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From: General Secretariat of the Council  
To: Delegations  
Subject: 2016 Social Protection Performance Monitor (SPPM) dashboard results

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Delegations will find attached a summary document providing an overview of recent developments in the social situation in the EU, based on the December 2016 update of results from the Social Protection Performance Monitor (SPPM) dashboard.



# 2016 Social Protection Performance Monitor (SPPM) dashboard results

(December 2016 update)

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# Summary

This summary document provides an overview of recent developments in the social situation in the EU, based on the December 2016 update of results from the Social Protection Performance Monitor (SPPM) dashboard<sup>1</sup>, a tool which uses a set of key EU social indicators for monitoring developments in the social situation in the European Union.

This update of the Social Protection Performance Monitor points to much clearer signs of a general improvement in the social situation. In particular, the at-risk-of-poverty-or-social-exclusion rate has fallen in 15 Member States over 2014-2015, driven by declines in the rate of severe material deprivation and in the share of the population living in (quasi-)jobless households. Nevertheless, in 2015 there were still around 1.6 million more people living at risk of poverty or social exclusion in the EU28 compared to 2008<sup>2</sup>, and a total of 118.8 million or close to 1 in 4 Europeans.

For the EU as a whole the latest figures from the EU Labour Force Survey and the EU Statistics on Income and Living Conditions point to much clearer signs of a general improvement in the social situation, with most social indicators flagging up a shift to positive changes in many Member States. Of particular note are the strong improvement in the situation of youth, with falls in the NEET rate and youth unemployment ratio in around two thirds of countries, and the reduction in long-term unemployment rates in around half of the Member States. The related improvement in the employment and financial situation of households has resulted in reductions in severe material deprivation and share of the population in jobless households.

Nevertheless, the following main negative trends, or “trends to watch” (i.e. where around a third or more of all Member States show a significant deterioration in the given indicator), are identified for the most recent period (2014-2015):

- Continued deterioration with regard to the depth and persistence of poverty in many Member States;
- Rises in the at-risk-of-poverty rates for people residing in (quasi-)jobless households.

At the same time, there are initial signs of a decline in the relative income and living conditions of the elderly, with rises in the at-risk-of-poverty-or-social-exclusion rate along with falls in the aggregate replacement ratio and median relative income ratio of the elderly in around a third of Member States. This is a reversal of the general trend observed in previous years, but reflects to a large extent the evolution of the relative income situation of the working age population as the labour market situation and incomes from work have improved.

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<sup>1</sup> It incorporates the 2015 EU-SILC figures available for all Member States except IE as at 1<sup>st</sup> December.

<sup>2</sup> The reference year, due to data availability, for the target adopted in 2010



	EU28	EU27	EA18	EA19	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		
Youth exclusion	2015	11.0	11.0	11.7	11.6	10.1	11.2	6.9	7.9	20.0	9.2	2.8	14.7	5.1	9.9	5.5	9.3	11.6	19.8	8.2	7.3	5.3	11.7	10.1	5.0	6.9	9.2	7.0	10.8					
	2014-2015 change in pp	-	-	-	0.7	-	-1.1	-1.9	-	-1.6	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-1.0			
	2008-2015 change in pp	-3.7	-3.8	-4.7	-4.7	-1.9	-1.4	-	-4.7	-1.7	-2.8	-4.5	-6.5	-11.7	-2.6	-1.6	-4.9	-8.5	-5.6	-2.0	-4.1	-	-7.4	-3.2	-2.9	-	-	-	-	-	-	-6.1		
	2015	8.4	8.4	8.9	8.8	6.6	5.6	4.1	6.7	3.5	5.5	7.6	12.9	16.8	9.1	14.3	10.6	12.4	6.7	5.5	6.1	5.4	6.1	7.7	6.1	6.8	10.7	6.8	5.8	8.4	11.7	11.2	8.6	
2014-2015 change in pp	-0.9	-0.8	-0.7	-0.7	-	-0.9	-1.0	-1.1	-	-1.3	-1.8	-2.2	-	-	-1.0	-1.0	-2.1	-1.2	-1.1	-	-0.6	-	-0.9	-	-1.3	-1.2	-	-1.0	-0.8	1.0	-1.5	-1.2		
2008-2015 change in pp	1.5	1.5	2.0	1.9	-	1.8	-	-	-2.0	-	6.8	5.1	2.0	5.6	4.1	8.6	-	1.5	-	-	-	-	3.8	-	1.1	3.9	-	1.3	2.2	2.9	-	-	-	
Active ageing	2015	12.0	12.0	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	
	2014-2015 change in pp	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2008-2015 change in pp	1.1	1.1	1.2	1.2	2.1	1.9	-	1.9	-2.2	2.1	-	5.8	1.3	1.5	6.9	4.8	5.6	-1.3	-	-	-	2.1	1.3	-	2.0	1.1	1.5	3.0	2.6	2.8	-1.1	-	-
	2015	53.3	53.4	53.3	53.3	44.0	53.0	55.5	64.7	66.2	64.5	55.6	34.3	45.9	48.7	39.0	48.2	48.5	59.4	60.4	38.4	45.3	40.3	61.7	46.3	49.9	41.1	36.6	47.0	60.0	74.5	62.2	62.2	
2014-2015 change in pp	1.5	1.5	1.6	1.6	1.3	3.0	1.5	1.5	0.6	-	2.6	1.8	2.0	1.6	3.0	4.2	-4.1	3.6	2.5	1.8	1.2	2.2	1.8	1.2	2.1	2.0	1.2	2.2	0.9	-	1.2	1.2		
2008-2015 change in pp	7.8	7.9	9.0	8.9	9.5	7.0	7.9	6.3	13.5	2.1	1.7	-8.7	1.4	10.5	1.9	13.9	-6.3	-	7.4	4.3	14.4	10.2	8.7	7.5	13.7	-	-	3.8	7.8	3.5	4.4	4.2	4.2	
Pension adequacy	2015	17.4	17.3	15.8	15.9	16.2	15.8	10.9	9.9	17.2	37.0	13.5	22.8	13.7	9.3	31.9	19.9	20.8	42.1	36.0	8.2	17.1	33.7	6.1	14.0	17.0	21.7	33.3	20.2	12.8	14.5	18.3	17.7	17.7
	2014-2015 change in pp	-	-	-	-	-	-	-	-	2.0	n.a.	-	0.8	-0.8	2.2	-	0.4	2.6	4.1	1.8	-1.9	-	-	-	-1.7	-1.2	0.6	-1.7	-	-	-2.5	1.6	-1.3	
	2008-2015 change in pp	n.a.	-6.0	-4.4	-4.5	-6.7	-7.9	-	n.a.	1.7	-12.9	-9.0	-5.3	-12.5	-4.8	-5.6	-4.5	-28.5	-16.7	-	-	-	-	-	-3.6	-7.2	-9.9	-6.0	-16.1	-4.2	-9.1	-9.4	2.8	-10.8
	2015	0.85	0.85	0.95	0.95	0.79	0.71	0.81	0.77	0.87	0.82	0.91	1.04	1.01	1.04	0.85	0.99	0.80	0.75	1.08	1.01	0.78	0.89	0.88	0.99	0.92	1.00	0.80	0.91	0.81	0.91	0.81	0.88	
2014-2015 change in pp	-	-	-	-	2.6	-13.4	-3.6	-	-3.3	-1.6	n.a.	4.0	-1.9	2.0	-3.4	-	-8.5	-	-	-3.8	-3.8	-	3.2	-	-2.1	-3.8	-	-	2.5	-4.8	-	-		
2008-2015 change in pp	n.a.	9.4	9.2	10.5	6.8	7.6	-	n.a.	-	11.3	23.0	20.9	21.7	9.5	9.0	12.5	9.6	22.6	-	11.3	-	-	6.0	11.4	-	10.8	17.6	7.1	15.2	12.5	-	18.9	18.9	
Health	2015	0.57	0.57	0.58	0.58	0.47	0.41	0.51	0.45	0.46	0.43	0.38	0.61	0.66	0.69	0.40	0.66	0.43	0.42	0.46	0.80	0.65	0.54	0.52	0.62	0.62	0.61	0.63	0.46	0.62	0.52	0.58	0.50	
	2014-2015 change in pp	-	-	-	-	-	-6.8	-7.3	-	2.2	-8.5	n.a.	1.7	10.0	-	-	3.1	10.3	-4.5	2.2	-5.9	4.8	-3.6	4.0	3.3	-1.6	-3.2	-3.1	2.2	-	2.0	-3.3	-2.0	
	2008-2015 change in pp	n.a.	16.5	18.4	18.4	-	20.6	-	n.a.	-	11.1	-22.4	48.8	57.1	6.2	25.0	29.4	30.3	40.0	7.0	37.9	6.6	31.7	20.9	-	10.7	39.6	26.0	-	14.8	6.1	6.5	16.3	
	2015	3.6	3.6	n.a.	n.a.	2.4	5.6	1.1	1.4	1.6	11.3	3.7	10.9	0.6	2.8	3.3	7.0	4.7	11.2	3.7	0.8	2.5	1.1	0.5	0.1	7.8	3.5	9.3	0.2	2.1	3.3	1.5	2.1	
2014-2015 change in pp	-	-	n.a.	n.a.	-	-1.3	-	-	-	2.9	-	1.9	-	-	-	-	-	-1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2008-2015 change in pp	n.a.	n.a.	n.a.	n.a.	n.a.	-9.7	-	-	-	4.0	1.9	5.5	-	-	n.a.	1.8	1.9	2.6	-1.8	-	-	-	-	-	1.8	2.4	-1.5	-	2.5	-	-	1.1	-	
Access to decent Housing	2015	8.6	n.a.	n.a.	n.a.	11.0	8.7	8.5	11.0	6.8	4.9	11.4	7.7	10.1	10.4	6.0	7.8	10.4	4.0	6.1	11.3	6.0	13.3	10.7	8.4	7.5	6.9	5.9	7.8	4.3	8.8	15.2	9.7	9.7
	2014-2015 change in pp	n.a.	n.a.	n.a.	n.a.	5.8	-	13.3	-8.3	7.9	22.5	22.6	-14.4	-	19.5	n.a.	-	14.3	-16.7	-	5.6	7.1	26.7	8.1	13.5	7.1	-	-25.3	-15.2	43.3	10.0	16.0	9.3	
	2008-2015 change in pp	n.a.	n.a.	n.a.	n.a.	11.0	9.6	9.8	12.8	-6.7	6.0	12.3	7.1	9.4	10.7	5.8	7.3	8.8	-4.6	6.1	10.8	6.1	33.2	10.2	7.7	8.1	5.6	5.7	8.6	3.6	9.3	16.7	10.6	
	2015	11.4	11.4	11.3	11.3	9.4	14.8	10.4	15.1	15.6	6.8	5.5	40.9	10.3	5.7	7.2	8.6	9.9	8.1	9.1	6.0	8.5	1.1	15.6	6.4	8.7	9.1	15.9	6.1	9.1	4.9	7.5	12.5	
2014-2015 change in pp	-	-	-	-	-1.0	1.9	-	-	-	-1.5	n.a.	-	-0.6	0.6	-	-	-	-1.5	2.0	-0.8	-4.3	-	-	-	-0.9	-	-	-	-	-	-	-		
2008-2015 change in pp	n.a.	-	3.0	3.0	-5.1	1.5	-2.4	n.a.	n.a.	3.6	2.2	18.7	-	1.5	-6.9	-	2.1	-	4.1	2.3	-5.1	-2.2	1.9	-2.1	-	1.5	3.2	1.7	3.5	-	-	-	-3.8	
Evolution in real household disposable income	2014-2015 change in pp	5.2	n.a.	n.a.	n.a.	1.9	0.7	n.a.	3.2	2.5	n.a.	n.a.	2.1	1.7	n.a.	0.8	-0.8	4.8	2.8	n.a.	2.0	n.a.	3.2	-	3.6	1.7	5.8	2.1	4.0	1.0	2.5	3.3	3.3	
	2008-2015 change in pp	8.0	n.a.	n.a.	n.a.	-	-1.5	5.0	13.7	7.0	-2.7	-9.0	-32.5	-7.1	4.5	-7.9	-8.6	-17.3	-13.7	-2.8	n.a.	1.3	n.a.	-	-1.6	18.8	-7.8	26.6	-2.5	6.1	5.2	19.9	8.2	

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance in some cases. In all the remaining cases a 1pp threshold has been used for all percentage-based indicators or for indicators based on ratios and the healthy life years indicators a 5% threshold has been used as specified in the SPPM methodological paper approved by the SPC (see table at end of document for full details); ii) The method used to estimate the statistical significance of the net changes, based on regression and developed by Net-SILC2 (an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC) is

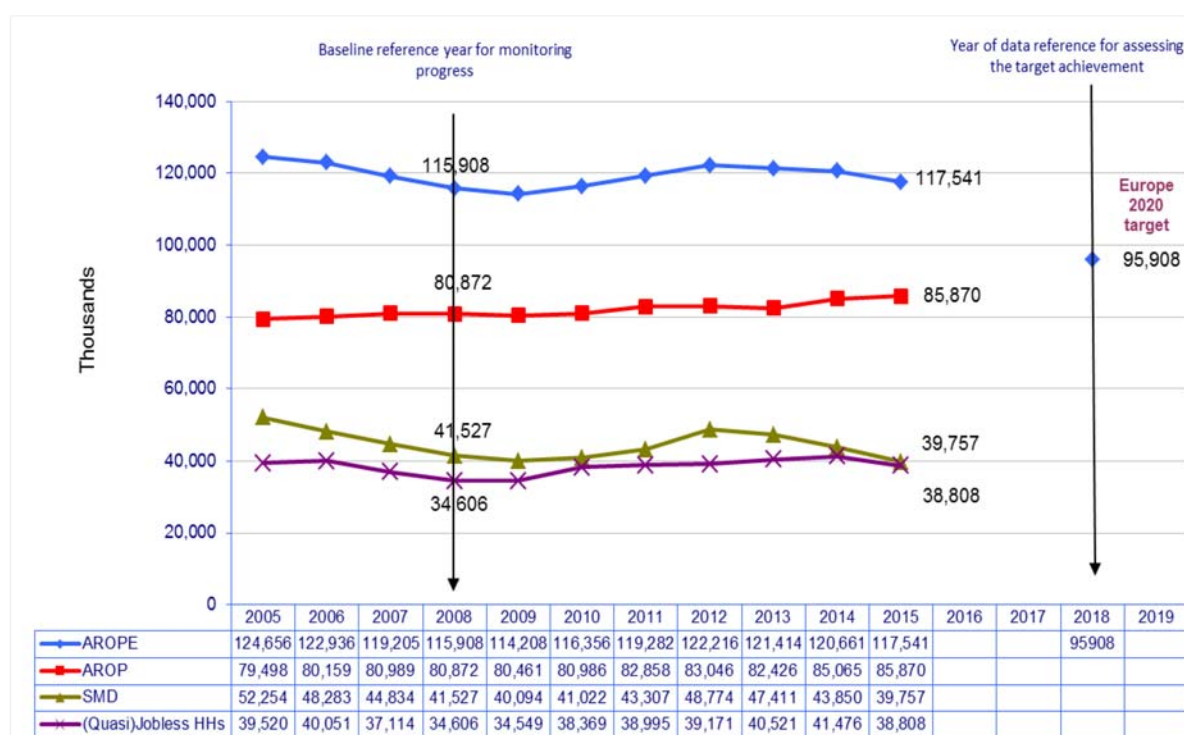
still under improvement; iii) For AT, break in series in 2011 for persistent poverty ("n.a." shown for the period compared to 2008); iv) For BE, major break in 2011 in the self-reported unmet need for medical examination ("n.a." shown for the period compared to 2008); v) For BG, major break in the time series in 2014 for the material deprivation indicators, so for SMD and AROPE the change 2008-2013 is used for the longer period compared to 2008; vi) For DK, breaks in series for the period 2008-2015 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes ("n.a." shown for the period compared to 2008 for these); vii) For EE, major break in series in 2014 for variables in EU-SILC due to implementation of a new methodology based on the use of administrative files. Hence change 2008-2013 used for the longer period compared to 2008; viii) For IE, no figures for 2015 EU-SILC so changes for latest year not shown and change 2008-2014 shown for the longer term changes since 2008; ix) For HR, the long-term comparison for EU-SILC-based indicators is relative to 2010 as no EU-SILC data published by Eurostat before then; x) For RO, breaks in series in 2010 for LFS-based indicators, so changes 2010-2015 shown for longer term change. xi) For UK, changes in the EU-SILC survey vehicle and institution in 2012 might have affected the results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious.



# Detailed review of the social trends identified in the SPPM dashboard

It is now over three years since the EU economy started its slow though consistent recovery following a double-dip recession. Economic activity has expanded in most Member States, but the recovery remains uneven. Increases in employment in the EU have progressed gradually in line with economic growth, and compared to the trough observed in mid-2013, employment has increased by around 7 million people. As a result the employment rate for the EU returned to its pre-crisis level by the fourth quarter of 2015, but large disparities remain across countries. The increase in employment has extended to all sub-population groups and unemployment, including youth unemployment, continues to slowly recede in the EU. Household incomes and financial conditions of EU households continue to improve, thanks mainly to higher income from work. Nevertheless, despite the gradual improvements, labour market and social conditions remain very challenging.

**Figure 1. Evolution of the Europe 2020 poverty and social exclusion target, EU27<sup>3</sup> (figures in 1000s)**



Source: Eurostat (EU-SILC)

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

<sup>3</sup> Note figures here refer to the EU27 aggregate, since time series for the EU28 aggregate not available back to 2005.

*(i.e. very low work intensity) rate refers to the previous calendar year while for the severe material deprivation rate the reference is the current survey year.*

This December 2016 update of the Social Protection Performance Monitor points to much clearer signs of a general improvement in the social situation. 15 Member States registered significant falls in the share of the population at risk of poverty or social exclusion in 2015 and only 3 significant rises, with overall figures for the EU population at risk of poverty or social exclusion pointing to a substantial fall of 3.1 million between 2014 and 2015. Underlying the fall in this overall figure are strong reductions in the population experiencing severe material deprivation (down 4.1 million) and in people living in (quasi-)jobless households (down 2.7 million), although the population at risk of poverty continued to rise by 0.8 million (Figure 1). Nevertheless, with regard to the Europe 2020 poverty and social exclusion target of lifting at least 20 million people from the risk of poverty or social exclusion by 2020, in 2015 there were still around 1.6 million more people living at risk of poverty or social exclusion in the EU compared to 2008.

### Main recent trends

Data for changes over the period 2014-2015 now provide much clearer signs of a general improvement in the social situation, with most social indicators flagging up a shift to positive change in many Member States (Figure 2). In particular, strong positive developments in the social situation can be observed in the following areas:

- rises in **real gross household disposable income** (in 19 MS) along with reductions in the **severe material deprivation rate** (in 15 MS). This reflects that household incomes and financial conditions of EU households have improved in the most recent period, benefitting from stronger economic activity and improved labour markets;
- a reduction in **the risk of poverty or social exclusion for the overall population** (in 15 MS), driven by falls in **severe material deprivation** and the share of the population living in **(quasi-)jobless households**. There are also associated reductions in the share of **children at risk of poverty or social exclusion** in many Member States (11);
- strong signs of **reductions in long term unemployment** (in 14 MS) and in **youth exclusion**, with falls in the NEET rate (in 16 MS) and the youth unemployment ratio (in 19 MS), reflecting improvements in the labour market;
- continued improvements in the **labour market participation of older workers** (as evidenced by increases in the employment rate for 55-64 year olds in 23 MS).

Nevertheless, for the EU as a whole the following main negative trends, or “trends to watch” (i.e. where around a third or more of all Member States show a significant deterioration in the given indicator), can still be identified for the most recent period 2014-2015:

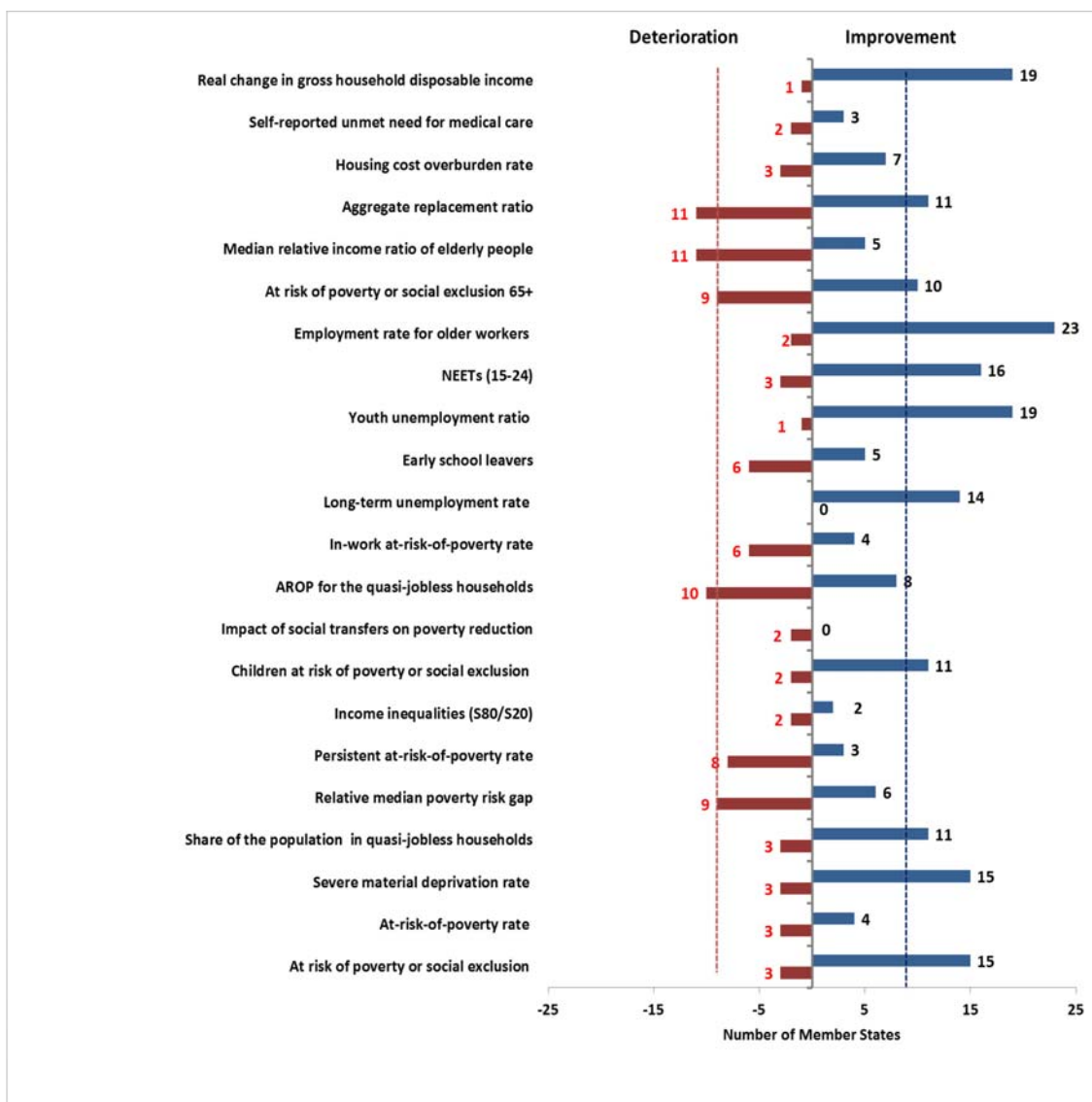
- Continued deterioration with regard to the **depth of poverty** (9 MS) and its **persistence** (8 MS)



- Rises in the **at-risk-of-poverty** rates for people residing in (quasi-)jobless households (10 MS), pointing to a reduction in the adequacy of social benefits in many countries.

At the same time, there are initial signs of a decline in the relative income and living conditions of the elderly, with rises in the at-risk-of-poverty-or-social-exclusion rate for those aged 65+ along with falls in the aggregate replacement rate and median relative income ratio of the elderly in around a third of Member States. This is a reversal of the general trend observed in previous years, but reflects to a large extent the evolution of the relative income situation of the working age population as the labour market situation and incomes from work have improved.

**Figure 2: Social trends to watch and areas of improvement for the period 2014-2015\***



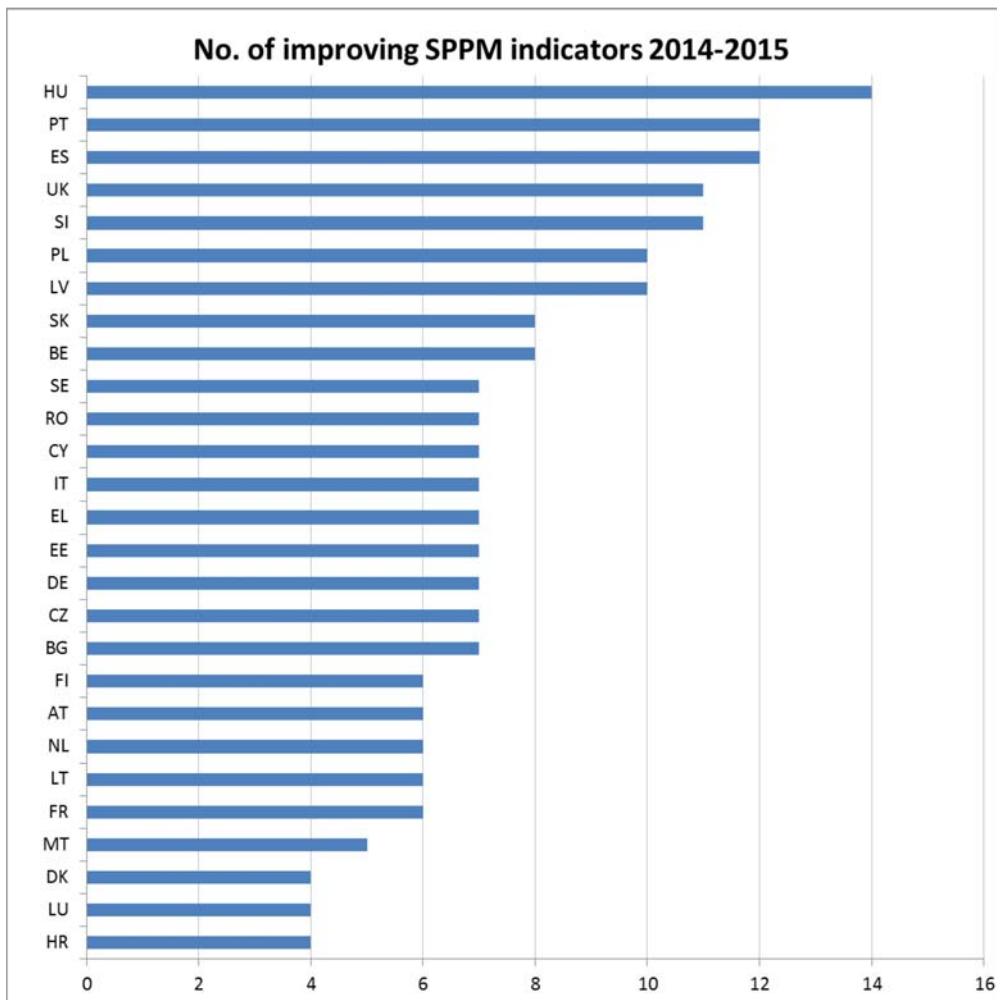
Source: Social Protection Performance Monitor

Note: For IE, 2015 figures for EU-SILC based indicators not available, so trends for IE have not been considered for the evolutions with regard to these indicators.

\* For EU-SILC based indicators the changes generally refer to 2013-2014 for income and household work intensity indicators, and to 2014-2015 for SMD. Changes in real gross household disposable income (GHD) refer to 2014-2015. LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETS (15-24), ER (55-64)) refer to the period 2014-2015.

Figure 3 highlights the countries where statistically significant improvements have taken place in the most recent period by showing the number of social indicators in the SPPM dashboard for which a given country has registered a significant improvement in the figures for the latest year. The Member States with the most positive recent developments are Hungary, Portugal, Slovenia, Spain and the UK, all recording improvements on more than 10 indicators. In contrast, recent developments in Croatia, Denmark and Luxembourg are much more limited, with significant improvements only registered on 4 indicators. These results should be considered in parallel with the longer term situation of Member States with regard to the number of indicators which still show a deterioration compared to 2008 (Figure 5) .

**Figure 3. Number of SPPM key social indicators with a statistically significant improvement between 2014 and 2015\* by Member State**



Source: Social Protection Performance Monitor

*Note: No EU-SILC data for IE for 2014-2015, so figures for IE are not shown,*

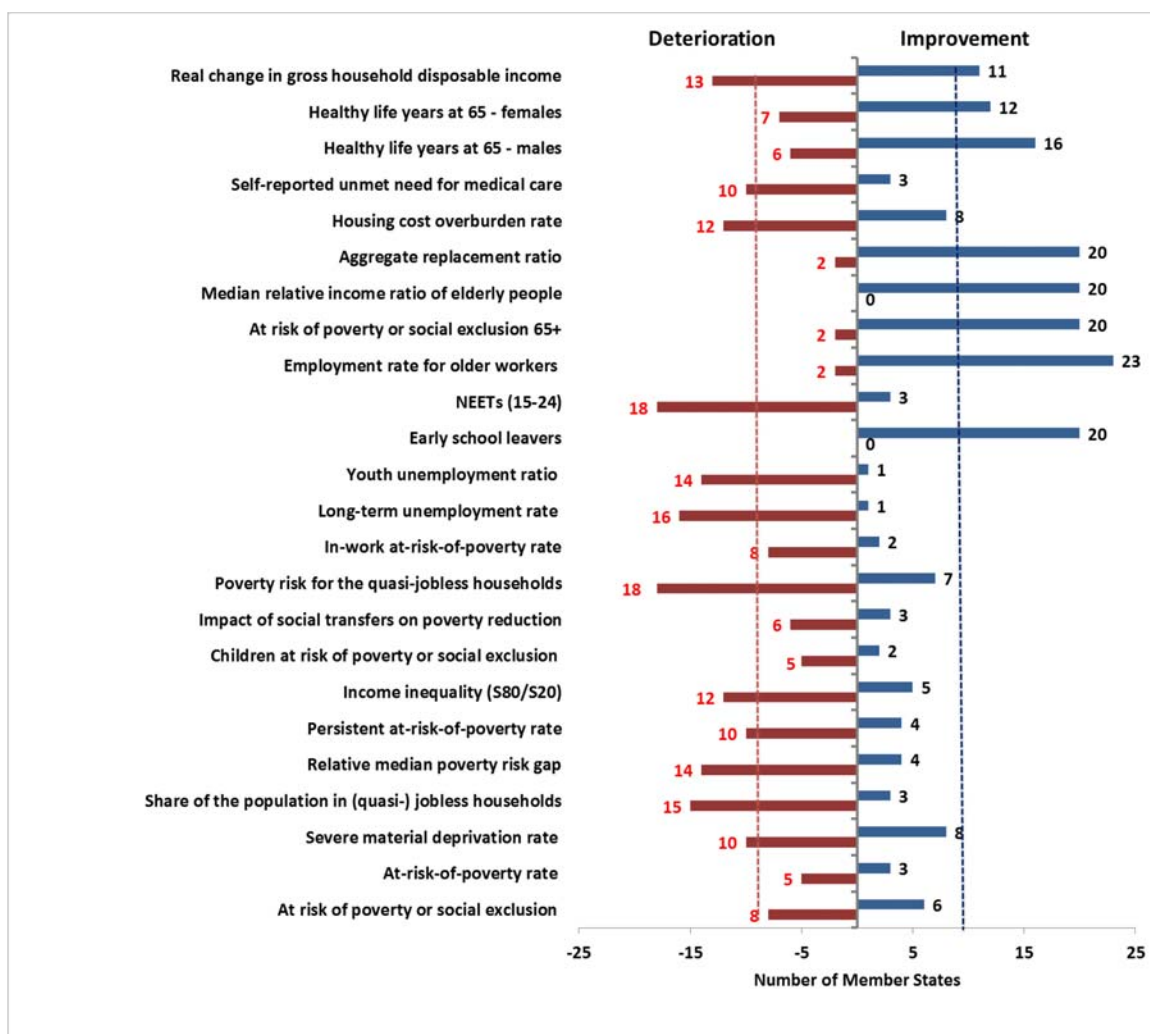
*\* For EU-SILC based indicators the changes generally refer to 2013-2014 for income and household work intensity indicators, and to 2014-2015 for SMD. Changes in real gross household disposable income (GHD<sub>I</sub>) refer to 2014-2015. LFS-based indicators (LTU rate, early school leavers, youth unemployment ratio, NEETS (15-24), ER (55-64)) refer to the period 2014-2015.*

Looking at the longer-term developments since 2008 and the beginning of the Europe 2020 strategy, for most social areas the situation still remains noticeably worse as a result of the economic crisis, despite recent improvements (Figure 4). The areas with the most substantial deterioration compared to 2008 are:

- **Increased share of the population living in (quasi-)jobless households** (in 15 MS) and **falls in living standards** (as evidenced by higher **severe material deprivation** rates in 10 MS), against a background of reduced **real gross household disposable income** in many countries (13 MS);
- **increased income inequality** (in 12 MS) and a rise in the **depth of poverty** (with the poverty gap up in 14 MS) and its **persistence** (in 10 MS);
- **increased (long-term) exclusion from the labour market** in general (with rises in the long-term unemployment rate and in the share of the population in (quasi-) jobless households in around two-thirds of MS), together with rises in the **poverty risk for people living in (quasi-) jobless households** in 18 MS;
- still strong signs of **youth exclusion** (with significantly higher NEET rates (in 18 MS) and youth unemployment ratios (in 14 MS);
- rises in the **housing cost overburden rate for households** (in 12 MS) and in **self-reported unmet need for medical care** (10 MS).

The dashboard indicators show there have also been a number of improvements, notably in the areas of increasing number of healthy life years and significant decreases in the number of early school leavers in Europe (in 20 MS). There have also been improvements in the relative situation of the older generation. The labour market situation of older workers has improved markedly, as evidenced by increases in the employment rate for the age group 55-64 in over three-quarters of Member States. Compared to 2008, the relative situation of the elderly aged 65 and over also shows clear signs of improvement in around three-quarters of Member States, with decreases in the number of elderly living at risk of poverty or social exclusion as well as an improvement in their income situation with respect to the rest of the population. However, this trend should be interpreted with great caution as it does not necessarily show an improvement in absolute terms. As pension income remained stable during the economic crisis while the working age population suffered from substantial income loss (wage decreases, job loss, decreases in benefit levels), the relative, but not necessarily the absolute, position of the elderly has improved, highlighting the important role of pension systems.

Figure 4. Social trends to watch and areas of improvement for the period 2008-2015



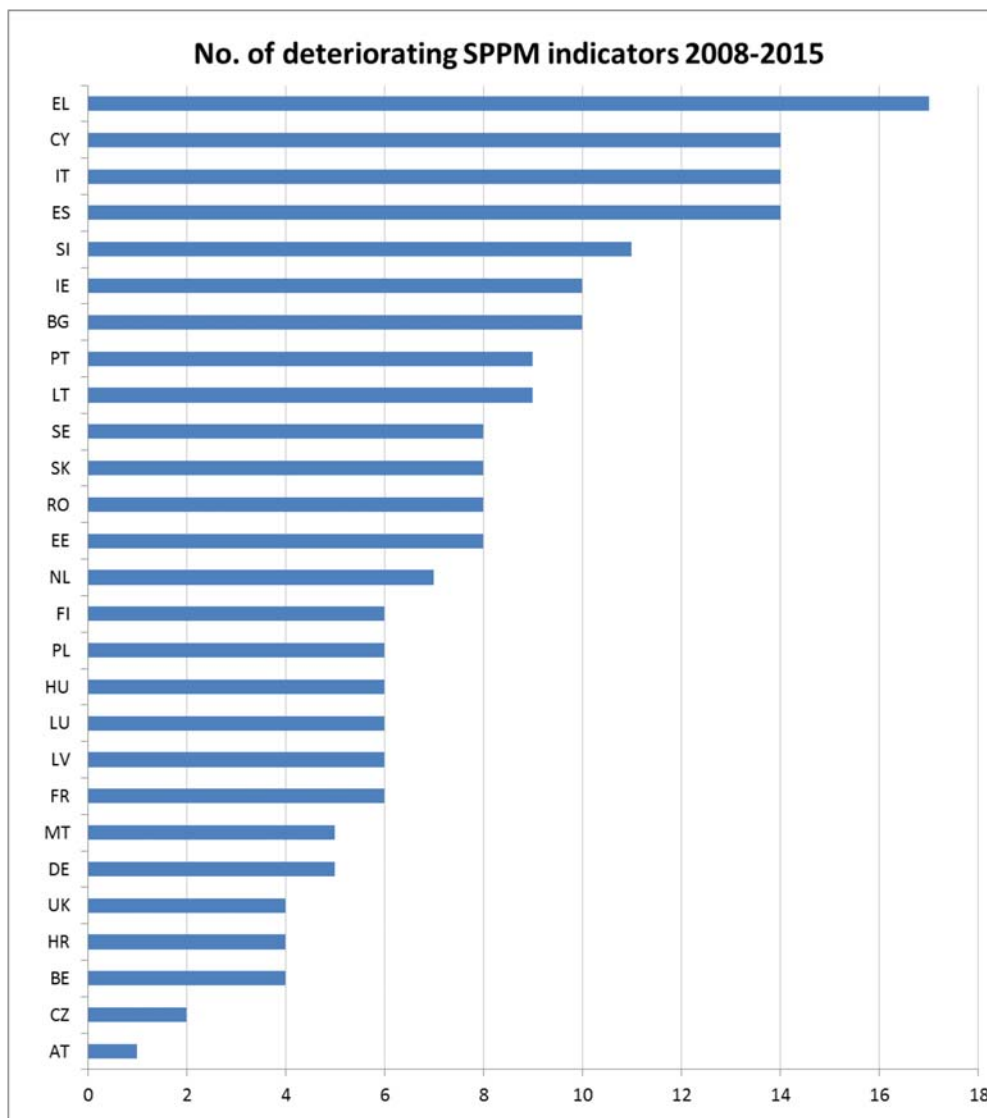
Source: Social Protection Performance Monitor

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

Figure 5 shows the number of social indicators in the SPPM dashboard for which a given country has registered a significant deterioration over the period 2008 to 2015. The Member States with the most worrisome developments are Cyprus, Greece, Italy and Spain with deterioration on 14 indicators or

more. At the other end of the scale, Austria, Belgium, Croatia, the Czech Republic, and the UK have only registered significant deterioration on 4 or fewer indicators.

**Figure 5. Number of SPPM key social indicators with a statistically significant deterioration between 2008 and 2015 by Member State**



Source: Social Protection Performance Monitor

Note: i) For AT, break in series in 2011 for persistent poverty (so trend not considered for the period compared to 2008); ii) For BE, major break in 2011 in the self-reported unmet need for medical examination (so trend not considered for the period compared to 2008); iii) For 2014 BG registered a major break in the time series for the material deprivation indicator (SMD) and AROPE indicator, so longer-term changes are taken for the period 2008-2013 only for these indicators; iv) For DK, breaks in series for the period 2008-2014 which mainly affect indicators related to incomes and to a lesser degree variables highly correlated with incomes, so changes since 2008 not available for several variables and hence total number of deteriorating variables not shown for DK; v) For 2014 EE registered a major break in series for EU-SILC variables, so longer-term changes for these are taken for the period 2008-2013 only; vi) For IE, no figures for 2015 EU-SILC so changes 2008-2014 shown for the longer term changes since 2008; vii) For HR, the long-term comparison for EU-SILC-based indicators is relative to 2010 as no EU-SILC data published by Eurostat before then; viii) For RO, breaks in series in 2010 for LFS-based indicators, so changes 2010-2015 shown for longer term change; ix) For UK, changes in the survey vehicle and institution in 2012 might have affected the

*results on trends since 2008 and interpretation of data on the longer-term trend must therefore be particularly cautious; x) The bars refer to the number of SPPM indicators which have registered a statistically (and substantively, where relevant) significant deterioration between 2008 and 2015.*



## SPPM 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.

### **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 indicators, 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 on the basis of levels and 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. Similarly, further work on the LFS-based indicators is also necessary. Where such estimates are not yet available, specific tentative criteria have been agreed, awaiting further statistical developments. For those indicators where statistical estimates are available, a second criterion of substantive significance is applied in most cases 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.

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 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 undertakes thematic in-depth reviews where drivers and policy solutions for the identified challenges are discussed among Member States.

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

Indicator	Significance thresholds used			
	change 2014-2015		change 2008-2015	
	Statistical	Substantive	Statistical	Substantive
At risk of poverty or social exclusion (in %)	Estat estimates	>+0.5pp	Estat estimates	>+1pp
At-risk-of-poverty rate (in %)	Estat estimates	>+0.5pp	Estat estimates	>+1pp
At-risk-of-poverty threshold for a single person household (in national currency, adjusted for HICP)	>+5%	-	>+5%	-
Severe material deprivation rate (in %)	Estat estimates	>+0.5pp	Estat estimates	>+1pp
Population living in (quasi-)jobless (i.e. very low work intensity) households (in %)	Estat estimates	>+0.5pp	Estat estimates	>+1pp
Relative median at-risk-of-poverty gap (in %)	>+1pp	-	>+1pp	-
Persistent at-risk-of-poverty rate (in %)	>+1pp	-	>+1pp	-
Income quantile ratio (S80/S20)	Estat estimates	-	>+5%	-
Children at risk of poverty or social exclusion (in %)	Estat estimates	>+0.5pp	Estat estimates	>+1pp
Impact of social transfers (excluding pensions) on poverty reduction (in %)	>+5%	-	>+5%	-
At-risk-of-poverty rate for the population living in (quasi-) jobless households (in %)	Estat estimates	>+0.5pp	>+1pp	-
In-work at-risk-of-poverty rate (in %)	Estat estimates	>+0.5pp	>+1pp	-
Long-term unemployment rate (in %)	-	>+0.5pp	-	>+1pp
Early school leavers (in %)	-	>+0.5pp	-	>+1pp
Youth unemployment ratio (15-24)	-	>+0.5pp	-	>+1pp
NEET (15-24)	-	>+0.5pp	-	>+1pp
Employment rate for older workers (55-64), in %	-	>+0.5pp	-	>+1pp
At risk of poverty or social exclusion rate for the elderly (65+), in %	Estat estimates	>+0.5pp	Estat estimates	>+1pp
Median relative income ratio of elderly people	Estat estimates <sup>1</sup>	-	>+5%	-
Aggregate replacement ratio	Estat estimates <sup>2</sup>	-	>+5%	-
Self-reported unmet need for medical care	>+1pp	-	>+1pp	-
Healthy life years at 65 - males	n.a.	n.a.	>+5%	-
Healthy life years at 65 - females	n.a.	n.a.	>+5%	-
Housing cost overburden rate	Estat estimates	>+0.5pp	>+1pp	-
Real change in gross household disposable income (in %)	-	>+0.5%	-	>+1%

### Notes:

1. For those countries where no estimate is currently available, a 5% rule of thumb threshold has been used;
2. For those countries where no estimate is currently available, a 5% rule of thumb threshold has been used

## Definitions and data sources

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

<b>Income quintile ratio S80/S20</b>	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
<b>At risk of poverty or social exclusion rate of children</b>	The sum of children (0-17) who are: at-risk-of-poverty or severely materially deprived or living in (quasi-)jobless households (i.e. households with very low work intensity (20% or less) as a share of the total population aged 0-17.	Eurostat, EU-SILC
<b>Impact of social transfers (excluding pensions) on poverty reduction</b>	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
<b>At-risk-of-poverty rate for the population living in (quasi-)jobless (i.e. very low work intensity) households</b>	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 20% or less of their total work potential during the past year.	Eurostat, EU-SILC
<b>In-work at-risk-of-poverty rate</b>	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
<b>Long-term unemployment rate (active population, 15+)</b>	Total long-term unemployed population ( $\geq 12$ months' unemployment; ILO definition) as a proportion of total active population.	Eurostat, LFS
<b>Youth unemployment ratio</b>	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
<b>Early leavers from education and training</b>	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
<b>NEET (15-24)</b>	Share of young people aged 15-24 not in employment, education or training	Eurostat, LFS

Employment rate of older workers	Persons in employment in age group 55-64, as a proportion of total population in the same age group.	Eurostat, LFS
At risk of poverty or social exclusion rate of the elderly	The sum of elderly (65+) who are: at-risk-of-poverty or severely materially deprived or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the 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 <sup>4</sup>	Eurostat, EU-SILC
Housing cost overburden rate	Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).	Eurostat, EU-SILC
Share of the population with self-reported unmet need for medical care	Total self-reported unmet need for medical examination for the following three reasons: financial barriers + waiting times + too far to travel.	Eurostat, EU-SILC
Healthy life years at 65	Number of years that a person at 65 is still expected to live in a healthy condition. To be interpreted jointly with life expectancy (included in the SPPM contextual information).	Eurostat
Change in real gross household disposable income (GHDi)	Real growth in gross household disposable income (GHDi). Real GDHI is calculated as nominal GDHI divided by the deflator of household final consumption expenditure.	Eurostat, National accounts

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

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

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

<sup>4</sup> 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.

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 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.