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COMMISSION STAFF WORKING DOCUMENT

Social Scoreboard

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Establishing a European Pillar of Social Rights

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Delivering on a more social and fair Europe is a key priority for the European Commission. The European Pillar of Social Rights has been put forward to serve as a compass for a process leading to renewed socio-economic convergence and to drive reforms at national level. In this framework, the Pillar is supported by a scoreboard of key indicators to screen employment and social performances of participating Member States. This monitoring tool would allow as well benchmarking successful outcomes to ensure overall improvement.

The scoreboard serves as a reference framework to monitor ‘societal progress’, in a tangible, holistic and objective way, which is easily accessible and understandable to citizens. It detects in a timely way the most significant employment and social challenges facing the Member States, the EU and the euro area, as well as progress achieved over time. For the purposes of this scoreboard, we define ‘societal progress’ as the capacity to enhance and sustain wellbeing and opportunities, creating conditions for people to reach their full potential and to meet their basic needs.

This definition alludes to three broad dimensions of societal progress: (1) Equal opportunities and access to the labour market, (2) Dynamic labour markets and fair working conditions, and (3) Public support / social protection and inclusion.

- 1) "**Equal opportunities and access to the labour market**" covers aspects of fairness related to education, skills and lifelong learning, gender, inequality and social mobility, living conditions and youth;
- 2) "**Dynamic labour markets and fair working conditions**" responds to the question whether markets work efficiently and freely to help relocation and job search in a competitive economy. Indicators under this heading cover the functioning of labour markets, support for employment and transitions, and, on the other hand, the fairness dimension with conditions of work and wages;
- 3) "**Public support / social protection and inclusion**" covers fair outcomes through public action and/or social protection. This set of indicators refers mainly to the provision of services and social safety nets.

The scoreboard benchmarks EU Member States performances vis-à-vis the EU and the euro area averages. Furthermore, it will provide the opportunity, at least for some of its elements, to compare the EU’s performance with other international actors. Such a benchmarking exercise can serve as an empirical basis for renewed processes of mutual learning from best practices. The scoreboard will also allow the visualisation of longer-term trends. Where possible and relevant, indicators are disaggregated by age, gender and/or educational attainment.

12 areas have been selected on which societal progress could be measured, associated with one of the three chapters above. The indicators proposed to cover these areas are set out in the Annex, and are based on existing quantitative data, collected by Eurostat (derived primarily from the EU Statistics on Income and Living Conditions –EU-SILC–, the Structure of Earnings Survey every four years combined with annual national estimates and the Labour Force Survey –LFS–) and the OECD.

The European Semester, the annual cycle of economic policy coordination, is an important vehicle to monitor closely developments at EU and Member State level, covering the wide span of areas addressed by the European Pillar of Social Rights. In this light, the scoreboard

will be discussed with the relevant Council committees, with a view to its use in the framework of the European Semester, and its incorporation in the annual Joint Employment Report published each autumn alongside the Annual Growth Survey. In this context, the first indicators for each area (in bold) should be used as headline indicators for the scoreboard to be included in the Joint Employment Report, while the other indicators are secondary indicators, on which the Joint Employment Report would report in the body of its text, as relevant. Following the increased importance of the employment and social aspects in the European Semester in recent years, the scoreboard will facilitate a stronger consideration of employment and societal challenges within the European Semester, and the euro area and country-specific recommendations that result from it, which may reflect and promote relevant, targeted reforms according to national specificities. It could also be a reference point for the work done on the social dimension of the euro area.

Annex – Social Scoreboard: headline and secondary indicators

Equal opportunities and access to the labour market	
Education, skills and lifelong learning	1. Early leavers from education and training <i>(Share of early leavers aged 18-24 from education and training, by gender)</i> Eurostat
	<i>Adult participation in learning</i> <i>(Lifelong learning - % of age 25-64 participating in education and training, by gender)</i> Eurostat
	<i>Underachievement in education (PISA results for low achievement in mathematics - 15 year-olds)</i> OECD
	<i>Tertiary educational attainment, age group 30-34</i> <i>(Tertiary educational attainment - % of age 30-34 year olds having completed tertiary education, by gender)</i> Eurostat
Gender equality in the labour market	2. Gender employment gap <i>(Gender gap in employment rate)</i> Eurostat
	<i>Gender gap in part-time employment</i> <i>(Gender gap in part-time employment as share of total employment)</i> Eurostat
	<i>Gender pay gap in unadjusted form</i> <i>(Unadjusted gender pay gap per hour in %)</i> Eurostat
Inequality and upward mobility	3. Income inequality <i>(Measured as quintile share ratio - S80/S20)</i> Eurostat
	<i>Variation in performance explained by students' socio-economic status (impact of socio-economic and cultural status on PISA scores)</i> OECD
Living conditions and poverty	4. At-risk-of-poverty or social exclusion rate (AROPE) <i>(% of total population at risk of poverty or social exclusion, by gender)</i> Eurostat
	<i>At-risk-of-poverty-rate (AROP)</i> <i>(% of total population at risk of poverty, by gender)</i> Eurostat
	<i>Severe material deprivation rate (SMD)</i> <i>(% of total population severely materially deprived, by gender)</i> Eurostat

	<p><i>Persons living in a household with a very low work intensity</i> (<i>% of population aged 60 and below living in households with very low work intensity, by gender</i>) Eurostat</p>
	<p><i>Severe housing deprivation rate</i> (<i>% of total population living in overcrowded dwellings and exhibiting housing deprivation, by tenure status</i>) Eurostat</p>
Youth	<p>5. Young people neither in employment nor in education and training, age group 15-24 (<i>NEET rate, by gender</i>) Eurostat</p>
Dynamic labour markets and fair working conditions	
Labour force structure	<p>6. Employment rate (<i>20-64, by gender, age, and educational attainment</i>) Eurostat</p>
	<p>7. Unemployment rate (<i>15-74, by gender, age and educational attainment</i>) Eurostat</p>
	<p><i>Activity rate</i> (<i>15-64, by gender and age</i>) Eurostat</p>
	<p><i>Youth unemployment rate</i> (<i>15-24, by gender</i>) Eurostat</p>
	<p><i>Share of long-term unemployment</i> (<i>in total active population, by gender</i>) Eurostat</p>
Labour market dynamics	<p>8. Activation measures –labour market policies participants per 100 persons wanting to work (total) Eurostat</p>
	<p><i>Employment in current job by duration</i> (<i>Percentage of the employed persons in their current job by duration (one year or less, 1 to 2 years, 2 to 5 years, more than 5 years)</i>) Eurostat</p>
	<p><i>Transition rates from temporary to permanent contracts (3-year average)</i> (<i>% of population aged 18 and over whose working status changed from temporary contract in previous year to permanent contract in current one, by gender</i>) Eurostat</p>
Income, including employment-related	<p>9. Adjusted gross disposable income of households in real terms (PPS per capita: Index 2008=100) Eurostat</p>
	<p>10. Compensation of employees per hour worked <i>Own calculations based on Eurostat</i></p>

	<p><i>In work at-risk-of-poverty rate (% of working population aged 18 and over who is at risk of poverty, by gender) Eurostat</i></p>
Public support / Social protection and inclusion	
Impact of public policies on reducing poverty	<p>11. Impact of social transfers (other than pensions) on poverty reduction <i>(Difference, among total population, between the share of people at risk of poverty rate before and after social transfers, by gender) Eurostat</i></p>
	<p><i>General government expenditure by function (General government expenditure as % of GDP, by function (social protection, health and education)) Eurostat</i></p>
	<p><i>Aggregate replacement ratio for pensions (Ratio of the median individual gross pensions of 65-74 age category relative to the median individual gross earning of 50-59 age category) Eurostat</i></p>
Early childhood care	<p>12. Children aged less than 3 years in formal childcare <i>(Children in formal childcare (proportion of children in same age group - age 0 – 3)) Eurostat</i></p>
Healthcare	<p>13. Self-reported unmet need for medical care (EU SILC) <i>(% of total population who reported unmet need for medical care, by gender) Eurostat</i></p>
	<p><i>Healthy life years (at the age of 65) Eurostat</i></p>
	<p><i>Out-of-pocket expenditure on health care Eurostat</i></p>
Digital access	<p>14. Individuals' level of digital skills <i>(Share of population with basic overall digital skills or above basic overall digital skills by gender) Eurostat</i></p>
	<p><i>Connectivity dimension of the Digital Economy and Society Index (DESI): Fixed broadband take up (33%), mobile Broadband take up (22%), speed (33%), and affordability (11%) Digital Scoreboard</i></p>