Introduction to EU-SILC

In-work poverty in Europe: is the EU indicator still fit for purpose?
November 23, 2021

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Eurostat, F.4 (Income and living conditions; Quality of life)

Content of the presentation

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2. Scope of the SILC Instrument
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1. What is EU-SILC

• The reference source for comparative statistics on income distribution and social inclusion in the EU.

• EU harmonised, multipurpose, individual and household data collection (annual) based on sample (sample size –200k households and 400k individuals in EU).

• Data collection is output harmonised –countries provide micro data (around 260 variables) based on survey, register and imputations.

• EU-SILC is both cross sectional and longitudinal survey, that allows to follow the same households for 4-6 years.

• Reference population: All private households and their current members.

2. Scope of the SILC Instrument

Information on both households and individuals (micro level)

- Income and tax (employee, self-employment, property income, imputed rent, social benefits, other parts of income, taxes and contributions)

- Material deprivation

- Housing conditions

- Employment, Childcare

- Health, Education

- Specific topics in annual modules (EC-Regulation for each module)

3. The use of equivalence scales in EU-SILC

Due to economies of scale in consumption, equivalence scales are used in EU-SILC. The equivalised income can be viewed as an indicator of the economic resources available to a standardised household. The hypothetical studies could be useful to analyse the personal income and the consequent situations in poverty mapping.

Modified OECD equivalence scale:

- The first household member aged 14 years or more counts as 1 person;
- Each other household member aged 14 years or more counts as 0.5 person;
- Each household member aged 13 years or less counts as 0.3 person.

4. EU-SILC revision

- In the framework of the modernisation of social statistics (IESS), EU-SILC is undergoing a revision process to make the instrument more in line with users' need

- Revision concerns:

  - **Content**

  - **Timeliness**

  - **Methodology**

  - **Longitudinal component**

- Implementation **2021**

4. EU-SILC revision - content

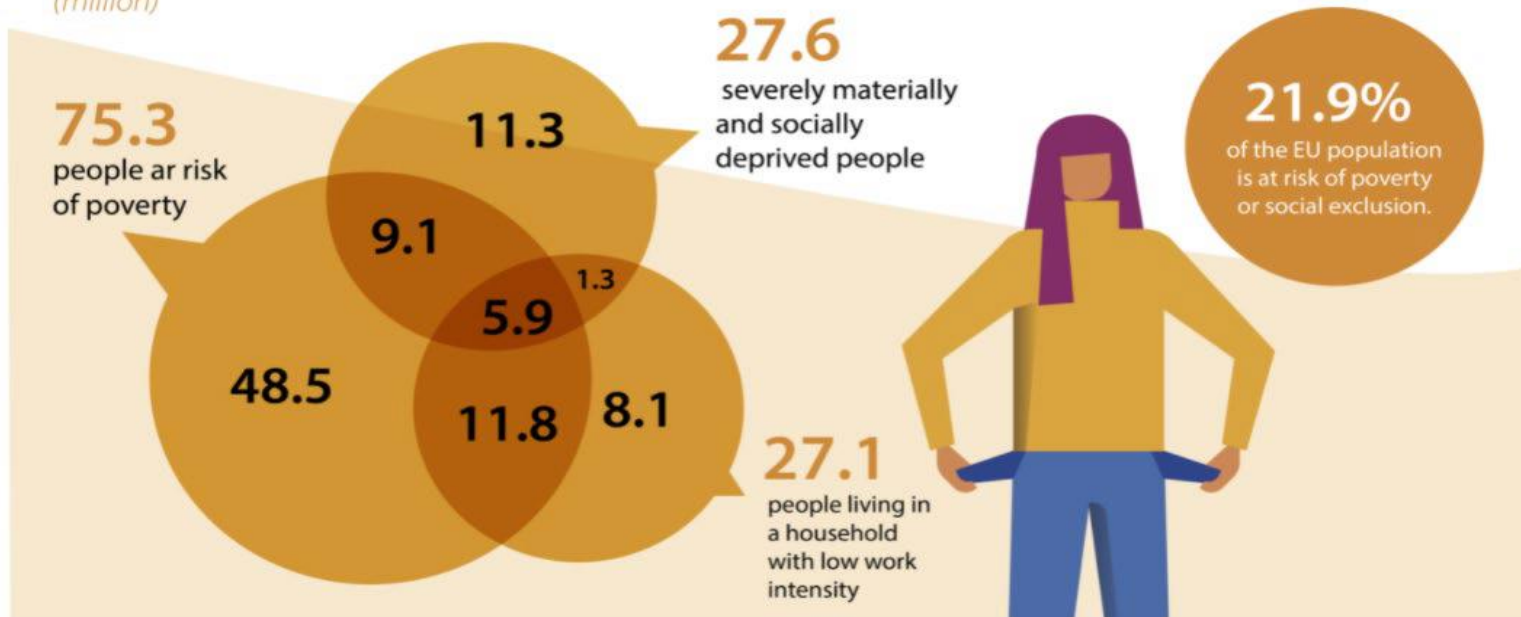| Annually	Year		3 year rolling module	6 year rolling module
Income	1	2021	Children	New policy needs 1
Material	2	2022	Health	Quality of life
deprivation	3	2023	Labour & housing conditions	Intergenerational transmission of disadvantages & Housing difficulties / New policy needs 2
Economic activity				
Demography				
Education	4	2024	Children	Access to services
Child care	5	2025	Health	New policy needs 3
Housing costs	6	2026	Labour & housing conditions	Over-indebtedness, consumption and wealth
Health				
Quality of life				
Miscellaneous				
Technical variables				

5. Indicators - EU 2030 target indicator → results

Number of people at risk of poverty or social exclusion, analysed by type of risk, EU
(million)

75.3 people ar risk of poverty

11.3

27.6 severely materially and socially deprived people

9.1

1.3

5.9

48.5

11.8

8.1

27.1 people living in a household with low work intensity

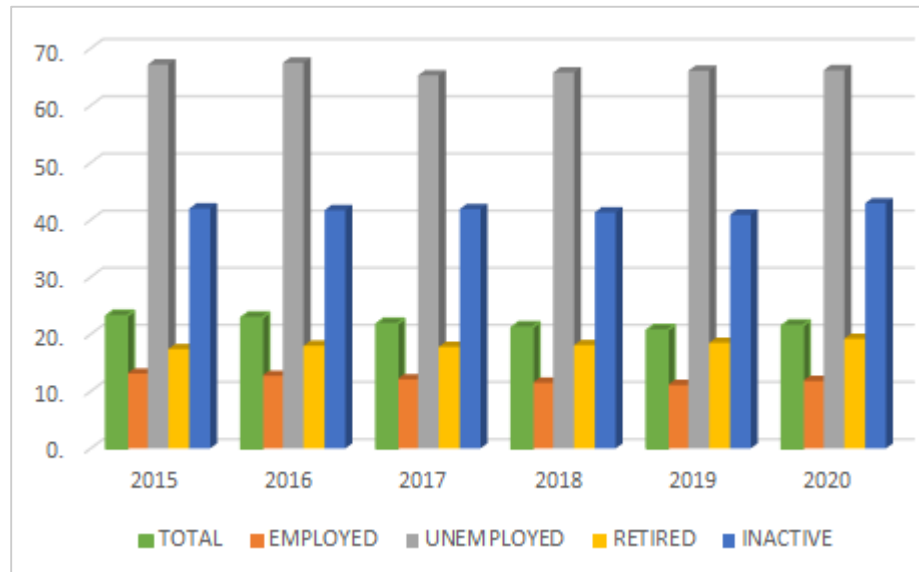21.9% of the EU population is at risk of poverty or social exclusion.

Note: estimates. Due to rounding, the sum of the data for the seven intersecting groups may differ slightly from the totals published elsewhere.

ec.europa.eu/**eurostat**

Source dataset: ilc_pees01n

5. Indicators -
EU 2030 target indicator → results

People at risk of poverty or social exclusion by most frequent activity status (population aged 18 and over) - new definition (ilc_peps02n) (%)

5. Indicators –
EU 2030 target indicator → definitions

Base

- Total household disposable income

- Modified OECD equivalence scale

- Threshold = 60% of the median income by country

Breakdowns

- Age and sex

- Most frequent activity status

- Income quintile and household type

- ISCED

- Others: citizenship, country of birth, degree of urbanisation, NUTS

5. Indicators - Main Indicators

Cross-sectional (annual) indicators

- At-risk-of-poverty rate after social transfers **AROP**
- At-risk-of-poverty rate before social transfers (except pensions)
- S80/S20 income quintile share ratio

Longitudinal indicator

- Persistent at-risk-of-poverty (at least 3 years under poverty threshold over 4 consecutive years)

5. Indicators - Secondary Indicators

- Gini coefficient

- Income distribution

- Mean and median income

- Specific indicators for health, single parents households, child care, people with disabilities, elderly etc.

6. In-work at-risk-of-poverty rate

- The EU agreed on a key indicator measuring IWP in 2003, illustrating that the assessment and monitoring of IWP has been on the EU agenda for more than 15 years. This indicator thus enables a comparative perspective across countries through provision of a common benchmark of the complex phenomenon of IWP.

- The European Social Policy Network (ESPN) concluded in 2019 that the commonly agreed EU indicator on IWP is a good basis for understanding and monitoring IWP (ESPN, 2019, "In-work poverty in Europe".

Thank you for your attention !

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