Social Protection Committee

17th October 2012

Social protection performance monitor (SPPM) – methodological report by the Indicators Sub-group of the Social Protection Committee

1. Background

In December 2011 the EPSCO Council called for "further efforts to improve the mechanisms for the implementation of National Reform Programs (NRPs), country specific recommendations and Euro Plus Pact commitments within the area of employment and labour market and of social protection. "

In December 2011, the European Council emphasized the need for "complementing reinforced economic governance with improved monitoring of employment and social policies" (European Council Conclusions, 9 December 2011, EUCO 139/11).

At its 19-20 April 2012 meeting, the SPC endorsed a conceptual proposal for a new instrument called the "social protection performance monitor" (SPPM) that should contribute to strengthening the **monitoring** of the social situation and the development of social protection policies in the EU. It requested from the ISG to work on the methodology for such an instrument. The Council endorsed on 4 October 2012 the main features of the SPPM which paved the way for its inclusion in the Committee's annual report.

The present report is a result of two oral discussions and one written consultation at the ISG in the period June-September 2012.

2. Objectives

The overall objective of the SPPM is to **reinforce and support coordination of social policy and multilateral surveillance**.

The SPPM will strengthen the monitoring of the social situation in Europe by the SPC (art. 160 TFEU), through providing the ability to identify main common social trends and reinforcing the multilateral surveillance capacity of the SPC, thus, enhancing the Committee's role in the European Semester and in supporting EPSCO to bring these social issues to the attention of the European Council. It will make full use of the EU portfolio of indicators on social protection and social inclusion which will be the main source for the indicators included, 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
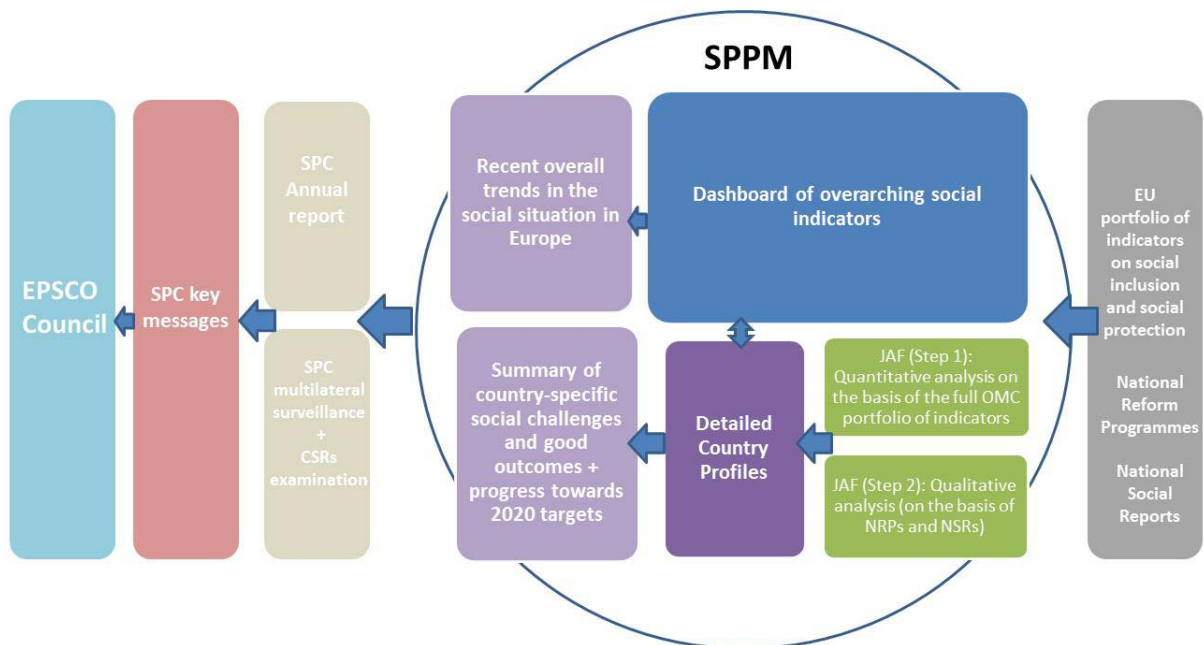
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EU countries while the detailed indicators for each strand will be monitored in the context of the in-depth work within the relevant policy fields.

The SPPM will be used for the different tasks the SPC is undertaking during the year – input for the European Semester and examination of the Country Specific Recommendations (CSRs), multilateral and thematic surveillance, peer reviews and the SPC Annual report. It will be the underlying instrument for the monitoring process of the social dimension of Europe 2020. It will be strongly based on the indicators developed by the ISG and will also make use of national data and information (both qualitative and quantitative) wherever relevant in order to be able to deliver in the best possible manner on the SPC core task to monitor the social situation in the European Union. In this context the SPC will ensure that purely mechanical interpretations are avoided and that national contexts are duly taken into account.

The new tool is consistent with the Joint Assessment Framework (JAF) while at the same time keeping **a comprehensive approach and looking at all three strands of the EU cooperation in the field of social protection and social inclusion (social inclusion, pensions, healthcare and long-term care)**.

3. Structure of the SPPM

The following diagram illustrates the structure of the SPPM as well as the way it will feed into the monitoring process of the social dimension of the Europe 2020 Strategy.

The SPPM will consist of three elements:

i) **a graph of the evolution towards the EU headline target on poverty and social exclusion** for the EU as a whole[1]

ii) **a dashboard of key social indicators** covering all three strands of the EU cooperation in the field of social protection and social inclusion to overlap as much as possible with the overarching list of the commonly agreed EU social indicators (conditional upon taking into account most recent policy and indicators' development) used for identifying trends to watch and positive recent trends. It will provide an overall summary of negative and positive developments in the social situation in Europe based on common trends identified across several Member States;

ii) **country profiles** which look in-depth into the progress on key social indicators in each MS and towards the national 2020 poverty and social exclusion targets.

The dashboard will address the need to make full use of the summary set of indicators, as defined in the overarching set of EU indicators on social protection and social inclusion, for the **identification of important common "trends to watch" as well as "positive recent trends"** bearing in mind that the full information produced by the JAF or the country profiles are too detailed and specific to allow for a regular political discussion at Council level while recognizing also the importance of carrying out in-depth socio-economic analysis, mobilising the full set of EU social indicators in the annual SPC report[2].

The country profiles are a result of the analysis done in the context of the Joint Assessment Framework and offer country-specific information on Member States' progress with respect to the poverty and social exclusion target, information on main indicators covering all social protection and social inclusion aspects, and identification of key social challenges as well as particularly good social outcomes. They will facilitate the SPC multilateral surveillance process, especially as regards the identification of Member States' bottlenecks and good outcomes.

In summary, the dashboard covers in a succinct way all three strands of the EU cooperation in the field of social protection and social inclusion and identifies developments common to several Member States whereas the JAF focuses more on individual Member States.

3.1 Dashboard of key social indicators

3.1.1 Selection of indicators

The dashboard is based extensively on the work on indicators developed by the SPC and its Indicators' group. The indicators used for the dashboard should give a synthetic but comprehensive picture on the main changes in the social situation in Europe and lead to identifying important trends to watch and positive recent trends. In March 2006, the EPSCO Council decided to streamline the

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[1] Progress towards the national targets will be included as part of the third element, the country profiles.

[2] As highlighted by the European Commission President Mr.JM Barroso, the monitoring of the social dimension of Europe 2020 may not be limited to that of the social inclusion target: 'It is also essential (…) that Member States – and the EU as a whole – continue to monitor performance according to the full set of commonly agreed social indicators underpinning EU coordination and cooperation'. Foreword to book on 'Income and living conditions in Europe' available from the Eurostat website http://ec.europa.eu/eurostat.

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Open Method of Coordination (OMC) on social inclusion, on pensions and on healthcare and long-term care into a single social OMC. In this context, the Council endorsed the common objectives for the Social OMC (3 overarching objectives and 3 for each of the 3 covered strands) on the basis of which the set of EU social protection and social inclusion indicators were revised and reorganized[3]:

The revision and reorganization of the EU social indicators' set were made following the broad common methodological framework established by the ISG for its indicators' work and building on the principles agreed in 2001 for the Laeken social indicators portfolio[4]. They reflect the three EU objectives presented above, as well as dimensions that are "overarching" and not specific to a strand in particular.

The overarching list of indicators, as defined by the ISG, has served as the basis for the selection of indicators for the dashboard while taking into account more recent developments, mainly related to the definition of the Europe 2020 poverty and social exclusion target and indicator, and additional aspects of policy relevance. The list of indicators is not a static one; it will be reviewed regularly in order to ensure that policy and statistical developments are reflected in an appropriate manner.

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[3] In June 2011, when adopting the SPC opinion on the reinvigorated Social OMC, the Council re-affirmed these core objectives after amending slightly the overarching set to take account of the new Europe 2020 context.

[4] See Portfolio of indicators for the monitoring of the European Strategy for Social Protection and Social Inclusion – 2009 update (http://ec.europa.eu/social/BlobServlet?docId=3882&langId=en.)

Table 1. List of dashboard indicators

Dimension	Indicator	Definition	Data source
Europe 2020	**At risk of poverty or social exclusion rate** (total population)	The sum of persons who are: at-risk-of-poverty or severely materially deprived or living in households with very low work intensity as a share of the total population	Eurostat – EU SILC
	At-risk-of-poverty rate (AROP) (total population) + poverty threshold (in PPS)	Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income.[5]	Eurostat – EU SILC
	Severe material deprivation rate (SMD) (total population)	Share of population living in households lacking at least 4 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone.	Eurostat – EU SILC
	Share of population(0-59) in very low work intensity households (VLWI)	People aged 0-59, living in households, where working-age adults (18-59) work less than 20% of their total work potential during the past year.	Eurostat – EU SILC
Intensity of poverty risk	**Relative poverty risk gap rate** (total population)	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
Income inequalities	**Income quintile ratio S80/S20** (total population)	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	Eurostat – EU SILC

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[5] 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. Equivalization is made on the basis of the OECD modified scale.

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		disposable income.	
Child poverty	**At risk of poverty or social exclusion rate** (0-17)	The sum of children (0-17) who are: at-risk-of-poverty or severely materially deprived or living in households with very low work intensity (below 20%) as a share of the total population	Eurostat – EU SILC
Effectiveness of social protection systems	**Impact of social transfers (excluding pensions) on poverty reduction**[6] (total population)	Reduction in the at-risk-of-poverty rate in % due to social transfers, calculated as the percentage difference between the at-risk-of-poverty rate before and after social transfers	Eurostat – EU SILC
	At-risk-of-poverty rate for the population living in very low work intensity households (0-59)	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) work less than 20% of their total work potential during the past year.	Eurostat – EU SILC
Social consequences of labour market situation	**In-work at-risk-of-poverty rate** (18-64)	Individuals 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 exclusion	**Youth unemployment ratio** (15-24)	Total unemployed young people (ILO definition), 15-24 years, as a share of total population in the same age group	Eurostat - LFS
	Early leavers from education and training (18-24)	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	Eurostat – LFS

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[6] The general definition of this indicator, as decided by the ISG, excludes pensions from the calculation. However, given the institutional specificities of some Member States, where the same indicator, including pensions should also presented, this will be done in the country profiles for these countries. For the purpose of the dashboard, the definition excluding pensions will be kept. If trends registered for the MS where the same indicator including pensions might be more appropriate, this will be duly highlighted in the analysis.

		education or training in the four weeks preceding the survey.	
Active ageing	**Employment rate of older workers** (55-64)	Persons in employment in age group 55-64, as a proportion of total population in the same age group.	Eurostat – LFS
Pension adequacy	**At risk of poverty or social exclusion rate** (65+)	The sum of elderly (65+) who are: at-risk-of-poverty or severely materially deprived or living in households 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 pension income of 65-74 relative to median individual earnings of 50-59, excluding other social benefits[7]	Eurostat – EU SILC
Access to decent housing	**Housing cost overburden rate** (total population)	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
Health	**Share of the population with self-reported unmet need for medical care** (total population)	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 (total population, breakdown by gender)	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

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

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In the selection of indicators for the dashboard, the ISG clearly recognizes that **some important dimensions need further work** on developing better indicators and the current indicators included for these dimensions only partially cover them. This is the case with the area of health (i.e. where required development includes work on indicators of premature mortality by socio-economic status as well as indicators of out-of-pocket payment at the macro-level) and effectiveness of social protection systems. As work on indicators in these areas progresses, the list of indicators will be regularly reviewed and these developments will be integrated.

The findings and trends identified from the dashboard need to be read and contextualised with the help of additional statistics and information related to macroeconomic conditions, labour market conditions, spending levels. This context information will serve as an introduction to the context in which the trends identified by the dashboard are evolving and will be focused on showing the current levels. In the description of the results coming from the dashboard, the statistics which are part of the list of contextual information will be used to set the scene.

Table 2. List of contextual information

	Contextual information	Data source
Dynamics within the Europe 2020 target	**Share of the population confronted with "only" one of the 3 problems (AROP, SMD or VLWI)**	Eurostat – EU-SILC
	Share of the population confronted with 2 or 3 of the 3 problems (AROP, SMD, VLWI)	Eurostat – EU-SILC
Macroeconomic conditions	**GDP growth/ GDP per capita** (in PPS)	Eurostat
	Public debt (current and projected)	
Participation in the labour market	**Activity rate**	Eurostat - LFS
	Employment rate (by ISCED level)	Eurostat-LFS
	Unemployment rate	Eurostat-LFS
Funding of social protection systems	**Projected total public (social) expenditure** (in % of GDP)	National Accounts
	Social protection expenditure (by types of risk)	Eurostat - Esspros
	Current and projected change in age-related expenditure (public and total)	National Accounts
Pensions adequacy	**Old age dependency ratio**	Eurostat
	Change in projected theoretical replacement ratio for base case 2010-2060	EC/SPC Pension Adequacy Report 2012
Health	**Healthy life years at birth**(total population, breakdown by gender)	Eurostat
	Life expectancy at birth (total population, breakdown by gender)	Eurostat
	Life expectancy at 65 (total population, breakdown by gender)	Eurostat
	Infant mortality	Eurostat
Human capital	**Tertiary educational attainment**	Eurostat

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formation	**Adult lifelong learning participation**	Eurostat - LFS
Gender dimension of poverty and social exclusion	At risk of poverty or social exclusion as a proportion of total population by gender will be explored (by relevant household types)	Eurostat – EU SILC
Migrants	**At risk of poverty or social exclusion of migrants** (non-EU nationals)	Eurostat – EU SILC

It is to be noted that some of these indicators may produce unreliable figures for some Member States due to the small sample size. If this is the case, these figures will not be considered for the respective Member States.

3.1.2 Methodology for assessment and presentation

The objective of the dashboard is to identify common "trends to watch" and "positive recent trends" which can stimulate in-depth review and targeted multilateral surveillance. In the identification of these trends, it is important to underline that the objective is to identify **trends common to a number of Member States**, i.e. vertical trends as supposed to horizontal trends (for one country across a certain time period). 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 Europe 2020 Strategy. The quantitative and qualitative steps of the Joint Assessment Framework and the country profiles will look into more structural challenges and longer-term developments with a stronger focus on individual Member States.

In a second step, there is a need for assessing the statistical significance of the year-to-year and most recent year-to-2008 changes. Eurostat in cooperation with the Second Network for the analysis of EU-SILC (Net- SILC 2) has already launched an important piece of work on accuracy estimates of SILC-based percentage indicators looking into the Europe 2020 target and its components[8]. This work will be used as the basis for evaluating the statistical significance of changes for the SILC-based percentage indicators. The eventual aim is that no single threshold but rather **Member State-specific significativity of net change threshold,** as resulting from the Eurostat and Net-SILC 2 accuracy estimations, will be used. For the indicators defined as ratios (e.g. S80/S20, aggregate replacement ratio, median relative income ratio of elderly people), further analysis on the significance of net changes will be necessary. Similarly, further work on the LFS-based indicators will be necessary. Thus, for the first edition of the dashboard in the context of the 2012 SPC Annual Report, Member State-specific significativity of net change will be used for most of the SILC based indicators while for the LFS-based indicators a 1pp rule of thumb will be used and for the specific indicator on impact of social transfers and for evaluating the evolution of the poverty threshold, the ratio based indicators and the healthy life years indicator, a 5% rule of thumb will be used.

A trend needs to be evident in a certain number of Member States in order to qualify for a "trend to watch" or a "positive recent trend." The general criteria of **at least 1/3 of Member States** will be used in order to ensure that there is a significant basis for conclusions. However, the ISG retains that

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[8] See Eurostat note SPC/ISG/2012/06/4 ("Accuracy measures of SILC based indicators")

a certain level of flexibility is kept and if a strong trend is evident in a smaller number of countries is registered 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." Thus, in the final annual decision on the "trends to watch" and the "positive trends", the SPC and the ISG will use this degree of discretion.

The identified trends can also be shared and subject to consultation with the social partners and stakeholders which can guarantee a transparent and inclusive process.

Through the dashboard, the **SPC will substantiate its messages on overall negative and positive developments in the social situation in Europe to the Council with strong evidence-base and with improved synthetic presentation of trends for key social indicators**. With progress in the timeliness of social statistics[9], the dashboard will also deliver timelier messages. The focus on both most recent progress (N vs. N-1) as well as comparison to 2008[10] (N vs. 2008), the base reference year for monitoring progress for the social aspects of the European 2020 Strategy, contributes to delivering on most recent trends as well as keeping a strong focus on the progress in the Europe 2020 Strategy. The identified trends will become a subject of (an) in-depth review(s) in the context of multilateral surveillance and/or peer reviews, taking into account the need to contextualise the interpretation of the indicators. The SPC Annual Report will also examine more thoroughly these trends, making use of the full set of EU indicators on social inclusion and social protection.

The **SPPM will be reviewed regularly** in view of statistical and indicators' development, evolution of the policy context and progress in the timeliness of social statistics as well as experience with the use of the tool.

Table 3 below shows **an example of a dashboard** which uses the methodology described. Figure 1 presents **a summary reading of the common overall "trends to watch" and "positive recent trends.**

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[9] An Action plan on improving the timeliness of social statistics is currently jointly being developed between DG EMPL and Eurostat (see SPC/ISG/2012/05/4).

[10] In 2010, when the Europe 2020 Strategy was adopted, 2008 SILC data were available and have been used as a baseline.
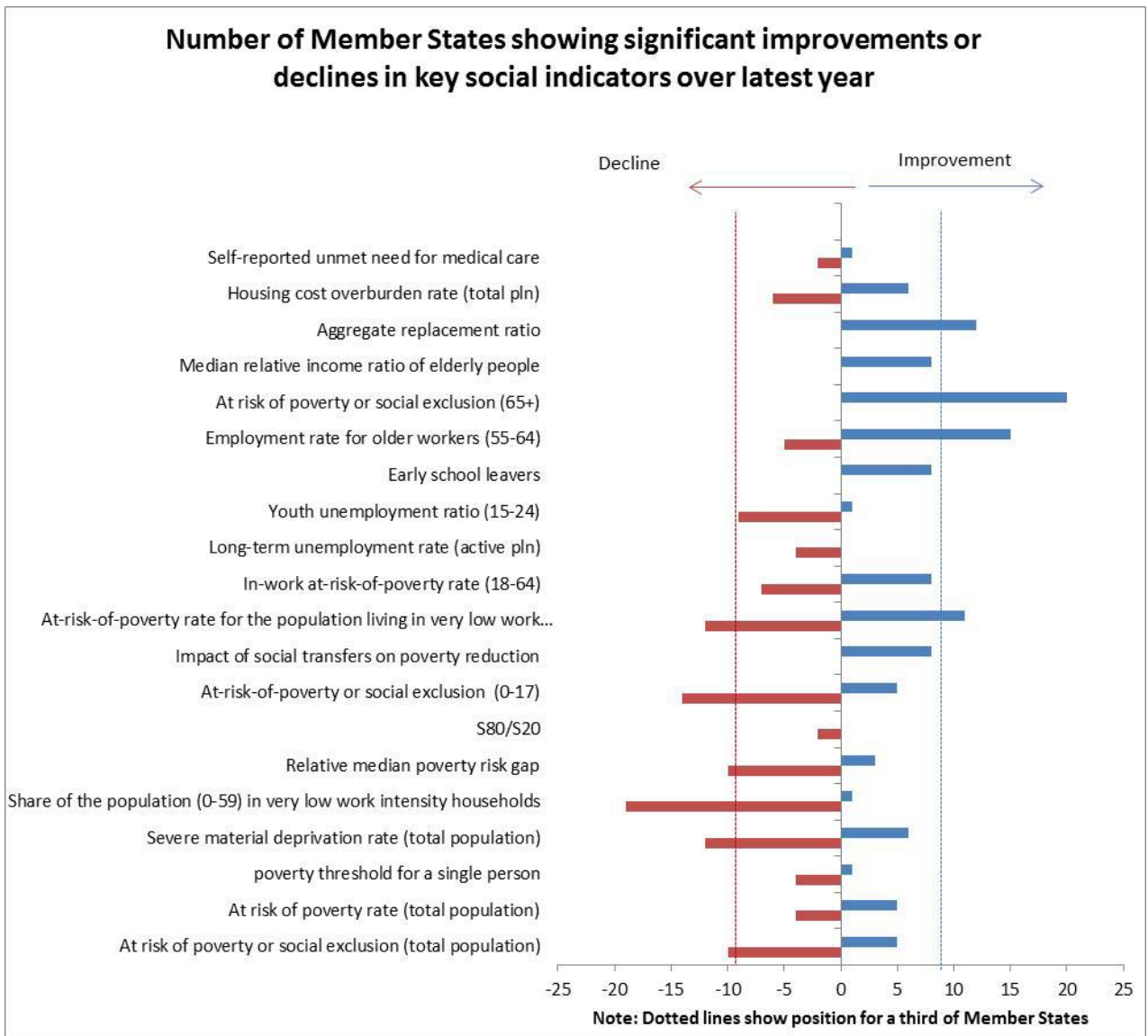
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Table 3. Example of a dashboard (*Note: y-to-y change refers to the most recent year available (N) in comparison to N-1. For the SILC based indicators this is 2010 vs. 2009, while for the LFS-based indicators this is 2011 vs. 2010. "~" stands for stable performance (i.e. statistically insignificant change.)*
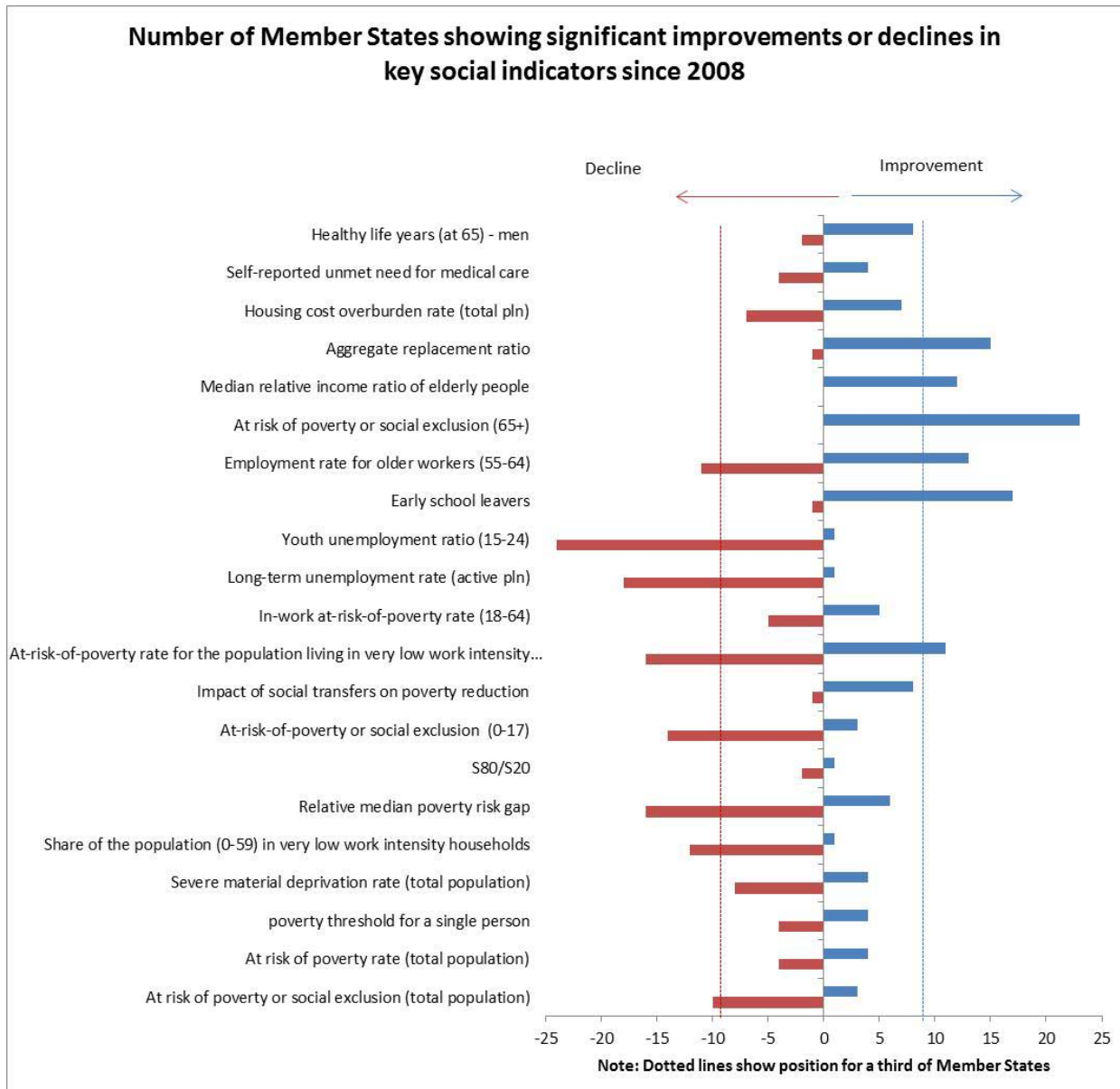
			EU27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	Trend to watch	Positive trend
At risk of poverty or social exclusion (total pln)	in %	2010	23,4	20,8	41,6	14,4	18,3	19,7	21,7	29,9	27,7	25,5	19,2	24,5	23,6	38,1	33,4	17,1	29,9	20,6	15,1	16,6	27,8	25,3	41,4	18,3	20,6	16,9	15,0	23,1		
		y-to-y change in pp	~	0,6	-4,6	~	0,7	~	-1,7	4,2	~	2,1	0,7	~	~	~	3,9	-0,7	~	~	~	~	~	0,4	-1,7	1,2	1,0	~	-0,9	1,1	YES	
		change to 2008 in pp	~	~	3,4	~	2,0	~	~	6,2	~	2,6	~	~	1,2	4,3	5,8	1,6	1,7	1,0	~	-2,0	-2,7	~	-2,8	~	~	~	~	~	YES	
At risk of poverty rate (total pln)	in %	2010	16,4	14,6	20,7	9,0	13,3	15,6	15,8	16,1	20,1	20,7	13,3	18,2	15,8	21,3	20,2	14,5	12,3	15,5	10,3	12,1	17,6	17,9	21,1	12,7	12,0	13,1	12,9	17,1		
		y-to-y change in pp	~	~	~	~	~	~	-3,9	~	~	1,2	~	~	~	-4,4	~	~	~	~	-0,8	~	0,5	~	-1,3	1,4	1,0	-0,7	~	~		
		change to 2008 in pp	~	~	~	~	1,5	~	-3,7	~	~	1,1	~	~	~	-4,3	~	1,1	~	~	~	~	~	~	-2,3	~	1,1	~	~	-1,6		
at-risk-of-poverty risk threshold for a single person	in pps	2010		10.398	3.528	5.793	10.713	10.635	4.490	9.705	7.559	7.995	10.711	9.119	11.308	3.580	3.615	16.049	4.012	8.007	11.294	11.451	4.540	5.839	2.122	8.228	4.984	10.276	10.897	10.238		
		y-to-y change in %	~	~	~	~	~	~	-6,3	-8,1	~	~	~	~	~	-18,5	-17,5	~	~	~	~	~	~	~	~	~	~	5,8	~	~		
		% change to 2008	~	~	23,4	~	~	~	~	-11,0	~	~	~	~	~	-17,8	-13,3	~	~	~	~	~	~	12,4	~	15,5	~	22,8	~	~	-8,0		
Severe material deprivation rate (total pln)	in %	2010	8,1	5,9	35,0	6,2	2,7	4,5	9,0	7,5	11,6	4,0	5,8	6,9	9,8	27,4	19,5	0,5	21,6	5,7	2,2	4,3	14,2	9,0	31,0	5,9	11,4	2,8	1,3	4,8		
		y-to-y change in pp	~	0,7	-6,9	~	0,4	-0,9	2,8	1,4	0,6	0,5	~	~	~	5,5	4,4	-0,6	1,3	1,0	0,8	~	-0,8	~	-1,2	~	~	~	-0,3	1,5	YES	
		change to 2008 in pp	~	~	3,5	~	~	-1,0	4,1	2,0	~	1,5	~	~	1,0	8,4	7,2	~	3,7	1,7	~	-2,1	-3,5	~	-1,9	~	~	~	~	~	YES	
Share of the population (0-59) in very low work intensity households	in %	2010	10,0	12,6	7,9	6,4	10,3	11,1	8,9	22,9	7,5	9,8	9,8	10,2	4,6	12,2	9,2	5,5	11,8	8,4	8,2	7,7	7,3	8,6	6,8	6,9	7,9	9,1	5,9	13,1		
		y-to-y change in pp	1,0	0,3	1,0	0,4	1,8	~	3,3	3,1	1,0	2,8	1,5	1,4	0,8	5,5	2,3	~	~	~	~	~	0,4	1,7	-0,9	1,3	2,3	0,9	~	~	YES	
		change to 2008 in pp	1,0	~	~	~	2,0	~	3,6	9,3	~	3,6	1,0	~	~	7,1	4,1	~	~	~	~	~	2,3	-1,4	~	2,7	1,8	~	2,7		YES	
Relative median poverty risk gap (total pln)	in %	2010	23,2	18,0	29,6	21,1	21,6	20,7	23,2	15,2	23,4	30,6	20,2	24,5	18,0	29,4	32,6	18,6	16,5	16,6	16,2	17,2	22,2	22,7	30,6	20,2	25,7	13,8	19,7	21,4		
		y-to-y change in pp	~	~	2,2	2,3	3,2	~	6,2	-1	~	2,9	2,0	1,9	~	~	9,5	1,0	~	~	~	~	~	-1,4	~	2,5	-1,3	~	~	YES		
		change to 2008 in pp	1,5	~	2,6	2,6	3,6	-1,5	2,9	-2,5	-1,3	7,0	5,4	1,5	1,5	~	6,9	2,0	~	-3,8	1,3	1,9	1,6	~	-1,7	~	7,6	-1,9	1,7	~	YES	
S80/S20 (total pln)	ratio	2010	5	3,9	5,9	3,5	4,4	4,5	5	5,3	5,6	6,9	4,5	5,2	4,4	6,9	7,3	4,1	3,4	4,3	3,7	3,7	5	5,6	6	3,4	3,8	3,6	3,5	5,4		
		y-to-y change	~	~	~	~	~	~	~	1,1	~	~	~	~	~	~	~	1	~	~	~	~	~	~	~	~	~	~	~	~		
		change to 2008	~	~	~	~	~	~	~	~	~	1,5	~	~	~	~	~	1,4	~	~	~	~	~	~	-1,0	~	~	~	~	~		
At-risk-of-poverty or social exclusion (0-17)	in %	2010	27,0	23,2	44,6	18,9	15,1	21,7	24,0	37,6	28,7	29,8	22,6	28,9	21,0	42,0	34,3	22,3	38,7	24,4	16,9	18,8	30,8	28,7	48,7	15,2	25,3	14,2	14,5	29,7		
		y-to-y change in pp	1,0	2,7	-2,7	1,7	1,1	1,3	~	6,2	-1,3	3,6	1,4	~	~	4,0	3,3	-1,4	1,5	-1,1	~	1,3	~	~	-3,3	~	1,6	~	~	2,3	YES	
		change to 2008 in pp	~	1,9	6,2	~	2,4	1,6	4,6	11,0	~	3,5	1,2	~	~	8,8	4,9	1,4	5,3	~	1,4	-1,6	-2,1	~	-2,5	~	1,0	~	~	~	YES	
Impact of social transfers on poverty risk reduction (total pln)	in %	2010	36,7	45,3	23,6	50,3	54,3	35,5	36,5	60,1	15,5	26,3	47,2	21,9	32,2	26,8	36,5	50,2	56,7	32,3	51,2	49,8	27,9	32,2	23,3	47,5	39,4	51,5	51,7	44,8		
		y-to-y change in pp	~	~	6,2	~	~	~	12,6	~	~	6,3	~	~	~	11,6	6,5	5,4	~	~	5,3	~	~	5,9	~	~	~	~	~	~		
		change to 2008 in pp	~	~	~	~	~	~	15,5	5,7	~	7,7	~	~	~	11,6	10,0	7,0	~	~	~	~	~	6,5	~	~	~	~	-5,5	9,5		
At-risk-of-poverty rate for the population living in very low work intensity households	in %	2010	56,9	55,4	76,2	57,6	44,4	67,3	69,9	38,8	39,1	57,1	54,7	54,9	51,6	71,7	65,0	45,9	52,8	62,9	36,7	53,7	56,6	57,9	44,6	56,1	61,5	60,0	61,6	57,3		
		y-to-y change in pp	~	-2,2	-2,6	~	~	~	-3,6	-7,2	3,3	~	4,7	6,2	2,9	-10,3	-7,7	-1,2	4,0	5,7	-10,3	6,5	2,0	1,4	-4,0	7,0	2,5	-3,8	4,1	-4,5	YES	YES
		change to 2008 in pp	1,1	~	-1,6	2,2	2,9	3,1	-12,4	-7,8	-1,2	1,9	4,6	1,9	-4,5	-11,3	-1,4	-3,5	4,3	1,8	-3,0	3,5	7,4	4,7	-5,8	1,1	8,4	3,7	10,2	-5,8	YES	YES

Indicator			EU27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	Trend to watch	Positive trend
In-work at-risk-of-poverty rate (18-64)	in %	2010	8,4	4,5	7,7	3,7	6,6	7,2	6,5	7,6	13,8	12,7	6,2	9,4	6,9	9,7	12,3	10,6	5,3	5,9	5,1	4,9	11,5	9,7	17,3	5,3	5,7	3,7	6,5	6,8		
		y-to-y change in pp	~	-0,1	~	0,5	0,7	~	-1,6	2,2	~	1,3	~	-0,9	~	-1,5	1,9	~	-0,9	~	~	-1,0	0,4	-0,6	-0,6	0,5	~	~	~	~		
		change to 2008 in pp	~	~	~	~	1,5	~	~	1,1	~	2,0	~	~	~	-1,3	2,9	1,2	~	~	~	-1,5	~	-2,1	~	~	~	-1,4	~	-1,7		
Long-term unemployment rate (active pln 15+)	in %	2011	4,1	3,5	6,3	2,7	1,8	2,8	7,1	8,6	8,8	9,0	4,0	4,4	1,6	8,8	8,0	1,4	5,2	3,0	1,5	1,1	3,6	6,2	3,1	3,6	9,2	1,7	1,4	2,7		
		y-to-y change in pp	~	~	1,5	~	~	~	~	1,9	3,1	1,7	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~		
		change to 2008 in pp	1,5	~	3,4	~	1,3	-1,2	5,4	6,9	5,2	7,0	1,1	1,3	1,1	6,7	6,8	~	1,6	~	~	~	1,2	2,2	~	1,7	2,5	~	~	1,3	YES	
Youth unemployment ratio (15-24)	ratio	2010	9,0	7,3	6,7	5,7	9,3	5,1	12,6	11,6	10,0	17,8	9,0	7,9	6,8	13,9	10,4	3,5	6,6	6,7	6,0	5,2	8,2	8,2	6,9	5,9	10,4	10,6	13,0	11,6		
		y-to-y change in pp	~	~	1,9	~	1,3	~	1,6	~	2,0	~	~	~	1,1	~	1,5	-2,0	~	~	1,2	~	1,2	~	~	~	1,8	~	~	~	YES	
		change to 2008 in pp	2,1	1,3	2,9	2,6	3,8	~	7,6	4,9	3,3	6,1	1,8	1,3	3,0	8,3	6,3	-1,7	1,6	~	2,1	~	2,5	1,4	1,2	1,4	4,2	1,8	2,3	2,4	YES	
Early school leavers	in %	2011	13,5	12,3	12,8	4,9	9,6	11,5	10,9	10,6	13,1	26,5	12	18,2	11,2	11,8	7,9	6,2	11,2	33,5	9,1	8,3	5,6	23,2	17,5	4,2	5	9,8	6,6	15		
		y-to-y change in pp	~	~	-1,1	~	-1,4	~	~	~	~	-1,9	~	~	-1,4	-1,5	~	~	~	-3,4	~	~	~	-5,5	~	~	~	~	-3,1	~		
		change to 2008 in pp	-1,4	~	-2	~	-2,9	~	-3,1	~	-1,7	-5,4	~	-1,5	-2,5	-3,7	~	-7,2	~	-4,6	-2,3	-1,8	~	-12,2	1,6	~	-1	~	-5,6	-2		YES
Employment rate for older workers (55-64)	in %	2011	47,4	38,7	43,9	47,6	59,5	59,9	57,2	50,0	39,4	44,5	41,4	37,9	55,2	51,1	50,5	39,3	35,8	31,7	56,1	41,5	36,9	47,9	40,0	31,2	41,4	57,0	72,3	56,7		
		y-to-y change in pp	1,1	1,4	~	1,1	1,1	2,2	3,4	~	-2,9	~	1,7	1,3	-1,6	2,9	1,9	~	1,4	1,5	2,4	~	2,9	-1,3	-1,1	-3,8	~	~	1,8	~		YES
		change to 2008 in pp	1,8	4,2	-2,1	~	1,1	6,2	-5,2	-3,7	-3,4	-1,1	3,2	3,5	~	-8,3	-2,6	5,2	4,4	2,5	3,1	~	5,3	-2,9	-3,1	-1,6	2,2	~	2,2	-1,3	YES	YES
At risk of poverty or social exclusion (65+)	in %	2010	19,9	21,0	55,9	10,1	18,4	14,8	19,0	12,9	26,7	22,6	12,8	20,3	43,7	37,7	30,0	6,1	16,8	21,5	6,2	15,8	24,4	26,1	39,9	22,8	16,7	19,5	15,9	22,3		
		y-to-y change	-1,9	-2,1	-10,1	-1,6	-2,2	-1,2	-16,6	-5,0	~	-3,5	~	-2,5	-2,9	-17,8	-5,8	~	~	-1,7	-1,9	~	-1,4	~	-3,2	~	-3,0	-3,6	-2,1	~		YES
		change to 2008	-3,3	-1,9	-2,6	-2,4	~	~	-21,9	-9,6	-1,4	-5,6	-1,1	-4,1	-5,4	-20,4	-8,1	~	~	-4,9	-3,5	-1,5	-2,5	-1,6	-9,3	-1,6	-5,2	-4,4	~	-6,2		YES
Median relative income ratio of elderly people	ratio	2010	0,88	0,75	0,74	0,82	0,71	0,89	0,73	0,86	0,84	0,83	0,99	0,92	0,64	0,77	0,92	1,05	1,01	0,82	0,87	0,91	0,93	0,82	0,97	0,87	0,83	0,78	0,79	0,81		
		y-to-y change in %	~	~	17,5	5,1	~	~	10,6	10,3	~	~	~	~	~	32,8	26,0	~	~	7,9	~	~	~	~	~	~	~	~	6,8	~		
		change to 2008 in %	~	~	12,1	~	~	~	17,7	16,2	~	6,4	~	~	~	42,6	29,6	8,2	~	12,3	~	~	~	~	14,1	~	5,1	8,3	~	9,5		YES
Aggregate replacement ratio	ratio	2010	0,53	0,46	0,43	0,54	0,44	0,49	0,55	0,47	0,42	0,53	0,67	0,53	0,36	0,46	0,60	0,68	0,60	0,46	0,47	0,64	0,57	0,53	0,65	0,45	0,61	0,50	0,60	0,48		
		y-to-y change in %	~	~	26,5	5,9	~	~	5,8	~	~	8,2	~	~	~	31,4	25,0	9,7	~	~	6,8	~	~	6,0	18,2	~	10,9	~	~	9,1		YES
		change to 2008 in %	6,0	~	26,5	5,9	7,3	11,4	22,2	~	~	8,2	~	~	9,1	53,3	36,4	17,2	~	9,5	9,3	-5,9	~	~	32,7	~	13,0	~	~	11,6		YES
Housing cost overburden rate (total pln	in %	2010	10,0	8,9	5,9	9,7	21,9	n.a.	6,0	5,7	18,1	11,2	5,0	7,5	2,5	9,4	10,6	4,7	11,3	3,4	14,0	4,6	9,1	4,2	15,0	4,3	7,6	4,2	6,5	16,5		
		y-to-y change in pp	~	~	-1,1	~	-2,3	n.a.	1,6	1,7	-3,7	~	1,3	~	~	~	5,1	1,0	2,4	~	~	~	~	-1,9	~	~	-1,8	~	-3,1	~		
		change to 2008 in pp	~	-3,6	-7,4	-3,1	4,8	n.a.	2,4	2,4	-4,1	3,2		~	~	1,0	5,8	1,0	~	~	~	~	~	-3,4	-3,7	~	2,0	~	-1,6	~		
Self-reported unmet need for medical care (total pln)	in %	2010	3,2	0,4	10,7	1,0	1,2	1,9	4,9	2,3	5,5	0,4	2,0	5,1	3,7	15,2	2,6	0,6	1,7	1,6	0,4	0,7	8,5	2,1	11,0	0,2	1,7	4,0	1,8	1,1		
		y-to-y change in pp	~	~	~	~	~	~	~	~	~	~	~	~	~	5,4	~	~	~	~	~	~	~	-1,3	2,3	~	~	~	~	~		
		change to 2008 in pp	~	~	-4,7	~	~	~	-2,4	~	~	~	~	~	~	5,2	-3,0	~	-1,7	~	~	~	~	2,2	1,0	~	~	3,2	~	~		
Healthy life years (at 65)	male	2010	8,7	10,4	8,8	8,5	11,8	6,9	5,3	11,1	8,8	9,6	9	10,1	10,0	4,9	6,3	10,5	5,4	12	9,4	8,5	6,7	7,1	5,9	6,6	3,3	8,8	14,1	10,9		
		change to 2008	~	~	~	1	~	0,6	~	1,8	~	~	~	2,5	0,6	~	~	~	~	1,5	~	1,1	~	~	-1,9	-2,6	~	~	1	~		
	female	2010	8,8	9,7	9,9	8,8	12,8	7,1	5,5	11,2	8,1	8,9	9,8	9,9	8,2	5,6	6,7	12,4	5,9	11,9	9,5	7,9	7,5	5,7	5,0	7,2	2,8	8,9	15,5	11,8		
		change to 2008	~	-0,7	~	0,6	~	~	1,3	0,9	~	~	~	2,8	~	0,6	~	0,8	~	~	~	~	~	-2,9	-2,2	~	~	1,5	~		

Note: Due to the very structural nature of the Healthy Life Years indicator and the slow annual changes, it is monitored only in reference to the base year (2008). As highlighted by the ISG in the EU social indicators portfolio, it should always be analysed in the context of the Life expectancy indicator which is part of the context information.

October 2012

Figure 1. Summary reading of the dashboard

Number of Member States showing significant improvements or declines in key social indicators over latest year

Note: Dotted lines show position for a third of Member States

Number of Member States showing significant improvements or declines in key social indicators since 2008

Decline   Improvement

- Healthy life years (at 65) - men
- Self-reported unmet need for medical care
- Housing cost overburden rate (total pln)
- Aggregate replacement ratio
- Median relative income ratio of elderly people
- At risk of poverty or social exclusion (65+)
- Employment rate for older workers (55-64)
- Early school leavers
- Youth unemployment ratio (15-24)
- Long-term unemployment rate (active pln)
- In-work at-risk-of-poverty rate (18-64)
- At-risk-of-poverty rate for the population living in very low work intensity...
- Impact of social transfers on poverty reduction
- At-risk-of-poverty or social exclusion (0-17)
- S80/S20
- Relative median poverty risk gap
- Share of the population (0-59) in very low work intensity households
- Severe material deprivation rate (total population)
- poverty threshold for a single person
- At risk of poverty rate (total population)
- At risk of poverty or social exclusion (total population)

-25   -20   -15   -10   -5   0   5   10   15   20   25

Note: Dotted lines show position for a third of Member States

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3.2 Detailed country profiles

The structure of the country profiles follows closely the country overview as outlined in the JAF and the structure of the social inclusion sheets discussed and approved at the 11 May 2011 ISG meeting where it was concluded that they could be used for country fiches in future SPC reports.

The following elements will be part of the country profile:

➢ a graph illustrating progress towards the national poverty/social exclusion target and clear information on the definition of the national target

➢ composition of the population at risk of poverty or social exclusion

➢ vulnerable groups - risk of poverty or social exclusion for the main groups at risk

➢ key social indicators

➢ long-term adequacy of pensions: Theoretical Replacement Rates 2010-2050

➢ trends in take-up of selected benefits

➢ key context macro-economic information

➢ a table giving an overview on MS specific key social challenges and particularly good outcomes

Specific national data can be added whenever considered relevant.

For a detailed example, please see Annex 1.

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Annex 1. Example of a country profile
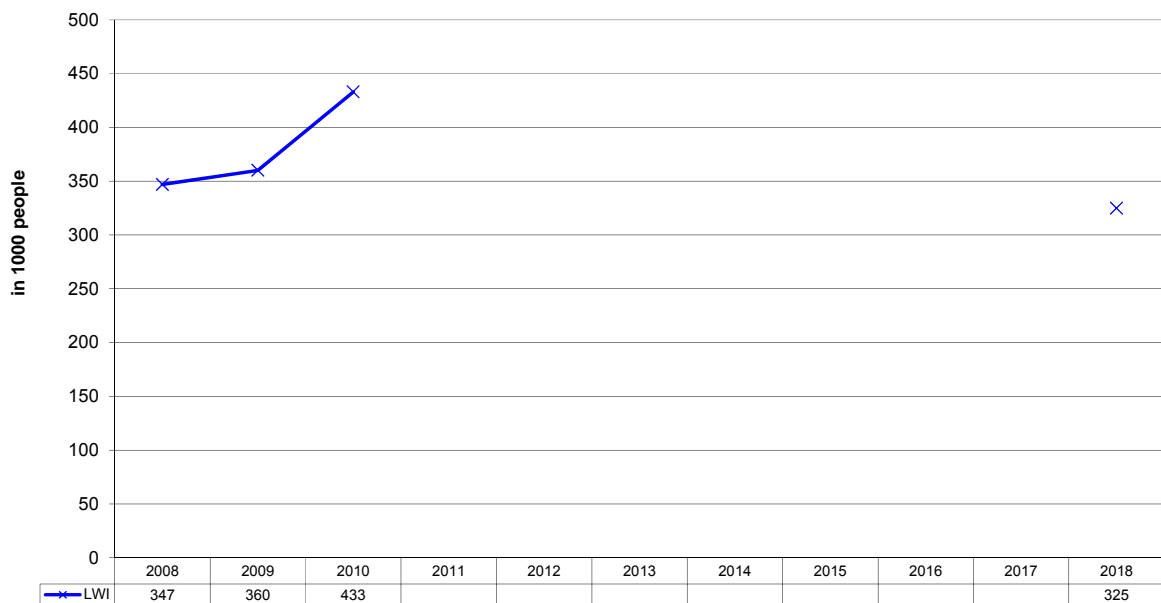
DENMARK

1. National target for the reduction of poverty and social exclusion

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"Reduce the number of people in households with very low work intensity by 22,000 towards 2020."

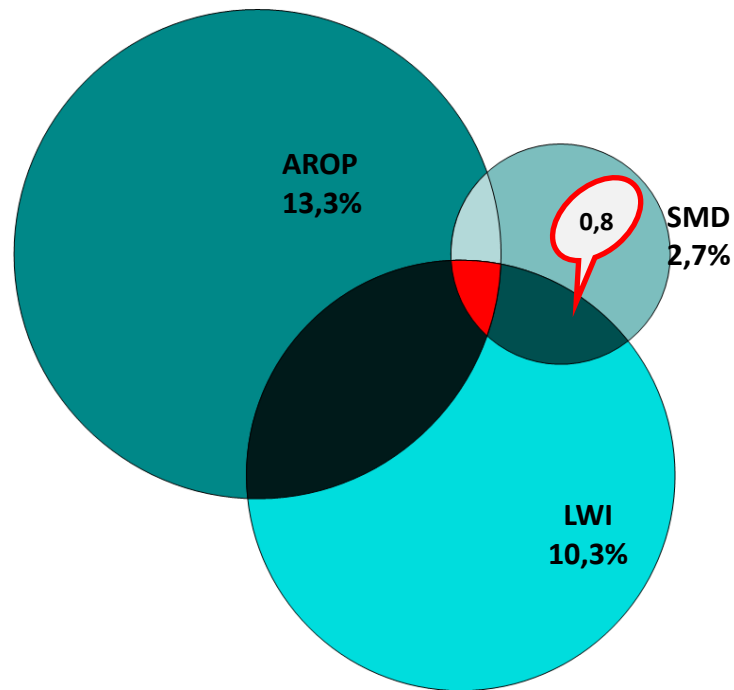*Source: National Reform Programme (2011)*

1.a Progress towards the national target for the reduction of poverty and social exclusion

Denmark

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
LWI	347	360	433								325

Source: Eurostat (EU-SILC)

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1.b Composition of the population at risk of poverty or social exclusion (2010)

Note: AROP –at-risk-of-poverty rate; SMD – severe material deprivation rate; LWI – Share of population living in very low work intensity households; the red overlap indicates the share of the population which accumulates all three conditions

Denmark		2005	2006	2007	2008	2009	2010
AROP only		11,8	11,7	11,7	11,8	13,1	13,3
AROP + LWI		2,9	2,6	2,5	2,3	2,4	2,7
AROP + SMD		0,5	0,9	0,7	0,4	0,5	0,4
AROP + SMD + LWI	in %	0,8	0,7	1	0,3	0,5	0,8
LWI only		9,9	9,3	9,9	8,3	8,5	10,3
SMD only		3,2	3,1	3,3	2	2,3	2,7
SMD + LWI		0,7	0,7	0,6	0,5	0,4	0,8
AROP only							
AROP + LWI							
AROP + SMD							
AROP + SMD + LWI	in 1000 people						
LWI only							
SMD only							
SMD + LWI							

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*1.c Risk-of-poverty or exclusion of the main groups at risk and share of these groups in total
population at-risk, 2009 – to be updated*

DK	Risk of poverty and social exclusion for different population sub-groups, %	Share in population at risk of poverty or exclusion *(% - except Total in '000 persons)*
TOTAL	**17.4**	**952.0**
EU-migrants	26.5	2.8
Non-EU migrants	35.7	6.5
Single male	34.3	22.0
Single female	34.9	24.4
Single elderly	24.0	9.9
Single parent households	30.1	11.8
Large families (2 adults and 3+ children)	15.9	8.4
Elderly	20.0	18
Children	13.9	17.5
Unemployed	67.9	5.5
Working	6.6	17.0
Inactive (not retired, not children)	54.0	36.1

Source: Eurostat (EU-SILC)

2. Key social indicators

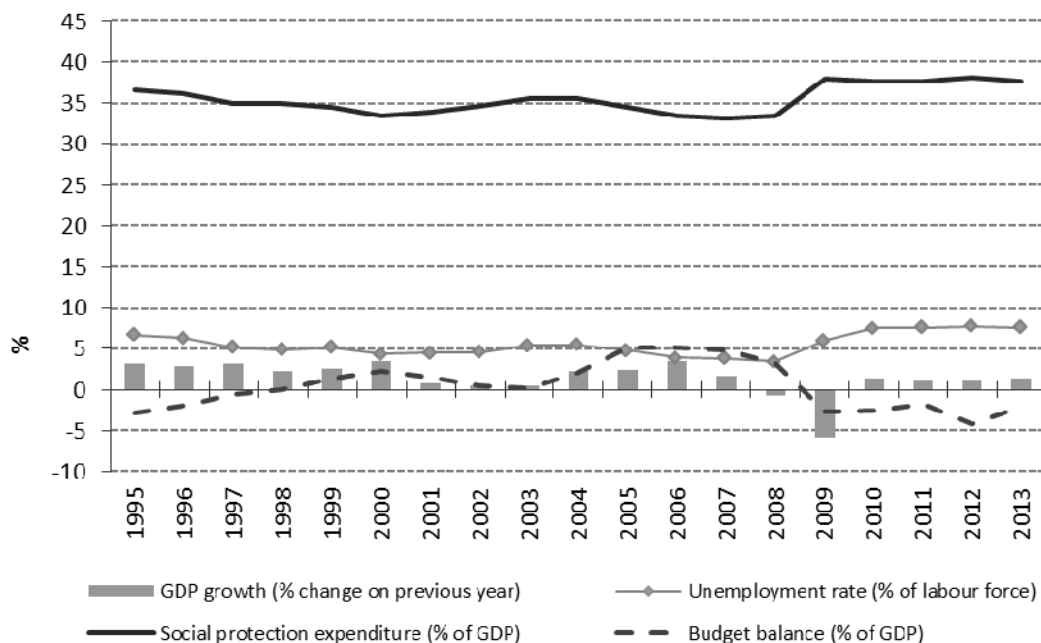| DK		2005	2006	2007	2008	2009	2010	2011	EU 27 2010	EU 27 2011
Total population	At-risk-of-poverty or social exclusion	17,2	16,7	16,8	16,3	17,6	18,3			
	At-Risk-of-Poverty rate	11,8	11,7	11,7	11,8	13,1	13,3			
	Value of threshold (single HH) - in PPS	9516	9684	10116	10560	10716	10713			
	Value of threshold (2 adults + 2 children) - in PPS	19976	20345	21254	22177	22575	22497			
	Severe Material Deprivation rate	3,2	3,1	3,3	2,0	2,3	2,7			
	Share of people living in very low work intensity households	9,9	9,3	9,9	8,3	8,5	10,3			
Children (0-17)	At-risk-of-poverty or social exclusion	15,6	14,5	14,2	12,7	14,0	15,1			
	At-Risk-of-Poverty rate	10,4	9,9	9,6	9,1	10,6	10,9			
	Severe Material Deprivation rate	3,9	4,3	4,8	2,5	2,1	3			
	Share of people living in very low work intensity households	7,5	7,1	6,8	4,3	5,4	7,3			
	Impact of social transfers on poverty reduction (excl. pensions)(in%)	58,7	59,3	59,8	58,8	55,2	54,6			
Working age (18-64)	At-risk-of-poverty or social exclusion	17,7	17,1	17,4	17,1	18,1	19,5			
	At-Risk-of-Poverty rate	11,0	11,0	10,9	11,3	12,2	12,9			
	Severe Material Deprivation rate	3,7	3,2	3,3	2,0	2,7	2,9			
	Share of people living in very low work intensity households	10,8	10,3	11,1	9,8	9,8	11,4			
	In-work at-risk-of poverty rate	4,8	4,5	4,2	5,0	5,9	6,3			
	Impact of social transfers on poverty reduction (excl. pensions)									
Elderly (65+)	At-risk-of-poverty or social exclusion	17,8	18,3	18,3	18,6	20,6	18,4			
	At-Risk-of-Poverty rate	17,6	17,4	17,7	18,1	20,1	17,7			
	Severe Material Deprivation rate	0,2	1,1	0,8	0,9	0,9	0,9			
	Relative median income of elderly	0,7	0,7	0,7	0,7	0,7	0,7			
	Aggregate replacement ratio	0,4	0,4	0,4	0,4	0,4	0,4			
		2000	2005	2006	2007	2008	2009	2010	2009	2010
Social expenditure (in % of GDP)	Sickness/Health care	5,7	6,1	6,1	6,4	6,7	7,6			
	Invalidity	3,4	4,2	4,2	4,2	4,4	4,9			
	Old age and survivors	10,7	11,0	10,8	10,7	11,1	12,1			
	Family/Children	3,7	3,8	3,7	3,7	3,8	4,2			
	Unemployment	3,0	2,5	2,1	1,6	1,4	2,1			
	Housing and Social exclusion n.e.c.	1,7	1,7	1,5	1,4	1,5	1,6			
	Total	28,8	30,2	29,2	28,8	29,6	33,4			
	Means-tested									
	Sickness/Health care	0,0	0,0	0,0	0,0	0,0	0,0			
	Invalidity	0,0	0,0	0,0	0,0	0,0	0,0			
	Old age and survivors	0,0	0,0	0,0	0,0	0,0	0,0			
	Family/Children	0,1	0,2	0,2	0,2	0,2	0,2			
	Unemployment	0,0	0,0	0,0	0,0	0,0	0,0			
	Housing and Social exclusion n.e.c.	0,7	0,7	0,7	0,7	0,7	0,8			
	Total	0,8	0,9	0,8	0,9	0,9	1,0			
	Non-means tested									
	Sickness/Health care	5,7	6,1	6,1	6,5	6,7	7,6			
	Invalidity	3,4	4,2	4,2	4,2	4,4	4,9			
	Old age and survivors	10,7	11,0	10,8	10,7	11,1	12,1			
	Family/Children	3,5	3,6	3,5	3,5	3,6	4,0			
	Unemployment	3,0	2,5	2,1	1,6	1,4	2,1			
	Housing and Social exclusion n.e.c.	1,0	1,0	0,8	0,7	0,8	0,9			
	Total	27,2	28,5	27,6	27,2	28,0	31,5			

Source: Eurostat (EU-SILC, ESSPROS)

October 2012

3. Long-term adequacy of pensions: theoretical replacement rates (2010-2050)

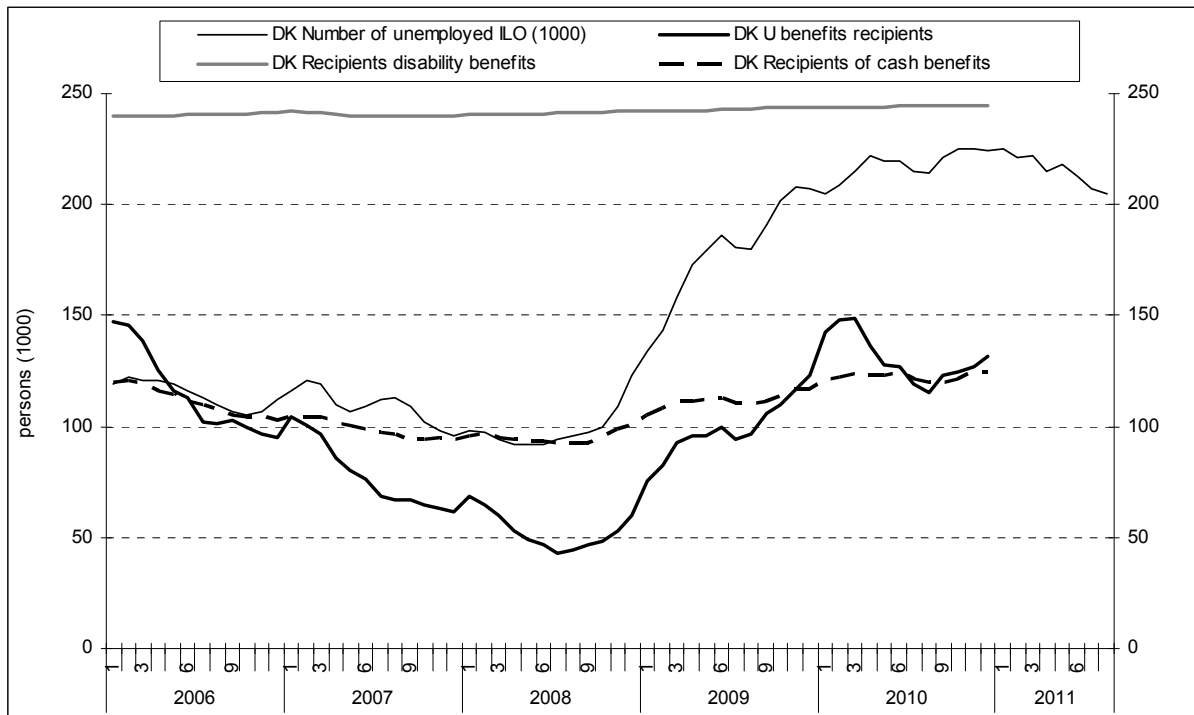| Theoretical replacement rates (TRR):	Net 2010	Net 2050	Difference	Gross 2010	Gross 2050	Difference
40 years career: average income earner (basecase)	69,4	67,3	-2,1	48,8 (72/14/14)*	56,2 (45/8/47)*	7,4
Low income	97,3	89,9	-7,4	70,9 (76/15/9)*	75,1 (56/9/35)*	4,2
High income	44,5	43,7	-0,8	26,5 (64/13/23)*	32,4 (34/7/60)*	5,9
Lower / higher future rates of return		64,1 / 71,2			53,3 / 59,9	
Lower / higher future wage growth		75,4 / 62,8			61,5 / 52,1	
38 years career: average income	68,8	63,3	-5,5	53,1	52,6	-0,5
Low / high income	97,2 / 43,6	89,4 / 38,8	(-7,8 / -4,8)	78,3 / 27,7	74,5 / 28,4	(-3,8 / 0,7)
42 years career: average income	73,2	73,4	0,2	53	61,9	8,9
Low / high income	102,9 / 46,8	97,3 / 48,4	(-5,6 / 1,6)	77,2 / 28,6	82,2 / 36,1	5,0 / 7,5
10 years after retirement	65,9	66,4	0,5	46,5	54,7	8,2
Female worker with 3 years of career break for childcare		68,4			57,3	
3 years of career break for unemployment		68,3			57,1	
10 years out of the labour market		61,9			51,3	
	2010	**2050**	**Difference**	**EU27 2010**	**EU27 2050**	**Difference**
Benefit ratio (Public pensions)	35,8	30,5	-0,9	44,7	37,0	-7,7
Gross replacement rate at retirement (Public pensions)	:	:	:	48,0	39,1	-8,9

Source: Joint SPC/EC report on Pension Adequacy in the European Union (2010-2050)

4. Key context macro-economic information - GDP growth, unemployment rate, budget balance, social protection expenditure

Source: European Commission Economic Forecast, 2011

5. Trends in take-up of selected benefits

Unemployment	
Definition	Unemployment according to ILO definition - Total
Unit	Thousands of persons - seasonally adjusted
Source	Source: eurostat
link	http://nui.epp.eurostat.ec.europa.eu/nui/show.do?dataset=lmhu_m&lang=en
Unemployment benefit	
Definition	U benefits recipients
Unit	full time persons/recipients (both passive and active recipients)
Source	Jobindsats; A-dagpenge. Antal fuldtidspersoner. Ledighed og aktivering (bruttoledighed)
link	http://www.jobindsats.dk/sw167.asp
Social assistance benefit	
Definition	numbers of recipients of cash benefits
Unit	both passive and active recipients
Source	http://www.jobindsats.dk/sw9990.asp
Disability benefit	
Definition	Recipients of disability benefits
Unit	in thousands.

Source: National administrative data

6. Summary of MS specific social challenges and particularly good social outcomes

Social policy areas	Social challenges	Particularly good social outcomes
Poverty and social exclusion		
Pensions		
Health and Long-term care		
Effectiveness and efficiency of social protection systems		