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COMMISSION STAFF WORKING DOCUMENT

Employment and Social Developments in Europe 2013

Chapter 6: Efficiency and effectiveness of social expenditure in the crisis

Volume 2/3

1. Introduction

2. Trends in social protection expenditure and financing in the crisis

3. Effectiveness and efficiency of social protection spending in the crisis

3.1. A stylised framework for measuring effectiveness and efficiency of social protection spending

3.2. Social protection key outcomes and spending levels in 2010

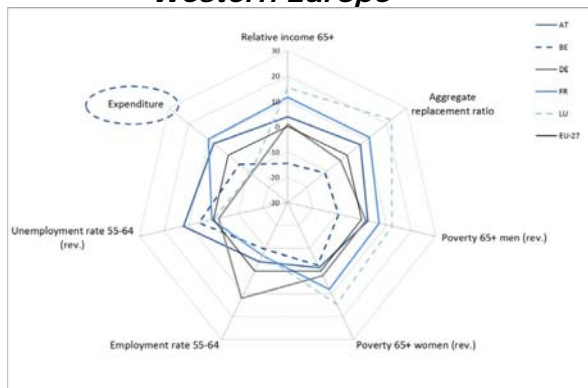
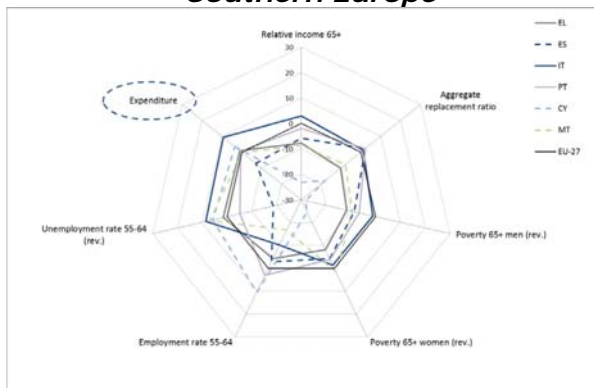
3.2.1. The orientation of social protection expenditures

3.2.2. Pensions

Member States can show an asymmetry between their relative performance on adequacy and labour market integration of older people, both in relation to their given levels of expenditures (Chart 25):

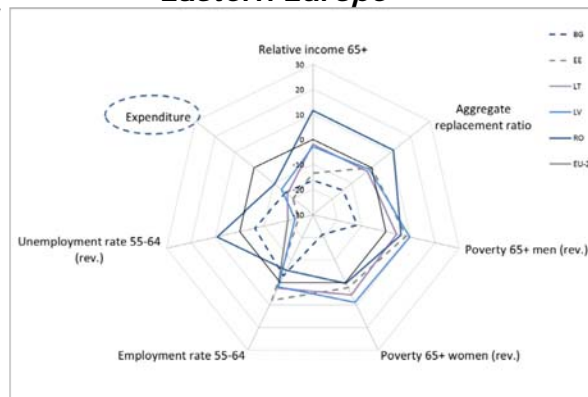
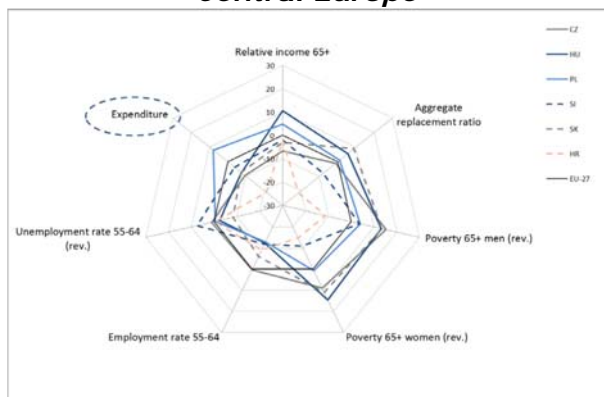
- In some MSs, such as FR or PL, the relatively better performance in terms of adequacy, given their relative levels of expenditures, does not seem to be echoed by an as good performance in terms of integration of older workers. In these countries, a key challenge appears to be related to the labour market integration of older workers (in particular in countries where social expenditure is oriented towards pensions, as in MT and PL).
- Conversely, in some other MSs, such as DK or SE, the employment situation of older workers seems to be performing relatively better than the one of the adequacy of pensions (BE, BG, CY, DK, EL, FI, SE, SI, UK), given their relative levels of expenditure. In these countries, a key challenge appears to be related to the adequacy of pensions, in particular for countries where social expenditures are more oriented towards pensions (positively in CY, negatively in FI and SE).
- In a few MSs, both the performance in terms of adequacy of pensions and labour market integration of older workers appears to be relatively strong, for their given levels of expenditures, which can actually reflect relatively low levels of expenditure (such as in DE, IE, HR).
- In two Member States, IT and MT, both adequacy and labour market performance appear relatively low for the given expenditure levels, which clearly relates to a serious weakness in the labour market integration of older workers.
- Finally, in three Member States, ES, NL and PT, both the adequacy and employment records seem to be relatively close to the EU average, given their relative levels of expenditure.

Chart 25 — Old age and survivors — key outcomes and expenditure in 2010
Southern Europe **Western Europe**



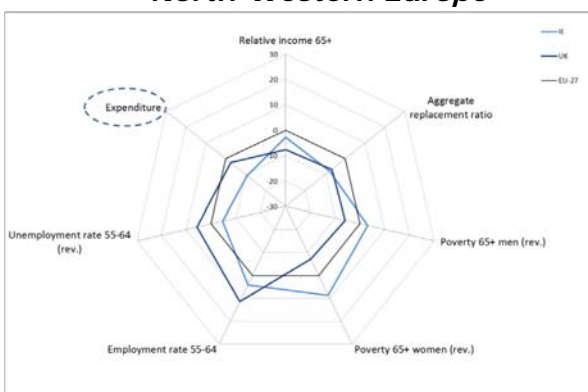
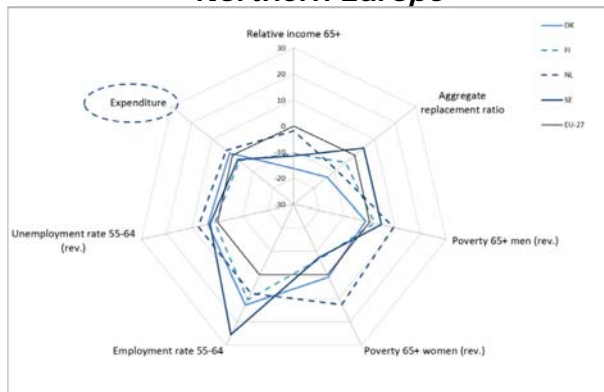
Central Europe

Eastern Europe



Northern Europe

North-Western Europe



Source: See Box 6, DG EMPL calculations

Note: Expenditure refers to the ratio of expenditure per person aged 65 divided by GDP per capita.

Factor analysis allows operating with a broader set of variables to reflect on Member States performances. The factor analysis identifies three main dimensions in the Member States performance for pensions, which reflect the key indicators taken into account in the analysis presented above (see Box 7 and more detailed results are in the Annex).

- Factor 1 reflects the good performance on the labour market for the elderly. It links a longer length of working life with higher employment of older people (aged

55–59 and 60–64) and lower inactivity rate of older people. This is positively associated with the share of older people that are in life-long learning.

- Factor 2 reflects the adequacy of pensions for older people: higher at-risk-of-poverty rate is linked with a lower aggregate replacement ratio (especially in the case of women) and lower relative income.
- Factor 3 reflects another aspect of the Member States' labour market performance, lower unemployment rate being linked with higher part-time employment for population aged 55–64.

Box 1 — Pensions — factor analysis

A number of additional indicators are taken into account in the factor analysis, to allow reflecting on a broader set of interactions. In particular, a gender dimension is used for both the aggregate replacement ratio and for the at-risk-of-poverty rate, employment rate is broken down in two age groups (55–59 and 60–64) and part-time employment and inactivity rate of those aged 55–64 are added. The average duration of working life, and the share of people aged 55–64 in life-long learning are also used. To take into account the conditionality of benefits, the share of means-tested benefits on pensions is added.

Table 1 — Pensions: results of factor analysis

Variable	Factor1: employment and life-long learning	Factor2: poverty and income	Factor3: unemployment and part-time employment
relative income	-0.44	-0.73	0.19
aggregate replacement rate (men)	-0.21	-0.63	0.15
aggregate replacement rate (women)	0.06	-0.80	-0.18
AROP (men 65+)	-0.09	0.88	0.05
AROP (women 65+)	0.04	0.88	0.05
working life	0.91	0.15	0.19
employment rate 55-59	0.94	0.01	0.07
employment rate 60-64	0.89	0.27	-0.11
part-time employment 55-64	0.49	-0.07	0.66
unemployment rate 55-64	0.15	-0.15	-0.91
inactivity rate 55-64	-0.95	-0.03	0.26
life long learning 55-64	0.67	0.13	0.34
share of means-tested benefits	0.08	0.20	0.06

Source: DG EMPL calculations.

To show how Member States perform in the identified areas, Charts 29 and 30 show plots of the area linked to poverty and income against employment and life-long learning, and unemployment and part-time employment. To improve the clarity of the graphs, 4 clusters of countries were created based on all 3 areas of performance.

Countries in Group I (DE, DK, FI, IE, NL, PT, SE, UK) have mixed performance in terms of poverty and income, in spite of their good performance in the area of employment and life-long learning (Chart 29) and generally good performance as regards part-time employment and unemployment (Chart 30). It confirms that for a number of these countries, the better labour market performance of the elderly does not translate into a better adequacy of pensions.

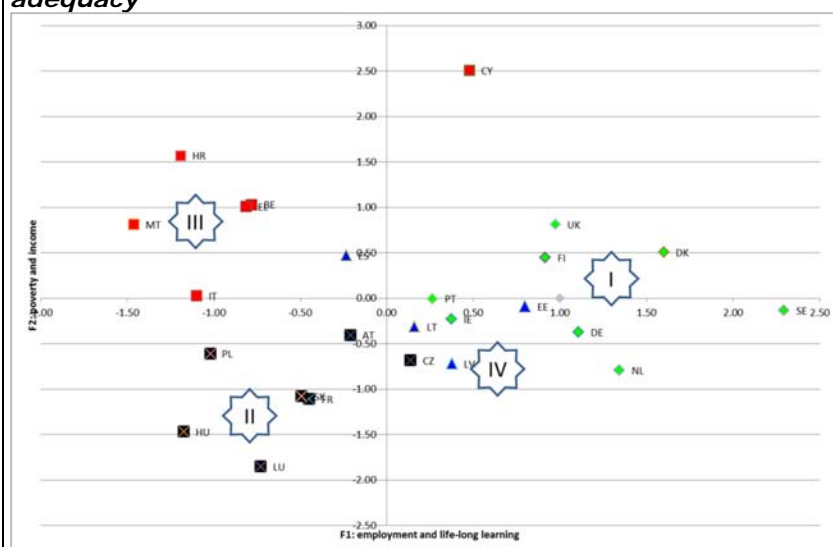
Countries in Group II (AT, CZ, FR, HU, LU, PL, SK) all have good performance in terms of adequacy of pensions (i.e. a negative score), in spite of their rather weak performance in employment and life-long learning (Chart 26) and a mixed performance in the area of part-time employment and unemployment (Chart 27). This seems to suggest that for these countries the major challenge is to ensure a better access to the labour market of older workers.

Countries in Group III (BE, CY, EL, HR, IT, MT, SI) have rather poor results in terms of poverty and income, as well as for most of them in the area of employment and life-long learning (Chart

26). Their performance in the area of part-time employment and unemployment is mixed (Chart 27). This seems to suggest that in these countries, there is room for improving both the adequacy of pensions and the labour market situation of older workers.

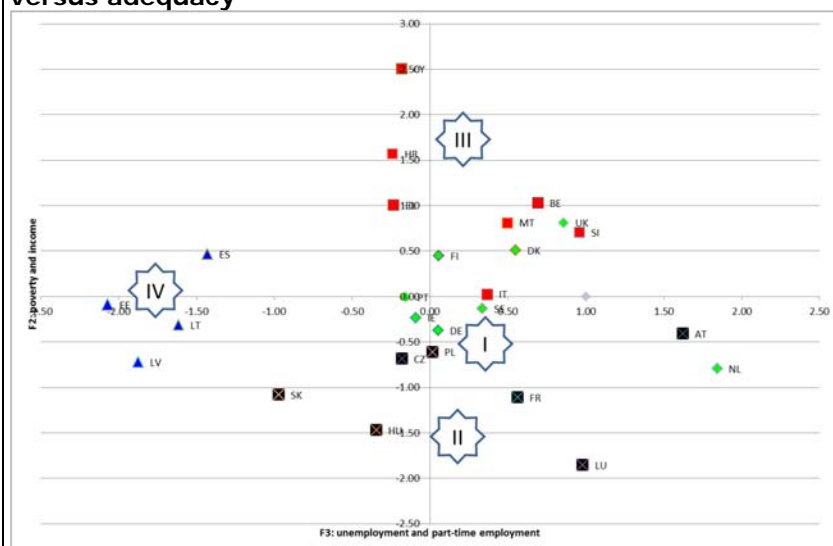
Most countries in Group IV (EE, ES, LT, LV) perform relatively well in terms of adequacy and in the area of employment and life-long learning (Chart 26), but very poorly in unemployment and part-time employment (Chart 27). In these countries, there is probably room for an improvement of the part-time employment rate of older workers.

Chart 26 — Factor analysis for pensions: employment and life-long learning versus adequacy



Source: DG EMPL calculations.

Chart 27 — Factor analysis for pensions: Unemployment and part-time employment versus adequacy



Source: DG EMPL calculations.

3.2.3. Health and disability

The stylised framework used for other types of social expenditures in this chapter is difficult to apply to the health and disability function for several reasons. On the input side, the impact of health expenditure depends much more on the structure and organisation of systems, than for functions mainly based on monetary transfers. This means that more detailed information on the way money is spent is needed to provide

an accurate picture of policy intervention in this area. Moreover, health outcomes that can be associated with health expenditure depend on multiple factors such as lifestyles that also need to be taken into account when comparing the effectiveness of health systems. Finally, while a number of common indicators have been adopted in the framework of the OMC on health and long-term care, a revised set of indicators to reflect health systems performance is currently under development and is expected to allow for more accurate analysis in the future.

For this type of analysis, available comparative data covering the main dimensions of healthcare expenditure can be used, pointing out the specific areas where improvements can be expected. This also requires extensive information and analyses of country-specific features of healthcare systems. Such analyses may be further improved by taking into consideration intrinsic differences in population conditions impacting the demand for healthcare (e.g. demographic structure, nutritional habits, smoking and alcohol consumption patterns, physical activity, etc.), as well as developing health outcome indicators which better reflect the overall goals of the health system (e.g. lifelong quality of life and avoidable mortality) and building a deeper understanding on how specific health policies impact them.

3.2.4. Unemployment

Unemployment benefits provide income replacement in the event of unemployment, typically following the loss of a job. The main objectives are thus obviously to provide for income replacement and a smooth transition back to employment. The quality of the former depends on unemployment benefit eligibility conditions and the related levels of benefits. The second dimension also refers to the quality of employment services to help unemployed people to reintegrate into employment, which can be considered alongside the actual financial incentives provided to unemployed to re-enter employment.

The main outcomes considered in this section are related to the adequacy of income replacement and to the labour market situation (see Box 2). The adequacy of income replacement is first of all reflected through the coverage of unemployment benefits (that is the share of the unemployed actually receiving unemployment benefits) and through the net replacement rate during the initial period of unemployment. These two dimensions are complemented by the poverty risk of unemployed people which covers the inadequacy of income protection. The labour market dimension is reflected through the unemployment rate and the long-term unemployment rate which also gives an indication of labour market transitions, in particular of the strength of transitions out of unemployment back to employment. These outcomes are considered together with the levels of unemployment expenditures per unemployed people as a share of GDP.

For instance, in 2010, while the expenditure per unemployed level was lower than the EU average in SE, this reflected much more favourable labour market situations, but also much higher than average adequacy of income replacement (Chart 28).

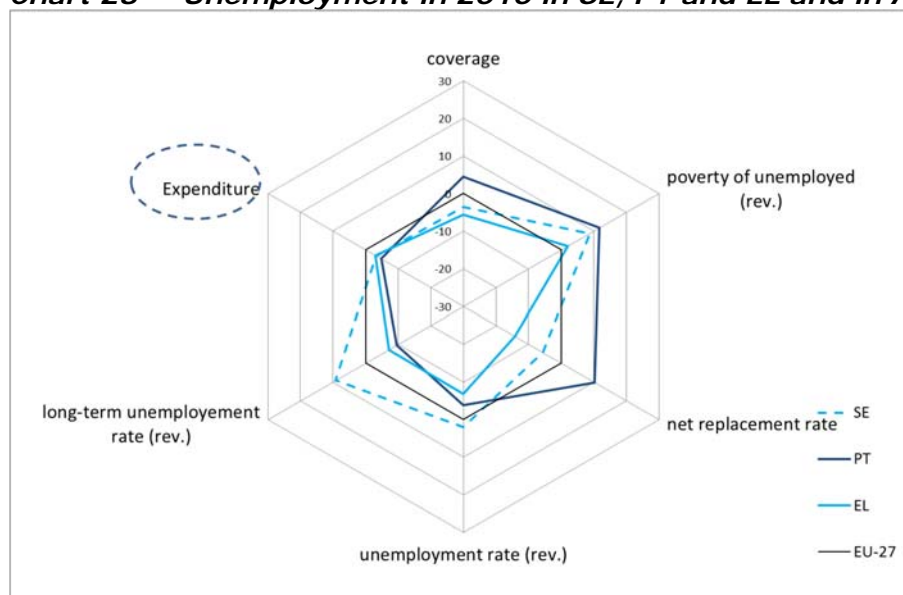
Box 2 — Unemployment — variables used

A limited set of outcome indicators can be used to measure the performance of unemployment expenditure:

— Coverage (source LFS): share of unemployed people (all lengths of unemployment spell) receiving unemployment benefits (both registered and not registered at public employment office) as a share of all unemployed people according to the ILO definition (both registered and not registered at public employment office).

- Net replacement rate (source OECD): net replacement rate in the initial period of unemployment (case taken: single person, no children, 100 % of average wage).
 - Poverty rate of unemployed (source SILC): share of unemployed living at risk of poverty (at the 60 % of median equivalised disposable income threshold).
 - Unemployment rate (source LFS): unemployment rate, according to the ILO definition.
 - Long-term unemployed rate ⁽¹⁾ (source LFS): share of long-term (more than one year) unemployed (according to the ILO definition) in the total number of active persons in the labour market.
 - Expenditure: expenditure on ESSPROS function unemployment per unemployed compared to GDP per capita for the population of active age.
- To reflect on a number of additional dimensions, a number of additional indicators are used in the factor analysis (see Box 9).

Chart 28 — Unemployment in 2010 in SE, PT and EL and in AT, BE, IE and NL



Source: See Box 2, DG EMPL calculations.

Note: Expenditure relates to expenditure per unemployed compared to GDP per capita for the population of active age.

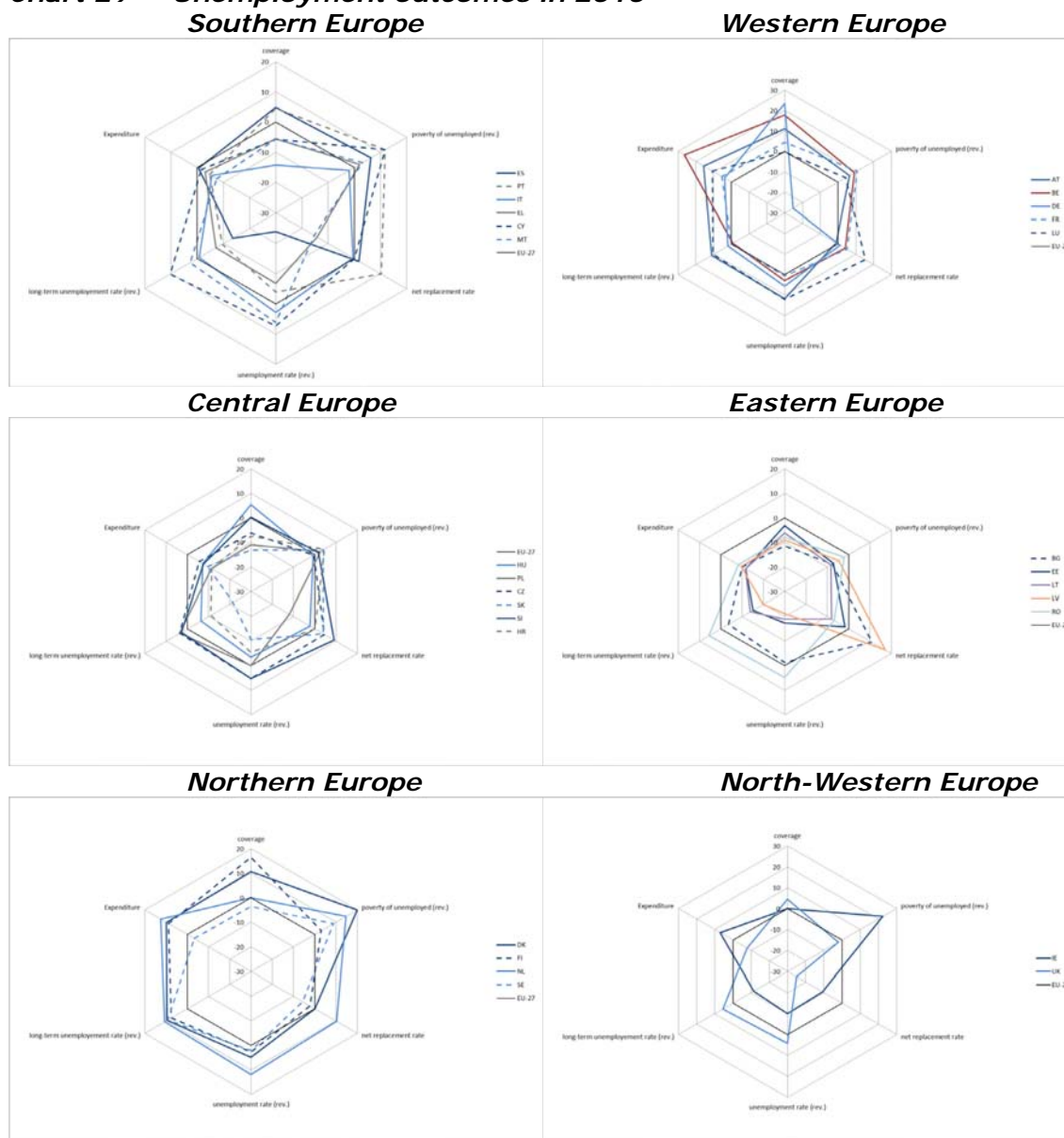
Member States can show an asymmetry between their relative performance on adequacy and labour market, given their levels of expenditure (Chart 29):

- In some MSs, such as FR and PT (as well as DK, EE, HU, SK and HR), the relatively better performance in terms of adequacy does not seem to be echoed by as good performance in terms of labour market situation, given the relative levels of expenditures.

⁽¹⁾ As the unemployment rate is included in the set of outcome indicators, the share of long-term unemployed could be used in place of the long-term unemployment rate in order to avoid the correlation between the two indicators. Nonetheless, Member States' patterns as regards the balance of outcomes between the adequacy of income replacement and the labour market situation do not substantially change if the long-term unemployment share is used instead.

- Conversely, in some other MSs, such as DE and FI (as well as EL, IT, MT, NL, PL, RO, SI and the UK), the relatively better labour market records do not seem to translate into a relatively better situation of adequacy of unemployment benefits, for their given relative levels of expenditure.
- In a few Member States (BE, ES and IE), both the adequacy and employment records seem to be relatively low, given their relative levels of expenditure. In these countries, the challenges of adequacy and unemployment appear to be more specifically inter-linked.
- Finally, in some MSs, such as SE (as well as AT, BG, CY, CZ and LT), both the performance in terms of adequacy of unemployment benefits and the labour market outcomes appear to be relatively strong, for the given levels of expenditures.

Chart 29 — Unemployment outcomes in 2010



Source: See Box 2, DG EMPL calculations.

Note: Expenditure relates to expenditure per unemployed compared to GDP per capita for the population of active age.

Factor analysis allows considering more dimensions of performance in terms of labour market and unemployment benefits. Three main dimensions can be identified to reflect on the performance of Member States in the area of unemployment benefits (see Box 10, more detailed results are provided in the Annex):

- Factor 1 reflects how Member States perform in unemployment (including long-term unemployment) and also in inactivity of youth (NEET).
- Factor 2 reflects both the activity and skills of the Member State's workforce (employment rate, inactivity rate, share of high-skilled workers and participation of those not working in LLL, both of the unemployed and inactive).
- Factor 3 reflects the Member States' performance in net replacement rate, unemployment trap and the participation of people wanting to work in ALMPs.

Box 3 – Unemployment – factor analysis

A number of additional indicators are taken into account in the factor analysis, to allow reflecting on a broader set of interactions, including such as the inactivity rate and employment rate, incidence of involuntary part-time work, share of youth not in employment, education, or training (NEET), share of high-skilled workers in the labour force⁽²⁾; the unemployment trap; and also to what extent the unemployed are being assisted or actively involved in getting back to the labour market, through indicators such as the share of unemployed and inactive in life-long learning (LLL), active labour market policies (ALMP) participation of people wanting to work and transitions (from unemployment to employment and from unemployment to inactivity). To take into account the conditionality of benefits, the share of means-tested benefits on all unemployment expenditure is also included.

⁽²⁾ The share of low-skilled and medium-skilled workers were excluded from the analysis based on the Kaiser–Meyer–Olkin measure of sampling adequacy.

Table 2 — Unemployment benefits: results of factor analysis

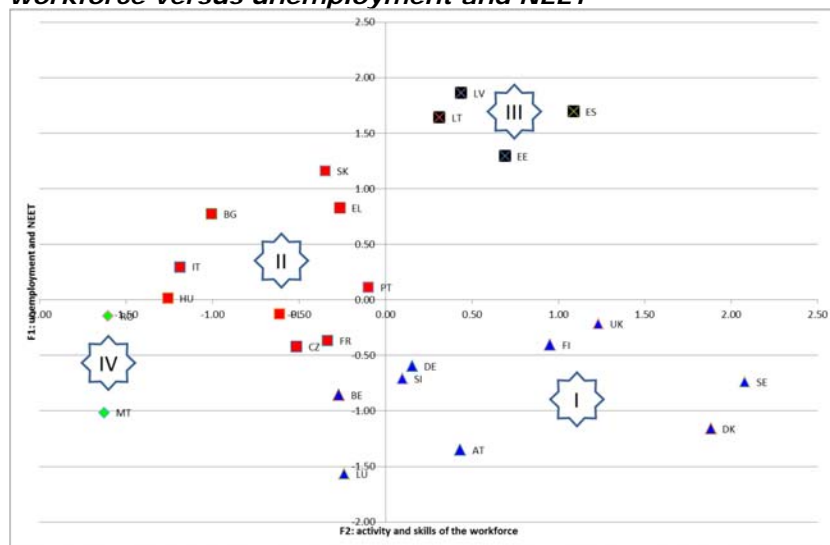
Variable	Factor1: unemployment and NEET	Factor2: activity and skills of the workforce	Factor3: net replacement rate and unemployment trap
coverage	-0.45	0.39	0.23
AROP of unemployed	0.33	-0.25	-0.21
net replacement rate	0.06	-0.04	0.81
unemployment trap	-0.10	0.13	0.83
employment rate	-0.58	0.69	-0.02
inactivity rate	0.06	-0.92	-0.06
unemployment rate	0.93	0.18	0.13
long-term unemployment rate	0.89	-0.10	0.19
involuntary part-time	0.66	-0.28	-0.06
NEET	0.78	-0.31	-0.08
unemployed in LLL	-0.52	0.72	-0.09
inactive in LLL	-0.43	0.79	-0.02
LMP participation of persons wanting to work	-0.42	0.19	0.67
transitions from unemployment to employment	-0.38	0.37	-0.26
transitions from unemployment to inactivity	-0.21	0.23	-0.49
share of means-tested benefits	-0.14	-0.36	-0.49
share of high-skilled workers	0.01	0.72	0.17

Source: DG EMPL calculations.

The performance of Member States along these dimensions varies considerably (Charts 28 and 29) and four clusters of countries can be identified based on the performance along all these 3 areas of performance.

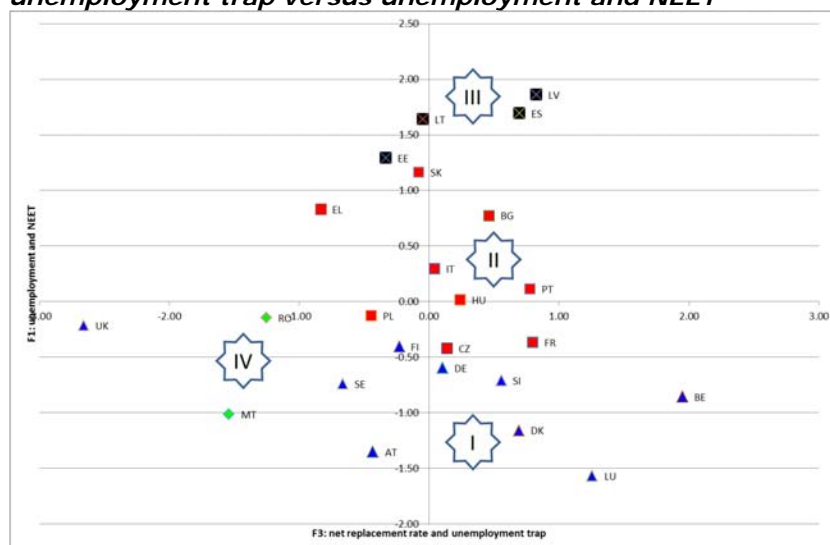
Countries in Group I (AT, BE, DE, DK, FI, LU, SE, SI, UK) all perform relatively well in terms of unemployment and NEET and most of them also in terms of activity and skills of the workforce (Chart 30). Their performance in the area of net replacement rate and unemployment trap is rather varied (Chart 31), though we can see that those with the highest score in this area are those that have a worse performance than the others in activity and share of high skilled workers. All countries in Group II (BG, CZ, EL, FR, HU, IT, PL, PT, SK) perform rather poorly in terms of activity and skills of the workforce and most of them have similarly weak performance in unemployment and NEET (Chart 30). Their performance in net replacement rate and unemployment trap varies significantly (Chart 31). Countries in Group III (EE, ES, LT, LV) perform well in activity and skills of the workforce, however, they all have very bad performance in terms of unemployment and NEET (Chart 30). Their scoring varies in terms of net replacement rate and unemployment trap (Chart 31). Countries in Group IV (MT, RO) show very bad performance in activity and skills of the workforce, but perform quite well in unemployment and NEET (Chart 30). They score relatively low in terms of net replacement rate and unemployment trap (Chart 31).

Chart 30 – Factor analysis for unemployment benefits: activity and skills of the workforce versus unemployment and NEET



Source: DG EMPL calculations.

Chart 31— Factor analysis for unemployment benefits: net replacement rate and unemployment trap versus unemployment and NEET



Source: DG EMPL calculations.

3.2.5. Family

Family expenditure provides income support to households with children. While family policies can be considered to fulfil the broad objective of supporting children’s development, this section focuses on the two main objectives of adequacy of income support to families with children and support for a better work-life balance. The first dimension refers to the relative income situation of families with children and typically to child poverty and the poverty reduction impact of family expenditures. The second dimension refers to the employment attachment of households with children, which relates typically to the employment situation of women or to financial incentives to take-up a job for second earners, as well as to the availability of childcare.

The main outcomes considered in this section are accordingly focused on the adequacy of incomes of families and on the labour market situation of households with children (see Box 11). Three indicators focus on the adequacy dimension: the relative income of households with children (compared to all households), child poverty and the impact of family benefits on child poverty. Three other indicators are retained to reflect the labour market attachment of households with children, first of all the share of children living in jobless households, second the employment rate of mothers and third the actual share of children in childcare (full and part-time). These outcomes are considered together with the levels of family expenditure per population aged under 18 as a share of GDP per capita, both for in-cash and in-kind expenditure.

For instance, in 2010, FR, SE and DK spent roughly the same levels in terms of cash benefits, but had rather different levels of expenditure on in-kind benefits (with higher levels in DK than in SE and in SE than in FR) — see Chart 32. While outcomes were roughly similar in terms of poverty reduction, they were very different in terms of child poverty as such or of relative incomes of families (DK better than SE and SE better than FR). These differences seem very much linked to differences in the employment rates of mothers, which in turn are, at least partly, driven by different levels of childcare use (actually achieved with different levels of in-kind expenditures). While the desired outcome of a widespread use of childcare facilities is shown to require adequate spending on services, similarly high levels of childcare use are achieved at different spending levels.

Box 4 — Family — variables used in radar charts

A limited set of outcome indicators can be used to measure the performance of family expenditure:

- Relative income (source SILC): relative equivalised disposable income of households with children compared to the one of all households;
- Child poverty (source SILC): at-risk-of-poverty rate of the population aged 0–17 (at the 60 % of median equivalised disposable income threshold);
- Poverty reduction by family benefits (source SILC): reduction in the share of children at risk of poverty due to family benefits;
- Children in jobless households (source SILC): share of children living in households with very low work intensity (less than 0.2);
- Childcare total: share of children aged 0–3 in childcare (both full-time and part-time) following the Barcelona targets ⁽³⁾;
- Employment rate of mothers (source LFS): employment rate of women aged 20–49 with youngest child below 6 years of age;
- Expenditure in cash and in kind: total expenditure in cash and in kind on ESSPROS family function per population aged under 18 against GDP per capita.

To reflect on a number of additional dimensions, a number of additional indicators are used in the factor analysis (see Box 11).

⁽³⁾ In 2002, at the Barcelona Summit, the European Council set the targets of providing childcare by 2010 to at least 90 % of children between 3 years old and the mandatory school age and at least 33 % of children under 3 years of age. Member States have restated their commitment to achieve them in the European Pact for gender equality (2011–20). There are broad differences persisting between Member States, as well as slow and uneven progress (see http://ec.europa.eu/justice/gender-equality/files/documents/130531_barcelona_en.pdf).

Chart 32 — Family in 2010 in FR, SE, DK



Source: See Box 4, DG EMPL calculations.

Note: For France part of in-kind expenditure linked to pre-primary school expenditure is not reflected in the ESSPROS framework. Note: expenditure relates to expenditure per person aged under 18 compared to GDP per capita.

While social protection expenditure appears often skewed towards family expenditure (see Table 3), the balance between in-cash and in-kind benefits varies a lot across MSs and appears particularly skewed towards in-kind expenditure in DK and to a lesser extent SE and FI. On the reverse, expenditure seem to be very skewed towards cash benefits in a number of Member States where family expenditure weighs relatively strongly in social expenditure (in particular in AT, EE, HU, LT, LU, LV, SI and SK).

Table 3 — Orientation of social expenditure on family expenditure

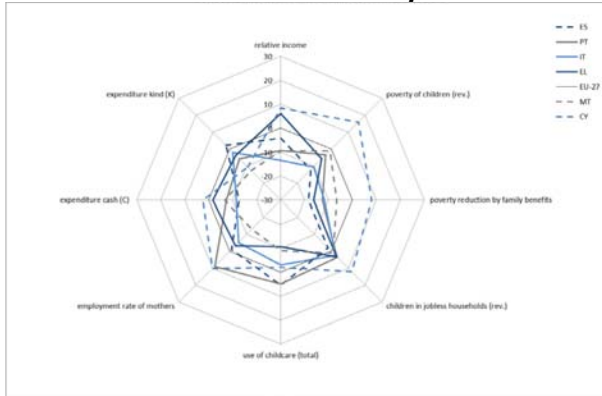
		Orientation of social expenditure towards family expenditure		
		Low	Average	High
Orientation of family expenditure on cash expenditure	Low	IT, NL	ES	DK, FI, SE
	Average	FR, PT, UK	EL, MT, PL	BG, RO
	High		BE, CY, CZ, DE, IE, HR	AT, EE, HU, LT, LU, LV, SI, SK

Member States show significantly different patterns as regards adequacy and labour market outcomes, in comparison to their relative levels of expenditures (Chart 33):

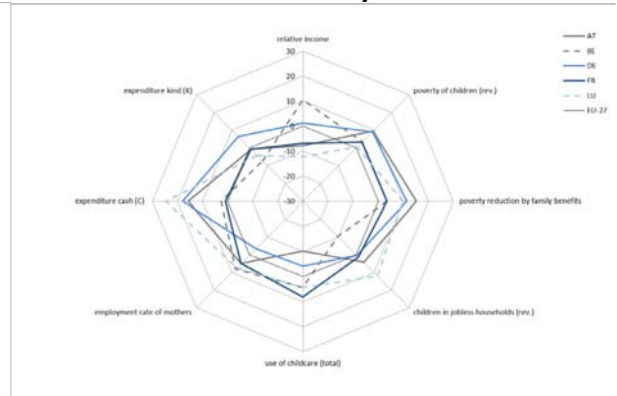
- In some MSs, such as NL, the outcomes appear relatively positive (also including CY, PL and SI) or balanced (DK, EL, FR, LT, SE and UK) for both adequacy and the labour market attachment, given the relative levels of expenditures.
- In some MSs however, such as HU or IE, both adequacy and labour market attachment appear relatively low for their given levels of expenditures (AT, BG, DE, HU, IE and LU). This suggests that in these countries the challenges related to the adequacy and sustainability dimensions are particularly linked.
- In a few of MSs (IT, ES and SK), the performance in terms of labour market seems to be relatively stronger than the one on adequacy (given the relative levels of expenditures). On the reverse, in some MSs, such as DE, the relatively

performance seems stronger on the adequacy dimension than on the labour market attachment (also in BE, CZ, EE, FI, LV, MT).

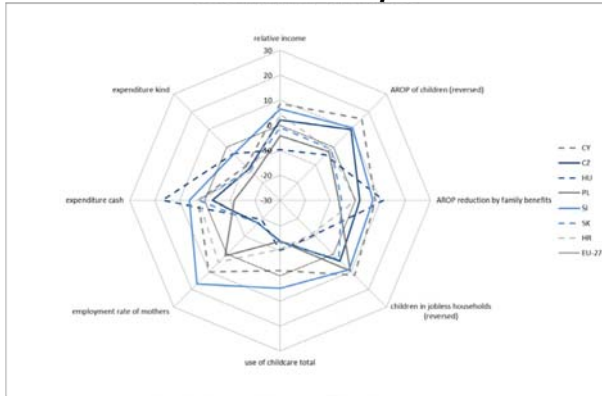
Chart 33 — Family expenditures in 2010
Southern Europe



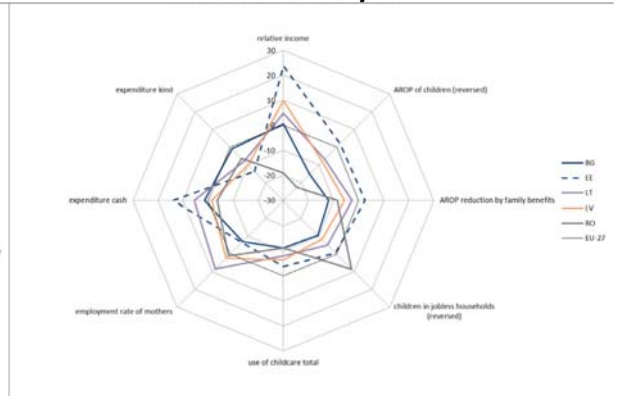
Western Europe



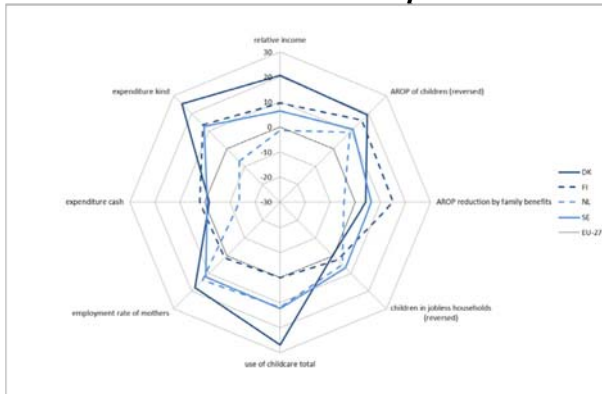
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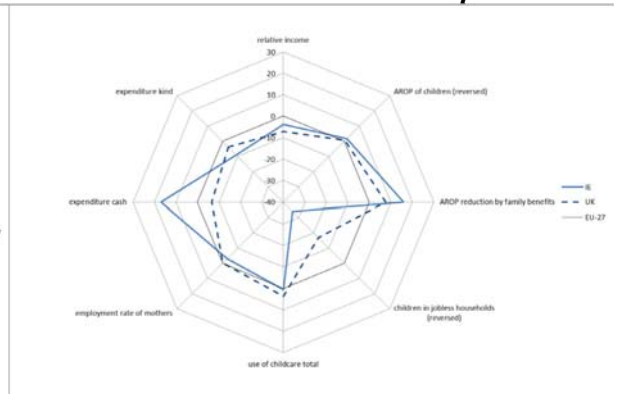
Eastern Europe



Northern Europe



North-Western Europe



Source: See Box 4, DG EMPL calculations.

Note: Expenditure relates to expenditure per person aged under 18 compared to GDP per capita.

Factor analysis allows for considering a wider set of correlated outcome dimensions, while resulting in a lower number of main dimensions. Four main dimensions can be

identified to reflect on the performance of Member States in the area of family benefits (see Box 16, more detailed results are provided in the Annex) ⁽⁴⁾:

- Factor 1 reflects different aspects of poverty (at-risk-of-poverty rate of children, poverty gap, persistent poverty and severe material deprivation), but also the poverty reduction impact of family benefits. It also links higher poverty with higher involuntary part-time employment of women and a higher share of people being inactive or working only part-time due to a lack of childcare ⁽⁵⁾.
- Factor 2 reflects Member States' performance in terms of full-time use of childcare and full-time employment of women, which are negatively associated with the employment impact of parenthood.
- Factor 3 reflects Member States' performance in terms of part-time childcare use and part-time employment of women that tend to go hand in hand.
- Factor 4 reflects Member States' performance in gender employment gap, which is associated with lower levels of relative income of households with children (compared to all households) and a higher share of means-tested benefits.

Box 5 – Family – factor analysis

A number of additional indicators are taken into account in the factor analysis, to allow reflecting on a broader set of interactions, including the poverty gap, persistent poverty and severe material deprivation of children, as well as several indicators of the labour market friendliness of the system, reflected in the gender employment gap, in the employment impact of parenthood and inactivity or part-time due to lack of childcare (involuntary part-time employment of women aged 15–64 is added to take account of this phenomena in the labour market in general, not only in relation with childcare) ⁽⁶⁾. Including more variables also allows making a distinction between the full-time and part-time use of childcare and full-time and part-time employment of women as these can differ widely among countries and both have their importance. To take into account the conditionality of benefits, the share of means-tested benefits on all family benefits is also included.

⁽⁴⁾ While the first three factors provide for an estimation of comparable quality as for other social protection functions, the fourth factor has been included here since it allows for reflecting more specifically on the dimension of the gender employment gap.

⁽⁵⁾ The correlations between these variables and this factor are high. Indeed, Factor 1 explains around 90% of the variability of the AROP of children and of the poverty gap, 80% of the SMD of children and 70% of persistent poverty, the poverty reduction by child benefits, the involuntary part-time employment of women and the inactivity or part-time employment due to lack of childcare.

⁽⁶⁾ The share of children living in jobless households was excluded from the analysis based on the Kaiser–Meyer–Olkin measure of sampling adequacy.

Table 4 – Family benefits: results of factor analysis

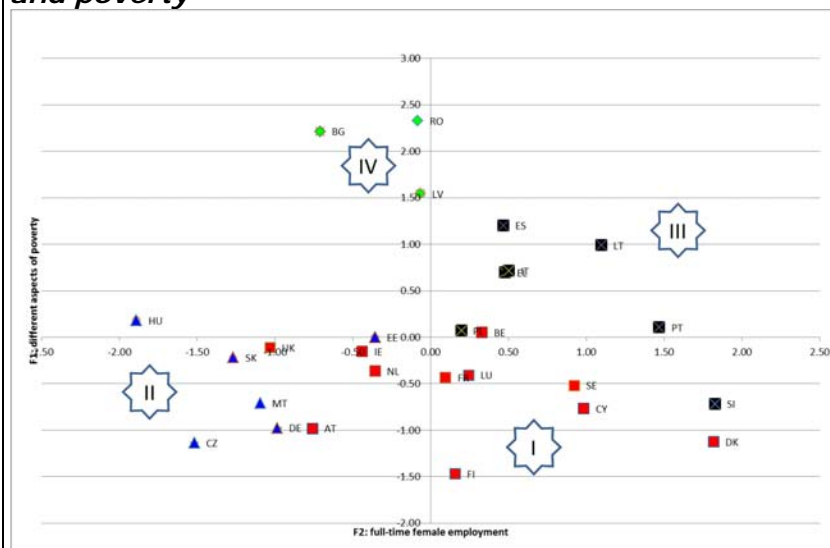
Variable	Factor 1: different aspects of poverty	Factor 2: full-time female employment	Factor 3: part-time female employment	Factor 4: gender employment gap
relative income	-0.25	0.31	-0.21	-0.63
AROP of children	0.90	-0.17	-0.07	0.30
poverty gap	0.88	0.15	-0.20	0.01
persistent poverty	0.67	-0.09	-0.02	0.40
SMD of children	0.78	-0.25	-0.34	-0.17
poverty reduction by child benefits	-0.65	-0.16	0.09	-0.46
gender employment gap	-0.07	-0.28	0.03	0.74
employment impact of parenthood	-0.15	-0.91	-0.23	-0.06
full-time employment rate of women	0.21	0.86	-0.22	-0.07
part-time employment rate of women	-0.32	-0.04	0.90	0.00
involuntary part-time employment of women	0.69	0.16	-0.35	0.11
inactivity or part-time due to lack of childcare	0.68	0.11	-0.10	-0.07
full-time use of childcare	-0.27	0.70	-0.03	-0.21
part-time use of childcare	-0.20	0.02	0.89	-0.01
share of means-tested benefits	0.11	0.26	-0.15	0.66

Source: DG EMPL calculations.

The performance of Member States along these dimensions varies considerably (Charts 36, 35 and 36) and 4 clusters of countries can be identified based on the performance along all these four areas of performance.

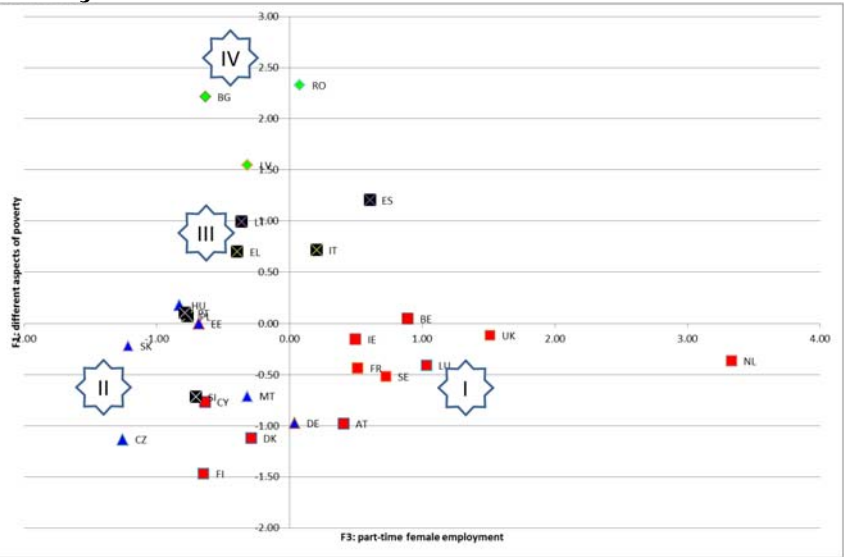
Countries in Group I (AT, BE, CY, DK, FI, FR, IE, LU, NL, SE, UK) all perform well in terms of the different aspects of poverty, irrespective of how they do in full-time female employment (Chart 36). Most of them have good performance in part-time female employment (Chart 35) and also in the area of employment gap (which is usually lower in these countries, Chart 36). In this group of countries we can often see a trade-off between good performance in full-time and part-time female employment respectively. Countries in Group II (CZ, DE, EE, HU, MT, SK) generally have good outcomes as regards poverty but lower performance in full-time (Chart 36) and part-time female employment (Chart 35) and mixed results in the area of gender employment gap (Chart 36). Countries in Group III (EL, ES, IT, LT, PL, PT, SI) have rather poor results in terms of poverty, in spite of a relatively good performance in the area of full-time female employment (Chart 36). That is, however, compensated mostly by worse performance in part-time employment (Chart XYZ) and gender employment gap (Chart 36). Countries in Group IV (BG, LV, RO) have poor performance in terms of poverty, as well as in the areas of full-time and part-time female employment (Charts 36 and 35). Their results as regards the gender employment gap are mixed (Chart 36).

Chart 34 — Factor analysis for family expenditure: full-time female employment and poverty



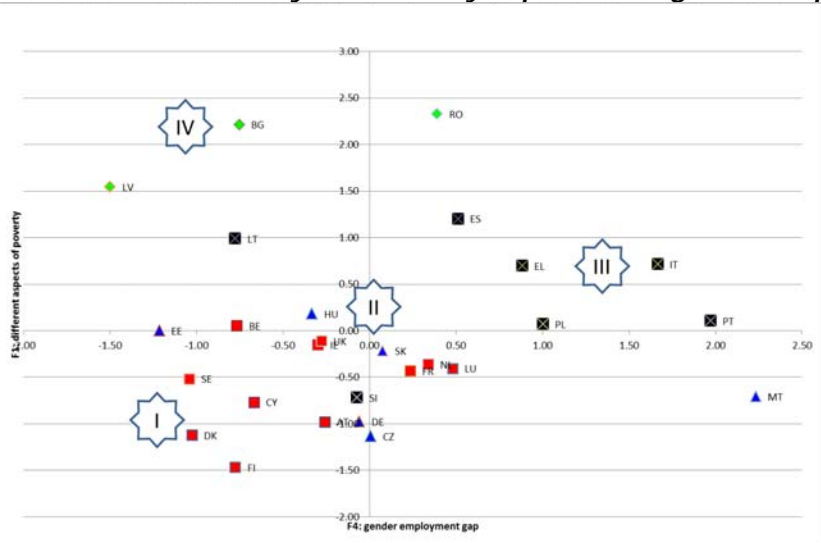
Source: DG EMPL calculations.

Chart 35 — Factor analysis for family expenditure: part-time female employment and poverty



Source: DG EMPL calculations.

Chart 36 — Factor analysis for family expenditure: gender employment gap and poverty



Source: DG EMPL calculations.