European social indicators' revision and modernization

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1. INTRODUCTION

- AROPE (headline indicator Europe 2020): people who are either at risk of poverty, or severely material deprived or living in a household with a very low work intensity

- Report on the assessment of the Europe 2020 strategy (EC, 2019): to revise severe material deprivation and (quasi-) jobless household indicator

- In 2021 the AROPE indicator has been modified – the new indicator of severe material and social deprivation, and on the low work intensity (LWI) indicator

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1. INTRODUCTION

- The European Pillar of Social Rights → EU target 2030 on Poverty and social exclusion → "the number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030, and out of them, at least 5 million should be children"

- **At risk of poverty or social exclusion** (AROPE) → headline indicator → corresponds to the sum of persons who are either:

    - At risk of poverty rate

    - Severe material and social deprivation rate (7 items out of 13)

    - People living in jobless households (work intensity ≤ 20%)

2. Adjusting the severe material deprivation component

- New severe material and social deprivation indicator, based on the revised list of items collected through EU-SILC

- The severe material and social deprivation (SMSD) rate, defined as a percentage of the total population lacking at least seven items out of the thirteen material and social deprivation (MSD) items because of an enforced lack

- This new indicator aims to provide more details on the composition and intensity of severity.

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2. Adjusting the severe material deprivation component

Severe material and social deprivation rate (SMSD)

Proportion of the population experiencing an enforced lack of at least <u>7 out of 13</u> deprivation items (6 related to the individual and 7 related to the household)

LIST OF ITEMS CONSIDERED

Capacity to face unexpected expenses

Capacity to afford paying for one week annual holiday away from home

Capacity to being confronted with payment arrears (on mortgage or rental payments, utility bills, hire purchase instalments or other loan payments)

Capacity to afford a meal with meat, chicken, fish or vegetarian equivalent every second day

Ability to keep home adequately

Have access to a car/van for personal use

Replacing worn-out furniture

Having internet connection

Replacing worn-out clothes by some new ones

Having two pairs of properly fitting shoes (including a pair of all-weather shoes)

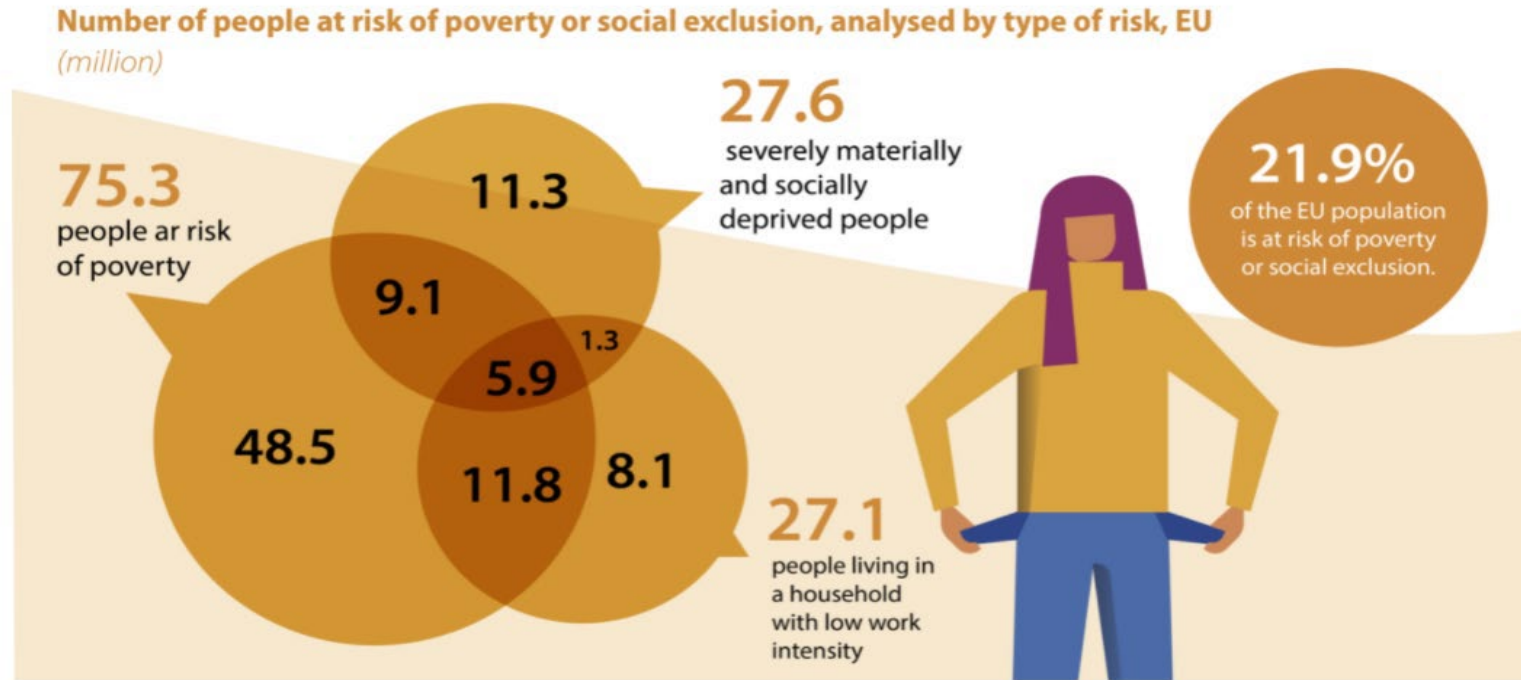Spending a small amount of money each week on him/herself

Having regular leisure activities

Getting together with friends/family for a drink/meal at least once a month

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3. Revision of the (quasi-) jobless household component

People from **0-64** years living in households where the adults (those aged **18-64**, but **excluding students** aged 18-24 and people who are **retired** according to their self-defined current economic status or who receive any pension (except survivors pension), as well as people in the age bracket 60-64 who are **inactive** and living in a household where the main income is pensions) worked a working time equal or less than 20% of their total combined work-time potential during the previous year.

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4. EU 2030 target indicator → 2020 results

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

27.6 severely materially and socially deprived people

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

75.3 people ar risk of poverty

11.3

9.1

1.3

5.9

48.5

11.8

8.1

27.1 people living in a household with low work intensity

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. Summary

In 2021, the AROPE indicator has been modified according to the new EU 2030 target:

- Adjusting the severe material deprivation component, defining a new severe material and social deprivation rate as a percentage of the total population lacking at least seven items out of the thirteen material and social deprivation items;

- Defining the (quasi)-jobless household indicator as "people from 0-64 years living in households where the adults (those aged 18-64, but excluding students aged 18-24 and people who are retired according to their self-defined current economic status or who receive any pension (except survivors pension), as well as people in the age bracket 60-64 who are inactive and living in a household where the main income is pensions) worked a working time equal or less than 20% of their total combined work-time potential during the previous year";

- The revision allows to better measure deprivation, based on a revised list of items, as well as to better account for the social exclusion situation of those in the working age (aged 18 to 64 instead of 18 to 59).

6. Dissemination, communication and monitoring

- **Both** the former and the revised AROPE indicators are **disseminated** on the Eurostat website, with similar breakdowns

- For the revised AROPE indicator it has been possible to produce comparable statistics back to **2015**

- **Statistics explained** articles

- The revised AROPE will be used as **the headline indicator** for **monitoring poverty and social exclusion** from 2021

- The base year for monitoring the poverty and social exclusion target from 2021 is **2019**

Thank you

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