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Material Deprivation in the European Union: results and issues drawing from EU-SILC and Eurobarometer data

Since the launch of the *Open Method of Coordination*, in March 2000, the European Union (EU) has adopted various common social indicators which are to be used by Member States and by the European Commission to monitor progress in the fight against poverty and social exclusion. Even though some of the commonly agreed indicators cover non-monetary dimensions (health, (un)employment and joblessness, education), income-based indicators are clearly overrepresented in the EU set. The need to further extend the EU list to other non-monetary aspects of social exclusion is widely recognised at the national and EU levels, esp. since the recent enlargements of the Union. Indeed, even though they are essential, income indicators are not sufficient to satisfactorily reflect the diversity of living conditions in the 27 EU countries. This paper aims at comparing two different ways of assessing the actual living conditions in the various Member States: an assessment which draws exclusively on the agreed income-based EU indicators and one that (also) uses different *material deprivation* measures, which are defined here as an enforced lack of a combination of items depicting material living conditions (e.g. housing conditions, possession of durables and capacity to afford basic requirements).

The paper also discusses a few methodological issues raised by the construction of material deprivation indicators. An important issue that we will more specifically focus on is that of the weighting of the individual items used for building the aggregated deprivation indicators and the impact of weighting on the size and composition of deprivation. We will investigate this question by testing different weighting schemes:

- “prevalence” weighting (EU-SILC based) vs. “consensus” weighting (as identified by a Eurobarometer survey on “Poverty and exclusion”, carried out in 2007 in all 27 EU countries);
- national vs. EU weighting schemes;
- heterogeneity of the weights according to household and individual characteristics;
- different functional forms of the weights.

The paper will cover the EU countries available in the most recent EU-SILC users' data base.