

Income and living conditions in Europe

In the EU27, 116 million people were at risk of poverty or social exclusion in 2008

How many people are poor in the EU? Is inequality increasing? Does a job guarantee escape from poverty? Questions like these and many others on poverty and social exclusion as well as housing, health and education are analysed in the new publication **Income and living conditions in Europe**¹ issued by **Eurostat, the statistical office of the European Union**. This publication is based on data from the EU-SILC survey², and is issued in connection with the closing conference of the European Year for Combating Poverty and Social Exclusion³, which takes place in Brussels on 16 and 17 December 2010.

As **President Barroso** says in the foreword to the publication: "One of the headline targets in the Europe 2020 Strategy for Jobs and Growth⁴ is promoting social inclusion, in particular through the reduction of poverty, by aiming to reduce the number of people at risk of poverty and excluded from full participation in work and society. This publication is an integral part of this political agenda". To illustrate the content of the publication, this News Release focuses on some aspects of the statistical measurement of poverty and social exclusion.

A key target of the Europe 2020 strategy is to lift at least 20 million people in the **EU27** out of the risk of poverty or social exclusion. Progress towards this target is measured by using a combination of three indicators: persons at-risk-of poverty, severely materially deprived persons and persons living in households with very low work intensity⁵. In 2008, 116 million people in the **EU27** were affected by at least one of these forms of social exclusion.

81 million people in the EU27 at risk of poverty

As regards income poverty, 81 million persons (or 17% of the population) in the **EU27** in 2008 were at risk of poverty after social transfers, meaning that their disposable income was below their national at-risk-of-poverty threshold⁵. **Latvia** (26%), **Romania** (23%) and **Bulgaria** (21%) had the highest at risk-of-poverty rates, and the **Czech Republic** (9%), the **Netherlands** and **Slovakia** (both 11%) the lowest.

42 million people in the EU27 severely materially deprived

In the **EU27**, 42 million (or 8% of the population) were severely materially deprived, meaning that they had living conditions constrained by a lack of resources such as not being able to afford to pay their bills, keep their home adequately warm, own a car or a telephone etc⁵. The shares of those materially deprived varied significantly among Member States, with the highest in **Bulgaria** (41%) and **Romania** (33%), and the lowest in **Luxembourg**, **Sweden**, the **Netherlands**, **Denmark** and **Spain** (all less than 3%).

34 million people in the EU27 lived in households with low work intensity

Regarding the indicator on low work intensity, 34 million (or 9% of the population aged 0-59) in the **EU27** lived in households where the adults worked less than 20% of their total work potential during the past year⁵. **Ireland** (14%), **Hungary**, **Belgium** and **Germany** (all 12%) had the largest proportions of those living in low work intensity households, and **Cyprus** (4%), **Luxembourg**, **Latvia**, **Lithuania**, **Slovakia**, **Estonia** and **Sweden** (all 5%) the lowest.

7 million people in the EU27 fell under all three criteria

There were 116 million people in the **EU27** in 2008, or almost a quarter of the **EU27** population, who were touched by at least one of these three forms of social exclusion. Among the Member States, **Bulgaria** (45% of the population), **Romania** (44%), **Latvia** (34%) and **Poland** (31%) had the highest shares, and the **Netherlands**, **Sweden** and the **Czech Republic** (all 15%), **Luxembourg** and **Denmark** (both 16%) had the lowest.

There were, on the other hand, 7 million people (or 1.4% of the population) in the **EU27** who fell under all three criteria in 2008. The highest proportions were observed in **Bulgaria** (4%) and **Hungary** (3%), and the lowest in **Luxembourg**, **Sweden**, **Denmark**, **Spain** and the **Netherlands** (all 0.5% or less).

1. The publication **Income and living conditions in Europe** is available free of charge in pdf format on the Eurostat website <http://ec.europa.eu/eurostat>. The publication is the result of the Network for the analysis of EU-SILC (Net-SILC), which brought together official statisticians responsible for producing statistics and researchers who use these data. Data presented in this News Release might differ from the data in the publication, due to updates made after the data extractions used for the publication. It is the case in particular for data related to the indicator on people living in households with low work intensity.
2. The **EU-SILC survey** is the EU reference source for comparative statistics on income distribution, poverty and living conditions. More information can be found on the Eurostat website: http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/introduction. The reference population is all private households and their current members residing in the territory of a given Member State at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population as well as small and remote parts of the national territory amounting to no more than 2% of the national population.
3. For more information on the European Year for Combating Poverty and Social Exclusion: <http://ec.europa.eu/social/main.jsp?langId=en&catId=637>.
4. For more information on the Europe 2020 strategy: http://ec.europa.eu/europe2020/index_en.htm.
5. **Persons at risk of poverty** are those living in a household with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). The equivalised income is calculated by dividing the total household income by its size determined after applying the following weights: 1.0 to the first adult, 0.5 to each other household members aged 14 or over and 0.3 to each household member aged less than 14 years old.
Severely materially deprived persons have living conditions constrained by a lack of resources and experience at least 4 out of the 9 following deprivation items: cannot afford 1) to pay rent/mortgage or utility bills, 2) to keep home adequately warm, 3) to face unexpected expenses, 4) to eat meat, fish or a protein equivalent every second day, 5) a one week holiday away from home, 6) a car, 7) a washing machine, 8) a colour TV, or 9) a telephone.
People living in households with very low work intensity are those aged 0-59 who live in households where on average the adults (aged 18-59) worked less than 20% of their total work potential during the past year. Students are excluded.

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Poverty and social exclusion, 2008
thousand persons

	At-risk-of-poverty after social transfers ⁵	Severely materially deprived ⁵	Living in households with very low work intensity ⁵	Falling under at least one of the three criteria	Falling under all three criteria
EU27	81 036	41 506	34 191	115 843	6 918
Belgium	1 554	595	967	2 194	211
Bulgaria	1 632	3 151	470	3 420	343
Czech Republic	925	696	581	1 566	139
Denmark	643	107	347	887	19
Germany	12 389	4 442	7 044	16 345	1 408
Estonia	259	65	55	291	15
Ireland	686	243	509	1 050	69
Greece	2 187	1 213	611	3 046	124
Spain	8 862	1 150	2 187	10 340	194
France	7 924	3 253	4 074	11 301	829
Italy	11 149	4 494	4 344	15 099	752
Cyprus	127	64	27	174	7
Latvia	573	425	91	757	48
Lithuania	671	502	135	984	51
Luxembourg	62	3	18	72	1
Hungary	1 226	1 771	943	2 794	263
Malta	59	16	26	79	4
Netherlands	1 713	252	1 053	2 432	85
Austria	1 018	524	503	1 532	116
Poland	6 353	6 680	2 444	11 491	704
Portugal	1 967	1 029	517	2 757	122
Romania	4 988	7 023	1 413	9 418	521
Slovenia	241	130	105	361	21
Slovakia	588	636	225	1 111	72
Finland	710	181	296	910	39
Sweden	1 121	132	381	1 367	31
United Kingdom	11 410	2 727	4 824	14 063	730

Poverty and social exclusion, 2008

% total population

	At-risk-of-poverty after social transfers ⁵	Severely materially deprived ⁵	Living in households with very low work intensity ⁵	Falling under at least one of the three criteria	Falling under all three criteria
EU27	16.5	8.5	9.0	23.6	1.4
Belgium	14.7	5.6	11.7	20.8	2.0
Bulgaria	21.4	41.2	8.1	44.8	4.5
Czech Republic	9.0	6.8	7.2	15.3	1.4
Denmark	11.8	2.0	8.3	16.4	0.4
Germany	15.2	5.5	11.6	20.1	1.7
Estonia	19.5	4.9	5.3	21.9	1.2
Ireland	15.5	5.5	13.6	23.7	1.6
Greece	20.1	11.2	7.4	28.1	1.1
Spain	19.6	2.5	6.2	22.9	0.4
France	13.1	5.4	8.8	18.8	1.4
Italy	18.7	7.5	9.8	25.3	1.3
Cyprus	16.2	8.2	4.1	22.2	0.9
Latvia	25.6	19.0	5.1	33.8	2.2
Lithuania	20.0	15.0	5.1	29.3	1.5
Luxembourg	13.4	0.7	4.7	15.5	0.2
Hungary	12.4	17.9	12.0	28.2	2.7
Malta	14.6	4.0	8.2	19.5	1.1
Netherlands	10.5	1.5	8.1	14.9	0.5
Austria	12.4	6.4	7.8	18.6	1.4
Poland	16.9	17.7	7.9	30.5	1.9
Portugal	18.5	9.7	6.3	26.0	1.2
Romania	23.4	32.9	8.2	44.2	2.4
Slovenia	12.3	6.7	6.7	18.5	1.1
Slovakia	10.9	11.8	5.2	20.6	1.3
Finland	13.6	3.5	7.3	17.4	0.8
Sweden	12.2	1.4	5.4	14.9	0.3
United Kingdom	18.8	4.5	10.2	23.2	1.2