This analysis shows how European Union Statistics on Income and Living Conditions (EU-SILC) measures the effectiveness of social transfers in poverty reduction and inform social policy development within the European Union (EU).

The methodology encompasses various indicators aiming at assessing the at-risk-of-poverty rate from different perspectives. Eurostat's findings underscore the pivotal role of social transfers in reducing poverty levels across the EU, while recognizing variations among Member States.

The relative poverty gap indicators highlight the depth of poverty among the at-risk-of-poverty population and households with very low work intensity. Furthermore, the analysis of persons receiving social transfers offers insights into the capacity of social protection systems to reach individuals in need of support, contributing to the combat against poverty and social exclusion.

Beyond these measures, Eurostat also calculates the at-risk-of-poverty rate anchored at a fixed point in time (2019) that focuses on improved living standards resulting from economic growth, providing insights into whether general improvements in living conditions are successful in lifting people out of poverty. This allows to measure the risk of poverty following the outbreak of COVID-19.

In conclusion, EU-SILC data offers a robust framework for evaluating the impact of social transfers on poverty reduction across the EU.

These multifaceted indicators guide the development and refinement of social policies aimed at enhancing social inclusion and reducing poverty within the EU.