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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Monitoring of social developments: update of the Social Protection Performance Monitor
	- Executive summary

Delegations will find attached an executive summary on the above subject prepared by the Social Protection Committee, with a view to the meeting of the EPSCO Council on 7 March 2016 (Any Other Business item).



24/2/2016

Monitoring of social developments: update of the Social Protection Performance Monitor

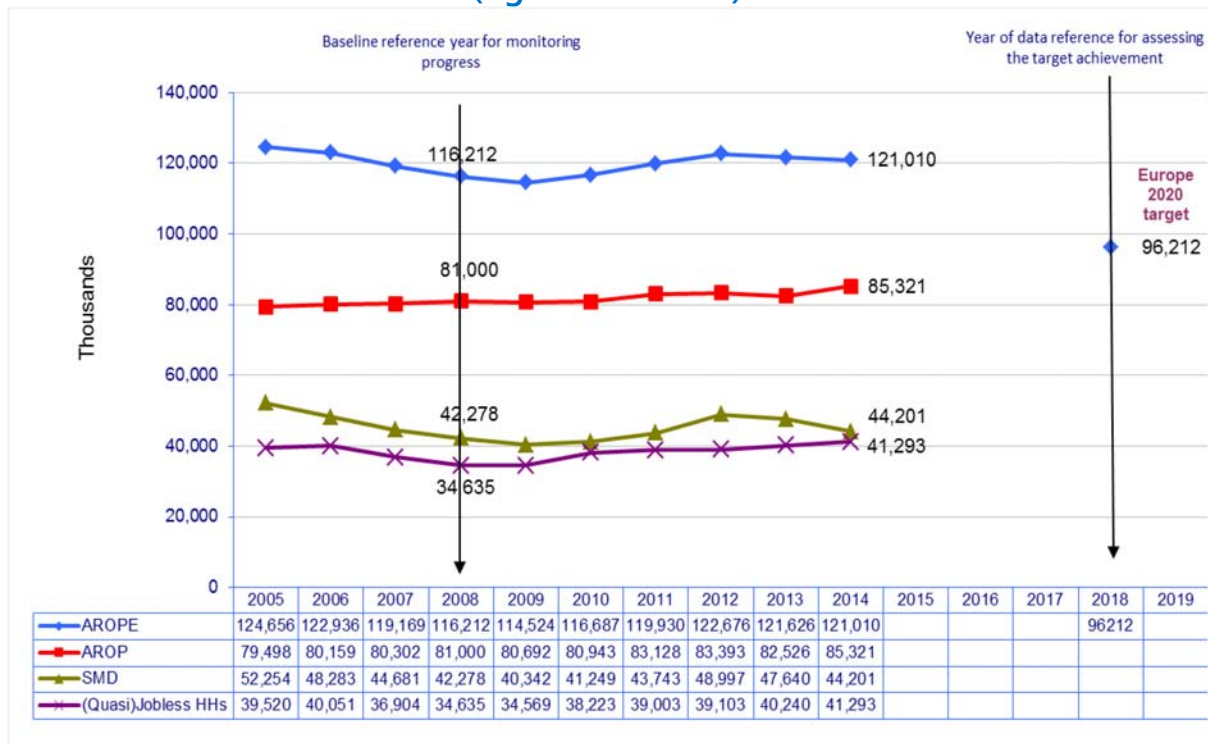
This summary provides an overview of recent developments in the social situation in the EU, based on the results from the latest edition of the Social Protection Performance Monitor (SPPM) dashboard, a tool which uses a set of key EU social indicators for monitoring developments in the social situation in the European Union.

As background to recent social developments, the EU economy continues to experience moderate growth, which has broadened across virtually all Member States, while labour markets continue to gradually improve, benefitting from the strengthening in economic activity. The increase in employment has extended to all sub-population groups and unemployment, including youth unemployment, continues to slowly recede in the EU (although the impact of this is yet to be fully reflected in all social indicators). Household incomes and financial conditions of EU households continue to improve, benefitting from stronger economic activity and improved labour markets. Nevertheless, labour market and social conditions remain extremely challenging.

Against this background, this year's update of the Social Protection Performance Monitor¹ points on balance to signs of the beginning of a more favourable evolution than in recent years, especially on the labour market, with more indicators flagging up a shift to positive changes. However, and despite the fact that 7 Member States registered significant falls in the share of the population at risk of poverty or social exclusion in 2014 and only 2 significant rises, the recent improvements in the labour market are not yet fully reflected in the main social indicators, with overall figures for the EU at-risk-of poverty or social exclusion rate still pointing to stagnation at a high level (Figure 1). Indeed, the latest figures on living and income conditions in the EU show that the EU is not making any significant progress towards achieving its 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 2014 there were around 4.5 million more people living at risk of poverty or social exclusion in the EU28 compared to 2008, with a total of 122.3 million or close to 1 in 4 Europeans. Underlying little recent change in the overall AROPE rate are more substantial changes in its components, with a noticeable reduction in severe material deprivation being more-or-less balanced by rises in the share of people living in (quasi-)jobless households and especially in the share at risk of poverty.

¹ All figures are based on data available as at 10 December 2015

Figure 1: Progress towards the Europe 2020 poverty and social exclusion target (figures in 1000s)



Source: Eurostat (EU-SILC)

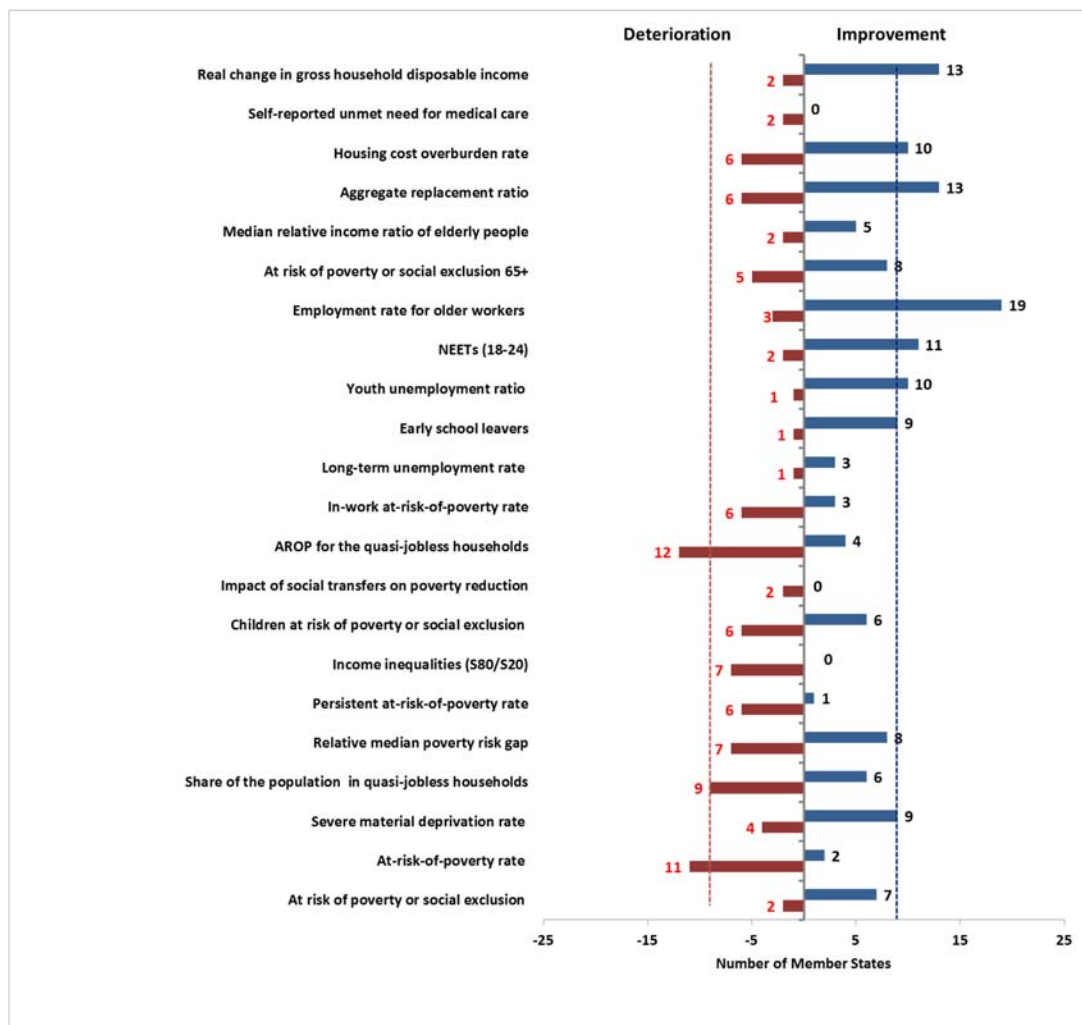
For the EU as a whole the following main negative trends, or “trends to watch” (i.e. where around a third or more of all Member States show a significant deterioration in the given indicator), are identified for the most recent period 2013-2014 (Figure 2):

- A general continued deterioration in the (relative) poverty situation, with rises in the poverty risk for the population as a whole in many Member States (11 MS), and in the share of working poor (6 MS) and the poverty gap in several countries (7 MS);
- Increases in the share of the population living in (quasi-)jobless households (registered in 9 MS), together with rises in the at-risk-of-poverty rates for people residing in such households (in 12 MS). The latter points to a reduction in the adequacy of social benefits in many countries.

At the same time, long-term unemployment and still relatively low employment opportunities for youth (15-24) remain major challenges in the EU. Moreover, the share of the population at risk of poverty or social exclusion has risen substantially over recent years in most Member States, affecting particularly the working age population. Although some of these challenges may have recently eased slightly, they remain substantial and need to be tackled urgently.

In contrast to the above-mentioned negative trends, positive developments can be observed for the latest period in several areas. Firstly, although the overall situation for youth remains of concern there are signs of improvement, with falls in the NEET rate and in the youth unemployment ratio, while the situation also continues to improve regarding the labour market participation of older workers and the income and living conditions of the elderly relative to the rest of the population. Household incomes are now increasing again in many Member States, leading to an improvement in severe material deprivation rates and a reduction in the burden of housing costs in several countries.

Figure 2: Social trends to watch and areas of improvement for the period 2013-2014



Source: Social Protection Performance Monitor

Notes for figures

Figure 1: 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 (i.e. 2013) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the (quasi-) jobless households (i.e. very low work intensity) rate refers to the previous calendar year (i.e. 2013) while for the severe material deprivation rate, the reference is the current survey year (i.e. 2014).

Figure 2: i) For 2014 BG registered a major break in the time series for the material deprivation indicator (SMD), so SMD and AROPE trends for BG have not been considered for the evolutions with regard to these EU-SILC indicators. ii) For 2014 EE registered a major break in series for EU-SILC variables. As a result EU-SILC based indicators are not generally comparable to 2013 for this country and EE has therefore not been considered in the trends to watch for these indicators.