SOCIAL PROTECTION COMMITTEE ANNUAL REPORT 2018

2018 SPC ANNUAL REVIEW OF THE SOCIAL PROTECTION PERFORMANCE MONITOR (SPPM) AND DEVELOPMENTS IN SOCIAL PROTECTION POLICIES

REPORT ON KEY SOCIAL CHALLENGES AND MAIN MESSAGES

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

Report on key social challenges and main messages

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Abbreviation	Full name
EU28	European Union (28 countries)
EU27	European Union (27 countries)
EA18/19	Euro area (18/19 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

Acknowledgments

The present report has been prepared as part of the mandate given to the Social Protection Committee (SPC) by the Treaty on the Functioning of the European Union (TFEU) to monitor the social situation in the European Union and the development of social protection policies (art. 160 of TFEU).

The report is prepared by the Secretariats of the Committee and its Indicators' Sub-group. The Directorate-General for Employment, Social Affairs and Inclusion provided the SPPM dashboard calculations used in the report with the extensive assistance and data provision of Eurostat. The principal authors are Paul Minty and Georgi Karaghiozov, with specific support from Bent-Ole Grooss and David Arranz. The members of the SPC and its Indicators Sub-Group contributed extensively to the drafting of the report and its key messages. The report was approved by the SPC on 17 September 2018. The Council of the European Union endorsed the key messages of the report on 6 November 2018.

The list of SPC Members appears on the following link:

http://ec.europa.eu/social/main.jsp?catId=758&langId=en

The list of members of the SPC Indicators Subgroup appears on the following link:

http://ec.europa.eu/social/main.jsp?catId=830&langId=en

Main messages

(endorsed by the Council of the European Union on 6 November)

1. Delivering on its mandate as per article 160 of the TFEU, the SPC has produced for the Council its annual review of the social situation in the EU and the social policy developments in the Member States, based on the most recent data and information available. On this basis, the SPC highlights the following findings and common priorities for social policy reforms which should guide the preparatory work for the 2019 Annual Growth Survey.

2. The social situation in the EU continues to benefit from the economic recovery and the reform efforts made by Member States in recent years. Of particular note is the continued improvement in the labour market, with further reductions in unemployment, including youth and long-term unemployment, as well as continued improvement in the labour market participation of older workers. The improvement in the employment situation has resulted in rises in real gross household disposable income and reductions in the share of the population in (quasi-)jobless households. There are also reductions in the share of the population suffering from severe material deprivation and in the share of children at risk of poverty or social exclusion in many Member States.

3. The latest edition[1] of the Social Protection Performance Monitor (SPPM) also points to a continued general improvement in the social situation in the EU with around two thirds of the social indicators in the SPPM flagging up a noticeably higher number of Member States with positive changes than negative ones. However, the economic growth and the improvement of the labour market have, so far, had a rather mixed and sometimes limited impact on the other social indicators.

4. Despite the generally positive developments, the EU is far from achieving the Europe 2020 target of lifting at least 20 million people from the risk of poverty and social exclusion. In 2016 there were around 0.8 million more people at such risk in the EU compared to 2008[2], with a total of 118 million or close to 1 in 4 Europeans. The overall trend masks persistent divergence between Member States. Substantially higher AROPE rates compared to 2008 and persistently high levels of income inequality are still observed in several countries, especially among those most affected by the economic crisis.

[1] Indicators based on EU-SILC refer to the latest available data for all Member States, which is generally for the survey year 2016; indicators based on EU-LFS refer to 2017.

[2] The reference year, due to data availability, for the Europe 2020 social inclusion target adopted in 2010.

5. For the EU as a whole the following main negative trends, or "social trends to watch" are identified for the most recent period.

- Deterioration with regard to the **depth of poverty** in many Member States, and with regard to **in-work poverty** in several countries, despite improving labour market conditions.
- Rises in the **at-risk-of-poverty rates for people residing in (quasi-)jobless households**, pointing to weaknesses in the adequacy of social benefits in several countries.

6. The **lack of inclusiveness of the economic recovery** is a concern, with income inequality remaining persistently high at EU-level and the poverty gap widening in many countries. Addressing this issue will require further action within a number of different policy areas, such as fostering equal opportunities across all policy domains, improving the design of tax and benefit systems, as well as stepping up the active inclusion approach, which combines adequate income support, integrated active labour market policies and access to quality social services.

7. Although the risk of poverty or social exclusion of the elderly is still significantly lower than for the general population in the majority of the Member States, there are signs of a decline in the relative income of the **elderly**. To a large extent this reflects the reversal of the general trend observed in the period following the crisis years in which their situation relative to the rest of the population improved, while now the relative income situation of the working age population is doing better as the labour market situation and incomes from work have improved.

8. The rising share of the **working poor** in several Member States shows that having a job is not always a guarantee against the risk of poverty. The working poor represent around a third of working-age adults who are at-risk-of-poverty, and the recent trend highlights growing divergence between Member States. Income from employment often needs to be complemented by adequate benefits. Provision of affordable childcare, housing support and access to training can also have an important role to improve the living standards of the in-work poor.

9. New forms of employment, and the associated **gaps in access to social protection** and lower incomes resulting from their spreading, may put growing parts of the population at higher risk of poverty and social exclusion and risk undermining the social and financial sustainability of social protection. Social protection systems need to ensure access to adequate protection for all persons in employment and, in particular, be better tailored to the needs of the various types of self-employed and non-standard workers.

10. While there are clear signs of improving **child poverty and youth exclusion rates**, in 2016 there were around 25 million children in the EU28 living at risk of poverty or social exclusion, some 0.5 million fewer than the previous year and accounting for around 1/5 of all people living in poverty or social exclusion. As highlighted during a dedicated in-depth thematic review, which the SPC undertook in 2018, reducing child poverty and breaking the poverty cycle across generations call for integrated strategies that combine prevention, adequate income support and access to quality services. In particular, access to affordable quality early childhood education and care, along with

well-designed work-life balance policies, is key to improve children's life prospects, while at the same time supporting the labour market participation of their parents, notably mothers.

11. People with disabilities, with a migrant background and ethnic minorities, including Roma, often face multiple disadvantages in relation to participation in the labour market and in society, as reflected in the number of Member States having challenges related to the poverty or social exclusion of those persons. Supportive measures to enter the labour market (for those who can work) complemented by improved accessibility, social services and preventive approaches are needed to strengthen all individuals' capacities to participate actively in society and the economy.

12. Housing exclusion and homelessness are a growing concern across a number of Member States. Policies, such as social housing and affordable rental housing programmes, targeted housing allowances, as well as the energy-efficient renovation of existing housing stocks are required to address the problem. Adressing homelessness needs integrated and sustainable solutions that combine prevention and support.

13. Pension systems have been one of the areas with the most reforms in recent years, driven by the need to improve the long-term fiscal sustainability while maintaining retirement income adequacy. The 2018 Pension Adequacy Report (PAR), prepared jointly by the SPC and the European Commission, brings into focus several outstanding issues: it highlights that, while narrowing, the pension gap between men and women, mainly due to the gender pay and employment gaps, remains large and is likely to persist, and that people in non-standard or self-employment often face less favourable conditions for accessing and accruing pension rights. It also shows that inequalities among older people persist and the risk of poverty or social exclusion increases with age. The ongoing economic recovery leaves more fiscal space to address adequacy concerns. Further reform efforts, while taking into account the varying country specificities, should reflect both social and economic concerns, including by ensuring that older people have adequate pensions and access to public or subsidised services. Pension policy reforms and related employment, training, health and safety measures should aim to reconcile long-term sustainability and adequacy of pensions through supporting longer working lives.

14. Healthcare systems should seek to provide universal access to healthcare for all, including through increased coverage and greater provision of information on services available. Obstacles to access healthcare faced by the most vulnerable, including high out-of pocket costs in some Member States, should be addressed. Health inequalities should be reduced. Shifting the focus towards primary care and prevention, as well as promoting healthier life-style habits are needed to ensure both the sustainability of the healthcare systems and positive health outcomes for all.

15. Population ageing increases the demand and need for long-term care. The shift to formal care is likely to accelerate due to changes in the family structure and changes in the world of work. Measures to address these challenges could include creating a shift from institutional to community care and home care and improved policies for prevention, rehabilitation and independent living. Special attention should be given to support for informal caregivers.

16. Improving the performance of social protection systems, as well as social investment, will be an important aspect in achieving upward convergence in the EU. Current and future reforms in social protection should seek continuous improvement of social outcomes. In doing so, there is a need to promote cross-sectoral cooperation and an integrated approach involving all relevant policy areas. Fit-for-purpose social protection systems also contribute to the smooth functioning of the labour market and to inclusive growth. The principles enshrined in the European Pillar of Social Rights provide a strong consensual basis for social protection systems and social inclusion measures which invest effectively and efficiently in people and support them in coping with challenges throughout the life course.

I. Introduction

The present report has been prepared as part of the mandate given to the Social Protection Committee (SPC) by the Treaty on the Functioning of the European Union (TFEU) to monitor the social situation in the European Union and the development of social protection policies (art. 160 of TFEU).

The SPC is an advisory policy committee which provides a representative forum for multilateral social policy coordination, dialogue and cooperation at EU level. It brings together policy makers from all EU Member States and the Commission in an effort to identify, discuss and implement the policy mix that is most fitted to respond to the various challenges faced by Member States in the area of social policies. It uses the social open method of coordination as the main policy framework combining all major social policy strands - social inclusion, pensions, health and long-term care - and focuses its work within these strands.

The main objective of the 2018 SPC Annual Report is to deliver on the mandate of the Committee and, through its analysis, to provide input to the Council on identifying the main social policy priorities to recommend to the Commission in the context of the preparation of the 2018 Annual Growth Survey. On the basis of the Social Protection Performance Monitor (SPPM) and Member States' social reporting, the report aims at i) analysing the social situation[3], especially the progress towards the Europe 2020 target on reducing poverty and social exclusion and the latest common *social trends to watch*, and ii) identifying the key structural social challenges facing individual Member States as well as their good social outcomes, and reviewing the most recent social policy developments in Europe. Separate annexes to the report provide a more detailed review of social developments and the SPPM country profiles for each Member State.

This year's report also contains a special focus on the results of a recent exercise analysing the area of health from a social protection perspective, on the basis of a Joint Assessment Framework in this area. The main report presents the horizontal results of this exercise, while a dedicated annex provides the country-specific conclusions of the JAF Health analyses together with a short introduction on the type of national healthcare system and recent reforms in each country.

[3] The figures quoted in this report are based on data available around mid-June 2018, unless otherwise stated. This means that for EU-SILC based indicators the most recent data generally available for all Member States are for the 2016 survey and that is the reason why this reference year is generally used throughout the report for these indicators.

II. Progress on the Europe 2020 poverty and social exclusion target

In 2010, the EU Heads of States and Governments committed to lifting at least 20 million people out of being at risk of poverty or social exclusion[4], in the context of the Europe 2020 strategy. This commitment stressed the equal importance of inclusive growth alongside economic objectives for the future of Europe, and it introduced a new monitoring and accountability scheme[5]. Within the framework of the Europe 2020 strategy, Member States set national poverty and social exclusion targets (Table 1). However, the individual poverty-reduction ambitions of the Member States sum to a figure lower than the EU level commitment to reduce poverty and social exclusion by 20 million and are not always based on the headline composite indicator, the at-risk-of-poverty-or-social-exclusion rate (AROPE).

In 2016, 12 Member States registered significant falls in the share of the population at risk of poverty or social exclusion (most notably IE, HU, LV and MT) and only 2 observed significant rises (IT and RO). Overall figures for the EU population at risk of poverty or social exclusion point to a fall of around a million between 2015 and 2016. Underlying the overall fall are continued strong reductions in the population experiencing severe material deprivation (down around 2.5 million, and with latest estimates suggesting a stronger fall of 4.4 million between 2016 and 2017) and to a lesser extent in the number of people living in (quasi-)jobless households (down 0.7 million). In contrast, the population at risk of poverty remained broadly unchanged, following the noteworthy increases over the preceding years (Figure 1). With regard to the Europe 2020 poverty and social exclusion target, in 2016 there were still around 0.8 million more people living at risk of poverty or social exclusion in the EU compared to 2008[6], with a total of 118 million or close to 1 in 4 Europeans.

Figure 1 shows time series since 2005 for the EU27 aggregate[7]. The overall trend masks persistent divergence between Member States. Substantially higher AROPE rates compared to 2008 are still observed in several countries, especially among those most affected by the economic crisis (CY, EL, ES and IT). For half of Member States, the AROPE rate in 2016 is not significantly different to the 2008 figure, while in several countries it is substantially lower, most notably in LV, PL and RO (Figure 2).

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4 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 income poverty to cover the non-monetary dimension of poverty and labour market exclusion.

5 COM (2010) 758 final

6 The reference year, due to data availability, for the target adopted in 2010

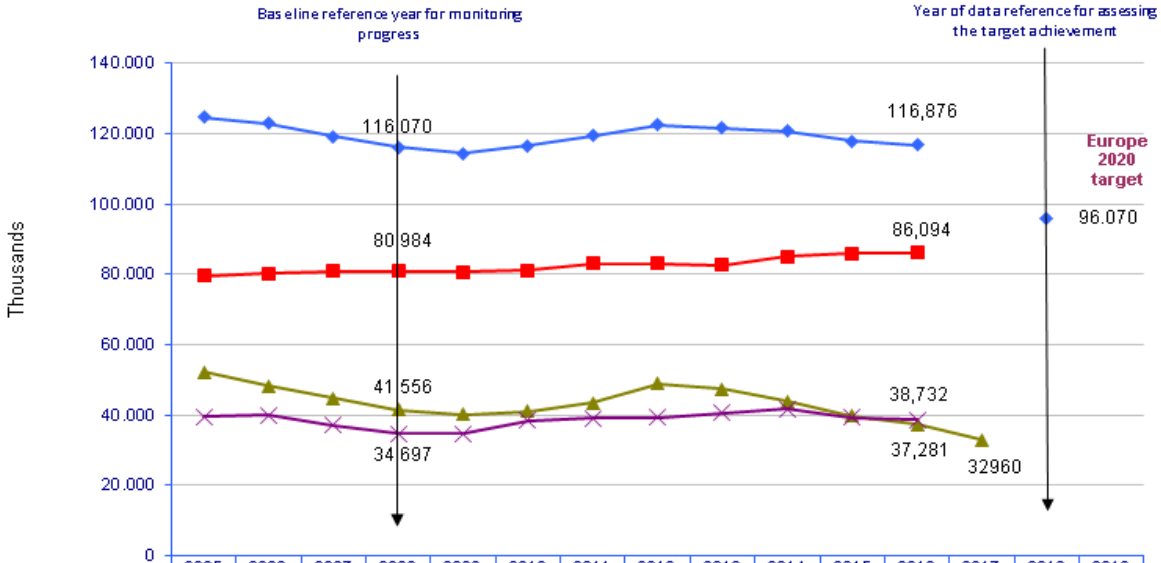
7 Note that figures here refer to the EU27 aggregate, since time series for the EU28 aggregate are not available back to 2005.

Table 1. 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	Nine national indicators (2 statutory and 7 non-statutory) underlying measures to track progress in tackling the disadvantages that affect outcomes for children and families*

*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 (target not yet defined)) the target is neither in terms of the AROPE nor the standard definition of one or more of its components.*

Figure 1. **Evolution of the Europe 2020 poverty and social exclusion target, EU27[8] (figures in 1000s)**



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AROPE	124.656	122.936	119.205	116.070	114.390	116.585	119.474	122.390	121.579	120.783	117.833	116.876		96070	
AROP	79.498	80.159	80.989	80.984	80.573	81.146	82.967	83.160	82.589	85.146	85.915	86.094			
SMD	52.254	48.283	44.834	41.556	40.137	41.074	43.357	48.820	47.453	43.874	39.786	37.281	32.960		
(Quasi-)Jobless HHs	39.520	40.051	37.114	34.697	34.699	38.528	39.161	39.322	40.670	41.660	39.380	38.732			

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 (i.e. very low work intensity (VLWI) 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 UK (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-)jobless households rate refers to the previous calendar year while for the severe material deprivation rate the current survey year. The 2017 figure for SMD is provisional.

Figure 2. At-risk-of-poverty-or-social-exclusion rate (in %), evolution (in pp) 2015-2016 and 2008-2016

	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT
2016	23.5	23.5	23.0	23.1	20.7	40.4	13.3	16.7	19.7	24.4	24.2	35.6	27.9	18.2	27.9	30.0
2015-2016 change in pp	~	~	~	~	~	~	-0.7	~	~	~	-1.8	~	-0.7	~	-1.2	1.3
2008-2016 change in pp	n.a.	~	~	~	~	3.2	-2.0	n.a.	~	~	~	7.5	4.1	~	n.a.	4.5
	CY	**LV**	**LT**	**LU**	**HU**	**MT**	**NL**	**AT**	**PL**	**PT**	**RO**	**SI**	**SK**	**FI**	**SE**	**UK**
2016	27.7	28.5	30.1	19.8	26.3	20.1	16.7	18.0	21.9	25.1	38.8	18.4	18.1	16.6	18.3	22.2
2015-2016 change in pp	-1.2	-2.4	~	n.a.	-1.9	-2.3	~	~	-1.5	-1.5	1.4	-0.8	~	~	~	-1.3
2008-2016 change in pp	4.4	-5.7	~	3.0	~	~	~	-2.6	-8.6	~	-5.4	~	-2.5	~	~	~

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), "n.a." refers to data not (yet) being available; ii) For BG, major break in the time series in 2014 for the material deprivation indicators, so for SMD and AROPE the change 2008-2013 is used for the longer period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparisons of changes are still valid; iii) For DK, breaks in series for the period 2008-2016 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); iv) For EE, major break in series in 2014 for variables in EU-SILC. Hence change 2008-2013 used for the longer period compared to 2008; v) For HR, no long-term comparison for EU-SILC-based indicators compared to 2008 as no EU-SILC data published by Eurostat

[8] Note figures here refer to the EU27 aggregate, since time series for the EU28 aggregate not available back to 2005.

before 2010; ix) For LU, major break in series in 2016 for EU-SILC based indicators ("n.a." shown for latest year comparisons, and long-term comparison is for period 2008-2015); x) For NL, improvement to the definition of income in 2016 has some impact on comparison of income-based indicators over time; xiii) 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;

III. Overview of developments in the social situation in the European Union[9]

The EU economy is now showing moderate but solid growth, following the previous period of strong growth over 2017. Employment has now been growing for four and a half years, and over the latest quarters, employment in the EU has reached the highest levels ever recorded with more than 236 million people in jobs, and with permanent jobs and full-time employment being the main contributors to employment expansion over the last year. Even though large differences remain between EU countries, unemployment decreased in all Member States in 2017, and the unemployment rates in the EU and euro area are approaching their pre-crisis levels at a steady pace. Youth unemployment in particular is falling steadily. With employment responding promptly to economic growth, the financial situation of EU households continues to show some moderate improvement overall, mainly driven by an increase in income from work, but in general economic growth and the improvement of the labour market have, so far, had a rather mixed and sometimes limited impact on the other social indicators. Against this background, social conditions generally continue to improve, but challenges remain, especially regarding progress towards the Europe 2020 target to reduce poverty and social exclusion, the increase in in-work poverty risk and the rise in the risk of poverty of people living in (quasi-)jobless households.

The latest 2018 update of the Social Protection Performance Monitor dashboard[10], which is mainly based on 2016 EU-SILC data[11] and 2017 LFS data, points to a continued general improvement in the social situation. 12 Member States registered significant falls in the share of the population at risk of poverty or social exclusion in 2016 and only 2 significant rises, with overall figures for the EU population at risk of poverty or social exclusion pointing to a fall of around a million between 2015 and 2016.

Main recent trends

Changes over the latest annual reference period[12] provide continued signs of a general improvement in the social situation, with most indicators mainly flagging up positive changes

[9] A more detailed review of the latest social developments, based on a more extensive examination of the trends in the indicators in the SPPM dashboard together with supplementary indicators, is provided in Annex 1 to this report.

[10] The SPPM dashboard is a tool which uses a set of key EU social indicators for monitoring developments in the social situation in the European Union (for details on the methodology see the appendix "SPPM dashboard methodology")

[11] For preliminary analysis of the partially available EU-SILC 2017 data see the later section entitled "*Latest indications from available 2017 EU-SILC data*".

[12] Generally 2015-2016, but for the SMD rate, LTU rate, early school leavers, youth unemployment ratio, NEETs, and ER (55-64) the change refers to the period 2016-2017.

across Member States (Figure 3). In particular, positive developments in the social situation can be observed in the following areas:

- rises in **real gross household disposable income** in 19 MS along with significant reductions in the **severe material deprivation rate** in 12 MS, the **material and social deprivation rate**[13] in 14 MS, and in the **housing cost overburden rate** in 11 MS. This reflects that, in aggregate, household incomes and financial conditions of EU households have further improved, benefitting from stronger economic activity and improved labour markets;

- a reduction in **the risk of poverty or social exclusion for the overall population** in 12 MS, driven mainly by falls in **severe material deprivation** and in the share of the population living in **(quasi-)jobless households**. There are also reductions in the share of **children at risk of poverty or social exclusion** in many Member States (13);

- further **reductions in long term unemployment** (in 16 MS) and in **youth exclusion**, with significant falls the share of young people who are neither in employment nor in education or training (NEET) in 10 MS**,** reflecting improvements in the labour market;

- continued improvements in the **labour market participation of older workers** (as evidenced by increases in the employment rate for 55-64 year olds in 21 MS).

Nevertheless, across the EU 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), can still be identified for the most recent period[14]:

- Deterioration with regard to the **depth of poverty risk** (as measured by the poverty gap, i.e. how poor the poor are) in 8 MS, and with regard to **in-work poverty risk** in several (7) countries;

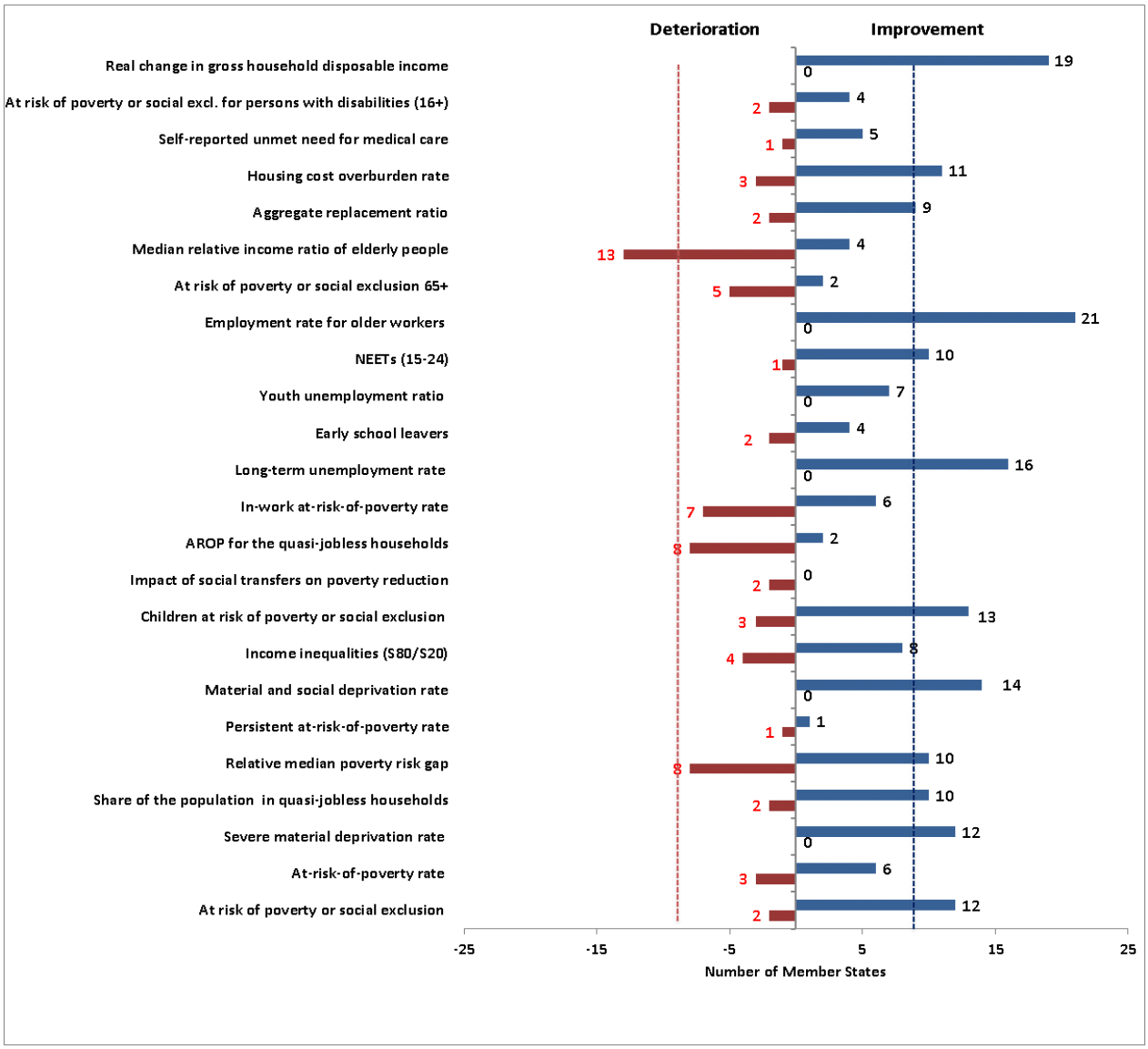
- Rises in the **at-risk-of-poverty rates for people residing in (quasi-)jobless households** in 8 MS, pointing to a continued deterioration in the adequacy of social benefits in several countries.

At the same time, there are signs of a decline in the relative income of the elderly, with significant falls in the median relative income ratio of the elderly in 13 countries (although in contrast, the aggregate replacement ratio improved in some 9 MS). This decline in the income situation of the elderly is a reversal of the general trend observed in the years following the crisis, and reflects to a large extent the evolution of the relative income situation of the working age population as the labour market situation and incomes from work have improved.

13 The new Material and Social Deprivation indicator updates the previous list of deprivation items and adds new, more relevant items to the list. For a full discussion, see the SPC Annual Report of 2017, page 69.

14 Note that these trends generally refer to EU-SILC 2015-2016, *i.e. income data for the period 2014-2015*.

Figure 3: Areas of deterioration (social trends to watch) and improvement for the period 2015-2016*



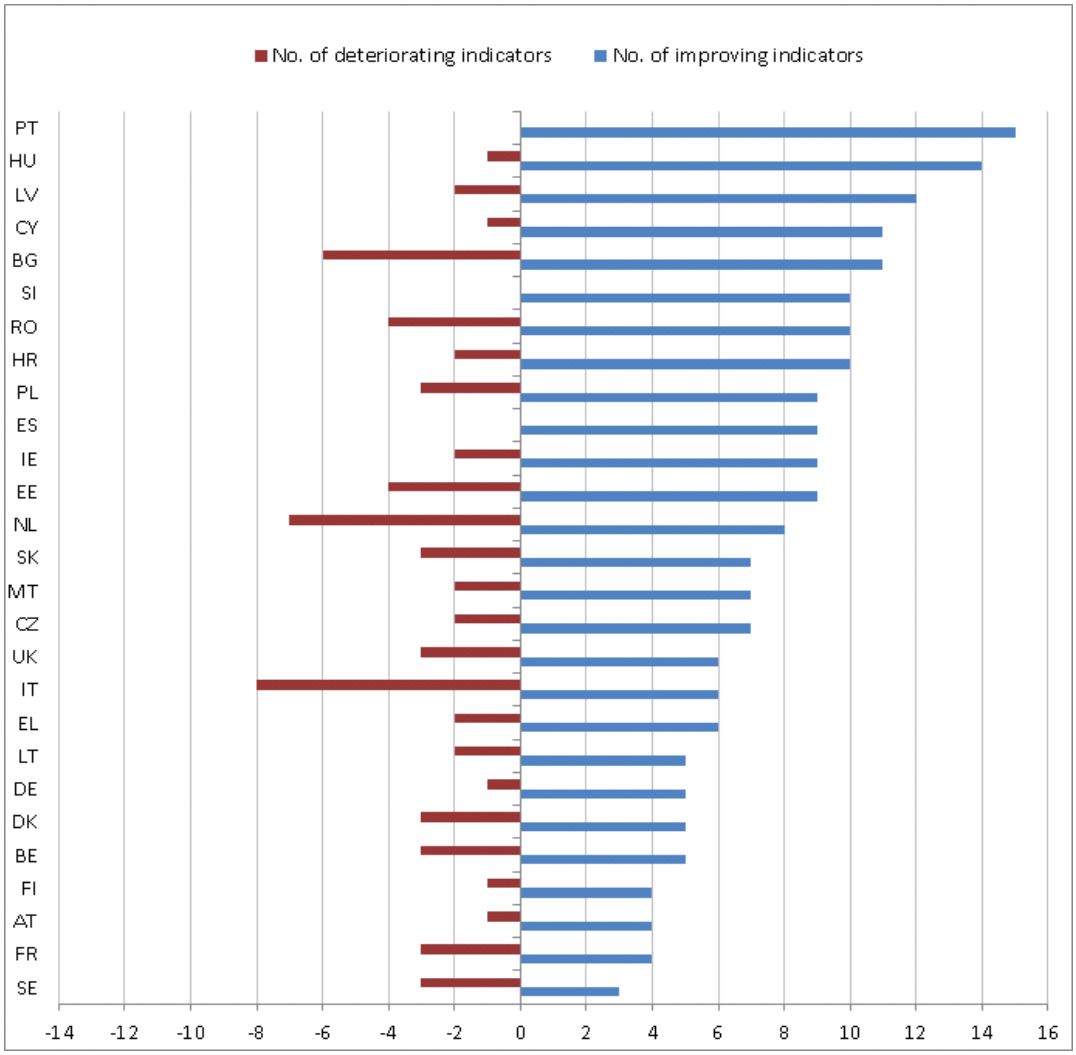
Source: Social Protection Performance Monitor

** For EU-SILC based indicators the changes generally actually refer to 2014-2015 for income and household work intensity indicators. For LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETs (15-24), ER (55-64)) and SMD figures (not yet final for 2017 for several MS) the changes refer to the period 2016-2017.*

Figure 4 highlights the countries where significant improvements or deteriorations have taken place in the most recent period by showing the number of social indicators in the SPPM dashboard for which a given country has registered a significant change in the figures for the latest year. The Member States with the highest number of significant positive recent changes are Bulgaria, Cyprus, Hungary, Latvia, and Portugal, all recording improvements on more than 10 indicators and (except for BG) with very few indicators showing a deterioration. In contrast, improvements in Austria, Finland, France, and Sweden were much more limited, with significant improvements only registered on 4 indicators or less. Almost all Member States recorded a larger number of indicators showing a significant improvement than a deterioration, although Italy and

the Netherlands stand out as having a larger number of indicators showing a deterioration (with significant declines on 8 indicators in Italy). These results should be considered in parallel with the longer-term situation of Member States with regard to the number of indicators which show a deterioration or improvement compared to 2008 (Figure 6).

Figure 4. Number of SPPM key social indicators per Member State with a statistically significant improvement or deterioration from 2015 to 2016*



*Note: Bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2015 and 2016. * For EU-SILC based indicators changes actually refer to 2014-2015 for income and household work intensity indicators. For some indicators (SMD rate, LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64)) the changes refer to the period 2016-2017. There are a total of 25 dashboard indicators relevant for this reference period. Figures not shown for LU due to significant break in series for EU-SILC based indicators in 2016.*

Main longer-term trends

Looking at the longer-term developments since 2008 and the beginning of the Europe 2020 strategy, for some social indicators the situation still remains noticeably worse as a result of the

economic crisis, despite recent improvements (Figure 5). The areas with the most substantial deterioration compared to 2008 are:

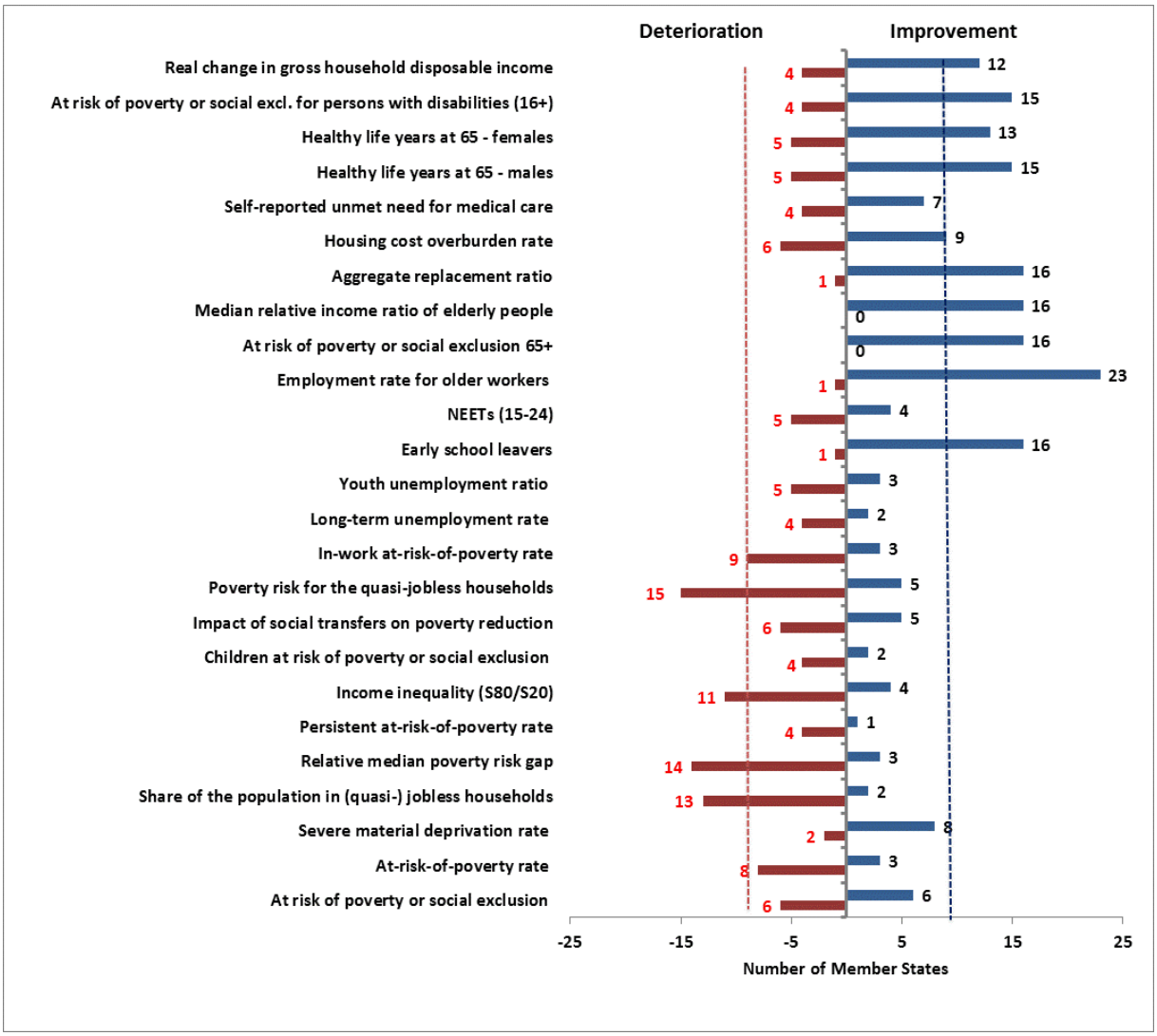
- an increased share of the population living in (quasi-)jobless households in around half of MS, together with rises in the poverty risk for people living in (quasi-)jobless households in 15 MS;
- increased income inequality (in 11 MS) and a rise in the depth of poverty risk (with the poverty risk gap up in 14 MS) and also in the risk of in-work poverty (in 9 MS);

However, the dashboard indicators show there have also been a number of improvements, notably in the employment of older workers and in the relative situation of the elderly. 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 almost all Member States. At the same time, compared to 2008, the relative income situation of the elderly (aged 65 and over) shows clear signs of improvement in around two-thirds of Member States, with decreases in the number of elderly living at risk of poverty or social exclusion in 16 MS as well as an improvement in their income situation with respect to the rest of the population (as evidenced by rises in the aggregate replacement ratio in 16 MS, and the median relative income ratio of elderly people in 16). However, this trend should be interpreted with 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.

Other areas which have seen an improvement include an increasing number of healthy life years among the population aged over 65 in many Member States, a reduction in the at-risk-of-poverty–or-social-exclusion rate of persons aged 16+ with disabilities, and significant decreases in the number of early school leavers in Europe (with reductions in 16 MS). Overall, there are now significant improvements compared to 2008 in gross household disposable income in many Member States.

Figure 6 shows the number of indicators in the SPPM dashboard for which a given country has registered a significant deterioration or improvement over the period 2008 to 2016/17. The Member States with the most worrisome developments remain Cyprus, Greece, Italy and Spain, with deterioration still on 10 or more indicators compared to 2008, and with relatively few indicators showing an improvement. In contrast, Austria, the Czech Republic, France, Malta and the UK have only registered significant deterioration on 2 or fewer indicators along with improvement generally on a larger number of indicators. Around half of Member States now show a higher number of improvements than declines, most notably Latvia, Poland and the UK. Note that these results mainly refer to the period 2008 to 2016 for EU-SILC based indicators and that the 2017 data available for some countries (see the later section on "Latest indications from available 2017 EU-SILC data") indicate positive trends that might impact on the assessment based on Figure 6.

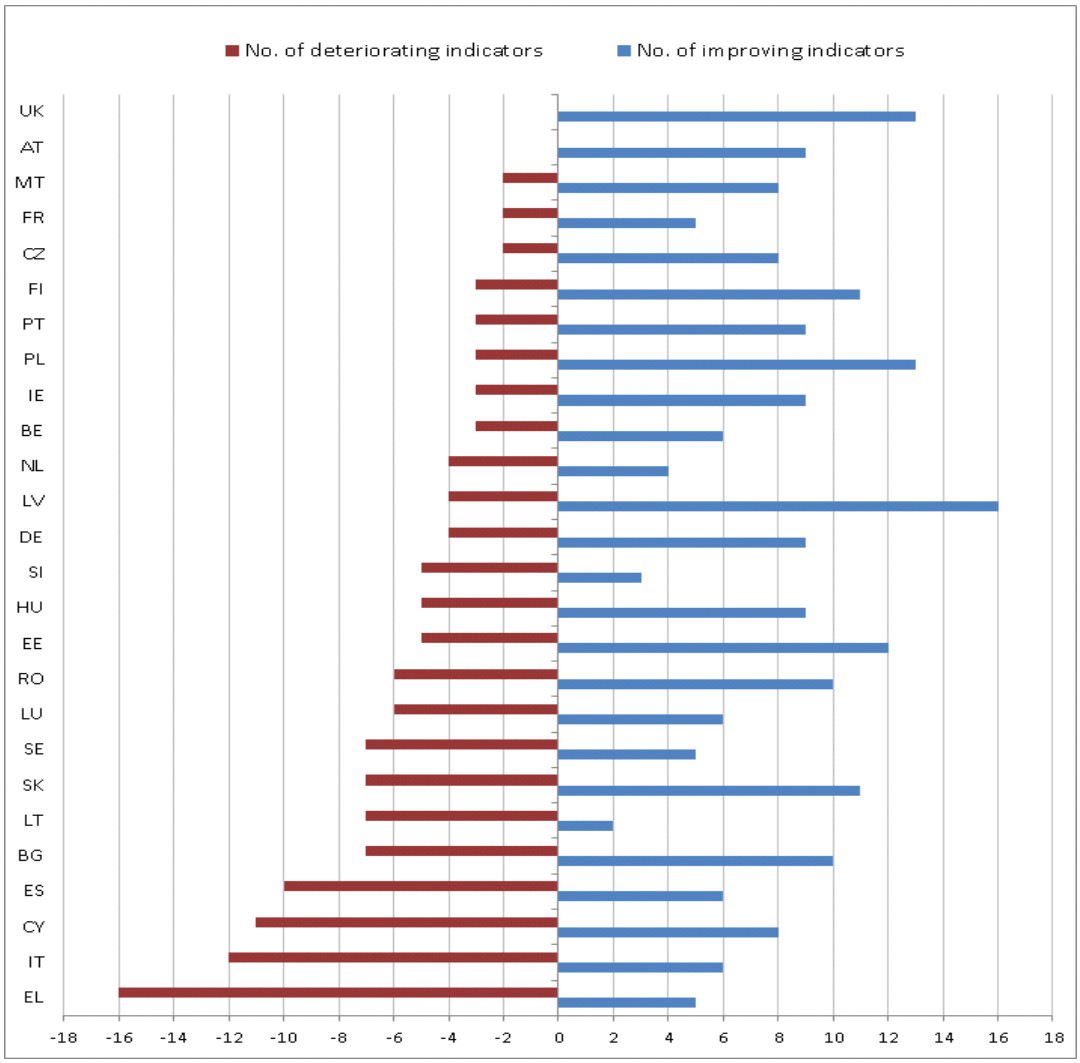
Figure 5. Areas of deterioration (Social trends to watch) and improvement for the period 2008-2016*



Source: Social Protection Performance Monitor

*Note: i) For AT, break in series in 2011 for persistent poverty risk (so trend not considered for the period compared to 2008); ii) For BE, 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 2008-2015 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, no EU-SILC data published by Eurostat before 2010; vii) For LU, major break in series in 2016 for EU-SILC based indicators, so long-term comparison is for the period 2008-2015); viii) For NL, improvement to the definition of income in 2016 has some impact on comparison of income-based indicators over time; ix) For RO, breaks in series in 2010 for LFS-based indicators, so changes 2010-2016 used for longer term change; x) 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; xi) * For some indicators (SMD rate, LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64)) the changes generally refer to the period 2016-2017.*

Figure 6. Number of SPPM social indicators per Member State with a significant deterioration or improvement between 2008 and 2016*



Source: Social Protection Performance Monitor

*Note: i) For AT, break in series in 2011 for persistent poverty risk (so trend not considered for the period compared to 2008); ii) For BE, 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 2008-2015 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, no EU-SILC data published by Eurostat before 2010; vii) For LU, major break in series in 2016 for EU-SILC based indicators, so long-term comparison is for the period 2008-2015); viii) For NL, improvement to the definition of income in 2016 has some impact on comparison of income-based indicators over time; ix) For RO, breaks in series in 2010 for LFS-based indicators, so changes 2010-2016 shown for longer term change; x) 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; xi) The bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2008 and 2016/2017; xiii) * For some indicators (SMD rate, LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64)) the changes generally refer to the period 2008-2017; ix) There are a total number of 25 SPPM dashboard indicators for this reference period.*

SPPM dashboard 2018

Dimensions		2018 SPPM Results																															
		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 %)																																
	2016	23.5	23.5	23.0	23.1	20.7	40.4	13.3	16.7	19.7	24.4	24.2	35.6	27.9	18.2	27.9	30.0	27.7	28.5	30.1	19.8	26.3	20.1	16.7	18.0	21.9	25.1	38.8	18.4	18.1	16.6	18.3	22.2
	2015-2016 change in pp	"	"	"	"	"	"	-0.7	"	"	"	-1.8	"	-0.7	"	-1.2	1.3	-1.2	-2.4	"	n.a.	-1.9	-2.3	"	"	-1.5	-1.5	1.4	-0.8	"	"	"	-1.3
	2008-2016 change in pp	n.a.	"	"	"	"	3.2	-2.0	n.a.	"	"	"	7.5	4.1	"	n.a.	4.5	4.4	-5.7	"	3.0	"	"	"	-2.6	-8.6	"	-5.4	"	-2.5	"	"	"
	At-risk-of-poverty rate (in %)																																
	2016	17.3	17.3	17.4	17.4	15.5	22.9	9.7	11.9	16.5	21.7	16.6	21.2	22.3	13.6	19.5	20.6	16.1	21.8	21.9	16.5	14.5	16.5	12.7	14.1	17.3	19.0	25.3	13.9	12.7	11.6	16.2	15.9
	2015-2016 change in pp	"	"	"	"	"	0.9	"	"	"	"	"	"	"	"	-0.5	0.7	"	"	"	n.a.	-0.4	"	1.1	"	"	-0.5	"	-0.4	"	-0.8	"	-0.7
	2008-2016 change in pp	n.a.	"	1.4	1.3	"	"	"	n.a.	1.3	"	"	"	2.5	"	n.a.	1.7	"	-4.1	"	"	2.1	"	2.2	"	"	"	"	1.6	1.8	-2.0	2.7	-2.8
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																																
	2016	n.a.	n.a.	n.a.	n.a.	12492	4046	7508	12672	12726	7116	10895	5297	9105	12450	5297	9739	9591	5554	5567	16843	5032	10155	12596	13514	6510	6429	2877	9300	6304	11859	12424	10512
	2015-2016 change in %	n.a.	n.a.	n.a.	n.a.	"	"	"	"	"	9.5	"	"	"	"	"	"	"	9.0	9.7	n.a.	5.0	"	6.5	"	6.6	"	6.2	"	"	"	"	"
	2008-2016 change in %	n.a.	n.a.	n.a.	n.a.	"	18.7	"	n.a.	"	20.4	"	-37.7	-13.1	"	n.a.	"	-22.4	"	"	"	"	14.4	"	"	30.5	"	21.3	"	25.9	"	13.1	"
	Severe material deprivation rate (in %)																																
	2017	6.7	6.6	6.7	6.8	5.2	30.0	3.7	3.1	3.6	4.1	6.5	21.1	5.1	4.1	10.3	9.2	11.7	11.3	12.4	1.6	14.5	3.3	2.6	3.0	6.7	6.9	19.4	4.5	8.2	2.1	0.8	4.9
	2016-2017 change in pp	"	-0.9	-0.9	"	"	-1.9	-1.1	"	"	"	n.a.	-1.3	"	"	-2.2	-2.9	-1.9	-1.5	"	n.a.	-1.7	-1.1	"	n.a.	n.a.	-1.5	-4.4	-0.9	n.a.	"	n.a.	"
	2008-2017 change in pp	n.a.	"	"	"	"	"	-3.1	"	"	2.7	"	9.9	"	"	n.a.	"	"	-8.0	"	"	-3.4	"	"	-2.9	-11.0	-2.8	-13.3	"	-3.6	"	"	"
	Population living in (quasi-) jobless households (in %)																																
	2016	10.5	10.5	11.1	11.1	14.6	11.9	6.7	10.6	9.6	5.8	18.2	17.2	14.9	8.4	13.0	12.8	10.6	7.2	10.2	6.6	8.2	7.3	9.7	8.1	6.4	9.1	8.2	7.4	6.5	11.4	8.5	11.3
	2015-2016 change in pp	"	"	"	"	"	"	"	-1.0	"	-0.8	-1.0	"	"	"	-1.4	1.1	"	-0.6	"	n.a.	-1.2	-1.9	"	"	"	-1.8	"	"	-0.6	0.6	"	-0.6
	2008-2016 change in pp	n.a.	"	1.8	1.8	2.9	3.8	"	2.1	-2.1	3.1	4.5	9.7	8.3	"	n.a.	2.4	6.1	1.8	4.1	"	-3.8	"	"	"	"	2.8	"	"	"	3.9	"	"
Intensity of pov risk	Relative median at-risk-of-poverty gap (in %)																																
	2016	25.0	25.0	24.8	24.8	19.4	30.4	19.5	20.8	20.7	20.5	18.1	31.9	31.4	16.6	28.2	31.6	17.3	24.0	28.0	23.2	18.8	15.9	17.3	19.8	24.4	26.7	36.2	20.2	26.1	13.9	21.1	22.4
	2015-2016 change in pp	"	"	"	"	2.0	"	"	-1.2	-1.3	"	"	1.3	-2.4	"	1.8	2.3	-2.5	-1.5	2.0	n.a.	-3.0	-1.4	"	"	2.1	-2.3	-2.0	"	-2.8	"	1.2	2.0
	2008-2016 change in pp	n.a.	3.1	3.4	3.4	2.2	3.4	"	n.a.	"	"	"	7.2	5.8	2.1	n.a.	8.4	2.0	-4.6	2.4	"	"	-4.4	2.4	"	3.8	3.5	3.9	"	8.0	-1.8	3.1	"
Persistence of po risk	Persistent at-risk-of-poverty rate (in %)																																
	2016	11.0	10.9	11.2	11.2	10.0	15.3	4.3	7.2	10.5	13.5	9.4	15.2	14.8	8.0	14.5	14.5	7.6	15.2	13.5	9.7	7.9	11.3	7.2	8.1	9.7	11.5	20.2	8.5	7.7	6.0	6.1	9.4
	2015-2016 change in pp	"	"	"	"	"	"	"	"	"	"	n.a.	"	"	"	"	"	"	5.1	"	n.a.	"	"	"	"	"	"	"	"	"	"	-2.3	"	"
	2008-2016 change in pp	n.a.	2.2	2.2	2.2	"	n.a.	"	n.a.	3.3	-4.3	n.a.	"	3.8	n.a.	n.a.	"	"	"	"	"	"	3.6	"	n.a.	"	"	n.a.	"	"	"	3.5	"
Material an social deprivatio	Material and social deprivation rate (in %)																																
	2016	15.7	15.7	13.9	14.0	13.3	47.9	8.9	6.1	9.4	7.7	19.3	35.6	17.4	12.7	16.1	17.2	21.0	24.8	28.9	4.8	31.9	10.5	6.5	7.0	12.0	18.9	49.7	10.0	15.3	4.2	2.9	13.0
	2015-2016 change in pp	-1.5	-1.5	"	"	"	-2.7	-1.7	"	-1.5	-2.2	n.a.	-2.1	"	"	-3.1	-4.4	-1.8	-3.9	"	n.a.	-5.2	-4.8	"	"	-4.0	-3.2	"	-2.0	"	"	"	"
Income inequali	Income quintile ratio (S80/S20)																																
	2016	5.2	5.2	5.1	5.2	3.8	7.9	3.5	4.1	4.6	5.6	4.4	6.6	6.6	4.3	5.0	6.3	4.9	6.2	7.1	5.0	4.3	4.2	3.9	4.1	4.8	5.9	7.2	3.6	3.6	3.6	4.3	5.1
	2015-2016 change in %	"	"	"	"	"	11.3	"	"	-4.2	-9.7	"	"	-4.3	"	-3.8	8.6	-5.8	-4.6	-5.3	n.a.	"	"	"	"	"	"	-13.3	"	2.9	"	4.9	"
	2008-2016 change in %	n.a.	"	"	6.1	-7.3	21.5	"	n.a.	"	10.0	"	11.9	17.9	"	n.a.	21.2	14.0	-15.1	16.4	"	19.4	"	"	"	-5.9	"	"	5.9	5.9	"	16.2	-8.9
Child poverty a social exclusio	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)																																
	2016	26.4	26.4	25.2	25.3	21.6	45.6	17.4	13.8	19.3	21.2	27.3	37.5	32.9	22.6	26.6	33.2	29.6	24.7	32.4	22.7	33.6	24.0	17.6	20.0	24.2	27.0	49.2	14.9	24.4	14.7	19.9	27.2
	2015-2016 change in pp	"	"	"	"	-1.7	1.9	"	"	"	-1.3	-1.5	"	-1.5	1.4	-1.6	"	"	-6.6	"	n.a.	-2.5	-4.2	"	-2.3	-2.4	-2.6	2.4	-1.7	"	"	"	-3.1
	2008-2016 change in pp	n.a.	"	"	"	"	7.3	"	n.a.	"	"	"	8.8	"	"	n.a.	4.8	8.1	-7.7	"	"	"	"	"	"	-8.7	"	"	"	"	"	"	"	"
Effectiveness of social protection	Impact of social transfers (excl. pensions) on poverty reduction (%)																																
	2016	33.2	33.2	32.3	32.3	41.1	17.9	40.5	52.2	34.8	24.9	52.2	15.9	24.4	42.4	28.6	21.4	35.6	21.6	21.5	39.1	43.8	30.7	42.5	46.4	24.5	24.0	14.2	42.8	31.0	57.0	45.8	43.4
	2015-2016 change in pp	"	"	"	"	"	"	"	"	"	"	"	"	"	"	-6.9	"	"	"	"	n.a.	"	"	-5.4	"	"	"	"	"	"	"	"	"
	2008-2016 change in pp	n.a.	"	"	"	"	"	-14.5	n.a.	"	5.7	"	"	"	"	n.a.	"	"	7.3	"	"	-15.4	"	"	5.1	-8.2	"	-9.1	"	-9.8	6.9	-9.2	8.1
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																																
	2016	60.0	59.9	60.8	60.9	65.5	71.6	70.6	48.5	66.8	78.1	61.6	52.2	63.6	54.0	66.9	59.6	51.4	75.7	77.0	48.2	53.6	68.3	56.4	51.9	64.4	55.6	65.2	63.5	75.4	51.5	71.2	50.4
	2015-2016 change in pp	"	"	"	"	7.0	-3.8	5.0	"	"	"	7.5	"	"	-8.4	"	2.4	"	"	"	n.a.	"	"	8.5	"	3.4	"	5.0	"	"	"	"	2.5
	2008-2016 change in pp	n.a.	"	5.6	5.6	10.8	-6.2	15.2	n.a.	"	"	15.0	11.9	12.2	"	n.a.	4.7	"	-7.6	6.7	-8.1	5.1	6.7	16.7	"	15.2	"	16.5	8.5	22.3	-4.8	18.8	-12.7
Social consequences of labour m	In-work at-risk-of poverty rate (in %)																																
	2016	9.6	9.6	9.5	9.5	4.7	11.6	3.8	5.3	9.5	9.9	4.8	14.0	13.1	8.0	5.5	11.8	8.4	8.5	8.7	12.0	9.7	5.7	5.6	8.3	10.9	10.8	18.6	6.1	6.5	3.1	6.8	8.6
	2015-2016 change in pp	"	"	"	"	"	3.8	"	"	"	"	"	0.6	"	0.5	"	"	-0.8	-0.9	-1.5	n.a.	0.4	"	0.5	"	"	"	"	"	-0.6	0.4	-0.4	-1.3	0.4
	2008-2016 change in pp	n.a.	1.1	1.4	1.4	"	4.0	"	n.a.	2.4	"	-1.5	"	1.8	1.5	n.a.	2.7	2.1	-2.2	"	2.2	3.9	"	"	"	"	"	1.7	"	"	-2.0	"	"
	Long-term unemployment rate (in %)																																
	2017	3.4	3.4	4.4	4.4	3.5	3.4	1.0	1.3	1.6	1.9	3.0	15.6	7.7	4.2	4.6	6.5	4.5	3.3	2.7	2.1	1.7	1.8	1.9	1.8	1.5	4.5	2.0	3.1	5.1	2.1	1.2	1.1
	2016-2017 change in pp	-0.6	-0.5	-0.6	-0.6	-0.5	-1.1	-0.7	"	"	"	-1.2	-1.4	-1.8	"	-2.0	"	-1.3	-0.7	"	"	-0.7	"	-0.6	"	-0.7	-1.7	-1.0	-1.2	-0.7	"	"	"
	2008-2017 change in pp	"	"	"	"	"	"	"	"	-2.3	"	"	11.9	5.7	"	"	3.5	4.0	"	"	"	-1.9	"	"	"	"	"	"	"	"	"	"	"	"

		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 %)																																
	2017	10.6	10.6	11.0	11.0	8.9	12.7	6.7	8.8	10.1	10.8	5.1	6.0	18.3	8.9	3.1	14.0	8.6	8.6	5.4	7.3	12.5	18.6	7.1	7.4	5.0	12.6	18.1	4.3	9.3	8.2	7.7	10.6
	2016-2017 change in pp	~	~	~	~	~	~	~	1.6	~	~	-1.1	~	~	~	~	~	~	~	~	~	~	-1.1	-0.9	~	~	-1.4	~	~	1.9	~	~	~
	2008-2017 change in pp	-4.1	-4.2	-5.4	-5.3	-3.1	~	~	-3.7	~	-3.2	-6.6	-8.4	-13.4	-2.9	~	-5.6	-5.1	-6.9	~	-6.1	~	-8.6	-4.3	-2.8	~	-22.3	~	~	3.3	~	~	-6.3
	Youth unemployment ratio (15-24)																																
	2017	7.0	7.0	7.5	7.5	5.4	3.4	2.5	7.0	3.4	5.6	6.7	10.9	12.9	8.2	9.8	9.1	9.0	6.8	4.6	4.7	3.5	5.5	6.1	5.5	5.2	8.1	5.5	4.4	6.3	10.7	9.8	7.0
	2016-2017 change in pp	~	~	~	~	~	~	~	~	~	~	-1.8	~	-1.8	~	-1.8	~	-1.8	~	~	-1.1	~	~	-1.3	~	~	-1.2	~	~	~	~	~	~
	2008-2017 change in pp	~	~	~	~	~	~	~	~	-2.1	~	-2.2	4.3	~	~	~	2.6	5.2	~	~	~	~	~	2.2	~	~	~	~	~	~	1.9	~	-2.2
	NEETs (15-24)																																
	2017	10.9	10.9	11.2	11.2	9.3	15.3	6.3	7.0	6.3	9.4	10.9	15.3	13.3	11.5	15.4	20.1	16.1	10.3	9.1	5.9	11.0	8.0	4.0	6.5	9.5	9.3	15.2	6.5	12.1	9.4	6.2	10.3
	2016-2017 change in pp	-0.7	-0.6	~	~	-0.6	-2.9	~	1.2	~	~	-1.7	~	-1.3	~	~	~	~	~	~	~	~	~	-0.6	-1.2	-1.0	-1.3	-2.2	-1.5	~	~	~	~
	2008-2017 change in pp	~	~	~	~	~	-2.1	~	2.7	-2.1	~	-9.0	3.9	~	~	3.8	3.5	6.4	~	~	~	~	~	~	~	~	~	~	~	~	~	~	-1.8
Active ageing	Employment rate of older workers (55-64) in %																																
	2017	57.1	57.2	57.1	57.2	48.3	58.2	62.1	68.9	70.1	68.1	58.4	38.3	50.5	51.3	40.3	52.2	55.3	62.3	66.1	39.8	51.7	45.1	65.7	51.3	48.3	56.2	44.5	42.7	53.0	62.5	76.4	64.1
	2016-2017 change in pp	1.8	1.8	1.9	1.9	2.9	3.7	3.6	1.1	1.5	2.9	1.6	2.0	1.4	1.5	~	1.9	3.1	~	~	~	1.9	~	2.2	2.1	2.1	4.1	1.7	4.2	4.0	~	0.9	~
	2008-2017 change in pp	11.6	11.7	12.8	12.8	13.8	12.2	14.5	10.5	16.4	5.8	4.6	-4.7	5.0	13.1	~	17.9	~	~	13.1	5.7	20.8	15.0	12.7	12.5	16.7	5.5	~	9.9	13.8	6.0	6.3	6.1
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																																
	2016	18.2	18.1	17.1	17.3	16.4	45.9	10.1	9.2	18.3	41.4	17.4	22.0	14.4	10.0	32.8	23.2	22.9	43.1	37.4	9.1	15.1	26.1	10.0	13.7	16.1	21.8	34.0	19.9	12.3	13.6	17.0	18.0
	2015-2016 change in pp	~	~	1.3	1.4	~	-5.9	~	~	~	4.4	~	~	~	~	~	3.3	2.1	~	~	n.a.	-2.0	2.4	3.9	~	~	~	~	~	~	~	~	~
	2008-2016 change in pp	n.a.	-5.2	~	~	-6.5	-7.9	~	n.a.	~	-12.9	-5.1	-6.1	-11.8	~	n.a.	~	-26.4	-15.7	~	~	~	~	~	-7.5	-10.8	-5.9	-15.4	-4.5	-9.6	-10.3	~	-10.5
	Median relative income of elderly people																																
	2016	0.93	0.93	0.94	0.94	0.76	0.80	0.79	0.75	0.84	0.60	0.86	1.07	1.01	1.02	0.84	1.01	0.79	0.63	0.71	1.22	1.01	0.72	0.82	0.97	0.97	0.91	0.97	0.89	0.91	0.83	0.77	0.89
	2015-2016 change in %	~	~	~	~	-3.8	12.7	-2.5	-2.6	-3.4	-3.2	~	2.9	~	-1.9	~	2.0	~	-3.1	-2.7	n.a.	~	-4.0	-7.9	~	-2.0	~	-3.0	~	~	2.5	-2.5	~
	2008-2016 change in %	n.a.	9.4	8.0	9.3	~	21.2	~	n.a.	~	11.3	16.2	24.4	21.7	7.4	n.a.	14.8	33.9	18.9	~	11.3	~	~	~	10.2	~	9.6	14.1	~	15.2	15.3	~	20.3
	Aggregate replacement ratio																																
	2016	0.58	0.58	0.58	0.58	0.48	0.45	0.50	0.47	0.46	0.45	0.35	0.63	0.66	0.68	0.39	0.69	0.44	0.42	0.45	0.88	0.67	0.54	0.50	0.62	0.62	0.64	0.66	0.47	0.62	0.53	0.57	0.53
	2015-2016 change in %	~	~	~	~	~	9.8	~	4.4	~	4.7	-7.9	3.3	~	~	~	4.5	~	~	~	n.a.	3.1	~	-3.8	~	~	3.2	4.8	~	~	~	~	6.0
	2008-2016 change in %	n.a.	18.4	18.4	18.4	~	32.4	~	n.a.	~	11.1	-28.6	53.7	57.1	~	n.a.	35.3	33.3	40.0	~	37.9	9.8	31.7	16.3	~	10.7	25.5	32.0	~	14.8	~	~	23.3
Health	Self reported unmet need for medical care																																
	2016	2.5	2.5	2.3	2.3	2.4	2.8	0.7	1.3	0.3	15.3	2.6	13.1	0.5	1.3	1.7	5.5	0.6	8.2	3.1	0.4	1.3	1.0	0.2	0.2	6.6	2.4	6.5	0.4	2.3	4.1	1.6	1.0
	2015-2016 change in pp	~	~	~	~	~	-1.9	~	~	~	2.6	~	~	~	~	~	-1.7	~	~	~	~	-1.3	~	~	~	~	~	-2.9	~	~	~	~	-1.8
	2008-2016 change in pp	n.a.	~	~	~	n.a.	-12.5	~	~	-1.9	8.0	~	7.7	~	~	n.a.	~	-2.2	-1.7	-2.6	~	-2.1	~	~	~	~	1.3	-4.6	~	~	3.3	~	~
	Healthy life years at 65 - males																																
	2016	9.8	n.a.	n.a.	n.a.	10.3	9.2	8.4	11.5	11.5	5.5	12.0	8.0	10.4	9.5	5.2	10.4	11.2	4.4	5.6	9.5	6.7	12.8	10.3	8.2	8.2	7.7	6.2	8.4	4.5	9.4	15.1	10.4
	2008-2016 change in %	n.a.	n.a.	n.a.	n.a.	~	~	12.0	~	82.5	37.5	29.0	-11.1	~	9.2	n.a.	36.8	23.1	-8.3	~	-11.2	19.6	21.9	~	10.8	17.1	14.9	-21.5	-8.7	50.0	17.5	15.3	~
	Healthy life years at 65 - females																																
	2016	10.1	n.a.	n.a.	n.a.	11.4	10.1	8.9	11.9	12.4	7.0	13.2	7.8	10.4	10.6	4.9	10.1	10.3	4.5	5.6	8.0	6.4	12.9	9.9	7.4	8.9	6.4	5.6	8.2	4.2	8.9	16.6	11.1
	2008-2016 change in %	n.a.	n.a.	n.a.	n.a.	9.6	~	8.5	~	85.1	62.8	28.2	~	18.2	~	n.a.	42.3	35.5	-8.2	-15.2	-31.0	~	11.2	~	~	15.6	14.3	-30.0	-12.8	55.6	~	18.6	~
Poverty and soc exclusion of pers with disabilitie	At risk of poverty or social exclusion for persons with disabilities (% of people with disabilities above 16 years)																																
	2016	29.9	29.8	n.a.	n.a.	33.0	55.9	21.1	24.2	32.7	39.4	40.3	35.6	30.9	21.1	39.3	29.6	35.7	42.5	44.4	22.3	32.2	32.4	24.3	22.1	29.1	31.9	39.4	24.6	19.3	23.5	32.2	32.2
	2015-2016 change in pp	~	~	n.a.	n.a.	-2.2	1.8	~	~	~	2.7	n.a.	~	~	-1.7	~	n.a.	~	~	~	n.a.	-2.3	~	~	~	~	~	~	~	-1.7	~	~	~
	2008-2016 change in pp	n.a.	~	n.a.	n.a.	~	-7.6	-2.6	~	6.7	-4.5	~	-3.3	~	-3.0	n.a.	~	-9.3	-10.2	3.2	4.5	-4.3	~	~	-5.5	-9.3	-3.9	-13.1	-5.2	-6.7	-3.0	8.8	~
Access to dece Housing	Housing cost overburden rate																																
	2016	11.1	11.1	11.0	11.0	9.5	20.7	9.5	15.0	15.8	4.9	4.6	40.5	10.2	5.2	6.4	9.6	3.1	7.0	7.8	9.5	8.8	1.4	10.7	7.2	7.7	7.5	14.4	5.7	7.7	4.4	8.5	12.3
	2015-2016 change in pp	~	~	~	~	~	5.9	-0.9	~	~	-1.9	~	~	~	~	-0.8	1.0	-0.8	-1.1	-1.3	n.a.	~	~	-4.2	0.8	-1.0	-1.6	-1.5	~	-1.4	~	~	~
	2008-2016 change in pp	n.a.	~	2.8	2.8	-3.0	7.4	-3.3	n.a.	n.a.	3.6	~	18.3	~	~	n.a.	~	~	-1.7	2.8	2.3	-2.8	-1.9	-3.0	~	-2.0	~	-4.7	~	2.1	~	~	-4.0
Evolution in r household disposable inc	Real change in gross household disposable income (in %)																																
	2015-2016 change in %	n.a.	n.a.	n.a.	1.8	~	10.4	2.8	4.1	2.3	3.9	3.0	~	2.0	1.9	n.a.	~	5.9	3.7	4.4	2.9	n.a.	n.a.	2.2	2.6	6.0	2.7	n.a.	4.6	3.2	~	3.3	~
	2008-2016 change in %	n.a.	n.a.	n.a.	~	~	24.9	9.0	15.7	8.9	9.1	~	-33.2	~	~	n.a.	-7.1	-11.5	-7.3	~	21.4	~	n.a.	~	~	25.8	~	30.6	~	9.7	6.9	24.3	9.2

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change), "n.a." refers to data not (yet) being available. See table at end of document for full details of significance tests; 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 risk ("n.a." shown for the period compared to 2008); iv) For BE, 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 in 2014 for the material deprivation indicators, so for SMD and AROPE the change 2008-2013 is used for the longer period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparisons of changes are still valid; vi) For DK, breaks in series for the period 2008-2016 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 2008-2013 used for the longer period compared to 2008; viii) For HR, no long-term comparison for EU-SILC-based indicators compared to 2008 as no EU-SILC data published by Eurostat before 2010; ix) For LU, major break in series in 2016 for EU-SILC based indicators ("n.a." shown for latest year comparisons, and long-term comparison is for period 2008-2015); x) For NL, improvement to the definition of income in 2016 has some impact on comparison of income-based indicators over time; xi) For RO, breaks in series in 2010 for LFS-based indicators, so changes 2010-2016 shown for longer term change; xii) For SI, break in time series in Healthy Life Years indicator (change of question in 2010) which affects the comparison of change since 2008; xii) 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; xiii) For some indicators (SMD rate, LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64)) the changes generally refer to the periods 2016-2017 and 2008-2017. xiv) SMD figures for CY, DE, EE, FR, HR, IT, LT, NL, PT, RO and the UK are provisional.

Latest indications from available 2017 EU-SILC data

Some 14 Member States have already reported the results of the 2017 EU-SILC survey[15], while all Member States except IE, LU, PL, SK and SE have provided early estimates on the severe material deprivation (SMD) indicator. This section presents the findings, albeit rather patchy, from this most recently available data. The table below (Table 2) shows figures available for the changes in the EU-SILC based SPPM indicators between 2016 and 2017 surveys, highlighting where changes are significant[16].

With a few exceptions (mainly concerning the income situation of the elderly), the picture from the available figures is one of continuing improvement in the social situation. As discussed earlier, results for the severe material deprivation (SMD) indicator improved strongly over the very latest period. The severe material deprivation rate has declined significantly over 2016-2017 in 12 Member States, and has not risen significantly in any. Among the 14 countries having reported already data on the at-risk-of-poverty rate, 7 recorded a significant improvement between 2016 and 2017. Moreover, 10 Member States report declines in the share of the population living in (quasi-)jobless households. A result of these trends in the components of the overall at-risk-of-poverty-or-social-exclusion rate (AROPE) are significant reductions in the AROPE indicator, with 10 countries already reporting significant reductions in the share of the population at risk of poverty or social exclusion over the latest year. The risk of poverty among children also shows improvements among 7 of the countries which have so far reported their data.

In contrast to the positive developments overall, there are signs of further deterioration in the poverty risk for people living in (quasi-)jobless households in several (5) countries, and of a continuing decline in the relative income of the elderly, with significant falls in the median relative income ratio of the elderly already reported in 7 countries. As emphasised previously, the latter reflects to a large extent the rebalancing of the income distribution as the labour market situation and incomes of the working age population have improved.

15 This refers to the situation on the 24th July 2018, at which time some 14 Member States (AT, BE, BG, CZ, DK, EE, EL, ES, FI, LV, HU, MT, RO and SI) had reported data for the SILC-based indicators included in the SPPM. For the SMD indicator, all Member States except 5 had provided early data or estimates.

16 The estimates of significance used are the ones employed to investigate the changes 2015-2016.

Table 2: Dashboard of changes 2016-2017 for available EU-SILC based figures

	2016-2017 change	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 %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-0.4	-1.5	-1.1	0.4	n.a.	-1.0	n.a.	-0.8	-1.3	n.a.	n.a.	n.a.	n.a.	-0.3	n.a.	n.a.	-0.7	-0.9	n.a.	0.1	n.a.	n.a.	-3.3	-1.3	n.a.	-0.9	n.a.	n.a.
	At-risk-of-poverty rate (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	0.4	0.5	-0.6	0.5	n.a.	-0.7	n.a.	-1.0	-0.7	n.a.	n.a.	n.a.	n.a.	0.3	n.a.	n.a.	-1.1	0.3	n.a.	0.3	n.a.	n.a.	-1.8	-0.6	n.a.	-0.1	n.a.	n.a.
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																																
	2016-2017 change in %	n.a.	n.a.	n.a.	n.a.	-0.0	12.6	2.3	1.2	n.a.	4.7	n.a.	0.2	1.7	n.a.	n.a.	n.a.	n.a.	0.9	n.a.	n.a.	2.7	5.5	n.a.	2.2	n.a.	n.a.	11.6	1.6	n.a.	0.6	n.a.	n.a.
	Severe material deprivation rate (in %)																																
	2016-2017 change in pp	-0.8	-0.9	-0.9	-0.8	-0.4	-1.9	-1.1	0.5	-0.1	-0.6	n.a.	-1.3	-0.7	-0.3	-2.2	-2.9	-1.9	-1.5	-1.1	n.a.	-1.7	-1.1	0.0	0.7	n.a.	-1.5	-4.4	-0.9	n.a.	-0.1	n.a.	-0.3
	Population living in (quasi-) jobless households (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-1.1	-0.8	-1.2	-0.7	n.a.	0.0	n.a.	-1.6	-2.1	n.a.	n.a.	n.a.	n.a.	0.6	n.a.	n.a.	-1.6	-0.6	n.a.	0.2	n.a.	n.a.	-1.3	-1.2	n.a.	-0.7	n.a.	n.a.
Intensity of poverty risk	Relative median at-risk-of-poverty gap (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-1.7	0.1	-2.9	0.9	n.a.	0.2	n.a.	-1.6	1.0	n.a.	n.a.	n.a.	n.a.	1.3	n.a.	n.a.	-2.1	0.8	n.a.	2.6	n.a.	n.a.	-1.8	-0.6	n.a.	-0.2	n.a.	n.a.
Persistence of poverty risk	Persistent at-risk-of-poverty rate (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	0.8	0.6	0.1	-1.7	n.a.	2.6	n.a.	n.a.	-0.1	n.a.	n.a.	n.a.	n.a.	-0.3	n.a.	n.a.	-2.1	n.a.	n.a.	1.0	n.a.	n.a.	n.a.	-0.3	n.a.	0.0	n.a.	n.a.
Material and social deprivation	Material and social deprivation rate (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-1.6	n.a.	-1.1	1.2	n.a.	2.3	n.a.	-0.5	-2.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.0	n.a.	-0.3	n.a.	n.a.	n.a.	0.5	n.a.	n.a.	n.a.	n.a.
Income inecualities	Income quintile ratio (S80/S20)																																
	2016-2017 change in %	n.a.	n.a.	n.a.	n.a.	0.0	6.5	-2.9	0.0	n.a.	-3.6	n.a.	-7.6	0.0	n.a.	n.a.	n.a.	n.a.	1.6	n.a.	n.a.	0.0	0.0	n.a.	4.9	n.a.	n.a.	-2.8	-5.6	n.a.	-2.8	n.a.	n.a.
Child poverty and social exclusion	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	0.4	-4.0	-3.2	0.6	n.a.	-2.4	n.a.	-1.3	-1.6	n.a.	n.a.	n.a.	n.a.	-0.8	n.a.	n.a.	-2.0	-1.2	n.a.	3.0	n.a.	n.a.	-8.0	0.2	n.a.	0.4	n.a.	n.a.
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-1.5	1.9	1.9	-1.2	n.a.	2.4	n.a.	-0.0	-0.5	n.a.	n.a.	n.a.	n.a.	0.3	n.a.	n.a.	2.6	-1.6	n.a.	-4.2	n.a.	n.a.	1.8	1.8	n.a.	-0.1	n.a.	n.a.
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	4.9	4.2	-5.8	2.4	n.a.	-6.2	n.a.	-0.6	2.1	n.a.	n.a.	n.a.	n.a.	2.1	n.a.	n.a.	-10.5	4.4	n.a.	9.1	n.a.	n.a.	-0.8	1.1	n.a.	3.7	n.a.	n.a.
Social consequences of labour market	In-work at-risk-of poverty rate (in %)																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	0.3	-1.6	-0.2	0.1	n.a.	-0.2	n.a.	-1.2	0.0	n.a.	n.a.	n.a.	n.a.	0.5	n.a.	n.a.	0.5	0.2	n.a.	-0.6	n.a.	n.a.	-1.7	0.5	n.a.	-0.4	n.a.	n.a.
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	0.7	3.0	2.5	0.3	n.a.	0.6	n.a.	0.8	2.0	n.a.	n.a.	n.a.	n.a.	0.8	n.a.	n.a.	1.7	0.3	n.a.	-0.3	n.a.	n.a.	-0.7	-1.6	n.a.	-0.4	n.a.	n.a.
	Median relative income of elderly people																																
	2016-2017 change in %	n.a.	n.a.	n.a.	n.a.	3.9	-11.3	-3.8	2.7	n.a.	-1.7	n.a.	-2.8	-3.0	n.a.	n.a.	n.a.	n.a.	-3.2	n.a.	n.a.	-3.0	0.0	n.a.	0.0	n.a.	n.a.	-3.1	-1.1	n.a.	1.2	n.a.	n.a.
	Aggregate replacement ratio																																
	2016-2017 change in %	n.a.	n.a.	n.a.	n.a.	4.2	-17.8	2.0	2.1	n.a.	0.0	n.a.	-3.1	4.5	n.a.	n.a.	n.a.	n.a.	2.4	n.a.	n.a.	-4.5	3.7	n.a.	3.2	n.a.	n.a.	-6.1	-2.1	n.a.	0.0	n.a.	n.a.
Access to decent Housing	Housing cost overburden rate																																
	2016-2017 change in pp	n.a.	n.a.	n.a.	n.a.	-0.4	-1.8	-0.8	0.6	n.a.	-0.1	n.a.	-0.9	-0.4	n.a.	n.a.	n.a.	n.a.	-0.1	n.a.	n.a.	1.9	0.0	n.a.	-0.1	n.a.	n.a.	-1.9	-0.5	n.a.	-0.1	n.a.	n.a.

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "n.a." refers to data not (yet) being available. Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance. In all the remaining cases a 1pp threshold has been used for all percentage-based indicators or for indicators based on ratios a 5% threshold has been used; 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) SMD figures for CY, DE, EE, FR, HR, IT, LT, NL, PT, RO and UK are provisional;

IV. Analysis of the key social challenges and good social outcomes in EU Member States and a review of latest developments in social protection policies

In this section the main social challenges and good social outcomes in each Member State are assessed[17], and an overview is provided of the more recent reforms of social protection policies across MS, notably concerning social inclusion, pensions, health and long-term care. For the former, the assessment is based on an analysis of both the levels of the figures for the indicators in question together with the changes over a three-year reference period, based on the Joint Assessment Framework tool[18]. This analysis is complemented, where relevant, by policy messages from the thematic and peer reviews undertaken during the year and results of the on-going benchmarking work.

Preventing poverty and social exclusion through inclusive labour markets, adequate and sustainable social protection and high quality services

The social situation in the EU continues to benefit from the economic recovery and the improving labour market situation, with significant reductions in the at-risk-of-poverty-or-social-exclusion rate observed in several countries. Nevertheless, Europe remains far from reaching the Europe 2020 poverty and social exclusion target, even if some countries (e.g. Poland, Romania) have already achieved their individual targets.

While the economic, employment and social circumstances vary widely across the EU, common social challenges remain. A continued deterioration in the depth of poverty risk, high inequality, and continued falls in the adequacy of social benefits pose challenges to the social safety nets in a few Member States. At the same time, improvements in unemployment and labour market participation have not been fully reflected in the social situation, as evidenced by a steady rise in rates of in-work poverty risk in a number of Member States.

General trends

This year's SPPM analysis of the structural challenges of Member States[19] shows that for the general population across the EU28, the at-risk-of-poverty-or-social-exclusion rate (AROPE) remains a key challenge in 5 Member States (BG, EE, EL, IT, RO), with good outcomes registered in 2 Member State (CZ, IE) (Table 3). An analysis of the subcomponents of this indicator shows that (relative) poverty is a key challenge in 3 Member States (EE, ES, RO), while severe material deprivation is a key challenge in 4 Member States (BG, CY, EL, HU), and (quasi-)jobless households

[17] For further details on the assessment methodology see the appendix "SPPM methodology used for the identification of Member States' key social challenges and good social outcomes".

[18] http://ec.europa.eu/social/BlobServlet?docId=14727&langId=en

[19] For further details on the classification for the specific member states, see the appendix "SPPM country profiles"

in 15 Member States (BE, CZ, CY, DE, EE, EL, ES, FI, HR, IE, LT, LV, MT, SE, SK), but with good outcomes on the latter in 4 Member States (CY, EE, LV and LT). For the EU28, severe or persistent income poverty represents a key challenge in 7 Member States (ES, HR, IT, LV, MT, RO, UK). Good social outcomes with regards to severe or persistent income poverty are registered in 7 Member States (AT, CZ, CY, DK, FR, HU, MT). Income inequality appears as a key challenge in 7 Member States (EL, ES, IT, LT, LV, RO, UK), while good social outcomes are registered in 2 MS (CZ, FR). The effectiveness of social protection, measured by impact of social transfers in reducing income poverty is flagged as a challenge in 7 Member States (CZ, LT, LU, LV, PL, PT, SK), while 5 Member states (AT, DE, FI, SE, SI) display good social outcomes in this regard. The housing situation, as reflected by either housing cost overburden or housing deprivation, is a key challenge in 11 Member States (BE, BG, CY, EL, FR, HU, LU, PT, SI, SK, UK), with 3 Member States (FI, MT, SK) registering good social outcomes. The analysis also shows that the risk of poverty and social exclusion situation of persons with disabilities appears to be a key social challenge in 12 Member Statutes (BE, BG, CY, DE, EE, HR, IE, LT, LV, MT, RO, UK) and good outcomes are registered in 2 Member States (ES, FR). The risk of poverty or social exclusion of migrants is flagged as a challenge in 8 Member States (AT, DE, DK, FI, FR, LU, MT, and NL).

Table 3. Summary of Member States' SPPM key social challenges and good social outcomes in the area of preventing poverty and social exclusion through inclusive labour markets, adequate and sustainable social protection and high quality services

	At-risk of poverty and social exclusion for general population (AROPE)	At-risk-of-poverty	Severe material deprivation	(Quasi-) jobless households (VLWI)	Severe or persistent poverty risk (gap, persistence)	Income inequality (S80/S20)	Effectiveness of social protection for the general population	Housing situation for general population[1]
Key social challenge[2]	EE, EL, IT, RO	EE, ES, RO	BG, CY, EL, HU	BE, CZ, **CY**, DE, **EE**, EL, ES, FI, HR, IE, LT, **LV**, MT, SE, **SK**	ES, HR, IT, LV, **MT**, RO, UK	EL, ES, IT, LT, LV, RO, UK	CZ, LT, LU, LV, PL, PT, SK	BE, BG, CY, EL, FR, HU, LU, PT, SI, **SK**, UK
Good social outcome	CZ, IE	AT, DK, SI	\	**CY, EE, LV, SK**	AT, CZ, CY, DK, FR, HU, **MT**	CZ, FR	AT, DE, FI, SE, SI	FI, MT, **SK**

Note: 1. Housing situation consists of an assessment on housing cost overburden and housing deprivation. 2. Challenges based on Non-JAF indicators are shown in italics. 3 Member states showing both KSC and GSO in a certain category are shown in bold. For further details on the classification for the specific member states, see the appendix "SPPM country profiles".

Child poverty

For children, the at-risk-of-poverty-or-social-exclusion rate is a key challenge in 3 Member States (CY, FR, RO); with DK and SI displaying particularly good social outcomes in this regard (Table 4). An analysis of the subcomponents of this indicator shows that the risk of poverty for children is a key challenge in EL, while good social outcomes are registered in 3 (DK, FI and SI), severe material

deprivation of children is a key challenge in 4 MS (BG, CY, HU, LT) and a good social outcome in SE. The share of children living in (quasi-)jobless households appears to be a key social challenge in 4 Member States (BE, BG, DE and FI), while good social outcomes are registered in EE, LU, LV and SI. The impact of social transfers in reducing the risk of child poverty, the at-risk-of poverty rate of children living in households with different levels of work intensity and the poverty risk gap are indicative of how effective social protection of children is in a given country. Based on these indicators, effectiveness challenges have been identified for 10 Member States (CZ, DK, ES, IE, IT, LT, MT, PT, SE, SK) with good outcomes reported in AT, BE, DK, FI, HU, HR, IE, NL. The housing situation for children appears as a challenge in LT, while a positive outcome is reported in FI. The well-being of children has been the focus of two recent peer reviews (see Box 1) and an in-depth Thematic Review on Early Childhood Development (see Box 2).

Table 4. Summary of Member States' SPPM key social challenges and good social outcomes in the area of breaking the intergenerational transmission of poverty/disadvantage - tackling child poverty and social exclusion

	At-risk of poverty and social exclusion for children (AROPE)	At-risk-of-poverty	Severe material deprivation	(Quasi-)jobless households (VLWI)	Effectiveness of social protection for children	Housing situation for children[1]
Key social challenge	CY, FR, RO	EL	BG, CY, HU, LT	BE, BG, DE, FI	CZ, **DK**, ES, **IE**, IT, LT, MT, PT, SE, SK	LT
Good social outcome	DK, SI	DK, FI, SI	SE	EE, LU, LV, SI	AT, BE, **DK**, FI, HU, HR, **IE**, NL	FI

Note: 1. Housing situation consists on an assessment on housing cost overburden and housing deprivation. 2. Challenges based on Non-JAF indicators are shown in italics. 3 Member states showing both KSC and GSO in a certain category are shown in bold. For further details on the classification for the specific member states, see the appendix "SPPM country profiles".

To prevent and combat child poverty, break the circle of intergenerational poverty and improve the well-being of children, a number of Member States are pursuing social protection measures focused on families with children. Measures include ensuring better financial support through introducing (LT) or increasing the amount of the universal child benefit (BG, DE, LV, PT); benefits for single parents (BE, DE), low income (BE, LT) or large families (EE, LV, LT, ES, SE); increased support for foster families and adoptees (LV); enhanced support for families with children suffering from a serious illness (ES); birth grants (IT) or provision of basic material assistance for new-born babies of deprived families, combined with social inclusion services. Other measures to improve the disposable income available to families with children include income tax amendments (ES, DE, LT, LU, LV); provisions to exclude part of the work income and child benefits when establishing the right to social assistance (e.g. LT, LV); increased childcare cost deduction for low income families (BE, IE, FI) and targeted benefits to parents for more affordable and accessible childcare (AT, IT).

The *Miriam* project in Belgium, providing conditions for sustainable social and labour market integration to a target group of women in single parenthood has been the focus of a recent SPC peer review (see Box 1).

The availability, accessibility and affordability of early childhood education and care are also being addressed with a view of improving the well-being of children and improving the labour market outcomes for women. Measures include: initiatives to extend the provision of existing pre-school programmes (e.g. AT, IE) and to improve their quality (e.g. DK, IE); increased provision of free childcare (UK), efforts to increase the capacity of and access to early childhood education and care through the construction of facilities (EE, DE, SK, AT, PL, RO) and strengthening the legislative framework (SK, ES). In addition to the usual types of childcare facilities, the establishment of more flexible childcare schemes is also an important development in several Member States (FR). The provision of micro-crèches, offering childcare in small groups up to 4 children, set up by municipality, non-profit organization or parents on parental leave is an interesting concept, operating since 2016 in the Czech Republic.

Poverty among the working age population

For the working age population (Table 5), the share of people at-risk-of-poverty-or-social-exclusion appears to be a challenge in BE, while MT displays a good social outcome in that respect. The risk of poverty is a challenge in IT while 4 Member States (FI, MT, SE, SK) show particularly good outcomes. The share of adults living in (quasi-)jobless households is a challenge in CY and ES with good social outcomes in 5 MS (CZ, HU, LV, PL, SK). The risk of in-work poverty presents a challenge in 5 Member States (EE, EL, HU, IT and RO), with another 9 displaying good social outcomes (BE, CZ, DK, FI, HR, IE, MT, SE, SI)[20]. The effectiveness of social protection is assessed in the SPPM methodology through the indicator on the impact of social transfers in reducing the risk of working age poverty, notably in terms of adequacy, coverage, and take-up of social assistance and unemployment benefits. Based on this approach, effectiveness challenges have been identified for 9 Member States (BG, DK, EE, EL, ES, HU, IT, PT, RO) and 4 Member states with particularly good outcomes (AT, CZ, CY and FR). The inclusiveness of labour markets, as reflected by the at-risk-of-poverty rate for adults living in (quasi-)jobless households and the poverty risk gap, appears to be a key challenge in 3 Member States (CZ, IE, SE). At the same time, good social outcomes are found in 5 Member States (BE, CY, FI, FR, IE). The housing situation of the working age population appears as a challenge in EE.

[20] However, based purely on a reading of the indicators, 7 Member States have shown a year-on-year increase in in-work poverty risk, while only 5 have shown an improvement. When compared to the 2008 levels, the situation appears even worse. See Figure 30 below.

Table 5. Summary of Member States' SPPM key social challenges and good social outcomes in the area of Active inclusion - tackling poverty and social exclusion in working age

	At-risk of poverty and social exclusion for working age population	At-risk-of-poverty	(Quasi-) jobless households (VLWI)	In work poverty risk	Effectiveness of social protection for working age population	Effectiveness of social services	Inclusive labour markets	Housing situation for working age population[1]
Key social challenge	BE,	IT	CY, ES	EE, EL, HU, IT, RO	*BG*, DK, EE, EL, ES, *HU*, IT, *PT*, RO	AT, *BG*, *EL*, *ES*, FI, *IT*, *RO*	CZ, **IE**, SE	\
Good social outcome	MT	FI, MT, SE, SK	CZ, HU, LV, PL, SK	BE, CZ, DK, FI, HR, IE, MT, SE, SI	AT, CZ, *CY*, FR		BE, CY, FI, FR, **IE**	EE

Note: 1. Housing situation consists on an assessment on housing cost overburden and housing deprivation. 2. Challenges based on Non-JAF indicators are shown in italics. 3 Member states showing both KSC and GSO in a certain category are shown in bold. For further details on the classification for the specific member states, see the appendix "SPPM country profiles".

The multilateral reviews of CSRs' implementation and the social reporting in the context of the National Reform Programmes show that a number of Member States are implementing active inclusion policy reforms in the areas of income support, access to services and activation measures. Several Member States are pursuing policy reforms to improve the coverage and adequacy of their social safety nets (e.g. BE, BG, EE, HR, IT, LV, LT, SI). These reforms include measures to improve the adequacy of social assistance, increasing the coverage and targeting of minimum income schemes while ensuring an effective link with labour market (re-)integration and social participation; the revision of existing or the introduction of new benefits for persons in vulnerable situations; measures to address the fragmentation of social assistance systems, also by harmonizing and simplifying the provision of benefits.

Gaps in access to social protection for non-standard workers and the self-employed

The increasing share of non-standard workers and addressing their more limited access to social protection, in comparison with other workers, is also an area of increased policy focus (see Box 3). Several Member States have adopted reforms or are carrying out national debates on the subject. Denmark has recently adopted a new unemployment insurance scheme for the self-employed and persons in non-standard jobs. Measures to increase the social protection of the self-employed and legislation to address bogus self-employment are being discussed in the Netherlands. The Spanish social dialogue roundtables are currently discussing a reform of labour market regulations for the self-employed. The Portuguese government has proposed to reform the contributory scheme for the self-employed covering all social risks with a view to improving their social protection.

People in vulnerable situations

A number of Member States are also reporting on measures targeting the poverty and social exclusion situation of persons with disabilities. Some (e.g. BE, FR, PT, SK) are improving the income replacement allowances for disabled persons. Many are taking steps to support the increased labour force participation among the recipients of disability payments (BG, CZ, EE, DE, FR, HU, IE, LT, LU, MT, NL, PL, RO, SE, SK). The reported measures include wage support, mobility assistance, employer quotas and incentives, as well as work-oriented rehabilitation, personalized activation services and vocational training. Measures to improve the inclusiveness of education, such as financial support and measures for pupils with disabilities, are being pursued in several Member States (CZ, FR, HR, IE, IT, LT, PL, PT, SK). Efforts are also being made to improve the living environment and conditions for independent living through investing in and providing-special purpose welfare and support services for the elderly and people with disabilities. (e.g. BE, DE, IE, MT, PT). These efforts help to improve the quality of life of people with increased need for care, and, together with the development of community-based care solutions, support the process of deinstitutionalization, taking place in several Member States (e.g. BE, EE, HR, HU, IE, LT, LV, RO).

Despite the reported measures, efforts to combat poverty and social exclusion of persons with disabilities will need to be sustained in the future, as this is flagged as a key social challenge in 12 Member States (BE, BG, CY, DE, EE, HR, IE, LT, LU, MT, RO, UK) with good social outcomes recorded in ES and FR. The SPC recently held a peer review on the promotion of social enterprises that support people with mental health problems to enter the labour market (see Box 4).

Several member states are taking measures for improved integration of people with migrant background. Additional resources have been made available for the integration of refugees in the society and labour market through activities such as language teaching (e.g. AT, CY, DK, LU), vocational education and training, career guidance and counselling and support in finding traineeships and jobs (FI, DK, DE, SE). In addition, measures encouraging the social participation of young children and the involvement of parents are being extended (e.g. CY, BE). Despite those efforts, the poverty and social exclusion situation of migrants is flagged as a key social challenge in AT, DE, DK, FI, FR, LU, MT, and NL.

Several Member States are pursuing measures to address the rising levels of homelessness and housing exclusion. These include strengthening the preventive measures to protect people and families to fall into homelessness (i.e. DK, IE), increased funding, targeted subsidies and social housing support through the private sector (IE, LT, SE), measures to improve the stock of available social housing (BE, CZ, IE, MT, PL, PT, RO, UK) and increased funding to deal with homelessness (e.g. IE). A comprehensive action plan on fighting homelessness has been initiated in DK in 2017. Some further information and analysis on recent developments in relation to housing and homelessness is provided by the European Federation of National Organizations Working with the Homeless in Box 13.

Adequate and sustainable pensions

In 2018, the Social Protection Committee and the European Commission released the third Pensions Adequacy Report (PAR). The report examines the adequacy of current and future pensions and aims to support Member States in designing pension systems that are adequate while remaining financially sustainable. The PAR is therefore complementary with the Ageing Report, produced by the Economic Policy Committee and the European Commission, which focuses on the financial sustainability of the pension systems.

The 2018 Pension Adequacy Report brings into focus several key issues: it shows that inequalities among older people persist and the risk of poverty or social exclusion increases with age, even though compared to 2008, there are now almost 2 million older people less at risk of poverty or social exclusion. It also highlights that, while narrowing, the pension gap between men and women remains large and is likely to persist, and that people in non-standard or self-employment often face less favourable conditions for accessing and accruing pension rights. Key highlights of the Report are included in Box 5.

This year's SPPM analysis of the structural challenges of Member States shows that the share of elderly at risk of poverty or social exclusion (Table 6) is a key social challenge in 4 Member States (BG, HR, LT, LV) and a good social outcome in one (CY). Three Member States have an explicit challenge in relation to the risk of poverty - LT, LV and MT. Severe material deprivation of the elderly appears to be a challenge in EL, LT and RO, while MT and PL have a good social outcome in this regard. The highest number of Member States with key social challenges for the elderly, 11 (BE, CZ, CY, DK, EE, HR, IE, LT, LV, SI, MT) is registered on income replacement aspects, measured by the aggregate replacement ratio (excluding other benefits) and the median relative income of the elderly (65+). HU, IT and LU register particularly good outcomes with regard to these indicators. Housing is another area where several Member States (BG, CY, DE, LU, PT, RO) register key social challenges. Only one Member State (AT) shows a good social outcome. The impact of social transfers in reducing old age risk of poverty and the poverty risk gap are indicative of how effective pensions systems and social protection are in terms of allowing for a decent standard of living of the elderly in a given country. In relation to good social outcomes – poverty prevention is the area with the highest number of Member States with good social outcomes (4 – DK, FI, IE, MT), although MT registers a challenge, linked to the poverty risk rate for the population living in (quasi-)jobless households, as well as some negative developments in the persistent at-risk-of-poverty rate. One Member State (RO) has a challenge regarding equalising pension rules.

Table 6. Summary of Member States' SPPM key social challenges and good social outcomes in the area of poverty risk and adequate income and living conditions of the elderly

	Poverty and social exclusion in old age	At-risk-of-poverty	Severe material deprivation	Poverty prevention	Income replacement aspects	Equal pension rules	Housing situation for the elderly[1]
Key social challenge	BG, *HR*, LT, LV	LT, LV, MT	EL, LT, RO	BG, EE, *HR*, LV, **MT**, PT	BE, CZ, CY, , DK, EE, *HR*, IE, LT, LV, SI, MT	RO	BG, CY, DE, LU, PT, RO
Good social outcome	CY	\	MT, PL	DK, FI, IE, **MT**	HU, IT, LU	\	AT

Note: 1. Housing situation consists on an assessment on housing cost overburden and housing deprivation. 2. Challenges based on Non-JAF indicators are shown in italics. 3 Member states showing both KSC and GSO in a certain category are shown in bold. For further details on the classification for the specific member states, see the appendix "SPPM country profiles".

Pensions systems have been one of the areas with the most reforms in recent years across the EU. These reforms have been driven by the need to improve the long-term fiscal sustainability of the pension systems, whilst maintaining retirement income adequacy.

Sustainability enhancing pension reforms have been in the spotlight during the crisis years (see table 7 below). In recent years, the pension reform dynamic started to shift and to reflect adequacy concerns more prominently. As indicated in the 2018 Pension Adequacy Report, this change in the reform dynamic reflects the fact that most Member States have already adopted and are implementing pensionable age increases in response to the ageing of their population. At the same time, the economic recovery leaves more fiscal space of adequacy-focused reforms, such as reinforcing minimum guarantees and (re-) introducing favourable mechanisms[21].

The multilateral reviews of CSRs' implementation and the social reporting in the context of the National Reform Programmes show that a number of Member States are pursuing reforms in their pension policy in the context of a multiannual cycle. These reforms include continued efforts to harmonize the effective and statutory retirement age, as well as the retirement age between men and women (e.g. AT, EE, HR, LU); promoting longer working lives through tax incentives and measures to create working conditions attuned to an ageing workforce (e.g. AT); limiting early retirement options and abolishing special pension regimes (e.g. BE, DK, MT). Some recent reforms however go against the trend of increasing pensionable age. Most notably, Poland has reversed earlier reforms by reintroducing lower pensionable age for men and women[22].

[21] 2018 PAR, p 103
[22] 2018 PAR, p 101

Table 7. Pension reforms adopted in Member States (July 2014 to July 2017)

Reform Area	Member State
Increases in pensionable age	BE, BG, EL. FI, NL, UK
Increases in contributory period requirements	BE, BG, CZ, FR, LT, MT, ES, UK
Reducing early retirement opportunities	AT, BE, BG, DK, FI, LU, PT
Promoting flexible retirement pathways	AT, FI, DE, SI
Facilitating deferred retirement	AT, HR, DK, FI, FR
Protecting low-income pensioners – increasing low-end pensions	AT, BE, BG, CY, ES, IE, MT, PL, RO, SI, SK
Protecting low-income pensioners – targeted additional benefits	BG, CZ, EE, IT, SE
Protecting low-income pensioners – indexation mechanism reforms	BG, CY, CZ, LV, LT, PT, RO, SI, SK
Improving access to old-age protection for specific categories of workers	EL, FI, FR, IT, LT, PL, RO
Reinforcing the role of supplementary pension schemes	BE, DK, EE, FR, DE, IE, SI

Note: Source, 2018 Pension Adequacy Report (p 101 – 110), Member States' National Reform Programmes, SPC Multilateral Surveillance

Several Member States focus on protecting low-income pensioners by improving the minimum pensions, providing targeted benefits or by unfreezing existing or introducing new indexation mechanisms. Other Member States are stepping up efforts to incentivise supplementary pension schemes (e.g. BE, DK, IT, MT, but overall reform efforts in this area remain limited.

Accessible, high-quality and sustainable health care

Population ageing and other factors, such as the high costs of innovative technologies and medicines, are putting increased pressure on the financial sustainability of health care systems and the ability to provide adequate healthcare for all. Reforms in health care have been a main focus of the European Semester process and aim at ensuring sustainable, affordable and cost-effective health services, without compromising universal and equitable access, quality and safety, and with an increasing emphasis on prevention.

This year's SPPM analysis of the structural challenges of Member States shows that the health status of the population (Table 8), assessed in terms of life expectancy at birth and at 65; healthy life years at birth and at 65 and child mortality (1-14), proves to be a key challenge for 9 Member States (AT, BG, FI, HR, LT, LV, NL, PL, PT). Good social outcomes are registered in FI and MT. The former simultaneously registers a challenge related to the Healthy life years at birth for women and a good social outcome with regard to infant mortality. The effectiveness of curative or preventive health care, assessed in terms of potential years of life lost, amenable mortality, preventable mortality and vaccination coverage rates for children, proves to be a challenge for 8

Member States (AT, BG, CZ, FR, HR, MT, RO, SK), and with 4 (EL, HU, LU, LV) showing good outcomes in this area. 10 Member States have a key challenge as concerns access to health care, based on self-reported unmet needs for medical care due to cost, waiting time, or distance (CZ, EE, EL, FI, HU, IE, IT, LT, LV, PL).

Challenges related to the cost-effectiveness of the health systems typically reflect problems of the balance between in-patient and out-patient care, inefficiencies in the allocation of resources in the hospital sector, issues with pharmaceutical pricing and reimbursement, or insufficient availability and coverage of e-Health services. 16 Member States (BE, BG, CY, DE, EE, EL, FR, HU, HR, LT, PL, PT, RO, SI, SK, UK) register key challenges in this array of areas.

Table 8. Summary of Member States' SPPM key social challenges and good social outcomes in the area of health

	Health status	Effectiveness of curative or preventive health care	Access to health care	Cost-effectiveness of health systems
Key social challenge[1]	AT, BG, **FI**, HR, LT, LV, NL, PL, PT	AT, BG, CZ, FR, HR, MT, RO, SK	*CZ*, EE, EL, FI, *HU*, *IE*, IT, *LT* , LV, PL	*BE, BG, CY, DE, EE, EL, FR, HU, HR, LT, PL, PT, RO, SI , SK, UK*
Good social outcome	**FI**, MT	EL, HU, LU, LV	\	\

Note: 1. Challenges based on Non-JAF indicators are shown in italics. 2 Member states showing both KSC and GSO in a certain category are shown in bold. 3. For further details on the classification for the specific member states, see the appendix "SPPM country profiles".

The multilateral reviews of CSRs' implementation and the social reporting in the context of the National Reform Programmes show that a number of Member States are taking measures to address cost-effectiveness and sustainability challenges, as well as issues related to the accessibility and quality of health care. These measures are often part of ambitious multi-annual National Health Strategies and projects to improve the health outcomes of the population and improve the cost-effectiveness of the healthcare systems (e.g. RO, LT, AT, SK, SI).

A number of Member States are reporting on measures to address the sustainability and cost-effectiveness of their healthcare systems. The reduction in hospital care and the shift towards primary care and prevention is particularly important in that respect and many efforts have been focused on creating the necessary conditions for a shift from inpatient to outpatient care (e.g. AT, BG, CY, HR, PT, LT). Other measures include the joint provision and centralized procurement of pharmaceuticals, medical devices and healthcare services (e.g. AT, CY, HR, PT, SI), as well as the increased use of generic medicines (e.g. PT). A few Member States are also addressing specific challenges related to the number or the composition of the health workforce (e.g. BG, HU, LV, PL).

Healthcare systems should also seek to provide universal access to healthcare for all, addressing obstacles faced by the most vulnerable, such as cost, lack of information and access, while reducing health inequalities. Increasing the universal and equal access to health care, including through the improvement of health insurance coverage, emerges as a particularly important reform, as it affects the accessibility of healthcare for people with low income (e.g. BG, CY). Other efforts aimed at improving the accessibility and affordability of health care include reducing out-of-pocket payments, including expanding the range of services and medicines covered by the state budget (LV, LT, BG) or efforts to curb informal payments (RO, LT). Many Member States are also making efforts to improve the availability and dissemination of information to encourage healthier living habits (e.g. AT, EE, HU, FR, PT, PL, LT, LV) and are taking steps to improve the transparency of the procedures to ensure more equal access to healthcare. The development and rollout of E-Health services has also been a priority in several Member States (e.g. CY, CZ, EE, LV, SK) as it has potential to improve the functioning of the healthcare system by facilitating a better flow of information about patients in real time or by providing opportunities to monitor and analyse the performance of the systems in a more productive manner.

Further details on the Healthcare systems in Europe are contained in the special focus section of this year's report (section V: Special Focus on health) and detailed country-level analyses are contained in Annex 3 of the report.

Adequate social protection for long-term care needs

Policy measures in the area of long-term care focus mainly on improving cost-effectiveness, provision and access to adequate long-term care services. The insufficient provision of long-term care services or the sub-optimal design of the long-term care system has been identified as a challenge in 7 Member States (CY, EE, ES, NL, PL, SI, SK) and as a good social outcome in one Member State (BG), as shown in Table 9. Relevant reforms have been the focus of a recent SPC peer review (see Box 6).

Table 9. Summary of Member States' SPPM key social challenges and good social outcomes in the area of long-term care

	Long-term care
Key social challenge[1]	*CY, EE, ES, NL, PL, SI, SK*
Good social outcome	*BG*

Note: 1 Challenges based on Non-JAF indicators are shown in italics.

Population ageing will increase the need for long-term care. The EU public expenditure on long-term care is projected to increase from 1.6% to 2.7% of GDP between 2016-2070, with marked variations across the EU[23]. The projections however do not show the full scale of the challenge, as

[23] Ageing Report 2018, European Commission

they do not consider the extent to which Member States rely on informal care (usually by other family members, most often women). As the supply of informal carers decreases due to changes in family structure (smaller families, children living further apart from their parents, etc.) and changes in the world of work (rising retirement age and female employment), the shift to formal care is likely to accelerate.

The measures adopted by some Member States aim at addressing these challenges through structural reforms, such as creating the conditions for a shift from institutional to community-based care, providing strengthened support to informal carers and improved policies for prevention, rehabilitation and independent living.

Malta, for example is taking measures to support caregivers and help relieve pressure on the formal long-term care in institutions. Slovakia is testing solutions for integrated delivery of long-term care in home environment. Germany recently passed legislation to provide better training conditions and raise the attractiveness of the care professions to tackle the overall shortage of care professionals.

Several Member States are also taking measures to strengthen the coordination of Health and Social service delivery. Slovenia, for example is advancing with the preparation of legislation to facilitate and ensure the implementation of long-term care services, in conjunction with other aspects of the social security system – health care, social care and pensions. Finland is preparing a wide-scale health and social services reform aimed to provide better integration between health and social services on the one hand, and between basic and specialised services on the other. Bulgaria has adopted an Action plan for period 2018-2021 for the implementation of the National Strategy for Long-Term Care which includes measures and services to support people with disabilities and elderly people dependent on care including through building up the necessary infrastructure to provide social and integrated health and social services. The Czech Republic is also revising its long-term health and social care system of assistance.

Given the demographic challenges in Europe, continuing and expanding those efforts are necessary to ensure the sustainability of long-term care systems and to facilitate the access to adequate, affordable and quality long-term care.

Box 1: Recent peer reviews related to the well-being of children

'Single mothers facing poverty: Providing adequate financial, material and social support for sustainable social integration'[24]

Genk (Belgium), 5-6 October 2017

In all EU Member States, the single-parent families' poverty risk rate is substantially higher than among two-parent families, according to the at-risk-of-poverty (AROP) indicator. In Belgium, this risk is particularly high, as one in two single parent families was at risk of poverty in 2016, a ratio 2.6 times higher than for the total population.

Single parenthood is also strongly gendered, as approximately 85% of single-parent families are headed by women. Single parents often experience multiple disadvantages, and in Belgium, single mothers represent close to 17% of all minimum income beneficiaries, compared to 2.1% men in the same sub-category (PPS Social integration statistics, 2015 data). Poverty risk appears to be more long-term phenomenon in this social group, with high relative rates of persistent poverty risk, and also high occurrence of material deprivation.

To address this issue, a pilot project named MIRIAM was launched in September 2015 in five Public Social Welfare Centres (PSWC) in Belgium targeting single mothers that benefit from support of the PSWC. The project provided intensive and tailored case management, both at individual and at collective level, and aimed to increase the empowerment of women and, as a consequence, durable social integration.

-Key learning messages-

- Single parents disproportionally face a 'triple bind', including the combination of inadequate resources, inadequate employment and inadequate policies to secure well-being. However, although there are clearly challenges that are unique to single-parent families, much of their needs are common to other types of families as well. Thus, policies and institutions that support families with children and those in the labour force were also found to be of particular importance to prevent the poverty risk faced by single parents.

- Measures targeting (poor) single parents result in the most effective poverty reduction as long as adequate levels of redistribution are ensured. Targeted (means-tested) benefits need to address the issue of inadequate take-up, and avoid stigma/shame around accessing benefits/support.

[24] http://ec.europa.eu/social/main.jsp?catId=1024&langId=en&newsId=9005&furtherNews=yes

- Social inclusion of mothers beyond monetary support is essential, including employment and social connections. However, employment does not protect single mothers from poverty, as there are a number of risk factors related to precarious employment, low wages and less favourable employment conditions that may affect them. Thus, employment policies and policies that ensure work-life balance, are an inherent part of a desirable policy mix.

- A holistic approach with respect to the social integration of mothers with cumulative disadvantage requires coordination in both the design and implementation of policies among different institutions. In addition to individual support measures, the use of collective/group-level support was found effective in helping single mothers overcome their isolation through sharing of experiences with others who face similar problems and find support within the group.

The event was hosted by the Belgian Federal Public Service Social Security (FPS Social Security) and presented the opportunity to exchange lessons learned, good and innovative practices with participants from government representatives and peer country representatives from Belgium, the Czech Republic, France, Germany, Greece, Ireland, Luxembourg, Malta, Norway, Portugal, and Romania

Peer review on 'Homelessness from a child's perspective'[25]

Brussels (Belgium), 27-28 June 2018

This peer review sought to highlight the key elements of an effective child homelessness strategy to ensure the well-being and rights of children currently without a home.

The peer review showcased the host country approaches to tackle children's homelessness and allowed the participating Member States to present their experiences, as well as to exchange national/regional and local policy practices in group discussions.

The Office of the Flemish Child's Rights Commissioner hosted the event and exchanged lessons learned, good and innovative practices with participants from Czech Republic, Denmark, Lithuania, Portugal and Romania.

Building on the findings of a 2016 Flemish report called "With(out) a home: Homelessness from a child's perspective" the Peer Review focused on five key themes for which the conclusions are presented below:

[25] http://ec.europa.eu/social/main.jsp?catId=1024&langId=en&newsId=9103&furtherNews=yes

1. Preventing homelessness among children;

   It is mainly primary prevention measures such as basic minimum income schemes, housing and social assistance benefits that need to be strengthened. But also secondary prevention measures, such as early warning detection and debt counselling to prevent evictions, and adequate alternative housing provision can ensure that eviction does not result in children and their families being rendered homeless. Stronger cooperation between different policy areas such as social housing, family support, child protection and youth care, and joint approaches from youth and family services, judicial systems, social housing services, local governments and other specialized support services are also required.

2. Developing and managing child-friendly shelters and services that are adapted to homeless children's needs;

   Shelters can only be a last resort and provide at best a temporary solution. There was general agreement that they should be as adapted to children's needs as much possible, in order to mitigate the adverse effects. This includes ensuring a safe, protective and supporting environment that also offers some form of continuity of lifestyle (i.e. children of school age can remain in their school, able to retain relationships with their peers etc.).

3. Developing and widening access to sustainable housing solutions for homeless children and their families through housing allocation and social support systems;

   Insufficient supply of social housing results in long waiting lists and the financial constraints of families were identified as key obstacles when it comes to accessing affordable housing. The peer review discussed a number of interesting and innovative housing-led initiatives and alternative housing solutions (e.g. Housing First for youth in Denmark; social rental agencies in Belgium) aimed at overcoming these challenges. At the same time, a more structural housing market policy is needed to guarantee housing affordability.

4. Strengthening local governance capacity and cooperation among stakeholders in delivery of services for homeless children;

   Strengthening local governance and devoting sufficient resources are essential to address homelessness among families and children in an effective way. Especially for children a local governance solution can guarantee continuity in their development, education, integration and social inclusion. The role and importance of integrated support services was emphasised. This is a challenge because different organisational cultures must be brought together and the knowledge among social workers has to be streamlined

5. Increasing the visibility of homeless children in policy through improved data collection and statistics.

   A lack of systematic and regular data collection and underreporting of statistics, were cited as the main difficulties with regard to ensuring visibility through data collection. Additional attention was asked for hidden homelessness, referring to persons and families staying with friends or family because of a lack of other housing options, since this is a typical survival strategy of families but not visible in statistics. The use of a harmonised definition of homelessness, such as that presented by ETHOS Light[26] can help measuring family homelessness and make children more visible in statistics. More specifically, in each data collection exercise on homelessness one must try to capture the age of each child, which makes statements possible not only on the level of the adult but also on the level of the child.

[26] ETHOS Light is a simplified version of the harmonised definition of homelessness - the European Typology of Homelessness and Housing Exclusion (ETHOS) – developed by FEANTSA in the context of a 2007 European Commission study: Measurement of Homelessness at European Union Level. It is a pragmatic tool for the development of homelessness data collection, rather than a conceptual and operational definition to be used for a range of policy and practice purposes. It aimed at improving understanding and measurement of homelessness in Europe. Further info on ETHOS available at: https://www.feantsa.org/en/toolkit/2005/04/01/ethos-typology-on-homelessness-and-housing-exclusion

Box 2: In-depth thematic review: "Integrated early childhood development policies as a tool for reducing poverty and promoting social inclusion"

Sofia (Bulgaria), 21 March 2018

Building on the policy priorities of the Bulgarian presidency, the SPC held a thematic discussion on "Integrated early childhood development policies as a tool for reducing poverty and promoting social inclusion" in March 2018. The discussion has been structured around the following questions for discussion: i) how to improve access to quality early childhood education and care (ECEC) for the disadvantaged children and how to better reach parents and families from disadvantaged backgrounds? ii) how to improve the integrated delivery of early childhood development and protection services? and iii) how to deliver on the European Pillar of Social Rights (EPSR) principle 11 at EU level and what role should the social Open Method of Coordination (OMC) play in this respect.

Despite the large diversity of the social and educational systems across Europe, a number of common findings and challenges were highlighted during the review, supporting the importance of exchange of best practices and the value of peer learning:

1. Improving Access to Early Childhood Education and Care (ECEC), especially for children from disadvantaged backgrounds

- Participation in early childhood education and care programmes is beneficial to all children. It is especially important for children from disadvantaged backgrounds and with special needs. Their early involvement is key in preventing the development of competence gaps which can hamper a good start already in primary education.
- An effective ECEC system is one where activities are child-centred and dedicated to the well-being and development of the child. It should offer equal access to quality services to children from disadvantaged backgrounds, with migration background, or with special needs. Experience from several countries shows that those children stand to profit most from ECEC, yet they are less well represented in ECEC.
- Policies and services need to be family-centred, as the first years are the most important and formative for all children to grow and develop. Complementing the key role of the family and supporting parents with ECEC is important, as it can lay the essential foundations for successful lifelong learning, social integration and employability.
- Affordable, accessible and high-quality early education and care, along with appropriate tax and benefit incentives is a major factor in enabling parents (especially mothers) to work. This is particularly important, as the labour market situation of parents has been identified as one of the key drivers for child poverty, (alongside with limited access to social services and low-income support).
- Well-designed work-life balance policies, such as family-related leaves and flexible working arrangements, can also support parent's participation in the labour market. Several countries have reformed their schemes to support a more gender-balanced take-up, highlighting the

importance of fathers' involvement for children's well-being, health and development.

- Pre-school education is also a key priority in laying the foundation for further education that would ensure that children acquire the skills which will enable them to access skilled, well-paid jobs, enabling them to build their own way out of poverty.

2. Improving the integrated delivery of Early Childhood development and protection services

- Well-designed and well-coordinated interventions - integrating health, education, care, social protection, finance and other sectors - can achieve concrete results for children from disadvantaged background and their families, particularly those from the most marginalised and segregated communities.
- Practices that deepen the partnership between parents and early childhood education centres and schools have been found to have an especially positive impact for children in disadvantaged families. ECEC can be used to establish personal contact with the parents of such children. Through follow-up house visits and the use of designated family case worker(s) it is possible to coordinate and integrate the various types of support (housing, debt relief, counselling for better parent skills).
- The combination of universal policies promoting the well-being of all children and targeted policies directed at, but not stigmatizing, the most vulnerable families is a key element in the development of effective strategies.
- The availability of trained service providers and experts and their more equal geographical distribution and regional accessibility is important to ensure equal access to the integrated delivery of services.

3. Delivering on principle 11 of the European Pillar of Social Rights

- While the centre of gravity of social policies is with the Member States at national and local level, the implementation of the European Pillar of Social Rights is a joint responsibility of the Member States, EU institutions, social partners and other stakeholders. This implementation can be supported through a variety of processes, such as the European Semester and various EU-level policy initiatives, such as the Work Life Balance Initiative or the upcoming Council Recommendation on high quality early childhood education and care systems.
- Mutual learning and sharing of good policy practices are key social OMC tools to deliver on these principles.
- The importance of monitoring the implementation of the Pillar principles has been highlighted. The new child-specific material and social deprivation indicator, approved by the SPC, provides a broader complementary vision of children's well-being and living conditions that can be used alongside other existing monitoring frameworks.
- Many family-oriented policies qualify for financial support from the European Structural Investment Funds (ESIF), mainly the European Social Fund (ESF) and the European Regional Development Fund (ERDF). European Funding can serve as a catalyst for reforms, which can be later sustained through national budgets. It is therefore important to maintain and even strengthen the existing funding possibilities for children in the upcoming post-2020 *programming period*.

Box 3: Gaps in access to social protection for non-standard workers and the self-employed

Non-standard workers and the self-employed, who represent close to 40% of persons in employment in the EU, have more limited access to social protection, in comparison with other workers. European Commission's analysis (2018d) shows that the self-employed generally have no formal coverage concerning unemployment benefits in nine Member States, in three regarding sickness benefits and in eleven regarding accident and occupational injuries insurance. Non-standard workers are usually formally covered by social security in the same way as standard workers. However, in some countries specific categories of non-standard employees are not mandatorily covered for some or all branches of social security. The main groups for whom this is the case in a significant number of countries are casual and seasonal workers, as well as trainees and apprentices. Furthermore, there are a number of national categories to which restrictions apply in the concerned Member State, including 'marginal part-timers' and 'marginal freelancers' in Austria, 'mini-jobbers' in Germany and 'civil law contracts for a specific task' in Poland. In many countries, the self-employed and non-standard workers may be granted access without de facto being able to build and take up entitlements to benefits. In particular, eligibility conditions and thresholds in some of our social security schemes may constitute an unduly high obstacle for some groups of non-standard workers and for self-employed.

In addition, rights are not always preserved and transferred when people move between different labour market statuses, for instance going from employment to self-employment, combining salaried employment and self-employment, starting or closing down a business. Benefits may also be inadequate, meaning that are insufficient or untimely to uphold the standard of living, to live with dignity and prevent individuals from falling into poverty. At the same time, the lack of information about social protection might hinder individuals' ability to exercise their rights. Generic information about social security schemes is available in most Member States, whereas personalised information is not provided to individuals in about half of the Member States.

Addressing these gaps is an area of increased policy focus. The European Commission has adopted a proposal for a Council Recommendation, encouraging Member States to provide and improve access to social protection for workers and the self-employed (European Commission (2018d)).

Box 4: Peer Review on 'Social business for people with mental health difficulties' [27]

Nicosia (Cyprus), 19-20 June 2018

This Peer Review aimed to provide guidance on how to promote social enterprises that support people with mental health problems to enter the labour market.

These social economy activities help people with mental health problems to develop and maintain their skills, ideally leading to integration on the open labour market.

The Peer Review built on the experience of the Mental Health Services of the Vocational Rehabilitation Unit in Cyprus. It drew on relevant experience and outcomes from other European countries, in particular, on the development and assessment of social entrepreneurship to integrate people with mental issues into the labour market.

The Peer Review discussed cooperation between social enterprises and mental health professionals and good examples of social enterprises being developed with and for people with mental health problems.

The Vocational Rehabilitation Unit from the Ministry of Health in Cyprus hosted the event and exchanged lessons learned, good and innovative practices with participants from Bulgaria, Croatia, Czech Republic, Finland, Hungary and Latvia.

The key messages from the Peer Review can be summarised as follows:

Communication and awareness -raising

- Public and self-stigma is still a major barrier in all spheres of life, especially on the labour market. Stigma needs to be tackled not only to facilitate employment opportunities, but generally to improve the quality of life of people with mental health problems. Communication activities to raise knowledge about mental disorders (also to encourage people to raise their mental health problems more openly) and support in education and employment are ways to address stigma.
- Sharing experiences and challenges is important to identify lessons learnt and necessary competences to start and maintain a social enterprise and appropriate support for people with mental health difficulties.
- It is necessary to raise awareness about social enterprises and education of all stakeholders with the help of expert research proves to be helpful. A national label which identifies social enterprises as such, helps to raise consumer awareness, and may attract social entrepreneurs.

Support structures and approaches for people with mental health problems

- Social enterprises have the potential to provide more flexible, innovative and supportive ways to help people with mental health problems. The combination of their entrepreneurial approach with a social mission and a participatory approach enables a more secure work

[27] http://ec.europa.eu/social/main.jsp?catId=1024&langId=en&newsId=9117&furtherNews=yes

environment which is often similar to the open labour market.

- The **stepping stone approach** proves to be a promising form of guiding people with disabilities/mental health issues into the open labour market. This has been tried in Cyrus with work trails and Alternative Employment Programmes, and in Finland local NGOs or social enterprise offer a more secure work environment, but with the same tasks and work conditions as on the open labour market. Obviously, sufficient support for both employee and employer remains necessary.
- **Continuous and personal contact with employers** is needed to address stigma, but also to support people once in employment, to promote an inclusive culture and workplace settings suitable for people with mental health problems, and to detect future mental health problems early enough.
- When trying to find job opportunities for people with mental health problems, it is important to adopt a **personal approach that addresses personal needs, but also user choice and participation**. The personalised approach focuses on peoples' ability (rather than on disability) and their interests. By doing so, there is a higher chance on finding the right place on the labour market. Social enterprises with their inclusive, participatory and flexible working culture are well placed to support this approach.
- In order to address the various needs of people with mental health problems, **support and collaboration from various public actors** is needed. Here the Cypriot approach of multi-disciplinary teams and the idea to establish cooperation between mental health professionals and social enterprises helps to provide personal support and to prevent serious relapses. Other examples include the involvement of job coaches and occupational therapists.
- Employment of people with mental health problems requires **community-based care and services**, so the provision of health and social services at home, rather than in an institution. Especially community mental health services play a vital role to address various needs and to support job integration.

Governance and processes

- **Legislation on social enterprise** is important to create an environment in which social enterprise can develop, but it often needs to consider a variety of organisational forms of social enterprise.
- **Various ways of funding,** often a mixture of private (SROI3, Social Impact Bonds, loans) and public (grants to set up the enterprise, ESF funding) as well as entrepreneurial training are a way to aim for financial sustainability of social enterprises. Tax incentives and an increased use of environmental and social clauses of the EU Public Procurement Directive may also be a way to develop social enterprises.
- A **governmental incubator for social enterprise** can help to share knowledge, including business and entrepreneurship advice, especially with regards to helping and involving people with mental health problems.
- **Data collection concerning people with mental health problems** is necessary to fully scale the number of people with mental health problems, and therefore the need for help, and to evaluate and monitor effective ways of labour market integration.
- A **multifaceted approach** tackling mental ill-health by focusing on health care, employment, education and inclusion of people with mental conditions at all policy levels is necessary.

Box 5: Highlights from the 2018 Pension Adequacy Report, adopted by EPSCO

The 2018 Pension Adequacy Report (PAR) prepared jointly by the Social Protection Committee and the European Commission analyses the adequacy of current and future pensions, that is: how they help maintain the income of men and women for the duration of their retirement and prevent old-age poverty. It supports Member States in designing pension systems that are adequate while remaining financially sustainable, being mutually complementary with the Ageing Report.

The PAR report conclusions highlight the following:

1. Despite improvements, there is no room for complacency.

Compared to 2008 there are now almost 2 million older people less at risk of poverty or social exclusion, but some 17.3 million are still at risk today.

2. Inequalities remain and some groups require specific policy attention

Across Member States, inequalities among older people persist and the risk of poverty or social exclusion increases with age. Pension outcomes are marked by persistent gender differences. People in non-standard or self-employment often face less favourable conditions for accessing and accruing pension rights.

3. Pension systems and labour markets continue to evolve

Pensions systems have been one of the areas with the most reforms in recent years across the EU. At the same time, technological advancements and the changing world of work are bringing new challenges, which need to be addressed. While financial sustainability has been in focus during the crisis years, adequacy concerns are starting to be reflected more prominently in recent years.

4. Maintaining the adequacy of future pensions will require further improvements

Gains in life expectancy require that future generations work longer and retire later. While narrowing, the pension gap between men and women is likely to persist. Pension systems also need to adapt and extend to cover people in non-standard or self-employment. Finally, the living standards of older people are influenced by wealth and access to services – especially health and long-term care.

5. Joint efforts at the EU level need to be pursued

The constantly evolving pension policies, the demographic situation and changing labour markets mean that pension adequacy would require continuous monitoring and on-going analysis, to provide Member State and other stakeholders with the information required to anticipate and act on adequacy, alongside financial sustainability challenges.

Box 6: Peer Review on ''Germany's latest reforms of the long-term care system'[28]

Berlin (Germany), 11-12 January 2018

This Peer Review provided an occasion to compare the German reforms to other Member States' policies in the area of long-term care. German stakeholders presented an overview of the latest reforms and good practices to other Member States, while these presented their responses to similar challenges. The event focused on the following key areas:

- How to define long-term care needs and how to assess individual care needs;
- How to strengthen long-term care at home and in the community via local counselling and support structures;
- New types of (semi-)residential arrangements;
- A better coordination between health and social care services.

The German Federal Ministry of Health hosted this event and exchanged lessons learned, good and innovative practices with participants from Austria, Bulgaria, Cyprus, the Czech Republic, France, Ireland, Latvia, Lithuania, Malta, Portugal, Slovenia and Spain.

- Summary Conclusions –

- In a society undergoing major demographic changes Member States face common challenges. Long-term care becomes more and more important in times of longevity.
- The participating Member States all have LTC policies that focus on care at home. Therefore, all guests were very interested in the host country's report on the latest reforms in Germany on the LTC system. It was recognised that not only the question of how do we care for people in need of care, but also the question of how do we support the carers will be essential in the coming years.
- With regard of the lack of professional care staff, especially in the long run, unconventional solutions like new and semi-residential care options will play a stronger role and a new mix of skills of trained staff will be unavoidable.

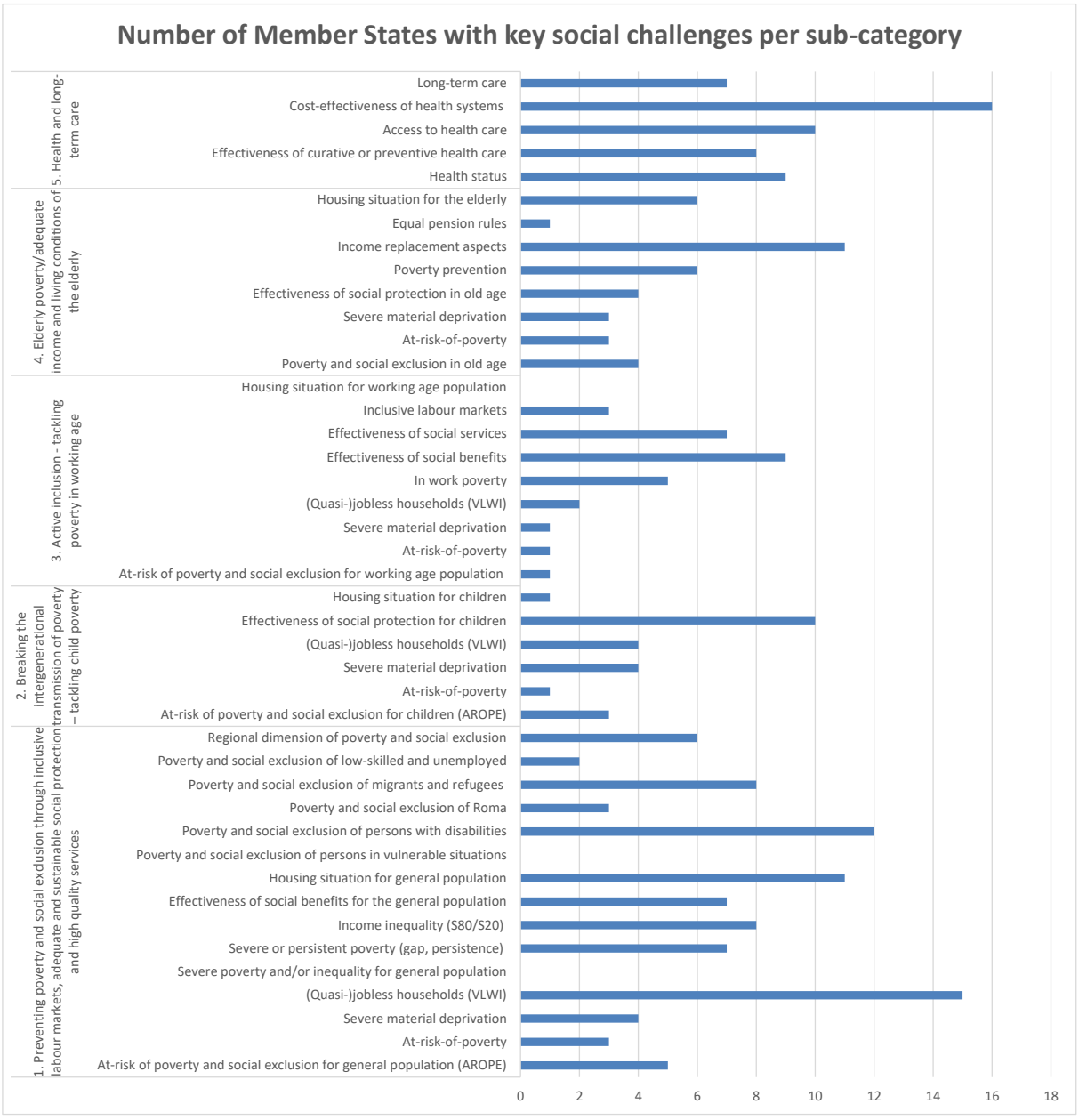
[28] http://ec.europa.eu/social/main.jsp?catId=1024&langId=en&newsId=9008&furtherNews=yes

Table 10: Synthesis table of key social challenges and good social outcomes, 2013-2016[29]

Social policy area	Subcategory	EU-28 sum (c)	EU-28 sum (g)	EA sum (c)	EA sum (g)	AT	BE	BG	CZ	CY	DE	DK	EE	EL	ES	FI	FR	HU	HR	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK
1. Preventing poverty and social exclusion through inclusive labour markets, adequate and sustainable social protection and high quality services	**At-risk of poverty and social exclusion for general population (AROPE)**	5	2	3	1			c	g				c	c						g	c							c				
	At-risk-of-poverty	3	3	2	2	g						g	c		c													c		g		
	Severe material deprivation	4		2				c		c				c				c														
	(Quasi-)jobless households (VLWI)	15	4	12	4		c		c	c/g	c		c/g	c	c	c			c	c		c		c/g	c				c		c/g	
	Severe poverty and/or inequality for general population																																
	Severe or persistent poverty (gap, persistence)	7	7	4	4	g			g	g		g			c		g	g	c		c			c	c/g				c				c
	Income inequality (S80/S20)	8	2	5	1			c	g					c	c		g				c	c		c					c				c
	Effectiveness of social benefits for the general population	7	5	5	4	g			c		g					g						c	c	c			c	c		g	g	c	
	Housing situation for general population	11	3	8	3		c	c		c				c		g	c	c					c		g			c			c	c/g	c
	Poverty and social exclusion of persons in vulnerable situations																																
	Poverty and social exclusion of persons with disabilities	12	2	8	2		***c***	***c***		***c***	***c***		***c***		***g***		***g***		***c***	***c***		***c***		***c***	***c***				***c***				***c***
	Poverty and social exclusion of Roma	3						***c***										***c***											***c***				
	Poverty and social exclusion of migrants and refugees	8		7		***c***					***c***	***c***				***c***	***c***						***c***		***c***	***c***							
	Poverty and social exclusion of low-skilled and unemployed	2		1			***c***	***c***																									
	Regional dimension of poverty and social exclusion	6		3				***c***	***c***						***c***		***c***				***c***								***c***				
2. Breaking the intergenerational transmission of poverty – tackling child poverty	**At-risk of poverty and social exclusion for children (AROPE)**	3	2	2	1					c		g					c											c		g		
	At-risk-of-poverty	1	3	1	2							g			c	g														g		
	Severe material deprivation	4	1	2				c		c								c				c							g			
	(Quasi-)jobless households (VLWI)	4	4	3	4		c	c			c		g			c							g	g						g		
	Effectiveness of social protection for children	10	8	7	6	g	g		c		g	c			c	g		g	g	c/g	c	c			c	g		c		c		c	
	Housing situation for children	1	1	1	1											g						c											

[29] "c" stands for challenge; "g" stands for good social outcome. "c" and "g· in blue cells show non-JAF based challenges/good social outcomes.

Social policy area	Subcategory	EU-28 sum (c)	EU-28 sum (g)	EA sum (c)	EA sum (g)	AT	BE	BG	CZ	CY	DE	DK	EE	EL	ES	FI	FR	HU	HR	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK
3. Active inclusion - tackling poverty in working age	**At-risk of poverty and social exclusion for working age population**	1	1	1	1		c																		g								
	At-risk-of-poverty	1	4	1	3											g					c				g					g		g	
	Severe material deprivation	1						c																									
	(Quasi-)jobless households (VLWI)	2	5	2	2				g	c					c			g						g			g				g	
	In work poverty	5	9	3	5		g		g			g	c	c		g		c	g	g	c				g			c	g	g		
	Effectiveness of social benefits	9	4	5	3	g		***c***	g	***g***		c	c	c	c		g	***c***			c							***c***	c				
	Effectiveness of social services	7		5		c		***c***						***c***	***c***	c					***c***								***c***				
	Inclusive labour markets	3	5	1	5		g		c	g						g	g			c/g										c			
	Housing situation for working age population		1		1								g																				
4. Elderly poverty/adequate income and living conditions of the elderly	**Poverty and social exclusion in old age**	4	1	2	1			c		g									***c***			c		c								
	At-risk-of-poverty	3		3																		c		c	c								
	Severe material deprivation	3	2	2										c								c			g		g		c				
	Effectiveness of social protection in old age	4		3																		***c***		***c***			***c***				***c***		
	Poverty prevention	6	4	4	3			c				g	c			g			***c***	g				c	c/g			c					
	Income replacement aspects	11	3	9	2		c		c	c		c	c					g	***c***	c	g	c	g	c	c						c		
	Equal pension rules	1																											c				
	Housing situation for the elderly	6	1	4	1	g		c		c	c													c				c	c				
5. Health and long-term care	**Health status**	9	2	6	2	c		c								c/g			c			c		c	g	c	c	c					
	Effectiveness of curative or preventive health care	8	2	6	3	c		c	c					g			c	g	c				g	g	c				c			c	
	Access to health care	10		7					***c***				c	c		c		***c***		***c***	c	***c***		c			c						
	Cost-effectiveness of health systems	16		10			***c***	***c***		***c***	***c***		***c***	***c***			***c***	***c***	***c***			***c***					***c***	***c***	***c***		***c***	***c***	***c***
	Long-term care	7	1	6				***g***		***c***			***c***		***c***											***c***	***c***				***c***	***c***	


Number of Member States with key social challenges per sub-category
5. Health and long-term care
Long-term care
Cost-effectiveness of health systems
Access to health care
Effectiveness of curative or preventive health care
Health status
4. Elderly poverty/adequate income and living conditions of the elderly
Housing situation for the elderly
Equal pension rules
Income replacement aspects
Poverty prevention
Effectiveness of social protection in old age
Severe material deprivation
At-risk-of-poverty
Poverty and social exclusion in old age
3. Active inclusion - tackling poverty in working age
Housing situation for working age population
Inclusive labour markets
Effectiveness of social services
Effectiveness of social benefits
In work poverty
(Quasi-)jobless households (VLWI)
Severe material deprivation
At-risk-of-poverty
At-risk of poverty and social exclusion for working age population
2. Breaking the intergenerational transmission of poverty – tackling child poverty
Housing situation for children
Effectiveness of social protection for children
(Quasi-)jobless households (VLWI)
Severe material deprivation
At-risk-of-poverty
At-risk of poverty and social exclusion for children (AROPE)
1. Preventing poverty and social exclusion through inclusive labour markets, adequate and sustainable social protection and high quality services
Regional dimension of poverty and social exclusion
Poverty and social exclusion of low-skilled and unemployed
Poverty and social exclusion of migrants and refugees
Poverty and social exclusion of Roma
Poverty and social exclusion of persons with disabilities
Poverty and social exclusion of persons in vulnerable situations
Housing situation for general population
Effectiveness of social benefits for the general population
Income inequality (S80/S20)
Severe or persistent poverty (gap, persistence)
Severe poverty and/or inequality for general population
(Quasi-)jobless households (VLWI)
Severe material deprivation
At-risk-of-poverty
At-risk of poverty and social exclusion for general population (AROPE)
0
2
4
6
8
10
12
14
16
18

V. Special focus on health

The European Pillar of Social Rights (EPSR), jointly proclaimed by the European Commission, the European Parliament and the Council of the European Union in 2017, affirms that "Everyone has the right to timely access to affordable, preventive and curative health care of good quality", reiterating the three main common objectives agreed by the Social Open Method of Coordination (OMC)[30] of accessibility, quality, sustainability/affordability and the Common Values and principles in EU health systems[31] of universality, access to good quality care, equity and solidarity.

"Accessibility" refers to the possibility for everyone to access healthcare whenever it is needed. "Affordable health care" means that people should not be prevented from using needed care due to high costs and should not be exposed to extreme financial shocks in case of care needs. Healthcare of "good quality" means that it should be relevant, safe and effective for all. Finally, countries must be in a sound financial position in financing the health care system ("sustainability")

However, rapid population ageing across Member States is increasingly posing a challenge to the accessibility and financial sustainability of the healthcare systems. As reported by the 2018 Ageing Report, the share of elderly (65+) in the total population will increase by 10 percentage points in the next 50 years, challenging even further the ability of Member states to provide good and accessible health care to all and calling for more efficient and effective policies.

In this context, the Joint Assessment Framework in the area of health (hereafter JAF Health) has been developed under the guidance of the Indicators Sub-Group of the Social Protection Committee, to constitute an analytical tool to monitor policies within the area of healthcare from a social protection perspective. This tool is used to identify key challenges experienced by the Member States and help to establish their priorities in policy-making. Moreover, the JAF is particularly important for its cross-country comparability dimension, which helps the Member States to evaluate their challenges in relation to each other.

In 2017, the Social Protection Committee completed the methodological work related to JAF Health to be used in the context of the social open method of coordination and undertook an in-depth analysis of Member States' health care systems using the agreed methodology. Extracts of the country profiles prepared during this in-depth analysis are presented in Annex 3. A selection of a limited number of these indicators is also used in the vertical assessment carried out as part of the SPPM assessment to identify key social challenges and good social outcomes (see section 4 of the present report).

JAF Health indicators and their breakdown into the four dimensions (outcome; access; quality and non-health care) and two context dimensions, as well as further methodological details, are covered in Box 7.

[30] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:em0011
[31] Council conclusions 2006/ C 146/01

Box 7: JAF health – the indicators and assessment approach

While acknowledging the challenges relating to finding appropriate indicators reflecting a sufficient description or comparability of the different health care systems, the Social Protection committee agreed on 93 indicators to be included in JAF Health and divided into 71 main indicators (divided into the four dimensions outcome; access; quality and non-health care) and 22 context indicators (divided into the two dimensions (financial and human) resources and socio-economic).

The *main indicators* have to satisfactorily meet the quality criteria agreed at the EU level: they should be relevant for explaining the corresponding policy area, have a clear and accepted normative interpretation, be robust and be statistically validated, provide a sufficient level of cross countries comparability, and, most importantly, should be responsive to policy interventions but not subject to manipulation. The indicators used should include relevant breakdowns by gender, age, and income quintile.

The *context indicators*, on the other hand, provide important information in the qualitative assessment, but are not used in the quantitative assessment exercise.

All indicators are assessed for each Member State and compared to the EU average for both levels and changes over the last three years where available. To have the data reported on the same scale, the JAF indicators are standardised and based on the EU 28 average. The standardised levels of JAF indicators thus present the *deviation* of a Member State with respect to the EU28 average, while standardised changes correspond to the relative change in a Member State compared to the EU28 average.

Like in other policy areas analysed through the JAF methodology, a quantitative assessment has been complemented a qualitative assessment (see Annex 3) to ensure that the organisation of the health care provision and financing in each country is duly taken into account in the analysis

Table 11 below presents an overview of the 93 agreed indicators.

Table 11. Overview of agreed indicators

Dimension 1: Outcome (24 indicators)
Life expectancy at birth (T); Life expectancy at birth (M); Life expectancy at birth (W); Life expectancy at 65 (T); Life expectancy at 65 (M); Life expectancy at 65 (W); Healthy life years at birth (M); Healthy life years at birth (W); Healthy life years at 65 (M); Healthy life years at 65 (W); Well-being: Self-perceived general health (good + very good); Well-being: Self-perceived general health (good + very good) - income quintile gap (q1-q5); Infant mortality rate (total); Child mortality rate, 1-14 (total); Potential years of life lost (T); Potential years of life lost (M); Potential years of life lost (W); Amenable mortality, standardised death rate per 100.000 population aged 0-74 years (total); Preventable mortality, standardised death rate per 100.000 population aged 0-74 years (total); External causes of death excl. transport accidents (total); Well-being: Self-perceived general health (bad + very bad); Well-being: Self-perceived general health (bad + very bad) - income quintile gap (q1-q5); Mental Health: Number of deaths due to intentional self-harm/suicide; Mental Health: Self-reported 12-month depression symptoms

Dimension 2: Access (7 indicators)
Self-reported unmet need for medical care; Self-reported unmet need for medical care - due to cost; Self-reported unmet need for medical care - due to waiting time; Self-reported unmet need for medical care - due to distance; Gap in self-reported unmet need for medical care by income quintile gap (q1-q5); Share of population covered by health insurance; Care utilisation (total, by SES): Number of doctors' consultations per year per inhabitant (generalist and specialist in private practice or as outpatient)
Dimension 3: Quality (14 indicators)
Colorectal cancer survival rates (total); Breast cancer survival rates (total); Cervical cancer survival rates (total); Breast cancer screening (women); Cervical cancer screening (women); Colorectal cancer screening (T); Colorectal cancer screening (M); Colorectal cancer screening (W); Vaccination coverage for children: against diphtheria, pertussis, tetanus (DTP); Vaccination coverage for children: against measles; Influenza vaccination for 65+; Gap in influenza vaccination for 65+ by educational level (ISCED 0-2 and 5-6); In-hospital mortality following AMI; In-hospital mortality following stroke
Dimension 4: Non-health care determinants (26 indicators)
Regular daily smoking (total population); Regular daily smoking (15-24); Regular daily smoking (M); Regular daily smoking (W); Gap in regular daily smoking by income quintile (q1-q5); Obesity (total population); Obesity (18-24); Obesity (M); Obesity(W), Gap in obesity by income quintile (q1-q5); Risky single occasion drinking (total population 15+); Risky single occasion drinking (15-24); Risky single occasion drinking (M); Risky single occasion drinking (W); Gap in risky single occasion drinking by educational level (ISCED 0-2 and 5-6); Fruit consumption (total population 15+); Fruit consumption (15-24); Gap in fruit consumption by educational level (ISCED 0-2 and 5-6); Vegetable consumption (total population 15+); Vegetable consumption (15-24); Gap in vegetable consumption by educational level (ISCED 0-2 and 5-6); Physical activity (total population 15+); Physical activity (15-24); Physical activity (M); Physical activity (W); Gap in physical activity by educational level gap (ISCED 0-2 and 5-6)
Dimension 5: Context - resources (16 indicators)
Current expenditure on health care per capita (in PPS); Current expenditure on health care as % of GDP; Total long-term care expenditure as % of GDP; Expenditure on curative care as % of CHE; Expenditure on rehabilitative care as % of CHE; Expenditure on long-term nursing care as % of CHE; Expenditure on preventive care as a % of CHE; Administrative Expenditure as % of CHE; Practicing and professionally active nurses and midwives per 100K; Health personnel in hospital, FTE per 100K; Government expenditure as % CHE; Compulsory insurance expenditure as % CHE; Voluntary schemes expenditure as % CHE; Household out-of-pocket expenditure as % CHE; Rest of the world expenditure as % CHE
Dimension 6: Context – socio-economic (6 indicators)
Old age dependency ratio; At risk of poverty or social exclusion rate; Share of population 65+; Share of population 80+; Percentage of population 25-64 with low education; GDP per capita (PPS)

Notes: *T/M/W refers to total/men/women, respectively*

The *outcome area* comprises a total of 24 indicators including on healthy life years, self-perceived health, infant and child mortality, life expectancy, potential year of life lost as well as amenable and preventable mortality. For 18 Member States healthy life years and/or life expectancy (at birth or at age 65) remain a key health challenge (AT, BG, CZ, DK, EE, EL, FI, HR, HU, LT, LU, LV, NL, PL, PT, RO, SI[32], SK) with their overall score lower or significantly lower than the EU average despite positive developments in some countries (e. HU) Infant mortality is a major challenge for 4 Member States (SK, MT, BG, RO) and amenable and preventable mortality for 8 Member States (BG, EE, HR, HU, LT, LV, RO, SK), while "potential year of life lost", scored worse than the EU averages only for 8 Member States (BG, EE, LV, LT, HU, PL, RO,SK).

With regard to the *quality area*, the comparisons are conducted through 14 indicators relating to cancer screening and vaccinations coverage for both children and adults. 18 Member States have a key challenge in this area, concerning especially the children's vaccination coverage in which 9 Member States perform worse in one or more vaccines than the average (BG, CY, DK, EE, FR, IT, LT, MT, RO).

The *resource area* intends to evaluate the overall expenditure in the health-care system, taking into account not only the overall per capita expenditure but also the various sources of the expenditure as well as the areas it goes into. For this area, there are 16 indicators including health expenditure per capita, health and LTC expenditure as % of GDP, preventive, curative care expenditure, government expenditure, compulsory insurance expenditure, voluntary scheme, household out-of-pocket expenditure, all as % of total current health expenditure. 22 Member States have at least one indicator performing worse than the EU average, although 7 countries record positive or considerably positive developments in raising the government expenditure or increasing the expenditure in some specific sectors such as rehabilitative care, long-term care or prevention.

Regarding the levels of health expenditure as % of GDP, 9 Member States are above the EU average (AT, BE, DE, DK, FR, IE, LU, NL, SE) with a healthcare 'basket' that is relatively broad in terms of medical goods and services covered. The levels are below the EU average for 10 Member States (BG, CY, EL, HR, HU, LT, LV, PL, RO, SK), but this does not imply necessarily low health outcomes as not for all countries the indicators are worse than the EU average (e.g. CY).

The *area of access* includes 7 indicators, namely health insurance coverage, number of doctor's consultations, and 5 indicators of self-reported unmet medical care needs. Correlated to this area is the number of doctors per inhabitant. The link with the access framework is straightforward, as with a lower number of doctors, challenges may arise in the geographical distribution of healthcare, with shortages of health workers in rural areas and islands, reducing the accessibility to the health-care services and so increasing the unmet needs due to distance.

The value of universal access to healthcare is widely accepted at EU level and supported by the Charter of Fundamental Rights and the Sustainable Development Goals. As mentioned earlier, also the European Pillar of Social Rights, stresses the importance of universal affordability and health care of good quality. While each Member State is responsible for its own health policy, its

[32] Break in time series in 2010

organization and financing, the Pillar encourages the Member States to adapt their rules to give effect to this fundamental principle with health systems and to guarantee effective access to a comprehensive basket of (preventive and curative) healthcare services for all population groups.

The various possible ways of organising the healthcare system can lead to different results in terms of accessibility in relation to the key dimensions of coverage, availability, and affordability of care and depth of coverage. Table 12 provides an overview relating the organisation and financing of health care systems to key outcomes.

Table 12. Financing schemes and unmet medical need results in EU countries:

	Government schemes	Compulsory insurance	OOP	Basic principle	Insurance coverage	Unmet need	Gap in unmet need
mainly tax based							
DK	84		14	universal	100	1.3	1.3
SE	84	0	15	universal	100	1	1.5
UK	80	0	15	universal	100	1	1
IT	75	0	23	universal	100	7.2	13.8
IE	70	0	15	universal (not for primary care)	100	2.8	2
ES	66	5	24	universal	99.8	0.5	0.2
PT	65	1	28	universal	100	3	5.8
FI	62	13	19	universal	100	4.1	3
LV	60		39	universal	100*	8.2	14
MT				universal		0.8	2.1
mainly contribution based							
DE	7	78	13	compulsory social insurance	99.8	0.5	0.9
SK	4	76	18	compulsory social insurance	94.2	2.1	1.7
FR	4	75	7	social insurance/universal**	99.9	1.2	2.7
LU	8	74	11	compulsory social insurance	95.9	0.9	1.8
HR	3	73	17	compulsory social insurance		1.9	4.4
CZ	12	72	13	social insurance/universal**	100.2	0.8	0.8
NL	9	71	12	compulsory insurance	99.8	0.1	0.1
SI	3	68	13	social insurance/universal**	100	0.2	0.1
EE	11	65	23	compulsory social insurance	94.3	12.7	4.7
RO	15	64	20	compulsory social insurance	86*	6.5	9.1
PL	9	62	23	compulsory social insurance	91.3	7.3	6.2
BE	18	59	18	compulsory social insurance	99	2.4	7.4
HU	9	58	28	compulsory social insurance	95	1.4	2.7
LT	10	57	32	compulsory social insurance	96-98*	2.9	2.6
AT	31	45	18	compulsory social insurance	99.9	0.2	0.4
mainly based on OOP							
BG	9	42	48	compulsory social insurance	92-93*	2.8	5.3
CY	42	0	44	means-tested		1.5	3
EL	30	29	35	compulsory social insurance	86	12.3	14.8
MT						0.8	

Sources: data in the first three columns giving the shares in total expenditure are from Eurostat based on SHA data [hlth_sha11_hf] extracted on 10/10/2017. The classification of the healthcare model is based on information from the MISSOC Comparative Tables (mostly based on the "beneficiary" filed") and JAF Health analyses. Data on unmet need and on insurance coverage are extracted from the latest available version of the JAF database, based respectively on SILC and OECD data.

Notes: Insurance coverage values with an * means estimated value extracted from the JAF Health country analyses. ** means that all residents are de facto covered. Values worse than the EU average are highlighted in grey. OOP means out-of-pocket payments.

In terms of *basic organising principle*, the different healthcare systems can be classified into three types: universal, insurance-based and "others", which includes atypical systems without a comprehensive organization of healthcare. In terms of *financing* healthcare expenditure, countries can be divided into three groups: mostly tax-financed (around one third of EU countries), mostly financed by insurance contributions (around half of Member States), mostly relying on out-of-pocket payments (3 Member States). Insurance-based systems rely on the payment of (often mandatory) social insurance contributions, and in one Member State (NL) the curative care is financed by the payment of mandatory insurance premium. Social insurance contributions, then, can be levied on employees, self-employed and/or employers.

In terms of accessibility, those countries that have mainly government-financed schemes follow the universality principle reaching a coverage rate of 100% of the population. On the other hand, in those countries where the main source of financing is from (compulsory) insurance schemes, some parts of the population remain uncovered by the health insurance, including vulnerable groups as the unemployed or self-employed. However, some Member States with insurance-based systems, reach a coverage rate of 100% as they have adjustment mechanisms in place. For instance, the government pays contributions on behalf of mostly economically inactive people including children, students, pensioners, women on maternity leave, people on parental leave, the unemployed and asylum seekers. In three Member States (BG, CY, EL), the healthcare system is financed by household out-of-pocket payments to a substantial degree, which impacts the accessibility of healthcare for people with low income.

Table 13 below further groups Member States in terms of the challenges identified concerning the three aspects of access (coverage, affordability, and availability of care). In most countries with an identified challenge in access, this concerns the availability of human resources and their geographical distribution. In addition to availability challenges, 7 Member States (EE, HU, PL, SK, EL, BG, RO) face challenges referring to healthcare coverage and 6 (IT, LV, LT, EL, BG, RO) concerning the affordability of healthcare. 3 Member States face challenges in all three areas.

Table 13 - Results from JAFH analyses on the challenges in access to healthcare

MS	Coverage	Availability (human resources, geo distribution)	Affordability
CZ, FR, HR, LU, SI, DK, ES,			
EE, HU, PL, SK			
IT, LV, LT			
EL, BG, RO			

The affordability issue is also correlated with the relatively high level of out-of-pocket payments which may prevent people from using health care services because of the high cost and thus be exposed to extreme financial shocks in case of needs.

Several countries recently adopted new *reforms* as ***policy response*** to address these challenges. For example, in a country with a healthcare system mostly based on out-of-pocket payments (CY), a national health system was agreed in order to extend coverage to all the population and not only income poor, thus guaranteeing universal coverage. This reform, which is to be completed by 2020, will imply a financing shift from out-of-pocket payments to taxes. One country (PL) which has an insurance-based healthcare system is discussing a shift towards a tax-funded system. On the other hand, one country previously having universal coverage (LV) plans to shift the current universal health coverage to a two-tier system linking access to the full healthcare service basket to insurance contributions in 2019.

To enhance primary care capacity, some Member States such as AT, FI have introduced reforms focusing on ensuring longer opening hours, particularly during evenings and weekends, to reduce contacts with hospital outpatient departments. In addition, the use of e-Health has been fundamental to strengthen access to and efficiency in primary care and promote greater coordination among primary care providers and hospitals.

The availability of medical care is perceived as a growing concern for several Member States. In some countries, the problem is a general shortage of health workers, often due to high emigration rates towards countries with better-paid jobs. In other cases, there is an inequality in the geographical distribution of doctors who tend to prefer bigger cities and disregard the most rural areas with a subsequent increase of the unmet medical care needs due to distance (e.g. BE, DE, EE, HR, IT, LV, PL, SE). To overcome this issue there are some positive policy examples as relaxing the numerus clausus (e.g. BE), increasing the number of training places, or giving financial incentives for doctors in rural areas.

Various measures have been introduced by regions and municipalities to promote greater care integration and cooperation (e.g. DK). Hospitals, for example, use outreach teams for home visits after hospital discharge. Municipal units have also been established within hospitals to facilitate follow-up care after hospital discharge.

Unhealthy lifestyle is an additional challenge for several Member States (e.g. EE, IE, HU, IT, NL), but some measures have been taken as the introduction of comprehensive health promotions and disease prevention strategies at school and in wider communities (e.g. HU). Key elements include promoting a healthy diet and a minimum daily physical activity, as well as the introduction of taxes to specific food products high in sugar, salt or caffeine. Alcohol misuse and tobacco consumption have also been addressed through specific national policies as the plain-packaging, tax increase, public awareness campaigns in several countries (e.g. EE, IE, IT, LU, NL, SI) and specific public health legislation to tackle alcohol consumption (e.g. IE).

Member States have also been introducing reforms going towards a more efficient use of resources reducing duplication of services while improving the quality (e.g. IT, LV, PL, PT, EL). New organizational models are being tested reducing the inappropriate use of emergency services,

assuring access to care for low-income households, and measures that aim to shift care away from hospitals towards more coordinated care at the community level have been implemented (e.g. IT). Countries are also improving the provision of home care services for chronic patients and of day care services for patients with mental illnesses. To increase the accessibility of healthcare services, countries have also started to finance additional nurses in primary care and establish of a family doctor telephone advisory service (e.g. EE).

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This report delivers on the core task of the Social Protection Committee to monitor the social situation in the EU and the developments in social protection policies in the Member States. Based on a set of key indicators and Member States' reporting, the report analyses the progress towards the Europe 2020 target on reducing poverty and social exclusion together with the latest social trends to watch. The most recent social policy developments in Europe are also reported on as well as the key structural social challenges currently faced by each Member State.

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