

# Community statistics: income and living conditions in the Union EU-SILC

2001/0293(COD) - 31/03/2008 - Follow-up document

In accordance with provisions set out in Regulation No 1177/2003, the EU-SILC Regulation, the Commission is obliged to submit a report to the European Parliament and Council on work completed under the Regulation. In presenting this report the Commission is fulfilling this obligation.

**SILC: a source of reference data for income and poverty analysis at an EU level:** To recall, the EU-SILC was launched between 2003 and 2005 in all EU Member States; its purpose being to act as a data source for the analysis of income distribution and social inclusion at an EU level. Since its adoption in 2003, on the basis of a gentlemen's agreement between six Member States namely Belgium, Denmark, Greece, Ireland, Luxembourg and Austria, significant progress has been achieved. Since then it is effective in all of the EU's 25 Member States plus Norway, Iceland, Turkey and Switzerland. It is expected that the Former Yugoslav Republic of Macedonia and Croatia will launch the EU-SILC in the course of 2008.

**Legal framework:** As well as the Regulation, five implementing Commission Regulations have been adopted on: Sampling and tracing rules; Definitions; List of primary (annual) target variables; Fieldwork and imputation procedures; and Quality reports. In addition, a Commission Regulation is published annually containing a list of secondary target variables, or modules, with the possibility of a topic being repeated every four years or at longer intervals. Topics include, for example, social participation; housing; and over-indebtedness and financial exclusion.

**EU funding:** Funding has been possible through grant agreements concluded with the NSI's. In total, EU funding amounted to around EUR 6.5 million for the 2004 data collection and around EUR 11 million for the 2005-2007 data collections respectively.

**Collection and dissemination of SILC data:** The report finds that the collection of SILC data, overall, has been a success. Together with a network of the National Statistical Institutes (NSI's) Eurostat has been able to collect, check and issue data within a reasonable period of time. There is, however, a significant gap of around two years between the reference year of the collected data and the latest available economic data.

**Content of EU-SILC:** The EU-SILC is a multi-dimensional instrument focusing on income, but at the same time covering housing, labour, health, demography and education, thus making it possible to study the multidimensional approach of social exclusion. Primary target variables including household information or individual information. Secondary targets variables or modules are introduced annually. Thus in 2005, for example, the module chosen was on the "inter-generational transmission of poverty"; in 2006: Social participation; 2007: Housing conditions; 2008: Over-indebtedness/financial exclusion; and in 2009 it will be Material deprivation.

**Collection unit:** EU-SILC statistics cover people living in private households only. Persons living in collective households and institutions are excluded from the target population.

**Reports and studies:** In accordance with the Regulation, all of the 15 countries involved in launching SILC in 2004 submitted an intermediate and final quality report respectively. On that basis Eurostat produced a single EU quality report that combined intermodal and final national quality reports. The intermediate report includes sections on: sample design; sampling and non-sampling errors; method of

data collection and interview duration. The final report included parts relating to: relevance, accuracy; sample design; sampling and non-sampling errors; method of data collection; imputation procedure; imputed rent; company cars; comparability such as definitions; income components; tracing rules; punctuality; accessibility and coherence.

**Conclusion:** The report concludes that since the adoption of the EU-SILC Regulation, SILC statistics have become the source of reference data for statistics on income distribution, poverty and social exclusion. A significant amount has been invested in the evaluation of SILC data quality in the form of quality reports and methodological studies. A methodological Task Force, as well as a SILC Conference held in Helsinki also studied a number of quality issues in depth. On a final point, even though several publications were produced, further work is to be done on the dissemination of the SILC information.