

2021 SPC annual review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies

Report on key social challenges and key messages



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*2021 SPC Annual Review of the Social Protection
Performance Monitor (SPPM) and developments in social
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Report on key social challenges and key messages

TABLE OF CONTENTS

Acknowledgments.....	4
Key messages	5
I. Introduction	11
II. Progress on the Europe 2020 target on reducing poverty and social exclusion	14
III. Future monitoring of the social situation in the context of the Action Plan for the Implementation of the European Pillar of Social Rights	19
IV. Overview of developments in the social situation in the EU	22
Development in the social situation up to 2020.....	22
SPPM dashboard update (2019 EU-SILC data available for all Member States).....	31
Latest indications from available 2020 EU-SILC data.....	35
Developments in the social situation from 2020 onwards, following the COVID-19 outbreak..	38
V. Overview of key social challenges and good social outcomes in EU Member States.....	55
VI. Main recent social policy developments in EU Member States.....	58
Multilateral reviews of the implementation of Country Specific Recommendations under the European Semester.....	58
Reforms in the areas of social protection and social inclusion	58
Reforms in the area of pensions.....	62
Reforms in the area of healthcare	64
Reforms in the area of long-term care.....	66
VII. Council Recommendation on Access to Social Protection – First Overview of the National Plans	68
Annex 1: SPPM Country Profiles.....	73
Annex 2: Information collected via the SPC-ISG and EMCO-IG on take up of short time work schemes or similar measures, and other emergency measures aimed at supporting the self-employed and households	74
Annex 3: Technical Annex.....	81

Abbreviation	Full name
EU28	European Union (28 countries composition as of 2013-2020)
EU27_2007	European Union (27 countries composition as of 2007-2013)
EU27_2020	European Union (27 countries composition from 2020)
EA18/19	Euro area (18/19 countries)
BE	Belgium
BG	Bulgaria
CZ	Czechia
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 the 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 Flaviania Teodosiu, Katalin Szatmari and Laurent Aujean. 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 16 September 2021. The Council of the European Union endorsed the key messages of the report on 15 October 2021.

Key messages

(Endorsed by the Council of the European Union on 15 October 2021)

1. **Delivering on its mandate as set out in Article 160 of the TFEU, the Social Protection Committee (SPC) has produced for the Council its annual review of the social situation in the EU and the 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, which should guide the preparatory work for the 2022 Annual Sustainable Growth Strategy.

Widespread social improvements towards the end of the decade covered by the Europe 2020 Strategy ...

2. **Prior to the outbreak of the COVID-19 pandemic in early 2020, the EU had been experiencing a period of steady economic and employment expansion**, allowing it to recover further from, and even progress beyond, the negative effects of the financial and economic crisis that hit in 2008-2009, around the start of the Europe 2020 Strategy.
3. **During 2019, the EU economy continued to expand** and employment reached the highest level ever recorded, while unemployment in the EU, at 6.7%, returned to levels last observed before the 2008 crisis.
4. With employment having risen strongly, the financial situation of EU households, as reflected in gross household disposable income (GHI), was improving, which led to **widespread improvements in many of the other social indicators**. This included reductions in the severe material deprivation rate, the housing cost overburden rate and the risk of poverty or social exclusion of the overall population and for children in many Member States. Nevertheless, rises in the poverty risk for people living in (quasi-)jobless households and a worsening in the depth and persistence of poverty in many Member States showed that some aspects of the social situation were still noticeably worse compared to 2008.
5. **The number of people at risk of poverty or social exclusion**, while remaining far from the poverty reduction target set in the Europe 2020 strategy of 20 million fewer people at risk, continued to decline, approaching 10 million fewer people at risk in 2019 compared to 2008 (or approaching 12 million fewer when excluding the UK). This was mainly driven by a strong reduction in the number of people experiencing severe material deprivation and to a lesser extent in the share of people living in (quasi-) jobless households.

... have been halted since the Covid 19 outbreak

6. The widespread positive developments in the social situation were **interrupted and then put into reverse by the crisis caused by the COVID-19 outbreak** and the related containment measures adopted by the Member States to fight the pandemic and protect the lives and livelihoods of their citizens.

7. **The various restrictions on social and economic activities have taken a significant toll on the EU economy.** GDP in Europe declined by 6.0% for 2020 as a whole, despite the strong rebound in Europe's economy in the third quarter of 2020 when restrictions were eased over the summer, before being introduced again to contain the second COVID-19 wave.
8. In the same period, **employment decreased moderately compared to the drop in economic activity, falling by 1.5%** (representing approximately 3 million people fewer in employment) compared to 2019. This relatively mild employment decrease was due to the strong contribution of automatic stabilisers and to the massive introduction of short-time work schemes by the Member States, some of which with EU support through the *Temporary Support to mitigate Unemployment Risks in an Emergency* (SURE), and other similar labour market measures.

Social protection systems have been the main stabilisation factor for household incomes and for supporting continued access to social services...

9. **Social protection systems were the main stabilisation factor in supporting household incomes, as social benefits, including short time working schemes, played a major role in mitigating the overall drop in household incomes in 2020.** Access to social protection systems was often temporarily eased in order to increase the effectiveness of the systems in protecting those who lost their job or income. This was supported to a lesser extent by adjustments to taxes on income and wealth and other rapidly adopted social policy measures.
10. Reflecting this stabilising impact, while the median employment income of the working age population (18-64) is estimated to have decreased by 7.2% in the EU compared with 2019, the median disposable household income as well as the **overall income inequality and at-risk-of-poverty rate, are estimated to have remained broadly stable** (according to Eurostat flash estimates for 2020 incomes), although with considerable variation across countries and age groups.

... but still the current crisis has affected more those who were already in vulnerable situations .

11. Despite the mitigating role played by the social protection systems, the **current crisis has affected more strongly the vulnerable** – including those in precarious or non-standard forms of employment; persons with disabilities and long-term care needs (as well as their carers); younger workers, who are likely overrepresented in sectors impacted more severely by the social distancing measures; families and children in vulnerable positions; homeless persons; migrants; and ethnic minorities. Older persons in particular, or those with underlying health conditions, have been particularly exposed to the health risks posed by the COVID-19 virus. In addition, women, over-represented in critical health and social services sectors and in particular single parent households, have had to cope with an increased workload and care responsibilities during the crisis.

12. In 2021, despite certain improvements in the overall financial situation of the European households, financial distress¹ remains particularly high for those on low incomes, suggesting that **the financial impact of the crisis continues to be felt much more strongly by those in the lower part of the income distribution**. Low-income households often faced more difficulties during the pandemic, as they are more likely to live in overcrowded or poor housing conditions and to lack access to the internet at home.
13. Despite the relatively limited impact of the pandemic on pension systems in the short-term, income inequalities among older people persist, with gender inequalities becoming more pronounced in old age. After a decade of improvement, progress in reducing the risk of poverty or social exclusion for older people in the EU has been halted.

Upcoming developments:

14. Latest forecasts² show that the improving health situation, linked to increasing vaccination rates, and the continued easing of containment measures are putting the EU economies back in motion, with GDP expected to grow by 4.8% in 2021. And while the speed of the recovery will vary across the Member States, **all Member States are expected to see the gap to their pre-crisis output levels close by the end of 2022**.
15. **Employment is expected to take more time to recover to pre-crisis levels**, as there is scope for working hours to increase before companies start hiring again. In addition to the speed of the economic recovery, the labour market outlook will depend also on the timing of policy support withdrawal and the pace at which workers reallocate across sectors and firms in the aftermath of the pandemic and in the context of the green and digital transitions.
16. **Social protection systems, are expected to remain under pressure in the short and medium term**, given the complexity of the challenges and the impact of the COVID-19 crisis on the most vulnerable.

Against this background, the following policy guidance is to be considered:

17. To rebuild from the crisis and prepare better for future emergencies, **Member States should continue to prioritise measures to combat poverty and social exclusion, to address rising income inequalities, as well as to enhance the resilience of social protection systems**. National responses should continue to focus on the situation of the vulnerable and include mechanisms to support them.
18. Efforts should be stepped up to provide **strong minimum income protection, linked with access to high quality social services and inclusive labour markets**, in line with the active inclusion approach and with a view to the EU headline target on poverty and social exclusion. In that sense, investment in the social, long-term care and health sectors and in human capital will need to be maintained or expanded where necessary. Such

¹ The share of households declaring having to “draw on savings or go into debt to meet current expenditure”.

² [Summer 2021 Economic Forecast: Reopening fuels recovery | European Commission \(europa.eu\)](#)

investments would support the recovery and contribute to strengthening the automatic stabilisers, thus making economies and societies more resilient to future crises. For the delivery of social services, social economy organisations can be an important partner for public authorities.

19. The coverage, transferability, adequacy and transparency of **social protection** rights should continue to be addressed in a structural manner, also by considering the temporary measures taken as a response to the crisis. The Council Recommendation on Access to Social Protection for workers and the self employed³ should guide the Member States' efforts. Member States are encouraged to effectively implement the national plans recently submitted under the Recommendation. The impact of the plans should be carefully monitored.
20. Targeted efforts to support **children at risk of poverty or social exclusion**, also in line with the Council Recommendation on a European Child Guarantee⁴, will continue to be required. Comprehensive actions to promote equal opportunities by providing a set of key services for children in need may contribute to breaking the transmission of poverty across generations.
21. The social inclusion of **person with disabilities** needs to be enhanced, in line with the *European Disability Strategy 2021-2030*⁵, through providing more inclusive education, appropriate access to quality health and long-term care and active labour market policies adapted to their needs.
22. Further efforts are required for the social inclusion of **migrants and refugees**, which will require an integrated approach linking training and skills enhancement with employment opportunities, as well as access to services, notably healthcare and housing.
23. Structural measures are also required to address **homelessness and housing exclusion**. Such measures should prioritise integrated approaches that combine prevention, rapid access to permanent housing and the provision of enabling support services. The construction of new social housing, or access to housing assistance, should be accelerated, or improved, where needed. Member States' vaccination plans should ensure adequate outreach to people in shelters and those experiencing unsheltered homelessness. The potential of the European Platform on Combatting Homelessness to strengthen the cooperation among different stakeholders involved in tackling the issue should be fully utilized.

³ [Council Recommendation on access to social protection for workers and the self-employed \(2019/C 387/01\)](#)

⁴ [Council Recommendation establishing a European Child Guarantee \(\(EU\) 2021/1004\)](#)

⁵ [Strategy on the rights of persons with disabilities \(COM\(2021\) 101 final\)](#)

24. In line with findings from the 2021 joint SPC-Commission Pension Adequacy Report⁶, focus should remain on the **longer-term challenges related to maintaining adequacy and sustainable financing of pensions** in the context of an ageing society and the changing economy and labour market.
25. Member States should continue taking **action to prolong working lives**. Efforts to adjust pensionable age or career requirements, benefits or accumulation rates to reflect increasing life expectancy should be complemented with active ageing strategies and flexible working options, including the possibility to combine pensions with income from work.
26. Sustained efforts are needed to **reduce the gender pension gap**, as well as to ensure adequate coverage and opportunities to accrue pension rights for **non-standard workers and the self-employed**.
27. In the area of **healthcare**, strengthening the resilience, effectiveness and access of the health systems should remain a primary focus of Member States' efforts. The crisis has demonstrated the value of **strong safety nets**, along with the strategic importance of **efficient coordination between social and healthcare systems** for providing access to quality care for all.
28. Renewed focus on **disease prevention and health promotion**, as well as on improving the **provision of primary care**, is needed. This includes ensuring the availability of well-trained and adequately supported **medical personnel**.
29. Innovative approaches in the provision of healthcare could contribute to addressing the shortage of health workers. A mixed approach, **complementing the physical provision of services with digital ones**, may help to promote access to quality healthcare for all. At the same time, additional information and support should be given to those with limited digital skills and limited access to digital infrastructure, to ensure they are not left behind.
30. Beyond the COVID-19 pandemic, and in line with the findings of the 2021 joint SPC-Commission Long-term Care Report⁷, Member States need to significantly step up their efforts to address the structural challenges in relation to **long-term care**. In particular, this entails ensuring the availability of high-quality, affordable and accessible long-term care services to all those in need; addressing the workforce challenges and supporting long-term carers; and enhancing the cost-effectiveness of long-term care in times of rising demand and a shrinking workforce, including through tapping into the potential of digitalisation and focussing on prevention.
31. **Measures beyond the social policy domain** should also aim at improving the social situation across the Union as a priority. All reforms, including those addressing the green

⁶ [2021 Pension Adequacy Report, prepared jointly by the SPC and the European Commission](#)

⁷ [2021 Long-term Care Report, prepared jointly by the SPC and the European Commission](#)

and digital transitions, need to take into account social and employment concerns. Distributional impact assessments can help prevent adverse social effects.

32. The **European Pillar of Social Rights**, should continue to guide efforts during the recovery period. The three new EU headline targets of the European Pillar of Social Rights Action Plan, which were welcomed by the EU leaders in the Porto declaration⁸ and which are to be achieved by the end of the decade in the areas of employment, skills, and poverty reduction, should drive the implementation of the Pillar in the coming months and years. To that end, Member States are invited to set ambitious and realistic national targets that are an adequate contribution to the achievement of the EU targets, taking into account national circumstances.
33. Member States should make optimal use of the funds made available under **the Next Generation EU recovery instrument, as well as the reinforced 2021-2027 EU budget**. In particular, synergies between climate protection and digitalisation on the one hand and investments in social infrastructure and skills on the other hand should be exploited, thereby contributing to a just transition. The funds will play an important role in supporting the recovery, by providing funding to programmes to restart the economy and reverse the social impact of the pandemic.
34. The **European Semester continues to be an effective coordination tool** for fostering sustainable and inclusive economic growth, competitiveness, employment and adequate social protection and social inclusion. It remains important that a balance between the temporary, targeted adjustments related to the launch of the Recovery and Resilience Facility, and the original purpose of the Semester is observed. In that context, **the role of EPSCO and its advisory bodies in the Semester process should be maintained** in line with past Semester cycles and in full application of the Treaty (Article 148 TFEU) and the respective mandates of the advisory bodies.
35. To strengthen Social Europe and support the implementation of the European Pillar of Social Rights at EU and Member States level, with due regard for respective competences, **constructive dialogue should be maintained between EU institutions, Member States, social partners and civil society organizations**.
36. The European Commission is invited to take into account the above policy guidance in the preparatory work of the 2022 Annual Sustainable Growth Strategy.

⁸ [Porto Declaration \(Consilium Website, 7 May 2021\)](#)

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 (Article 160 of TFEU).

The SPC is an advisory policy committee that 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 (OMC) 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. It is assisted in carrying out its tasks by the Indicators Sub-Group.

In 2021 the Indicators Sub-Group of the SPC celebrates 20 years of achievement, having been created in 2001 to provide technical and analytical support to the Committee, especially with regard to the development of social indicators and monitoring frameworks. Over the years the group has developed a wide range of commonly agreed EU indicators in the fields of social protection (pensions, healthcare and long-term care), social inclusion and on the wellbeing of children, and has also been instrumental in the development of several key monitoring and benchmarking frameworks at EU level (see Box 1). It has actively supported the development of statistical capacity to monitor the social situation in the EU and its Member States.

The main objective of the 2021 SPC Annual Report is to deliver on the mandate of the Committee and, through its analysis, to provide input to the Council on the main social policy priorities to recommend to the Commission in the context of the preparation of the 2022 Annual Sustainable Growth Strategy. On the basis of the Social Protection Performance Monitor (SPPM) and Member States' social reporting, the report aims at i) **monitoring the social situation**⁹, especially the progress towards the Europe 2020 target on reducing poverty and social exclusion and highlighting the 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 iii) reviewing the most recent social policy developments in Europe**. An overview is also provided, based on available data, of the very latest evolution in developments in the social situation and social policies in the EU and its Member States in light of the COVID-19 crisis. This year's report also includes a short summary of the national plans setting out the corresponding measures to be taken at national level in the context of the Council Recommendation on Access to Social Protection adopted in 2019.

A separate annex to the report provides the SPPM country profiles for each Member State.

⁹ The figures quoted in this report are based on data available around mid-June 2021, unless otherwise stated. This means that for EU-SILC based indicators the most recent data generally available for all Member States are for the 2019 survey and that is the reason why this reference year is generally used throughout the report for these indicators.

Box 1: The Indicators Sub-Group of the SPC celebrates 20 years supporting the development of key social indicators and monitoring frameworks

Brief history of the group

The [Indicators Sub-Group](#) (ISG) of the [Social Protection Committee](#) was set up in 2001 to provide technical/analytical support to the Committee, especially with regard to the development of social indicators and monitoring frameworks. Its first meeting took place in February 2001, and this year it celebrates 20 years of achievement.

A key purpose of the group has been to monitor progress towards a set of EU objectives for social protection and social inclusion, which have been jointly agreed by EU Member States and the European Commission. The first objectives were agreed in 2001. They were limited to social inclusion and led to the adoption by EU Heads of State and Government of a first set of 18 EU social indicators in the fields of poverty and social exclusion (often referred to as the Laeken indicators, after the name of the Belgian city where they were adopted in December 2001). In 2001/2002, these objectives were complemented with objectives on pensions; and in 2004, with objectives on healthcare and long-term care. These commonly agreed EU objectives on social protection and social inclusion have slightly evolved over time (including a rephrasing and integration of the three sets of objectives in one set of common objectives for the integrated Open Method of Coordination on Social Protection and Social Inclusion in 2006) and the ones which currently underpin EU cooperation in the social field were adopted by the EU Council of Ministers (i.e. Employment and Social Affairs Ministers in the Employment and Social Affairs Council (EPSCO)) in 2011. The group continues to develop new indicators, improve existing ones where necessary and improve its monitoring and analytical tools.

As a forum for Member States and the Commission to develop common approaches with regard to indicators and monitoring, the ISG is composed of national experts from each EU country and the European Commission in the fields of social inclusion, pensions and health and long term care. It is supported by the Commission's policy analysts (DG Employment, Social Affairs and Inclusion) and statisticians (Eurostat), and draws on academic expertise through studies and specific contributions.

Main achievements

A main achievement of the ISG over the past two decades has been the development of commonly agreed EU indicators for monitoring progress towards the objectives underpinning the [Open Method of Coordination](#) for social protection and inclusion. A wide range of indicators have been developed in the fields of social protection (pensions, healthcare and long-term care), social inclusion and on the wellbeing of children. The work on indicator development and the guiding methodological principles is reflected in the Portfolio of EU Social Indicators. The group was also heavily involved in the development of the poverty & social exclusion target and the related indicator (at-risk-of-poverty-or-social-exclusion, (AROPE)) under the Europe 2020 Strategy.

The list of indicators developed in the ISG has been continuously improved as statistics, data collection and policy needs evolve, and the ISG has actively contributed to the improvement of social statistics at EU level, especially through the development of the EU Survey on Income and Living Conditions (EU-SILC), but also through contributions to other statistical frameworks like the European System of Social Protection Statistics (ESSPROS) and the System of Health Accounts (SHA).. It has actively supported the development of statistical capacity, for example with regard to timeliness of social data. In recent years it has developed indicators focused on inequality, inequality of opportunity, coverage and impact of benefits on poverty, health- and long term care.

The ISG has also been instrumental in the development of several key monitoring and benchmarking frameworks, including the Joint Assessment Framework, the Social Protection Performance Monitor and frameworks on health, pensions, minimum income, access to social protection and work-life balance. It also contributed to the further development of the Social Scoreboard used to monitor progress in the implementation of the European Pillar of Social Rights (EPSR). More recently, the group has been involved in the revision of the at-risk-of-poverty-or-social-exclusion indicator which will underpin the assessment of progress towards the 2030 target on poverty and social exclusion.

The analytical work the ISG has conducted on the basis of the agreed EU social indicators includes inputs to thematic reports on relevant topics as well as the regular production of the monitoring elements of the SPC Annual Report. Currently it also contributes to the production of a quarterly monitoring report on the impact of the COVID-19 pandemic on the employment and social situation in the EU.

The ISG has worked in close collaboration with different Commission services, especially DG Employment (which supplies the secretariat of the group) and Eurostat. Over recent years, the group engaged increasingly in joint work with the Indicator Group of the Employment Committee, while it also sought collaboration with other fora like the Expert Group on Health System Performance Assessment.

Looking ahead

As tasked by the SPC, the ISG will continue to monitor the social situation and support the role of social monitoring in the context of the European Semester. It will contribute to the implementation of the Action Plan on the European Pillar for Social Rights by developing the required monitoring tools and especially by monitoring the new target on the reduction of poverty and social exclusion. It is currently working on monitoring frameworks on access to social protection, long-term care, pensions adequacy and childcare and support to children.

Societal developments like the financial crisis and the COVID-19 pandemic, as well as governance and policy developments, have significantly increased the role of social monitoring. In this context, the ISG continues to develop new indicators and monitoring tools, improve existing ones and continues to support initiatives aimed at enhancing monitoring capacity to support social policy coordination and policy recommendations, mutual learning and the upward convergence in the living conditions of EU citizens.

II. Progress on the Europe 2020 target on reducing poverty and social exclusion¹⁰

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 exclusion¹¹, 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 scheme¹². 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 were not always based on the headline composite indicator, the at-risk-of-poverty-or-social-exclusion rate (AROPE).

EU-SILC 2019 figures generally point to positive developments in the social situation at that time (before the COVID-19 pandemic hit), with a further reduction over 2018-2019 in the population at risk of poverty or social exclusion, reflecting the continuing improvement in the economy and the labour market. Overall, there was a fall of around 2.3 million between 2018 and 2019 in the then EU28¹³ population at risk of poverty or social exclusion (Figure 1). Underlying the fall in the overall figure were strong reductions in the population experiencing severe material deprivation (down around 2.2 million), in the population at risk of poverty (down 1.4 million) and in the number of people living in (quasi-)jobless households (down 1.1 million).

Nevertheless, with regard to the Europe 2020 target of lifting at least 20 million people from the risk of poverty or social exclusion by 2020, progress remained rather limited. In 2019, for the EU28, the number of people living at risk of poverty or social exclusion was only down by around 10 million compared to 2008¹⁴, with a total of 107.5 million people. The improvement was mainly driven by strong falls in the population experiencing severe material deprivation (down around 14.7 million), and to a lesser extent in the number of people living in (quasi-)jobless households (down 3.9 million), while the population at risk of poverty actually increased (up 2.7 million). While acknowledging that poverty and social exclusion remain complex and multidimensional issues, any future projections related to target setting should adequately reflect the particular situations within Member States, including the diverse population growth rate forecasts.

Furthermore, the overall trend masks divergence between Member States. Higher AROPE rates compared to 2008 were still observed in some of the countries most affected by the economic

¹⁰ Monitoring will now shift from reporting on progress under the Europe 2020 Strategy to implementation of the European Pillar of Social Rights (EPSR) and the new targets for 2030, as set out in the following section.

¹¹ 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 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. The target is expressed in absolute terms without taking into account the change in the size of the population since 2008.

¹² COM (2010) 758 final

¹³ Reference is made to EU-28 when assessing progress towards the Europe 2020 poverty and social exclusion target.

¹⁴ The reference year, due to data availability, for the target adopted in 2010

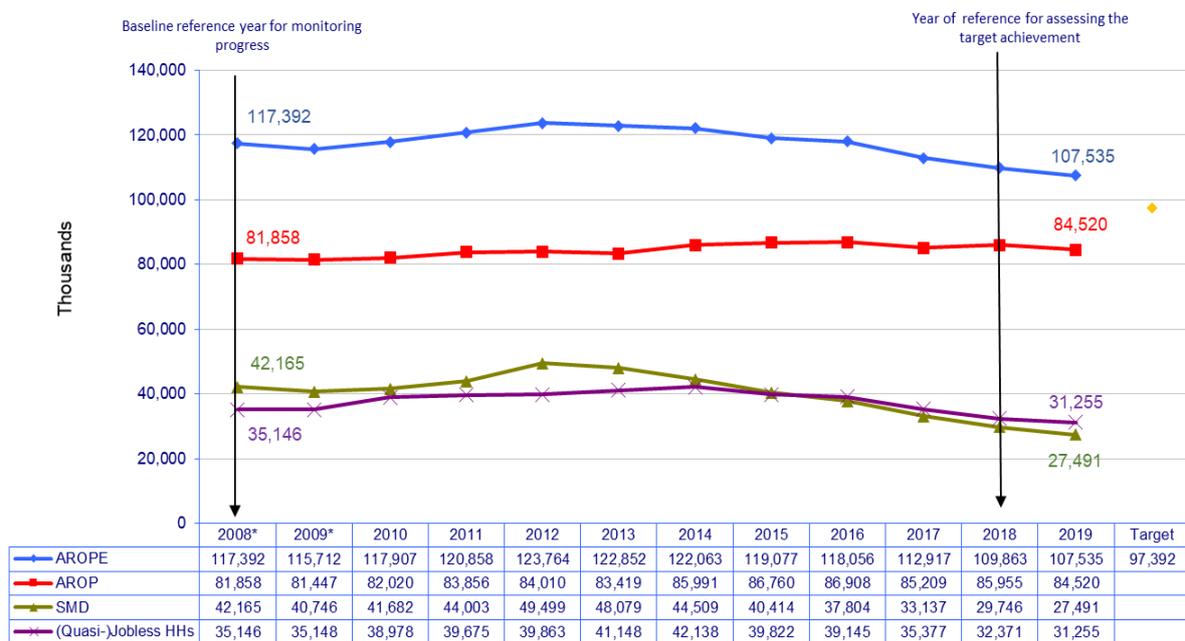
crisis (EL and ES) but also some others (NL and SE). In contrast, for almost half of the Member States, mainly eastern European countries, the AROPE rate in 2019 was significantly better than the 2008 figure, most notably in HU, LV, PL and RO (Table 2).

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 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 indicator and its components, EU28 (figures in 1000s), 2008-2019



Source: Eurostat (EU-SILC)

Note: AROPE – population at-risk-of-poverty-or-social-exclusion; AROP – population at-risk-of-poverty; (Quasi-)jobless HHs - population living in (quasi-)jobless households (i.e. very low work intensity (VLWI) households); SMD – population in severe material deprivation. For the at-risk-of-poverty indicator, 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 indicator refers to the previous calendar year while for severe material deprivation it is the current survey year. *2008 and 2009 figures are estimates that include 2010 figures for HR on top of the EU27_2007 totals.

Table 2. At-risk-of-poverty-or-social-exclusion rate (in %), evolution (in pp) 2018-2019 and 2008-2019

	EU28	EU27_2020	EU27_2007	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR
2019	21.4	20.9	20.9	20.7	20.8	19.5	32.8	12.5	16.3	17.4	24.3	20.6	30.0	25.3	17.9	23.3
2018-2019 change in pp	-0.4	-0.7	-0.9	-0.8	-0.8	n.a.	0.0	0.3	-0.7	-1.3	-0.1	-0.5	-1.8	-0.8	0.5	-1.5
2008-2019 change in pp	n.a.	n.a.	-2.8	-0.9	-0.9	-0.8	n.a.	-2.8	n.a.	-2.7	n.a.	-3.1	1.9	1.5	-0.6	n.a.
	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2019	25.6	22.3	27.3	26.3	20.6	18.9	20.1	16.5	16.9	18.2	21.6	31.2	14.4	16.4	15.6	18.8
2018-2019 change in pp	-1.7	-1.6	-1.1	-2.0	-0.1	-0.7	1.1	-0.2	-0.6	-0.7	0.0	-1.3	-1.8	0.1	-0.9	0.8
2008-2019 change in pp	0.1	-1.0	-6.9	-2.0	n.a.	-9.3	0.0	1.6	-3.7	-12.3	-4.4	-13.0	-4.1	-4.2	-1.8	2.1

Source: Eurostat (EU-SILC)

Note: i) Only significant (for the definition of this see table 13 in the section on SPPM methodology) changes have been highlighted in green/red (positive/negative changes). "n.a." refers to data not being available; ii) For BE, due to a major break in EU-SILC data in 2019, the 2019 figures are not comparable to previous years, so "n.a." shown for comparison to 2018 and the longer term change refers to the period 2008-2018. iii) For BG, major break in the time series in 2014 for the material deprivation indicators, so "n.a." shown for the period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparison of changes are still valid; iv) For DK, breaks in series for the period since 2008 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes ("n.a." shown for the period compared to 2008); v) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files. Hence "n.a." shown for the period compared to 2008; vi) For HR, no long-term comparison for EU-SILC-based indicators compared to 2008 as no EU-SILC data published by Eurostat before 2010; vii) For LU, major break in series in 2016 for EU-SILC based indicators ("n.a." shown for long-term comparison versus 2008).

In conclusion, while over the years preceeding the COVID-19 pandemic improvements in economic activity and labour markets led to reductions in the number of (quasi-)jobless households and improvements in living standards, leading in turn to reductions in severe material deprivation, only recently were the benefits of the economic recovery distributed so as to bring down the risk of relative income poverty among the overall population at EU level. Member States have generally been more effective in raising living standards and better ensuring that needs for basic goods and services are met more widely (i.e. reducing the severe material deprivation rate) and encouraging wider labour market participation (i.e. reducing the share of (quasi-)jobless households) than on reducing the overall risk of relative income poverty (AROP).

In 2019, thirteen Member States had achieved their national targets set in relation to the EU poverty and social exclusion headline target (Table 3). A further five had made progress towards the target compared to the figure at the start of the Europe 2020 strategy. Altogether, the progress observed in these Member States entailed a decline in the number of people at risk of poverty or social exclusion by around 14 million since 2008. However, for nine Member States the gap to the national target has actually not reduced, but rather increased, such as in Italy, Spain or the UK, while in some, such as France, there has been rather limited improvement in reducing poverty and social exclusion. Given that the larger Member States have a big influence on progress towards the overall EU target, since national targets reflected in part the size of the population, this altogether had a large impact on the limited progress towards the aggregate target for the EU28 as a whole. Furthermore, the progress achieved on the national targets in the Netherlands and Sweden (where the national targets were not directly related to the AROPE indicator) is associated at the same time with a noticeable increase in the number of people at risk of poverty or social exclusion, and hence have not contributed either towards meeting the EU headline target. In contrast, strong reductions in the number of people at risk of poverty or social exclusion especially in Bulgaria, Germany, Hungary, Poland and Romania have contributed strongly to making progress towards the Europe 2020 target.

Table 3. Progress in 2019¹⁵ with respect to national poverty and social exclusion targets set by Member States in their National Reform Programmes.

	National 2020 target for the reduction of poverty or social exclusion (in number of persons)	Progress so far against national target (in 2019)	Change in population in AROPE where different target used
EU	20 million	9.9 million	
BE	Reduce the population in AROPE by 380,000	Increase of 53,000 (to 2018)	
BG*	Reduce by 260,000 persons living in monetary poverty	Decrease of 46,000	Decrease of 1.1 million
CZ	Reduce the population in AROPE by 100,000	Decrease of 260,000	
DK*	Reduction of the number of persons living in households with very low work intensity by 22,000 by 2020	Increase of 33,000	Increase of 52,000
DE*	Reduce the number of long-term unemployed by 320,000 by 2020	Decrease of 1.1 million	Decrease of 2.1 million
EE*	Reduction of the at risk of poverty rate after social transfers to 15%, equivalent to an absolute decrease by 36,248 persons	Increase of 25,000	Increase of 27,000
IE*	Reduce the number of person in combined poverty (i.e. at-risk-of-poverty or basic deprivation) by at least 200,000	Decrease of 80,000 ¹ (change 2010 to 2017)	Decrease of 36,000
EL	Reduce the population in AROPE by 450,000	Increase of 116,000	
ES	Reduce the population in AROPE by 1,400,000-1,500,000	Increase of 979,000	
FR	Reduce the population in AROPE by 1,900,000	Decrease of 30,000	
HR	Reduction of the number of persons at risk of poverty or social exclusion to 1,220,000 by 2020	Reduced to 939,000 by 2019 (a decrease of 383,000 compared to 2010)	
IT	Reduce the population in AROPE by 2,200,000	Increase of 306,000	
CY	Reduce population in AROPE by 27,000 (or decrease the percentage from 23.3% in 2008 to 19.3% by 2020)	Increase of 13,000	
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	Decrease of 124,000 ¹	Decrease of 222,000
LT	Reduce the population in AROPE to 814,000 by 2020	Reduced to 734,000 by 2019 (a fall of 176,000)	
LU	Reduce the population in AROPE by 6,000	Increase of 50,000	
HU	Reduce the population in AROPE by 450,000	Decrease of 986,000	
MT	Reduce the population in AROPE by 6,560	Increase of 16,000	
NL*	Reduce the number of people aged 0-64 living in a jobless household by 100,000 by 2020	Decrease of 250,000 ¹ (to 2018)	Increase of 380,000
AT	Reduce the population in AROPE by 235,000	Decrease of 227,000	
PL	Reduce the population in AROPE by 1,500,000	Decrease of 4.8 million	
PT	Reduce the population in AROPE by 200,000	Decrease of 542,000	
RO	Reduce the population in AROPE by 580,000	Decrease of 3.0 million	
SI	Reduce the population in AROPE by 40,000 (compared to figure in 2010)	Decrease of 68,000	
SK	Reduce the population in AROPE by 170,000	Decrease of 234,000	
FI	140,000 (Reduce to 770,000 by 2020 the number of persons living at risk of poverty or social exclusion)	Reduced to 849,000 in 2019 (a fall of 61,000)	
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%	Reduced to 10.5% in 2019	Increase of 391,000
UK*	Statutory measures that look at parental worklessness and children's educational attainment	n.a.	Increase of 1.1 million (2018 figure)

*Countries that have expressed their national target in relation to an indicator different than the EU headline target indicator
1. Figure from National Reform Programme (IE(2019 NRP), LV(2020 NRP), NL(2020 NRP), SE(2020 NRP))

Key
 Increasing of gap to national target/worsening in AROPE indicator
 Decreasing of gap to national target/improvement in AROPE indicator
 Already meet national target

¹⁵ For some countries, progress is assessed up to another year.

III. Future monitoring of the social situation in the context of the Action Plan for the Implementation of the European Pillar of Social Rights

This section provides an overview of developments concerning future monitoring of the social situation in the EU over the decade ahead. This focuses on the recently published Action Plan for implementation of the European Pillar of Social Rights (EPSR), which sets the backdrop for future monitoring of the social situation under the European Semester, and the new target on poverty and social exclusion for 2030. Information is also provided on the main achievements of the Porto Summit in May 2021, and the ongoing revision of the EPSR Social Scoreboard.

European Pillar of Social Rights Action Plan

On 4 March 2021, the European Commission published its Communication on the European Pillar of Social Rights Action Plan¹⁶, outlining concrete actions to further implement the Pillar principles¹⁷ as a joint effort by the Member States and the EU.

The Commission proposed three EU headline targets to be achieved by the end of the decade in the areas of employment, skills, and social protection¹⁸:

- At least 78% of the population aged 20 to 64 should be in employment by 2030;
- At least 60% of all adults should participate in training every year;
- The number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030.

The members of the European Council welcomed these three targets at the Porto Summit in May 2021. As under the Europe 2020 Strategy, Member States will propose national targets to support achievement of the common EU headline targets for 2030.

Complementary goals were also set out by the Action Plan which aim to support the achievement of the headline targets. With regard to the employment rate target, these include at least halving the gender employment gap, increasing the provision of formal early childhood education and care and reducing the rate of young people aged 15-29 neither in employment, nor in education or training (NEETs) from 12.6% (2019) to 9%. Concerning the poverty and social exclusion target, out of the 15 million people to lift out of poverty or social exclusion, at least 5 million should be children. It should be noted that the indicator that is the basis for monitoring progress against the poverty and social exclusion target, the at-risk-of-poverty-or-social-exclusion rate (AROPE), has been slightly revised as compared to the one used to monitor progress against the Europe 2020 target in this area (see Box 2).

¹⁶ ST 6649/21 + ADD 1-2

¹⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017C1213%2801%29>

¹⁸ For reference, the starting values for the three targets were 73.1% (in 2019), 37.4% (in 2016), and 92.2 million (in 2019) respectively.

Porto Social Commitment and the Porto Declaration

The historical Porto Social Commitment¹⁹ and the Porto Declaration²⁰ by EU Heads of State and Government adopted at the Social Summit in May 2021 will drive the implementation of the European Pillar of Social Rights in the coming months and years.

EU institutions, Member States, social partners and civil society have committed to join forces to strengthen social Europe and further deepen the implementation of the European Pillar of Social Rights. The Porto Social Commitment represents a unique document, also engaging EU social partners and civil society alongside EU institutions for the implementation of the European Pillar of Social Rights and the Action Plan. It is a joint commitment for action at all levels and by all relevant actors to achieve the 2030 headline targets, and calls for a regular assessment at the highest political level of the progress made.

The Porto Declaration encompasses:

- an endorsement of the new EU-level 2030 headline targets to increase employment, improve skills and reduce poverty;
- a central recognition of the Action Plan as a useful tool to rally forces around concrete legislative and non-legislative actions to implement the European Pillar of Social Rights;
- a confirmation of the European Semester as the main tool to monitor progress toward the targets and welcoming of the proposal for a revised Social Scoreboard
- a very strong link between the economic recovery and the European Pillar of Social Rights.

Revised Social Scoreboard

The Action Plan included a proposal to revise the EPSR Social Scoreboard, through updating the existing set of indicators so as to allow to track progress in the implementation of the Pillar in a more comprehensive manner. This included proposals for the addition of some new headline indicators for the scoreboard as well as a range of additional secondary indicators. At their informal meeting on 8 May 2021, the EU leaders welcomed the proposal for a revised Social Scoreboard.

During Spring 2021, the Social Protection Committee and the Employment Committee (EMCO), together with their respective indicator groups, have reviewed the proposal for revising the existing Social Scoreboard. The Committees support the objective of improving the monitoring and assessment of the employment and the social situation across the Union in an integrated and more visible way and have agreed on including the proposed new headline indicators alongside the existing ones in the Social Scoreboard, while taking into account further clarifications on their definitions and use. These new headline indicators extend the scoreboard to include coverage of the dimensions of child poverty, adult participation in learning, housing cost overburden and the

¹⁹ [Porto Social Commitment \(Portuguese Presidency Website, 7 May 2021\)](#)

²⁰ [Porto Declaration \(Consilium Website, 7 May 2021\)](#)

employment gap for persons with disabilities, and were endorsed at the 14 June EPSCO Council. Further discussion will take place on whether to include the secondary indicators in the Social Scoreboard as used in the Joint Employment Report, and to examine proposals for suitable indicators to fill the remaining gaps in relation to the Pillar principles currently not covered or not sufficiently covered. The Committees also consider it necessary to have a broad discussion in the near future on the role of the Social Scoreboard in relation to other existing monitoring tools.

Box 2: Revision of the at-risk-of-poverty-or-social-exclusion (AROPE) indicator

While the at-risk-of-poverty-or-social-exclusion (AROPE) indicator has underpinned the Europe 2020 poverty and social exclusion reduction target, it was recognised that going forward there was a need to adjust the definition of the indicator. This was in follow up of the joint report of the EMCO and SPC on the assessment of the Europe 2020 Strategy, where various potential improvements were identified regarding the AROPE indicator as a headline indicator for poverty and social exclusion.

Among these there was strong support to revise certain components of the indicator, namely the severe material deprivation (SMD) and the (quasi-)jobless households components, while keeping the component on at-risk-of-poverty (AROP) unchanged. In particular, it was suggested to examine whether to replace the current severe material deprivation component by a new severe material and social deprivation indicator (SMSD), based on the revised list of items now collected through EU-SILC, and whether some improvements to the (quasi-)jobless household indicator could be foreseen.

During 2020 and 2021, the indicators subgroup of the SPC carried out a review of the AROPE indicator and agreed on the following modifications:

- Adjusting the severe material deprivation component, in light of the transition towards the improved material and social deprivation measure, by using instead the newly developed indicator of severe material and social deprivation (SMSD), defined as the percentage of the total population lacking at least 7 items out of the new list of 13 material and social deprivation items due to an enforced lack²¹;
- Extending the age bracket of the (quasi-)jobless household indicator from 59 to 64 years, while making some adjustments to the reference population so as not to include retired persons²².

These revised definitions of the above components will be used from now on in the overall AROPE indicator in order to measure progress towards the 2030 headline target on poverty and social exclusion.

²¹ The new SMSD is expected to be more reactive than the old SMD indicator (which included static items such as having a TV, telephone or washing machine).

²² When extending the age bracket to 64 years, people who are retired according to their self-defined current economic status or who receive any pension (other than a survivors pension), as well as people in the age bracket 60-64 who are inactive and living in a household where the main income is pensions (other than survivor pensions) are excluded from the reference population.

IV. Overview of developments in the social situation in the EU

This section provides, following a scene setting on the main economic and labour market developments up to last year, a review of the latest trends from the Social Protection Performance Monitor (SPPM) dashboard. It is mainly based on the June 2021 update of the dashboard, a tool that uses a set of key EU social indicators for monitoring developments in the social situation in the European Union. The latest update of the SPPM dashboard is based on the complete set of 2019 EU-SILC data and the 2020 Labour Force Survey data.

In addition, some indications are provided on more recent developments following the Covid-19 outbreak, based on available 2020 EU-SILC data and Eurostat flash estimates, together with a summary of the very latest developments based on a range of sources where preference is given to timeliness and relevance of data/indicators rather than their precision.

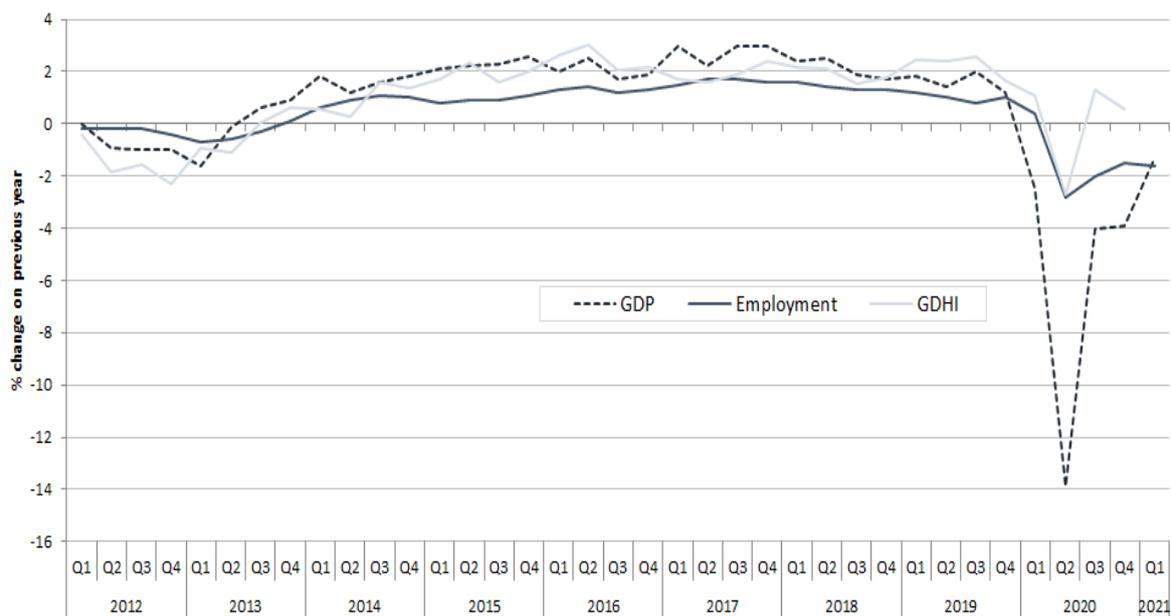
Development in the social situation up to 2020

Prior to the outbreak of the COVID-19 pandemic in early 2020, the EU had been recovering from many of the negative effects of the financial and economic crisis that hit the EU in 2008-2009, around the start of the Europe 2020 strategy. During 2019, the EU economy continued to expand (Figure 2) and employment reached the highest level ever recorded, while unemployment in the EU returned to below pre-crisis levels. With employment having risen strongly, in general the financial situation of EU households, as reflected in gross household disposable income (GHI) was improving and this led to widespread improvements in many of the other social indicators, as reported on in this sub-section (which focuses mainly on the latest available EU-SILC data covering the situation in 2019).

The COVID-19 pandemic led to an unprecedented economic shock. The health crisis and the necessary containment measures adopted to fight the pandemic have taken a toll on the EU economy, with GDP for 2020 as a whole down by 6.0% compared to the previous year and total employment down by 1.5%, with approximately 3 million fewer people in employment in the EU in 2020 compared to 2019. Nevertheless, the rise in unemployment that might have been expected with such a decline in economic activity was contained through the strong contribution of automatic stabilisers and also by short-time work schemes and other similar measures, while the impact on aggregate household income was also mitigated by these and other rapidly adopted policy measures.

While EU-SILC data for 2020 is not yet available for many Member States, and hence it is not yet possible to provide a detailed assessment of the social impact of the pandemic, an overview of the more recent evolution in the social situation in the EU and its Member States is provided in the sub-section on developments in the social situation from 2020 onwards, based on the currently available data from other sources.

Figure 2: Real GDP, GDHI and employment growth in the EU, 2012-2021q1



Source: Eurostat, National Accounts (DG EMPL calculations for GDHI), data not seasonally adjusted.

Note: GDHI EU aggregate for Member States for which data are available. Nominal GDHI is converted into real GDHI by deflating with the deflator (price index) of household final consumption expenditure.

Main recent trends from the SPPM

The latest update of the Social Protection Performance Monitor dashboard²³, which is mainly based on 2019 EU-SILC data²⁴ and 2020 LFS data, generally points to widespread positive developments in the social situation in 2019, but with the more recent LFS-based indicators already indicating some negative trends in the labour market due to the COVID-19 outbreak. Changes over the latest annual reference period available showed²⁵ signs of a broad improvement in the social situation in 2019, with most indicators mainly flagging up positive changes across Member States (Figure 3). In particular, strong positive developments in the social situation could be observed in the following areas:

- rises in **real gross household disposable income** in 21 MS along with significant reductions in the **severe material deprivation rate** in 11 MS. There were also significant declines in the **housing cost overburden rate** in 8 MS. All these reflect that household incomes and financial conditions of EU households further improved in 2019, benefitting from the then continued economic growth and improved labour markets;

²³ 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")

²⁴ For preliminary analysis of the partially available EU-SILC 2020 data see the later section entitled "Latest indications from available 2020 EU-SILC data".

²⁵ Generally 2018-2019, but for the LTU rate, early school leavers, youth unemployment ratio, NEETs and the employment rate (55-64), the change refers to the period 2019-2020.

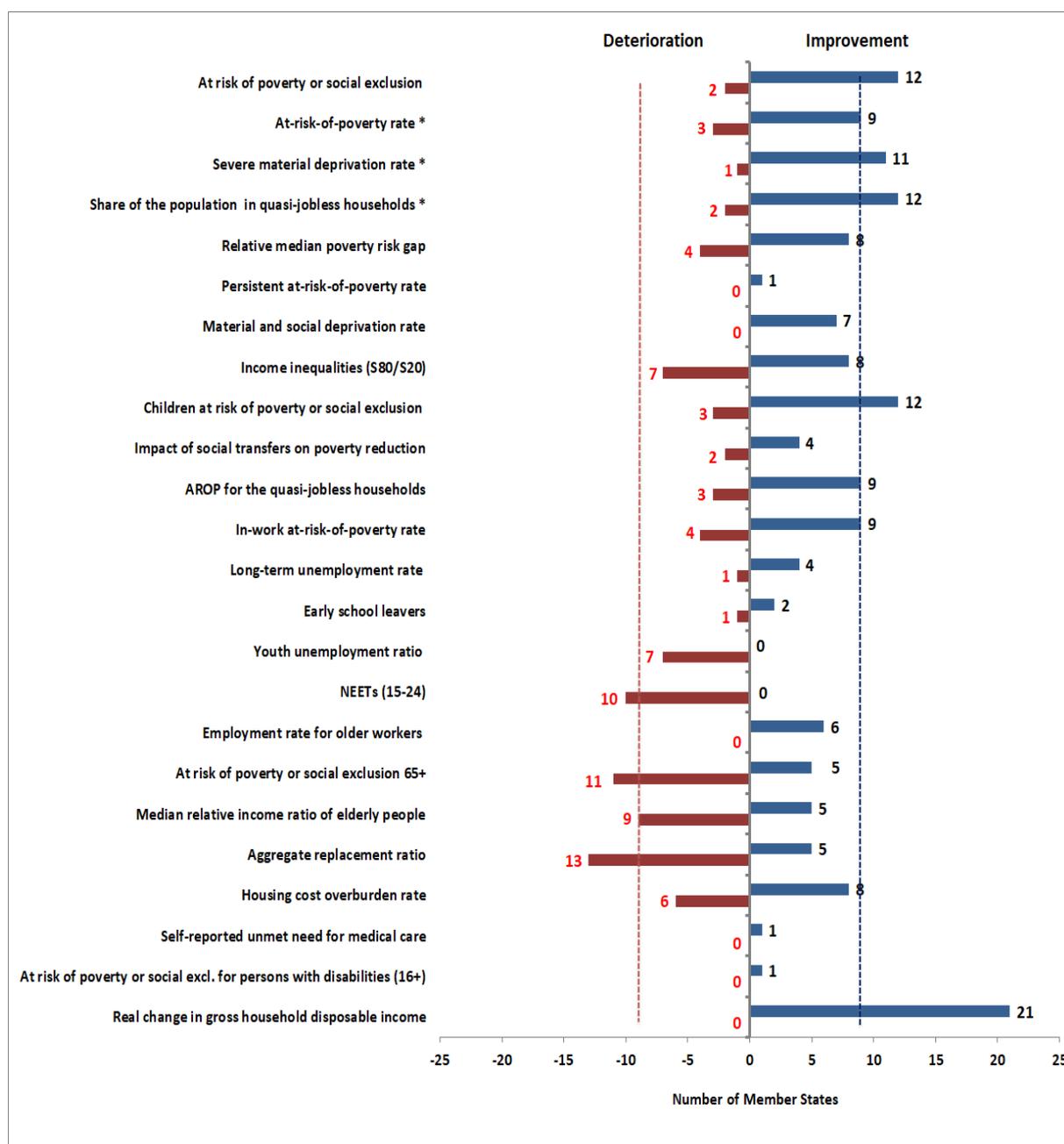
- a reduction in **the risk of poverty or social exclusion for the overall population** in 12 MS, driven by falls in the **risk of poverty** (down in 9 MS), **severe material deprivation** (down in 11 MS) and in the share of the population living in **(quasi-)jobless households** (down in 12 MS).
- During the reference period there were also significant declines in **income inequality** in 8 MS as well as in the **depth of poverty** (the relative median poverty risk gap) in 8 MS.
- reductions in the share of **children at risk of poverty or social exclusion** in 12 MS;
- further **reductions in the in-work at-risk-of poverty rate** (in 9 MS), reflecting continued improvements in the labour market at that time;
- and, in contrast to previous years' trends, a reduction in the **at-risk-of-poverty rates for people residing in (quasi-)jobless households** in many Member States (9).

Nevertheless, there were some areas of concern arising from the developments in the income distribution at the time, namely the continuing decline in the **relative income of the elderly** (i.e. those aged 65 or older), with significant rises in the at-risk-of-poverty-or-social-exclusion rate of the elderly in 11 countries, together with falls in the aggregate replacement ratio in 13 and in the median relative income ratio of the elderly in 9 MS. In addition, several MS nevertheless recorded worsening **income inequalities** (7 MS) or increases in the **housing cost overburden rate** (6 MS). Also of concern are the more recent developments in the labour market in 2020, in particular for young people, as highlighted by the deterioration in the youth unemployment ratio in 7 MS and the rise in NEET (15-24) rates in 10 MS.

Figure 4 highlights per country the number of significant improvements or deteriorations that have taken place in the social indicators in the SPPM dashboard in the latest reference period. Around two thirds of MS recorded a substantially higher number of indicators showing improvements than declines. The Member States with the highest number of significant positive changes were Croatia, Greece, Lithuania and Portugal, all recording improvements on 10 or more indicators and generally with very few or no indicators showing a deterioration.

In contrast, developments in France, Luxembourg, Malta and Sweden were much less positive, with significant improvements only registered on one or two indicators and with a larger number of deteriorating indicators. These results should be considered alongside the longer term situation of Member States with regard to the number of indicators that show a deterioration or improvement compared to 2008 (Figure 6) and with the absolute level of the indicator values – for those Member States where they started from a comparably favourable level the chance of further improvement is more unlikely.

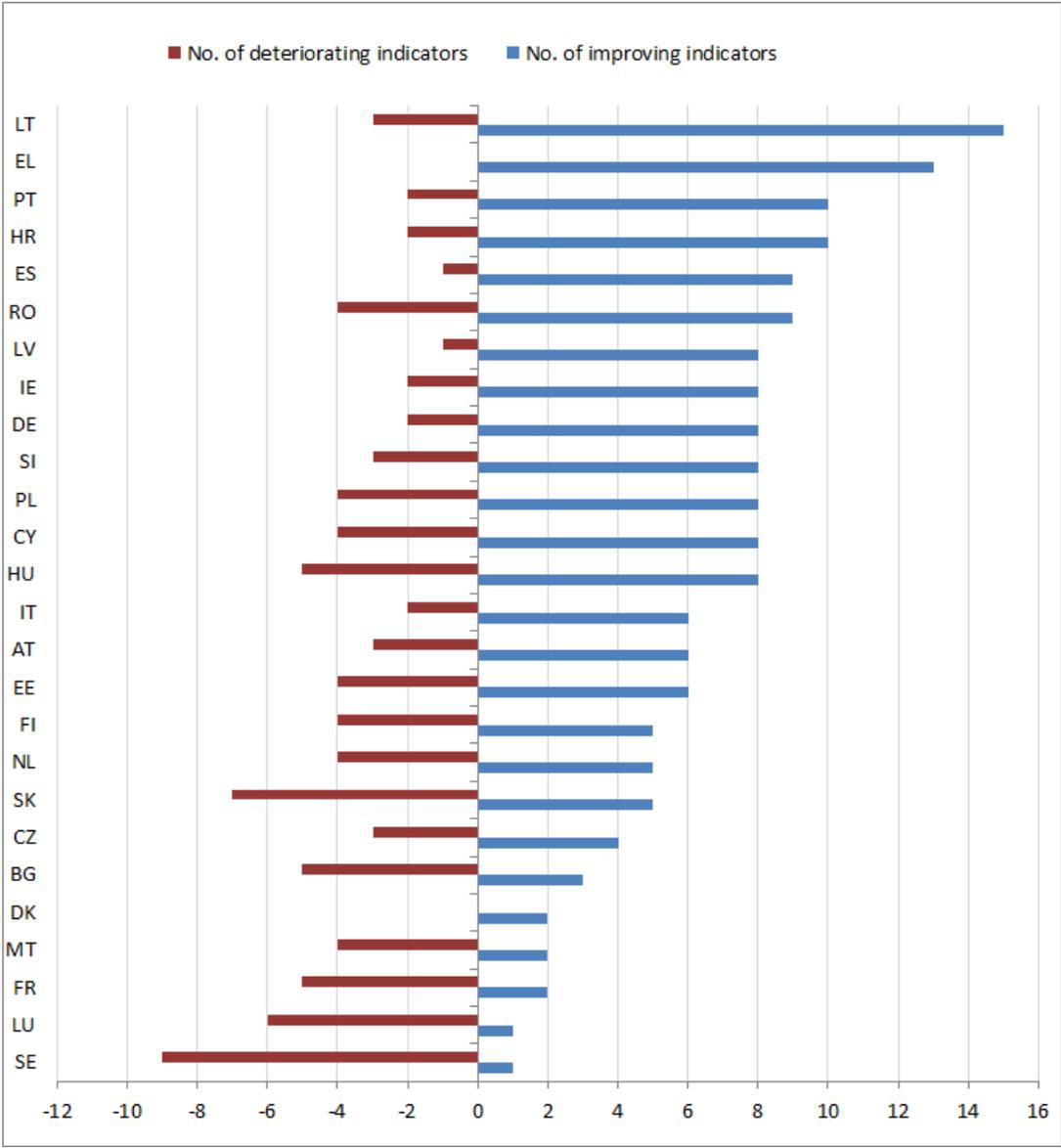
Figure 3: Areas of deterioration (social trends to watch) and improvement for the period 2018-2019⁺



Source: Social Protection Performance Monitor

Notes: ⁺ For EU-SILC based indicators the changes refer to 2018-2019 (although for income and household work intensity indicators the changes generally actually refer to 2017-2018). Major break in EU-SILC series for BE in 2019 so EU-SILC based changes not included for that Member State. For LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETs (15-24), ER (55-64)) the changes refer to the period 2019-2020. * At-risk-of-poverty rate (AROP), severe material deprivation rate (SMD) and the share of the population in (quasi-)jobless households indicators are components of the AROPE indicator.

Figure 4. Number of SPPM key social indicators per Member State with a statistically significant improvement or deterioration from 2018 to 2019⁺



Source: Social Protection Performance Monitor

Notes: Bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2018 and 2019. ⁺For EU-SILC based indicators for income and household work intensity, changes actually refer to 2017-2018. Major break in EU-SILC series for BE in 2019 so EU-SILC based changes not included. For some indicators (LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64)) the changes refer to the period 2019-2020.

Main longer-term trends from the SPPM

Looking at the longer-term developments since 2008 and the beginning of the Europe 2020 strategy, the overall picture in the latest SPPM update was positive as a whole across indicators, especially those relating to the labour market situation of older workers, the income and living conditions of the elderly, and the living standards of the overall population (Figure 5).

The dashboard shows there have been a large number of Member States that recorded significant improvements compared to 2008, notably in the employment of older workers (with the employment rate for the age group 55-64 up in 26 MS) and in the relative income and living conditions of the elderly (with the at-risk-of-poverty-or-social-exclusion rate of those aged 65 and over down in 13 MS, alongside improvements in the aggregate replacement ratio in 9 MS and in the median relative income ratio of elderly people in 11 MS). However, this trend should be interpreted with caution, as it does not necessarily show an improvement in absolute terms, and with the improvement in the labour market and in the income of people of working age up until the pandemic, the trend had been reversing.

Other areas which have seen an improvement include an increasing number of healthy life years among the population aged over 65 in many countries, and significant decreases in the number of early school leavers in Europe (with reductions in 18 MS). Overall, there have also been significant improvements compared to 2008 in real gross household disposable income in many Member States (17), which has fed through to reductions in the severe material deprivation rate, the housing cost overburden rate and the risk of poverty or social exclusion of the overall population and for children in around a third of MS.

Nevertheless there remain some areas where indicators show the situation is still noticeably worse²⁶ compared to 2008, namely:

- rises in the **poverty risk for people living in (quasi-)jobless households** (in almost two thirds of MS);
- a worsening in the **depth of poverty** (with the poverty risk gap higher in 10 MS) and in the **persistence of poverty** (with the persistent at-risk-of-poverty rate higher in 7 MS);

Other areas where outcomes compared to 2008 remain noticeably worse in several Member States concern rises in **income inequality** (in 7 MS) and declines in the **impact of social transfers on poverty reduction** (in 7 MS).

Figure 6 shows the number of indicators in the SPPM dashboard for which a given country registered a significant deterioration or improvement over the period 2008 to 2019/20. For most Member States, there is a significantly higher number of indicators showing positive developments rather than negative ones, most notably in Ireland, Latvia and Poland. On the other hand, Member States such as Greece, Spain and Sweden still recorded many indicators showing a deterioration compared to 2008, although also with several indicators showing an improvement.

²⁶ Where the changes compared to 2008 are statistically significant and show a negative development.

Of course the varying developments in the social situation across countries reflect differences in the impacts of the economic crisis and the COVID-19 pandemic, but also changes in the the population (including size, composition and rate of ageing), the varying pressure on pension systems and needs for long term care etc. One important issue, especially regarding the progress towards the target on the reduction of the population living at risk of poverty or social exclusion, is the change in the size of the overall population since 2008, which has been quite dramatic in certain Member States. For example, between 2008 and 2021 the total population in LV and LT had declined by around 13%, in BG by 8% and in RO by 7%, while it expanded by over 12% in IE and SE, by 15.4% in CY, and by as much as 26.5% in MT and 31.2% in LU (Table 4). Other Member States with sizeable relative increases in the population include BE (8.4%), AT (7.5%), DK (6.7%), NL (6.5%) and FR (5.4%). For the EU27 as a whole, the total population increased by around 2% or 8.3 million, mainly reflecting net rises of around 0.9 million in BE and DE, over 1 million in NL and SE, around 1.7 million in ES and 3.4 million in the FR.

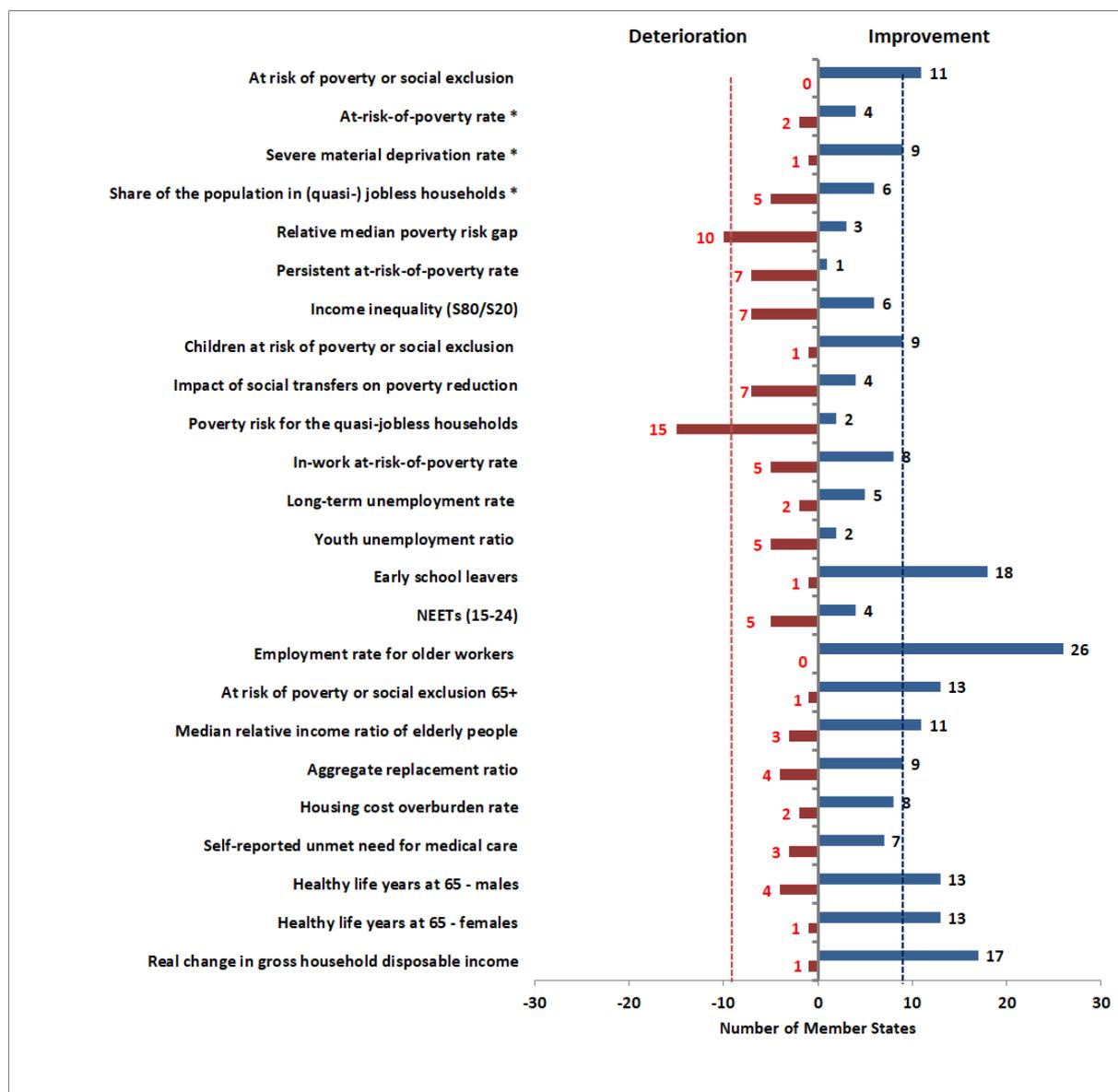
Table 4: Population change between 2008 and 2021

	2008	2021	% change
EU27_2020	438,725,386	447,007,596	1.9
EA19	333,096,775	342,376,602	2.8
EA18	329,884,170	339,580,922	2.9
BE	10,666,866	11,566,041	8.4
BG	7,518,002	6,916,548	-8.0
CZ	10,343,422	10,701,777	3.5
DK	5,475,791	5,840,045	6.7
DE	82,217,837	83,155,031	1.1
EE	1,338,440	1,330,068	-0.6
IE	4,457,765	5,006,907	12.3
EL	11,060,937	10,682,547	-3.4
ES	45,668,939	47,394,223	3.8
FR	64,007,193	67,439,599	5.4
HR	4,311,967	4,036,355	-6.4
IT	58,652,875	59,257,566	1.0
CY	776,333	896,005	15.4
LV	2,191,810	1,893,223	-13.6
LT	3,212,605	2,795,680	-13.0
LU	483,799	634,730	31.2
HU	10,045,401	9,730,772	-3.1
MT	407,832	516,100	26.5
NL	16,405,399	17,475,415	6.5
AT	8,307,989	8,932,664	7.5
PL	38,115,641	37,840,001	-0.7
PT	10,553,339	10,298,252	-2.4
RO	20,635,460	19,186,201	-7.0
SI	2,010,269	2,108,977	4.9
SK	5,376,064	5,459,781	1.6
FI	5,300,484	5,533,793	4.4
SE	9,182,927	10,379,295	13.0

Source: Eurostat, population statistics.

Notes: Population figures on 1 January of given year.

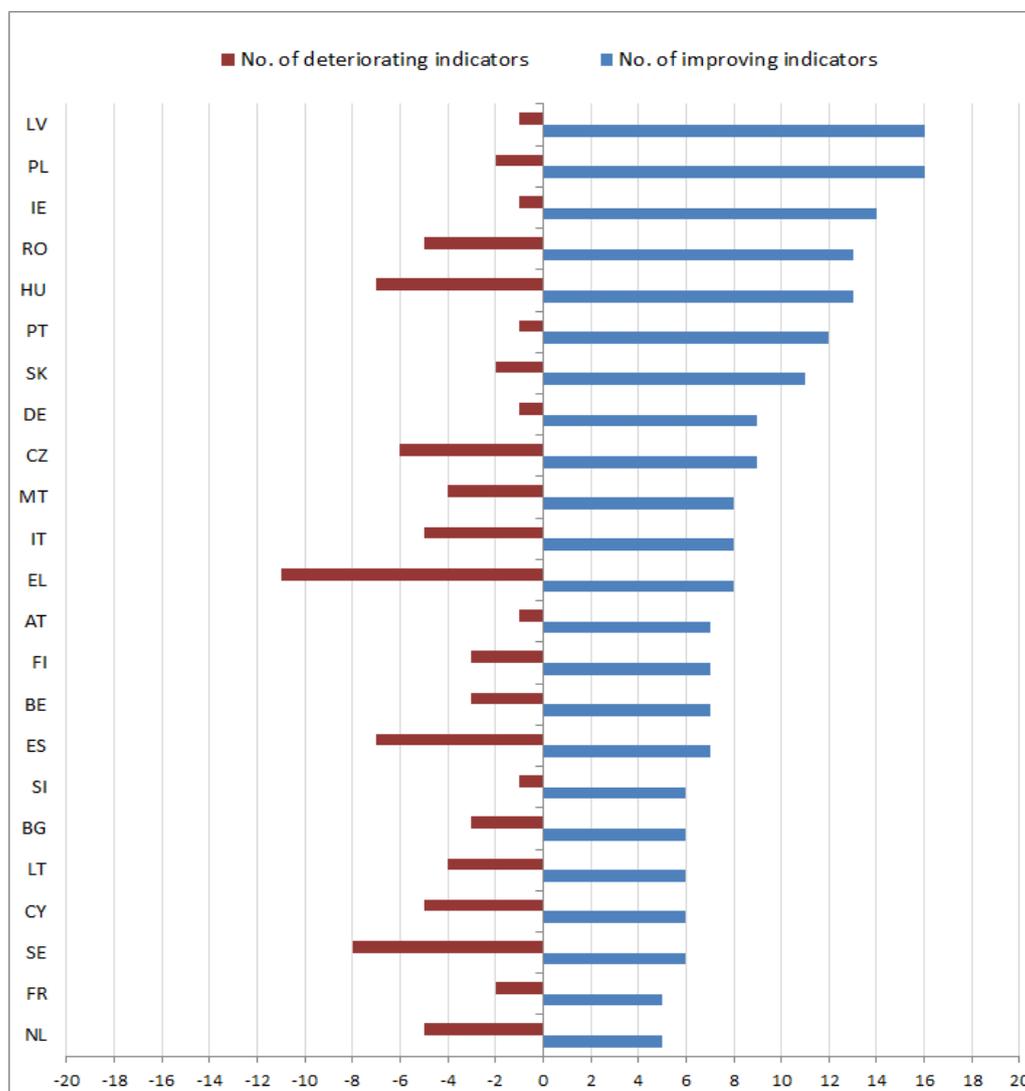
Figure 5. Areas of deterioration (social trends to watch) and improvement for the period 2008-2019⁺



Source: Social Protection Performance Monitor

Notes: * For EU-SILC based indicators the changes refer to 2008-2019 (although for income and household work intensity indicators the changes generally actually refer to 2008-2018). For LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETs (15-24), ER (55-64)) the changes refer to the period 2008-2020. * AROPE, SMD and (quasi-)jobless households indicators are components of the AROPE indicator. i) For AT, break in series in 2011 for persistent poverty risk (so trend in this indicator not considered for the period compared to 2008); ii) For BE, due to a major break in EU-SILC data in 2019 the 2019 figures are not comparable to previous years, so longer term change refers to the period 2008-2018. In addition, major break in 2011 in the self-reported unmet need for medical examination (so trend for this not considered for the period compared to 2008); iii) For BG, major break in the time series in 2014 for the material deprivation indicators, so for SMD and AROPE trends not considered for the period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparison of changes are still valid; iv) For DK, breaks in series for the period since 2008 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes (so trends in these not considered for the period compared to 2008 for these); v) 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 changes not considered for the period compared to 2008 for these; 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. Hence changes not considered for the period compared to 2008 for these; 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 2010-2019 used for longer term change for these; x) For SI, break in time series in Healthy Life Years indicator in 2010 which affects comparison of change since 2008 and for the self-reported unmet need for medical care, where the change in the indicator is attributable to a minor change of question wording, better training of interviewers and sensibilisation of general public to the issue of waiting lists due to wide media debate.

Figure 6. Number of SPPM social indicators per Member State with a significant deterioration or improvement between 2008 and 2019



Source: Social Protection Performance Monitor

Notes: The bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2008 and 2019.;i) For AT, break in series in 2011 for persistent poverty risk (so trend in this indicator not considered for the period compared to 2008); ii) For BE, due to a major break in EU-SILC data in 2019 the 2019 figures are not comparable to previous years, so longer term change refers to the period 2008-2018. In addition, major break in 2011 in the self-reported unmet need for medical examination (so trend for this not considered for the period compared to 2008); iii) For BG, major break in the time series in 2014 for the material deprivation indicators, so for SMD and AROPE trends not considered for the period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparison of changes are still valid;; iv) For DK, breaks in series for the period since 2008 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes (so trends in these not considered for the period compared to 2008 for these); v) 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 changes not considered for the period compared to 2008 for these; 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. Hence changes not considered for the period compared to 2008 for these; 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 2010-2019 used for longer term change; x) For SI, break in time series in Healthy Life Years indicator in 2010 which affects the comparison of change since 2008 and for the self-reported unmet need for medical care, where the change in the indicator is attributable to a minor change of question wording, better training of interviewers and sensibilisation of general public to the issue of waiting lists due to wide media debate.

SPPM dashboard update (2019 EU-SILC data available for all Member States)

SPPM Results (June 2021)																																	
Dimensions		EU28	EU27 (2020)	EU27 (2007)	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
Europe 2020	At risk of poverty or social exclusion (in %)																																
	2019	21.4	20.9	20.9	20.7	20.8	19.5	32.8	12.5	16.3	17.4	24.3	20.6	30.0	25.3	17.9	23.3	25.6	22.3	27.3	26.3	20.6	18.9	20.1	16.5	16.9	18.2	21.6	31.2	14.4	16.4	15.6	18.8
	2018-2019 change in pp	~	-0.7	-0.9	-0.8	-0.8	n.a.	~	~	~	-1.3	~	~	-1.8	-0.8	~	-1.5	-1.7	-1.6	-1.1	-2.0	~	~	1.1	~	~	-0.7	~	-1.3	-1.8	~	-0.9	0.8
	2008-2019 change in pp	n.a.	n.a.	-2.8	~	~	~	n.a.	-2.8	n.a.	-2.7	n.a.	-3.1	~	~	~	n.a.	~	~	-6.9	~	n.a.	-9.3	~	~	-3.7	-12.3	-4.4	-13.0	-4.1	-4.2	~	~
	At-risk-of-poverty rate (in %)																																
	2019	16.8	16.5	16.5	16.4	16.4	14.8	22.6	10.1	12.5	14.8	21.7	13.1	17.9	20.7	13.6	18.3	20.1	14.7	22.9	20.6	17.5	12.3	17.1	13.2	13.3	15.4	17.2	23.8	12.0	11.9	11.6	17.1
	2018-2019 change in pp	~	~	-0.5	-0.5	-0.6	n.a.	0.6	~	~	-1.2	~	-1.8	-0.6	-0.8	~	-1.0	~	~	~	-2.3	0.8	~	~	~	-1.0	0.6	~	~	-1.3	~	-0.4	~
	2008-2019 change in pp	n.a.	n.a.	~	~	~	~	~	~	n.a.	~	n.a.	-2.4	-2.2	~	~	n.a.	~	~	~	~	n.a.	~	~	2.7	~	-1.5	~	~	~	~	-2.0	3.6
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																																
	2019	n.a.	n.a.	n.a.	n.a.	n.a.	13260.0	5022.0	8421.0	13423.0	13616.0	8544.0	11865.0	5859.0	9703.0	12283.0	6440.0	10259.0	11154.0	6619.0	6905.0	17366.0	5616.0	11153.0	13181.0	14212.0	7401.0	6961.0	4403.0	9980.0	6302.0	12217.0	12248.0
	2018-2019 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.6	5.1	~	~	5.3	~	~	~	~	7.4	~	~	~	8.9	7.3	~	8.1	~	~	7.2	6.0	14.8	~	6.1	~	~
	2008-2019 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	~	55.2	23.9	n.a.	~	n.a.	~	-33.2	~	~	n.a.	~	~	~	29.3	36.0	n.a.	23.5	24.5	~	~	56.8	~	92.0	~	42.2	~
Severe material deprivation rate (in %)																																	
2019	5.5	5.5	5.4	4.9	4.9	4.4	20.9	2.7	2.6	2.6	3.3	5.4	16.2	4.7	4.7	7.2	7.4	9.1	7.8	9.4	1.3	8.7	3.6	2.5	2.6	3.6	5.6	14.5	2.6	7.9	2.4	1.8	
2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	-0.8	~	~	~	~	-0.7	~	-1.4	-1.1	-1.1	-1.7	-1.7	~	-1.4	~	~	~	-1.1	~	-2.3	-1.1	0.9	~	~	
2008-2019 change in pp	n.a.	n.a.	~	~	~	n.a.	-4.1	~	~	n.a.	~	5.0	~	~	~	n.a.	~	~	-11.5	~	n.a.	-9.2	~	~	-3.3	-14.1	-4.1	-18.2	-4.1	-3.9	~	~	
Population living in (quasi-) jobless households (in %)																																	
2019	8.5	8.3	8.3	9.0	9.0	12.4	9.3	4.2	9.3	7.6	5.4	13.6	13.8	10.8	7.9	9.2	10.0	6.8	7.6	7.5	7.5	5.0	4.9	9.2	7.8	4.7	6.2	6.0	5.2	6.2	9.7	8.6	
2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	~	~	~	~	-0.8	~	~	-2.0	-1.3	-1.8	~	-1.5	-0.8	-0.7	-0.6	0.6	~	-0.9	-1.0	-1.4	~	1.0	-1.1	~	
2008-2019 change in pp	n.a.	n.a.	~	~	~	~	~	-3.0	~	-4.1	n.a.	~	6.3	4.2	~	n.a.	~	2.3	2.2	~	n.a.	-7.0	-3.7	~	~	-3.3	~	-2.5	~	~	2.2	~	
Intensity of poverty risk	Relative median at-risk-of-poverty gap (in %)																																
	2019	24.2	24.5	24.5	24.2	24.2	16.3	27.5	14.1	18.8	23.2	22.0	14.8	27.0	29.1	16.5	26.2	30.0	16.0	28.2	26.0	24.6	28.9	17.1	17.1	23.9	22.0	22.4	33.0	18.2	25.2	14.9	21.7
	2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	~	1.2	~	~	-2.1	~	~	-2.7	~	-2.6	~	-2.2	~	4.8	~	-1.2	2.2	-1.3	-2.1	-2.2	~	~	~	1.8
2008-2019 change in pp	n.a.	n.a.	2.6	2.8	2.8	2.2	~	-4.4	n.a.	~	n.a.	-2.9	2.3	3.5	2.0	n.a.	6.8	~	~	~	n.a.	11.6	-3.2	2.2	4.0	~	~	~	~	7.1	~	3.7	
Persistence of poverty risk	Persistent at-risk-of-poverty rate (in %)																																
	2019	11.0	11.1	11.0	11.3	11.4	10.4	16.1	5.7	5.9	10.6	16.7	8.8	11.8	15.1	8.0	14.6	14.1	8.8	15.5	19.2	8.3	5.1	13.3	10.1	8.3	8.6	12.5	16.8	7.4	n.a.	6.5	7.4
	2018-2019 change in pp	n.a.	~	~	~	~	n.a.	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	-1.9	~	~	~	n.a.	~	~
2008-2019 change in pp	n.a.	n.a.	2.3	2.3	2.4	~	n.a.	1.8	n.a.	3.4	n.a.	n.a.	~	4.1	n.a.	n.a.	~	~	~	~	8.3	n.a.	-2.6	5.6	3.7	n.a.	~	~	n.a.	~	n.a.	~	4.8
Material and social deprivation	Material and social deprivation rate (in %)																																
	2019	12.1	12.4	12.5	11.1	11.2	11.0	33.6	5.3	7.1	6.5	7.7	13.2	31.1	14.0	13.1	10.3	11.9	13.3	15.5	20.1	3.4	20.3	9.9	4.7	5.6	8.3	13.2	38.7	6.1	11.4	4.8	4.0
2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	~	~	~	~	-2.8	~	~	-2.0	~	~	-5.1	-3.9	~	~	~	~	~	~	-1.3	-3.9	-2.6	~	~	~	
Income inequalities	Income quintile ratio (S80/S20)																																
	2019	5.1	5.0	5.0	5.0	5.0	3.6	8.1	3.3	4.1	4.9	5.1	4.0	5.1	5.9	4.3	4.8	6.0	4.6	6.5	6.4	5.3	4.2	4.2	3.9	4.2	4.4	5.2	7.1	3.4	3.3	3.7	4.3
	2018-2019 change in %	~	~	-2.5	~	~	n.a.	5.7	~	~	-3.6	~	-4.7	-7.3	~	~	-4.8	~	6.8	-3.5	-9.2	3.1	-2.8	~	-2.7	3.2	2.8	~	~	~	10.2	~	4.8
2008-2019 change in %	n.a.	n.a.	~	~	~	-6.7	25.0	~	~	n.a.	~	n.a.	-9.0	-13.2	6.3	~	n.a.	15.4	6.5	-10.0	5.4	n.a.	17.5	~	~	~	-14.6	-15.5	~	~	~	~	17.0

Dimensions		EU28	EU27 (2020)	EU27 (2007)	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
Child poverty and social exclusion	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)																																
	2019	23.4	22.2	22.2	22.2	22.2	22.3	34.1	13.0	13.2	15.0	20.3	23.2	30.5	30.3	22.5	20.7	27.8	23.0	18.9	26.5	25.4	22.4	23.6	15.5	19.5	16.0	22.3	35.8	11.7	22.0	14.3	23.1
	2018-2019 change in pp	~	-1.2	-2.0	-1.3	-1.3	n.a.	~	~	~	-2.3	2.4	~	-2.8	~	~	-3.0	-2.8	-2.5	-3.6	~	1.7	-1.4	~	~	~	-1.2	~	-2.3	-1.4	-1.8	-1.7	2.5
	2008-2019 change in pp	n.a.	n.a.	-4.3	~	~	~	n.a.	-5.6	n.a.	-5.1	n.a.	-3.4	~	~	~	n.a.	~	~	-13.5	~	n.a.	-11.0	~	~	~	-16.9	-7.2	-15.1	-3.6	~	~	5.8
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)																																
	2019	33.1	32.4	32.4	32.5	32.8	41.7	23.6	39.2	47.3	36.2	28.1	57.7	22.8	23.0	42.1	24.7	20.2	35.2	23.4	31.6	34.0	38.5	26.3	38.3	49.2	36.9	24.2	15.3	45.5	38.0	54.0	40.8
	2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	~	~	~	6.0	~	~	~	~	~	~	~	8.7	-6.4	-10.3	~	~	6.0	~	~	~	~	6.9	~	~
	2008-2019 change in pp	n.a.	n.a.	~	~	~	-10.4	~	-15.8	n.a.	~	n.a.	~	9.1	~	~	n.a.	~	~	9.2	7.8	n.a.	-20.7	-6.9	-8.9	7.9	~	~	-8.1	~	~	~	-14.2
Social consequences of labour market	At-risk-of-poverty rate for the population living in (quasi-) jobless households																																
	2019	60.9	62.7	62.7	61.5	61.6	63.3	74.9	60.7	58.2	65.6	64.3	48.7	52.4	59.2	59.2	69.2	65.1	45.3	75.8	74.9	51.2	56.1	71.3	61.1	53.0	63.1	59.4	73.7	66.0	77.3	57.2	80.7
	2018-2019 change in pp	~	~	~	~	~	n.a.	~	~	~	-2.9	-16.1	-9.7	~	-3.8	~	~	6.6	-12.1	~	-5.3	6.2	~	-4.6	4.3	-7.0	~	-5.5	~	~	~	~	~
	2008-2019 change in pp	n.a.	n.a.	7.0	6.3	6.3	17.1	~	5.3	n.a.	~	n.a.	~	12.1	7.8	9.4	n.a.	10.2	-5.1	-7.5	~	n.a.	7.6	9.7	21.4	~	13.9	6.2	25.0	11.0	24.2	~	28.3
Social consequences of labour market	In-work at-risk-of poverty rate (in %)																																
	2019	9.2	9.0	9.0	8.8	8.8	4.8	9.0	3.5	6.3	7.9	10.3	4.4	10.1	12.8	7.4	5.0	11.8	6.8	8.7	8.1	12.0	8.5	6.5	5.4	7.7	9.9	10.7	15.4	4.5	4.4	2.9	7.7
	2018-2019 change in pp	~	~	-0.4	-0.4	-0.4	n.a.	-1.1	~	~	-1.1	0.8	-0.4	-0.8	~	~	~	-0.5	-0.6	~	~	~	~	~	-0.7	~	~	1.1	0.4	-1.5	-1.6	~	0.6
	2008-2019 change in pp	n.a.	n.a.	~	~	~	~	1.4	~	n.a.	~	n.a.	-1.9	-4.1	1.5	~	n.a.	2.7	~	-2.0	-1.4	n.a.	2.7	1.4	~	~	-1.6	~	-1.5	~	-1.4	-2.2	~
Social consequences of labour market	Long-term unemployment rate (in %)																																
	2020	2.5	2.5	n.a.	n.a.	2.9	2.3	2.3	0.6	0.9	1.1	1.2	1.3	10.9	5.0	2.9	2.1	4.7	2.1	2.2	2.5	1.7	1.1	1.1	0.9	1.3	0.6	2.3	1.5	1.9	3.2	1.2	1.1
	2019-2020 change in pp	n.a.	~	n.a.	n.a.	~	~	~	~	~	~	~	~	-1.3	~	-0.5	~	-0.9	~	~	0.6	~	~	~	~	~	-0.5	~	~	~	~	~	~
	2008-2020 change in pp	~	~	n.a.	n.a.	~	~	~	~	~	-2.8	~	~	7.2	3.0	~	-3.2	~	~	~	~	~	-2.5	~	~	~	-1.8	~	~	~	-3.4	~	~
Youth exclusion	Early school leavers (in %)																																
	2020	10.3	9.9	n.a.	n.a.	10.2	8.1	12.8	7.6	9.3	10.1	7.5	5.0	3.8	16.0	8.0	2.2	13.1	11.5	7.2	5.6	8.2	12.1	16.7	7.0	8.1	5.4	8.9	15.6	4.1	7.6	8.2	7.7
	2019-2020 change in pp	n.a.	~	n.a.	n.a.	~	~	~	~	~	~	~	~	~	-1.3	~	~	~	~	~	~	~	~	~	~	~	~	-1.7	~	~	~	~	1.2
	2008-2020 change in pp	-4.4	-4.5	n.a.	n.a.	-6.1	-3.9	-2.0	2.0	-3.4	~	-6.5	-6.7	-10.6	-15.7	-3.8	-2.2	-6.5	-2.2	-8.3	~	-5.2	~	-10.5	-4.4	-2.1	~	-26.0	-3.7	~	~	~	~
Youth exclusion	Youth unemployment ratio (15-24)																																
	2020	6.0	6.4	n.a.	n.a.	6.7	4.4	3.1	2.2	7.0	3.9	7.7	6.7	7.4	11.4	7.2	6.9	7.0	7.0	5.2	7.2	7.5	4.0	5.8	6.3	5.9	3.4	6.8	5.2	4.5	5.4	11.2	12.5
	2019-2020 change in pp	n.a.	0.5	n.a.	n.a.	0.4	0.0	1.0	0.5	0.9	0.9	2.8	0.8	-0.5	0.7	0.0	1.4	-0.6	0.6	0.7	2.8	1.6	0.3	0.6	1.6	1.1	-0.1	0.5	0.2	1.6	0.6	1.9	1.4
	2008-2020 change in pp	-1.0	-0.3	n.a.	n.a.	-0.3	-1.6	-0.7	-0.9	0.4	-1.6	2.8	-2.2	0.8	-0.3	0.0	-1.8	0.5	3.2	-0.6	3.2	2.3	-0.9	-0.3	0.3	0.8	-2.3	0.0	-1.7	0.0	-0.8	2.4	1.8
Youth exclusion	NEETs (15-24)																																
	2020	10.1	11.1	n.a.	n.a.	11.3	9.2	14.4	6.6	7.4	7.3	8.9	12.0	13.2	13.9	11.4	12.2	19.0	14.4	7.1	10.8	6.6	11.7	9.2	4.5	8.0	8.6	9.1	14.8	7.7	10.7	9.3	6.5
	2019-2020 change in pp	n.a.	1.0	n.a.	n.a.	1.1	~	~	0.9	~	~	2.0	1.9	~	1.8	0.8	~	0.9	~	~	2.2	~	~	~	~	~	~	1.1	~	~	~	1.1	1.0
	2008-2020 change in pp	~	~	n.a.	n.a.	~	~	-3.0	~	2.2	~	~	-1.9	1.8	~	~	~	2.4	4.7	-4.7	2.0	~	~	~	~	~	~	~	-1.8	~	~	~	~
Active ageing	Employment rate of older workers (55-64) in %																																
	2020	60.0	59.6	n.a.	n.a.	60.2	53.3	64.2	68.2	71.4	71.7	72.0	61.8	44.6	54.7	53.8	45.5	54.2	61.0	68.6	67.6	44.0	59.6	52.9	71.0	54.7	51.8	60.7	48.5	50.5	58.3	67.5	77.6
	2019-2020 change in pp	n.a.	~	n.a.	n.a.	~	~	~	1.5	~	~	~	~	1.4	0.9	~	~	~	~	~	~	~	2.9	~	~	1.3	~	2.3	~	~	~	~	~
2008-2020 change in pp	14.7	16.0	n.a.	n.a.	16.0	18.8	18.2	20.6	15.4	18.0	9.7	8.0	~	9.2	15.6	8.4	19.9	6.2	9.5	14.6	9.9	28.7	22.8	21.0	15.9	20.2	10.0	7.8	17.7	19.1	11.0	7.5	

Dimensions	EU28	EU27 (2020)	EU27 (2007)	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	
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																																
	2019	18.9	18.5	18.4	17.0	17.2	16.5	47.8	17.7	10.0	18.7	44.6	19.4	21.1	15.7	11.2	33.6	19.8	25.9	50.5	37.4	9.6	14.4	29.1	12.6	14.5	19.2	20.0	33.9	20.5	14.2	15.3	15.4
	2018-2019 change in pp	~	~	~	~	~	n.a.	2.7	2.1	~	~	-2.8	-1.5	~	-1.9	1.3	1.6	~	2.4	~	-5.3	~	1.1	2.4	~	~	1.1	-1.2	1.1	~	2.3	1.3	~
	2008-2019 change in pp	n.a.	n.a.	-4.9	~	~	-5.5	n.a.	5.2	n.a.	~	n.a.	~	-7.0	-10.5	~	n.a.	-4.6	-23.4	-8.3	~	n.a.	~	~	~	-6.7	-7.7	-7.7	-15.5	-3.9	-7.7	-8.6	~
	Median relative income of elderly people																																
	2019	0.9	0.9	0.9	0.9	0.9	0.8	0.7	0.7	0.8	0.8	0.6	0.9	1.0	1.0	1.0	0.8	1.0	0.8	0.6	0.7	1.3	0.9	0.7	0.8	1.0	0.9	0.9	0.8	0.8	0.9	0.8	0.8
	2018-2019 change in %	~	~	~	~	~	n.a.	-10.7	~	~	~	1.8	~	~	5.3	-3.8	-5.1	~	-3.8	n.a.	6.3	~	-7.2	~	~	3.2	-3.3	2.2	-7.8	-2.4	-5.6	~	~
	2008-2019 change in %	n.a.	n.a.	7.1	6.9	8.1	~	~	-7.6	n.a.	~	n.a.	14.9	16.3	20.5	~	n.a.	14.8	30.5	9.4	~	n.a.	-10.0	~	~	11.4	-9.3	10.8	~	~	7.6	12.5	6.6
	Aggregate replacement ratio																																
2019	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.8	0.7	0.7	0.4	0.7	0.4	0.4	0.4	0.9	0.6	0.6	0.5	0.7	0.6	0.7	0.4	0.4	0.5	0.5	0.6	
2018-2019 change in %	~	~	~	~	~	n.a.	-9.8	-6.0	~	-4.3	7.3	8.6	18.8	~	-3.0	~	~	-4.7	-5.0	7.5	~	-6.8	-3.3	-3.8	4.8	~	~	-17.6	-4.4	-13.1	-3.7	~	
2008-2019 change in %	n.a.	n.a.	16.3	20.4	20.4	11.1	~	~	n.a.	~	n.a.	-22.4	85.4	66.7	~	n.a.	43.1	24.2	26.7	~	n.a.	-9.8	41.5	18.6	~	~	33.3	-16.0	~	~	~	-9.8	
Health	Self reported unmet need for medical care																																
	2019	2.0	1.7	1.7	1.3	1.3	1.8	1.4	0.5	1.8	0.3	15.5	2.0	8.1	0.2	1.2	1.4	1.8	1.0	4.3	1.4	0.2	1.0	0.0	0.2	0.3	4.2	1.7	4.9	2.9	2.7	4.7	1.4
	2018-2019 change in pp	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	-1.9	~	~	~	~	~	~	~	~	~	~	~	~	~
	2008-2019 change in pp	n.a.	n.a.	~	~	~	n.a.	-13.9	~	~	-1.9	8.2	~	2.7	~	~	n.a.	-3.4	~	-5.6	-4.3	~	-2.4	~	~	~	~	~	-6.2	n.a.	~	3.9	~
	Healthy life years at 65 - males																																
	2019	9.9	10.2	n.a.	n.a.	n.a.	10.5	9.2	8.0	10.7	11.5	6.4	13.1	8.1	12.4	10.4	4.6	10.6	8.1	4.5	6.0	10.1	6.7	14.4	10.2	7.7	8.1	7.9	6.7	8.7	4.6	9.3	15.9
2008-2019 change in %	19.3	29.1	n.a.	n.a.	n.a.	~	~	~	-10.8	82.5	60.0	40.9	-10.0	25.3	19.5	n.a.	39.5	-11.0	~	~	~	19.6	37.1	~	~	15.7	17.9	-16.2	n.a.	53.3	16.3	38.3	
Healthy life years at 65 - females																																	
2019	10.0	10.4	n.a.	n.a.	n.a.	10.7	10.4	8.2	11.8	12.8	7.2	14.1	7.7	12.3	11.6	4.9	10.2	7.1	4.8	6.4	10.6	7.4	15.1	9.6	7.7	9.0	6.9	6.5	8.6	4.7	9.6	16.6	
2008-2019 change in %	17.6	28.4	n.a.	n.a.	n.a.	~	10.6	~	~	91.0	67.4	36.9	~	39.8	14.9	n.a.	43.7	~	~	~	~	15.6	30.2	~	~	16.9	23.2	-19.8	n.a.	74.1	~	38.3	
Poverty and social exclusion of persons with disabilities	At risk of poverty or social exclusion for persons with disabilities (% of people with disabilities above 16 years)																																
	2019	29.1	28.4	28.3	27.7	27.8	30.1	51.3	24.6	20.3	28.7	40.0	37.8	33.2	32.5	22.9	37.4	29.5	33.0	42.1	39.9	26.0	26.5	33.5	24.3	22.2	27.6	28.7	37.0	23.7	19.2	22.5	28.3
	2018-2019 change in pp	~	~	-0.9	~	~	n.a.	~	~	~	-2.5	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~
2008-2019 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Access to decent Housing	Housing cost overburden rate																																
	2019	10.1	9.4	9.5	9.9	9.8	8.4	16.0	6.9	15.6	13.9	4.4	4.2	36.2	8.5	5.5	4.7	8.7	2.3	5.4	4.8	10.1	4.2	2.6	9.9	7.0	6.0	5.7	8.6	4.1	5.7	4.0	9.4
	2018-2019 change in pp	~	~	-0.8	~	~	n.a.	-1.9	-0.9	~	~	~	0.8	-3.3	~	0.8	~	~	~	-1.3	-0.8	0.8	-5.4	0.9	~	~	~	~	-1.7	-0.8	1.6	~	1.1
2008-2019 change in pp	n.a.	n.a.	~	1.7	~	-3.6	2.7	-5.9	n.a.	n.a.	n.a.	~	14.0	~	~	n.a.	~	~	-3.3	~	n.a.	-7.4	~	-3.8	~	-3.7	-1.9	-10.5	~	~	~	~	
Evolution in real household disposable income	Real change in gross household disposable income (in %)																																
	2018-2019 change in %	n.a.	2.3	n.a.	n.a.	1.8	3.1	n.a.	3.2	2.0	1.9	7.3	4.8	3.6	1.6	2.1	3.6	~	2.7	~	7.7	n.a.	4.6	n.a.	1.6	~	5.8	3.1	3.8	4.3	2.3	2.2	3.0
	2008-2019 change in %	n.a.	9.7	n.a.	n.a.	7.3	10.8	n.a.	23.5	23.8	16.6	28.0	14.6	-27.0	~	11.4	~	~	~	~	17.5	31.5	25.9	n.a.	11.1	~	42.1	~	34.6	13.7	25.0	13.4	34.2

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 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, due to a major break in EU-SILC data in 2019 the 2019 figures are not comparable to previous years, so "na" shown for comparison to 2018 and the longer term change refers to the period 2008-2018. In addition, major break in 2011 in the self-reported unmet need for medical examination (so trend for this not considered 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 (and population breakdowns) "n.a." shown for the period compared to 2008. Also a break in 2016 for EU-SILC based indicators, but comparison of changes are still valid; vi) For DK, breaks in series for the period since 2008 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 "n.a." shown for the 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 long-term comparison versus 2008); 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 2010-2019 shown for longer term change; xii) For SI, break in time series in Healthy Life Years indicator in 2010 which affects the comparison of change since 2008, and for the self-reported unmet need for medical care, where the change in the indicator is attributable to a minor change of question wording, better training of interviewers and sensibilisation of general public to the issue of waiting lists due to wide media debate;

Latest indications from available 2020 EU-SILC data

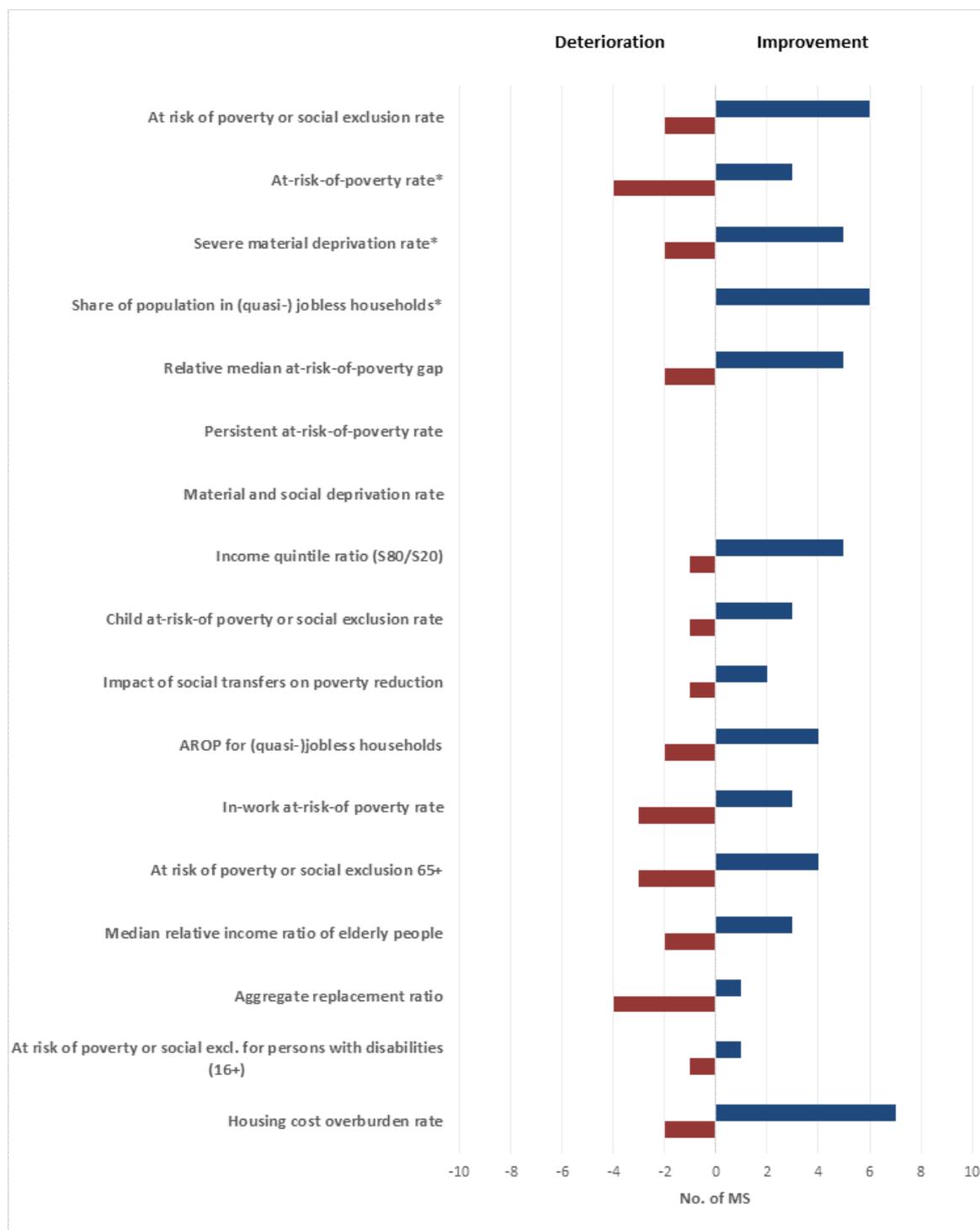
Just over half (14) of the Member States have already reported the results of the 2020 EU-SILC survey²⁷, while 19 have provided data or early estimates for the severe material deprivation (SMD) indicator. This section presents the findings based on this most recent data, although incomplete and with no estimates for the EU aggregate yet available. The table below (Table 5) shows the available figures for the changes in the EU-SILC based SPPM indicators between 2019 and 2020 surveys, highlighting where changes are significant²⁸.

The results (Figure 7) indicate significant improvements in the at-risk-of-poverty-or-social-exclusion rates in several countries (6) that have reported so far. Underlying this there were reductions reported in the severe material deprivation rate in 5 Member States and in the share of the population living in (quasi-)jobless households in 6. In addition, the housing cost overburden rate fell in 7 of the reporting countries, while the at-risk-of-poverty gap and the inequality measure the S80/S20 income share ratio have each improved in 5. There were no signs from the available EU-SILC 2020 figures of a major worsening in the social situation, with only the at-risk-of-poverty rate and the aggregate replacement ratio having a noticeable number of Member States (4 in each case) flagging up significant deterioration. It should be borne in mind, however, that the income-based and work intensity based indicators from EU-SILC actually refer to the situation in the previous year (i.e. 2019) rather than 2020.

27 This refers to the situation on 3rd September 2021, at which time 14 Member States (AT, BG, CY, DK, EE, EL, ES, FI, HR, HU, NL, RO, SI and SE) had reported 2020 SILC data for the SILC-based indicators included in the SPPM. For the SMD indicator, 19 Member States had provided early data or estimates.

28 The estimates of significance used are the statistical significance and substantive significance ones employed to investigate the changes 2018-2019.

Figure 7. Overview of the number of Member States showing an improvement or deterioration on EU-SILC based SPPM indicators between 2019 and 2020



Source: Social Protection Performance Monitor using available 2020 EU-SILC results.

Note: Figures available for 14 Member States for all indicators except SMD, where 19 countries have provided data by September 2021. The chart shows the number of Member States with a significant improvement on a given indicator in blue, and those with a significant deterioration in red. * At-risk-of-poverty rate (AROP), severe material deprivation rate (SMD) and the share of the population in (quasi-)jobless households indicators are components of the AROPE indicator.

Table 5: Dashboard of changes 2019-2020 for available EU-SILC based figures

	2019-2020 change	EU28	EU27_2020	EU27_2007	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
Europe 2020	At risk of poverty or social exclusion (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-0.7	n.a.	-0.4	n.a.	-1.0	n.a.	-1.1	1.1	n.a.	-0.1	n.a.	-1.0	n.a.	n.a.	n.a.	-1.1	n.a.	-0.2	0.6	n.a.	n.a.	-0.8	0.6	n.a.	0.4	-0.9
	At-risk-of-poverty rate (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2	n.a.	-0.4	n.a.	-1.0	n.a.	-0.2	0.3	n.a.	0.0	n.a.	-0.4	n.a.	n.a.	n.a.	0.0	n.a.	0.4	0.6	n.a.	n.a.	-0.4	0.4	n.a.	0.6	-1.0
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																																
	2019-2020 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.6	n.a.	-0.6	n.a.	4.3	n.a.	6.6	6.0	n.a.	7.2	n.a.	2.4	n.a.	n.a.	n.a.	9.2	n.a.	1.6	1.7	n.a.	n.a.	8.7	3.3	n.a.	1.3	2.4
Intensity of poverty risk	Severe material deprivation rate (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1.5	-0.3	-0.2	n.a.	-0.5	n.a.	0.3	2.3	0.1	-0.3	n.a.	-0.8	n.a.	-1.7	n.a.	-0.7	-0.3	-0.4	0.1	n.a.	n.a.	0.7	0.4	-2.0	0.2	0.0
	Population living in (quasi-) jobless households (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-0.8	n.a.	-0.2	n.a.	-0.7	n.a.	-1.0	-0.9	n.a.	-0.6	n.a.	-1.2	n.a.	n.a.	n.a.	0.0	n.a.	-0.3	-0.7	n.a.	n.a.	0.3	-0.4	n.a.	0.2	-0.1
	Relative median at-risk-of-poverty gap (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.8	n.a.	0.5	n.a.	-0.2	n.a.	-0.1	0.3	n.a.	1.8	n.a.	0.9	n.a.	n.a.	n.a.	7.4	n.a.	0.0	-1.2	n.a.	n.a.	-1.1	-1.3	n.a.	-1.2	-1.8
Persistence of poverty risk	Persistent at-risk-of-poverty rate (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2	n.a.	1.0	n.a.	-2.9	n.a.	-0.1	2.6	n.a.	-1.5	n.a.	-0.1	n.a.	n.a.	n.a.	-0.8	n.a.	-0.9	-0.1	n.a.	n.a.	0.2	-0.4	n.a.	-0.2	-1.9
Material and social deprivation	Material and social deprivation rate (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.1	n.a.	-0.5	n.a.	-1.1	n.a.	-0.7	1.4	n.a.	-0.9	n.a.	-1.9	n.a.	n.a.	n.a.	-1.8	n.a.	-0.6	0.0	n.a.	n.a.	0.2	0.0	n.a.	-0.2	-0.1
Income inequalities	Income quintile ratio (S80/S20)																																
	2019-2020 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1.1	n.a.	-2.2	n.a.	-1.0	n.a.	0.8	-2.9	n.a.	-3.2	n.a.	-5.9	n.a.	n.a.	n.a.	1.7	n.a.	2.5	-1.4	n.a.	n.a.	-6.5	-2.1	n.a.	0.8	-4.8
Child poverty and social exclusion	At-risk of poverty or social exclusion rate of children (% of people aged 0-17)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-0.8	n.a.	-0.8	n.a.	-2.5	n.a.	0.5	0.8	n.a.	-0.5	n.a.	0.4	n.a.	n.a.	n.a.	-4.7	n.a.	0.6	2.7	n.a.	n.a.	0.5	0.5	n.a.	0.7	-3.1
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.2	n.a.	5.1	n.a.	3.5	n.a.	2.2	0.3	n.a.	-1.6	n.a.	-0.5	n.a.	n.a.	n.a.	5.6	n.a.	-2.2	-8.1	n.a.	n.a.	0.5	-0.8	n.a.	-2.6	1.9
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																																
2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.7	n.a.	-6.8	n.a.	2.5	n.a.	0.3	2.0	n.a.	-3.3	n.a.	4.5	n.a.	n.a.	n.a.	6.3	n.a.	6.4	2.3	n.a.	n.a.	0.7	-3.4	n.a.	1.2	-4.9	
Social consequences of labour market	In-work at-risk-of-poverty rate (in %)																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	n.a.	-0.2	n.a.	0.2	n.a.	-0.3	-1.0	n.a.	0.1	n.a.	0.6	n.a.	n.a.	n.a.	-0.7	n.a.	0.3	-0.5	n.a.	n.a.	-0.7	0.5	n.a.	0.3	0.0
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	n.a.	1.7	n.a.	-2.1	n.a.	-1.2	4.8	n.a.	0.2	n.a.	-1.9	n.a.	n.a.	n.a.	4.4	n.a.	-0.4	0.0	n.a.	n.a.	-2.4	0.6	n.a.	-0.6	0.1
	Median relative income of elderly people																																
	2019-2020 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.0	n.a.	1.3	n.a.	3.4	n.a.	1.0	0.0	n.a.	1.3	n.a.	2.6	n.a.	n.a.	n.a.	-3.3	n.a.	1.3	-1.0	n.a.	n.a.	3.6	0.0	n.a.	-1.2	-1.2
Poverty and social exclusion of people with disabilities	Aggregate replacement ratio																																
	2019-2020 change in %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-8.1	n.a.	-6.2	n.a.	-2.3	n.a.	1.3	4.3	n.a.	0.0	n.a.	2.4	n.a.	n.a.	n.a.	-3.6	n.a.	0.0	-6.2	n.a.	n.a.	-2.4	-2.3	n.a.	0.0	0.0
	At risk of poverty or social exclusion for persons with disabilities (% of people with disabilities above 16 years)																																
2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	n.a.	1.5	n.a.	0.4	n.a.	-2.3	1.3	n.a.	0.8	n.a.	0.3	n.a.	n.a.	n.a.	1.2	n.a.	0.6	0.1	n.a.	n.a.	-2.0	3.3	n.a.	-0.2	0.7	
Access to decent Housing	Housing cost overburden rate																																
	2019-2020 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1.6	n.a.	-1.5	n.a.	8.0	n.a.	-3.6	-0.3	n.a.	-0.5	n.a.	-0.4	n.a.	n.a.	n.a.	1.0	n.a.	-1.6	-0.7	n.a.	n.a.	-1.5	0.3	n.a.	0.1	-1.1

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;

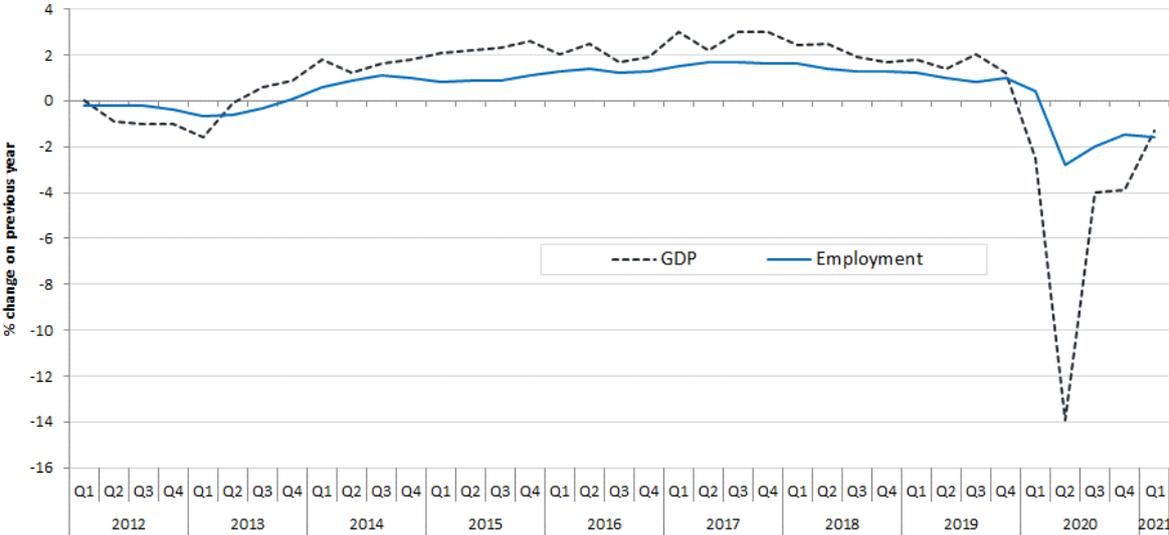
Developments in the social situation from 2020 onwards, following the COVID-19 outbreak

This section provides an overview of the very latest evolution in the social situation in the EU²⁹ and its Member States from 2020 onwards, in light of the COVID-19 crisis, based on the currently available data. It uses a range of more timely sources to provide an initial overview of how the social situation is developing, with preference here given to timeliness and relevance of data/indicators rather than their precision, together with some initial estimates of the impact of the pandemic on household incomes and poverty.

Economic, employment and household income developments

The COVID-19 pandemic that struck Europe in the beginning of 2020 presented an unprecedented challenge across the European Union, and indeed across much of the world, and has led to a major economic shock. The health crisis and the necessary containment measures adopted to fight the pandemic have taken a toll on the EU economy, with GDP falling by 11.2% in the second quarter of 2020 compared to the previous quarter, and by 13.9% compared to a year earlier (the sharpest contraction observed since the time series started in 1995). The number of employed persons in the EU decreased by 2.7% compared with the first quarter, and by 2.8% compared with a year earlier (Figure 8), but short-time work schemes and other similar measures helped to mitigate significantly the reduction in employment.

Figure 8: Real GDP and employment growth (% change on previous year) in the EU27 (2020 composition), 2012-2021



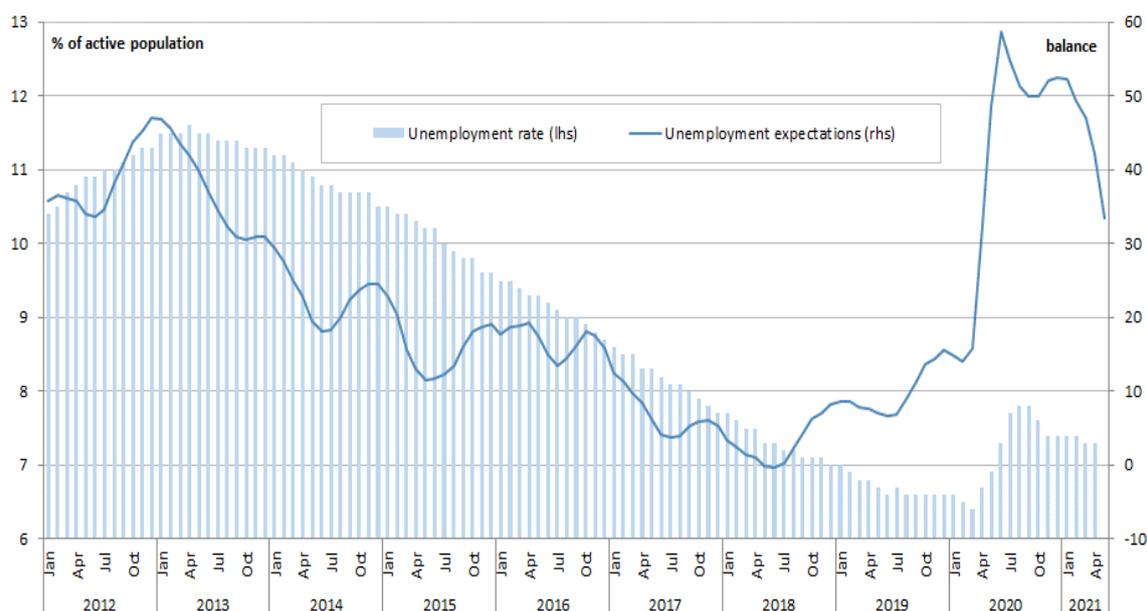
Source: Eurostat, National Accounts [namq_10_gdp, namq_10_pe]. Data not seasonally adjusted.

²⁹ In this section the focus is on the EU27 composition of Member States from 2020 (ie. without the UK), the UK having left the EU in early 2020.

Although there was a strong rebound in Europe's economy in the third quarter of 2020, as restrictions were eased over the summer, the rebound stalled in the fourth quarter and was more limited in the first quarter of 2021, as fresh public health measures were introduced to contain the new COVID-19 wave. As a result, GDP remained around 4% below the previous year's levels in both the third and fourth quarters of 2020, before improving to 1.3% below in the first quarter of 2021. Employment also partially recovered in the third (up 0.9% quarter-on-quarter) and fourth quarters (up 0.4%), but declined slightly in the first quarter of 2021 (down 0.3%), and remained well down (of the order of 1.6%) on levels compared to a year earlier.

The unemployment rate in the EU rose to 7.8% in August 2020, before edging down subsequently to 7.4% by the end of the year and 7.3% by spring 2021, in line with consumers' expectations for unemployment over the next 12 months (Figure 9). This nevertheless remains around 1 pp higher than the low of 6.4% of March 2020. Unemployment rates have decreased from their peaks in most Member States.

Figure 9: Unemployment rate versus unemployment expectations in the EU



Source: Eurostat, series on unemployment; European Commission, Business and Consumer Surveys [une_rt_m, ei_bsc0_m]. Data seasonally adjusted

Notes: Unemployment expectations: consumers' expectations for unemployment in the country over next 12 months, moving average over past 3 months. The right scale is the balance between the share of respondents who expect higher unemployment and those who expect a lower one.

The European Commission's Summer 2021 Economic Forecast³⁰ reports that the improving health situation, linked to increasing vaccination rates, and the ensuing continued easing of containment measures are putting the EU economies back in motion. GDP in the EU is now forecast to expand by 4.8% in 2021 and by 4.5% in 2022, and with the volume of output projected to return to its pre-crisis level (2019-Q4) in the last quarter of 2021. The speed of the recovery will vary significantly across the Member States, with some expected to see economic output return to their pre-

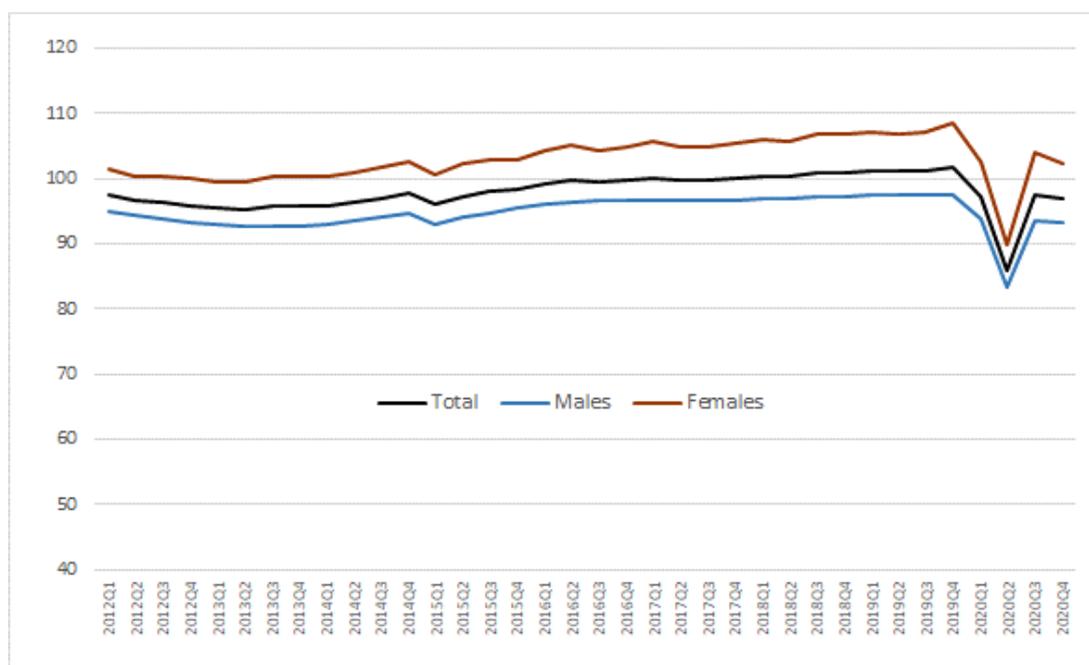
³⁰ [Summer 2021 Economic Forecast: Reopening fuels recovery | European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/summer-2021-economic-forecast-reopening-fuels-recovery)

pandemic levels by the third quarter of 2021, while for others it would take longer. All Member States are nevertheless expected to see the gap to their pre-crisis output levels close by the end of 2022.

With labour market conditions slowly improving after the initial impact of the pandemic, a previous forecast saw the annual unemployment rate in the EU falling to 7.0% by 2022, nonetheless remaining higher than pre-crisis levels. Employment is expected to take time to fully recover, as there is scope for working hours to increase before companies start hiring again. The labour market outlook hinges not only on the speed of the economic recovery, but also on the timing of policy support withdrawal and the pace at which workers are reallocated across sectors and firms.

Adjustment in the labour market during the pandemic has mainly taken place through reductions in working time and temporary layoffs, to a large degree supported by government financed short time working, temporary layoff and furlough schemes. As a result, there was a sharp fall in total hours worked in the first and second quarters of 2020 (Figure 10), which was then followed by a marked rise in the third quarter as economic activity partly recovered. The levels of total actual hours worked are influenced by the total number of persons working, as well as the number of hours worked by each of these persons. For women, the index of hours worked dropped from 108 to 90 index points between the fourth quarter of 2019 and the second quarter of 2020, compared to a drop of 98 to 83 for men. Total hours worked then increased for both in the third quarter, before edging down in the fourth quarter and remaining some 6 and 4 index points down respectively on the levels at the end of 2019.

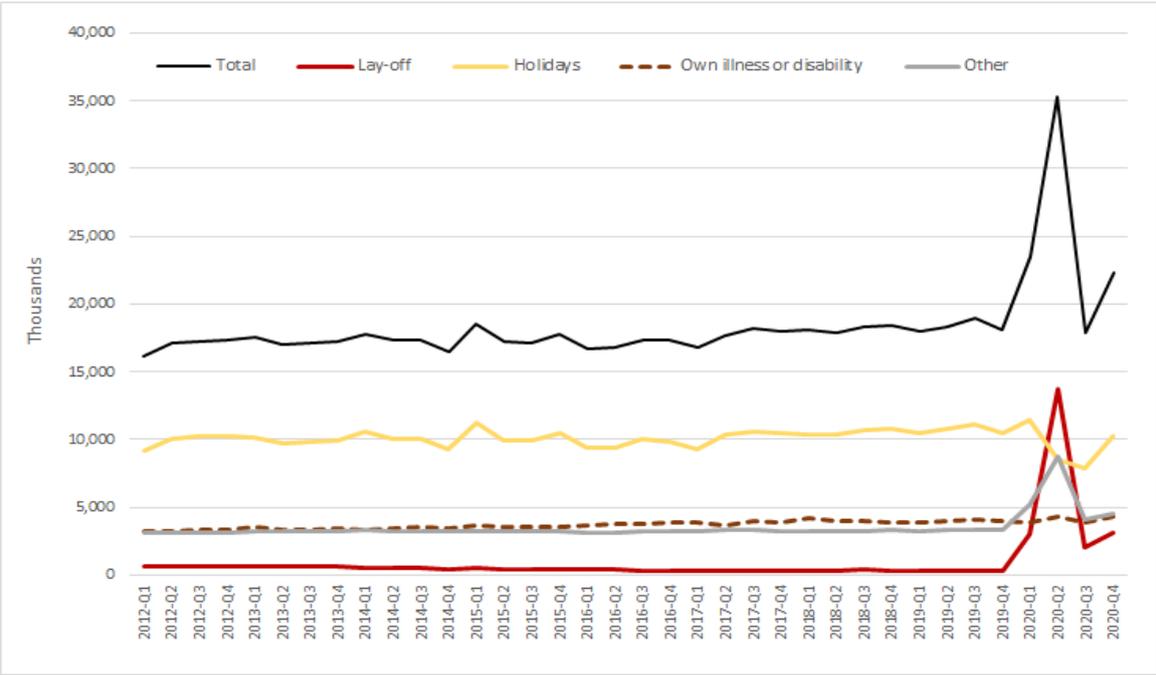
Figure 10: Trends in hours worked in the EU 2012 to 2020 Q4



Source: Eurostat, Labour Force Survey. (2006=100). Seasonally adjusted data, not calendar adjusted.

The number of people aged 20-64 absent from work rose dramatically in the second quarter of 2020 to reach over 35 million. This increase was to a large extent due to a sharp increase in temporary lay-offs, which rose from 0.3 million persons in the last quarter of 2019 to 13.8 million persons in the second quarter (Figure 11). Absences for “other” reasons, which include, but are not limited to, absences due to personal or family responsibilities also increased markedly (from 3.3 million to 8.7 million). The overall number of people absent from work then fell back sharply in the third quarter, as restrictions eased and many resumed work, but then picked up again in the fourth quarter with the second wave of the pandemic, although to a much lesser extent than during the first wave. In the fourth quarter of 2020, a total of 22.3 million people aged 20-64 were absent from work in the EU, 13 million fewer than in the second quarter, but 4.5 million more than in the third quarter.

Figure 11: Trends in absences from work by reason in the EU, 2012 to 2020 Q4



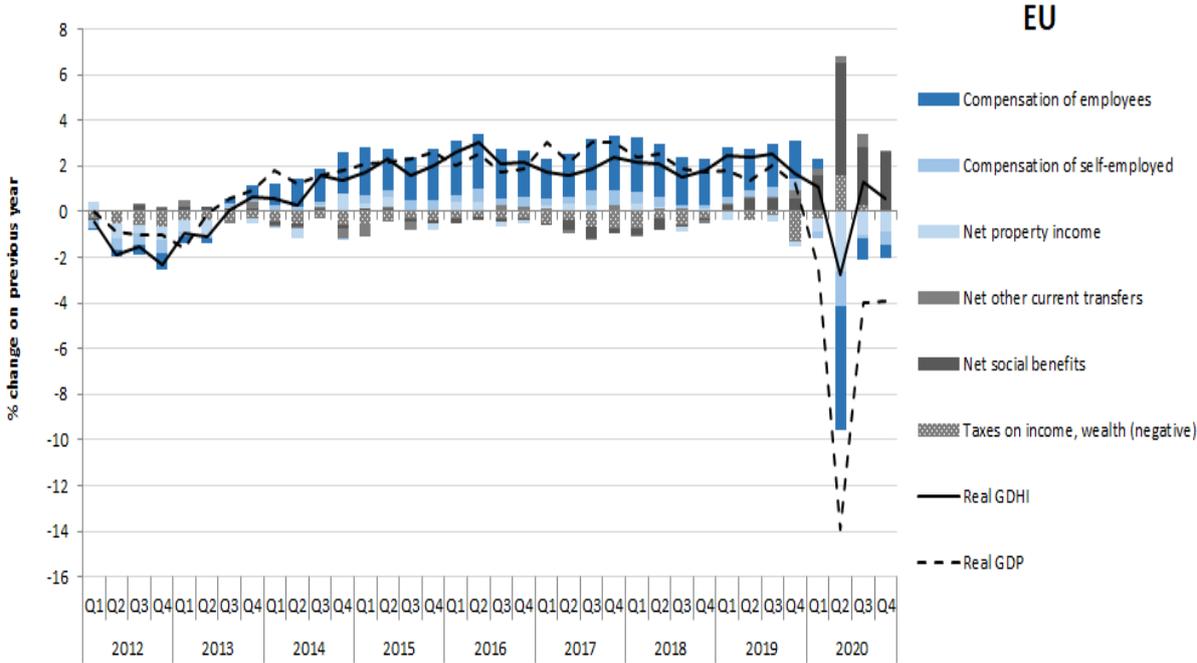
Source: Eurostat, Labour Force Survey. Seasonally adjusted data, not calendar adjusted.

The activity rate in the EU for the working age population fell by 1.4 pps between the last quarter of 2019 and the second quarter of 2020, but had almost recovered to pre-crisis levels by the last quarter of 2020 (remaining down by only 0.2 pps). Underlying this overall trend, the declines for men and women were similar through to the second quarter of 2020, but subsequently the recovery in the rate for women was stronger (back to the 2019 Q4 level by the last quarter of 2020), while it remained 0.5 pps lower for men. In terms of age groups, young people (aged 15-24) saw strong falls in activity rates of 2.6 pps through to the second quarter and these only recovered weakly to 1.7 pps below the 2019 Q4 level by the last quarter of 2020. While activity rates for those of prime working age and older workers also declined in the first half of 2020, they had fully recovered for the former by the last quarter and were actually 0.7 pps higher for the latter.

Turning to the impact on household income, year-on-year growth in aggregate household incomes in the EU27, as measured through real gross household disposable income (GHDl), fell sharply in the second quarter of 2020 (down 2.7% on a year earlier), but recovered strongly in the third quarter (Figure 12). It then edged down in the last quarter, with household disposable income ending the year up by 0.6% compared to a year earlier. Over 2020 there was a very strong positive contribution to overall income from (net) social benefits, which played a major role in mitigating the overall drop in household incomes in the second quarter, also supported to a lesser extent by adjustments to taxes on income and wealth. This continued in the third and fourth quarters, with growth in income from social benefits more than offsetting the declines in compensation of employees and of the self-employed (which were much reduced compared to the second quarter decline) and the fall in net income from property.

All in all, social protection systems were the main stabilisation factor in supporting household incomes in 2020. Contrary to the positive development in real GDHI, real GDP remained around 4% down year-on-year, indicating that policies in place continued to mitigate the effect of the fall in GDP on household incomes and reflecting a continuing strong automatic stabilisation effect of social protection systems on household incomes as well as of additional policy measures taken.

Figure 12: Real GDP growth, real GHDl growth and its main components - EU



Source: Eurostat, National Accounts [nasq_10_nf_tr and namq_10_gdp]. Data non-seasonally adjusted.

Notes: DG EMPL calculations. The nominal GHDl is converted into real GHDl by deflating with the deflator (price index) of household final consumption expenditure. The real GHDl growth for the EU is DG EMPL estimation, and it includes Member States for which quarterly data based on the ESA2010 are available (which account for 95% of EU GHDl). It is a weighted average of real GHDl growth in Member States.

Financial distress among consumers based on EU consumer surveys

A “financial distress” indicator derived from harmonised EU consumer surveys (see Box 3) is one of the most timely indicators available and well suited to signal changes in the financial situation of households by broadly defined income groups (income quartiles).

Box 3: Financial distress indicator

The Commission collects monthly information on consumer sentiment as part of the programme of joint harmonised EU business and consumer surveys. These very timely surveys include a question on household financial situations, which has been used to derive a “financial distress” indicator. The indicator focuses on households declaring that they had to “draw on their savings or go into debt in order to meet current expenditure”. Breakdowns are provided by household income quartile.

The “financial distress” indicator provides a timely indication of trends in the share of the population whose households are facing financial difficulties, and how households in the different income quartiles have been affected by the crisis. While subjective, it can provide a timely indication of the deterioration/improvement in the financial situation of households, and help to signal expected notable developments in the main indicators derived from EU-SILC. Still, both its subjective nature and the limited information on sampling and data-collection issues require some caution in the interpretation of the results.

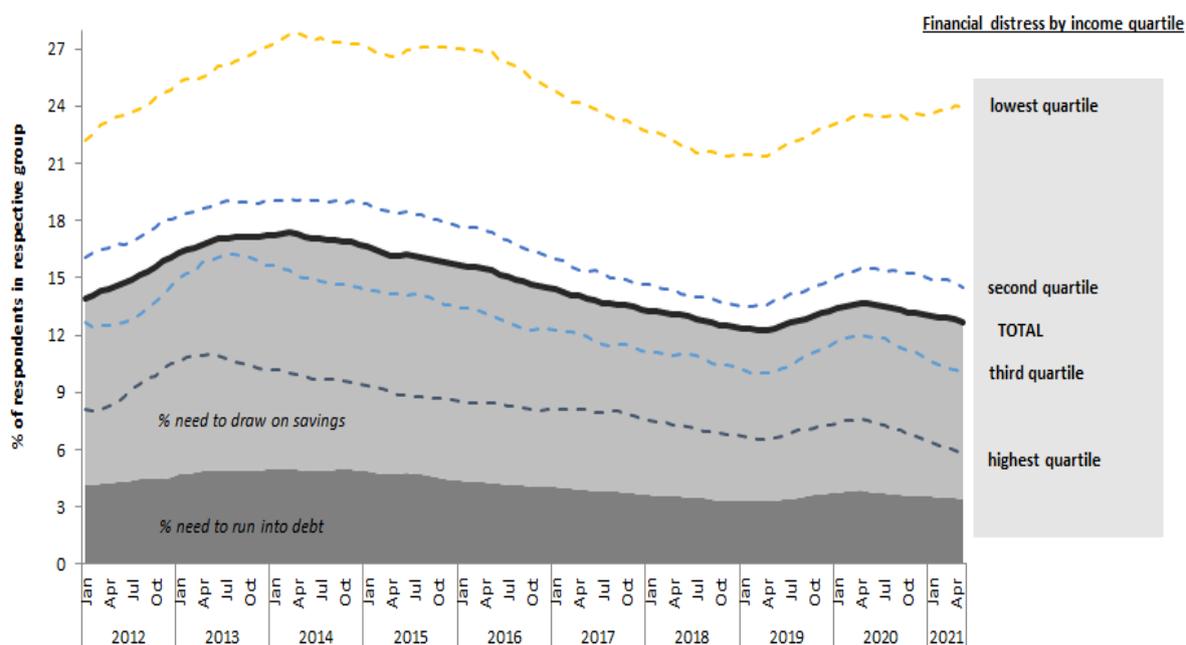
The latest data available indicates that the overall share of people in the EU reporting financial distress continued to edge down in recent months. After peaking in April 2020 it has been on a gradually reducing trend since then (Figure 13). In May 2021, 12.7% of the population reported being in financial distress, 1 pp lower than the April 2020 peak of 13.7%. Underlying the May 2021 figure, 9.3% reported a need to draw on savings and 3.4% the need to run into debt.

This reduction in financial distress following the outbreak of the COVID-19 pandemic may appear counterintuitive, but seems to reflect lower household expenditure coupled with a higher household saving rate. Data show that in the second quarter of 2020 household final consumption expenditure in the EU27 suddenly fell year-on-year (falling 17.3%) and was still 3.6 % lower in the third quarter compared to a year earlier. At the same time, the household saving rate was 4.5pp higher in the third quarter compared to a year earlier.

However, financial distress remains particularly high for those on low incomes and, unlike for other income groups, has actually been rising over recent months. In fact, the overall improvement in the financial distress indicator since spring 2020 mainly reflects the reductions for the more affluent groups in the third and fourth income quartiles, which saw falls of 1.9 pp and 1.8 pp respectively compared to their corresponding peaks in April 2020, while financial distress among the lower

income quartile rose 0.4 pp over the same period. In May 2021, 24.0% of those in the lowest income quartile reported being in financial distress, compared to 5.8% for those in the highest income quartile, and with the gap between them increasing almost continuously since the outbreak of the pandemic. Shares of those in financial distress in the second and third quartiles were 14.5% and 10.1% respectively. These results suggest that the financial impact of the crisis continues to be felt much more strongly by those in the lower part of the income distribution.

Figure 12: Reported financial distress in the EU by income quartile – 2012 to 2021

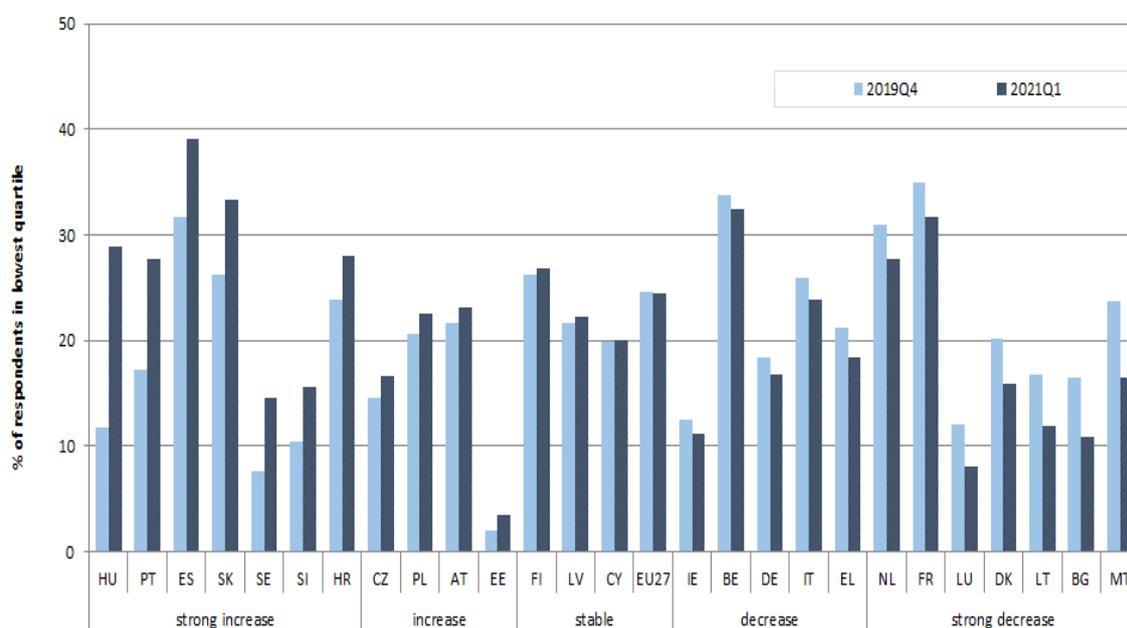


Source: European Commission, Business and Consumer Surveys. 12-month moving average (DG EMPL calculations)

Notes: Reported financial distress by income quartile, and components of reported financial distress (share of adults reporting necessity to draw on savings and share of adults reporting need to run into debt). The overall share of adults reporting having to draw on savings and having to run into debt are shown respectively by the light grey and dark grey areas, which together represent total financial distress.

Reported financial distress has increased for the lowest income quartile in several Member States since the pandemic hit, but there is a wide diversity in levels and trends (Figure 14). By the first quarter of 2021 financial distress was higher in eleven countries compared to the last quarter of 2019, most markedly in Croatia, Hungary, Portugal, Slovakia, Slovenia, Spain and Sweden. Spain was the country with the highest overall share of people in the lowest income quartile reporting financial distress, followed by Slovakia, Belgium and France (all above 30%). In a few countries (Cyprus, Finland and Latvia) shares remained rather stable. In contrast, decreases were recorded in twelve Member States, most notably in Bulgaria, Denmark, France, Luxembourg, Lithuania, the Netherlands and Malta.

Figure 14: Reported financial distress in lowest income quartile across Member States, 2019 Q4 and 2021 Q1



Source: European Commission, Business and Consumer Surveys. 3-month moving average (DG EMPL calculations)

Trends in social expenditure and the take-up of selected social benefits

Since the financial crisis of 2008, the SPC has been collecting data on the number of social benefit recipients for different social schemes³¹ (generally unemployment, social assistance and disability benefits). From this data, it is possible to get an idea of how the COVID-19 crisis is putting pressure on social security systems across the EU.

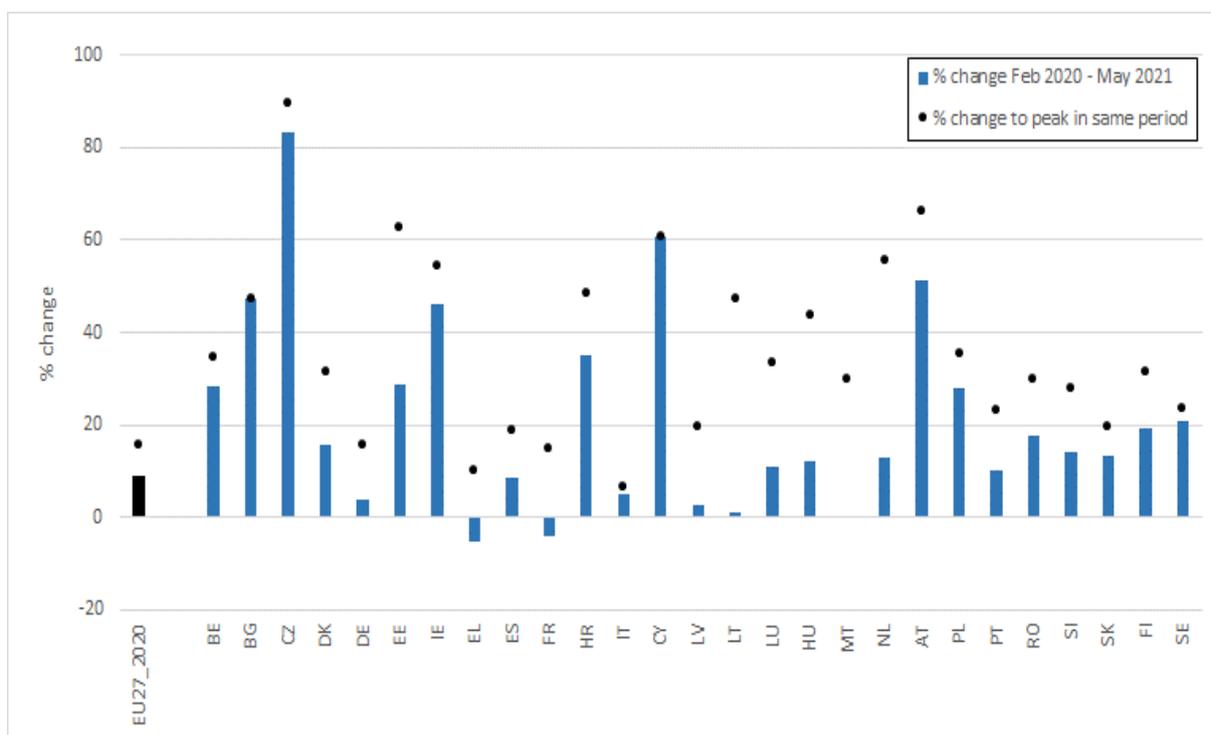
The latest figures, generally covering up to spring or early summer 2021 for around two-thirds of Member States, suggest the following main recent developments identified from the administrative data:

- In the initial period following the COVID-19 outbreak in the EU the recourse to emergency support measures which preserved the link with employment was massive and this prevented a sudden, substantial increase of 'classic' unemployment. However, in spite of the important national measures adopted to protect workers, the impact of the COVID-19 crisis on EU employment is very significant and unemployment in the EU rose from May onwards to peak at 16.3 million in August and September, before edging down over the following months. By May 2021, although remaining above pre-pandemic levels for most countries, unemployment levels were well down on the peak values recorded following the outbreak of the pandemic in a large majority of Member States (Figure 15).

³¹ Although this information needs to be assessed with due caution (as it does not offer cross-country comparability due to the diversity of concepts and underlying definitions used) the numbers of beneficiaries are available every month in most Member States, and help to observe trends and the timing of the impact of crises.)

- With few exceptions there was an (often sharp) uptick in unemployment benefit recipients in Member States in the months following the COVID outbreak, with especially marked relative increases to peak values in BG, EE, ES, HU, MT, RO and SK. Among those countries for which more recent data are available, the relative rise in unemployment benefit recipients since February 2020 to spring or early summer 2021 remains especially strong (a relative increase of around 40% or more) in EE, PT, RO, SK and SE (Table 6). However, in the majority of Member States the number of unemployment recipients has declined in the latest months, in contrast to the sharp rises in the months following the COVID outbreak and the peak levels recorded in 2020.
- In contrast, for most countries there was not much to signal so far in terms of increases in the number of recipients of social assistance benefits, with no clear signs of a general marked rise in recipient levels following the start of the pandemic (Table 7). However, for some Member States (such as CZ, EL, ES, LV, LT and SI) there have been notable rises observed in numbers of recipients of these benefits at some point over the last year.

Figure 15: Rise in unemployment levels (ILO definition) since the start of the crisis - percentage change in total unemployment from February 2020 to May 2021



Source: Eurostat, monthly unemployment figures

Table 6: Change in unemployment benefit recipient numbers from February 2020 to latest month of data available and to the post-pandemic peak

	Change in unemployment benefit recipient numbers from February 2020 to latest month of data available			Change in unemployment benefit recipient numbers from February 2020 to peak month of data available		
	Absolute change (1000s)	Relative change (%)	Latest month of data	Absolute change (1000s)	Relative change (%)	Month of post-February 2020 peak
BE	-44.1	-11.6	Jun 2021	25.1	6.6	Aug 2020
BG	10.9	14.5	Mar 2021	59.9	79.8	May 2020
CZ	-15.0	-16.7	Jun 2021	18.0	20.0	Jan 2021
DK	-7.3	-7.9	June 2021	31.0	33.2	Feb 2021
DE	31	0.7	July 2021	443	9.7	July 2020
EE	5.4	42.9	June 2021	9.1	72.9	Feb 2021
IE	-5.0	-2.9	Jun 2021	17.0	10.0	July 2020
EL	-16.0	-6.9	Apr 2021	23.0	9.9	Mar 2021
ES	67.7	3.4	May 2021	2945.6	147.1	May 2020
FR	293.9	10.0	Mar 2021	717.9	24.3	May 2020
HR	-13.6	-36.1	May 2021	5.4	14.3	May 2020
IT	na	na	-	na	na	-
CY	-12.0	-60.0	Feb 2021	2.0	10.0	Mar 2020
LV	-7.0	-18.9	Jun 2021	13.0	35.1	July 2020
LT	6.3	9.4	May 2021	25.0	37.3	Jan 2021
LU	0.8	9.3	May 2021	2.0	22.8	June 2020
HU	5.3	7.3	Dec 2020	59.0	80.8	May 2020
MT	0.1	11.2	May 2021	2.1	211.1	May 2020
NL	13.0	6.3	May 2021	65.0	31.6	June 2020
AT	35.0	11.5	Mar 2021	159.0	52.3	April 2020
PL	-17.2	-11.1	June 2021	30.9	20.0	June 2020
PT	92.9	50.6	May 2021	92.9	50.6	May 2021
RO	21.0	36.8	May 2021	44.0	77.2	Dec 2020
SI	-6.7	-27.7	May 2021	7.1	29.5	May 2020
SK	37.0	90.5	May 2021	37.0	90.5	May 2021
FI	110.0	33.4	Dec 2020	180.0	54.7	April 2020
SE	116.1	48.1	Apr 2021	116.1	48.1	Apr 2021

Source: SPC data collection on social benefits recipients

Table 7: Change in social assistance benefit recipient numbers from February 2020 to latest month of data available and to the post-pandemic peak

	Change in social assistance benefit recipient numbers from February 2020 to latest month of data available			Change in social assistance benefit recipient numbers from February 2020 to peak month of data available		
	Absolute change (1000s)	Relative change (%)	Latest month of data	Absolute change (1000s)	Relative change (%)	Month of post-February 2020 peak
BE	10.6	7.1	March 2021	11.0	7.4	Feb 2021
BG	4.0	20.0	May 2021	5.0	25.0	Nov 2020
CZ	8.0	13.6	May 2021	9.0	19.3	Apr 2021
DK	-11.9	-17.1	July 2021	2.4	3.4	April 2020
DE	na	na	-	na	na	-
EE	na	na	-	na	na	-
IE	-5.0	-33.3	Jun 2021	<i>Figures lower than Feb 2020</i>		
EL	59.2	13.7	May 2021	89.0	20.5	Apr 2021
ES	315.8	86.1	May 2021	315.8	86.1	May 2021
FR	36.4	1.9	Apr 2021	147.7	7.7	Nov 2020
HR	-4.0	-6.7	May 2021	<i>Figures lower than Feb 2020</i>		
IT	na	na	-	na	na	-
CY	-8.1	-23.0	June 2021	<i>Figures lower than Feb 2020</i>		
LV	4.0	40.0	May 2021	4.0	40.0	May 2021
LT	8.7	12.9	June 2021	13.4	20.0	Apr 2021
LU	0.7	7.4	May 2021	0.7	7.4	May 2021
HU	3.0	3.2	Dec 2020	10.0	10.5	July 2020
MT	-0.1	-1.4	May 2021	<i>Figures lower than Feb 2020</i>		
NL	17.0	4.1	May 2021	18.0	4.3	April 2021
AT	na	na	-	na	na	-
PL	na	na	-	na	na	-
PT	18.1	9.1	May 2021	18.1	9.1	May 2021
RO	-4.0	-2.4	May 2021	7.0	4.1	Jan 2021
SI	14.1	14.8	Jun 2021	16.1	16.9	Apr 2021
SK	-2.1	-3.4	May 2021	3.6	6.0	July 2020
FI	4.0	2.7	May 2021	27.0	18.4	June 2020
SE	-2.4	-2.5	Mar 2021	0.6	0.6	Apr 2020

Source: SPC data collection on social benefits recipients

Trends in Member States regarding the number of benefit recipients can be found in the related chart in the country profiles produced as a separate annex to this SPC annual report.

Trends in the number of recipients of special crisis support measures

In most EU countries, social protection schemes protect individuals and companies against situations of temporary loss of activity due to extraordinary circumstances. Many countries have decided to put in place extraordinary income support measures or to significantly modify/expand existing ones. These programmes are normally outside the scope of the regular ISG data collection, but information on them enable a fuller account of the reach of COVID-response

measures, and so information has been collected via the SPC-ISG and EMCO-IG on the following sorts of measures:

- the take up of short time work schemes³² or similar measures such as temporary unemployment schemes (e.g. furlough, or temporary layoff from work) where a link to the job is maintained;
- other main emergency measures aimed at supporting the self-employed and households (e.g. extraordinary payments as income support, sickness benefits schemes to protect workers and self-employed in quarantine or self-isolation for a limited period of time, "caring benefits" (i.e. earnings replacement paid to people who need to suspend earnings activities to take care of a child or a sick relative), etc.).

The information and figures collected via the EMCO and SPC are presented in Table 8 (for short time work schemes or similar measures) and in the remaining tables (Tables 10 to 12) in an appendix to this report. It should be noted that the figures present information on the developments in the emergency benefits situation in Member States and are not fully comparable across countries, and for this reason the focus should be on the evolution in numbers of the recipients within countries, rather than on the levels.

[Short time work schemes or similar measures](#)

Regarding short time work (STW) schemes or similar measures such as partial unemployment schemes, temporary unemployment schemes, furlough etc., where a link to the job is maintained, for those Member States for which figures are available there were a total of at least 17.3 million people receiving benefits under such schemes in March 2020, massively up from 0.6 million in February (Table 8 in annex 2). The number of persons receiving support continued to increase sharply in April 2020, reaching more than 33 million people, before reducing slightly in May.

For most Member States the number of recipients seems to have peaked in April or May 2020 and then declined markedly through to the summer to reach below 9 million in September and October 2020. Although figures then started to increase again, following the second wave of COVID infections and related sanitary measures, the number of recipients did not rise to anywhere near the levels seen during the first wave. Over the first months of 2021, the number of recipients started to edge down again.

A rough comparison of the maximum reported monthly number of recipients of such support to date in each Member State to the size of the active population (Table 9) shows that the schemes in Croatia, Cyprus, Luxembourg and Malta, were the most important in terms of peak coverage to date, with 30-40% of the active population receiving support. Support was also considerable in Austria, Belgium, France, Ireland, Italy, the Netherlands and Spain, with 20-30% of the active population benefiting from STW or similar measures. In contrast, countries such as Bulgaria,

³² Those receiving benefits compensating for the loss of wage or salary due to formal short-time working arrangements, and/or intermittent work schedules and where the employer/employee relationship continues.

Finland, Poland and Sweden seem to have made much lower recourse to the use of STW or similar measures, with less than 10% of the active population receiving support from such measures. Some of these have employed different measures to address the impacts of the crisis on household incomes, which are described in the following section.

Table 9: Comparison of the maximum available monthly figure in the period April 2020 – January 2021 for the number of recipients of STW or similar measures to the active population in the corresponding quarter of 2020/21 (%)

BG	SE	FI	PL	LV	RO	DE	SK	EL	SI	EE	IE	IT	BE	AT	NL	ES	FR	MT	HR	CY	LU
4.4	6.2	6.7	8.8	10.3	13.3	13.6	15.2	15.8	17.2	17.5	21.3	21.8	22.9	23.4	28.8	29.1	29.3	31.3	32.5	33.5	40.0

Source: Author's calculations based on EMCO/ SPC data collection on crisis support measure recipients and Eurostat LFS.

Other main emergency measures aim to support the self-employed and households

Beyond the support to employees, many Member States have implemented specific schemes to support the self-employed (see Table 10 in annex 2). For those countries for which data has been provided, there were over 5 million self-employed people receiving income support in April 2020, with 2.8 million in Italy alone. Support levels to the self-employed peaked in spring 2020, and generally declined subsequently in most Member States through to September 2020 (with the number of recipients falling to around 380 thousand), before rising again subsequently with the second COVID wave. From November 2020 to May 2021 the number of self-employed receiving income support remained relatively stable at between 1.1 and 1.5 million.

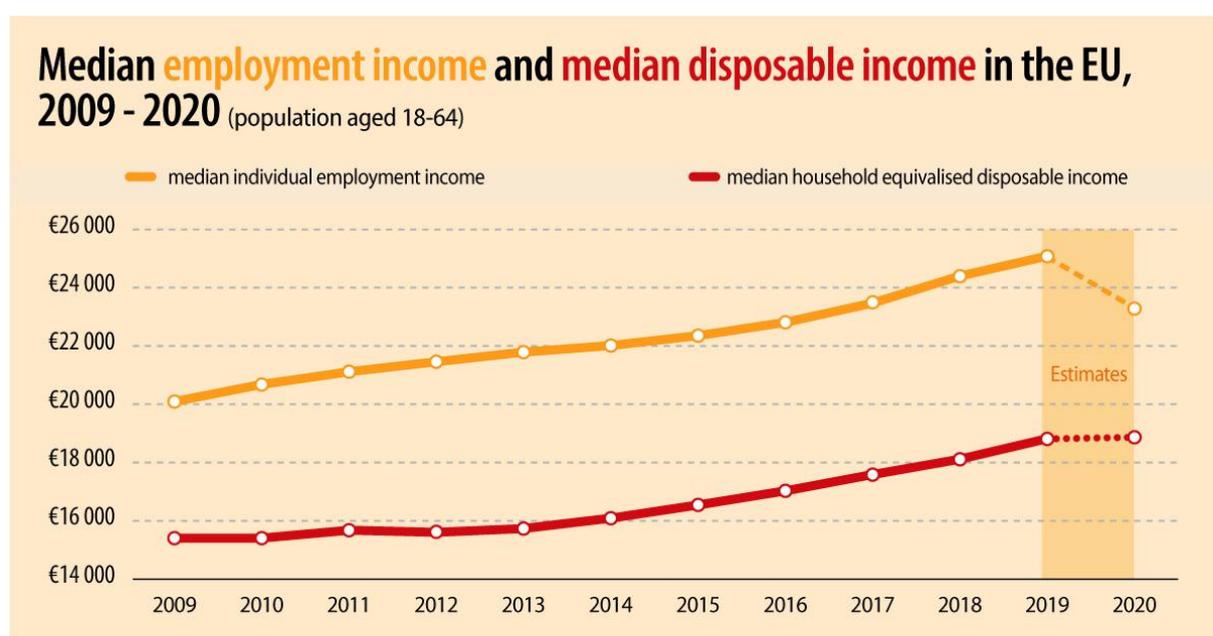
Further, exceptional income support schemes have also been a feature of the COVID-19 crisis. This has included extraordinary payments under sickness benefits schemes to protect workers and the self-employed in quarantine or self-isolation for a limited period of time and “caring benefits” (i.e. earnings replacement paid to people who need to suspend earnings activities to take care of a child or a sick relative). Such measures have been particularly significant in Czechia, Ireland, Latvia, Luxembourg, Slovakia, Spain and Sweden (Table 11 in annex 2). Again, there was a rise in the figures after the summer in several Member States following the second COVID wave, especially among many of those that made extensive use of such measures, reversing the declining trends to the lows observed in the summer of 2020.

There are also a range of further schemes providing income support to households and individuals. In terms of size, these are generally less significant than the schemes previously mentioned, although in Austria, France, Greece, Ireland, Italy, Lithuania, Poland, Romania and Slovenia the numbers of households or individuals that have been supported by these particular schemes has been substantial (Table 12 in annex 2). For some Member States the number of recipients of support under such schemes remained sizeable over early 2021, and has even been rising in a few in recent months.

Eurostat flash estimates of the impact of the pandemic on household incomes and poverty

In June 2021, Eurostat published flash estimates³³ of the expected developments in income and poverty for the year 2020³⁴, which provide a general indication of the expected annual change in certain income-related indicators³⁵ compared to 2019. Results are based on modelling taking into account both the impact of the labour market evolution on employment income and the effect of social protection schemes and special crisis support measures put in place by national governments.

The flash estimates for 2020 incomes indicate that while the median employment income of the working age population (18-64) in the EU decreased by 7.2% compared with 2019 (see following chart), median disposable household income as well as the at-risk-of-poverty rate remained stable, although with considerable variation across countries and age groups.



ec.europa.eu/eurostat

The losses in employment income were largely due to the unprecedented rise in the number of workers absent from work or working reduced hours, and are estimated to be very unevenly spread between countries and particularly pronounced for the most vulnerable sub-groups of the working population. However, at EU level, the usual government transfers and taxes as well as

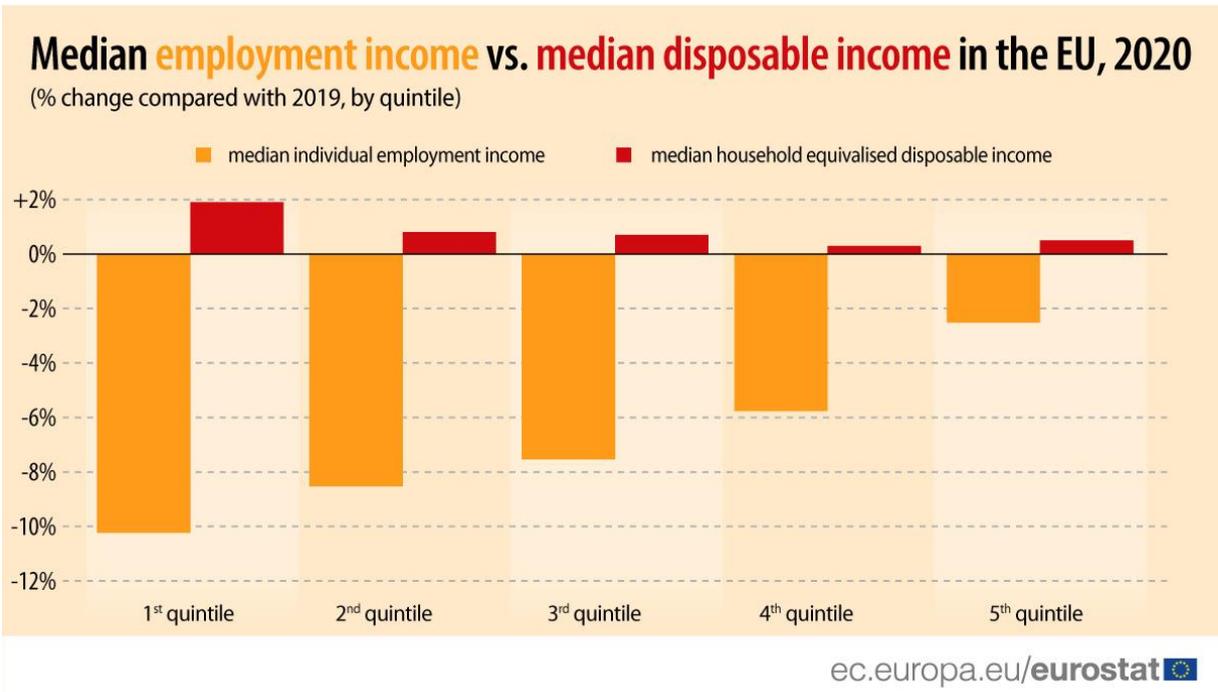
33 <https://ec.europa.eu/eurostat/documents/7894008/8256843/Methodological-note-2020.pdf>

34 For further details see [Early estimates of income inequalities during the 2020 pandemic - Statistics Explained \(europa.eu\)](#)

35 All figures provided are part of the experimental statistics produced by Eurostat in the frame of advanced estimates on income inequality and poverty indicators. The flash estimates use a magnitude-direction scale, which gives a general message on the expected change, and estimates are currently produced for the at-risk-of-poverty rate (and some breakdowns including in-work poverty), the at-risk-of-poverty threshold for a single person household, and the income quantile ratio (S80/S20).

temporary measures put in place to mitigate the effects of the pandemic³⁶, most notably short-term work schemes, are likely to have alleviated the overall impact of the COVID-19 crisis on disposable income and on the poverty rate. In all Member States, monetary compensation for reduced working hours or lay-off has been a prime policy tool for the stabilisation of income, while the second most important source for compensation of losses has been the reduction of taxes.

These temporary schemes played an important role in the stabilisation of household income, in particular for those with lower income. Although people in lower income quintiles were more affected by the COVID-19 crisis, these temporary schemes helped to compensate for their income losses. The compensation benefits follow a progressive distribution, being higher for those with lower incomes (see following chart).



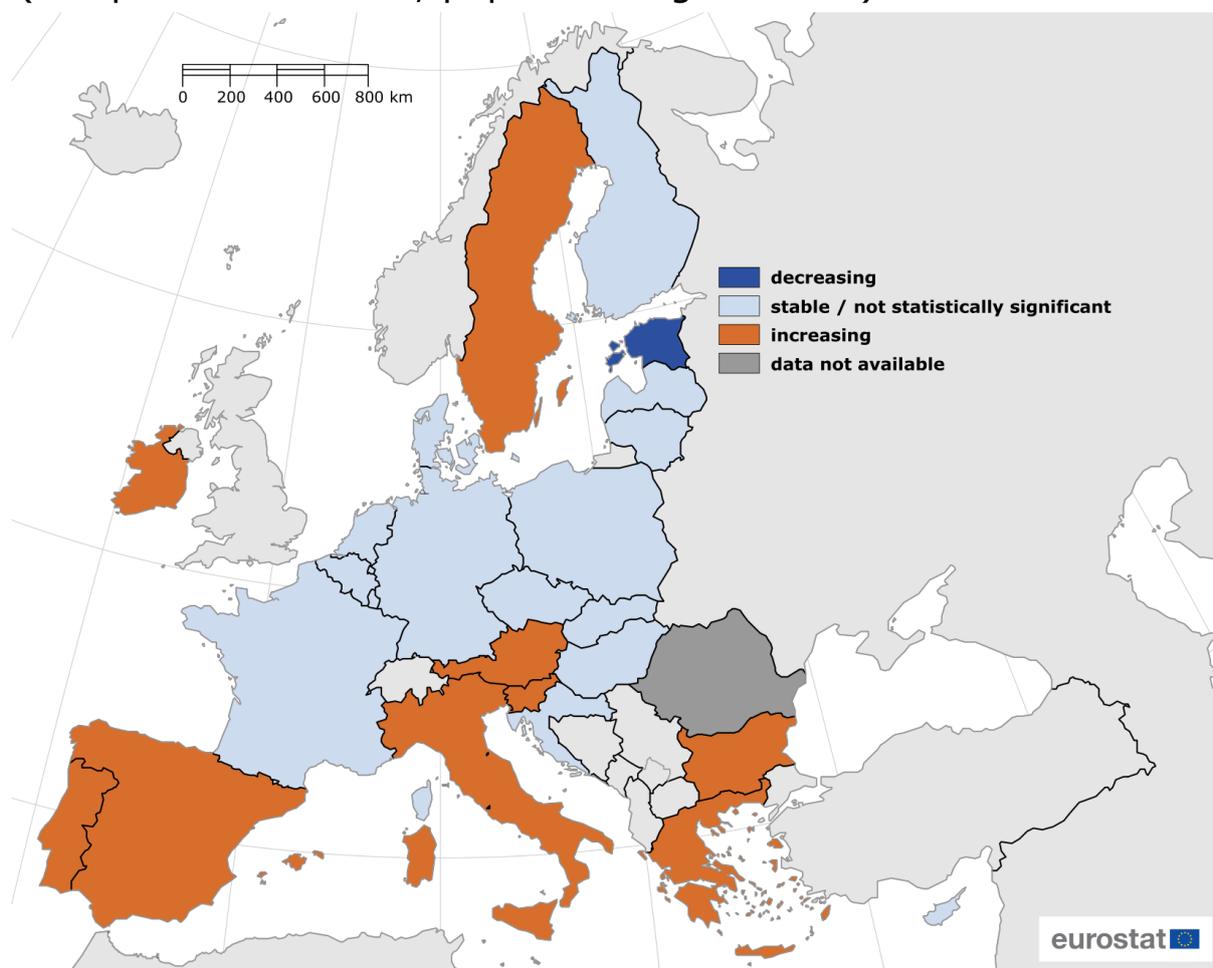
Developments in the at-risk-of-poverty rate in 2020 are estimated to show considerable variation across Member States. About half the Member States do not show particular differences compared with 2019. A statistically significant increase is estimated for Member States such as Spain, Croatia, Italy, Slovenia and Greece while for the other Member States a decrease in income poverty is likely to be observed. A deeper analysis of different sub-groups shows substantially different patterns across age groups.

³⁶ Including measures such as wage compensation schemes, transfers from government to firms and households, lump-sum benefits, reduction or exemption in taxes

Compared with 2019, among the Member States with estimated statistically significant changes (orange and blue in the following map), increases in at-risk-of-poverty rate of the working age population are expected in Portugal, Greece, Spain, Italy, Ireland, Slovenia, Bulgaria, Austria and Sweden. In around half of the Member States, the at-risk-of-poverty rate of the working age population is expected to have remained stable in 2020, while it decreased in Estonia.

When considering the anchored AROP rates, flash estimates suggest that for most Member States the sign of the change is similar to the one for the AROP rate. Logically, when the poverty threshold is estimated to have increased in a given Member State, then the anchored AROP rate is estimated to have declined more (such as for instance in DE) or increased less. When on the contrary the poverty threshold is estimated to have declined in a given Member State, then the anchored AROP rate is estimated to have declined less or increased more (such as for instance in ES and IT).

At-risk-of-poverty rate in 2020, early estimates (compared with 2019; population aged 18-64)



Explanatory note for 'stable / not statistically significant': expected changes have a high level of uncertainty and should be considered not significantly different from 0.

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 07/2021

Younger workers (aged 16-34), who generally suffered higher employment income losses, are more likely to be affected by increases in the at-risk-of-poverty rate, while for the 65+ age group a consistent decrease is estimated, which is particularly evident in countries such as Bulgaria, Czechia, Estonia, Ireland, Cyprus and Sweden. This effect might be due to the relative stability or increases of pensions, which were protected against the labour shocks caused by the crisis.

With regard to income inequality, when considering the S80/S20 income ratio, flash estimates suggest there would be stability or a slight drop in this ratio at EU27 level (with the estimated range for the change in this ratio ranging from -1.0 to 0.3). At individual Member State level, however, in most countries the estimated change in this ratio would not be statistically significant.

V. Overview of key social challenges and good social outcomes in EU Member States

This section presents the findings concerning the main social challenges and good social outcomes in the EU Member States³⁷, as highlighted in the SPPM Country Profiles annexed to the report. The assessment is based on a qualitative and quantitative analysis of the levels for the selected indicators, together with the changes over a three-year reference period, based on the methodology of the Joint Assessment Framework³⁸. Further analysis is conducted to complement these results with other relevant findings, emerging from national sources, policy documents, reports or studies. As compared with previous similar exercises, the working method for the 2021 Annual Report involved a shift from an age-based to a more policy-based approach, as well as a more robust prioritisation of the JAF-based key social challenges.

The SPPM analysis of Member States' key social challenges and good social outcomes, considering trends from 2016 to 2019, continues to point to a heterogeneous performance of social protection systems across the European Union.

The main findings in a nutshell:

- Most Member States (23) face a structural challenge in one dimension of the area of **poverty and social exclusion** for one or several age groups, with good outcomes registered in 14 Member States. Inequality appears as a key challenge in 7 Member States, while 5 Member States have good social outcomes in the area.
- Concerning the social situation of **persons in vulnerable situations**: for persons with disabilities, challenges are identified in 10 Member States, Roma inclusion features as a challenge in 4 Member States, and the social situation of migrants and refugees raises concerns in 12 Member States. The **regional** dimension of poverty and social exclusion is flagged as a key challenge for 7 Member States.
- The **housing** situation, for all age groups, is a key challenge in 13 Member States with 4 Member States registering good social outcomes in this area.
- In the area of **children's** social inclusion, 17 Member States registered key challenges, with 10 of them showing good outcomes.
- In the area of **active inclusion**, 11 Member States registered key challenges, with another 11 showing good outcomes.
- In the area of **access to social protection**, key challenges were observed in 8 Member States.

³⁷ 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".

³⁸ <http://ec.europa.eu/social/BlobServlet?docId=14727&langId=en>

- In the area of **pensions**, 8 Member States registered key challenges concerning the effectiveness of social protection in old age, with 7 showing good outcomes. while 6 Member States registered key challenges as regards systemic pensions adequacy issues.
- The insufficient access to **long-term care services**, their affordability, quality, or the sub-optimal design of long-term care systems has been identified as a key challenge in 10 Member States.
- **Health status** appears a key challenge in 15 Member States, with effectiveness of curative or preventive healthcare highlighted as a challenge for 4 Member States and access issues raised for 10 Member States.

Details about more specific findings are presented in what follows, in line with the narrative of the structure of the country profiles, whereby the focus is first on outcomes for all ages (such as poverty, inequality, housing, social situation of persons in vulnerable situations, regional aspects), followed by a closer look at how social protection works for the different age groups (children, working age, and old age) and by long-term care and healthcare.

Poverty, social exclusion and inequality

Across the Union, **poverty or social exclusion**, for all age groups, appears to be a key challenge in 23 Member States, with good outcomes registered in 14 Member States. This set of challenges encompasses various specific challenges, ranging from the share of people living in (quasi)-jobless households, at-risk-of-poverty rate, severe material deprivation rate, persistent at-risk-of-poverty rate, and relative median poverty risk gap.

Inequality appears as a key challenge in 7 Member States, while 5 Member States have good social outcomes in the area. Material and social deprivation appears as a key challenge in 2 Member States, with 1 Member State registering a good social outcome.

The housing situation, notably issues related to **housing** deprivation, housing cost overburden, access to social housing, for various age groups, is a key challenge in 13 Member States, with 4 Member States registering good social outcomes in this area.

Challenges concerning the social situation of **persons with disabilities** are identified in 10 Member States, notably in relation to their risk of poverty and social exclusion, but also sometimes to insufficient provision of community-based services and policies to support independent living. Roma inclusion features as a challenge in 4 Member States. The social situation of migrants and refugees is a key concern in 12 Member States, including sometimes their labour market situation.

The **regional dimension** of poverty and social exclusion is flagged as a key social challenge for 7 Member States. This encompasses not only disparities in poverty across regions, but also between rural and urban areas.

Effectiveness of social protection

Challenges and good social outcomes concerning the social **inclusion of children** were analysed from the perspective of the effectiveness of social protection for children and that of equal opportunities for children, especially for those from a disadvantaged socio-economic background. Overall, in these areas, 17 Member States registered key challenges, with 10 of them showing good outcomes.

Challenges in the area of **active inclusion** include concerns related to the effectiveness of social benefits for the working age population, the effectiveness of social services, and inclusive labour markets. In some cases, the adequacy, coverage and take up of social assistance were found to remain limited, while the access to social services and links to social services left room for improvement. Overall, in these areas, 11 Member States registered key challenges, with another 11 showing good outcomes.

Key challenges in **access to social protection** were observed in 8 Member States. Those concerned, for instance, formal gaps in access to social protection for some categories of non-standard workers or self-employed, challenges regarding effective access, or linked to adequacy.

Pensions

In the area of pensions, the analysis encompassed issues related to the effectiveness of social protection in old age, as well as pensions adequacy issues. As concerns the effectiveness of social protection in old age, in terms of poverty prevention or income replacement, 8 Member States registered key challenges, with 7 showing good outcomes. Key challenges were observed for 6 Member States concerning pensions adequacy issues, such as high gender pension gaps.

Long-term care

The insufficient access to long-term care services, their affordability, quality, or the sub-optimal design of long-term care systems has been identified as a key challenge in 10 Member States.

Healthcare

The health status of the population proves to be a key challenge in 15 Member States, while 8 Member States display good results. There are indications that the effectiveness of curative or preventive health care represent a challenge for 4 Member States, with 1 Member State registering good outcomes. As concerns access to health care, challenges have been identified for 10 Member States, with 2 Member States showing good results.

VI. Main recent social policy developments in EU Member States

Multilateral reviews of the implementation of Country Specific Recommendations under the European Semester

As part of its treaty-based mandate, the Social Protection Committee systematically monitors Member States' reform activities. One of the key instruments used in this task is multilateral surveillance, which entails conducting reviews of Member States' reform implementation efforts in the context of the European Semester. The reviews provide a shared understanding of interrelated challenges and support Member States' reform efforts through exchanges of policy knowledge and best practices.

During the 2021 Semester cycle, the SPC conducted 54 such reviews, with challenges of common interest being reviewed jointly with the Employment Committee (EMCO). In addition, several peer reviews, dedicated to exploring specific aspects of the policy areas covered by the Committee were held in the course of 2020 and 2021. (see Box 4) The country-specific reviews were organised thematically, and were followed by in-depth thematic discussions, which allowed for the preparation of horizontal conclusions for each of the policy areas under SPC competence, as presented in this section.

Reforms in the areas of social protection and social inclusion

The COVID-19 crisis has served as a powerful reminder of the importance of social protection systems in mitigating the economic and social effects of reduced economic activity and for enabling the social inclusion of the vulnerable. While social protection systems have fully played their role of automatic stabilisers, protecting the livelihood of many, the crisis also highlighted structural gaps in adequacy and coverage of social protection and social inclusion measures.

As the pandemic developed, all Member States took emergency measures³⁹ to strengthen their **social protection systems**, often in addition to ongoing reforms. Such measures included easing eligibility conditions; temporarily introducing new benefits; scaling up existing support schemes; as well as setting-up emergency measures to provide adequate replacement income to workers.

³⁹ See 2020 Annual Report of the Social Protection Committee, for a detailed overview of the measures taken at national and EU levels in the wake of the COVID-19 crisis (between March and July 2020). <https://ec.europa.eu/social/main.jsp?langId=en&catId=758&furtherNews=yes&newsId=9820>. See also the latest report produced by the European Social Policy Network (ESPN), which examines countries' social policy measures between February 2020 and April 2021: Baptista, I. et al. (2021), "Social protection and inclusion policy responses to the COVID-19 crisis. An analysis of policies in 35 countries", ESPN, Luxembourg: Publications Office of the European Union. (<https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8418&furtherPubs=yes>).

At the same time, the crisis has exposed pre-existing access and coverage gaps in the social protection systems in a number of Member States. The SPC reviews and thematic work in the context of the European Semester confirmed that not all population groups have been shielded effectively and there are still difficulties faced by several groups (notably the self-employed and non-standard workers), who tend to experience greater economic uncertainty with more limited access to social protection. Temporary emergency measures, such as short-time working schemes in which substantial financial resources were invested, did not benefit all categories of workers to the same extent. More crucially, it has been demonstrated that temporary measures cannot substitute the need to expand social protection for those who are not covered on a more permanent basis. More efforts will be needed to address, in a structural manner, the coverage, adequacy and transferability of social protection rights, in line with the Council Recommendation on Access to Social Protection (see next Section VII).

Box 4. Peer review activities of the SPC (2020-2021)

Peer reviews are a key instrument under the social open method of coordination⁴⁰, used by the SPC to promote mutual learning and exchange of best practices in the policy areas, covered by the Committee. Each peer review meeting is hosted by one country which presents a selected good practice (e.g. a programme, policy reform, institutional arrangement). The host country can also hold a Peer Review meeting to gather expert advice from other countries to inform the process of preparation of a major policy reform (or new programme or institutional arrangement) in the field of social protection and social inclusion. The meetings are attended by experts from the European Commission, peer countries and relevant stakeholders who provide feedback.

In the course of 2020 and 2021, 5 peer reviews and one mutual learning conference organized by the European Commission took place. Most events took place online, in view of the travel and social distancing restrictions due to the COVID-19 pandemic.

This box provides an overview of the events, while all documents from the reviews, such as the host country discussion papers, peer country commenting papers, presentations, as well as the detailed outcome reports are available on the dedicated SPC peer review website (<https://ec.europa.eu/social/main.jsp?catId=1024&langId=en>).

[Financing long-term care](#)

Online event, hosted by Estonia, 22-23 September 2020

This peer review explored financing schemes of long-term care (LTC) systems and discussed ideas, practices and results of scientific evidence on how to make LTC financing effective and sustainable in the context of EU's ageing societies.

⁴⁰ The SPC uses the social open method of coordination (social OMC) as its main policy framework. The social OMC is a voluntary process for political cooperation based on agreeing common objectives and measuring progress towards these goals using common indicators. The process also involves close co-operation with stakeholders, including Social Partners and civil society.

[Housing Exclusion – the role of legislation](#)

Prague (Czech Republic), 8-9 October 2020

This peer review discussed effective social or affordable housing legislation and policies, as well as the role of public and non-profit actors in the implementation of housing policies, supporting people at risk of social exclusion.

[Innovative approaches for the integration and inclusion of migrants](#)

Online event, hosted by the European Commission, 26 October 2020

This conference offered an opportunity to exchange innovative practices on labour market and social inclusion of migrants and people with a migrant background, in particular those facing specific obstacles such as women or the low-skilled, and tackled policy areas such as skills assessment, recognition and development. It also reflected on the impact of the Covid-19 pandemic on the labour market integration and social inclusion of migrants in the EU.

[Work-life balance: promoting gender equality in informal long-term care provision](#)

Online event, hosted by the Germany, 3-4 December 2020

This peer review discussed the factors that lead to gender inequality in (informal) long-term care provision and how informal carers can be better supported to reconcile work and care obligations, such as care leave arrangements and flexible working options, including job-sharing, flexi-time and tele-working. Furthermore, participants reviewed initiatives by employers to encourage gender equality in informal care provision

[Social activation and participation](#)

Online event, hosted by Belgium, 3-4 December 2021

The peer review explored good practices and challenges of activation policies that support social inclusion and, as far as possible, integration into employment for those excluded from the labour market.

[Furthering quality and accessibility of foster care service in Croatia](#)

Online event, hosted by Croatia, 23 March 2021

The purpose of this Peer review was to discuss challenges and good practices in providing foster care services to children without adequate parental care. The event focused on standards for foster families, professional care schemes as well as measures to prepare and support foster carers of children with severe disabilities.

The crisis also exposed existing gaps in the delivery of **social assistance benefits**. Many Member States introduced temporary measures to support the income of households in fragile situations. The measures consisted of relaxing eligibility criteria; easing administrative procedures; improving the benefit levels; providing additional in-kind benefits or enhancing services. The crisis-related responses of the Member States highlighted the importance of adequate income protection. The

need for further structural reforms in the area was confirmed by the multilateral reviews. Looking forward, Member States are to step up their efforts to improve the effectiveness of adequate income support provision, well linked with access to high quality social services and inclusive labour markets, in line with the active inclusion approach. Stronger minimum income protection could support the recovery and by acting as an effective automatic stabiliser would make economies and societies more resilient to future crises.

The provision of **social services** has been under enormous strain in the aftermath of the COVID pandemic, as lock-down measures, staff shortages, communication problems and difficulties in coordinating with stakeholders heavily affected service delivery. The use of online tools and other ICTs helped to ensure the continued provision of services. At the same time, factors such as socio-economic status, age of the recipients, territorial inequalities and shortage of infrastructure challenged the delivery of services to the most vulnerable. While the SPC reviews recognised the potential of new technologies in the development of social services in today's rapidly digitalising societies, Member States should take into account the specific needs of the most vulnerable and their heavier reliance on personal contact for services. Efforts to increase the effective cooperation and coordination among service providers need to continue, in order to ensure that people have a single point of contact through which to access relevant support. To that end, the capacity of the relevant providers — and the coordination of their actions could be further strengthened.

The partial or complete closure of schools and childcare facilities during the pandemic may have exacerbated existing inequalities in educational outcomes and the take up of **early childhood education and care (ECEC)**. In response to the COVID-19 crisis and the closure of schools and childcare facilities, many Member States introduced emergency actions to support **parents and carers**, such as additional and temporary financial benefits and continued provision of childcare for essential workers. Structural measures taken by the Member States to broaden participation and improve ECEC quality include lowering the compulsory pre-school age, or ensuring universal free access to pre-school education, the construction and renovation of kindergartens, as well as increasing tuition fee support for nursery attendance. Targeted efforts to support children at risk of poverty or social exclusion, also in line with the Council Recommendation on a European Child Guarantee, will continue to be required.

The on-going crisis has been shown to have a **strong gender dimension**. With school closures during the pandemic, the burden of (unpaid) care increased for both women and men, but women were more strongly affected. The lack of (or reduction in) ECEC provision has in turn reduced support for the labour market participation of parents (especially women), which remains one of the most effective ways of addressing the root causes of child poverty. To enhance the participation of women in the labour market, a number of Member States are planning reforms of their parental leave systems.

Lack of affordable housing, **homelessness and housing exclusion** are increasingly becoming a problem in the EU. The pandemic has caused homelessness rates to increase even further, as the crisis made it more difficult for many households to pay for adequate housing, while also disrupting the construction of new homes. Low-income owners and private renters were

particularly affected, but also people with an average income became burdened by increased housing and maintenance costs.

Measures to protect tenants and mortgage-holders included offering relief for payments on housing, mortgages and other household expenses, suspension of evictions for the duration of the crisis, and new low- or interest-free loans to individuals. Some Member States have also stepped up their support and care services for the homeless through the expansion of shelters, conversion of night- into day-shelters, and distribution of aid packages (food and hygiene products). Structural efforts to address homelessness and housing exclusion should prioritise integrated approaches that combine prevention, rapid access to permanent housing and the provision of enabling support services. The construction of new social housing also needs to be accelerated. Member States' vaccination plans should ensure adequate outreach to people in shelters and those experiencing unsheltered homelessness.

Reforms in the area of pensions

In all Member States, public pensions have continued to guarantee most retirees a stable source of income. In that sense, while it can be expected that the Covid-19 crisis, with its significant impact on labour and financial markets, will also impact old-age incomes and will put further pressure on the financing of pension systems, the effects of the pandemic are not yet fully visible.

Despite the relatively limited impact of the pandemic on pension systems in the short-term, there are a number of longer-term challenges, related to maintaining adequacy and sustainable financing of pensions in the context of an ageing society and the changing economy and labour market. Given the complexity of the challenges, Member States have been implementing reforms in the context of multiannual cycles.

The most common approach in past reforms has centred on raising retirement ages. Over the past years, Member States have increased statutory pension ages, restricted access to early retirement, revised contributory requirements and strengthened (dis)incentives to encourage later retirement. Flexible retirement pathways, aimed at facilitating longer working lives and discouraging early retirement, have become increasingly widespread. Many of the reforms included the introduction of automatic adjustment mechanisms, directly linking key pension parameters such as pension age or benefits to demographic change.

Recent reforms also indicate a trend towards the phasing out of special pensions that grant preferential treatment to certain groups of the population. Some reforms have improved access to pension systems for people in types of work other than permanent, full-time employment but significant gaps remain. Some reforms also addressed the role of supplementary or private pensions in old-age income provision.

Despite the measures taken, additional efforts will be needed to address the adequacy and sustainability challenges confronted by the pension systems across the EU. Member States should continue taking action to prolong working lives. Efforts to adjust pensionable age or career

requirements, benefits or accumulation rates to reflect increasing life expectancy should be complemented with flexible working options, including the possibility to combine pensions with income from work. Raising awareness and making the pensions systems more attractive to people earlier in their careers can affect workers' behaviour. In that sense, the promotion of longer working lives should start earlier in the career and not only when the individual is approaching pensionable age. Tax incentives for deferred retirement or for investing in supplementary pensions will continue to play a role, though their distributional effect needs to be carefully considered.

At the same time, ensuring a longer working life is a cross-cutting issue which needs to be promoted by actions in several policy fields. An essential prerequisite are labour markets enabling the prolongation of working life – that includes life-long learning options and ensuring a flexible, healthy and safe working environment, suitable for the needs of older workers. Access to high-quality health and social services is needed to facilitate older workers remaining in work. Enhanced cross-policy cooperation and the involvement of social partners and civil society organisations remain important factors for developing strategies for longer working lives.

The SPC reviews have also shown that workers in non-standard employment and self-employment remain under-protected, which undermines both the adequacy and the contribution base of pension systems. These groups, as well as lower income earners in general, also have less access to supplementary pension schemes. In that sense, sustained efforts are needed to ensure adequate coverage and opportunities to accrue pension rights for such workers, following up on the Council Recommendation on access to social protection⁴¹, and to adapt pension systems to the changing nature of work to better protect all workers.

Past reforms, on average, have helped to stabilise long-term pension expenditure, but that has often been at the expense of the future adequacy of pensions. In that sense, the challenge of ensuring sufficient funding to provide adequate benefits and coverage of pensions remains strong. The discussions have revealed that there is an on-going shift from contribution financing to more tax-based financing in a number of Member States. Given the different national circumstances, attaining the social objectives of pension systems while maintaining their sustainability may require different financing approaches in Member States.

In the light of these observations, SPC calls for a broad and open debate on how pension systems, and social protection systems more generally, can support adequate benefits against the background of ageing population and changing labour market.

A more detailed analysis of the key common challenges is available in the 2021 Pension Adequacy Report⁴², prepared by the Social Protection Committee and the European Commission (see box 5).

⁴¹ Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed

⁴² <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8397>

Box 5: Key findings from the 2021 Pension Adequacy Report and 2021 Long-term Care Report of the Social Protection Committee and the European Commission

The Social Protection Committee has been at the forefront of the discussions on a wide range of policy areas that impact on older or retired people. In close cooperation with the European Commission, the SPC has been publishing a tri-annual flagship Pension Adequacy Report (PAR) since 2012. In 2021, the fourth edition of the PAR is complemented by the second joint Commission and SPC report on Long-term Care.

The two reports put forward an in-depth analysis of current pension adequacy and long-term care provision, an overview of recent reforms in EU Member States, as well as an insight into the main challenges and financing options for pensions and long-term care. They are mutually complementary with the 2021 Ageing Report of the Economic Policy Committee (published in May 2021), which focuses on the sustainability of ageing-related expenditure.

The key conclusions of the two SPC reports have been endorsed at the June meeting of the Ministers in the Employment and Social Affairs Council (EPSCO). The conclusions highlight, *inter alia*, that the ageing population will lead to a growing demand for long-term care services, exacerbating the need for a qualified formal workforce, while adequate pensions will increasingly depend on longer working lives, also raising questions about how pension systems treat different groups of workers. Ensuring adequate social protection in old age is particularly important for the living standards of women, who are both the main recipients and main providers of long-term care and have much lower pensions and higher poverty risks in old age than men.

In the light of these observations, the Social Protection Committee considers that further efforts are needed to implement the relevant principles of the European Pillar of Social Rights, as also called for in the Action Plan. The SPC therefore calls for a broad and open debate on how pension systems together with broader social, employment and tax policies can support adequate old-age incomes, as well as for further consideration of how to shape long-term-care policies and systems against the background of an ageing population and changing labour market.

Reforms in the area of healthcare

The COVID-19 pandemic has put national health systems under unprecedented strain, exposing existing structural weaknesses and highlighting the need to improve their preparedness to better respond to crisis events in all Member States. Accordingly, the 2020 cycle of the European Semester put a strong emphasis on reforms in the area of healthcare, with all Member States receiving a CSR to address the resilience of their systems.

In the wake of the COVID-19 pandemic, all Member States took emergency measures to support the functioning of their health systems. **Financing for health was significantly increased** by reallocating funds from other items in the national budget, as well as from several EU instruments. The extra funding was used to expand the capacity of intensive care, and ensure the availability of critical medical supplies and health personnel. A number of Member States also made provisions

to compensate hospitals, healthcare providers and institutions for the financial losses due to COVID-19 related changes in demand and supply of medical treatment, such as hospital beds left unoccupied due to postponed treatments.

The crisis also made apparent that a number of Member States face **structural shortages of health workers that need to be addressed**. All Member States implemented extraordinary measures to support the limited supply of health personnel at the onset of the pandemic. Frontline hospital staff received additional compensation and mental health support services were set up in a number of Member States. Training opportunities, to facilitate the reassignment of staff, were stepped up and medical students, volunteers and military personnel were deployed to carry out certain non-clinical tasks.

Changes were also made to the roles and responsibilities of health workers at the individual and organisational levels. In hospitals, existing staff were repurposed and reassigned to deal with the outbreak. The organisation of non-COVID care delivery pathways was revised to optimise clinical roles. The role of community pharmacists and GPs was broadened in many countries, at least temporarily, to reduce the need for doctor consultations for non-COVID-19 patients. With a view to addressing the workforce challenges in the long-run, many Member States reported measures to finance the creation of additional jobs in healthcare, to improve the attractiveness of the medical profession, and to offer additional training and specialisation opportunities to existing personnel. In the most immediate post-pandemic phase, careful consideration needs to be given to the burden on medical professionals due to the backlog of planned medical interventions that were postponed due to the crisis.

The crisis has highlighted the **importance of strong safety nets** for providing healthcare access to the most vulnerable, as well as the **strategic need for an efficient coordination between social and healthcare systems**. The Member States' actions to provide financial support, as well as to ensure continued access to healthcare, appear to have mitigated, but not eliminated, the impact of the pandemic on the most vulnerable, who have borne the brunt of the pandemic's health impacts until now. What is more, the focus on COVID-19 patients and the urgent care they needed in the initial phase of the pandemic may have also resulted in less attention being paid to the major social determinants responsible for greater vulnerability to poor health – this includes factors such as unhealthy life-style and physical environment, as well as other social problems such as the housing situation, debt, stress and loneliness.

In the post pandemic period, Member States should renew their **focus on prevention and health promotion**, as well as strengthen their efforts to **improve the provision of primary care**. This could not only promote better health outcomes for the population, but also alleviate the need for specialised medical personnel and costly hospital care. It also remains vital that the short-term support is translated into actions to achieve long-term improvements, in line with the European Pillar of Social Rights. Many of the aspects that could be leveraged for this purpose lie outside the field of health, such as the domains of work and labour, education, the physical living environment and social security. In that sense, more intensive **cross-domain cooperation** between ministries, but also stakeholders, is needed.

The COVID-19 outbreak also served as a **catalyst for innovation**. The efforts to limit the spread of the virus, while maintaining the quality of primary health care services, resulted in an unprecedented increase in the use of telemedicine and other digital solutions across the Member States. By replacing physical visits and by streamlining the assessment of service needs, the increased use of telemedicine has the potential to improve access to medical care, reduce overall costs and regional access inequalities, as well as contribute to addressing the shortages of health workers.

At the same time, innovation in the provision of healthcare services may pose a threat of increasing the digital divide related to limited digital skills and IT access issues. This could have a negative impact on social groups with disadvantaged socio-economic status, or on people in areas with less developed digital infrastructure. Such groups need to be provided with additional information and support to ensure they are not left behind. A mixed approach, with a combination of digital and physical provision of health services, may need to be maintained to promote access to quality healthcare for all.

With a view to the longer term, a number of Member States are proceeding with the **implementation of healthcare reforms** that were launched before the pandemic. Others revealed new, comprehensive plans for health system reforms, which foresee significant new investments in the health and long-term care sectors over the course of several years and with the support of EU funding. Several MS are also setting up inquiry committees to take on board lessons learned from the crisis. Acting upon the findings of such inquiries might lead to improved measures in future crisis preparedness.

Reforms in the area of long-term care

The strong impact of the Covid-19 pandemic on the provision of long-term care (LTC) has highlighted the need to review developments in the sector.

The SPC reviews and related thematic discussions confirmed that long-term care systems have been strongly affected by the pandemic. Mortality in care homes represented a significant part of all COVID-19-related deaths, due to their users' high vulnerability to the disease, and - particularly in the first months of the outbreak - capacity issues for testing and lack of personal protective equipment. Social distancing and isolation often had a negative impact on the health and well-being of residents in long-term care facilities. Reconciliation of work and care for informal caregivers, most of whom are women, has become more difficult. In some countries professional support providers reduced their services, further increasing the psychological strain experienced by the caregivers.

Public authorities responded to this multitude of challenges by introducing a number of short-term measures to maintain long-term care provision and protect the lives of users and carers. Close cooperation of the social and health authorities was singled-out as particularly important in the containment of the pandemic, however the SPC reviews have shown that the cooperation between social services and healthcare systems should be reinforced.

Beyond the COVID-19 pandemic and in light of the ageing population in Europe, Member States need to continue with their efforts to address the structural challenges in relation to long-term care. These include, in particular, how to: provide affordable and adequate access to long-term care services for all in need; provide long-term care services of good quality; ensure an adequate long-term care workforce and support informal carers; and finance long-term care systems in times of rising demand for care and a shrinking workforce. A more detailed analysis of the key common challenges is available in the 2021 joint Report on Long-Term Care, prepared by the Social Protection Committee and the European Commission⁴³.

⁴³ <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8396>

VII. Council Recommendation on Access to Social Protection for Workers and the Self-employed: First Overview of the National Plans

The Council Recommendation on access to social protection for workers and the self-employed⁴⁴ adopted in 2019 aims at **addressing the existing gaps in access to social protection and at improving the adequacy and transparency of social protection schemes** in view of the changes occurring in labour markets. It supports the implementation of Principle 12 (Social Protection) of the European Pillar of Social Rights⁴⁵.

Box 6: Provisions of the 2019 Council Recommendation on Access to Social Protection

On 8 November 2019, the Council adopted the Recommendation on Access to Social Protection for workers and the self-employed, a key initiative supporting the implementation of the European Pillar of Social Rights

The Recommendations calls on Member States, inter alia, to:

- ensure access (**formal coverage**) to adequate social protection for all workers and self-employed persons in respect of the listed social protection branches;
- ensure **effective coverage** for all workers, regardless of the type of employment relationship, and for the self-employed and avoid that the rules governing contributions and entitlements prevent individuals from accruing or accessing benefits because of their type of employment relationship or labour market status; ensure that entitlements – whether they are acquired through mandatory or voluntary schemes – are **preserved, accumulated and/or transferable**;
- ensure that schemes provide an **adequate** level of protection to their members, by maintaining a decent standard of living and providing appropriate income replacement, while always preventing those members from falling into poverty;
- ensure that the conditions and rules for all social protection schemes are **transparent**, and **simplify**, where necessary, the administrative requirements of social protection schemes for workers, the self-employed and employers.

⁴⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_2019.387.01.0001.01.ENG.

⁴⁵ The Action Plan implementing the European Pillar of Social Rights encouraged Member States to further extend access to social protection and highlighted that the exceptional measures taken during the pandemic to extend social protection to previously uncovered groups can be a source of inspiration for structural reforms that improve the protection of the unemployed, non-standard workers and the self-employed.

Member States were recommended to “implement the principles set out in this Recommendation as soon as possible and [to] **submit a plan setting out the corresponding measures to be taken at national level by 15 May 2021**”⁴⁶. In order to facilitate follow-up and mutual learning at EU level, the Social Protection Committee endorsed in November 2020 **guidance for the preparation** of the plans. It suggested that Member States cover in their plans: the challenges they face, the lessons learnt from measures taken during the pandemic, the policy objectives and measures (to be put in place or already launched) in order to improve access to social protection for all as well as further reflections on possible ways forward. Member States were also encouraged to develop their plans through “broad dialogue at national level involving social partners and all other relevant stakeholders”.

Between mid-May-2021 and early September 2021, 23 Member States (AT, BE, BG, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU⁴⁷, IE, IT, LT, LV, NL, PL, PT, RO, SE and SK) submitted their national plans. A first overview of the main features of 22 of those national plans⁴⁸ is provided below.

Almost all Member States (19 out of 22) included in their national plan their assessment of **existing/remaining gaps in access to social protection**, in particular as **regards formal coverage**⁴⁹, i.e. in terms of access for the various categories of non-standard workers and self-employed to certain branches of social protection⁵⁰. In this area, **most Member States do signal some gaps for some categories of non-standard workers**, such as apprentices and trainees, seasonal workers, casual workers or simplified, short-term fixed contracts, especially as regards unemployment and sickness benefits as well as the need to opt-in to have access to old-age, invalidity or maternity benefits. National plans also refer to gaps faced by (some groups of) **self-employed** as regards formal coverage for unemployment benefits, benefits in respect of accidents at work and occupational diseases and paternity benefits, and with a ‘voluntary access’ for old-age benefits, sickness and invalidity. Some Member States explained the **measures that will be taken** to address those gaps in formal coverage, while others report that providing (full) access to certain groups currently not covered would be problematic. Finally, a few Member States consider that they **face no (or very limited) gaps** in formal coverage and therefore do not plan any further specific measures in this area.

Slightly more than half of the national plans (12 out of 22) refer to the **effective access**⁵¹ dimension, with most of them focusing on the entitlement rules which can impact on access to e.g.

⁴⁶ Para 19 of the Council Recommendation

⁴⁷ At this stage, the Hungarian submission consists in a number of follow up actions for data collection and mapping coverage gaps by several public authorities, based on which a report will be submitted to the Commission by November 2021.

⁴⁸ The analysis below does not include the national plan for Poland, provided early September.

⁴⁹ Workers and self-employed persons can be identified as **formally covered** by a specific social protection branch if the existing legislation or collective agreement states that they are entitled to participate in a social protection scheme in that specific branch. Formal coverage can be provided via mandatory or voluntary schemes

⁵⁰ For a number of Member States, the analysis is based on the data collection on formal coverage undertaken in the context of the [Monitoring framework on access to social protection](#). Nevertheless further efforts could be done to ensure consistency between data collected on formal coverage and gaps identified in the national plans.

⁵¹ Workers and self-employed persons can be identified as **effectively covered** in a specific social protection branch if they have the opportunity to accrue adequate benefits and the ability, in of the event that the corresponding risk

unemployment, sickness or maternity benefits, especially for workers with short or non-standard contracts, as well as for the self-employed. Ten countries provide also some analysis of the level of **adequacy**⁵² of social protection branches with a range of thematic focuses, from pensions for self-employed to the situation of employees with interrupted careers and to minimum income schemes⁵³. Few Member States focus in their plans on the level of adequacy of social protection for workers in non-standard *versus* standard forms of jobs or refer to the indicators on adequacy endorsed as part of the monitoring framework on access to social protection.

Nine national plans touch upon the **transparency** dimension, with some Member States highlighting existing websites and efforts to ensure transparency and accessibility of information (with some thematic focus on pensions rights), while others refer to on-going simplification efforts and the need to address the potential negative impact of the digital divide on the use of social security rights.

Most national plans (19 out of 22) refer to **policy objectives** to be pursued at national level, in line with the Council Recommendation, either about ensuring access, improving the adequacy or transparency or to specific **policy and/or legislative measures** on access to social protection. The range and scope of measures as well as their timing (already taken *versus* planned for the future) vary a lot across countries: 9 national plans mention one main policy and/or legislative measure, 7 plans include a set of 3 to 6 measures, and up to more than 30 measures in one Member State.

Most measures included in the national plans related to two areas of the Council Recommendation: **formal coverage** for non-standard workers or self-employed (12 Member States) and improving **adequacy** (11 Member States). Fewer MS refer to measures in the four other areas: reviewing the **rules** governing entitlement and contributions; **preservation, accumulation and/or transferability** of entitlements; improving **transparency** or **simplification** of administrative requirements; addressing **gaps in data** about access to social protection.

The **scope** of the measures included in the 19 national plans that set objectives at national level cover a wide range of **social protection branches**, but the 3 most frequently covered are pensions, unemployment and sickness benefits. This appears consistent with the picture in terms of gaps identified either in terms of formal/effective access or in terms of adequacy. Some but fewer measures are planned in the branches related to paternity and maternity, accidents at work and occupational disease, and invalidity.

In terms of **timing**, 12 Member States refer to measures taken since the adoption of the Recommendation in November 2019 (for 5 of them this relates exclusively to measures taken as a

materialises, to access a given level of benefits. A person may be granted formal access without de facto being able to build and take up entitlements to benefits

⁵² Social protection is considered to be **adequate** when it allows individuals to uphold a decent standard of living, replace their income loss in a reasonable manner and live with dignity, and prevents them from falling into poverty while contributing, where appropriate, to activation and facilitating the return to work.

⁵³ Although minimum income schemes are outside the scope of the Recommendation, it also mentions that “When assessing the adequacy, the Member State’s social protection system as a whole needs to be taken into account, which means that all social protection benefits of a Member State need to be considered.”

response to the COVID-19 pandemic) while 16 Member States refer to measures ‘planned for the future’. Many Member States also refer to measures on access to social protection taken in the past (i.e. before the adoption of the Council Recommendation).

In terms of **target groups**, a number of measures are addressed to all persons in employment but many of them do address the situation of specific groups: the situation of self-employed is addressed with specific measures in 11 Member States and the situation of workers with non-standard contracts in 8 Member States, with measures focused on platform workers in 3 of them.

A few Member States included **detailed information** about each measure they plan, in terms of branch, target group and expected impact but also in terms of timeline, budget, implementing body and plan for monitoring/evaluating. For some other countries, the measures to be taken still need to be elaborated including through legislative proposals.

With few exceptions, the national plans **do not aim to address all gaps** (either in terms of formal coverage or in terms of effective access and adequacy) identified in the monitoring framework or in the context of the European Semester (e.g. see notably ‘Key social challenges’ in the SPPM section V and Annex 1) .

Almost all Member States included in their national plan a section on **measures taken during the COVID-19 pandemic**⁵⁴. Anti-crisis measures reported relate notably to relaxation of the rules, extension of the duration and/or increase in the amounts of (e.g. unemployment and sickness) benefits, as well as specific support to some groups in terms of status (work with precarious contracts, self-employed) or sector/occupation (workers in cultural sector, healthcare workers, domestic workers, etc.).

A few Member States reported that **some of the anti-crisis measures were (or will be) made permanent feature** of their social protection system. In other countries, the majority of measures taken (during 2020/early 2021) appear to be temporary. Some countries mention that anti-crisis measures were mostly aimed at mitigating the economic, employment and social impact and that structural reforms had to be postponed.

Half of the national plans (11 out of 22) refer to involvement of **social partners** in the preparation of specific measures, with some countries mentioning a close involvement. Other stakeholders such as civil society organisations are less frequently referred to in the national plans.

Finally, the national plans do not contain references to the **European Semester** country-specific recommendations⁵⁵ while 5 national plans make explicit linkages with the **Recovery and Resilience Plans**.

⁵⁴ As those “crisis measures” were taken from early 2020 to mid-2021 (which corresponds almost exactly to the period since the adoption of the Recommendation) it is not possible to draw the line between measures related to the Recommendation and those driven by the COVID-19 pandemic.

⁵⁵ In 2020, 16 MS (BG, CY, EE, ES, HU, HR, IT, LT, LV, MT, NL, PL, PT, RO, SI, SK) were issued a country specific recommendation on social protection, often with a very clear focus on improving access for non-standard workers and self-employed (CY,EE, ES, IT, LT, NL, PL, PT, SI).

As regards **challenges to implement the Recommendation**, a number of Member States mention the complexity of improving formal coverage for self-employed (notably as regards unemployment insurance, paternity leave or disability insurance) as well as non-standard workers (including platform workers, domestic workers and farmers). Some Member States also refer to broader issues such as: limiting the use of non-standard contracts, preventing false self-employment and regulating platform work, tax-related issues and adaptation of the overall social protection systems, including addressing the “low take-up rate” for some social benefits and ensuring more universal access.

Finally, 7 Member States refer to the importance of **EU support to implement** the Council Recommendation, mentioning the added value of exchanges on best practices and mutual learning in the area of access to social protection and calling for a close monitoring of the implementation efforts at EU level and a strong commitment to implement the Recommendation.

Annex 1: SPPM Country Profiles

Click [here](#) to see separate annex

Annex 2: Information collected via the SPC-ISG and EMCO-IG on take up of short time work schemes or similar measures, and other emergency measures aimed at supporting the self-employed and households

Table 8: Number of recipients of benefits under short time work schemes or similar support measures

		BE	BG	DK		DE	EE		IE				EL			ES										
Scheme name		Chômage temporaire / Tijdelijke werkloosheid	Unemployment fund (wage subsidies under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak)	Division of labor	Division of labor (temporary) - from 14 September 2020	Temporary Wage Compensation Scheme	Short time work (Kurzarbeitergeld)	Temporary subsidy program (töötasu hüvitis)	Salary grant (töötasu toetus)	Short Time Work Support	Temporary Wage Subsidy Scheme	Employment Wage Subsidy Scheme	'Casual' jobseekers	SYN-ERGASIA	Special purpose compensation for employees	Open programme of 100,000 new subsidized jobs (started on 01.10.2020)	ERTE - job suspension or reduction of working hours	Extraordinary Unemployment Benefit for permanent seasonal workers	Extraordinary Unemployment Subsidy for temporary workers	Subsidio especial por agotamiento de prestaciones (SACC)	Prestación o subsidios extraordinarios entorno artístico, cultural y personal técnico de sector cultura	Subsidio Especial Empleados de Hogar	ERTE - Social contribution exemptions			
Year	Month																									
2018	Jan	131,986		312			22,520			426			50,231													
	Feb	143,724		7			23,137			461			50,317													
	Mar	137,221		161			26,837			390			49,466													
	Apr	74,949		92			13,315			313			48,127													
	May	57,793		20			11,631			332			46,917													
	Jun	62,724		.			16,466			281			45,988													
	Jul	59,713		.			13,954			281			45,145													
	Aug	80,103		.			32,697			287			43,594													
	Sep	62,745		30			34,138			768			42,124													
	Oct	93,166		39			37,443			796			41,653													
	Nov	90,012		398			42,990			826			41,759													
	Dec	102,243		144			25,589			806			41,751													
2019	Jan	154,864		315			41,568			449			41,240				4,044									
	Feb	120,124		142			28,621			484			41,264				3,947									
	Mar	125,357		31			32,375			496			40,759				3,889									
	Apr	88,287		37			40,170			388			39,683				3,947									
	May	85,392		74			44,986			376			38,396				3,947									
	Jun	78,305		4			42,570			334			38,115				3,944									
	Jul	65,249		154			46,827			369			37,586				4,289									
	Aug	67,088		21			51,248			326			36,779				4,164									
	Sep	75,870		44			75,249			304			36,111				3,909									
	Oct	107,222		164			101,747			402			35,949				3,629									
	Nov	92,727		68			115,193			406			36,526				3,821									
	Dec	119,868		26			97,298			400			36,816				3,880									
2020	Jan	125,117		48			133,198			385			36,355				1,141									
	Feb	131,019		208			133,924			416			36,606				1,207									
	Mar	929,714	89,348	5,471			2,579,666	33,674		350	71,847		36,607				10,522							258,645		
	Apr	1,145,571	142,292	2,822			5,995,429	121,490		282	428,565		36,297				2,565,930	511							3,386,785	
	May	916,569	129,802	1,005			5,714,842	91,130		365	459,642		36,516				542,014		5,455						2,998,970	
	Jun	560,765	79,021	707			4,452,284	32,109		457	441,109	29,892	36,656				134,175		4,020	1,858		936	67		1,830,664	
	Jul	339,898	132,902	122			3,305,887			451	441,896	44,528	37,221				70,234		1,932	450		1,308	7,057		1,118,540	
	Aug	310,214	137,249	1,099			2,537,053			452	397,328	32,300	36,681				39,316		1,200	91		1,668	8,483		894,478	
	Sep	246,707	132,408	533	2,407		2,229,430			876		345,000	36,862				120,397		1,060	63		1,002	7,559		752,711	
	Oct	376,354	137,325	95	3,911		2,020,651			1,009		344,000	41,988				134,738		8,544			836	9,186		728,321	
	Nov	465,107	138,592	52	4,544		2,386,194			1,367		269,300	41,742				728,641		13			681	5,831		746,900	
	Dec	352,803	129,566	46	2,701		2,675,968			1,348		319,200	40,758									59,607	810	2,091		755,613
2021	Jan	381,952	149,477	53	3,616		3,293,888			1,328		346,900										77,292	1,173	1,890		738,969
	Feb	392,740	153,125	34	3,521		3,353,096			1,601		306,800										21,355	622	1,587		899,383
	Mar	421,591	158,502	26	2,798		2,770,021	35,044		1,619		304,500										11,200	484	314		743,628
	Apr	402,633	138,109	13	1,532		2,470,681	36,510		1,506		299,000										903	530	235		638,283
	May	257,593	113,566	8	2,644		2,226,353	19,000		1,371		302,800										474	507	269		542,142
	Jun									1,131		344,000		31,877									334	631	152	

		FR	HR		IT				CY							LV		LU	HU		
Scheme name		Activité partielle	Job preservation support for sectors hit by Coronavirus (COVID-19)	Shorter workweek support	Ordinary Wage Compensation Fund (CIGO)	Extraordinary Wage Compensation Fund (CIGS)	Wage Compensation Fund in Exception (CIGD)	Solidarity Funds	Special Scheme for Total Suspension of Operations	Special Scheme for Partial Suspension of Operations	Special Scheme for Partial Suspension of Hotel Units and Tourist Accommodation	Special Scheme to Support Businesses that have partially suspended operations because they are related to the Tourism Industry/businesses directly affected by Tourism/associated with Businesses subject to Mandatory Total Suspension	Special Scheme to Support Businesses that have totally suspended operations because they are related to the Tourism Industry/businesses directly affected by Tourism/associated with Businesses subject to Mandatory Total Suspension	Special Scheme for supporting businesses exercising special predefined activities, which are understood to have been seriously affected by the pandemic.	Special Scheme for Total Suspension of Hotel Units and Tourist Accommodation	Allowance for idle time for employees	Furlough support for part-time workers (subsidies)	Partial Unemployment - chômage partiel	Job Protection Wage Support Programme (short time working scheme)	Sectoral wage subsidy programme	
Year	Month																				
2018	Jan	35770			110,470	98,231	3,095	4,562												425	
	Feb	37141			186,643	100,847	3,123	4,073												521	
	Mar	28229			193,871	103,276	3,160	3,616												362	
	Apr	24476			106,242	102,216	3,245	3,206												432	
	May	24515			125,637	99,743	3,158	3,125												311	
	Jun	21437			95,179	123,410	2,922	3,046												502	
	Jul	19109			60,593	116,185	477	2,238												467	
	Aug	14893			39,720	111,727	461	2,388												616	
	Sep	23664			55,108	112,118	571	3,811												417	
	Oct	28195			168,169	109,542	691	3,708												493	
	Nov	61629			154,827	106,342	665	1,798												421	
	Dec	36545			114,426	103,851	580	1,659												382	
2019	Jan	34985			149,752	100,795	138	2,150												434	
	Feb	23469			119,490	100,134	176	4,057												644	
	Mar	22212			105,409	104,423	170	4,072												727	
	Apr	20505			144,838	106,238	2,528	2,172												982	
	May	22524			146,772	114,216	2,816	1,850												1,014	
	Jun	23612			55,054	82,351	3,158	1,729												1,072	
	Jul	22425			84,683	80,099	383	3,782												835	
	Aug	15085			50,913	77,384	293	3,397												749	
	Sep	26604			89,849	81,817	898	3,399												1,056	
	Oct	34779			150,136	85,451	1,119	4,183												1,096	
	Nov	31773			205,973	84,263	1,055	3,400												812	
	Dec	35857			158,591	79,351	3,518	1,112												1,040	
2020	Jan	43030			84,323	87,010	3,213	1,201												962	
	Feb	32152			95,417	83,183	12,755	67,775												812	
	Mar	6,703,379	501,645		1,832,487	99,207	1,085,414	1,315,273	74,113	54,282	0	0	0	0	0	21,644			101,868		
	Apr	8,380,656	577,700		2,308,806	69,087	1,315,710	1,648,069	71,722	77,773	0	0	0	0	0	42,417			124,231	1,718	
	May	6,882,157	485,995		1,587,990	76,654	1,155,907	1,470,428	38,381	77,432	0	0	0	0	0	37,141			71,742	129,543	
	Jun	3,214,038	83,802	7,973	1,136,804	83,991	659,692	1,037,614	435	0	14,599	7,084	2,729	6,131	0	25,774			39,591	50,274	
	Jul	1,746,245	71,789	11,430	769,049	92,095	403,697	611,188	233	0	13,166	8,123	1,548	4,589	4,628	0			18,878	10,518	
	Aug	1,114,944	51,386	9,799	535,276	85,308	225,766	375,891	202	0	10,126	7,038	1,193	4,089	2,636	0			15,670	3,275	
	Sep	1,159,461	44,482	9,103	513,181	79,140	214,264	346,017	232	0	12,177	8,504	898	3,127	2,466	0			14,163	2,583	
	Oct	1,826,316	19,716	10,140	563,635	71,095	276,843	387,685	222	0	10,956	8,871	1,038	3,484	2,504	0			14,639	36	
	Nov	3,130,777	18,682	10,621	554,734	60,678	499,383	564,094	8,926	0	9,310	8,539	3,130	3,883	10,028	19,199	10,182		21,758	47	57
	Dec	2,486,067	15,850	9,531	532,286	40,402	410,980	450,672	11,395	0	5,205	8,962	4,438	3,580	10,967	33,263	13,520		27,988	2,370	891
2021	Jan	2,207,818	151,811	8,552					20,106	27,345	3,952	4,880	4,071	0	12,764	46,548	15,874		31,333		662
	Feb	2,249,968	159,141	6,728					15,682	19,217	3,053	4,524	3,869	0	12,969	48,006	48,006		24,234		2,808
	Mar	2,526,719	124,575	9,173					6,056	16,745	4,379	4,997	4,040	0	12,955	42,522	42,522		23,358		45,305
	Apr	2,956,258	127,543	9,636					19,881	18,556	7,877	5,750	3,857	0	11,240	26,003	26,003				12,082
	May		114,164	5,073					18,779	14,996	13,215	6,836	3,120	0	7,201	17,593	17,593				1,248
	Jun																				

		MT	NL	AT	PL	RO			SI		SK					FI		SE
Scheme name		Wage Supplement	NOW (Temporary Emergency Bridging Measure for Employment)	Kurzarbeit	STW - 15g Number of employees receiving STW benefit (economic downtime + reduction of working hours)	Technical unemployment for employees supported by the employer/by state (measure 1)	Short time working scheme for employees (measure 7)	Short time working scheme for other professionals (measure 8)	Furlough	Subsidizing short term work	SCHEME 1 - Employers who had to close their operations or reduce their activities based on the decision of the Public Health Authority of the Slovak Republic	SCHEME 3A - Employers who retain jobs even in the event of interruption or reduction of their activity during a declared emergency situation - compensation of the employee's salary	SCHEME 3B - Employers who retain jobs even in the event of interruption or reduction of their activities during a declared emergency situation - flat-rate contribution to cover part of the wage costs per employee depending on the decrease in sales	SCHEME 6 - Employers who keep jobs in kindergarten even in the event of interruption or reduction of their activities on the basis of a decision of the Public Health Authority of the Slovak Republic	SCHEME 7 - Employers who keep jobs in primary art school even in the event of interruption or reduction of their activities on the basis of a decision of the Public Health Authority of the Slovak Republic	Fully laid off	On reduced working week	Korttidsarbete (Short-time work Allowance)
Year	Month																	
2018	Jan			382												16,630	8,126	
	Feb			1,335												16,942	8,053	
	Mar			1,297												15,339	7,899	
	Apr			144												12,062	7,537	
	May			111												8,244	7,042	
	Jun			180												9,425	6,523	
	Jul			54												11,094	6,178	
	Aug			73												6,769	5,973	
	Sep			141												6,682	5,928	
	Oct			55												8,028	6,029	
	Nov			73												9,831	6,132	
	Dec			66												15,373	6,014	
2019	Jan			158												15,074	6,054	
	Feb			123												16,010	5,965	
	Mar			145												14,925	5,885	
	Apr			393												11,620	5,754	
	May			412												8,388	5,520	
	Jun			590												9,504	5,257	
	Jul			629												11,130	4,969	
	Aug			695												7,306	4,970	
	Sep			711												8,337	5,286	
	Oct			573												10,849	5,724	
	Nov			588												14,616	6,019	
	Dec			490												21,694	6,015	
2020	Jan			966												18,367	6,049	
	Feb			1,082												18,776	6,105	
	Mar			513,961		490,017			113,575		65,586	68,111	185,631			65,296	8,677	
	Apr	81,602	2,654,386	1,042,830	401,659	1,197,770			175,380		56,508	103,010	245,215			163,724	20,252	345,058
	May	84,977		897,509	959,291	986,309			148,938		24,752	109,455	273,719			158,149	23,231	172,579
	Jun	84,057		679,355	1,477,521	191,473			49,954	19,647	2,106	79,413	159,550			116,951	20,629	39,002
	Jul	81,032	1,335,260	337,736	1,241,800	32,950			22,303	19,138	471	73,735	121,814			81,977	18,049	16,930
	Aug	78,849		285,211	727,044	49,355		6,590	18,762	16,790	135	52,836	120,744	8,275		60,967	16,861	
	Sep	78,185		232,313	221,950	12,462		13,394	14,120	15,161	206	43,706	112,860	10,890		56,737	16,868	
	Oct	75,311		129,926	62,023	32,411	3,909	19,742	33,948	17,149	3,879	73,292	147,167	3,060		57,165	17,742	
	Nov	75,224	1,300,000	354,624	21,702	173,526	4,933	24,983	49,179	17,007	5,527	74,077	136,859	1,609		57,970	18,414	
	Dec	80,860		377,528	10,549	78,686	38,828	22,148	54,485	17,112	10,694	72,309	151,309	361		77,753	18,824	
2021	Jan	66,959		403,127	5,199	76,140	19,794	18,979	50,857	16,542	71,800	201,339	110		57,786	17,340		
	Feb	65,403	1,300,000	389,781	2,641	68,985	27,599	20,163	44,706	19,607	17,946	179,722	41		55,658	16,969		
	Mar	69,217		312,220	1,087	50,965	39,775	24,953	35,858	17,123	19,075	89,255	149	687	62,726	16,754		
	Apr	70,107		250,723	1,517	58,612	51,973	24,207	39,883	15,329	14,927	93,012		2,275	53,890	16,269		
	May	67,338	374,351		2,765	52,559	32,985	23,732	18,835		3,963	46,250	81,412		1,548			
	Jun	63,300					60,180	24,025							392			

Source: Data on recipients of crisis support measures collected via the SPC-ISG and EMCO-IG.

Notes: Figures show the number of persons receiving benefits compensating for the loss of wage or salary due to formal short-time working arrangements, and/or intermittent work schedules and where the employer/employee relationship continues. Figures are generally the total number of benefit recipients during the month in question (i.e. the stock of all recipients of benefits). For CY, figures for the cells do not correspond strictly to calendar months (e.g. March, April, May and June 2020 respectively actually refer to the periods: 16/03/2020 – 12/04/2020, 13/04/2020 – 12/05/2020, 13/05/2020 – 12/06/2020, 13/06/2020 – 30/06/2020). For DK the figure shown for the temporary wage compensation scheme is the total number for the period (i.e. those who received compensation/benefit at one point in time from the beginning of the start of the scheme i.e. from March 2020). For EL, first entry for the "Special purpose compensation for employees" covers a period of 45 days (mid March-end April). For HU the figures are the number of new recipients of benefits only (i.e. those that started receiving benefits in the month in question). For LV figures are the new recipients in the month only. For NL, figures cover the following phases. NOW1 March-May 2020, NOW2 June-September 2020, NOW3.1 October - December 2020, NOW3.2 January - March 2021, while last figure covers April to May. For SE, July 2020 figure Includes data until 11th August.

Table 10: Recipients of income support payments for the self-employed

Country	BE	CZ		DK	DE	EL	ES	IE	IT	CY	LV	LT	LU		HU	MT		NL	AT	PL		SI	SK		FI		
Scheme name/type	Overbruggingsrecht/ Droit passerelle	Compensatory bonus: Self-Employed	Income support payments of small Limited Liability Companies (Compensatory bonus: Ltd)	Income support payments to the self-employed (Social contributions payment relief for self-employed)	Compensation scheme for the self-employed (lost turnover)	Soforthilfe*	Support to self-employed & sole proprietorships (excluding scientific occupations)	Income support payments to the self-employed (Extraordinary benefit due to cessation of activity)	Pandemic Unemployment Payment (available to employees and self-employed who lost their job from March 13 due to COVID-19 pandemic) Numbers provided here refer to the self-employed.	Allowance for self-employed workers	Special Scheme for self-employed	Allowance for idle time for self-employed	Income support payment to the self-employed	1st support for self-employed	Self-employed support	Income support payments to the self-employe	Annex A	Annex B	Tozo - Number of subsidies (paid to households of 1 or 2 self-employed)	Income support payments to the self-employed (hardship fund - Härtefallfonds)	Income support payments to the self-employed (name of scheme: 15zsz - Co-financing of business activities conducted by natural persons not hiring employees)	15zsz - A low-interest loan to cover the costs of running business for a micro-entrepreneur, including self-employed persons - redeemable if the business activity is maintained for 3 months	Universal income for self-employed	Self-employed persons whose sales decreased by at least 20% or had to close their operations on the basis of a decision of the Public Health Authority	Self-employed persons who have no other income	Self-employed receiving unemployment benefits including under temporary changes relaxing eligibility requirements and improving benefit levels	
2020	January																										
	February																										
	March	392,108	537,270	39,532															257,750				50,622	39,593	10,580		
	April	411,643				1,338,979	453,780	78,623	2,851,320	19,967	1,455	87,964								31,670	10,348	8,662	199,522	53,321	47,540	12,276	8,443
	May	376,733	384,571	41,521		1,681,109	79,000	120,499		16,977	1,798	87,984							5,150	119,827	70,535	845,262	47,387	41,504	8,654	31,517	
	June	178,619				1,856,174	133,000	95,314		0	1,293	87,220								73,470	81,061	85,809	596,408	30,009	5,980	31,554	
	July	126,293				1,868,609	20,920	68,695		1,041	86,675								87,970	57,917	72,800	162,659	23,859	4,865	30,281		
	August	124,691					4,000	56,827		964	86,160								90,400	64,046	34,281	37,394	22,657	4,406	22,251		
	September	92,172						49,661		956									83,620	64,203	22,022	14,666	24,120	4,666	21,623		
	October	118,812	139,899		87,017			212,237	66,480	1,017	51,528								49,920	71,236	10,702	7,918	38,300	39,850	8,129	21,172	
	November	165,533	289,219					346,814	72,075	3,390	81,942								72,910	93,681	7,338	6,251	38,531	45,684	10,814	20,904	
	December	136,136	260,758					349,342	73,848	3,060	81,463								87,870	107,016	8,567	6,419	38,077	46,861	9,871	22,022	
2021	January	127,918	144,492	4,572			383,848	97,410	8,591	6,764	62,516							101,740	115,822	9,117	5,589	31,733	65,168	15,873	22,375		
	February	126,508	155,418	46,563			361,644	97,029	4,719	6,748	62,106							107,390	122,886	12,106	1,942	32,000	70,710	13,525	21,342		
	March	124,828	164,794	171,046			438,398	91,976	3,198	7,242	61,819							102,960	131,700	9,559	2,670	37,697	69,146	12,390	23,733		
	April	122,315	147,217	167,378			455,962	82,705	8,071	3,802	61,472								121,626	9,370	2,318	36,970	65,390	10,444	24,273		
	May	87,152	93,247	141,668			458,357	66,865	6,908	2,205	61,210								111,649	7,650	1,944	28,664	50,241	7,246	23,356		
	June	60,256					160,272	48,907			59,373			42,438					5,742	2,334		31,166			22,376		

Source: Data on recipients of crisis support measures collected via the SPC-ISG and EMCO-IG. Notes: Figures are generally the total number of benefit recipients during the month in question (i.e. the stock of all recipients of benefits) except for AT, DK, DE, HU and LV. For AT, HU and LV figures are the new recipients in the month only. For DK the figure shown is the total number for those who received compensation/benefit at one point in time from the beginning of the start of the scheme, i.e. for unique recipients during the period from March 2020. For DE the figures for the self-employed are cumulative i.e. total number of recipients up to the respective month.

Table 11: Recipients of sickness benefits schemes to protect workers and self-employed in quarantine and "caring benefits"

Country	BE	CZ	DK	EE	IE	ES	CY	LV	LU	MT	RO	SI	SK	FI	SE																						
Scheme name/type	Corona parental leave	Attendance Allowance for Employees (Benefits compensating the loss of income of employees caused by the need to take care of their children or care-dependent people) Nursing Allowance for Self Employed (Benefits compensating the loss of income of S/E caused by the need to take care of their children or care-dependent people)	Temporary right to sickness benefits	Temporary financial support to parents of children with special needs (erivajadusega lapse vanema erakorraline toetus)	Sickness leave (haigushüvit)	Illness Benefit (paid if you cannot work because you are sick or ill)	IT (Temporary Disability)	Special Parenting Leave Scheme for working parents with young children	Special Sickness Leave Scheme for working persons that were quarantined or had to self-isolate or were diagnosed with Covid-19 virus	Sickness benefit	Once-time sickness aid allowance (Vienreizīgs slimības pabalsts PV=H2)	Sickness aid allowance (Slimības pabalsts PV=H3) from 01.01.2021.	Parental benefit (continued)	Lump-sum payment 150 euro to supplement to family state benefit for child with disability	Lump-sum payment 200 euro for persons with disabilities in need of care	Lump-sum payment 500 euro for persons who are raising a child	Congé pour raisons familiales CPHF ("caring benefit")	Quarantine Leave	Covid Disability Benefit	Covid Medical Benefit	Covid Parent Benefit	Payed days off for parents in order to supervise their children (1) (measure 14)	Payed days off for parents in order to supervise their children (2) (measure 15)	Sickness benefits schemes to protect workers and self-employed in quarantine	Sickness Benefit	Pandemic Sickness Benefit	Nursing Benefit	Pandemic Nursing Benefit	Sickness allowance on account of an infectious disease, without Temporary financial assistance due to an epidemic outbreak	Temporary financial assistance due to an epidemic outbreak	Compensation of qualifying deduction in sickness benefit	Changes in temporary parental benefit for caring of sick child					
Year	Month	Number of benefits paid out each month								Number of recipients	Number of individuals receiving (cumulative)	Number of individuals receiving (cumulative)	Number of individuals receiving (cumulative)	Number of corresponding individuals (employees)	Number of corresponding individuals (employees)		Number of benefits	Number of benefits	Number of benefits	Number of benefits																	
2020	January					47,744					7,447																										
	February					47,133					7,281																										
	March		60,875		679	53,002	252,744	11,536	8,601		44,335	13	0	312			21	143,256	19,915	80,407	60,289	604	0														
	April	132,076	60,772		292	555	54,526	325,823	11,186	6,203	833		191																								
	May	217,338	47,698		1,104	174	52,243	119,790	7,250	2,615	1,135		682																								
	June	291,008	21,296		1,140	91	49,251	68,180	0	0	429		1,025	7,678																							
	July	152,877	N/A			57	48,526	105,195	0	0	214		906	25																							
	August	N/A	N/A			230	50,705	269,129	0	0	278		3	2																							
	September	N/A	N/A			836	53,937	444,871	0	0	446		0	0																							
	October	43,228	22,469			1,227	53,022	482,042	0	0	1,615		0	0																							
	November	82,877	21,995	1,123		4,337	49,683	464,996	0	0	6,524		0	0																							
	December	103,642	N/A			6,729	48,157	240,091	0	0	17,244	295	0	0																							
2021	January	59,659	N/A			8,869	57,026	636,260	0	0	27,532	105	148	408	0	-	-	16,391																			
	February	51,972	N/A			9,468	49,139	360,677	0	0	29,417	18	1,662	829	13	-	-	17,773																			
	March	66,070	N/A			14,955	47,910	144,465	0	0	29,552	4	1,927	1,168	2	-	230,181	9,350																			
	April	159,584	N/A			6,208	47,178	229,155	0	0	21,532	1	1,291	1,317	0	18,036	5,336	11,258	21,685																		
	May	192,471	N/A			2,603	47,370	160,951	0	0	18,039	0	962	1,130	0	182	807																				
	June					467	46,644	116,554			14,524	0	911	2	0	57	381																				

Source: Data on recipients of crisis support measures collected via the SPC-ISG and EMCO-IG.

Notes: Figures are generally the total number of benefit recipients during the month in question (i.e. the stock of all recipients of benefits). For BE the figure shown is the total number for the period (i.e. those who received compensation/benefit at one point in time from the beginning of the start of the scheme)). For LV figures are the new recipients in the month only. For MT, number of Individuals receiving the benefit (cumulative). Numbers of unique beneficiaries are for Covid Disability Benefit 379, for Covid Medical Benefit 1679, and for Covid Parent Benefit 4570.

Annex 3: Technical Annex

1. SPPM dashboard methodology
2. SPPM methodology used for the identification of Member States' key social challenges and good social outcomes
3. Definitions and data sources

SPPM dashboard methodology

The Council endorsed on 4 October 2012 the main features of a new instrument, proposed by the Social Protection Committee (SPC), called the "Social Protection Performance Monitor" (SPPM) aimed at contributing to strengthening the monitoring of the social situation and the development of social protection policies in the EU, according to the Treaty mandate (art. 160 of TFEU) of the SPC to work in this area. One key element of this is a dashboard of key social indicators.

What is the objective?

The objective of the SPPM dashboard is to identify annual "social trends to watch" and "positive recent social trends" in the EU, common to several Member States, which can stimulate in-depth review and targeted multilateral surveillance. Given the objective of the dashboard, the focus is on both most recent changes and changes in comparison to 2008, as the base year for monitoring progress for the social aspects of the European 2020 Strategy.

What is the basis of the SPPM dashboard?

The SPPM makes use of the EU portfolio of social indicators⁵⁶, recognizing effectively the importance of the overarching portfolio as a summary set/first tier of indicators to be used for monitoring the major social trends in EU countries across the relevant social policy areas.

How are trends identified?

The indicators are monitored mainly on the basis of evolutions. In order to assess the statistical significance of the year-to-year changes and the changes in comparison to the reference year 2008, use is made of accuracy estimates, developed by Eurostat in cooperation with the Second Network for the analysis of EU-SILC (Net-SILC 2, an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC). For certain of the indicators in the dashboard further work to produce estimates of the significance of net changes is ongoing. Where such estimates are not yet available, specific tentative criteria have been agreed, awaiting further statistical developments. In addition to the checks for statistical significance of changes, in March 2018 the SPC ISG and the Employment Committee's Indicators Group agreed on a common methodology to apply to assess the substantive significance of changes⁵⁷ (a second criterion of substantive significance is applied in parallel to the statistical significance checks to avoid flagging up very small changes in the indicator). The current situation regarding the statistical and substantive significance rules applied for each SPPM indicator is summarised in the following table.

⁵⁶ <http://ec.europa.eu/social/BlobServlet?docId=14239&langId=en>

⁵⁷ This consists of setting thresholds based on the historical variability in the distribution of each indicator rather than using a rule-of-thumb approach. This allows for tailoring of the checks for substantive changes with regard to the historical volatility of the different indicators. Common parameter values to use for the cut-off point for outliers in the distribution and the significance threshold for the remaining distribution have been agreed - a 7.5% cut-off value for outliers and a threshold of 1 Standard Deviation for flagging up significant changes.

Table 13: Summary table of the current statistical and substantive significance rules applied for the SPPM indicators

Indicator	Significance thresholds used			
	change 2016-2017*		change 2008-2017*	
	Statistical	Substantive	Statistical	Substantive
At risk of poverty or social exclusion (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
At-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
At-risk-of-poverty threshold for a single person household (in national currency, adjusted for HICP)	>+5%	EMPL estimates based on variability of series	>+5%	EMPL estimates based on variability of series
Severe material deprivation rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Population living in (quasi-)jobless (i.e. very low work intensity) households (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Relative median at-risk-of-poverty gap (in %)	>+1pp	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Persistent at-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Material and social deprivation	Estat estimates	EMPL estimates based on variability of series	n.a.	n.a.
Income quantile ratio (S80/S20)	Estat estimates	EMPL estimates based on variability of series	>+5%	EMPL estimates based on variability of series
Children at risk of poverty or social exclusion (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Impact of social transfers (excluding pensions) on poverty reduction (in %)	>+5%	EMPL estimates based on variability of series	>+5%	EMPL estimates based on variability of series
At-risk-of-poverty rate for the population living in (quasi-) jobless households (in %)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
In-work at-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Long-term unemployment rate (in %)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Early school leavers (in %)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Youth unemployment ratio (15-24)	>+1pp	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
NEET (15-24)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Employment rate for older workers (55-64), in %	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
At risk of poverty or social exclusion rate for the elderly (65+), in %	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Median relative income ratio of elderly people	Estat estimates	EMPL estimates based on variability of series	>+5%	EMPL estimates based on variability of series
Aggregate replacement ratio	Estat estimates	EMPL estimates based on variability of series	>+5%	EMPL estimates based on variability of series
Self-reported unmet need for medical care	>+1pp	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Healthy life years at 65 - males	n.a.	n.a.	>+5%	EMPL estimates based on variability of series
Healthy life years at 65 - females	n.a.	n.a.	>+5%	EMPL estimates based on variability of series
At risk of poverty or social exclusion rate for persons with disabilities (in %)	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Housing cost overburden rate	Estat estimates	EMPL estimates based on variability of series	>+1pp	EMPL estimates based on variability of series
Real change in gross household disposable income (in %)	-	EMPL estimates based on variability of series	-	EMPL estimates based on variability of series

Notes:

i) 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; ii) Substantive changes are assessed with regard to the historical volatility of the different indicators using common parameters of a 7.5% cut-off value for outliers and a threshold of one Standard Deviation for flagging up significant changes.. * For LTU rate, early school leavers, youth unemployment ratio, NEETs, ER (55-64) the reference periods are 2017-2018 and 2008-2018.

A trend needs to be evident in a certain number of Member States in order to qualify as a "social trend to watch" or a "positive recent social trend." The general criterion of at least around 1/3 of Member States is used in order to ensure that there is a significant basis for conclusions. However,

a certain level of flexibility is kept and if a strong trend is evident in a smaller number of countries or this is the case for a specific group of countries, it could still be considered as a "trend to watch" or a "positive trend."

How are the SPPM results used?

The SPPM results are presented in the SPC annual report and are endorsed by the EPSCO Council. On the basis of the identified social trends to watch, the SPC may undertake thematic in-depth reviews where drivers and policy solutions for the identified challenges are discussed among Member States.

SPPM methodology used for the identification of Member States' key social challenges and good social outcomes

Introduction

SPPM Country Profiles are presented as an annex to the SPC Annual Report. For all Member States, Country Profiles provide, among other elements of analysis, a summary table giving an overview of the key social challenges (KSCs) and good social outcomes (GSOs) identified for each country.

This appendix describes the methodology established by the SPC Indicators' sub-group (ISG) to identify each Member States' KSCs and GSOs, which had been adapted in 2021 to follow a more policy-based approach. The results of this process are compiled at the end of each Country Profile in the form of summary tables. As they constitute part of the Country Profile, their content will contribute to shape the Key Messages of the SPC for the October EPSCO as concerns the social policy priorities for the Annual Sustainable Growth Strategy.

Scope of the exercise

The assessment of KSCs and GSOs included in the SPPM Country Profiles now follows a more broad policy-based approach instead of the previous one that reflected the age-based structure of the Joint Assessment Framework (JAF) Policy Area 11 – *Poverty and Social Exclusion*, to which selected indicators from the JAF module on Health were added to make the indicators' framework more exhaustive.

The new summary table for the country profiles is divided in the following five main policy areas:

1. Poverty, social exclusion and inequality
2. Effectiveness of social protection
3. Pensions
4. Long-term care
5. Healthcare

Each policy area is further broken down into sub-categories that cluster a number of more granular metrics and specific areas which have been agreed with the SPC-ISG, as indicated in the table at the end of this appendix.

Methodology

The identification of the key social challenges and good social outcomes follows a "two-step" methodology, which foresees the use of both quantitative and qualitative sources of information, in this order⁵⁸.

- The quantitative step of the exercise is based on an assessment of levels⁵⁹ and three-year changes⁶⁰ in relation to the EU average for selected JAF indicators. In the JAF methodology, the values of each indicator are standardised, in order to put different indicators on the same scale and compare them to the EU28 average.

The standardised scores for levels (1) and changes (2) are calculated as follows:

(1) *Standardised score indicator x =*

*[(value of indicator x – EU average of x)/standard deviation across EU MS of x] * 10*

(2) *Standardised 3-year change score indicator x =*

*[(3-year change value of indicator x – 3-year change of EU average of x)/standard deviation of 3-year changes across EU MS of x] * 10*

Standardised scores for changes should be interpreted as relative changes with respect to the EU average⁶¹.

The SPC-ISG agreed to develop a scale that sets five performance bands based on the following standardised scores' intervals/thresholds:

- ➔ (-7; +7): the performance of an indicator is classified as *around the EU average (0) for levels and constant (0) for changes*;
- ➔ (-7; -13 **or** +7; +13): the performance of an indicator is classified as *better (+) / worse (-) than the EU average for levels, and registering a positive (+) / negative (-) development for changes, depending on the polarity of the indicator*;
- ➔ (< -13 **or** > +13): the performance of an indicator is classified as *significantly better (++) / significantly worse (--) than the EU average for levels, and registering a significantly positive (++) / significantly negative (--) development for changes, always depending on the polarity of the indicator*.

⁵⁸ The methodology is analogous to the one set in place for the identification of key employment challenges (KECs) and good labour market outcomes (GLMOs) in the context of the Employment Performance Monitor (EPM) by the EMCO Committee.

⁵⁹ The latest year available for EU – e.g. the SPC Annual Report 2021 looks at 2019 data for levels.

⁶⁰ From [latest year available for EU – 3 years] to [latest year available for EU] - e.g. the SPC Annual Report 2021 looks at 2016-2019 data for changes.

⁶¹ E.g. there may be cases in which a 3-year positive change in absolute values can correspond to a relative negative change of the standardised score.

The following categories of messages result from the analysis and are used as a basis for determining KSCs and GSOs, based on the 5 x 5 two-way table below:

Quantitative assessment	Levels	Changes
1. Indicator significantly worse than EU average	'--'	'--', '+', '0'
2. Indicator worse than EU average	'-'	'--', '+', '0'
3. Indicator significantly better than EU average	'++'	'0', '+', '++'
4. Indicator worse than EU average & some positive development	'--', '-'	'+'
5. Indicator worse than EU average & significantly positive development	'--', '-'	'++'
6. Indicator better than EU average & significantly negative development	'+'	'--'
7. Indicator better than EU average & some positive development	'+'	'+'
8. Indicator better than EU average & significantly positive development	'+'	'++'
9. Indicator around EU average & some negative development	'0'	'-'
10. Indicator around EU average & significantly negative development	'0'	'--'

Levels	Changes				
	"--"	"-"	"0"	"+"	"++"
"--"	1	1	1	4	5
"-"	2	2	2	4	5
"0"	10	9			
"+"	6			7	8
"++"			3	3	3

Within the 'low performance' band (i.e. area highlighted in red), a variety of situations are described:

1. Indicator substantially⁶² worse than the EU average, and no clear improvement or getting worse
2. Indicator worse than the EU average, and no clear improvement or getting worse
4. Indicator worse than the EU average and some positive development
5. Indicator worse than the EU average and substantially positive development
6. Indicator better than the EU average and substantially negative development
9. Indicator around EU average and some negative development
10. Indicator around EU average and substantially negative development

⁶² The term 'significant(ly)' is replaced with 'substantial(ly)' to prevent any confusion with statistical significance

A two-step approach is then used to support a robust prioritisation. In a first step, messages of type 1, 2, and 4 are scrutinised for the purpose of identifying KSCs, as they relate to the levels and there are no signs of strong improvement, which is indicative of structural challenges. Should the scrutiny lead to the identification of none or a very low number of underperforming areas (1-2), in a second step, the scrutiny may be extended to indicators for which a message of type 5 or 10 are flagged.

Further, these results are assessed in a third step from the perspective of their priority at country-level, with a view to identifying the most important challenges. Assigning priority levels draws primarily on the available country-specific expertise and may involve several aspects, e.g.

- ✓ a review of already identified key challenges,
- ✓ an integrated look across all policy areas,
- ✓ review of findings from relevant studies and other international bodies like the OECD etc. on key social policy challenges, or
- ✓ a quantitative look at groups most at-risk of poverty and exclusion to see which specific problem areas, if tackled, would contribute strongest to achieving progress.

The table below summarises the relation between the three steps and the final classification of an area as a JAF-based key social challenge or good outcome.

JAF DECISION TREE				
STEP 1 and STEP 2 Findings from quantitative qualitative performance check	STEP 3 Assessing priority	Key Employment /Social Challenge	Potential Risk Area	Best Practice
High performance	Low	-	-	-
High performance	Medium	-	-	-
High performance	High	-	-	YES
Medium performance	Low	-	-	-
Medium performance	Medium	-	-	-
Medium performance	High	-	(YES)	-
Low performance	Low	-	-	-
Low performance	Medium	-	YES	-
Low performance	High	YES	-	-

When a break in the time series of an indicator is flagged for a country, the assessment of changes over the three-year time span might not be reliable. In this case, the identification of KSCs and GSOs is based on the identification of levels of performance only - changes over the three-year time span affected by the break in the time series are therefore assumed to be constant (0).

In some social policy areas assessments are based on a set of *non-JAF based* data and information, including expert knowledge from country analysts and the findings of the relevant literature. The non-JAF based challenges stemming from the results of this analysis are identified in a transparent manner and presented during the consultation phase on the basis of a reasoned assessment detailed by the Commission as per the table below:

<i>Description of the challenge</i>
<i>Reasoning, including reference to data (not already included in JAF) when available</i>
<i>Data sources</i>
<i>Additional background information</i>

The draft country-specific sets of KSCs and GSOs (both JAF-based and non JAF-based) are checked with SPC and ISG delegates via written procedure, followed by bilateral clarifications if needed, as a last step in the process of finalisation of the SPC Country Profiles.

Social Policy areas covered by the assessment and subcategories⁶³

The synthesis table follows a policy-based approach. The indicators and information underpinning the assessment sub-categories (including JAF indicators and/or the non-JAF policy areas) is presented in a separate column.

Social policy area	Subcategory		Underpinning
1. Poverty, social exclusion and inequality	1.1	Poverty and social exclusion (all age brackets)	At-risk-of-poverty rate, Severe material deprivation, (Quasi-)jobless households (VLWI), At-risk of poverty rate for people living in (quasi-)jobless households, Poverty gap, Persistent at-risk-of-poverty rate
	1.2	Inequality (general population)	Income inequality S80/S20, Interquintile income share ratio S80/S50, Interquintile income share ratio S50/S20
	1.3	Material and social deprivation rate (all age brackets)	Material and social deprivation rate
	1.4	Housing situation (all age brackets)	Housing cost overburden, Housing deprivation, Homelessness and housing exclusion (via justification table)
	1.5	<i>Social situation of persons with disabilities</i>	<i>Via justification table</i>
	1.6	<i>Social situation of Roma</i>	<i>Via justification table</i>
	1.7	<i>Social situation of migrants and refugees</i>	<i>Via justification table</i>
	1.8	<i>Regional dimension of poverty and social exclusion</i>	<i>Via justification table</i>
2. Effectiveness of social protection	2.1 Social inclusion of children	2.1.1 Effectiveness of social protection for children	Impact of social transfers [excluding pensions] in reducing child poverty, Impact of social transfers [including pensions] in reducing child poverty, At-risk-of-poverty rate for children living in households at work [0.2<WI<=0.55 and 0.55<WI<=1], Poverty gap
		2.1.2 <i>Equal opportunities for children</i>	<i>Via justification table</i>
	2.2 Active inclusion	2.2.1 Effectiveness of social benefits for the working age population	Impact of social transfers [excluding pensions] in reducing working age poverty risk, Impact of social transfers [including pensions] in reducing working age poverty risk, Poverty gap, At-risk-of-poverty rate for population living in (quasi-)jobless households, Adequacy, coverage and take-up of social assistance (via justification table)
		2.2.2 <i>Effectiveness of social services</i>	<i>Via justification table</i>
		2.2.3 Inclusive labour markets	In work poverty, Long-term unemployment, At-risk-of-poverty rate for population living in low-work intensity households
	2.3 Social protection for all	<i>Gaps in access to social protection</i>	<i>Via justification table</i>
3. Pensions	3.1	Effectiveness of social protection in old age (poverty prevention and income replacement)	Poverty gap, Aggregate replacement ratio [excluding other social benefits], Median relative income

⁶³ Elements written in **bold roman** are based on an assessment of **JAF-based** information. Elements written in *italics* are based on an assessment of *non-JAF based information*.

	3.2	<i>Systemic pensions adequacy issues</i>	<i>Via justification table</i>
4. Long-term care	4	<i>Long-term care</i>	<i>Via justification table</i>
5. Health	5.1	Health status	Life expectancy at birth and 65, Healthy life years at birth and 65, Child mortality
	5.2	Effectiveness of curative or preventive health care	Potential years of life lost, Treatable mortality standardized rate, Preventable mortality standardized rate, Vaccination coverage rates for children
	5.3	Access to health care	Self-reported unmet need for medical care [total and by reason: cost, waiting time, distance], Self-reported unmet need for medical care – income quintile gap [q1-q5 by the three reasons: cost + waiting time + distance]

Definitions and data sources

Indicator	Definition	Data source
At risk of poverty or social exclusion rate	The sum of persons who are: at risk of poverty and/or severely materially deprived and/or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the total population.	Eurostat – EU SILC
At-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household, and is attributed to each household member. Equivalisation is made on the basis of the OECD modified scale. This relative measure of poverty is also referred to as "income poverty".	Eurostat – EU SILC
Severe material deprivation rate	Share of population living in households unable to afford at least 4 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone.	Eurostat – EU SILC
Material deprivation rate	Share of population living in households unable to afford at least 3 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone.	Eurostat – EU SILC
Share of population(0-59) in (quasi-)jobless, i.e. very low work intensity (VLWI), households	People aged 0-59, living in households, where working-age adults (18-59) work 20% or less of their total work potential during the past year.	Eurostat – EU SILC
Relative poverty risk gap rate	Difference between the median equivalised income of persons aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.	Eurostat – EU SILC

Persistent at-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.	Eurostat – EU SILC
Material and social deprivation rate	Share of people in the total population unable to afford at least five items out of the following 13 deprivation items: Household items 1. face unexpected expenses; 2. afford one week annual holiday away from home; 3. avoid arrears (in mortgage, rent, utility bills and/or hire purchase instalments); 4. afford a meal with meat, chicken or fish or vegetarian equivalent every second day; 5. afford keeping their home adequately warm; 6. have access to a car/van for personal use; and 7. replace worn-out furniture. Personal items 8. replace worn-out clothes with some new ones; 9. have two pairs of properly fitting shoes; 10. spend a small amount of money each week on him/herself (“pocket money”); 11. have regular leisure activities; 12. get together with friends/family for a drink/meal at least once a month; 13. have an internet connection.	Eurostat – EU SILC
Income quintile ratio S80/S20	The ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.	Eurostat – EU SILC
At risk of poverty or social exclusion rate of children	The sum of children (0-17) who are: at risk of poverty and/or severely materially deprived and/or living in (quasi-)jobless households (i.e. households with very low work intensity (below 20%) as a share of the total population aged 0-17.	Eurostat – EU SILC
Impact of social transfers (excluding pensions) on poverty risk reduction	Reduction in the at-risk-of-poverty rate in % due to cash social transfers, calculated as the percentage difference between the at-risk-of-poverty rate before and after social transfers	Eurostat – EU SILC
At-risk-of-poverty rate for the population living in (quasi-)jobless (i.e. very low work intensity) households	Share of persons aged (0-59) with an equivalised disposable income below 60% of the national equivalised median income who live in households where working-age adults (18-59) worked 20% or less of their total work potential during the past year.	Eurostat – EU SILC
In-work at-risk-of-poverty rate	Individuals (18-64) who are classified as employed according to their most frequent activity status and are at risk of poverty. The distinction is made between “wage and salary employment plus self-employment” and “wage and salary employment” only.	Eurostat – EU SILC

Long-term unemployment rate (active population, 15+)	Total long-term unemployed population (≥ 12 months' unemployment; ILO definition) as a proportion of total active population.	Eurostat – LFS
Youth unemployment ratio	Total unemployed young people (ILO definition), 15-24 years, as a share of total population in the same age group (i.e. persons aged 15-24 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months as a percentage of the total population in the same age group).	Eurostat - LFS
Early leavers from education and training	Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.	Eurostat – LFS
NEETs (15-24)	Share of young people aged 15-24 not in employment, education or training	Eurostat - LFS
Employment rate of older workers	Persons in employment in age group 55-64, as a proportion of total population in the same age group.	Eurostat – LFS
At risk of poverty or social exclusion rate of the elderly	The sum of elderly (65+) who are: at risk of poverty and/or severely materially deprived and/or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the total population in the same age group.	Eurostat – EU SILC
Median relative income ratio of elderly people	Median equivalised disposable income of people aged 65+ as a ratio of income of people aged 0-64.	Eurostat – EU SILC
Aggregate replacement ratio	Median individual gross pension income of 65-74 relative to median individual gross earnings of 50-59, excluding other social benefits ⁶⁴	Eurostat – EU SILC
Share of the population with self-reported unmet need for medical care	Total self-reported unmet need for medical examination for the following three reasons: financial barriers + waiting times + too far to travel.	Eurostat – EU SILC
Healthy life years at 65	Number of years that a person at 65 is still expected to live in a healthy condition. To be interpreted jointly with life expectancy (included in the SPPM contextual information).	Eurostat

⁶⁴ Pension income covers pensions from public old-age pension schemes, means-tested welfare schemes, early retirement and survivor's benefits and other old age-related schemes. Other social benefits include unemployment-related benefits, family-related benefits, benefits relating to sickness or invalidity, education-related allowances, and any other personal social benefits. Work income includes income from wage and salary employment and income from self-employment.

At risk of poverty or social exclusion rate for persons with disabilities (16+)	The sum of persons with disabilities who are: at risk of poverty and/or severely materially deprived and/or living in households with very low work intensity as a share of the total population of persons with disabilities. Here the reference population is persons aged 16+ with moderate or severe disabilities, based on the Global Activity Limitation Indicator (GALI) approach (i.e. persons who report either moderate or severe health-related activity limitations).	Eurostat – EU SILC
Housing cost overburden rate	Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).	Eurostat – EU SILC
Change in real gross household disposable income (GHD)	Real growth in gross household disposable income (GHD). Real GDHI is calculated as nominal GDHI divided by the deflator of household final consumption expenditure.	Eurostat - National accounts

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

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

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

Income/disposable income

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

Employed

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

Working full year/less than full year

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

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The widespread positive developments in the social situation up until early 2020 were interrupted and then put into reverse by the crisis resulting from the COVID-19 outbreak and the related containment measures adopted by the Member States to fight the pandemic and protect the lives and livelihoods of their citizens.

The report of the Social Protection Committee provides an overview of the impact of the decisive action taken by Member States to protect employment, income and access to services. It highlights that social protection systems were the main stabilisation factor in supporting household incomes, as social benefits, including short time working schemes, played a major role in mitigating the overall drop in household incomes in 2020. Access to social protection systems was often temporarily eased in order to increase the effectiveness of the systems in protecting those who lost their job or income.

Although the overall situation has been improving over 2021 as the EU recovers from the crisis, there remains a need to address the longer-term socio-economic impacts of the pandemic. Despite the mitigating role played by the social protection systems, the current crisis has affected more strongly the vulnerable and social protection systems are expected to remain under pressure in the short and medium term.

To rebuild from the crisis and prepare better for future emergencies, Member States should continue to prioritise measures to combat poverty and social exclusion, to address rising income inequalities, as well as to enhance the resilience of social protection systems. Furthermore, national responses should continue to focus on the situation of the vulnerable and include mechanisms to support them. The European Pillar of Social Rights should continue to guide Member States' reform efforts and its principles should continue to be systematically implemented.

SPC website

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