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Danish Non-Paper
on
Indicators related to Social Inclusion, including Poverty

Following the Commission's 2020 strategy in which reduction of poverty is a priority, the European Council is to decide on a number of appropriate indicators aimed at promoting social inclusion and reducing poverty. It is the position of the Danish government that poverty is not just a question of low income, but a multi-dimensional and often complex problem.

Thus, poverty may occur when a person or a family involuntarily over a longer period of time is incapable of coping with everyday life; due to lack of necessary financial and social resources, poor health, unemployment, housing conditions or insufficient education.

At the March European Council, the Danish Prime Minister underlined that Denmark is against a relative target of poverty. Denmark has never had a national poverty line, and we believe that a relative concept such as 60 % of the median disposable income is not an accurate indicator of poverty for many well known reasons. Furthermore, it must be clear that the concept relates to *risk of poverty*, not poverty per se.

In its recent working program, the Danish government has initiated the development of a set of relevant national indicators of poverty. These could include parameters such as housing conditions, education, employment and health etc. This broad approach has been chosen because the relative-risk-of-poverty indicator does not provide a realistic picture of a person's holistic social situation and should not be basis for a quantitative target. The development of national indicators of poverty will take some time.

Denmark supports the conclusions from the March European Council on social inclusion. The March European Council showed a clear opposition to quantitative targets of poverty and the Danish government finds that there is an obvious need to develop new indicators based on other components. One possible way forward could be to define a set of broad indicators, but leaving it to member states to decide how to translate such indicators into a national context.

Denmark will play a constructive and active role in the process ahead.

In cooperation with all other member states, Denmark is already in the Indicator Sub Group under the Social Protection Committee working on finding relevant indicators on social aspects. In the coming deliberations, Denmark will put emphasis on the following points:

- The European Council has decided to promote social inclusion, in particular through reduction of poverty. Thus, indicators should be able to encompass this broad approach.
- The 60 % disposable income indicator is not an accurate indicator of poverty.
- There is an obvious need to develop new indicators based on other components such as housing conditions, education, employment and health.
- Leaving it to member states to decide how to translate the indicators into a national context.