Abstract: Introduction The purpose of this study is to analyse the transition of individuals in terms of their social and economic status, in particular their transition between employment and non-employment, between having income above and below the risk of poverty threshold and between being materially deprived and not deprived. The analysis will be based on the latest EU-SILC longitudinal data sets, which cover the years 2005-2008. The main outcome of the study will be the estimation of annual transition rates and probabilities of moving between the various states indicated above, as well as of remaining, and of escaping, being at persistent risk of poverty. The analysis will cover all EU Member States for which data are available in the EU-SILC 2008 longitudinal data sets.

Methodology Total disposable household income in the reference period (HY020) will be used as the main variable to calculate the poverty threshold. The risk of poverty will be measured, as is conventional in the EU, in terms of having equivalised disposable household income below 60% of the median in the country concerned (‘equivalised’ meaning adjusted for differences in household size and composition by using the OECD modified equivalence scale).

To assess whether a household is materially deprived or not, the same measure will be used as defined by the Indicator Sub-Group of the Social Protection Committee of the European Commission. This is based on 9 variables included in the EU-SILC: being in arrears on mortgage or rent payments, utility bills, hire purchase installments or other loan payments (a single composite variable constructed from HS010, HS011, HS020, HS021, HS030 and HS031); an inability to face unexpected financial expenses (HS060), to afford a telephone or a mobile phone (HS070); a colour TV (HS080), a washing machine (HS100), or a car (HS110), to keep the home adequately warm (HH050), to afford one week's annual holiday away from home (HS040); and to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day (HS050). A household is defined as being materially deprived if it conforms to any three or more of these conditions. It is defined as severely materially deprived if it conforms to any 4 or more.

As indicated above, the analysis of the risk of poverty and material deprivation will be conducted on the basis of the EU-SILC 2008 longitudinal R (household members) data sets. The study will be limited to households and their members who were covered in each of the four years 2005-2008.

The study will also analyse the transition of individuals between states of economic activity categories: employed, unemployed and inactive. For this purpose, the P data set of the EU-
SILC 2008 longitudinal data, which covers individuals aged 16 and above at the date of interview, will be used. This will include their main activity in each month of the reference income year (PL210A-PL210L). From these data, it will be possible to create a 48-month series for each person aged 16 and over in 2005 who were surveyed throughout the period.

The transition analysis of risk of poverty and material deprivation will be conducted for 4 consecutive income reference years and the economic activity analysis, for 48 consecutive one-month periods. Transition probabilities and transition rates will be computed by using the *increment-decrement life table* method, which enables unconditional and conditional indicators of transition to be calculated. Unconditional transition rates indicate the mobility of individuals between states over a given time period. Conditional transition rates indicate the tendency to move in a particular direction.

Other results of the study will be descriptive statistics on persistent risk of poverty, persistent material deprivation and the relationship between these and annual at risk of poverty and material deprivation rates. Comparison of longitudinal and cross-sectional data will provide a means of checking the quality and reliability of the EU-SILC longitudinal dataset.

Variables, such as sex (RB090), age (RX010) and type of location (DB100), will be included to distinguish the characteristics of individuals. The relationship between household work intensity and transitions between having income above and below the poverty threshold will also be examined.

**Expected Results and Conclusion**

The results of the analysis will indicate the mobility of the population, and particular social groups, between states of socio-economic well-being and the probability of remaining disadvantaged in terms of income, material well-being and employment for given periods of time.