

Sir Tony Atkinson's last contribution: MONITORING SOCIAL
INCLUSION IN EUROPE, EDITED BY ANTHONY B. ATKINSON,
ANNE-CATHERINE GUIO, AND ERIC MARLIER

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Review of *Monitoring social inclusion in Europe*, edited by Anthony B. Atkinson, Anne-Catherine Guio, and Eric Marlier (Luxembourg: Publication Office of the European Union, 2017, coll. Statistical Books, 551 pp., ISBN 978-92-79-43623-9, paperback)

This book contributes to the European “social indicator movement” embraced in the Lisbon strategy, the subsequent Europe 2020 agenda, and the underlying EU cooperation and coordination in the field of social protection and social inclusion (especially the Open Method of Coordination). It is a well thought out collection of excellent – though not always very recent - papers produced by the second Network for the Analysis of EU-SILC (Net-SILC2). The collection of papers reflects the strength of the European Statistical System, demonstrates the significance of the European social indicators to understand and monitor social progress, puts the indicators into perspective, and presents innovative ways for their improvement and enrichment.

This book is the last contribution of Sir Tony Atkinson to the European social inclusion process that he cherished so deeply. In 2001 Frank Vandembroucke – then Belgian Minister of Social Affairs and Pensions – gave Sir Tony Atkinson the lead on drafting a report on *Indicators for Social Inclusion* (afterward amended and published as Atkinson *et al.*, 2002). By concretizing the European social ambitions in a set of indicators of social performance, subsequently adopted by the European Council in December 2001, that report made an important contribution to what may be regarded as the first move towards “Social Europe”. Six years later, on the eve of the relaunched Lisbon Strategy, when the initial aspirations did not seem close to becoming a reality, a second book was published: *The EU and Social Inclusion* (Marlier *et al.*, 2007). In that book the focus is on how advancements could be reached in the new context of the Eastern Enlargement Process.¹ *Monitoring Social Inclusion in Europe* is the last of the trilogy. It presents further significant developments and refinements of the tools to measure, understand, and tackle poverty, social exclusion, and inequality. This volume is a “must read” for all scholars, statisticians, and policymakers whose aim is to contribute to social justice in Europe through excellence in research, measurement, and monitoring. The richness and diversity of the contributions

¹In 2004 eight post-communist states joined the Union.

pay tribute to Sir Tony Atkinson's immense legacy. The book – as phrased by his co-editor Eric Marlier in his touching tribute to Tony Atkinson – makes sure that “his unique contribution lives on and is deepened further by continuing to challenge them” (Marlier, 2017: 5).

SOCIAL INDICATORS ON THE MOVE

In recent decades, we have seen strong investments – both in Europe and elsewhere in the world – in the collection of data on the living conditions of individuals and the households to which they belong (Stiglitz *et al.*, 2009). Back in the 1980s, the Luxembourg Income Study (LIS) was the first project to allow cross-country comparisons of such data from national sources². In Europe, the EU-SILC – referred to by the editors as “the unsung hero” of the book – has become a remarkably successful statistical instrument.

The improved availability of data and increasing attention in society for social progress have paved the way for the development of social indicators, the uses of which are now very wide and have become increasingly influential. At the global level, institutions such as the World Bank and the UNDP have developed indicators with a view to getting poverty on political agendas. In the EU, the Lisbon Agenda linked the goals of enhancing social inclusion and combating poverty with those of achieving economic and employment growth³. More recently, the OECD, the European Commission, the European Parliament, the Club of Rome, and the WWF have launched the *Beyond GDP* initiative, which aims at “developing indicators that are as clear and appealing as GDP, but more inclusive of environmental and social aspects of progress”. Nationally, too, many governments are making efforts to develop indicators of, among other things, social exclusion (e.g., Canada, the United Kingdom and Ireland). Increasingly, then, the notion is gaining ground that economic growth (especially as measured by GDP) should not be the only policy goal and that situations where some are excluded from the benefits of growth should be remedied through adequate policymaking. In this context, robust statistical measures of social exclusion are of greatest importance. As noted by Atkinson and Marlier (2002), it is crucial for countries to be able “to assess their current performance according to an explicit set of criteria, to determine whether or not they are making advancement in fighting poverty and social exclusion, and to compare the impact of different policy measures undertaken to promote social inclusion.”

In Europe, the indicators and the underlying data that have become available via the European Statistical System have become increasingly more sophisticated and accurate. At the same time, the bold but rather vague “eradication of

²The book published by Herman Deleeck, Karel Van den Bosch, and Lieve De Lathouwer (1992). *Poverty and the adequacy of social security in the EC*, was the first study conducted in different European countries and regions funded by the European Commission as part of the Second Programme to Combat Poverty.

³Even though social indicators were in use in several European social reports and the so-called ‘poverty programmes’ since the mid-1970s, there were no ‘official’ indicators formally endorsed by all EU countries, until the December 2001 European Council.

poverty,” as a strategic social policy goal of the Lisbon Strategy, has been replaced by the more concrete Europe 2020 targets (see below).

Over the years, the portfolio of EU social indicators has been extended. One major change was the addition of an indicator of material deprivation in 2009 (Guio, 2009). In June 2010 another important step was taken, when the European Council adopted a specific target in its Europe 2020 strategy: “promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion,” while “leaving Member States free to set their national targets on the basis of the most appropriate indicators, taking into account their national circumstances and priorities” (European Council, 2010).

In the wake of the budgetary Eurozone crisis, the EU has increased the policy monitoring of its Member States through the so-called “European Semester.”⁴ Whereas the focus remains on macro-economic indicators, more recently, progress towards the Europe 2020 outcome targets, including the poverty and social exclusion reduction target, is also monitored. In a detailed analysis of recent developments in the EU’s institutional architecture for economic and social governance, Zeitlin and Vanhercke (2014, p. 13) argue that, “since 2011 there has been a partial but progressive ‘socialization’ of the European Semester”. Obvious examples are the inclusion of auxiliary social outcome indicators in the macro-economic imbalance procedure, and the separate development of the Social Scoreboard (see also Costamagna, 2013). The latter monitors progression on five social outcome indicators, including the unemployment level and real disposable household income. The social indicators have also increasingly been used by researchers and the European Commission to assess policies, to map changes in poverty and social exclusion, social protection (pensions, healthcare and long-term care), employment and social spending, and to evaluate alternative policy packages.

THE BOOK AT A GLANCE

While addressing a variety of fields, the focus and the strengths of *Monitoring Social Inclusion in Europe* lie in the following:

- the detailed description and assessment of EU-SILC;
- careful exploration of ways to extend the concept of household income – including important chapters on material deprivation –;
- attempts to bring together income poverty, affluence and dispersion;
- critical assessment of the Europe 2020 target and the underlying “at-risk-of-poverty-or-social-exclusion” (AROPE) indicator which combines income poverty, severe material deprivation, and joblessness;
- analysis of the data provided by the thematic modules included in different Waves of EU-SILC;
- and the many thoughtful recommendations for the future development and improvement of the European social indicators.

⁴This is a structured policy monitoring cycle, with fixed and streamlined reporting and feedback moments.

A comparison of this book with the ones that were published in 2001 and 2007 reveals the remarkable intellectual and statistical progress that has been made. The *Social Indicators* book (Atkinson *et al.*, 2015) – its strengths primarily being conceptual – contained just seven descriptive figures (i.e., on the distribution of income, the poverty rate before and after transfers, the persistence of income poverty, joblessness, the variation in unemployment rate, the share of low skilled, and the long-term unemployment rate in the EU15). Five years later, *The EU and Social Inclusion* (Marlier *et al.*, 2007) included more than 20 figures, informing the reader about the concentration of poverty in the EU-25, the numbers of early school leavers, and the relationship between changes in employment, joblessness, social spending and poverty. *Monitoring Social Inclusion in Europe* is positively bulging with tables, figures, and charts; the presented statistical analyses are highly sophisticated; new data sources are used; micro and macro statistics are linked; and, the scope of the analysis is extended in many respects while the assessment of the Europe 2020 target is prominent in many chapters. The book also addresses important conceptual issues such as the individual versus the household dimension, static versus dynamic analysis, and the exploration of multidimensional indicators of social exclusion.

One of the major challenges the editors faced in preparing this book was to present robust, often quite complex analyses in ways that would be interesting and understandable for people who are not experts in the fields. As they write in the abstract: the book “is intended not only for policy-makers and statisticians but also for all those concerned about the impact of economic, employment and social policies on people’s lives and about the ways in which the social dimension of Europe – including the monitoring of the EU social inclusion target – could be strengthened.” Although great efforts have been made to make the book accessible for a broader audience (e.g., an extremely useful Subject Index⁵), several of the subjects treated are likely to remain out of reach of untrained readers. The book contributes, however, to the further enhancement of the European Statistical System. It helps statisticians and researchers refine and ameliorate the European social indicators, deepens our insights regarding the story behind these indicators, and encourages scholars to embark on further analysis of difficult but important questions such as the relationship between affluence and poverty and the meaning of social progress.

IMPROVING THE INDICATORS

The first principle involved in the construction of an indicator is that it should identify the essence of the problem and have a clear and accepted normative interpretation (Atkinson *et al.*, 2015, p. 21). Many contributions in the book start from this principle to analyse the robustness and validity of the indicators and to make recommendations for improvements. Chapters 14 and 16 deal with the employment indicator. In Chapter 14, Brandolini and Viviano make an important contribution. They argue that the Europe 2020 employment target

⁵It is very detailed and will help readers find their way through the rich diversity of the topics covered in the book if they are interested in particular issues.

(which is framed as a pure headcount ratio for individuals set at 75% of the population aged 20–64 years) raises lingering normative and statistical issues. What is the level of work-intensity individuals ideally attain and how can the employment rate be modified to measure not only how many people work, but also how much do they work? The authors convincingly propose a new indicator based on an estimation of total annual hours of work as approximated by the number of months worked per year and the number of hours worked per week. The measure sheds a substantive new light on cross-country comparisons of employment rates. It also slightly increases the responsiveness of the poverty rate to changes in employment, an issue that is further dealt with by Thévenot in Chapter 23.

While Brandolini and Viviano focus on the distribution of work among *individuals*, Corluy and Vandenbroucke show in Chapter 15 the relevance of *household* employment and the modest conversion of individual employment successes in household employment successes. They point to the importance that national and EU policymakers should attach to the presence of high numbers of jobless households, that is the skewed *distribution* of work, as a problematic condition for welfare states (see Cantillon and Vandenbroucke, 2014). This crucial insight reinforces the recommendation made by Ponthieux in Chapter 16, and by Iacovou in Chapter 18, to substantially revise the “(quasi-)jobless” indicator which is part of the Europe 2020 target because, “in its current formulation, the meaning of the indicator is unclear, its definition lacks consistency and its statistical implementation is fragile” (Ponthieux, 2017, p. 313)⁶.

The material deprivation indicator, as part of the EU indicators development process, is discussed and critically assessed in Chapter 10 by Guio and Marlier. They present an alternative indicator which consists of 13 items based on a theoretical framework for developing suitable, reliable, valid, and additive aggregate indicators⁷. Using the same framework, in Chapter 11, Guio, Gordon, and Marlier consider a child material deprivation indicator based on the information specific to children available from the 2009 EU-SILC thematic module. The chapter recommends a child-specific material deprivation indicator for use by EU Member States and the European Commission in their regular social monitoring.

In Chapters 7, 8, and 9 attempts are made to enrich the disposable household income variable by taking into account benefits from housing, in-kind public services, and differential patterns of intra-household sharing of resources. In Chapter 7 Törmälehto and Sauli reconsider the impact of imputed rents that arise from the economic benefits of owner-occupied and social housing on household economic well-being. Their findings confirm that net imputed rent tends to decrease income inequality, reduce income poverty rates among the elderly, and improve consistency of income poverty and social exclusion measures. However, after careful examination, the authors conclude that further studies are necessary before the inclusion of imputed rents in disposable income can be considered. The extension of household income, by including the value of public services, is considered in Chapter 8 by Aaberge, Langorgen and Lindgren. To that end various modifications of the equivalence scales are proposed. This exercise reaffirms

⁶See also Graaf-Zijl and Nolan, 2011.

⁷This framework was proposed by: Guio, Gordon and Marlier (2012).

the equalising effect of public spending on services (see e.g., Verbist and Matsaganis, 2014). However, while the exercise yields interesting results, with the view of the construction of a valid indicator, the computation of the modified household income heavily relies on broad assumptions about the demarcation of needs and the valuation and allocation of in-kind benefits. In Chapter 9 Ponthieux uses the information made available by the 2010 EU-SILC “Intra-household allocation of resources” module in order to calculate an *individual* “modified” equivalised income. Although not dramatic, the resulting increase of inequality illustrates the potential bias resulting from the standard assumptions of full income pooling.

These exercises indicate where future social research is needed. Arguably, due to data limitations inherent to income surveys, the issues raised cannot be readily solved by modifying equivalence scales solely based on income surveys. Matching expenditures from the Household Budget Survey with income contained within EU-SILC may entail an alternative promising avenue to better measure living standards by directly taking into account the observed use of in-kind benefits, housing costs, and intra-familial spending patterns. While Serafino’s and Tonkin’s statistical matching of income, expenditure, and material deprivation, presented in Chapter 13, does not support the assertion that expenditure provides a better measure of material well-being than does income, their work clearly demonstrates the added value of augmenting the income measures with expenditure data. In the case of the impact of household transfers on inequality and poverty measures in particular, the role of further in-depth sociological research and economic modelling should be stressed (see, e.g., Lise and Size, 2010).

STRENGTHENING STATISTICAL CAPACITY

The development of statistical capacity through the survey data gathered by the EU is an important outcome of the momentum created by the Lisbon process. EU-SILC is currently implemented in 34 countries. Every year in Europe more than 200,000 households are interviewed and the complete microdata are sent to EUROSTAT (see Di Meglio, Dupré, Montaigne, and Wolff in Chapter 2). Clearly, the EU cannot develop a credible policy monitoring system if investment in surveys is not a priority. However, many chapters of the book address coverage and measurement issues to which survey data are sensitive. This calls for caution when indicators are used. In Chapter 22, Berger, Osier, and Goedemé show the importance of taking sample variance into account when using sample estimates to monitor the EU income poverty indicator, otherwise small changes may be wrongly interpreted as real changes in the population. In examining the impact of attrition on persistent poverty rates in Chapter 26, Jenkins and Van Kerm show significant cross-country variation. Because the application of weights cannot fully account for these effects, vigilance is needed when this particular indicator is used. Therefore, the recommendation in Chapter 28, formulated by Törmälehto, Jäntti, and Marlier, to extend to as many as possible countries register-based measurement of social benefits, should be firmly endorsed. This would reduce substantially the length of the “survey country” questionnaires and would improve the quality and the comparability of important EU-SILC variables and the associated indicators.

RECONNECTING THE POOR, THE MIDDLE, AND THE TOP

Two important chapters of the book make innovative attempts to reconnect the measurement of poverty, the squeezing of the middle class, and addressing issues associated with top incomes. In Chapter 6, Törmälehto shows the value-added that EU-SILC can bring regarding the top income debate. He compares the EU-SILC top incomes with those available from the World Top Incomes Database and computes affluence gaps and redistribution-based measures. Although sample surveys are generally not regarded as good sources of top incomes, this work interestingly shows that “EU-SILC is potentially a useful data source as long as its weaknesses and strengths are recognised” (Törmälehto, 2017, p. 138).

In Chapter 5, Aaberge, Atkinson, and Sigstad bring together different features of the income distribution in a single framework that allows one to see the relationship between different concepts. The comparison of indicators of poverty (the income gap from the median) and affluence (income minus median) leads to a very important substantive conclusion: “. . . some countries perform better at the bottom and some at the top of the income distribution, but in general the two move closely together. The different part of the the income distribution story cannot be separated” (Aaberge *et al.*, 2017, p. 121). Figure 5.6 shows that many countries are ranked similarly for poverty and affluence. But there are also some countries that perform better on poverty than on affluence (the UK, for example, has a high affluence score but does better in terms of poverty ranking) and vice versa (France, for example, performs better in terms of poverty than in terms of affluence). This figure should be on the desk of every poverty and inequality researcher. The positive association raises a fundamental further question: what is the relation between pre-distribution, re-distribution and poverty? In general, the relationship depicted in Figure 5.6 might point to high levels of redistribution from the rich to the poor as an essential condition for social progress in today’s welfare states. However, the relationship might also suggest political and technical difficulties to redistribute when the inequality of market incomes (pre-distribution) is too high. In the former case, policies should be geared to more progressive income and wealth taxation and more redistributive social spending; in the latter the focus should be more on regulating wages and top incomes, on the one hand, and on employment policies, on the other (see, e.g., the list of policy proposals in Atkinson, 2015).

The work presented in Chapter 5 is crucial. The importance of this contribution lies in the fact that studies on how social progress can be achieved have shown that poverty reduction is not a cheap option. Almost everywhere in Europe (and elsewhere in the world) the social floor is highly inadequate, especially for families with children. Simulations have shown that the size and type of the efforts needed to achieve decent incomes for the poor are extremely demanding, even in the best performing countries. The significant increases in the progressivity of taxes and social spending needed to get there (Collado *et al.*, forthcoming) point to the necessity to reconnect the discourses about poverty reduction, on the one hand, and those on increasing income inequality, on the other. Chapter 5 indicates where and how to start.

THE DISAPPOINTING STORY BEHIND THE INDICATORS

Ever since the Lisbon Strategy, the European Union has declared poverty reduction one of its main social goals. The book under review shows the impressive progress that has been achieved in the measurement and monitoring of poverty and social inclusion. At the same time there also has been a continuous “socialization” of European governance. Regrettably, however, this approach has so far failed to translate into real progress for the poor, both at national and European levels. On the contrary, the EU’s social fabric seems to be under major stress: convergence in national living standards has halted or even reversed while progress in terms of poverty reduction in the last decades has been disappointing in most EU Member States, to say the least (Cantillon *et al.*, forthcoming).

Monitoring Social Inclusion in Europe confirms this critical account. In Chapter 3, after having monitored in detail the evolution of income poverty and real incomes over time by linking micro- and macro data, Atkinson, Guio, and Marlier (2017, p. 87) conclude: “We see no grounds for disagreeing with one of the Key Messages of the Social Protection Committee in its 2014 annual report, the EU is still not making any progress towards achieving its Europe 2020 poverty and social exclusion target of lifting at least 20 million of people from poverty and social exclusion by 2020.” The analysis in Chapter 20, of the evolution of material deprivation over time, shows that at the “EU level after an impressive decrease of material deprivation by 12.2 million between 2005 and 2009 due to general living conditions improvements (mainly in Eastern countries) material deprivation increased by 8.7 million from 2009 to 2012 as a result of the crisis” (Guio *et al.*, 2012, p. 382). Although we should not expect a direct link between changes in inequality of outcomes, on the one hand, and opportunities, on the other, there also are no signs of any statistically significant changes in the inequality of opportunity (Andreoli and Fusco, 2017, p. 446)⁸.

Yet, an exclusive focus on monetary poverty may be too narrow-sighted; it misses non-monetary dimensions of life like health, employment, educational outcomes, and environment. Hence, it is important to put disappointing trends in monetary poverty into perspective. The experimental multidimensional poverty index (including the Europe 2020 indicators referring to health, education, housing, and neighbourhood considerations), presented by Alkire and Apablaza in Chapter 12, suggests trends which, to some extent, might seem less disappointing. Specifically, “The aggregate data across Europe show that multidimensional poverty decreased between 2006 and 2009. . . This trend then came to an end, and from 2009 and 2012, there were marginal increases in poverty due to an increase in the intensity of poverty among poor households” (Alkire and Apablaza, 2017, p. 237). However, the experimental multidimensional measurement tool used in this chapter raises important further questions. Why precisely is the account of

⁸The evolution of inequality of opportunities probably reflects ex-post outcomes for the previous generation: “The concept of equality of opportunity is an attractive one. However, does it mean that inequality of outcome is irrelevant? In my view, the answer to this question is “no”. . . the third reason for concern about inequality of outcome is that it directly affects equality of opportunity-for the next generation” (Atkinson, 2015, p. 11).

social progress more positive when the multidimensional approach is used when compared to the assessment based on the monetary poverty indicator? And to what extent is the equal weight given to the different dimensions in the experimental tool problematic, given that people and societies might have heterogeneous preferences about what is important in life,⁹ while the effective societal worth of each dimension might change over time? Providing a multidimensional and distribution sensitive tool that can be used as an operational yardstick to evaluate development and social progress is a task of crucial importance, but has proven to be a challenging one.

A CRITICAL NOTE ON THE FOCUS OF THE BOOK: THE NEED TO AUGMENT OUTPUT INDICATORS WITH INDICATORS OF SOCIAL RIGHTS

While deteriorating poverty figures after the onset of the financial crisis may be unsurprising, it is the lack of progress in the pre-crisis years that suggests the existence of structural constraints against which national welfare states and EU social governance seem to be powerless. Yet, as demonstrated by the contributions in this book, there has been remarkable improvements in European output governance, including measurement, goal setting, and monitoring. Substantively, before the great recession, incomes grew and the number of jobs increased remarkably. Nonetheless, only in a few countries has substantial progress been made in combating relative financial poverty and social exclusion. Since the crisis, the picture has become truly negative, not in the least due to strong diverging trends within the Union. This stark contrast, with the ambitious policy goals formulated by the EU ever since when the Lisbon strategy was adopted in 2000, should make us pause and think.

When policy goals fail, there are lingering dangers attached to a one-sided focus on numbers, targets, and monitoring. European social governance is an example *par excellence* of “governing by numbers”. In this particular case, however, in contrast with economic “*governing by rules, ruling by numbers*” (Schmidt, 2015), the goals are not binding; and there are no rules. The indicators of broadly defined *outcomes* cannot readily be linked with *policies* and ensuing rules. External, largely inegalitarian forces, such as globalization, technological change, migration, and changes in household structure,¹⁰ account to a large extent, for poverty trends. Assessing the performance of government policy in terms of poverty or inequality reduction requires a careful isolation of the impact of the most relevant factors that policy makers can control. In order to assess how changes to, for example, the system of social protection and direct personal taxes and social contributions affected household incomes and poverty, other factors should be held constant. This requires complicated and time consuming micro-simulation modelling (see e.g., Hills *et al.*, forthcoming).

⁹See for a comparison of results based on weighted and unweighted multidimensional measures in the case of Colombia Decancq *et al.* (2016); see also for an overview Decancq *et al.* (2015).

¹⁰As shown in Chapter 18 of the book.

Not without reason, the European social indicator movement is deliberately geared towards *outcomes*, not towards rules and policies. Under the subsidiarity principle, the proposed indicators in the 2001 book *Social Indicators* were concerned with outputs rather than inputs: “the aim is to measure social outcomes, not the means by which they are achieved.” (Atkinson *et al.*, 2002, p. 20)¹¹. As a consequence, the link between “goals” – as measured by the portfolio of social indicators – and “policies” has remained vague and unarticulated while difficult trade-offs (e.g., between work and poverty reduction) have not been made explicit. As a consequence, although in some countries the “numbers” became part of the public debate, their impact in national politics and social dialogue remained limited.

The risk that European social governance is reduced to mostly technical work programs, unachievable benchmarks, ineffective “*targetology*” and, ultimately, results in a total loss of legitimation should be taken very seriously. That is not to say, however, that the Europe 2020 targets should be revised or dismissed. I fully endorse the editors’ recommendation to simply push the target 10 years into the future: “halving poverty by 2030 should not be beyond the resources of a rich continent” (Atkinson, Guio, and Marlier, 2017, p. 47). However, with a view to vivify the efforts required to get there, we need more concrete goals and targets amenable to public policies. Hence, the necessity to move from an “output” to “output *and* input” governance approach.

In Europe, implementing input governance is, however, an extremely difficult balancing act with the principle of subsidiarity that needs to be cherished more than ever. A possible way forward is to agree upon a set of common “*indicators of social rights*” leaving ways and means to achieve them to the Member States. The “European Pillar of Social Rights”, proposed by the European Commission in April 2017 (European Commission, 2017), offers a strong frame of reference to bring about such indicators. In order to deliver new and more effective social rights to citizens, it defines in a concrete way a social compass for the Union and its Member States based on 20 principles. One of them builds upon the right to adequate minimum incomes. Because there is a strong association between adequate minimum income protection *sensu lato* (including net minimum wages and social protection for the jobless) and poverty reduction, this seems a good place to start.¹²

Achieving both employment growth, especially among the low-skilled, and social and fiscal welfare systems that succeed in protecting low-wage earners and jobless households requires important efforts in terms of both the size and progressivity of public spending and the construction of coherent policy packages. But, as emphasized by Tony Atkinson (2015, p. 308) “[t]he solutions [...] lie in our own hands. If we are willing to use today’s greater wealth to address these challenges, and accept that resources should be shared less unequally, there are indeed grounds for optimism.”

¹¹“The focus on social inclusion in the European Union gives a particular direction to our recommendations, notably our emphasis on measuring social outcomes, rather than the means by which they are achieved.” (Atkinson *et al.*, 2015, p. 3).

¹²See Cantillon, Goedemé and Hills, 2017 for a more elaborated argument, including the importance of adequate income protection for attaining the Europe 2020 targets.

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