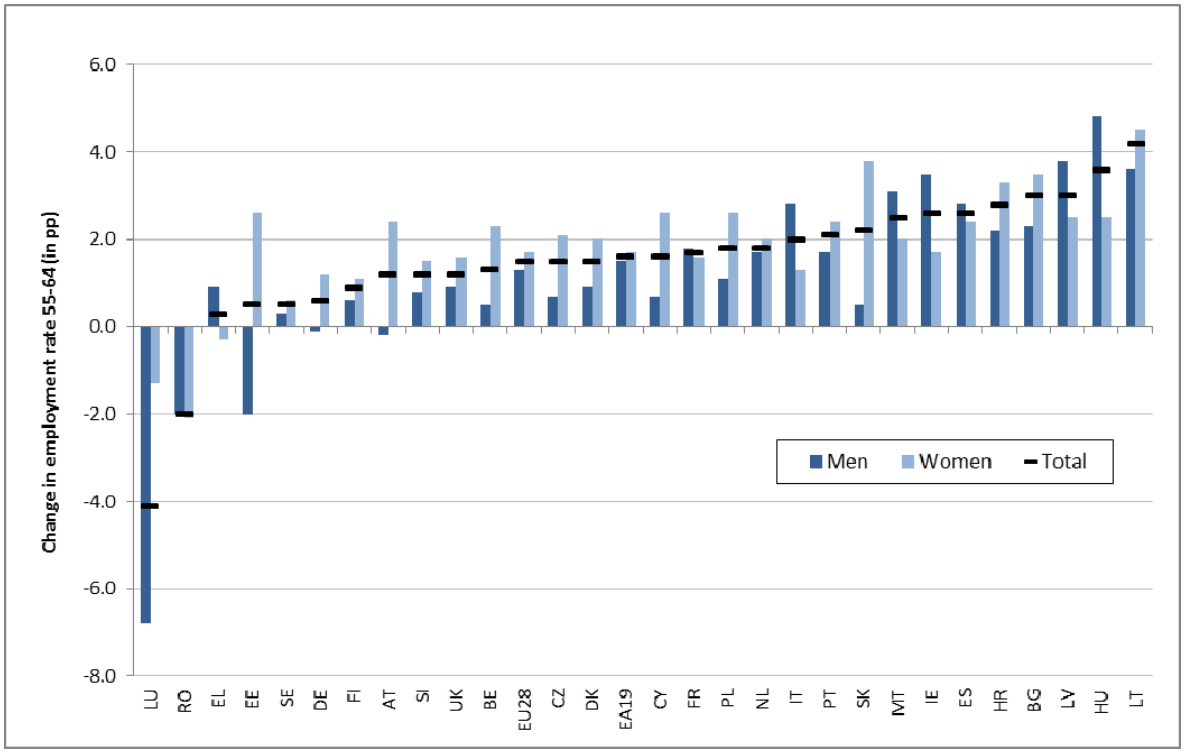
	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2015	53.3	53.4	53.2	53.3	44.0	53.0	55.5	64.7	66.2	64.5	55.6	34.3	46.9	48.7	39.0	48.2
2014-2015 change in pp	1.5	1.5	1.5	1.6	1.3	3.0	1.5	1.5	0.6	~	2.6	~	2.6	1.8	2.7	2.0
2008-2015 change in pp	7.8	7.9	8.9	8.9	9.5	7.0	7.9	6.3	12.4	2.1	1.7	-8.7	1.4	10.5	1.9	13.9
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2015	48.2	59.4	60.4	38.4	45.3	40.3	61.7	46.3	44.3	49.9	41.1	36.6	47.0	60.0	74.5	62.2
2014-2015 change in pp	1.3	3.0	4.1	-4.2	3.5	2.5	1.8	1.2	1.8	2.1	-2.0	1.2	2.2	0.9	~	1.2
2008-2015 change in pp	-6.6	~	7.4	4.2	14.4	10.2	8.7	7.5	12.7	~	n.a.	3.8	7.7	3.5	4.4	4.2

Source: Eurostat (LFS)

Notes: i) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not shown; ii) Year-on-year changes of magnitude greater than 0.5pp and changes since 2008 of magnitude greater than 1pp are highlighted as significant (in green/red (positive/negative changes)). "~" refers to stable performance (i.e. insignificant change).

At EU level, the increase in the employment rate of older workers in the latest year was slightly stronger for women than for men. A stronger increase for female older workers was also observed in around two-thirds of Member States, the rate only rising noticeably more strongly for men in EL, HU, IE, IT, LV and MT (Figure 39). Of particular note is the strong fall in the employment rate for men aged 55-64 in LU.

Figure 39: Change in employment rates of older workers (aged 55-64) 2014-2015 by gender



Source: Eurostat (LFS)

Reasons for the overall positive trend, which was already on-going before the crisis, include a continuing upward shift in educational achievement levels and participation of female workers aged 55-64, along with the higher employment protection enjoyed by older workers, but also the impact of tax/benefit reforms restricting access to early retirement and encouraging longer working lives, and some changes in age management in work places. All this has contributed to extending the effective retirement age.

Active ageing measures are of growing importance as recent pension reforms require longer contributory periods to ensure an adequate pension. Increased employment ensures the accumulation of pension rights and contributes to the sustainability of the pension system. For this to be successful however, older workers' employment, which leads to longer contributory periods, needs to guarantee adequate pension levels in order to combat poverty and social exclusion in old age. This is of particular importance for women. The move towards gender equality in the employment rate of older workers is not mirrored in a broader move towards more equal work patterns. Women, generally, have a lower participation rate, experience a gender pay gap, and more often interrupt their working lives due to child rearing. Female pensioners have a higher risk of poverty than men as a consequence of these gender inequalities; women receive lower pensions than men and often fail to qualify for benefits. Therefore, first and foremost, active ageing measures which ensure equal outcomes for men and women are needed.

Social protection systems which effectively contribute to maintaining the health of the population and provide adequate long-term care also play a key role in enabling participation in society and the labour market and ensuring independent living by older people. Beyond health services, working and living environments should also be better adapted to the needs of older people, including adapted housing and transport services, local libraries, and home support, which enable the elderly to live independently for longer.

Pensions continue to avert poverty for many

Pensions constitute by far the main source of income for older Europeans, who represent a large and growing share of the EU population. They are also the largest element in social protection systems, affecting the primary incomes of more people than any other component. The adequacy of pensions is measured by, among other things, their ability to prevent poverty, the degree to which they replace income before retirement and how they compare to the average incomes of people below pensionable age.

Regarding the ability of pensions to prevent poverty in old age, the trend since the beginning of the crisis in the income situation of the elderly has been better than for other age groups in many Member States, mainly due to the stability of pension income. In total, 21 Member States have seen the share of the elderly at risk of poverty or social exclusion decrease significantly between 2008 and 2014, and only in DE did the share increase over the same period (Figure 40). In addition, several countries saw improvements continue between 2013 and 2014, although a few (DE, LV, MT, PT and the UK) recorded a deterioration. In terms of actual levels of the share of the elderly living in poverty or social exclusion there remain wide disparities across Member States. In 2014 the share was close to 50% in BG and above 30% in EE, LT, LV and RO, while being below 10% in LU and NL.

Pension systems play a key role in allowing people to maintain their living standards in old age. Although the median relative income of older people (i.e. the ratio of the median equivalised disposable income of people aged above 65 to the median equivalised disposable income of those aged below 65) remained stable at EU level between 2013 and 2014, it has shown rather more volatility across individual Member States in the latest period and when compared to the relative stability of previous years.

Significant rises in the ratio were recorded in 10 Member States and significant declines in 5. At EU level the relative median income ratio reached a level of 94% in 2013, but underlying this are substantial differences across countries. The ratio was only 63% in EE, and under 80% in BE, CY, DK, FI, LV, LT and MT. At the other end of the spectrum, EL, ES, FR, HU, IT, LU, PL and RO recorded a relative median equivalised income for people over 65 that was equal to or greater than that for younger cohorts, highlighting the relative importance of financial allocations to pension systems in these Member States.

Figure 40: At risk of poverty or social exclusion rate for the elderly (65+), evolution 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	17.8	17.7	16.0	16.2	17.3	47.8	10.7	10.8	17.4	35.0	13.5	23.0	12.9	10.1	29.7	20.2
2013-2014 change in pp	~	~	~	~	-2.2	n.a.	~	~	1.4	n.a.	~	~	-1.6	-0.7	-2.2	-1.8
2008-2014 change in pp	n.a.	-5.6	-4.2	-4.2	-5.6	-7.9	-1.8	n.a.	1.9	-12.9	-9.0	-5.1	-13.3	-4.0	n.a.	-4.2
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	27.2	39.3	31.9	6.4	19.0	23.3	6.9	15.7	18.2	21.1	33.2	20.1	13.4	17.0	16.5	19.3
2013-2014 change in pp	~	3.2	~	~	~	2.5	~	~	-1.5	0.8	-1.8	-2.9	~	~	~	1.2
2008-2014 change in pp	-22.1	-19.5	-8.0	~	~	~	-2.8	-5.5	-8.7	-6.6	-16.0	-4.3	-8.5	-6.9	~	-9.2

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008 for these).; ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). vi) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the quasi-)jobless households (i.e. very low work intensity) rate refers to the previous calendar year (i.e. 2013) while for the severe material deprivation rate, the reference is the current year (i.e. 2014).

Looking at how the relative median income of the elderly has developed over the course of the crisis shows that there have been significant increases in the vast majority of countries (it has risen in 22 Member States) and with no country recording a decline (Figure 41). Since 2008 the ratio has increased by more than 20% in 6 countries (BG, CY, ES, IE, LV and RO). The only countries which did not show a significant increase (i.e. of above 5%) were BE, DE, HU and PL.

Figure 41: Median relative income ratio for the elderly, evolution 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	0.94	0.94	0.95	0.95	0.77	0.82	0.84	0.78	0.90	0.63	0.91	1.00	1.03	1.02	0.88	0.99
2013-2014 change in %	~	~	~	~	~	7.9	~	2.6	1.1	n.a.	~	-3.8	3.0	~	~	~
2008-2014 change in %	n.a.	10.6	9.2	10.5	~	24.2	6.3	n.a.	~	11.3	23.0	16.3	24.1	7.4	n.a.	12.5
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	0.75	0.71	0.77	1.11	1.05	0.78	0.89	0.95	0.99	0.94	1.04	0.91	0.91	0.79	0.83	0.86
2013-2014 change in %	~	-7.8	-4.9	~	1.9	~	-1.1	~	1.0	~	~	4.6	1.1	1.3	2.5	-1.1
2008-2014 change in %	27.1	34.0	10.0	14.4	~	6.8	6.0	8.0	~	13.3	22.4	8.3	15.2	9.7	6.4	16.2

Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008 for these); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). For year-on-year change, Eurostat estimates of statistical significance are used, while for change since 2008 a 5% threshold has been used; vi) The income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

When analysing fluctuations of this income ratio indicator, one has to be aware that it is a relative measure and its value is influenced by changes in the income of both the elderly (numerator) and the working age population (denominator). A decrease in the income of the working age population when the income position of people age 65+ remains stable might give the impression that the actual position (i.e. income level) of the elderly has improved. The indicator thus needs to be assessed together with some absolute variables, such as the evolution in per capita incomes.

To assess the extent to which pensions fulfil their role of replacing income after retirement, it is important to consider how many people are covered by pension systems and how large a proportion of their income is derived from pensions. The aggregate replacement ratio measures the median individual gross pension (including old-age and other pension benefits) of people aged 65-74 relative to median individual gross earnings of people aged 50-59. At EU level the ratio was 56% in 2014, although there are substantial variations across countries (see Figure 42). In general, the aggregate replacement ratios show that current median pension levels are very low compared to current median earnings of people aged 50-59 in CY, HR and IE (all at or below 40%) and to some extent in BE, BG, DE, DK, EE, LT, LV and SI (all below 50% in 2014). This can be due to low income replacement from statutory pension schemes (e.g. BG), but it can also reflect the immaturity of supplementary pension schemes (e.g. CY), past labour force participation rates and incomplete careers.

As for its evolution, the value of the ratio for the EU-27 increased by 14%, from 49% in 2008 to 56% in 2014. This upward trend reflects significant rises in around two-thirds of Member States, although primarily the result of the crisis-related decline in wage incomes of people aged 50-59, while only IE recorded a significant drop in the ratio (of 22.4%). Significant rises were also recorded across many (12) Member States in the most recent year, although 6 countries also showed significant falls.

Figure 42: Aggregate replacement ratio, evolution 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	0.56	0.56	0.57	0.56	0.47	0.44	0.55	0.45	0.45	0.47	0.38	0.60	0.60	0.69	0.40	0.64
2013-2014 change in %	~	~	~	~	~	12.8	~	2.3	-4.3	n.a.	~	~	~	4.5	8.1	3.2
2008-2014 change in %	n.a.	14.3	16.3	14.3	~	29.4	7.8	n.a.	~	11.1	-22.4	46.3	42.9	6.2	n.a.	25.5
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	0.39	0.44	0.45	0.85	0.62	0.56	0.50	0.60	0.63	0.63	0.64	0.45	0.62	0.51	0.60	0.50
2013-2014 change in %	~	-6.4	-6.2	9.0	~	~	6.4	~	5.0	6.8	-1.5	-2.2	1.6	4.1	3.4	-5.7
2008-2014 change in %	18.2	46.7	~	46.6	~	36.6	16.3	~	12.5	23.5	30.6	~	14.8	~	~	16.3

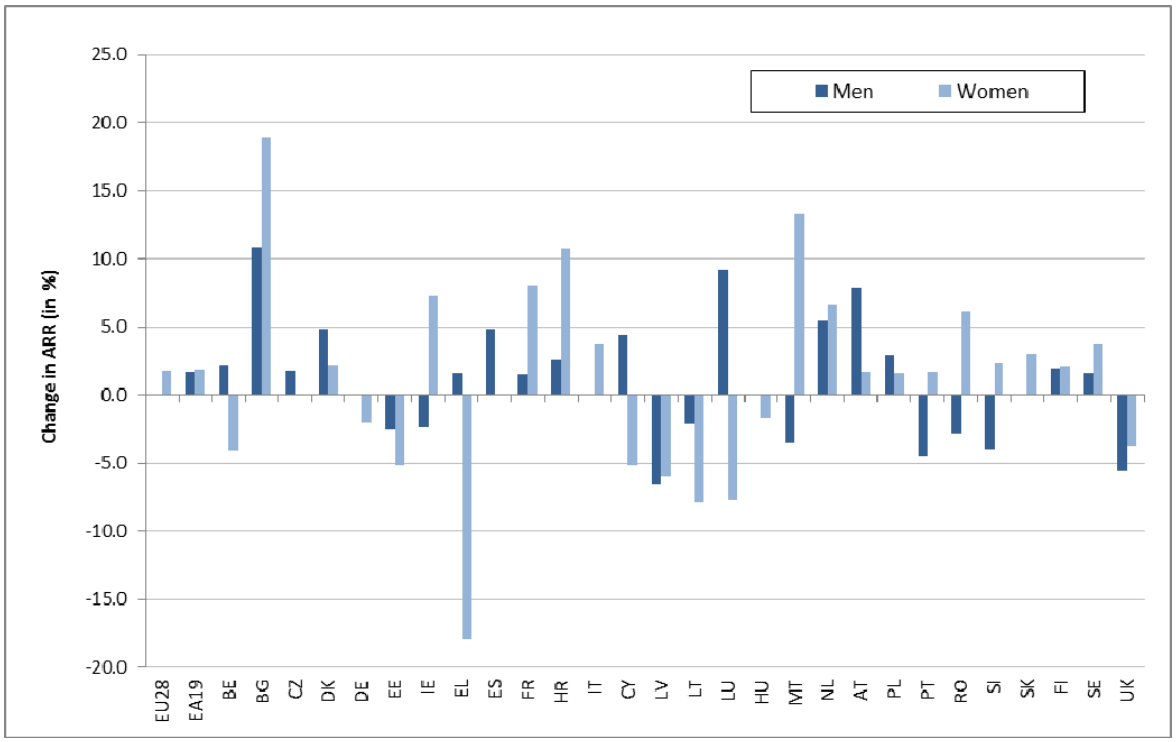
Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008 for these); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) For HR, the long-term comparison for EU-SILC-based indicators is not available as no EU-SILC data published by Eurostat before 2010; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). For year-on-year change, Eurostat estimates of statistical significance are used, while for change since 2008 a 5% threshold has been used; vi) The income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Changes in the aggregate replacement ratio over the latest year (Figure 43) generally show strong variation between genders at Member State level. Strong reductions in EL for women contrast with almost no change for men (as well to a lesser extent in CY and LU but with strong rises for men), while in IE, MT and RO women saw a strong rise while men experienced a small reduction.

The gender gap in pensions is an important issue to address, as highlighted in the Conclusions adopted by the Council the 18th of June 2015 on "*Equal income opportunities for women and men: Closing the gender gap in pensions*". These reflect that the Commission and the Social Protection Committee has recognised that an important dimension of the pension adequacy challenge is gender-specific, and calls to ensure that closing the gender gap in pensions remains high on the political agenda at both Union and Member State levels. Included in the latter is a specific call for developing an indicator within the framework of the Social Protection Committee, to be used together with other relevant indicators, including the gender pay gap, for regularly measuring and monitoring the gender gap in pensions, and also for continuing to involve all relevant actors in monitoring the gender gap in pensions, using all available tools and resources such as the Open Method of Coordination and making full use of national and EU statistical offices and the European Institute for Gender Equality (EIGE).

Figure 43: Change in aggregate replacement ratio 2013-2014 by gender



Source: Eurostat (EU-SILC)

In 2015 the SPC adopted its latest report on the adequacy of pensions (*The 2015 Pension Adequacy Report: current and future income adequacy in old age in the European Union*)[18] which analyses the current and future adequacy of pensions. It reports that current pensioners' living standards have largely been maintained over the crisis, yet poverty problems persist in some countries and pension outcomes are generally marked by large gender differences. It also reports that in the context of large budget deficits and a reinforced economic governance framework at EU level, Member States have adopted many pension reforms to control the increase in spending on public pensions. These include a stronger emphasis on postponing retirement from the labour market, by restricting access to early retirement and by starting or continuing a process of raising the pensionable age, including bringing women's pensionable ages up to those of men's and in some countries linked to increases in life expectancy.

In the longer term, EU average spending on public pensions, as a percentage of GDP, is no longer expected to be higher in 2060 than at present, although this reflects lower average pension benefits compared to wages in the future which could imply significant risks for future adequacy of incomes in old age. Theoretical replacement rates from public pension schemes are projected to decrease in the majority of Member States over the next 40 years, with a decline by more than five percentage points in 16 countries and by fifteen or more percentage points in six. Postponing retirement in line with the increases in pensionable ages could, amongst other measures, mitigate the reduction in replacement rates in most countries, as longer careers result in better pension entitlements.

Health outcomes and access to health services

Health status is a key determinant of the well-being and labour market participation of the individual. A healthy population is associated with better educational attainment, better earnings and wages, higher labour market participation and a higher number of hours worked in adulthood. The health of the general population is also shown to be positively associated with economic growth and social welfare.

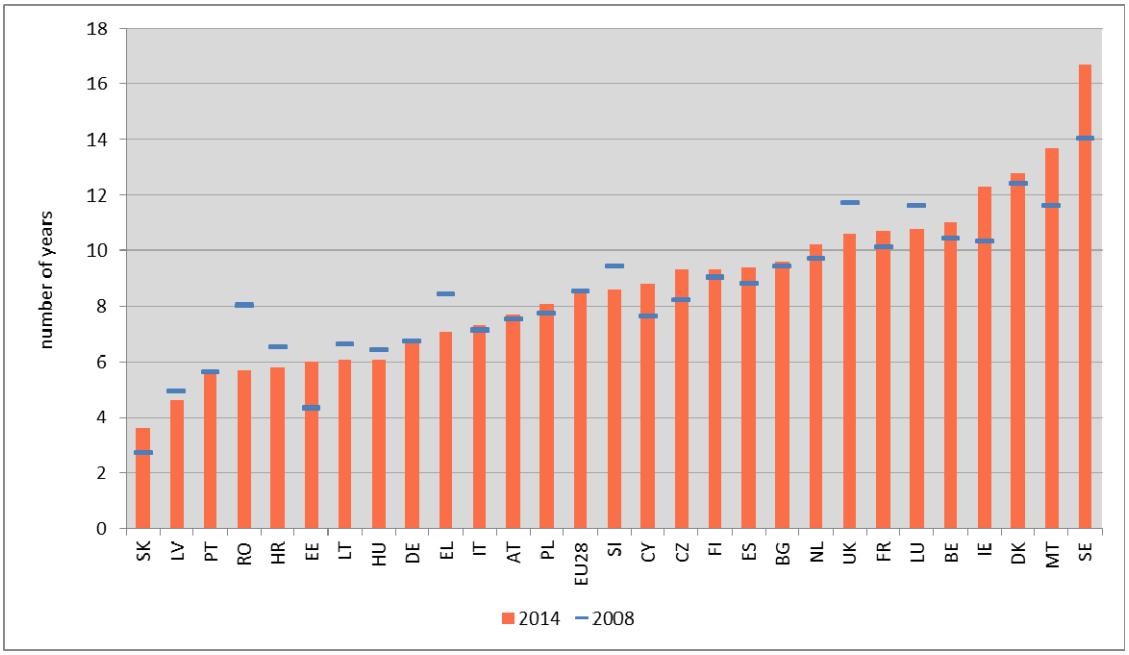
Despite these benefits, a recent Eurofound study (Eurofound (2014)) reports that in the wake of the crisis, many European governments have cut spending on healthcare services. However, in the face of rising unemployment and financial strain, there is an increased need for some healthcare services, while decreased disposable income has made access to healthcare more difficult for many households in the EU.

Looking at both objective and subjective measures of health can provide a snapshot of the health status of society as a whole. At EU level the number of healthy life years (HLY) at 65 is similar for both women and men, with the EU average for both being 8.6 years in 2014. Over the period 2008-2014, there was a significant increase in healthy life expectancy for women in 12 Member States (Figure 44). There were nevertheless 7 countries where HLY at 65 for women decreased significantly, most notably EL, RO and the UK. The change in HLY at 65 for men in the years 2008 –

[18] http://ec.europa.eu/social/BlobServlet?docId=14529&langId=en

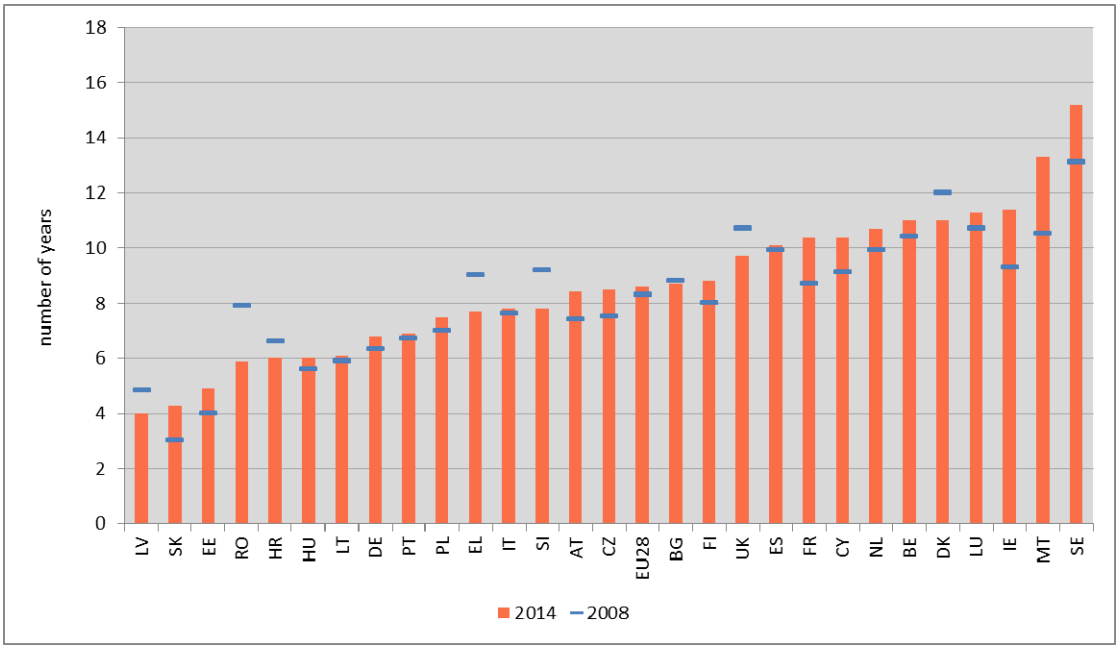
2014 (Figure 45) has generally been even more positive than that for women, with 16 Member States recording rises for men, although there were significant falls in 6 (DK, EL LV, RO, SI and UK).

Figure 44: Healthy life years at 65 for females, 2008 and 2014



Source: Eurostat

Figure 45: Healthy life years at 65 for males, 2008 and 2014



Source: Eurostat

Regarding access to health services, on average 3.6 % of Europeans reported an unmet need for medical care in 2014 (i.e. they had to join a waiting list, or the care available was too expensive or too far away), unchanged from the previous year (Figure 46). There are significant differences among Member States, with the rate as high as 12.5% in LV and above 10% in EE and EL, while in AT, ES, LU, NL and SI the reported rate is below 1%. There is a clear income gradient as those in the lowest income quintiles more often report an unmet need for medical care.

Figure 46: Self-reported unmet need for medical care[19], in %, and changes (in pp) 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	3.6	3.6	n.a.	n.a.	2.4	5.6	1.1	1.4	1.6	11.3	3.7	10.9	0.6	2.8	3.3	7.0
2013-2014 change in pp	~	~	n.a.	n.a.	~	-3.3	~	~	~	2.9	~	1.9	~	~	~	~
2008-2014 change in pp	n.a.	~	n.a.	n.a.	n.a.	-9.7	~	~	~	4.0	1.9	5.5	~	~	n.a.	1.8
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	4.7	12.5	3.7	0.8	2.5	1.1	0.5	0.1	7.8	3.5	9.3	0.2	2.1	3.3	1.5	2.1
2013-2014 change in pp	~	-1.3	~	~	~	~	~	~	~	~	-1.1	~	~	~	~	~
2008-2014 change in pp	1.9	2.6	-1.8	~	~	~	~	~	1.8	2.4	-1.5	~	~	2.5	~	1.1

Source: Eurostat (EU-SILC)

Note: i) Break in series in BE in 2011 means that evolutions between years before 2011 and years from 2011 on cannot be interpreted; ii) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; iii) Only statistically significant changes have been marked in green/red (positive/negative changes) with a 1pp threshold. "~" stands for stable performance (i.e. statistically insignificant change).

In the period 2008–2014, 10 countries recorded a significant increase in the share of the population reporting unmet needs for medical care, with particularly strong rises in EE and EL. Only 3 countries registered significant improvements in access, most notably BG. In terms of the most recent changes for the period 2013-2014, there were only 2 countries that noted an increase (EE and EL), but with 3 showing a reduction in unmet need for care, again most notably BG.

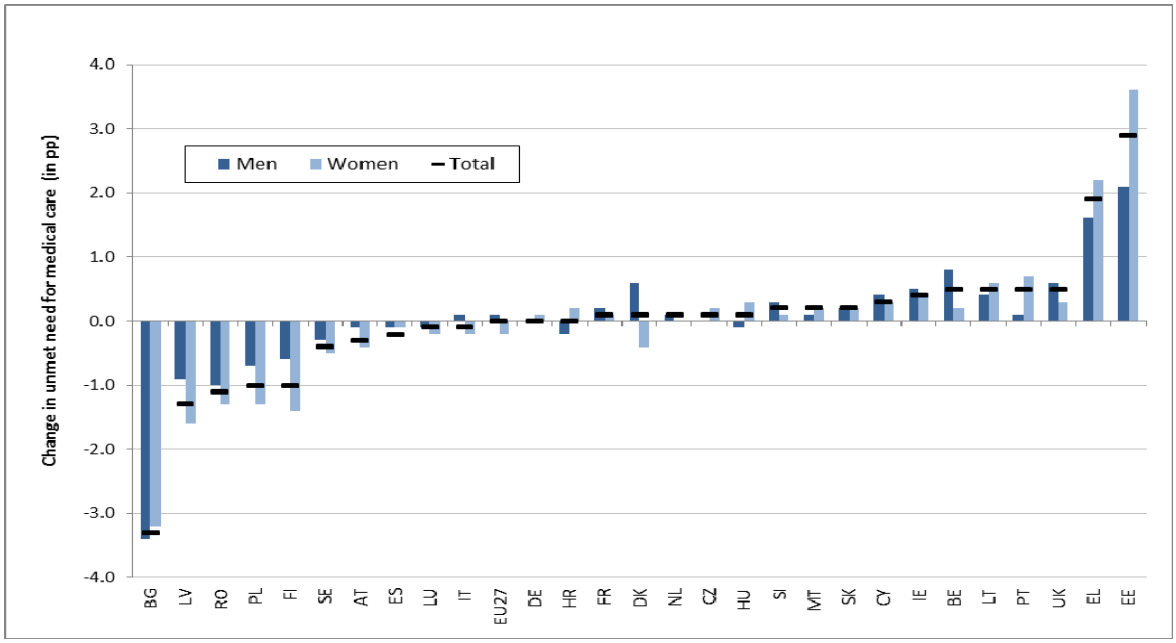
Over the latest year there have been significant changes in the rate of self-reported unmet need for medical care in some Member States, mainly reflecting more pronounced changes in unmet need for women. In FI, LV, PL and RO falls in unmet need were clearly strongest among women, although in BG the very strong reduction there was very similar for both genders (Figure 47). In contrast, rates rose strongly in EE and EL especially for the female population.

The Eurofound study cited previously (Eurofound (2014)) finds that while the crisis has been a major factor influencing complex healthcare systems, there are significant differences between countries and between services in the impact the crisis has had on healthcare access. Nevertheless, even where a country's health services have hardly experienced any cuts (such as all services in Luxembourg, and nursing home healthcare in Latvia), it has still been possible to identify impacts of the crisis on access to healthcare, especially among certain population groups such as people living in countries with poor overall access or in remote areas; those with low health literacy, poor education and low incomes; people with greater healthcare needs in general (such as people with disabilities, elderly people and people with chronic illnesses); or those who belong to a specific

[19] This indicator is defined on the basis of self-reported unmet need related to three reasons – too far to travel, waiting list, too expensive

disadvantaged ethnic minority (such as Roma), as well as homeless people and migrants. Moreover, it reports that the crisis has resulted in the emergence of new groups that were not considered vulnerable previously, such as young couples facing housing and job insecurity.

Figure 47: Changes in unmet need medical care 2014-2015, by gender



Source: Eurostat (EU-SILC)

The SPC recently carried out a thematic review also on the topic of access to health care and the lessons learnt from the implementation of health policies and reforms with relevance to access to health care. The main messages from this review, including a number of policy lessons relevant for further discussion on the challenges of securing appropriate and cost-effective access to health care and medical services, are reported in Annex 3 of this report.

Developments in access to housing and homelessness

Housing costs represent an important share of a household's income, especially for lower income groups. An increasing burden of housing costs on a household's income as well as the over-indebtedness of many households might result in the inability of households to pay mortgages, rent or utility bills, increasing vulnerability for repossessions, foreclosures and evictions and in some cases, homelessness. There is a growing need for locally available affordable housing, including social housing and affordable private rentals, as well as a sufficient level of housing and heating allowances[20]

[20] Commission Staff Working Document (2013)42 final on Confronting homelessness in the European Union

In 2014, the housing cost overburden rate[21] varied among Member States, between a minimum of 1.6% in MT to a maximum of 40.7% in EL, with the average for the EU28 at 11.4%. Other countries with a relatively high share of around 15% were DE, DK, NL and RO (Figure 48).

Figure 48: Housing cost overburden rate, in %, and changes (in pp) 2013-2014 and 2008-2014

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2014	11.4	11.4	11.3	11.3	10.4	12.9	10.5	15.6	15.9	8.3	5.5	40.7	10.9	5.1	7.5	8.5
2013-2014 change in pp	~	~	~	~	0.8	-1.4	-1.2	-2.3	~	n.a.	~	3.8	0.6	~	-0.9	~
2008-2014 change in pp	n.a.	~	3.1	3.1	-2.1	~	-2.3	n.a.	n.a.	3.6	2.2	18.5	1.5	~	n.a.	~
	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2014	4.0	9.6	7.1	6.8	12.8	1.6	15.4	6.6	9.6	9.2	14.9	6.4	9.0	5.1	7.8	12.1
2013-2014 change in pp	0.7	-1.8	-1.1	1.2	-1.5	-1.0	~	-0.6	-0.7	0.9	~	~	~	~	~	n.a.
2008-2014 change in pp	2.2	~	2.1	3.1	1.2	-1.7	1.7	~	~	1.6	-3.8	2.0	3.4	~	~	-4.2

Source: Eurostat

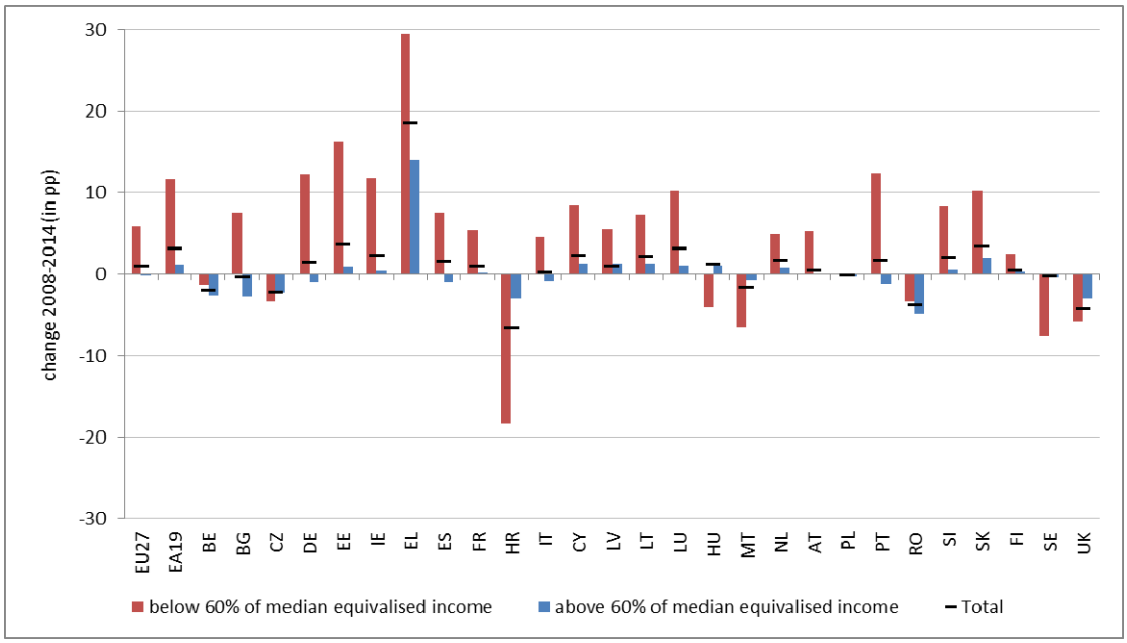
Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes ("n.a." shown for the period compared to 2008 for these); ii) For EE, major break in series in 2014 for variables in EU-SILC, so change not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; iii) Evolutions for EU28, DE and HR are not available for the period 2008-2014; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious; Break in the series in 2014 ("n.a" shown for the latest year period, i.e. the change compared to 2013). v) Only significant changes have been marked in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change); vi) The income reference year is the calendar year prior to the survey year (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Significant increases in the average share of housing costs in disposable household income have been recorded in 12 Member States between 2008 and 2014. Of particular note is the sharp rise in EL, where the rate has risen by 18.5 pp over this period compared to a rise of only 0.9 pp in the EU average. For the change over the latest year, the strong rise in the housing cost burden continued in EL and also rose in 5 other Member States, but a greater number of countries (10) recorded reductions in the burden.

In many countries the increase since 2008 has been much more prominent for people living below the poverty threshold than for those living above it (Figure 49), with increases of around 10pp or more for the former group in DE, EE, IE, LU, PT and SK, and as high as 29.4pp in EL. For individuals with higher incomes, the housing cost overburden rate has remained relatively stable with the exception of EL, where it also increased substantially (by 14pp). It is interesting to note that in some countries such as HR, MT, SE and the UK the housing cost overburden rate has declined overall, and more strongly for those living below the poverty threshold than for those above it.

[21] The percentage of the population living in a household where the total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).

Figure 49: Evolution of the housing cost overburden rate by poverty status, 2008-2014 (in pp)



Source: Eurostat (EU-SILC)

Notes: i) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes, so figures not shown; ii) For EE, major break in series in 2014 for variables in EU-SILC, so change 2008-2013 shown; iii) Evolutions for DE and HR refer to the period 2010-2014; iv) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer term trend must therefore be particularly cautious.

Some further information on developments in relation to housing and homelessness is included in the following paragraphs. It must be emphasised, however, that for the indicators referred to in these paragraphs many are still subject to further development or may not be fully comparable, and are only included to provide additional information on housing-related trends given the current paucity of harmonised indicators in this area.

Regarding the basic affordability of house purchases, housing prices between 1999 and 2014 increased faster than household income in all Eurozone countries, except in Finland, Germany and Portugal. Although following the 2008 crisis there has been an improvement in the house price-to-income ratio in many Member States (e.g. in DK, FR, GR, IE, IT, NL, PT, ES), it still has not returned to the long-term trend levels in most of the EU and even increased in some such as Austria and Belgium[22].

Worsening affordability triggers overcrowding and housing insecurity. In 2014, 16.9% of the EU-28 population lived in overcrowded housing, with the share at over 25% in most of the new EU Member States (BG, HR, HU, LT, LV, PL, RO and SK) as well as in Italy and Greece. The proportion of poor households in the subsidised housing sector has increased in 14 Member States (BE, DE, EL, ES, HR, HU, IE, IT, LT, LU, PL, PT, SE, SI), while in the private rental sector it has risen in 19 Member States, in 11 of them with rises in excess of 5 percentage points in the period of 2008-

[22] Data are from the OECD housing prices database and from "An overview of housing exclusion in Europe". Foundation Abbé Pierre- FEANTSA report, November 2015.

2013 (BE, EE, ES, FR, EL, HR, LT, MT, RO, SE, SI)[23]. Partly due to the rise in youth unemployment, the share of young adults aged 18-34 still living with their parents has been on the rise (58 % in Spain, nearly 60 % in BG and close to 70 % in HR and SK).[24]

These trends, coupled with the inability to pay mortgage, rent or utility bills may lead to more vulnerability to housing evictions, insecure housing situations and as a result, a higher risk of homelessness. Mortgage or rent arrears increased in 12 Member States between 2013 and 2014 (BE, BG, CY, CZ, ES, FR, HR, HU, IT, MT, NL, PT)[25]. Arrears on utility bills in the EU stood at 9.9% in 2014 but there was an increase in as many as 16 Member States compared to 2013 levels (BE, CZ, DE, DK, EL, ES, FR, IE, IT, LU, MT, NL, PL, PT, SI, SK)[26].

Energy poverty is on the rise, and the situation is likely to get worse in the mid-term due to further forecast increases in energy prices and corresponding rises in income inequality and poverty, the lack of adequate heating systems and the general poor quality of housing insulation, in particular in Mediterranean countries[27]. Close to 10% of EU citizens cannot keep their homes adequately warm according to data from EU-SILC, the figure rising to above 20% in CY, LT, MT and PT, above 30% in EL, and just over 40% in BG. For those living below the poverty line, the figures are even more alarming. For the EU28 average it concerns close to one in four people living at risk of poverty, while in CY, EL and PT it is around 50%, and in BG as high as 66%.

As for the quality of housing in Europe, satisfaction with accommodation overall has hardly changed over recent years[28]. Housing deprivation, moreover, still affects a substantial proportion of the population in most Member States, though to a varied extent. For instance, in many Member States, a lack of an indoor flushing toilet for the sole use of the household is practically a non-existent problem, while in others it may concern every fifth household (BG: 20%, RO: 33% in 2014). Around 16% of the total EU population lived in dwellings with a leaking roof, damp walls, floors or foundation or rot in window frames or floors in 2014, including 6 Member States with a share above 20% (CY, HU, IT, LV, PT, SI). This contrasts with shares below 10% in 5 countries (CZ, FI, PL, SE and SK).

Severe housing deprivation rates[29] for the total EU population more-or-less stagnated over 2013-2014, with a noticeable increase only in Italy and Lithuania. Among people living in poverty, changes in severe housing deprivation rates were more accentuated, with an increase from 12.6% to 12.9% in the EU28 and the most noticeable rises (of 1pp or more) in DE, PT, SK and the UK. In the majority of Member States, however, the trends were rather positive and 9 Member States

[23] See "An overview of housing exclusion in Europe". Foundation Abbé Pierre- FEANTSA report, November 2015

[24] Paragraph based on Policy Discussion Brief for the European Commission on housing in EU Member States. Habitat for Humanity International Europe, Middle East and Africa. June, 2016. Data are from EU SILC "Share of young adults aged 18-34 living with their parents by age and sex" http://appsso.eurostat.ec.europa.eu/nui/show.do

[25] EU-SILC data

[26] EU-SILC data

[27] Paragraph based on the European Parliament resolution of 14 April 2016 on "Meeting the antipoverty target in the light of increasing household costs".

[28] Eurofound- European Quality of Life Surveys

[29] Severe housing deprivation rate is defined as the percentage of the population living in the dwelling which is considered as overcrowded, while also exhibiting at least one of the housing deprivation measures (e.g. a leaking roof, no bath/shower and no indoor toilet, or the dwelling is considered too dark).

experienced declines in excess of 1 pp (AT, BG, DK, HR, LU, LV, NL, RO and SI). The differences between the rates among the general population and the poorer segment of society are nevertheless important as they may mirror significant inequalities.

An upcoming Eurofound study[30] estimates the total annual cost to the EU of having people live in inadequate housing to be nearly €194 billion. Housing inadequacies have negative impacts that include ill health or accidents, resulting in substantial healthcare costs. The study estimates that the elimination of housing inadequacies across the EU, or at least improving them to an acceptable level, could cost about €295 billion at 2011 prices. If all the work was undertaken now, it is estimated that the savings on healthcare provision alone would be some €9 billion in the first year and this saving would continue to accrue year-on-year. The analysis pointed out that these costs are currently not integrated in the planning of housing policies.

Expert data confirm an increase in homelessness during recent years in most parts of Europe (except in FI, NL)[31]. Main reasons identified behind this trend include structural problems in the housing and labour markets, the impact of the crisis and prolonged austerity, cuts in welfare benefits and services provision (for mental health, asylum, youth services), migration and the lack of efficient policies to prevent and tackle homelessness[32].

The majority of homeless people in 15 countries examined by experts in 2014 were male (some 75-85%)[33]. Female homelessness is nevertheless prevalent and on the rise, with higher shares for example in FR (38%) and SE (36%). Women are found to be more likely to remain invisible for the homelessness sector and seek for temporary, informal accommodation among family members and friends or use other services (e.g. stay in hotels). Homeless people were mostly young and middle-aged, typically between 30-49 years old. But the proportion of younger people in the cohort (18-29 years) has reached 20-30% in the majority of countries and continues to rise, in particular in Northern and Western Europe. The main risk factors could relate to the transition from family homes or youth institutional care without sufficient support and exposure to addictions, but also reflects that this age group was among the worst hit by the crisis and welfare cuts. Only in a few countries examined, such as HU (55%) and PL (52%), was there an over-representation of people among the over 50s.

Third country migrants are increasingly represented in the homeless population, especially in transit and receiving countries (e.g. in ES, FI, FR, GR, IT). Individuals originating from elsewhere in the EU– typically from Central and Eastern European Member States - account for a growing proportion of the homeless in some large Western-European cities, for instance in France or the

[30] Inadequate housing in Europe: Costs and consequences. Eurofound, expected to be published in August 2016

[31] See for example "Extent and Profile of Homelessness in European Member States: A Statistical Update". EOH Comparative Studies on Homelessness, Number 4 – 2014; On the Way Home? Monitoring Report on Homelessness and Homeless Policies in Europe. FEANTSA, 2012

[32] Idem

[33] This paragraph is based on "An overview of housing exclusion in Europe". Foundation Abbé Pierre- FEANTSA report, November 2015, with data from"Extent and Profile of Homelessness in European Member States: A Statistical Update". European Observatory of Homelessness Comparative Studies on Homelessness, Number 4 – 2014, conducted in CZ, DE, DK, ES, FI, FR, HU, IE, IT, NL, PL, PT, SE, SI, UK

United Kingdom[34]. Seasonal farm workers in some rural areas of, for instance, Italy and Spain, reported living in bad quality encampments or non-conventional dwellings without suitable sanitary facilities.

Trends in the take-up of selected social benefits

The prolonged crisis led to an increased dependence on social transfers in some Member States. The SPC started an ad-hoc collection of administrative data on benefit recipients for different social schemes (unemployment, social assistance, early retirement and disability) in order to get timelier information on the pressure on social protection systems in the context of the economic crisis. In 2015 the SPC continued with this data collection which is very valuable for its timeliness, but needs to be assessed with due caution as it does not offer cross-country comparability due to the diversity of concepts and underlying definitions.

The following sections analyse the major trends registered in the year 2015 comparing to 2014 and also the general developments since the beginning of the crisis (2008). (Individual country trends regarding the number of benefit recipients can be found in the country profiles produced as a separate annex to the SPC annual report.) The figures for the latest year, although only indicative, suggest that the pressure on social security systems has eased somewhat in 2015 across many EU Member States, with a decline in unemployment benefit recipient numbers in around two-thirds on Member States and in social assistance recipients in around half.

Generally declining trend in the number of unemployment benefit recipients

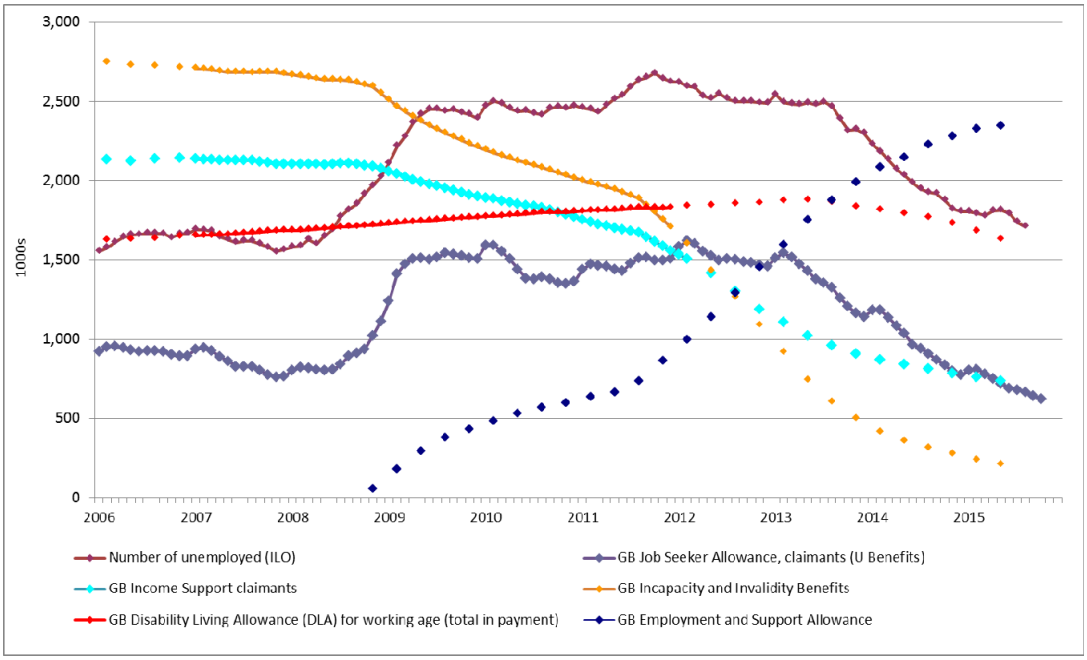
With the continued gradual improvement in the labour market situation in the EU and declines in unemployment levels in the vast majority of Member States over the last year or so, there has been an easing in the pressure on unemployment benefit schemes across much of the EU. In 2015 around 2/3 of Member States recorded a persistent decrease in the number of unemployment benefit recipients as compared to the same periods in 2014, generally mirroring the positive developments in the unemployment rate. Persistent increases were only registered in three countries (AT, FI and FR).

Some countries with downward trends in both unemployment benefit recipients and social assistance benefit recipients

Overall, around a third of Member States reported decreasing numbers of beneficiaries on both unemployment benefit and social assistance schemes. These included countries which have seen relatively stronger recoveries in their labour markets over 2014 to 2015, including CZ, ES, HR, PT, SK and the UK (Figure 50 and Figure 51).

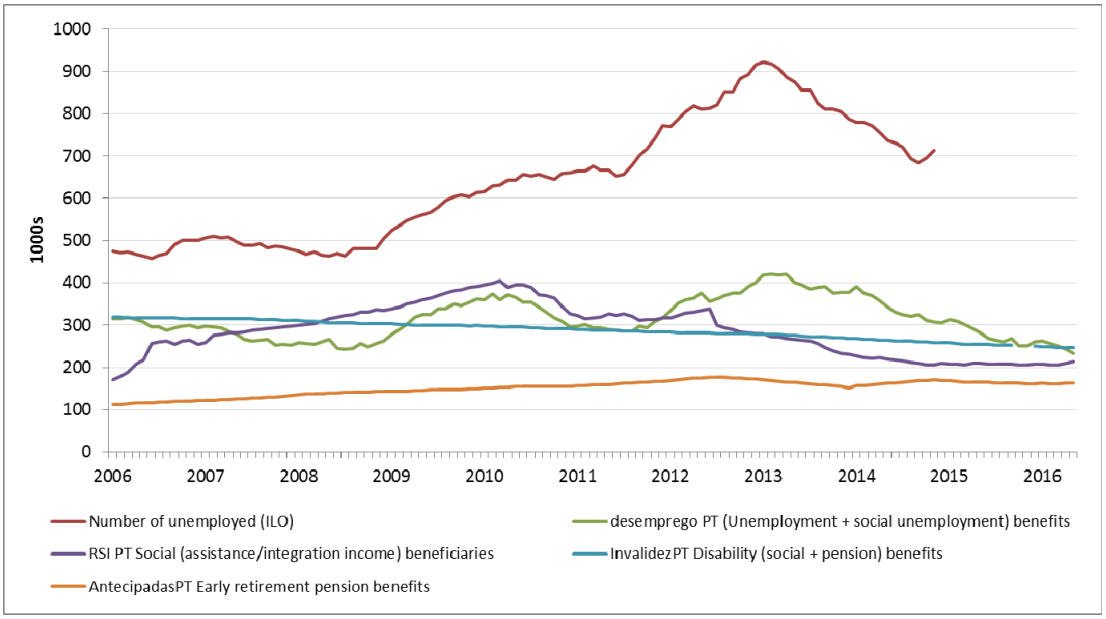
[34] See for instance https://files.datapress.com/london/dataset/chain-reports/CHAIN%20Greater%20London%20bulletin%202014-15.pdf

Figure 50: Evolution of the number of benefit recipients and number of unemployed (in 1000) – the example of the UK



Source: Data on number of unemployed from Eurostat (ILO definition, in 1000 persons, seasonally adjusted); data on number of benefit recipients collected from Member States through the SPC delegates

Figure 51: Evolution of the number of benefit recipients and number of unemployed (in 1000) – the example of PT

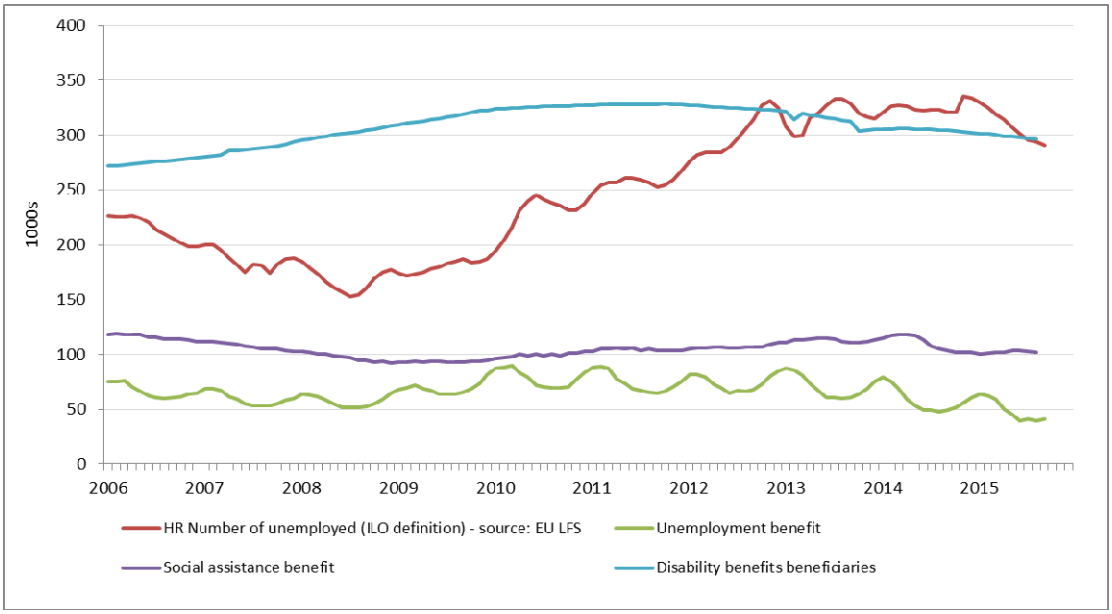


Source: Data on number of unemployed from Eurostat (ILO definition, in 1000 persons, seasonally adjusted); data on number of benefit recipients collected from Member States through the SPC delegates

Potential continued gaps in social benefits' coverage in some Member States

Notwithstanding the very latest developments, the deterioration in the employment situation in many Member States in the years after the crisis hit, and the growing number of unemployed and their longer stay in unemployment, resulted in more people being in need of social transfers. In some Member States, the growth in unemployment was not always matched by similar trends in benefit recipients which led to a potential lack of social benefits coverage. This has especially been the case in countries such as HR (Figure 52), and the mis-match remains substantial despite the recent slight easing in unemployment levels.

Figure 52: Evolution of the number of benefit recipients and number of unemployed (in 1000) – the example of HR



Source: Data on number of unemployed from Eurostat (ILO definition, in 1000 persons, seasonally adjusted); data on number of benefit recipients collected from Member States through the SPC delegates

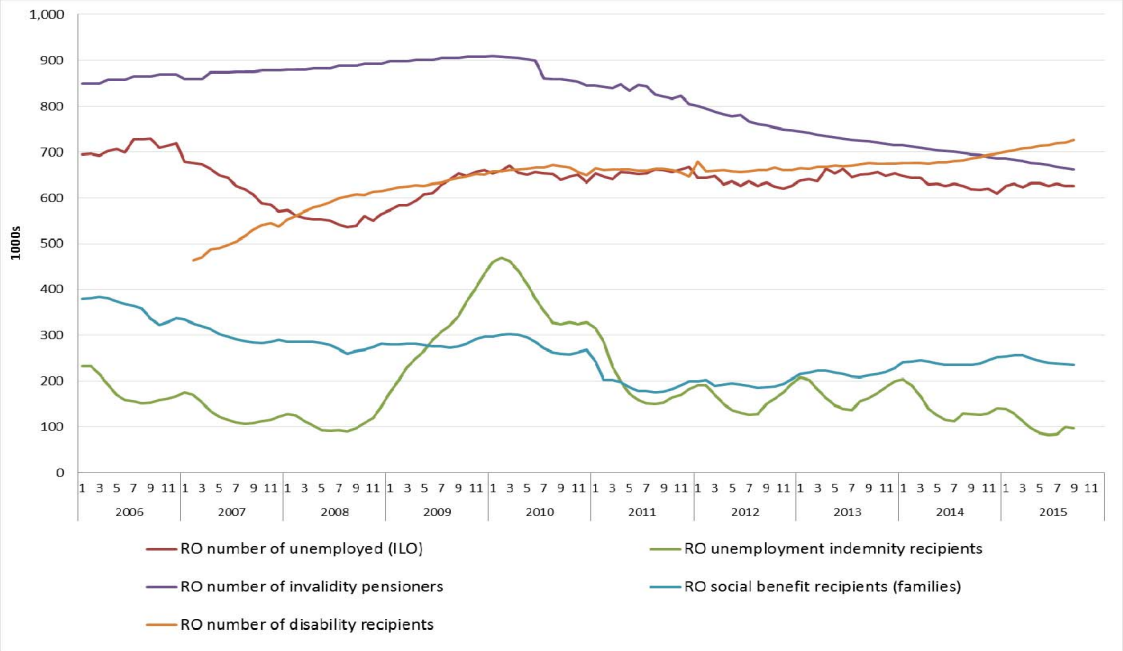
More mixed developments in terms of the number of benefit recipients from social assistance schemes for other Member States

While a large majority of Member States recorded a persistent decrease in the number of unemployment benefit recipients as compared to 2014, the picture with regard to the number of recipients of social assistance was more mixed. In 2015 around half of Member States recorded a persistent decrease in the number of social assistance benefit recipients as compared to 2014, while around a third recorded persistent increases.

Among the latter, some countries show a shift from the use of unemployment benefit towards increasing social assistance. For example, despite little change in the level of unemployment over the last year, Romania saw a decrease in unemployment beneficiaries together with an increase in social assistance recipients (Figure 53). This could suggest there is movement from unemployment benefits to social assistance schemes perhaps due to rising long-term unemployment or shortened

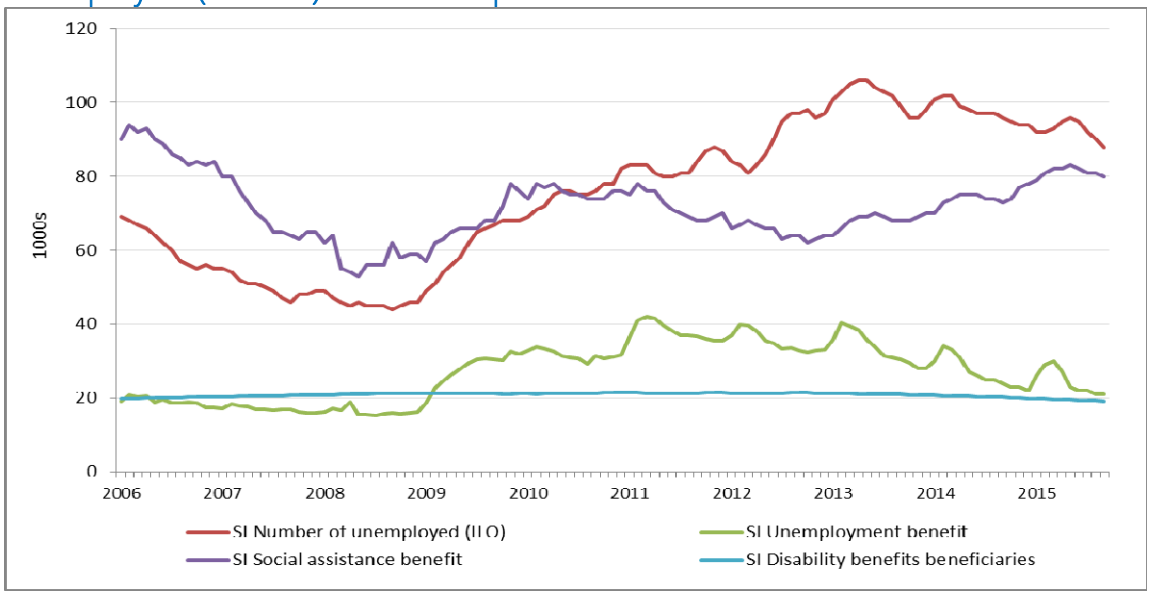
lengths of unemployment benefit receipt. This movement increases pressure on social protection systems. A similar trend can be observed in NL and SI (Figure 54).

Figure 53: Evolution of the number of benefit recipients and number of unemployed (in 1000) – the example of RO



Source: Data on number of unemployed from Eurostat (ILO definition, in 1000 persons, seasonally adjusted); data on number of benefit recipients collected from Member States through the SPC delegates

Figure 54: Evolution of the number of benefit recipients and number of unemployed (in 1000) – the example of SI



Source: Data on number of unemployed from Eurostat (ILO definition, in 1000 persons, seasonally adjusted); data on number of benefit recipients collected from Member States through the SPC delegates

II. The SPPM dashboard - summary of current trends to watch in the social situation in the European Union

For the EU as a whole the following main negative trends, or "trends to watch" (i.e. where around a third or more of all Member States show a significant deterioration in the given indicator), are identified for the most recent period for which data is available for the given indicator (Figure 55):

- A general continued deterioration in the (relative) poverty situation, with rises in the extent of poverty as recorded by the **poverty risk for the population as a whole** in many Member States (11 MS), in the depth of poverty (i.e. the **poverty gap**) in several countries (8 MS) and in its persistence as shown by rises in the persistent at-risk-of poverty rate in 10 MS. (These trends generally refer to incomes in the period 2012-2013[35]);

- Increases in the **share of the population living in (quasi-)jobless households** (registered in 9 MS), together with rises in the **at-risk-of-poverty rates** for people residing in such households (registered in 11 MS). The latter points to a reduction in the adequacy of social benefits in many countries. (Again, these trends generally refer to the income period 2012-2013.)

In contrast, positive developments in the social situation can be observed in the following areas:

- Rises in **real gross household disposable income** (in 17 MS) along with reductions in the **housing cost overburden rate** in 10 MS and in the **severe material deprivation rate** (in 9 MS). This reflects that household incomes and financial conditions of EU households have improved in the most recent period, benefitting from stronger economic activity and improved labour markets;

- A reduction in **long term unemployment** in 14 MS;

- Clear signs of **reductions in youth exclusion**, with falls in the NEET rate (in 16 MS) and the youth unemployment ratio (in 19 MS) over the period 2014-2015, reflecting continued improvements in the labour market;

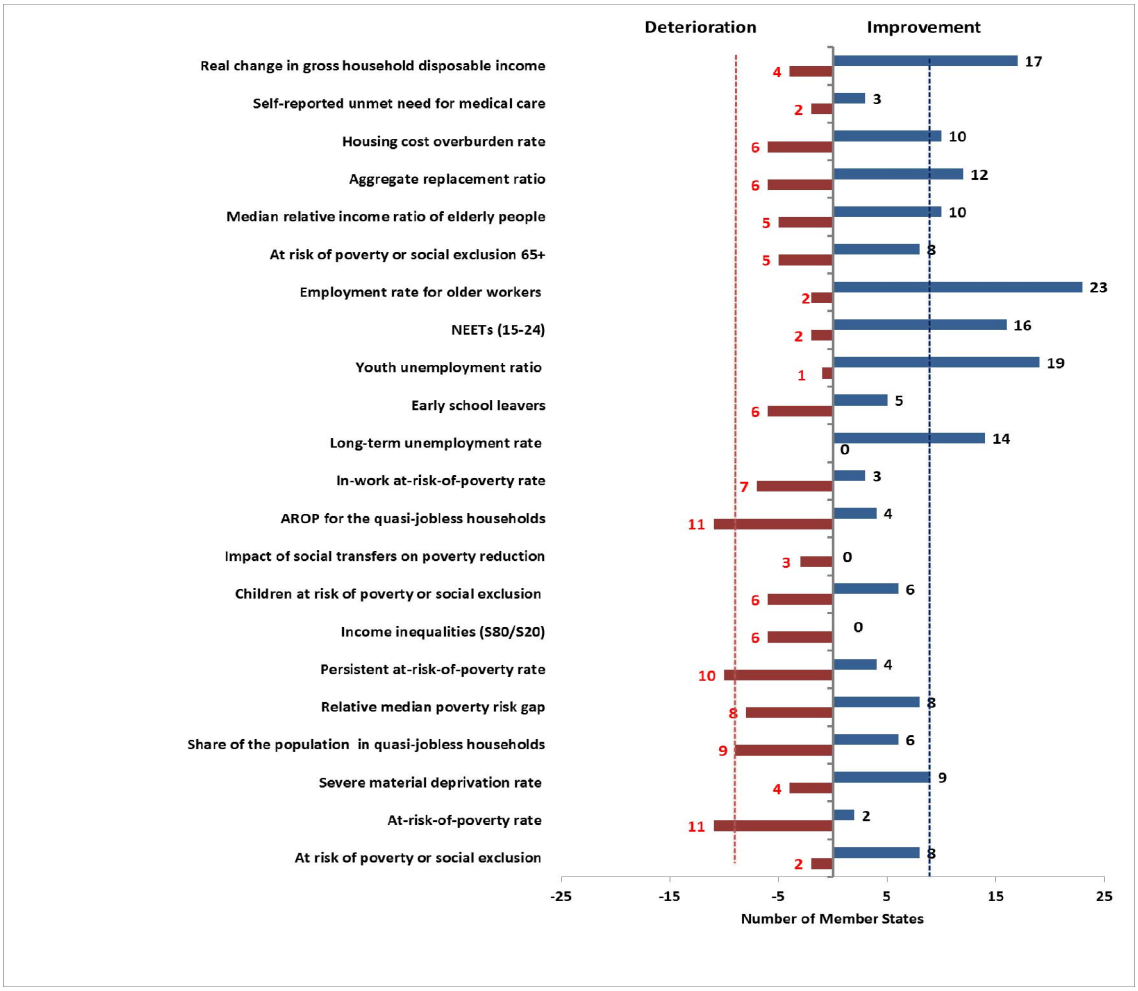
- Further improvement in the **labour market participation of older workers** over 2014-2015 (as evidenced by increases in the employment rate for 55-64 year olds in 23 MS);

- Continued improvement in the **income and living conditions of the elderly** (with rises in the aggregate replacement ratio in 12 MS and in the median relative income ratio of elderly people in 10);

- A reduction in **the risk of poverty or social exclusion for the overall population** (in 8 MS).

[35] With the exception of the UK, where income refers to 2014.

Figure 55: Social trends to watch and areas of improvement for the period 2013-2014*



Source: Social Protection Performance Monitor

*Note: i) For 2014 BG registered a major break in the time series for the material deprivation indicator (SMD), so SMD and AROPE trends for BG have not been considered for the evolutions with regard to these EU-SILC indicators. ii) For 2014 EE registered a major break in series for EU-SILC variables. As a result EU-SILC based indicators are not generally comparable to 2013 for this country and EE has therefore not been considered in the trends to watch for these indicators. iii) For 2014 UK registered a break in the time series for the housing cost overburden indicator, so the change in this indicator has not been considered in the trends to watch. *For EU-SILC based indicators the changes generally refer to 2012-2013 for income and household work intensity indicators, and to 2013-2014 for SMD and unmet need for medical care. Changes in gross household disposable income refer to 2013-2014. *LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETS (15-24), ER (55-64)) refer to the more recent period 2014-2015.*

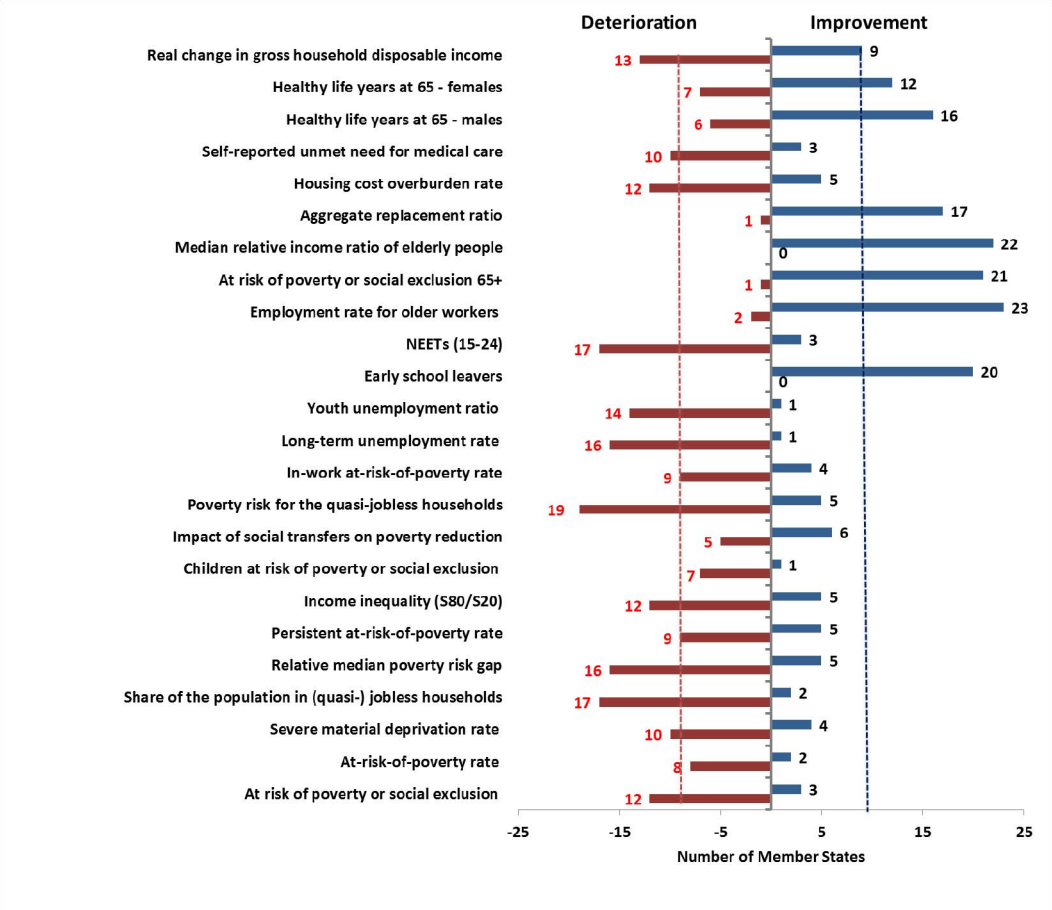
Looking at the longer-term developments since the beginning of the financial and economic crisis, and the Europe 2020 strategy, for most social areas the situation remains considerably worse compared to 2008, despite signs of recent improvement (Figure 56). The areas with the most substantial deterioration compared to 2008 are:

- Increased risk of poverty or social exclusion (in 12 MS), reflecting mainly rises in the share of the population living in (quasi-)jobless households (in 17 MS) and falls in living standards (as evidenced by rises in severe material deprivation in 10 MS), against a background of declines in real gross household disposable income in 13 MS;

- increased income inequality (in 12 MS) and a rise in the depth of poverty (with the poverty gap up in 16 MS);
- still strong signs of youth exclusion (with significant increases in the NEET rate and the youth unemployment ratio in around two-thirds of MS);
- increased (long-term) exclusion from the labour market in general (with rises in the long-term unemployment rate and in the share of the population in (quasi-) jobless households in around two-thirds of MS), together with rises in the poverty risk for people living in (quasi-) jobless households in 19 MS;
- rises in the housing cost overburden rate for households (in 12 MS);
- increases in self-reported unmet need for medical care (10 MS)

The dashboard indicators show there have also been a number of improvements, notably in the areas of increasing number of healthy life years and significant decreases in the number of early school leavers in Europe (in 20 MS). There have also been improvements in the relative situation of the older generation. The labour market situation of older workers has improved markedly, as evidenced by increases in the employment rate for the age group 55-64 in 23 Member States. The relative situation of the elderly aged 65 and over also shows clear signs of improvement, with decreases in the number of elderly living at risk of poverty or social exclusion as well as an improvement in their income situation with respect to the rest of the population in around three-quarters of Member States. However, this trend should be interpreted with great caution as it does not necessarily show an improvement in absolute terms. As pension income remained stable during the economic crisis while the working age population suffered from substantial income loss (wage decreases, job loss and decreases in benefit levels), the relative, but not necessarily the absolute, position of the elderly has improved, highlighting the important role of pension systems.

Figure 56: Social trends to watch and areas of improvement for the period 2008-2014*

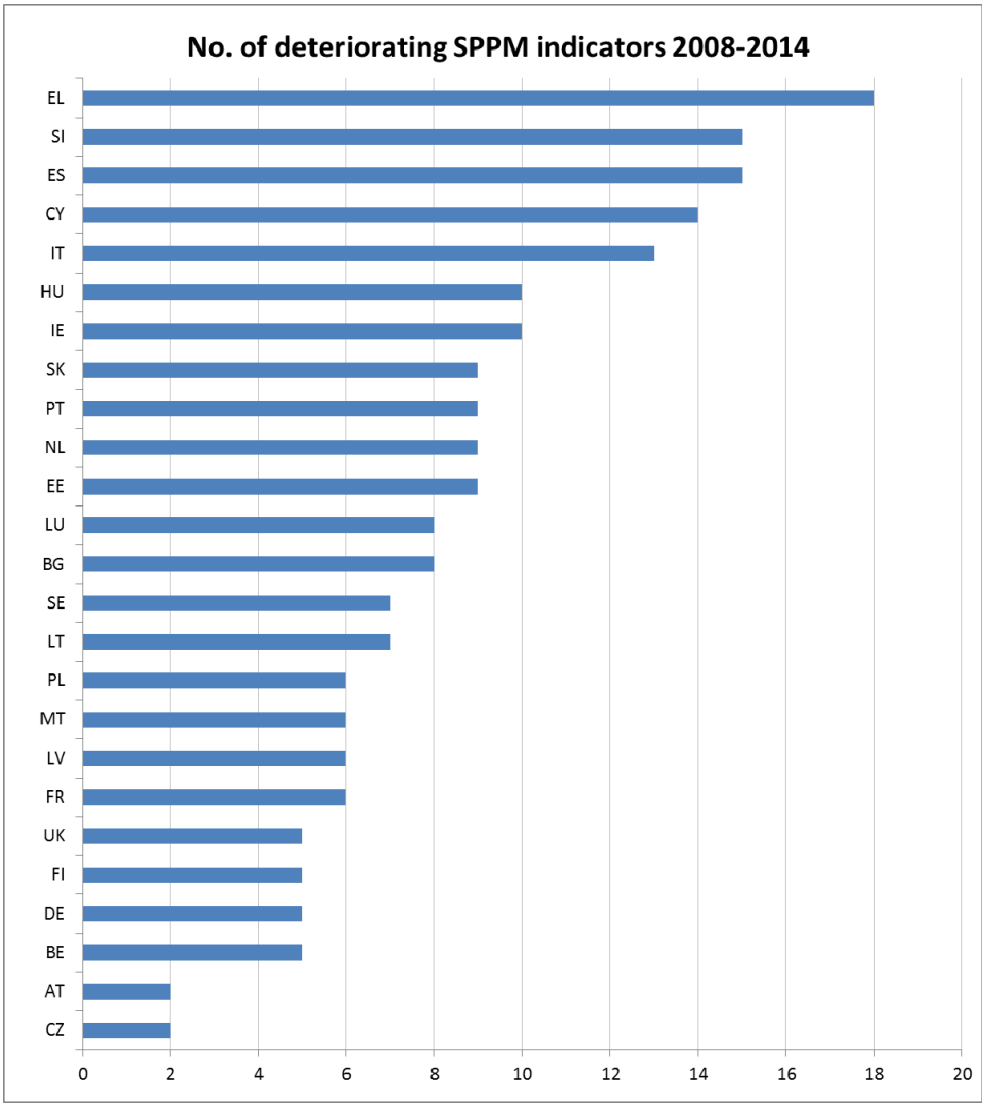


Source: Social Protection Performance Monitor

*Note: i) For AT, break in series in 2011 for persistent poverty (so trend not considered for the period compared to 2008); ii) For BE, 2013 break in the (quasi-)jobless households indicator and a major break in 2011 in the self-reported unmet need for medical examination (so trend not considered for the period compared to 2008); iii) For 2014 BG registered a major break in the time series for the material deprivation indicator (SMD) and AROPE indicator, so longer-term changes are presented for the period 2008-2013 only. iv) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes (so trends not considered for the period compared to 2008 for these); v) For 2014 EE registered a major break in series for EU-SILC variables, so longer-term changes for these are presented for the period 2008-2013 only; vi) For HR, the long-term comparison for EU-SILC-based indicators is relative to 2010 as no EU-SILC data published by Eurostat before then. vii) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not considered for those variables; viii) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious. * For LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETS (15-24), ER (55-64)) 2015 figures used, hence 2008-2015.*

Figure 57 shows the number of social indicators in the SPPM dashboard for which a given country has registered a significant deterioration over the period 2008 to 2014 (or 2008 to 2015 for LFS-based indicators). The Member States with the most worrisome outcomes are Cyprus, Greece, Italy, Spain and Slovenia, with deterioration on 13 indicators or more. At the other end of the scale, Belgium, Finland, Germany and the UK have only registered significant deterioration on 5 indicators, while for Austria and the Czech Republic it was only 2.

Figure 57: Number of SPPM key social indicators with a statistically significant deterioration between 2008 and 2014* by Member State



Source: Social Protection Performance Monitor

*Note: i) For AT, break in series in 2011 for persistent poverty (so trend not considered for the period compared to 2008); ii) For BE, 2013 break in the (quasi-)jobless households indicator and a major break in 2011 in the self-reported unmet need for medical examination (so trend not considered for the period compared to 2008); iii) For 2014 BG registered a major break in the time series for the material deprivation indicator (SMD) and AROPE indicator, so longer-term changes are taken for the period 2008-2013 only for these indicators; iv)For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes, so changes since 2008 not available for several variables and hence total number of deteriorating variables not shown for DK; v) For 2014 EE registered a major break in series for EU-SILC variables, so longer-term changes for these are taken for the period 2008-2013 only; vi) For HR, the long- term comparison for EU-SILC-based indicators is relative to 2010 as no EU-SILC data published by Eurostat before then; vii) For RO, break in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not available for several variables and hence total number of deteriorating variables not shown; viii) For UK, changes in the survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious; viii) The bars refer to the number of SPPM indicators which have registered a statistically (and substantively, where relevant) significant deterioration between 2008 and 2014. * For LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETS (15-24), ER (55-64)) 2015 figures used, hence 2008-2015.*

SPPM dashboard

		EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
Europe 2020	**At risk of poverty or social exclusion (in %)**																																
	2014	24.4	24.4	23.5	23.5	21.2	40.1	14.8	17.9	20.6	26.0	27.6	36.0	29.2	18.5	29.3	28.3	27.4	32.7	27.3	19.0	31.8	23.8	16.5	19.2	24.7	27.5	39.5	20.4	18.4	17.3	16.9	24.1
	2013-2014 change in pp	~	~	~	~	~	n.a.	~	~	~	n.a.	-1.9	~	1.9	~	~	~	~	-2.4	-3.5	~	-3.0	~	~	~	-1.1	~	-0.9	~	-1.4	1.3	~	-0.7
	2008-2014 change in pp	n.a.	~	1.9	1.8	~	3.2	~	n.a.	~	1.7	3.9	7.9	5.4	~	n.a.	2.8	4.1	~	~	3.5	3.6	3.7	~	~	-5.8	~	-4.7	1.9	-2.2	~	2.0	~
	At-risk-of-poverty rate (in %)																																
	2014	17.2	17.2	17.1	17.1	15.5	21.8	9.7	12.1	16.7	21.8	15.6	22.1	22.2	13.3	19.4	19.4	14.4	21.2	19.1	16.4	15.0	15.9	11.6	14.1	17.0	19.5	25.4	14.5	12.6	12.8	15.1	16.8
	2013-2014 change in pp	~	~	~	~	~	0.8	1.1	~	0.6	n.a.	1.5	-1.0	1.8	~	~	~	~	1.8	-1.5	~	~	~	1.2	~	~	0.8	3.0	~	~	1.0	~	0.9
	2008-2014 change in pp	n.a.	~	1.1	~	~	~	~	n.a.	1.5	~	~	2.0	2.4	~	n.a.	~	~	-4.7	~	3.0	2.6	~	~	~	~	~	~	2.2	1.7	~	2.9	-1.9
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																																
	2014	n.a.	n.a.	n.a.	n.a.	11755	4052	6654	11992	11530	5545	9598	5166	8517	11584	4644	9165	9457	4392	4557	16962	4535	9300	11283	12997	5736	6075	2454	8597	5883	11550	12368	10160
	2013-2014 change in %	n.a.	n.a.	n.a.	n.a.	~	15.1	~	~	~	n.a.	~	-7.0	~	~	~	~	-9.0	10.8	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~
	2008-2014 change in %	n.a.	n.a.	n.a.	n.a.	9.3	38.1	7.2	n.a.	~	~	15.7	34.2	12.7	~	n.a.	8.8	18.1	~	~	~	~	14.2	~	6.4	22.8	5.8	16.2	~	27.8	5.1	15.3	6.7
	Severe material deprivation rate (in %)																																
	2014	8.9	8.9	7.3	7.4	5.9	33.1	6.7	3.2	5.0	6.2	8.4	21.5	7.1	4.8	13.9	11.6	15.3	19.2	13.6	1.4	24.0	10.2	3.2	4.0	10.4	10.6	25.0	6.6	9.9	2.8	0.7	7.3
	2013-2014 change in pp	-0.7	-0.7	~	~	0.8	n.a.	~	~	~	n.a.	-1.5	1.2	0.9	~	-0.8	~	~	-4.8	-2.4	~	-3.8	~	0.7	~	-1.5	~	-3.5	~	~	~	-0.7	-1.0
	2008-2014 change in pp	n.a.	~	1.4	1.5	~	~	~	n.a.	~	2.7	2.9	10.3	3.5	~	n.a.	4.1	6.2	~	~	~	6.1	5.9	1.7	-1.9	-7.3	~	-7.9	~	-1.9	~	~	2.8
	Population living in (quasi-) jobless households (in %)																																
	2014	11.2	11.1	11.9	11.9	14.6	12.1	7.6	12.1	10.0	7.6	21.1	17.2	17.1	9.6	14.7	12.1	9.7	9.6	8.8	6.1	12.8	9.8	10.2	9.1	7.3	12.2	6.4	8.7	7.1	10.0	6.4	12.2
	2013-2014 change in pp	~	~	0.7	0.7	0.6	-0.9	0.7	~	~	n.a.	-2.8	-1.0	1.4	1.5	~	0.8	1.8	~	-2.2	~	~	~	~	1.3	~	~	~	0.7	~	1.0	-0.7	-1.0
	2008-2014 change in pp	n.a.	1.9	2.6	2.6	2.9	4.0	~	n.a.	-1.7	3.1	7.4	9.7	10.5	~	n.a.	1.7	5.2	4.2	2.7	~	~	~	2.0	1.7	~	5.9	-1.9	2.0	1.9	2.5	~	1.8
Intensity of poverty risk	**Relative median at-risk-of-poverty gap (in %)**																																
	2014	24.6	24.6	24.8	24.8	18.8	33.2	18.0	18.5	23.2	22.0	17.2	31.3	31.6	16.6	27.9	28.2	18.5	23.6	22.7	16.3	22.3	17.8	16.9	20.1	23.2	30.3	35.1	22.0	29.0	13.9	20.4	19.6
	2013-2014 change in pp	~	~	~	~	~	2.3	1.4	-5.0	2.8	n.a.	~	-1.4	~	~	~	~	~	-3.9	-2.1	-1.2	1.3	-1.3	~	-1.2	~	2.9	2.5	1.6	4.9	-1.1	~	~
	2008-2014 change in pp	n.a.	2.7	3.4	3.4	1.6	6.2	~	n.a.	~	1.2	~	6.6	6.0	2.1	n.a.	5.0	3.2	-5.0	-2.9	~	5.0	-2.5	2.0	~	2.6	7.1	2.8	2.7	10.9	-1.8	2.4	-1.4
Persistence of poverty risk	**Persistent at-risk-of-poverty rate (in %)**																																
	2014	10.4	10.3	10.5	n.a.	9.5	16.5	3.4	5.1	9.5	11.2	n.a.	14.5	14.3	7.9	13.2	12.9	7.3	10.8	16.0	8.7	8.6	10.6	7.7	8.5	10.7	12.0	20.2	9.5	7.1	7.0	7.6	6.5
	2013-2014 change in pp	~	~	~	n.a.	~	3.1	~	n.a.	-1.1	n.a.	n.a.	2.1	2.2	~	n.a.	~	-2.7	-1.3	5.8	~	1.3	2.1	1.2	~	1.7	~	3.2	2.0	n.a.	~	n.a.	-1.3
	2008-2014 change in pp	n.a.	1.7	1.7	n.a.	~	n.a.	~	n.a.	2.3	-4.3	n.a.	1.5	3.3	n.a.	n.a.	~	-2.6	-1.8	5.1	~	~	2.9	1.3	n.a.	~	-1.1	n.a.	1.8	2.2	~	5.0	-2.0
Income inequalities	**Income quintile ratio (S80/S20)**																																
	2014	5.2	5.2	5.2	5.2	3.8	6.8	3.5	4.1	5.1	6.5	4.8	6.5	6.8	4.3	5.1	5.8	5.4	6.5	6.1	4.4	4.3	4.0	3.8	4.1	4.9	6.2	7.2	3.7	3.9	3.6	3.9	5.1
	2013-2014 change in %	~	~	~	~	~	~	~	~	10.9	n.a.	~	~	~	~	~	~	10.2	~	~	~	~	~	~	~	~	~	9.1	~	8.3	~	5.4	10.9
	2008-2014 change in %	n.a.	~	6.1	6.1	-7.3	~	~	n.a.	6.2	10.0	9.1	10.2	21.4	~	n.a.	11.5	25.6	-11.0	~	7.3	19.4	-7.0	~	~	~	~	~	8.8	14.7	-5.3	11.4	-8.9
Child poverty and social exclusion	**At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)**																																
	2014	27.8	27.7	25.6	25.7	23.2	45.2	19.5	14.5	19.6	23.8	30.3	36.7	35.8	21.6	29.0	32.1	24.7	35.3	28.9	26.4	41.8	31.3	17.1	23.3	28.2	31.4	50.5	17.7	23.6	15.6	16.7	31.3
	2013-2014 change in pp	~	~	~	~	1.3	n.a.	3.1	~	~	n.a.	-3.6	~	3.2	0.8	~	~	-3.0	-3.1	-6.5	~	~	~	~	~	-1.6	~	2.0	~	~	2.6	~	-1.3
	2008-2014 change in pp	n.a.	1.3	2.0	2.0	~	7.3	~	n.a.	~	~	~	8.0	5.7	~	n.a.	3.7	~	~	~	5.5	8.4	6.3	~	~	-4.7	~	~	~	~	~	~	~
Effectiveness of social protection system	**Impact of social transfers (excl. pensions) on poverty reduction (%)**																																
	2014	34.1	34.1	33.5	33.7	43.6	20.1	43.6	55.0	33.2	23.2	58.1	15.0	28.6	44.6	35.1	21.5	41.5	21.5	30.6	40.6	43.6	33.2	45.5	44.5	26.4	27.0	10.9	42.2	35.7	53.6	47.0	42.7
	2013-2014 change in pp	~	~	~	~	~	~	~	~	~	n.a.	-5.3	~	~	~	~	~	~	~	~	-5.3	~	~	~	~	~	~	-8.5	~	~	~	~	~
	2008-2014 change in pp	n.a.	~	~	~	~	~	-11.4	n.a.	~	5.7	~	~	5.7	~	n.a.	~	10.9	7.2	6.8	~	-15.6	~	~	~	-6.3	~	-12.9	~	~	~	-10.2	7.4
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																																
	2014	58.2	58.1	59.3	59.4	62.2	67.7	67.1	43.8	65.0	70.9	49.0	51.1	63.1	52.3	63.3	59.7	51.7	73.0	70.9	58.3	63.2	64.1	48.7	54.1	55.9	59.5	59.7	61.4	79.3	52.9	66.5	50.0
	2013-2014 change in pp	2.0	2.0	~	~	~	-4.3	13.6	~	~	n.a.	7.9	-7.3	1.8	-8.1	~	~	~	5.1	4.9	6.4	~	~	8.9	~	~	~	10.4	4.6	5.7	~	-7.2	8.8
	2008-2014 change in pp	n.a.	2.4	4.1	4.1	7.5	-10.1	11.7	n.a.	~	-3.9	2.4	10.8	11.7	2.5	n.a.	4.8	1.3	-10.3	~	8.9	14.7	2.5	9.0	4.5	6.7	6.3	9.3	6.4	26.2	-3.4	15.1	-13.1
Social consequences of labour market	**In-work at-risk-of poverty rate (in %)**																																
	2014	9.6	9.6	9.4	9.4	4.8	9.3	3.6	4.8	9.9	11.8	5.5	13.2	12.6	8.0	5.7	11.1	7.8	8.3	8.4	11.1	6.7	5.7	5.3	7.2	10.7	10.7	19.5	6.4	5.7	3.7	7.8	8.7
	2013-2014 change in pp	0.6	0.6	0.7	0.7	~	2.1	~	~	1.3	n.a.	1.0	~	2.0	~	~	~	-1.2	-0.8	~	~	~	~	0.8	~	~	~	1.8	-0.7	~	~	0.7	~
	2008-2014 change in pp	n.a.	1.1	1.3	1.3	~	1.7	~	n.a.	2.8	~	~	~	1.3	1.5	n.a.	2.0	1.5	-2.4	-1.1	1.7	~	~	~	-1.3	~	~	2.7	1.3	~	-1.4	~	~
	Long-term unemployment rate (in %)																																
	2015	4.5	4.5	5.5	5.5	4.4	5.6	2.4	1.7	2.0	2.4	5.3	18.2	11.4	4.3	10.3	6.9	6.8	4.5	3.9	1.9	3.1	2.4	3.0	1.7	3.0	7.2	3.0	4.7	7.6	2.3	1.5	1.6
	2014-2015 change in pp	~	~	-0.6	~	~	-1.3	~	~	~	-0.9	-1.3	-1.3	-1.5	~	~	-0.8	-0.9	~	-0.9	~	-0.6	~	~	~	-0.8	-1.2	~	-0.6	-1.7	~	~	-0.6
	2008-2015 change in pp	1.9	2.0	2.6	2.6	1.1	2.7	~	1.2	-1.9	~	3.6	14.5	9.4	1.7	5.0	3.9	6.3	2.6	2.6	~	~	~	2.1	~	~	3.6	n.a.	2.8	~	1.1	~	~

		EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
Youth exclusion	Early school leavers (in %)																																
	2015	11.0	11.0	11.7	11.6	10.1	13.4	6.2	7.8	10.1	11.2	6.9	7.9	20.0	9.3	2.8	14.7	5.3	9.9	5.5	9.3	11.6	19.8	8.2	7.3	5.3	13.7	19.1	5.0	6.9	9.2	7.0	10.8
	2014-2015 change in pp	~	~	~	~	~	~	0.7	~	0.6	~	~	-1.1	-1.9	~	~	~	-1.5	1.4	~	3.2	~	~	~	~	~	-3.7	1.0	0.6	~	~	~	-1.0
	2008-2015 change in pp	-3.7	-3.8	-4.7	-4.7	-1.9	-1.4	~	-4.7	-1.7	-2.8	-4.5	-6.5	-11.7	-2.5	-1.6	-4.9	-8.4	-5.6	-2.0	-4.1	~	-7.4	-3.2	-2.9	~	-21.2	n.a.	~	~	~	~	-6.1
	Youth unemployment ratio (15-24)																																
	2015	8.4	8.4	8.9	8.8	6.6	5.6	4.1	6.7	3.5	5.5	7.6	12.9	16.8	9.1	14.3	10.6	12.3	6.7	5.5	6.1	5.4	6.1	7.7	6.1	6.8	10.7	6.8	5.8	8.4	11.7	11.2	8.6
	2014-2015 change in pp	-0.8	-0.8	-0.6	-0.7	~	-0.9	-1.0	-1.1	~	~	-1.3	-1.8	-2.2	~	-1.0	-1.0	-2.2	-1.2	-1.1	~	-0.6	~	-0.9	~	-1.3	-1.2	~	-1.0	-0.8	1.0	-1.5	-1.2
	2008-2015 change in pp	1.5	1.5	2.0	1.9	~	1.8	~	~	-2.0	~	~	6.3	5.1	2.0	5.6	4.1	8.5	~	1.5	~	~	~	3.8	~	1.1	3.9	n.a.	1.3	2.2	2.9	~	~
	NEETs (15-24)																																
	2015	12.0	12.0	12.2	12.2	12.2	19.3	7.5	6.2	6.2	10.8	14.3	17.2	15.6	11.9	18.5	21.4	15.2	10.5	9.2	6.2	11.6	10.4	4.7	7.5	11.0	11.3	18.1	9.5	13.7	10.6	6.7	11.1
	2014-2015 change in pp	~	~	~	~	~	-0.9	-0.6	~	~	-0.9	-0.9	-1.9	-1.5	~	-0.8	-0.7	-1.8	-1.5	-0.7	~	-2.0	~	-0.8	~	-1.0	-1.0	1.1	~	0.9	~	~	-0.8
	2008-2015 change in pp	1.1	1.1	1.2	1.2	2.1	1.9	~	1.9	-2.2	2.1	~	5.8	1.3	1.4	6.9	4.8	5.5	-1.3	~	~	~	2.1	1.3	~	2.0	1.1	n.a.	3.0	2.6	2.8	-1.1	~
Active ageing	Employment rate of older workers (55-64) in %																																
	2015	53.3	53.4	53.2	53.3	44.0	53.0	55.5	64.7	66.2	64.5	55.6	34.3	46.9	48.7	39.0	48.2	48.2	59.4	60.4	38.4	45.3	40.3	61.7	46.3	44.3	49.9	41.1	36.6	47.0	60.0	74.5	62.2
	2014-2015 change in pp	1.5	1.5	1.5	1.6	1.3	3.0	1.5	1.5	0.6	~	2.6	~	2.6	1.8	2.7	2.0	1.3	3.0	4.1	-4.2	3.5	2.5	1.8	1.2	1.8	2.1	-2.0	1.2	2.2	0.9	~	1.2
	2008-2015 change in pp	7.8	7.9	8.9	8.9	9.5	7.0	7.9	6.3	12.4	2.1	1.7	-8.7	1.4	10.5	1.9	13.9	-6.6	~	7.4	4.2	14.4	10.2	8.7	7.5	12.7	~	n.a.	3.8	7.7	3.5	4.4	4.2
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																																
	2014	17.8	17.7	16.0	16.2	17.3	47.8	10.7	10.8	17.4	35.0	13.5	23.0	12.9	10.1	29.7	20.2	27.2	39.3	31.9	6.4	19.0	23.3	6.9	15.7	18.2	21.1	33.2	20.1	13.4	17.0	16.5	19.3
	2013-2014 change in pp	~	~	~	~	-2.2	n.a.	~	~	1.4	n.a.	~	~	-1.6	-0.7	-2.2	-1.8	~	3.2	~	~	~	2.5	~	~	-1.5	0.8	-1.8	-2.9	~	~	~	1.2
	2008-2014 change in pp	n.a.	-5.6	-4.2	-4.2	-5.6	-7.9	-1.8	n.a.	1.9	-12.9	-9.0	-5.1	-13.3	-4.0	n.a.	-4.2	-22.1	-19.5	-8.0	~	~	~	-2.8	-5.5	-8.7	-6.6	-16.0	-4.3	-8.5	-6.9	~	-9.2
	Median relative income of elderly people																																
	2014	0.94	0.94	0.95	0.95	0.77	0.82	0.84	0.78	0.90	0.63	0.91	1.00	1.03	1.02	0.88	0.99	0.75	0.71	0.77	1.11	1.05	0.78	0.89	0.95	0.99	0.94	1.04	0.91	0.91	0.79	0.83	0.86
	2013-2014 change in %	~	~	~	~	~	7.9	~	2.6	1.1	n.a.	~	-3.8	3.0	~	~	~	~	-7.8	-4.9	~	1.9	~	-1.1	~	1.0	~	~	4.6	1.1	1.3	2.5	-1.1
	2008-2014 change in %	n.a.	10.6	9.2	10.5	~	24.2	6.3	n.a.	~	11.3	23.0	16.3	24.1	7.4	n.a.	12.5	27.1	34.0	10.0	14.4	~	6.8	6.0	8.0	~	13.3	22.4	8.3	15.2	9.7	6.4	16.2
	Aggregate replacement ratio																																
	2014	0.56	0.56	0.57	0.56	0.47	0.44	0.55	0.45	0.45	0.47	0.38	0.60	0.60	0.69	0.40	0.64	0.39	0.44	0.45	0.85	0.62	0.56	0.50	0.60	0.63	0.63	0.64	0.45	0.62	0.51	0.60	0.50
	2013-2014 change in %	~	~	~	~	~	12.8	~	2.3	-4.3	n.a.	~	~	~	4.5	8.1	3.2	~	-6.4	-6.2	9.0	~	~	6.4	~	5.0	6.8	-1.5	-2.2	1.6	4.1	3.4	-5.7
	2008-2014 change in %	n.a.	14.3	16.3	14.3	~	29.4	7.8	n.a.	~	11.1	-22.4	46.3	42.9	6.2	n.a.	25.5	18.2	46.7	~	46.6	~	36.6	16.3	~	12.5	23.5	30.6	~	14.8	~	~	16.3
Health	Self reported unmet need for medical care																																
	2014	3.6	3.6	n.a.	n.a.	2.4	5.6	1.1	1.4	1.6	11.3	3.7	10.9	0.6	2.8	3.3	7.0	4.7	12.5	3.7	0.8	2.5	1.1	0.5	0.1	7.8	3.5	9.3	0.2	2.1	3.3	1.5	2.1
	2013-2014 change in pp	~	~	n.a.	n.a.	~	-3.3	~	~	~	2.9	~	1.9	~	~	~	~	~	-1.3	~	~	~	~	~	~	~	~	-1.1	~	~	~	~	~
	2008-2014 change in pp	n.a.	~	n.a.	n.a.	n.a.	-9.7	~	~	~	4.0	1.9	5.5	~	~	n.a.	1.8	1.9	2.6	-1.8	~	~	~	~	~	1.8	2.4	-1.5	~	~	2.5	~	1.1
	Healthy life years at 65 - males																																
	2014	8.6	n.a.	n.a.	n.a.	11.0	8.7	8.5	11.0	6.8	4.9	11.4	7.7	10.1	10.4	6.0	7.8	10.4	4.0	6.1	11.3	6.0	13.3	10.7	8.4	7.5	6.9	5.9	7.8	4.3	8.8	15.2	9.7
	2008-2014 change in %	n.a.	n.a.	n.a.	n.a.	5.8	~	13.3	-8.3	7.9	22.5	22.6	-14.4	~	19.5	n.a.	~	14.3	-16.7	~	5.6	7.1	26.7	8.1	13.5	7.1	~	-25.3	-15.2	43.3	10.0	16.0	-9.3
	Healthy life years at 65 - females																																
	2014	8.6	n.a.	n.a.	n.a.	11.0	9.6	9.3	12.8	6.7	6.0	12.3	7.1	9.4	10.7	5.8	7.3	8.8	4.6	6.1	10.8	6.1	13.7	10.2	7.7	8.1	5.6	5.7	8.6	3.6	9.3	16.7	10.6
	2008-2014 change in %	n.a.	n.a.	n.a.	n.a.	5.8	~	13.4	~	~	39.5	19.4	-15.5	6.8	5.9	n.a.	~	15.8	-6.1	-7.6	-6.9	~	18.1	5.2	~	5.2	~	-28.7	-8.5	33.3	~	19.3	-9.4
Access to decent Housing	Housing cost overburden rate																																
	2014	11.4	11.4	11.3	11.3	10.4	12.9	10.5	15.6	15.9	8.3	5.5	40.7	10.9	5.1	7.5	8.5	4.0	9.6	7.1	6.8	12.8	1.6	15.4	6.6	9.6	9.2	14.9	6.4	9.0	5.1	7.8	12.1
	2013-2014 change in pp	~	~	~	~	0.8	-1.4	-1.2	-2.3	~	n.a.	~	3.8	0.6	~	-0.9	~	0.7	-1.8	-1.1	1.2	-1.5	-1.0	~	-0.6	-0.7	0.9	~	~	~	~	~	n.a.
	2008-2014 change in pp	n.a.	~	3.1	3.1	-2.1	~	-2.3	n.a.	n.a.	3.6	2.2	18.5	1.5	~	n.a.	~	2.2	~	2.1	3.1	1.2	-1.7	1.7	~	~	1.6	-3.8	2.0	3.4	~	~	-4.2
Evolution in real household disposable income	Real change in gross household disposable income (in %)																																
	2013-2014 change in %	1.6	n.a.	n.a.	0.7	~	n.a.	1.6	1.5	1.4	2.1	0.8	-1.2	0.6	1.2	0.9	~	-12.7	4.1	2.4	n.a.	2.8	n.a.	1.1	~	2.7	~	-21.5	1.4	3.2	-1.0	2.1	0.6
	2008-2014 change in %	2.4	n.a.	n.a.	-2.2	~	6.5	~	6.0	4.0	-2.8	-9.1	-32.3	-8.6	3.5	-8.0	-9.6	-21.0	-14.7	-4.9	n.a.	-2.3	n.a.	~	~	13.7	-8.9	-11.5	-5.0	5.4	4.0	16.8	3.6

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance in some cases. In all the remaining cases a 1pp threshold (0.5 pp for annual changes in LFS-based indicators) has been used for all percentage-based indicators or for indicators based on ratios and the healthy life years indicators a 5% threshold has been used as specified in the SPPM methodological paper approved by the SPC (see table at end of document for full details); ii) The method used to estimate the statistical significance of the net changes, based on regression and developed by Net-SILC2 (an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC) is still under improvement; iii) For AT, break in series in 2011 for persistent poverty ("n.a." shown for the period compared to 2008); iv) For BE, 2013 break in the (quasi-)jobless households indicator and a major break in 2011 in the self-reported unmet need for medical examination ("n.a." shown for the period compared to 2008); v) For BG, major break in the time series for the material deprivation indicators, so SMD and AROPE are reported as not available for the latest year period, and the change 2008-2013 is used for the longer period compared to 2008; vi) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes ("n.a." shown for the period compared to 2008 for these).; vii) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files. Hence change in EU-SILC based indicators not available for the latest year period, and change 2008-2013 used for the longer period compared to 2008; viii) For HR, the long-term comparison for EU-SILC-based indicators is relative to 2010 as no EU-SILC data published by Eurostat before then; ix) For RO, breaks in series in 2010 for LFS-based indicators, so changes for the period 2008-2015 not shown for those variables; x) For UK, changes in the EU-SILC survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious. For the housing cost overburden rate, break in series in 2014 ("n.a" shown for the latest year period, i.e. the change compared to 2013).

Summary table of the current statistical and substantive significance rules applied for the SPPM indicators

Indicator	Significance thresholds used			
	change 2013-2014		*change 2008-2014*	
	Statistical	*Substantive*	*Statistical*	*Substantive*
At risk of poverty or social exclusion (in %)	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
At-risk-of-poverty rate (in %)	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
At-risk-of-poverty threshold for a single person household (in national currency, adjusted for HICP)	>+-5%	-	>+-5%	-
Severe material deprivation rate (in %)	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
Population living in (quasi-)jobless (i.e. very low work intensity) households (in %)	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
Relative median at-risk-of-poverty gap (in %)	>+-1pp	-	>+-1pp	-
Persistent at-risk-of-poverty rate (in %)	>+-1pp	-	>+-1pp	-
Income quantile ratio (S80/S20)	Estat estimates	-	>+-5%	-
Children at risk of poverty or social exclusion (in %)	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
Impact of social transfers (excluding pensions) on poverty reduction (in %)	>+-5%	-	>+-5%	-
At-risk-of-poverty rate for the population living in (quasi-) jobless households (in %)	Estat estimates	>+-0.5pp	>+-1pp	-
In-work at-risk-of-poverty rate (in %)	Estat estimates	>+-0.5pp	>+-1pp	-
Long-term unemployment rate (in %)	-	>+-0.5pp	-	>+-1pp
Early school leavers (in %)	-	>+-0.5pp	-	>+-1pp
Youth unemployment ratio (15-24)	-	>+-0.5pp	-	>+-1pp
NEET (15-24)	-	>+-0.5pp	-	>+-1pp
Employment rate for older workers (55-64), in %	-	>+-0.5pp	-	>+-1pp
At risk of poverty or social exclusion rate for the elderly (65+), in %	Estat estimates	>+-0.5pp	Estat estimates	>+-1pp
Median relative income ratio of elderly people	Estat estimates[1]	-	>+-5%	-
Aggregate replacement ratio	Estat estimates[2]	-	>+-5%	-
Self-reported unmet need for medical care	>+-1pp	-	>+-1pp	-
Healthy life years at 65 - males	n.a.	n.a	>+-5%	-
Healthy life years at 65 - females	n.a.	n.a.	>+-5%	-
Housing cost overburden rate	Estat estimates	>+-0.5pp	>+-1pp	-
Real change in gross household disposable income (in %)	-	>+-0.5%	-	>+-1%

Notes:

1. For those few countries (AT, BE, LU) where no estimate is currently available, a 5% rule of thumb threshold has been used;

2. For those few countries (AT, BE, BG, CY, CZ, LU) where no estimate is currently available, a 5% rule of thumb threshold has been used

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Definitions and data sources

Indicator	Definition	Data source
At risk of poverty or social exclusion rate	The sum of persons who are: at-risk-of-poverty or severely materially deprived or living in quasi jobless households (i.e. with very low work intensity) as a share of the total population.	Eurostat – EU SILC
At-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household, and is attributed to each household member. Equivalisation is made on the basis of the OECD modified scale.	Eurostat – EU SILC
Severe material deprivation rate	Share of population living in households lacking at least 4 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone.	Eurostat – EU SILC
Share of population(0-59) in (quasi-) jobless, i.e. very low work intensity (VLWI), households	People aged 0-59, living in households, where working-age adults (18-59) work 20% or less of their total work potential during the past year.	Eurostat – EU SILC
Relative poverty risk gap rate	Difference between the median equivalised income of persons aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.	Eurostat – EU SILC
Persistent at-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.	Eurostat – EU SILC
Income quintile ratio S80/S20	The ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.	Eurostat – EU SILC

At risk of poverty or social exclusion rate of children	The sum of children (0-17) who are: at-risk-of-poverty or severely materially deprived or living in (quasi-)jobless households (i.e. households with very low work intensity (below 20%) as a share of the total population aged 0-17.	Eurostat – EU SILC
Impact of social transfers (excluding pensions) on poverty reduction	Reduction in the at-risk-of-poverty rate in % due to social transfers, calculated as the percentage difference between the at-risk-of-poverty rate before and after social transfers	Eurostat – EU SILC
At-risk-of-poverty rate for the population living in (quasi-)jobless (i.e. very low work intensity) households	Share of persons aged (0-59) with an equivalised disposable income below 60% of the national equivalised median income who live in households where working-age adults (18-59) worked 20% or less of their total work potential during the past year.	Eurostat – EU SILC
In-work at-risk-of-poverty rate	Individuals (18-64) who are classified as employed according to their most frequent activity status and are at risk of poverty. The distinction is made between "wage and salary employment plus self-employment" and "wage and salary employment" only.	Eurostat – EU SILC
Long-term unemployment rate (active population, 15+)	Total long-term unemployed population (≥12 months' unemployment; ILO definition) as a proportion of total active population.	Eurostat – LFS
Youth unemployment ratio	Total unemployed young people (ILO definition), 15-24 years, as a share of total population in the same age group (i.e. persons aged 15-24 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months as a percentage of the total population in the same age group).	Eurostat - LFS
Early leavers from education and training	Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.	Eurostat – LFS
NEETs (15-24)	Share of young people aged 15-24 not in employment, education or training	Eurostat - LFS
Employment rate of older workers	Persons in employment in age group 55-64, as a proportion of total population in the same age group.	Eurostat – LFS
At risk of poverty or social exclusion rate of the elderly	The sum of elderly (65+) who are: at-risk-of-poverty or severely materially deprived or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the	Eurostat – EU SILC

	total population in the same age group.	
Median relative income ratio of elderly people	Median equivalised disposable income of people aged 65+ as a ratio of income of people aged 0-64.	Eurostat – EU SILC
Aggregate replacement ratio	Median individual gross pension income of 65-74 relative to median individual gross earnings of 50-59, excluding other social benefits[36]	Eurostat – EU SILC
Housing cost overburden rate	Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).	Eurostat – EU SILC
Share of the population with self-reported unmet need for medical care	Total self-reported unmet need for medical examination for the following three reasons: financial barriers + waiting times + too far to travel.	Eurostat – EU SILC
Healthy life years at 65	Number of years that a person at 65 is still expected to live in a healthy condition. To be interpreted jointly with life expectancy (included in the SPPM contextual information).	Eurostat
Change in real gross household disposable income (GHDI)	Real growth in gross household disposable income (GHDI). Real GDHI is calculated as nominal GDHI divided by the deflator of household final consumption expenditure.	Eurostat - National accounts
GDP growth/ GDP per capita (in PPS)	Gross domestic product (GDP) is a measure of the economic activity, defined as the value of all goods and services produced less the value of any goods or services used in their creation. The calculation of the annual growth rate of GDP at constant prices is intended to allow comparisons of the dynamics of economic development both over time and between economies of different sizes, irrespective of price levels.	Eurostat
Public debt	General government consolidated gross debt as a percentage of GDP.	Eurostat - General Government data
Employment rate	Persons in employment in age group 15 to 64 as a proportion of total population in the same age group.	Eurostat-LFS
Unemployment rate	Unemployed population as a proportion of total active population aged 15 years or more.	Eurostat-LFS
Social protection expenditure (by types of risk)	The annual percentage of gross domestic product spent on social protection. Social protection encompasses "all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor	Eurostat - Esspros

[36] Pension income covers pensions from basic (first pillar) schemes, means-tested welfare schemes; early retirement widow's (first pillar) and other old age-related schemes. Other social benefits includes: unemployment-related benefits; family-related benefits; benefits relating to sickness or invalidity; education-related allowances; any other personal social benefits. Work income includes income from wage and salary employment and income from self-employment.

	an individual arrangement involved".	
Old age dependency ratio	Ratio between the total number of people aged 65 and over and the number of persons of working age (aged 15 to 64).	Eurostat

Definition of the in-work at-risk-of-poverty rate

Individuals who are classified as employed, defined here as being in work for over half of the year and who are at risk of poverty, i.e. live with an equivalised disposable income after social transfers below 60% of the national median equivalised disposable income.

In defining in-work (monetary) poverty, the income for people who are employed is calculated for households, but the poverty status is assigned to the individual. This means that in-work poverty, when measured, is influenced by both the total disposable income (including non-wage income) and the household composition. The assumption of equal sharing of resources within households (giving the so-called equivalised income) that underlies the definition of monetary income poverty means that the economic well-being of individuals depends on the total resources contributed by all members of the households. In this respect some income can move from one household member to the other without affecting the actual income of the individual. Hence, measuring attachment to the labour market at the level of households provides a better indicator of the welfare implications associated with labour market status than individual employment rates.

Income/disposable income

Household income comes from different sources. Employment is generally the main source of income but it is not the only one. Individuals may receive transfers from the state (e.g. unemployment benefits, pensions, etc.); property income (e.g. dividends from financial assets, etc.); and income from other sources (e.g. rental income from property or from the sale of property or goods, etc.).

Employed

In EU SILC, people are defined as employed based on the self-declared economic status.

Working full year/less than full year

Working full year corresponds to working during the total number of months for which information on the activity status has been provided. Less than full year corresponds to working for more than half, but less than all, the numbers of the months for which information on activity status is provided.

Full-time/part-time working

This variable refers to the main job with the designation of full-time and part-time work as self-reported by the respondent.