

The social situation in the European Union



The social situation in the European Union 2001



European Commission
Directorate General for Employment
and social Affairs

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Foreword

This is the second annual Report on the Social Situation, which contributes to the monitoring of developments in the social field across Member States. It provides a holistic view of population and social conditions as a background to social policy development, and establishes links to annual Commission publications such as Employment in Europe, Social Protection in Europe, Industrial Relations in Europe and the Gender Equality report.

The first section of this Report presents an executive summary which looks at the main social trends in relation to the quality of European citizens' lives and the related challenges for social policy.

This is followed in section 2 by a more in-depth look at social developments. Analysis and research, both quantitative and qualitative, are presented on four key areas which are closely related to societal development - population, living conditions, income and social participation.

Section 3 presents a set of harmonised social indicators ranging from demographic issues to employment and income conditions for each Member State. The indicators provide an initial overview of the social situation. In addition, they serve as a powerful tool for the monitoring of social developments over time.

Work on European wide indicators in the social field is still in an early phase and more, quality indicators are likely to be developed in coming years. Yet, even at this stage this second Report of the Social Situation in the European Union provides valuable material for a forward looking social policy agenda which promotes synergies between economic performance, employment and social progress.



Ms. A. Diamantopoulou
Commissioner for Employment
and Social Affairs



Mr. P. Solbes Mira
Commissioner for Economic and
Monetary Affairs, responsible
for Eurostat

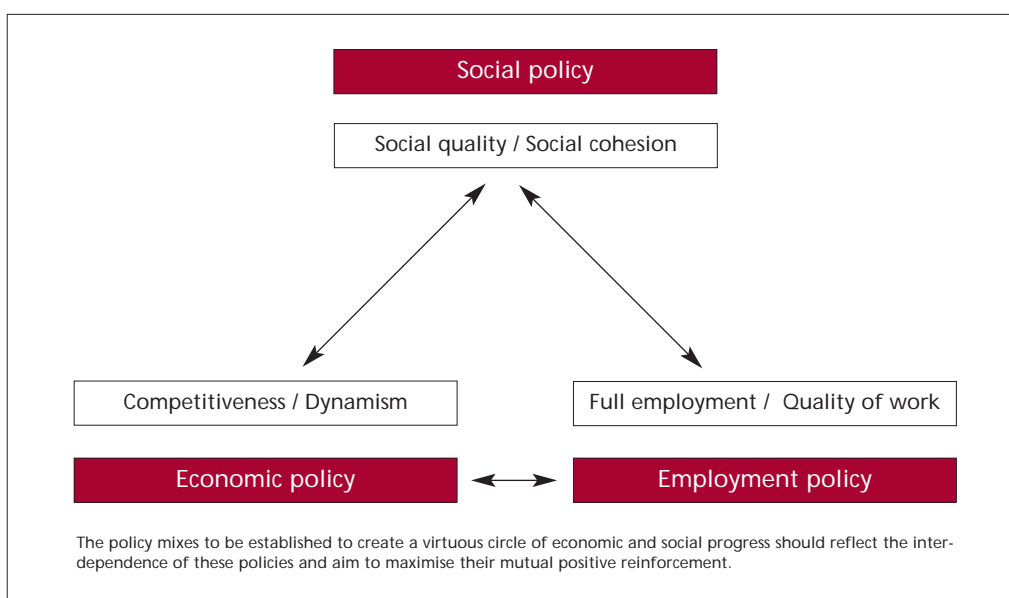
Introduction

The Lisbon Summit highlighted social policy as a core element in Europe's strategy for becoming "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with better jobs and greater social cohesion". With its adoption of the Social Agenda, the Nice Summit forcefully confirmed social policy as a fundamental part of the European Union's policy framework to manage structural change and contain undesirable social consequences: "the reinforcement and modernisation of the European social model, .. is characterised by the indissoluble link between economic performance and social progress." The Social Agenda as agreed at the Nice summit provides the political basis for the consolidation of a comprehensive strategy of mutually reinforcing economic, employment and social policies. It pinpoints the promotion of quality in all areas of social and employment policy as a driving force behind a thriving economy with more and better jobs and an inclusive society and as a key way to secure that the European Union achieves the goals it has set itself regarding competitiveness, full employment, living standards and quality of life. The strengthening of the European economy and its social model will result from policies promoting synergy and positive interaction between economic growth, employment and social cohesion.

A better understanding of the different dimensions of the social situation and their inter-play is a prerequisite for a successful implementation of this strategy. By integrating the multiple dimensions of the living standards of European citizens (economic, social, cultural, political, etc.) this Report contributes to such an improved comprehension.

The Report is intended as a reference document on social trends. It uses available statistical information at EU level to analyse a number of fundamental social issues: such as social cohesion, poverty/social exclusion and employment.

The first section offers a synthetic discussion of the main relevant trends in the social situation. The second section reports on the key developments and trends which characterise the present social situation. The third section presents a set of harmonised social indicators ranging from demographic related issues to employment and income conditions for each Member State. These indicators provide an overview of the present social situation and allow us to monitor social developments over time. Finally, there is an annex to the Report with more detailed data on some of the developments which have been discussed.



Section I

Social trends and social policies

1.1 Main social trends

There have been several improvements in living conditions for most social groups over the last decades. Yet, despite the impact of social, education and health policies, particular groups in society are still facing social problems. At the same time, developments in population structures, working arrangements and behaviour are generating new demands on citizens and on policy makers. Ongoing changes resulting from more open competition, European integration, globalisation and technological development raise further issues, which must be addressed. Adaptations of public policies, which better match the new challenges and improve policy performance, are called for.

1.1.1 The Dynamics of Population Change

Population developments constitute a natural starting point for a portrait of the social situation in Europe. Significant changes are affecting the size and age structure, the migratory patterns and the household/family composition of the EU population.

Accelerating Ageing

The economic and social impact of the ageing of the population will be particularly pronounced in the next decades as the lower fertility levels of the last decades in combination with the coming retirement of the "baby boomers" will begin to affect dependency rates. The total fertility rate is below the replacement level in all the Member States, and especially low in the southern Member States.

The timing and magnitude of changes will vary between Member States, but on the basis of demographic ageing the EU can expect: a drop in the number of young labour market entrants; an increase in the average age of the work force; a fall in the overall size of the labour force; a rise in the number of pensioners and a growth in the number of very old and in the total of frail and dependent people.

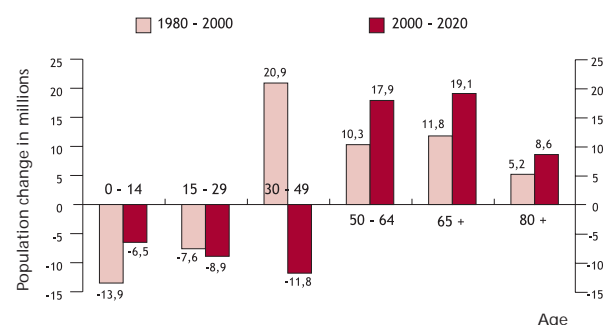
More and smaller households

The number of households and families is increasing while their average size is getting smaller. At the same time, households are changing more frequently than they did before as an effect of growing rates of family break ups and new family formations and the trend towards de-institutionalisation of family life.

Age-diversity in population movements

Population flows towards the big cities is decreasing whereas moves towards the suburbs and peripheral

Graph 1 Demographic trends by age group in the EU



Source: Eurostat - Demographic Statistics and Baseline Scenario

areas is increasing. But patterns differ between the age groups. The young and very old people are more attracted by the large cities, while families with children and people at retirement age have a greater tendency to move to the suburbs or the country side in search of a better quality of life.

The growing immigration from outside the Union is concentrated on the economically dynamic regions and the big urban areas where it contributes to the supply of labour. As a result most big cities are becoming more multi-cultural in composition. Though substantially larger than a decade ago the impact on the indigenous developments in the size and age structure of the EU population of this immigration has been very moderate so far. A full release of the potential contribution to the sustainability of EU societies is furthermore dependent on an adequate integration of the newcomers into social and economic life.

1.1.2 Social Policy implications of population changes

Population ageing will have important implications for a wide range of public policies: employment, social protection, health, education, housing, family and transport. The challenges will be particularly steep for those institutions and policies which were established when the demographic situation was very different.

Retaining an adequate labour supply while adjusting to an older work force

The potential shrinking of the labour force reinforces the importance of existing efforts to raise the activity and employment rates for all of working age. Achieving the Lisbon goal of an employment rate of 70% will

require not only a marked reduction in unemployment but also a reversal of the trend towards early retirement and a substantial rise in the employment rates of women in central and southern Europe.

Adjusting well to an ageing work force will require important changes in long standing labour market and work place practices of age management. The challenge for the social partners and for government policy makers in this area is likely to be considerable.

In order to enable and motivate older workers to remain in the labour force for as long as possible Member States will need to develop a set of policies to promote active ageing including measures to: maintain the health, work ability and skills of workers as they age; introduce flexible working arrangements; guarantee sufficient access to further education and training; ensure an employment-friendly mix of incentives and disincentives from tax/benefit systems.

Sustaining pensions through later retirement and higher employment rates

The retirement of the baby boomers will expose pension systems to sizeable pressures. But higher employment rates could modify the impact on the sustainability of schemes and on public budgets. Various reforms of current pension arrangements may also be necessary. Yet, the need for benefit adjustments or raising of contributions will be far smaller when declining demographic dependency rates are countered through higher employment rates of those of working age.

The development of strategies to secure the sustainability of adequate pensions in the ageing societies of the next 50 years has recently been pinpointed as one of the crucial tasks of Member State governments and made a core issue of collaboration at EU level.

Moderating growth in health cost through healthy ageing

Though healthier than previous generations of older people, older women and men require more and different health and care services than middle aged and younger people. Ageing will therefore tend to strain our health resources. However, a combination of health promotion, healthier lifestyles, accident prevention and better rehabilitation after illness, may significantly moderate the need to expand clinical and care services. Public health strategies with an emphasis on healthy ageing life styles are therefore likely to gain prominence in efforts to contain the impact of ageing on health expenditures.

More emphasis on reconciliation of work and family life

Despite developments in marriage and divorce rates and household sizes, the family remains a pivotal element of social and economic life across the Union. Ageing, along with the norm of the two earner family and the growth in the number of single parent households make policies and collective agreements, that facilitate the reconciliation of work and family life and remove other barriers to higher female labour force participation, more important than ever.

Taking the larger vulnerability of small households into account

The increasing number of smaller sized households with lower average incomes, in particular single mothers with children and older women living alone, are developments which warrant monitoring as part of policies aimed at securing social inclusion. The proportion of dependent children living in one-parent households has increased by 50% since 1983. 13% of all dependent children in the EU are living with just one parent. But the percentage ranges from 25 % in the UK to 6% in Greece and Spain. Three out of four single parents families are facing financial difficulties and the probability of living in poverty is twice as high for children in these households as for children in two-parent families.

Counteracting regional disparities

Over the last decades European integration has removed many of the obstacles which prevented free movement inside the European Union. However, several EU regions face important challenges due to high levels of emigration and ageing. These trends represent a growing challenge for balancing economic growth and social progress. Ongoing out migration of younger people affects the less developed regions to a larger extent as it limits their potential to promote economic recovery.

1.2 Social cohesion

Social cohesion relates to the degree to which individuals and groups within a particular society are bound by common feelings of consensus, share common values and goals and relate to one another on a co-operative basis.

In the promotion of social cohesion the following are core concerns :

- The extent of inequalities in terms of income, health and other living conditions as it affects different groups, for example, older people, children, women, the long-term unemployed, people with disabilities, migrants, etc.;
- The effective reduction of these inequalities, through the formal systems for social protection, education, and health; and
- Trends in social participation; i.e. developments in the extent to which citizens contribute more directly to the construction and consolidation of social cohesion through their participation in economic, political and social life.

Given present socio-economic trends it is furthermore important to consider

- The impact on existing patterns of inequality of new macro-developments such as the introduction of new technologies or the process of globalisation
- The degree to which trends towards greater individualisation lead to social fragmentation or generate new opportunities and inclinations for individuals to engage in activities adding to social cohesion

1.2.1 The extent and reduction of inequalities

It is possible to analyse developments in social cohesion by examining trends in the three main domains (i.e. income, education and health) influencing the life quality of the citizens, and carefully consider their interplay. As it is difficult to disentangle all the pre-existing inequalities from the on-going effects of targeted measures aimed at reducing these in various domains we present these two dimensions together.

Income distribution

Income inequality is more pronounced in the southern Member States, UK and Ireland. The lowest values for income inequality are to be found in Denmark and Austria. Income inequalities tend to be smaller in the more affluent Member States. (ECHP, 1996)

Employment is the main source of income. Hence, the promotion of more and better employment is a major instrument in the containment and reduction of inequalities and risks of exclusion. The employment situation is

improving in Europe. Data show an annual growth of 1.2 % per annum since 1995. Unemployment is decreasing in all countries except Greece. Spain has experienced the largest drop in unemployment levels, but it still struggles with the highest unemployment rate in the Union.

Income provides people with choice and access to a wide range of goods and services. However, poverty persists, which limits individual empowerment, and its reduction remains a political priority.

Member States have organised a complex system of social transfers redistributing income and reducing income inequalities. A higher level of GDP per head correlates with higher levels of social transfers. Social protection provides safety nets and contributes to ensuring social cohesion by protecting people against a range of social risks. This system is on the whole largely accepted. In a Eurobarometer survey the majority of people reported that they think, "inequalities, in terms of income, are growing" and moreover "are not good for society". There is also strong support for the idea that public policies have a special responsibility to address such inequalities. (Eurobarometer 52, 1999). Europeans are a little less satisfied with their financial situation than their quality of life in general.

Poverty is a real risk for a higher percentage of the population than snapshot poverty figures would suggest at first glance. Although social transfers lower poverty in all Member States, 17% of people in the Union live on a low income. Less than half of them (about 7%) live in persistent income poverty (3 years or more), accumulating multiple forms of exclusions (income, housing, education etc.). More than half of poor people manage to escape income poverty fairly rapidly (between 1 and 2 years). (ECHP, 1996) So there appears to be a reasonably high turnover among the income poor. This may be related to the emergence of more transition points in life which temporarily cause poverty for individuals.

When considering the effectiveness of the social security system, one has to refer to the relative poverty rate *before transfers*, which is more related to the market outcomes, and compare it to the relative poverty rate *after transfers*. The best performance is found in Denmark, the Netherlands, Luxembourg and Ireland. The case of Denmark is particularly interesting. Although it has one of the highest levels of relative poverty before transfers, it reaches one of the lowest after taking account of social transfers and attains the lowest poverty level for children – only 4% of children under 16 live in relative poverty in Denmark compared to 26% in the UK. Italy and Greece have the lowest poverty rate before transfers, and the effect of social transfers is much smaller - the poverty rate remains relatively high after transfers (ECHP, 1996).

People with lower incomes are taking less advantage of opportunities to improve their health and education. This tends to deepen inequalities in society.

Education and human resource development

Analysis shows that education level is an important factor for labour market inclusion, for better income and for a longer working life. (Section 3.5). Education levels also influence other aspects of social and economic behaviour such as social participation, consumption patterns and the use of new technologies (Eurobarometer 52,1999).

The level of education has increased in all Member States during the last decades. More than seven out of ten people aged between 25-29 years have completed at least upper secondary education. This is a major increase in just one generation, - just less than five people aged between 50-64 attained this level (Labour Force Survey,1999). The gaps between Member States are also decreasing. The gap in education outcomes between men and women has been reduced significantly and is now even inverted in some countries. Scandinavian countries have large shares of their population with high skill levels – these countries were able to bolster the literacy level of the least advantaged citizens. (International Adult Literacy Survey, cited in Section 2.2). In other Member States, inequalities in levels of education and skills remain large.

The significant increase in the education level of the labour force across the Union has improved the autonomy and flexibility of citizens and contributed to increases in productivity and higher growth. It is crucial the labour force is able to respond adequately to rising skill demands in the labour market. High skilled jobs account for almost two thirds of net job creation in the last five years¹.

In the knowledge-based society people will be spending more time in education. Education systems must adapt to the need for life-long learning. The rate of participation in lifelong learning activities differs considerably between Member States. It ranges from 52% in Denmark to 12% in Greece. When we look at training for new technologies, we find that almost 8 Europeans out of 10 have not received any. The proportion of people without such training ranges from 9 out of 10 in Greece to 5 out of 10 in Sweden (Eurobarometer 52,1999).

The quality of the education systems is important in dealing with exclusion. In the knowledge-based society a substantial form of exclusion will derive from lack of sufficient education and training. In spite of the positive trends in educational attainment levels, there continues to be a sizeable proportion of people who

leave school without sufficient qualifications to live, work and learn in today's society. All Member States face the problem of young school leavers: 19% of young people in the Union leave school with low levels of education. Yet, the magnitude of the problems varies considerably as the percentage ranges from 7% in Sweden to 45% in Portugal (European Labour Force Survey,1999). These young people face significant risks of unemployment (significantly higher in the knowledge-based society than before) and ultimately social exclusion.

Health

Health is of increasing importance to social and economic development, and is of prime concern to most European citizens.

Health and economic factors are linked at the individual and the macro level and research is necessary to measure the impact of changing health on gainful employment and of the effect of poor health on household economic status.

Health is created, by and large, outside the health care sector in settings of every day life. The way in which policies in other areas such as transport, housing, education and social protection, are organised, have a profound impact on the health of populations. The health care sector often pays for mistakes being made in other policy areas.

Europeans are living longer and longer in good health. General improvements in living conditions along with investments in health and care, and scientific and technological developments have contributed to this fact. Life expectancy has been constantly improving. On average people are living some 10 years longer than they did 50 years ago. Women can expect to live 62 years without any disability and 74 without any severe disability (the figures for men are 60 and 69 respectively) (ECHP 1996).

Differences in average life expectancy between Member States are fairly small. Yet, within Member States national studies have documented that social differences in terms of life expectancy and in health status are quite substantial.

The applicant countries are still at a stage where the level of health expenditure per capita is well below the level required to improve the life expectancy of the population (WHO, 2000).

Both education and income levels influence the self-perception of health status. A much higher proportion of people with lower education consider their health bad or very bad (ECHP, 1996).

¹ "Employment in Europe 2000"

Presently increased longevity is associated with increased morbidity and chronic disability. A longer healthy life expectancy cannot be secured merely by relying on curative medicine. Healthy longevity requires a life long process of maximizing opportunities for economic, physical, social and mental well-being. Health promotion and primary health care are the most cost efficient interventions and with best population health gains. Health promotion offers a comprehensive approach, ranging from the personal responsibility to make the healthy choice, to public policy options which support the healthy choices and environments.

The vast majority of the EU citizens - over 80 % - are satisfied with their own health. However, it is interesting to note, that a significantly lower proportion, 54% is satisfied with their country's health care system (Eurobarometer, 1999).

1.2.2 Trends in social participation and trust

The ability and willingness of individuals and groups to participate in activities in markets, politics and civil society is crucial for the formation of social cohesion. Barriers to equal participation in work, political decision-making, education and family life is an important aspect of inequality which weaken social cohesion.

Employment rates are indicative of peoples' ability to participate in work through paid employment and to provide for themselves and their dependants. Paid employment is the most widespread form of participation in society and an important factor in the social status of people of working age, who spend more time at work than in any other participatory activity. The recovery in the 90's has allowed more people to participate in employment and differences in employment rates between men and women have been narrowed. At the same time more precarious forms of employment and working conditions have proliferated.

Rates of participation in trade unions, political parties, social movements and other voluntary organisations may be interpreted as indicative of the readiness of people to come together to collectively address common problems. Such interactions contribute to the development of shared values and a sense of common belongings leading to trust between partners and confidence in fundamental societal institutions.

The long standing weakening of the more traditional bodies of representation such as political parties and trade unions appear to be continuing. Membership in political parties now ranges from 1.6% to 16% across Europe and appear to be further decreasing in all countries². Trade union membership still reaches very high levels in the northern countries but has been falling for some time in all countries except Spain³.

During the same period more demanding forms participation in community activities, grass root organisations and other forms of NGO's have been increasing. Volunteering is more widespread in Northern Europe, while contacts with family, friends or neighbours dominate civil society participation in Southern Europe and Ireland. In many Member States volunteering is considered important for building a responsible and democratic society. Third sector organisations often play a specific role in the fight against social exclusion and in local development.

Another indicator of social cohesion is the extent to which people trust central institutions and social groups that are different in some way or other. A large majority of the Europeans agree that society must be inclusive and oppose any discrimination based on race, religion or culture. Democracy is widely supported as the "best political system", but the low level of trust in political institutions, politicians and public authorities demonstrates how much the present mode of governance and representation is under criticism. Only a third of Europeans questioned stated that they trust the civil service, parliament or government in their own country. (Eurobarometer, 1999)

1.2.3 The impact of new technologies and globalisation

The consequences of globalisation and the new information technologies are to a large extent still uncertain. They often entail new opportunities for economic and social progress, although in some cases they appear to generate new risks of inequalities. In fact it is precisely those people with better living standards in the three domains of income, education and health, who most often take advantage of the new opportunities available within society. There are therefore significant risks of inequalities deepening if certain groups are left to lag behind.

Data show that access to new technologies is developing throughout Europe, with a doubling of access to internet between 1998 and 2000. But access remains unequal. For example, internet use was 22% for professional managers and 3.5% for unemployed people in 1998. The Scandinavian countries are the front runners in terms of usage while Southern Member States are lagging behind - in 2000, 6% of people in Greece had an internet connection at home, compared to 48% in Sweden. (Eurobarometer 52, 1999 and 53, 2000).

Many new technologies are widely used in society - this is true for information- communication technology but also for new forms of individual or collective transportation and new forms of tools and aids in health and care. Some groups may have more problems in using these new tools and in entering into the new forms of

² Sociaal en Cultureel Planbureau, Nederland in Europa, 2000

³ Industrial relations in Europe, 2000

social interaction than others. This is particularly true for older people. Public policies have a crucial role to play in ensuring access for people of all ages as well as of all social groups. In relation to information- communication technologies, more emphasis may be needed, for instance, in raising awareness among those who are more "at risk" and who do not of their own consider IT as interesting or useful for them.

Nevertheless, economic progress, technological developments and productivity growth create new opportunities to nurture an adequate level of solidarity. These positive changes could help improve resource redistribution and build a shared vision for the future.

During the last decade, generalisation of new information technologies at a lower cost supported the emergence of new forms of work organisation and production networks. This had several positive impacts on the quality of working life - decrease in monotony, greater autonomy, and more group-based activities. However new issues are also arising as an effect of flexibilisation of work and employment conditions: blurring boundaries between work and the private domain, overload and unpredictability of work requirements. These issues are found to have a negative impact on people's health. (European Foundation on working and living conditions, 1996)

Social development and new technologies also give new possibilities and new tools for living "apart together"- they support the emergence of new and larger networks. This has been particularly clear with the quick uptake of mobile phones across Europe. In 1998, 64 % of Finns, 44% of Italians and 19% of Germans were using mobile phones (Eurobarometer 50,1998). The rapid development in the number of households with connections to the Internet also contributes to this trend particularly due to the growing importance of communication via email.

Cultural minorities are also taking advantage of the development of new media. Migrant groups now have far better possibilities for staying in contact with their home country and culture while developing networks in the host country.

Non-governmental organisations make extensive use of the new information and communication technologies to expand their realm of action and to build innovative networks in order to better voice their concerns.

1.2.4 The impact of trends towards greater individualisation

The long standing trends towards greater individualisation inherent in the development modern society have asserted themselves in new and somewhat different

forms. The question is how they may affect social cohesion in Europe.

The growing importance of individual choice

The individual now has many more choices when it comes to access to goods, services and institutions. At the same time, new technologies are progressing quickly and opening wide windows of opportunity to more and more people.

Information- communication technologies offer individuals the opportunity to access and manage large amounts of information and subsequently to make more informed choices in life. In the last decade or so, we have also seen the explosion of the Internet and new networks evolving which have not only contributed to the weakening of large administrations and their control over information but have also encouraged the sharing of information, knowledge and experiences among individuals. Internet is not only used for mail, but also for education and information on products and health related issues.

These developments have a huge potential for improving the individual's capability of assessing and expressing his/her individual needs and expectations. This opportunity is already being seized by many people, particularly those with better education and higher incomes. Three out of four Europeans say that these new technologies will have a positive impact on their quality of life – a higher education level corresponds with a more positive view. (Eurobarometer 52,1999)

The growing availability of knowledge combined with improved individual capabilities for processing and sharing information, is raising the expectations of citizens- there is a growing tendency among people to expect tailor-made, customised responses.

Is it possible to meet these higher quality expectations in all domains of life and for everybody? Technological progress and new organisations of production have provided the opportunities to achieve a higher degree of customisation. This shift to user-oriented approaches has been achieved with success in some sectors, mainly those facing globalisation and tough competition.

Increasing individualisation and the spread of customisation are inter-related processes. Ongoing interactions between user and provider, whether in the market place or when accessing public institutions, are necessary for achieving efficient and equitable outcomes whilst at the same time ensuring a guarantee of quality.

Individualisation of choices has also gained a broader acceptance in general. There is more diversity in terms of social models, lifestyles, modes of consumption and

social opportunities for self-development. This is seen in the large social acceptance of various forms of living arrangements. For example, consensual unions (partnership without marriage) have increased sharply in most Member States. 8% of all couples are living in such an arrangement in Europe. (ECHP, 1996)

Resulting feelings of uncertainty

On the individual level, the increase in diversity can lead to complexity and higher uncertainty about one's life. Uncertainty manifests itself in phenomena such as less predictability of personal arrangements and of life trajectories, less long term commitment (in work, family), higher flexibility (e.g. in work, , with new concerns for combining work and private life).

Less certainty in working life may lead to higher levels of stress. Recent studies document that stress affects 28% of workers and is the second most common work-related health problem in Europe. (Dublin, 1996)

In family patterns, there has been an evolution towards new living arrangements, and a trend towards more frequent changes in all Member States, though the degree to which it has manifested itself varies considerably.

As life transition points (e.g. labour market entry, job change, home move, family changes, retirement) can be moments of higher risk, the tendency towards an increase of transition points may lead to an increase of vulnerability for many people.

Amid growing feelings of uncertainty Europeans still feel quite safe

In the public debate it is often suggested that people have a growing feeling of insecurity. Lower trust in traditional public authorities, in administration and in social intermediary groups contribute to this feeling. This may be reinforced by the media and by protest and action groups when they raise and document new sensitive issues such as the safety and quality of food (e.g. recent food scares in different Member States, mad cow disease and dioxin contamination).

Yet, according to data from the Eurobarometer survey personal safety is high in Europe and most citizens are satisfied with conditions in this area (Eurobarometer 52, 1999). To some extent these subjective assessments are supported by available objective indicators demonstrating a reduction in work and traffic accidents and the general absence of growth in crime rates (different evolutions in different Member States). (Eurostat, CARE, ESAW, EHCLASS databases, 1996-1998).

Family continues to play an important role despite individualisation

New forms of relations between the individual and the collective levels are emerging. Despite the important changes in household and family structure, it appears that the family still remains a pivotal element of social and economic life across Europe. Stronger emphasis on initial education and life long learning has increased the load for the family and parents support their children for longer periods. Supporting family within the context of an ageing society is becoming increasingly important.

Greater individual diversity, yet, discrimination persists

Individualisation has greatly increased the acceptance of diversity and thus contributed to a more positive environment for allowing people the same opportunities despite differences in gender, ethnicity, age or persuasion. There is a freer exchange of ideas, easier access to a wider range of information, knowledge and cultures through the use of new technologies, more respect for certain minorities within society who can now make their voice heard. Yet, various forms of discrimination still present important barriers to equality of life chances.

Gender

Equal opportunities between men and women is still an important issue. The number of women in education has improved and their participation in the labour market has risen in the last decade. Nevertheless they still tend to have lower pay and to be underemployed compared to men. The participation of women is still very low in most domains at the level of decision making - when societal choices are to be made, women have less say. For example, less than 20% of seats in national parliamentary bodies are occupied by women⁴.

Immigrants and minorities

Concerns are emerging about the ability migrant groups in terms of how they are partaking in the host society, and the forms of discrimination they are facing. Moreover, many people express anxieties about the perceived ability of their country to accommodate migrant groups. This tendency is reinforced when people have lower trust in their civil services or governments or when they are pessimistic about their future. People with higher education, managers and young people were the least likely to feel that there were too many foreigners living in their country (Eurobarometer, 1996 and 1999).

⁴ Equal Opportunities for Women and Men in the European Union , 1999

Age

Some groups also face discrimination because of their age. Although several factors usually impact on one's employment chances, age may be an important factor. The level of unemployment among the young is decreasing, but it is still twice as high as the average rate for all ages. The rate of employment of 55-64 year-old workers is very low: 37% of this age group was in employment in 1999. The employment rate of 55-64 year old men continues to fall and stands at a mere 47% in 1999 compared to an average of 72% for European male workers (Labour Force Survey, 1999).

1.3 Concluding reflection

The welfare systems in the Member-States have played a fundamental role in promoting a cohesive society and combating risks of exclusion and adapted well to a number of challenges over time. They now have to adjust to the demographic changes and the requirements of a knowledge-based economy. Demographic trends will affect the structure and size of labour supply and put pressure on pension and health systems. The information revolution presents a new type of challenge for welfare systems. They will have to ensure that the opportunities offered by new technologies are exploited to the full and that the risks of negative side effects are eliminated.

Achieving sustainable economic growth and full employment amid a successful transition to a knowledge-based Europe will require that scarce human resources are treated with much more care than in the past and thus give new importance to social policy. The current inequalities in income distribution, education

and health represent a barrier to people participating in society to their full potential. Yet, this report also highlights some of the positive interactions between income, education, health and employment which we can build on, when developing our resources of human capital.

Social policy is not only an instrument for arriving at a more equitable society. Where it is cost-effective, it can contribute substantially to a more effective and productive economy. This underlines that there is a need to monitor social trends and analyse their overall impact on the economy and society in order to design the most adequate and efficient social policy response.

In the following section the data behind this discourse about the implications of some of the main trends in the social situation in Europe is reported in greater detail under the four analytical headings of Population trends, Living conditions, Income distribution and Participation in society.

Section II

Main social developments

2.1 Population trends and related issues

The EU population is experiencing developments affecting its size and age structure, the migratory patterns and its household/family composition. Important changes in all these areas have taken place over the last decades across Europe. Even larger changes with a wide ranging impact on living conditions can be expected in the first half of the new century.

• Size and age structure of the population

Currently the European Union has 376 million inhabitants. Yet, if present trends in fertility, mortality and migrations continue over the next decades, the size of the population will peak around 2022 and then begin to decrease. The economic and social impact of the ageing of the population will be particularly pronounced in the next decades as the persistent lower fertility levels of the last decades in combination with the progressive ageing and coming retirement of the "baby boomers" will begin to affect dependency rates. On the basis of demographic developments we can expect: a drop in the number of young labour market entrants; an increase in the average age of the work force; a fall in the overall size of the labour force; a rise in the number of pensioners and a growth in the number of very old, with possible consequences for the total of frail and dependent people.

• Family / household structure

The number of households and families is increasing while their average size is getting smaller (2.4 people per household in 1999, compared to 2.8 in 1981). At the same time, households are changing more frequently than they did before as an effect of growing rates of family break ups combined with the trend towards de-institutionalisation of family life (fewer marriages, more unmarried unions, more extra-marital births). However, differences between different parts of the Union are significant. In the southern Member States there is a higher frequency of larger and more complex households (with different generations living together), whereas the tendency for more people to be living alone is particularly pronounced in the northern Member States.

Young people remain longer at the parental home, particularly in the southern Member States. The age at which half of the young have left their parents' home ranges from below 18 in Finland to more than 29/25 (males/females) in Italy, Spain and Greece.

The total fertility rate is below the replacement level in all the Member States, but it is especially low in the southern Member States, where the reconciliation of labour market participation of women with family formation and family life appears to be more difficult.

• Migration patterns in the European Union

The patterns of migration within the EU Member States show an increase of short-distance de-concentration moves (suburbanisation and counter-urbanisation) and a decrease in long-distance concentration migrations (from rural areas towards large cities). In general, large cities and remote rural areas are losing a part of their population, whilst middle-sized settlements (small cities, suburban municipalities) are growing.

But migratory patterns differs between the age groups. The young and very old people are more attracted by the large cities, while families with children and people at retirement age have a greater tendency to move out of the large cities in search of a better quality of life in the suburbs or the country side.

Net migration of non-EU nationals is increasing. As a consequence their number is growing: around 13 million non-EU nationals are currently living in the EU Member States (latest available data). To some extent this is modifying the developments in the size and age structure of the EU population.

2.1.1 Towards an ageing society

Today, the European Union has 376 million inhabitants. During the last decade the population growth has been much lower than in the 1960s but greater than in the 1980s owing to the increase of international immigration, which is currently the most important determinant of population growth in the Union (See Section 3.2, Population, households and families, Section 3.4, Migration and asylum and Section 4, Statistical Annex).

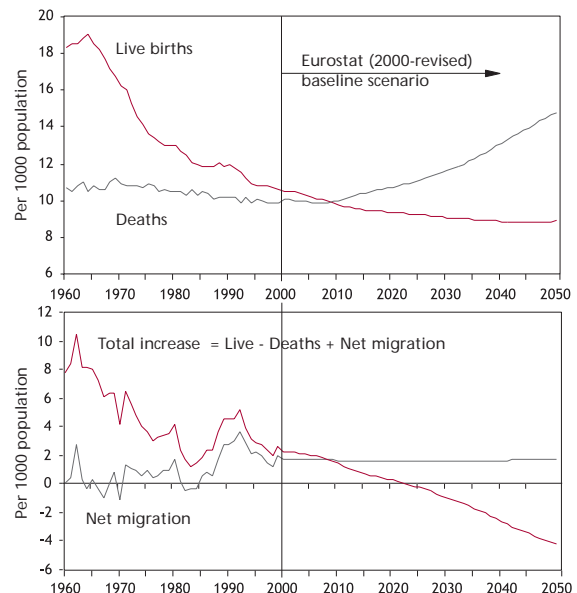
This role of international migrations as the main source of population growth will be reinforced over the next decades. According to the Eurostat "baseline scenario"⁵ the natural increase, i.e. the difference between births and deaths, will become negative for EU 15 before 2010. But the EU population will continue increasing until nearly 2025 due to a significant level of immigration flows (evaluated in this scenario as a positive net migration of more than 620,000 immigrants per year at EU 15 level between now and 2050). However, by 2050 the EU 15 population will have decreased to 3% below today's level according to this scenario.

A variety of trends in the EU Member States

The future evolution of the population size at national level presents some differences among Member States in relation with the year of inflexion (when the number of inhabitants will start decreasing) and with the significance of the decrease.

- **Italy, the earliest decline:** According to the baseline scenario, the Italian population will start decreasing from the year 2000 (see graph below). Around one and a half decades later Spain, Germany and Greece will see their population diminishing. The point of inflexion is 2022 at EU-15 level, and more than ten years later for United Kingdom, Denmark, and France. The last Member States to see their population decrease will be Portugal and Ireland, whereas Luxembourg will have a growing population during the whole period covered by the baseline scenario.
- **Important differences in population growth...:** In 2050 Luxembourg, Ireland, Netherlands, Portugal, Denmark, France, Sweden and United Kingdom will have a larger population than in 1999, while Italy, Spain, Germany, Austria, Finland, Greece and Belgium will have a smaller population, but to varying degrees.
- **... with very extreme situations:** Luxembourg (+30%) and Ireland (+27%) are the Member States that will increase their population the most (in relative terms) up to 2050, compared with their present population. At the other end of the scale, Italy will be the Member State experiencing the greatest decrease (-17%).

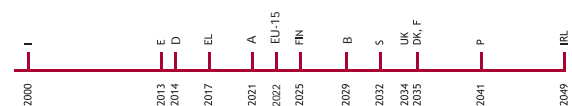
Graph 2 The components of the EU-15 population change, 1960 - 2050



Source: Eurostat - Demographic Statistics, Data 1960 - 1999

- **... and more radical changes at regional level:** Over the next 15 years, 14 regions from the New (German) Länder, northern Italy, northern Spain and southern central part of Portugal, will have a population decrease of over 5%. Another 14 regions will have a decrease of between 2.5 and 5%. At the other end, 16 regions will have a population increase of over 10% in the next 15 years. Only Italy, Denmark and Sweden do not have such regions. The most polarised countries, with regions where the population is either quickly decreasing or quickly increasing are Spain and Germany.

Graph 3 First calendar year of population decline



Source: Eurostat - Baseline scenario

Changes in the age structure

Not only is the size of the population changing, but the age structure is also changing considerably, with far-reaching

⁵ Three population scenarios have been developed by EUROSTAT -baseline, high and low- reflecting different assumptions on fertility rates, mortality and migration flows. The "Baseline" scenario has been made according to present trends, while "high" and "low" scenarios present the extreme positive (with higher fertility and immigration and lower mortality) and negative (with lower fertility and immigration and higher mortality) population levels in terms of how the EU population could evolve. Unless otherwise stated, the figures referred to in this report concern the baseline scenario.

ching policy implications (See Section 3.2, Population, households and families, Section 3.3, Ageing of the population and Section 4, Statistical Annex).

- **the size of the youngest cohorts (age group 0-14)**, which now accounts for 17% of the total EU population, will depend over the coming years on the evolution of fertility levels. The baseline scenario shows that, over the next 15 years, this age group will experience a decrease of 8% in the number of people within this age group, reducing the share to 15% of the total population in 2015. Only one Member State will experience a moderate increase in the proportion of people within this age group: Portugal (16.8% in 2000, 17.2% in 2015). In the remaining EU Member States this age group will decrease, but to differing degrees.

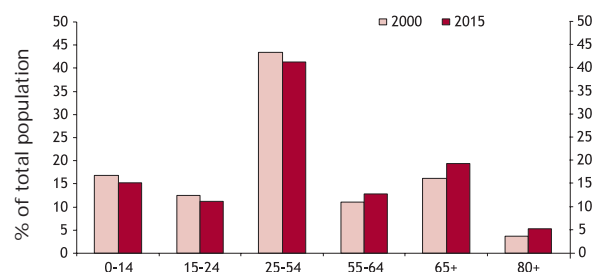
- **the decline of the age group 15-24** will continue at a faster pace, as a consequence of the drop in fertility over the last two decades. The EU-average decrease in the number of people aged 15-24 will be more than 7% over the period 2000-2015 (from a share of 12.4% to 11.2% of the total EU population), but the decrease will be more significant in the Southern Member States, especially in Spain and Greece (decrease of more than 25%).

- **the main group (25-54) of the working age population** shows small changes over the next 15 years, with an EU-average decrease of around 2.5% (from a proportion of people within this age group of 43.4% in 2000 to 41.3% in 2015), and a low level of regional variation. However, the significant changes for this age group will come in the years after 2020, with a decrease of 20% compared to the current level by about the year 2045.

- **the age group 55-64** will experience a very significant change, with an increase of nearly 20% in the number of people within this age group over the next 15 years (changing from a current proportion of 11% of the total EU population to 12.8% in 2015). This age group should reach a peak around the year 2025 for the EU (with a share of 14.8% and a 38% increase in relation to today's level) due to the arrival of the main baby boom cohorts. Considering national differences, it should be noted that over the next 15 years the increase of this age group will be more than 35% in France, Ireland, Luxembourg, Belgium, Finland and Netherlands. The increase will remain below 10% only in Italy and Germany –but the increase will occur quickly for these countries in the following years.

- **the group of people age 65 years old and over** will be increasing at a slower pace over the next 10 years due to the drop in fertility during the Second World War. After that, the increase will be progressively quicker, with a growth of more than 22% in 2015, in relation to today's level (from a current share of 16.1%

Graph 4 Share of each age group in the total EU population



Source: Eurostat - (2000- based) baseline scenario

of the total EU population to 19.4%). The maximum increase, brought about by the ageing baby boomers, will occur during 2020-2040, then the increase will be smaller and even negative a few years before 2050. Analysing the change by Member State over the next 15 years, the increase of the 65+ age group will be about one third in Ireland, Luxembourg, Netherlands and Finland, but it will remain below 20% in Spain, Belgium, UK and Portugal.

- **among elderly people, the increase of those aged 80 and over will be much faster** during the next 15 years, with a growth of the population within this age group of 48% in relation to present levels (from a share of 3.7% to 5.3% in 2015). Then the pace of growth will remain more stable until the arrival of the baby boomers. Looking at the next 15 years, the increase of the aged 80+ will be as high as 70% in Greece, and below 10% in Denmark and Sweden only.

Implications of ageing for...

• The labour market:

The progressive ageing of "baby boom" generations will initially cause an increasing ageing of the workforce, then a drop in the size of the working age population when "baby boomers" exit it. In a context of economic growth, it may provoke a shortage of workers if labour participation rates are not increased or if productivity does not grow at an adequate pace. This shortage may have negative consequences for the competitiveness of EU economies and the sustainability of pension systems (worker=contributor). Therefore, to reach higher employment levels over the next years (particularly within the context of reaching the 70 % employment rate by 2010 targeted at the Lisbon summit) will not be possible without involving older workers. A clear reversal of the past trend towards earlier retirement is underway, and improving the labour

participation rate of the people aged 50-64 will become a first rank priority. This will require a very large shift towards different programs aimed at maintaining the employability of ageing workers, in terms of vocational training and adapting to fast technological change. At policy level, the traditional regulations facilitating an early retirement will have to be reconsidered, and incentives should be organised to facilitate a later and a more flexible withdrawal from the labour market—maybe under the form of progressive retirement. Considering that age is not by itself acting as a handicap, more flexible forms of retirement would also be a way to cope with individual preferences. Therefore, new ways to organise the transition from work to non-work will be essential, but the opposite transition (from non-work to work) should also be reorganised to increase the employment levels among older workers.

• Pension systems:

The progressive increase in the number of pensioners when "baby boomers" enter retirement may have consequences for the financial sustainability of pension systems in several Member States. It must be noted that in order to maintain the ratio between retired people and employed people at its present level, employment should increase at the same speed as the number of retirees. For the next ten years, the growth of the retired population appears to be similar to the Lisbon target of employment growth (around 1.2 % p.a.). However, for the years between 2010 and 2030, a growth of employment at the same speed as the number of retired seems to be very challenging considering historical trends in job creation and even more so if we consider the declining size of the working age population: it would mean an employment rate of the 15-64 age group above 83 %, which is more than 6 points beyond current maximum employment levels within EU Member States (Denmark: 76.5% in 1999). Therefore, increasing the effective retirement age, increasing productivity, reconsidering the immigration policies and reforming pensions systems will have to complement measures to promote employment growth in the framework of an overall strategy for coping with the impact of demographic change on the financial sustainability of pension systems. Of course, the measures implemented will differ between countries, given the different impact of ageing and the very diverse characteristics of the national pension systems.

• Health care systems:

The ageing process has also led to some concern about the future burden of providing health services to an

increasing number of older people, as health problems –and levels of disability⁶– increase with age. But some evidence shows that, although the number of older people will increase substantially, there will be accompanying improvements in health status. Therefore the overall demand for health expenditure should increase at a slower pace than demographic ageing. Clear decreases in mortality are leading to growing life expectations, but declines in morbidity are more difficult to measure, and evidence is incomplete. If the trend in disability is a good indicator of the underlying trend in morbidity, then the results of longitudinal studies in the US show disability levels in older populations decreasing by 1.3% p.a. This rate of reduction in disability levels, if duplicated across the European Union for the next 25 years, would counteract the impact of demographic trends, and lead to a small - if any - increase in the total number of older people with disabilities⁷.

However, ageing will also increase the demand in areas that often fall outside the responsibilities of the health systems (nursing, social care, long term care). It appears that de-institutionalisation, with increased recourse to community based care, which is generally less expensive than institutional care (except for patients whose condition is unstable and who need frequent hospital admission), could play a larger role than disability trends in terms of public finances⁸.

Demography is therefore not the only issue: other factors could create increasing pressures on health costs such as the rising expectations of people in relation to care coupled with the opportunities that new technologies and preventive approaches offer. This implies that some of the major obstacles in developing appropriate health services will be technical and managerial rather than financial. In order to cope with the impact of ageing, reorganisation of the health care systems could therefore be necessary in all the EU Member States.

• The (im)migration policies

The consequences of an ageing population on the labour market, the pension system and the health care systems will have ineluctable consequences on the way in which migration is considered by public policies. Immigration will be a key element in a global labour market strategy, with important implications for the financing of pensions and in the reform of health care systems. Three examples can illustrate this point:

- several EU Member States are adapting their migratory policies to cope with specific deficits in labour

⁶ The number of people in the European Union directly affected by some form of disability is estimated at around 10% of the total population, amounting to approximately 37 million people, but the percentage of those being hampered, all levels combined, increases logically with age: More than 40% of the severely hampered are aged 55 and over. People with disabilities do not constitute a homogenous group: Types of disabilities include mobility/agility, mental/cognitive, hearing, speaking and visual impairments. The European Community Household Panel (ECHP 1996) gives more data about current disability trends: A slightly higher proportion of women (9.8%) compared to men (8.5%), reports being hampered to some extent. This excess of disability observed for female at EU level can be found at the country level in most cases. As shown for the different EU Member States, differences between men and women are larger for the moderate levels of disability than for severe levels.

⁷ "Scientific and prospective evaluation of health costs and health needs arising from the ageing of the population" (2000) - Tom Bowen Associates, in association with Medical Advisors and the Centre for Health Planning and Management, Keele University.

⁸ Jacobzone, Cambois and Robine (2000) "Is the health of older persons in OECD countries improving fast enough to compensate for population ageing?" In: OECD Economic studies 30, p. 149-190.

market supply, e.g. Germany is delivering green cards to high tech engineers from India;

- the UN report "Replacement migration: is it a solution to declining and ageing populations?" points out that ageing will increase during the next decades in all developed countries to such a level that migration will not be sufficient to counteract the growth of dependency ratios, although it may help to slow down the ageing trend;
- the impact of ageing on the health care system, with clear effects on the increasing demand of care for older people and on the decreasing supply of family carers and health care staff, is emphasising the role of migrants in meeting the shortages which are already occurring.

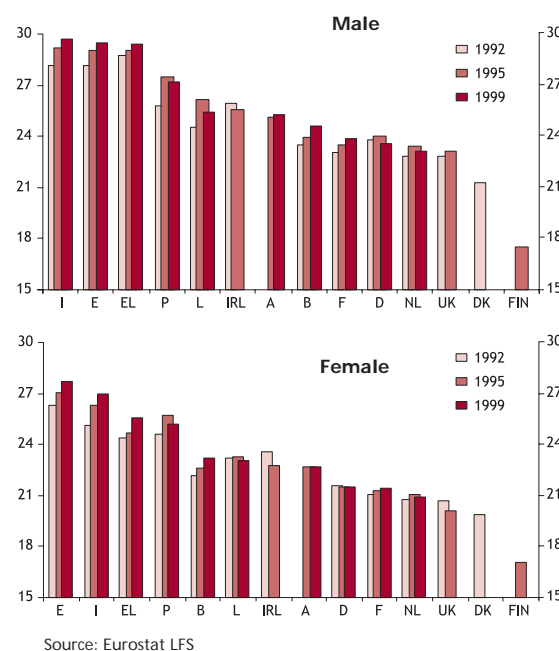
2.1.2 Current trends in household and family structure

The average household size has decreased in the last decades: in 1999 the average size was 2.4 persons per household at EU level, with national figures ranging from 2.1 to 3.1, compared to 2.8 in 1981 (See Section 4, Statistical Annex). The increasing number of elderly people, the declining fertility, and the growth in divorce rates are the main factors lying behind this trend, resulting in more one-person and one-parent households and a reduction of families with 2 or more dependent children. For instance, almost 12% of the EU population was living alone in 1999 compared to nearly 10% in 1988 and only 8% in 1981. Projections show that the share of people living alone will increase to 13% in 2010 due to ageing only, and as high as 17 % if we consider a scenario with growing "individualisation" patterns.

Given that the distribution of the population by household type is determined by age and by the position in the life cycle, the following are some relevant facts to consider (See Section 3.2, Population, households and families):

- **more dependent children living in one-parent households:** close to 90 % of the population aged 0-24 is living at the parental home. If we consider only dependent children (i.e. all children aged 0-15 plus all those persons aged under 25 who are economically inactive and who are living with at least one of their parents) we find an increasing share living in lone-parent families: 8% in 1983 increasing to 13% in 1998. These shares remain below 8% in the four southern Member States, with moderate increases. They range from 11 to 14% in Austria, Ireland, France, Germany and Belgium. The UK shows an exceptionally high figure of 25%, which has more than doubled between 1983 and 1998.
- **young people are leaving their parental home later...:** The age at which the young generation leaves

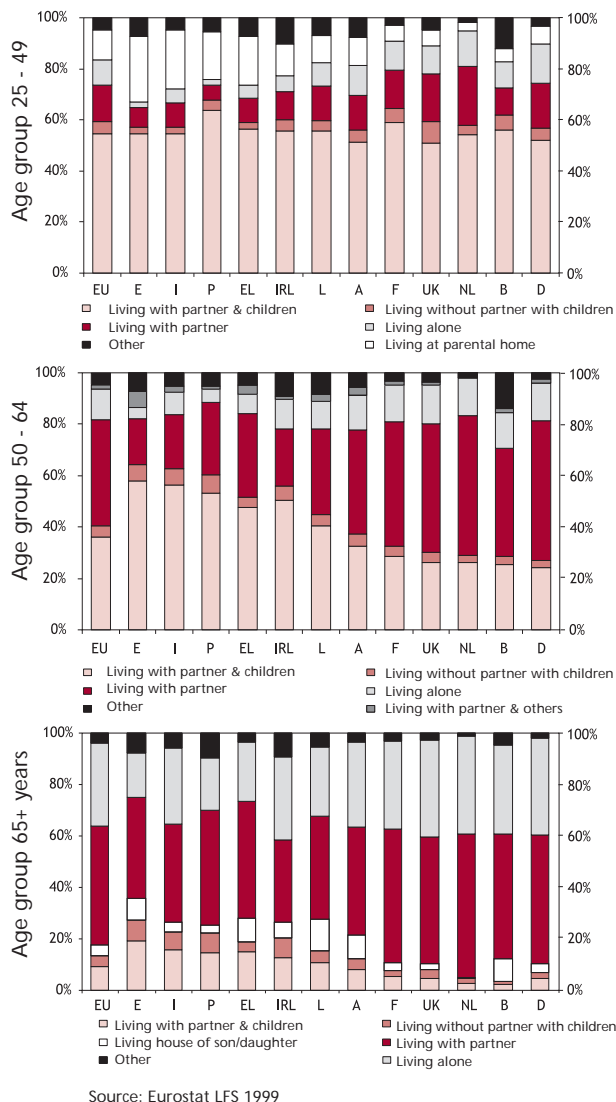
Graph 5 Youngest age at which 50% of young people are not living with their parents



their parents' home has been increasing very significantly over the last years, with changes lying between 1.3 and 1.9 years in Italy and Spain for males and females between 1992 and 1999, followed by Greece, Portugal, Belgium and France. In other Member States the figures have remained quite stable.

- **...and large differences between the North and the South of the Union still remain...:** The age at which half of the young have left their parents' home lies below 18 years old in Finland, followed by Denmark, United Kingdom and the Netherlands, and above 29 years for males and above 25 for females in Italy, Spain and Greece, followed by Portugal, Luxembourg and Ireland.
- **...with clear effects on the household composition of the mid-age group (25-49):** Moving from the south to the north of the EU, we find less people "living at the parental home" and more people "living alone". The former is about 20% in Mediterranean Member States but less than 5% in Netherlands. The latter constitute less than 7% in the four southern Member States and Ireland, and more than 10% in all other Member States.
- **the North-South differential is even more clear in the age group 50-64...:** The household composition of this age group confirms very clearly the features of the younger cohorts, in particular the differences of the timing in leaving the parental home: in the southern Member States and Ireland, about half or more of the people live "with partner and children", whilst in all

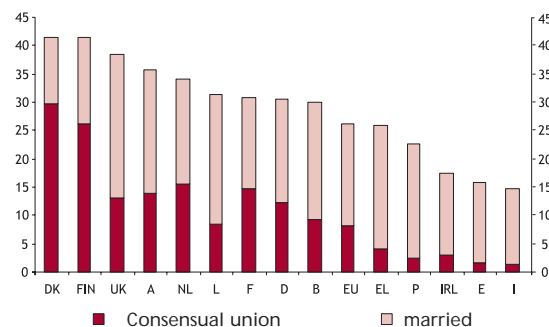
Graph 6 Population per household position and age group - 1999



other Member States the category includes only between a quarter and a third of the population.

- **...and for people aged 65 and over:** At this later stage of the life cycle, differences still appear between northern and southern Member States. Going from north to south, a clear declining share of "living alone" can be seen, as well as a growing share of elderly people living with partner and/or children. However, a difference appears within the southern Member States in the share of elderly people living in a son's or daughter's home, with Spain and Greece having more "elderly-oriented" extended families than Italy or Portugal.

Graph 7 Percentage of people aged 16-29 years old who are married or living in consensual union



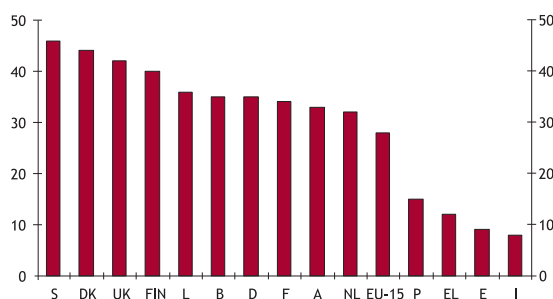
What are the behavioural patterns that lie behind the household characteristics?

The share of the different household and family types by age within the 15 Member States is due to the difference in importance of certain behaviours like married and unmarried cohabitation, divorcing or fertility (See Section 3.2, Population, households and families). Noticeably, all these aspects of behaviour are very different between Northern and Southern Member States (See Section 4, Statistical Annex).

- **less and later marriages, more unmarried cohabitation:** The household structure among young people, is affected by the incidence of marriage and cohabitation. At EU level, marriage is becoming less common (5.1 marriages per 1000 population in 1999, compared with 6.3 in 1980 and 7.9 in 1960) while the number of consensual unions is increasing: 8% of all couples are living in an unmarried cohabitation, and 31% are doing so when considering the 16-29 age group only (1996 data). In this age group, large differences appear between northern and southern Member States in the shares of young people living in a couple (more than 40% in Denmark and Finland, around 15% only in Spain and Italy) and in the proportion of consensual unions among couples (Italy and Spain show shares below 10%, and Nordic countries above 60%). These behaviours are correlated with the median age of leaving the parental home. It means that, in the Member States where people leave the parental home at a younger age, it is more probable that they start a consensual union rather than marry. However, in the Southern Member States where young people stay longer at the parental home, if they leave it, it is more probable that they get married.
- **growing number of divorces:** While fewer people are marrying, divorce is more common. Considering the EU average, 14% of marriages in 1960 were dissolved by divorce by 1998, and the corresponding

figure is already 28% for the 1980 marriages. For this same 1980 marriage cohort, a remarkable divide appears between the four Southern Member States and all the other Member States. This data and the fact that the rate of dissolution of consensual unions (more common in northern Member States) is generally much greater compared to that of marriages, especially for the younger age groups (as shown by data from Fertility and Family Survey⁹), partly explain the differences existing in the share of one-parent household and one-person households among the 15 Member States.

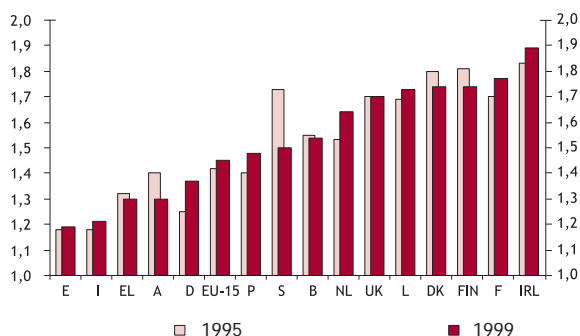
Graph 8 Proportion (%) of marriages dissolved by divorce in the 1980 marriage cohort



Source: Eurostat - Demographic Statistics

- fertility differences among Member States...** The total fertility rate (TFR) is below the replacement level of the generations (considered to be 2.1 children per woman) in all the Member States, but it continues to vary considerably between countries, with Italy and Spain around 1.2 in 1999, and 6 Member States above 1.7 children/woman. It should be pointed out that the average TFR, after the sharp decline from the mid-60s to the mid-80s, and the globally stable low levels slightly below 1.45 of the mid-90s, has been slightly increasing again in 1998 and 1999, reaching again the 1.45 level. Comparing the situation in 1995 and 1999, 9 out of the 15 Member States have increased their fertility.

Graph 9 Total fertility rate, 1995 - 1999



Source: Eurostat - Demographic Statistics

Fertility, female labour participation and caring activities

The extent to which fertility is related to female participation in the labour market remains a difficult question to answer, with data supporting different theories.

On the one hand, the Member States with higher female activity rates are generally those that currently have higher fertility levels (with the exception of Ireland, with the highest fertility but not high female labour participation), while the Southern Member States are characterised by both lower fertility and lower participation rates.

On the other hand, the trend towards increasing female labour participation observed during the last decades has coincided, for the EU on average, with the tendency of a decreasing number of dependent children. Although the situation is not strictly the same in each Member State, data at EU level show that there is a clear relationship between the number of dependent children and the mother's participation in the labour market. Considering women aged 25-34 and the number of children aged 0-9, data shows that for the EU every additional child not only reduces the global activity rate, but it is also related to part time employment as opposed to full time (see graph below corresponding to EU 1999 data). An example: Women with no dependent children constitute half of the female population aged 25-34 years old, but 2/3 of the full-time employment in this age group.

The other three graphs corresponding to the Netherlands, Italy and Portugal show that this clear common link between the number of dependent children and activity rates presents specific trends in each Member State: for instance, in the Netherlands, where the 25-34 female activity rate is higher than the EU-15 average, women with dependent children mainly substitute full-time work by part-time work. This pattern of high part-time work and higher participation levels is also a specificity of northern Member States. Italy presents the opposite situation: each additional dependent child reduces the participation rate of 25-34 women more than the EU-average, but women who still remain in the labour market, work mainly full-time, because part-time jobs are not common. The same is true for Portugal, where the share of females working part-time is even lower, but unlike Italy, labour market participation levels of Portuguese women aged 25-34 is very high. Another specificity of this country is that the two first dependent children hardly reduce the (full-time) participation rate. It is mainly after the third child when the participation level of the Portuguese women decreases significantly (but still less than EU average).

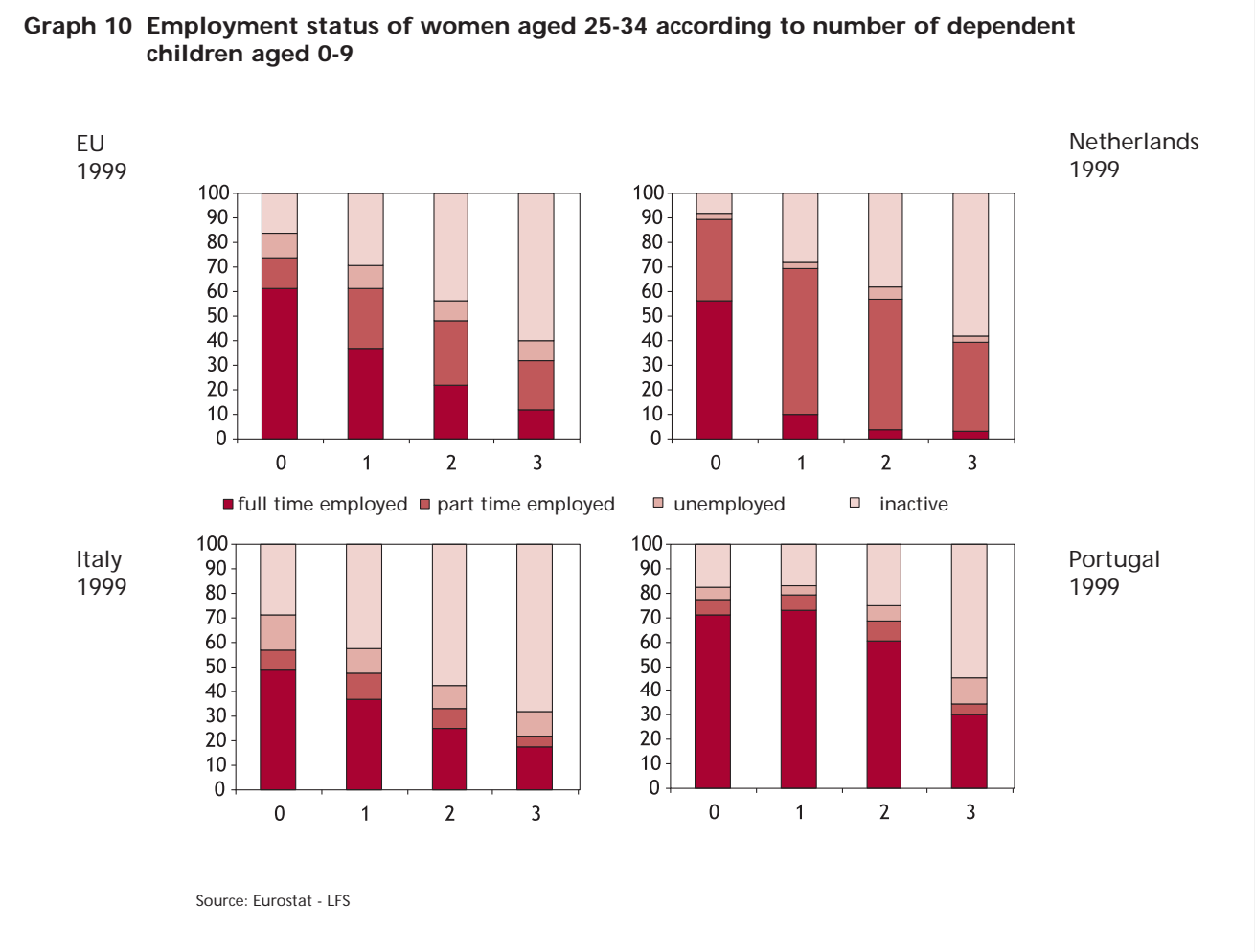
The difficulty in reconciling work and family life is demonstrated to some extent when considering the

⁹ See Pinelli, A. (2000) "Les déterminants de la fécondité en Europe: nouvelles formes de famille, caractéristiques contextuelles et individuelles", Conseil de l'Europe.

time spent looking after children (without pay), which is mainly carried out by females (80%). 1996 ECHP data shows that 31 % of women (aged 16+) do look after children daily, compared to only 16% of men, at EU level. Looking after persons other than children (without pay) involves only 4% of males, compared with 8% of females, with females providing 70% of the total caring time. Considering national differences in the female share of the total time spent looking after others (without pay), data show that in relation to children, northern Member States are closer to gender parity, whilst southern countries and also Austria have a longer way to go.

These data can be one possible explanation of the national differences in fertility, given the fact that fertility levels are low (below replacement level) in all parts of the EU but particularly low in the Southern European countries. The annual seminar of the European

Observatory on Family Matters tried to identify the determinants of these patterns and the possible link of birth rates to public policies. The life course perspectives of women in terms of combining employment with child rearing seem to be less satisfactory in the South thus leading to delayed family formation and lower fertility. In terms of policies a goal could be to create conditions that enable couples to meet their still unmet desire for children. Compatibility between family and labour market participation is improved, and fertility is higher, in the Member States where: the caring activities are better shared between men and women, public caring infrastructures are more developed, part-time jobs are more available, legislation is more family-friendly and more female-friendly. In the Member States where the situation is the opposite and where looking after children or other persons depends more on family (mainly female) support, fertility or labour participation of women appears to be more of a trade-off ¹⁰.



¹⁰ Concerning the relationship between family life and working life, see the document: "Follow-up to the Beijing platform for action on the relationship between family life and working life. Presidency Report" (Council of the European Union, 2000). More information about this subject can be found in the annual reports: Employment in Europe 2000, Industrial relations in Europe 2000, and Equal opportunities for women and men in the European Union, 1999.

2.1.3 Main trends in migratory flows

Migration is an important factor in shaping the size, age structure, household composition and other characteristics of the population in a given territory. This section analyses the consequences of different types of migratory flows with special focus on internal migratory flows within the EU Member States, and on positive net migration between the Union and non-EU countries.

Internal migratory patterns within the EU Member States: short-distance moves increase, long-distance moves decrease

The internal migratory patterns observed during the last decades, which are very different to those in the 1950s and the 1960s, are basically characterised by two opposite dynamics: there has been a growth of the short-distance (suburban) moves combined with a reduction in moves of longer distance¹¹. In the past, the economic transition from agriculture to manufacturing moved people from the countryside to the cities. Currently this trend towards "urbanisation" is still apparent in applicant countries and rather remote rural areas within the EU. However, this type of move is not currently the most significant in the EU Member States: with the transition to a service and information economy, rural-to-urban flows have been replaced by flows coming from big city centres towards their metropolitan areas ("sub-urbanisation") or towards more distant small and medium-sized cities and rural areas with medium density and with good communications with big city centres ("counter-urbanisation"). The following are some consequences of these dynamics.

- **large cities have lost a part of their population** whilst mid-sized settlements (small cities, suburban municipalities) are growing. Meanwhile, remote and low-density rural zones continue to lose population, as well as old industrial or mining cities. However, the areas mainly devoted to service activities (for example those specialised in tourist activities) or new technologies attract immigration.
- **...but these geographical migratory patterns are different depending on age and life course:** Suburbanisation and counter-urbanisation processes are mainly caused by family migration, i.e. moves made by adults (aged around 30-44 years old) with their children (mainly under 14), looking for a better environment or a more affordable dwelling or for work reasons.

- **there is also a tendency to leave large cities after reaching retirement age ...:** A flow coming from large cities towards either the regions of origin or some kind of "sunbelt" (coastal areas, for instance Mediterranean coast) in search of a better quality of life can be observed for people aged between about 55-70).

- **...but young people are more attracted by large cities,** as the youth (aged around 15-29 years old) are looking for educational institutions (tertiary education), job opportunities, leisure activities, etc.. Among young people, study reasons involves mostly the 15-19 age group, and the search for jobs involves more the 20-29 age group. Both motives result in positive net migration of young people in the urban areas and/or in the most economically dynamic regions.

- **...and the same is true for the "very old" people:** a certain positive net migration towards the cities is made by the elderly/dependent people (aged 70 years old and over) who are looking for health/caring institutions or family care.

Interregional moves could accentuate territorial inequalities at regional and local level: Certain areas characterised by both an emigration of young and an immigration of elderly people may face a significant distortion of their age pyramid, possibly resulting in a cumulative decline in economic dynamism. More urbanised regions also tend to remain younger. These global trends in mobility, developing together with the global ageing of the population, will need to be reflected in the development of caring facilities.

- **The future of the internal migrations:** With the development of communication technologies and of transport possibilities, migration patterns will surely continue to change. The impact of commuting and teleworking on the future evolution of migrations is not easy to foresee, but current trends show that new and more flexible forms of temporary or intermittent migration are becoming increasingly attractive, especially for highly skilled workers. The overall internal migration levels and patterns could also be affected by population ageing (implying changes in the age structure of the Member States) as migratory patterns are very different in each age group.

Migratory flows between the EU Member States have been lower in the 1990s than they were several decades earlier, for instance, in the 1960s, when labour migration from southern European countries to the more

¹¹ Several examples of these dynamics in Europe can be found in the study financed by the Council of Europe and DG Employment and Social Affairs: P.Rees, M. Kupiszewski (dir.) "International migration and regional population dynamics in Europe", 1998, which covers five Member States (Germany, Italy, the Netherlands, Portugal, United Kingdom), four applicant countries (Czech Republic, Estonia, Poland and Romania) and Norway. This study points out that, while international (extra-EU) migration has recently increased during the 1990s, there has been a light decrease of internal migration during that decade, with very few exceptions. The increase of commuting in the western countries and the economic crisis in the old communist countries could be the reasons for that. But this decrease in internal moves should be handled with caution, as usually data on internal migrations has certain limitations owing to the fact that the figures presented do not take into account some types of internal moves which are not officially registered (for instance, there are people that work and live temporarily in different places in the same year, but they are only registered in one place and therefore their moves are not registered). In general, the quality of data on internal migration should be improved in nearly all the countries.

developed northern Member States reached a peak. This has occurred despite the intensified trade and financial links between countries (as a result of European integration, but also of 'globalisation') and the removal of obstacles to the mobility of Member States nationals within the EU (e.g. co-ordination of social security schemes when moving within the EU). As a consequence the non-national population living in the EU Member States is changing, with a decreasing share of EU citizens living in other Member States compared with a growing share of non-EU nationals.

Increasing levels of net migration in the European Union

Considering the long-term trend, the global net migration (total inflow minus total outflow) appears to be globally increasing again in the European Union (See Section, 3.4, Migration and asylum). This trend is illustrated by the following data:

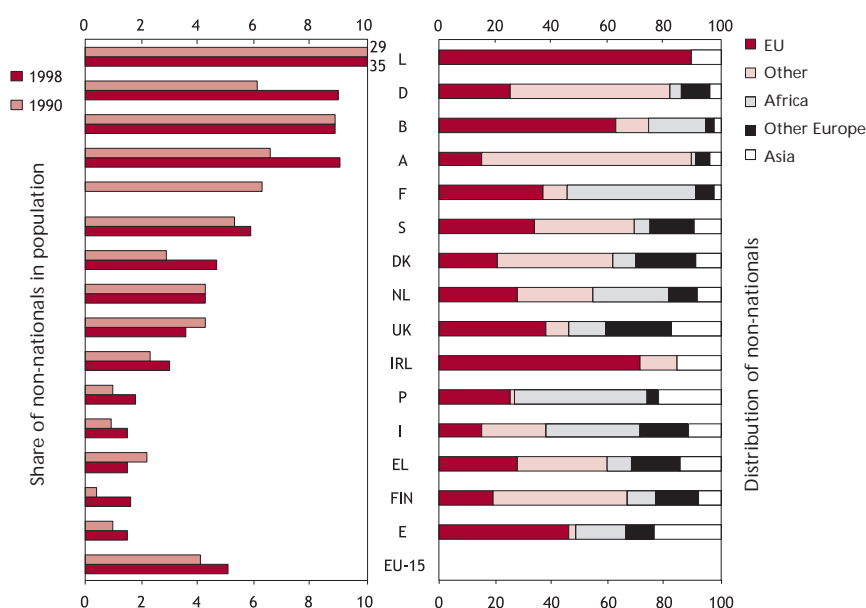
- **A higher level of net migration in 1999:** After two years of relatively low net flows, around 0.5 million each year, the estimate for 1999 is above 700,000 net migrants again. Among the Member States, Germany accounts for over a quarter of the Union's total net migration in 1999. The UK was responsible for a second quarter and Italy for nearly a fifth of the EU migratory growth, followed by France, Netherlands and Spain. Globally, the net migration rate is estimated to be close to 2 % in 1999, compared with 3 % for the US, 6 % for Canada, and close to 0 % for Japan.

- **increasing share of non-nationals in the EU Member States...:** In 1998, 19 million non-nationals (including both EU and non-EU citizens) were living in the 15 Member States. This represents 5.1% of the total EU population, compared to 4.1% in 1990. Germany (7.3 million), France (3.6 million) and the United Kingdom (2.1 million) have most of the non-national population¹².

- **...with unequal relative size among the Member States...:** With the exception of Luxembourg (where the non-national population represents more than one third of the total population) the three Member States showing the highest shares of non-nationals (around 9%) are Belgium, Austria and Germany. At the other end of the scale, Portugal, Spain, Greece and Finland show the lowest shares of non-nationals in their population: below 2% (See Section 4, Statistical Annex).

- **...and different shares of non-nationals from within the EU...:** The distribution of non-nationals by citizenship varies considerably between Member States. In 1998, 6 million EU nationals lived in Member States other than their own (i.e. 31% of the total non-national population), with a very unequal distribution among Member States: the largest number were in Germany with over 1.8 million and France with over 1.3 million. In relative terms, the share of EU-nationals was close to or above half of the total non-national population only in Luxembourg (89%), Ireland (71%), Belgium (63%) and Spain (46%).

Graph 11 Population by citizenship, 1998 or last data available



Source: Eurostat - Demographic Statistics / Council of Europe - Current trends in International Migration in Europe

¹² More detailed information about international migration towards the European Union can be found in the Eurostat publication "Patterns and trends in international migration in Western Europe. 2000 Edition".

- **...and non-EU nationals:** In 1998, 13 million non-EU citizens lived in the 15 Member States. Nationals from Central and Eastern Europe (including those from Turkey and former USSR), totalling 5.8 million, represent significant numbers in the Member States along the eastern border of the Union, especially in Germany (4 million). People from ex-Yugoslavia are a significant proportion of these, and 70% of them live in Germany. Three quarters of the 2.7 million people from Turkey live in Germany. On the other hand, more than half of the 3.1 million citizens from African countries registered in the Union live in France.
- **Non-EU nationals mainly live in urban areas:** Migratory patterns of the international migrants coming from outside the Union are different from those of local populations. Estimates show that immigrants from non-EU countries mainly move to the cities, a fact that tends to mask the more general trend towards urban de-concentration. For instance, they represent above 15 % of the total population in five cities: Munich, Frankfurt, Stuttgart, Vienna and Brussels. As a final example, the proportion of immigrants in the total population was almost 15% in the Paris conurbation compared to less than 3% in the rural areas and 5.6% in urban areas with less than 20,000 inhabitants (1990 French Census).

There is a "brain drain" of highly-qualified people from the EU towards the USA: More and more EU citizens are obtaining their doctorates in the USA: their number practically doubled in the 1990s, reaching a share of 3.5% of total PhD in science and engineering awarded in the USA. Almost half of the Europeans who obtained their doctorate in science and technology wished to continue their professional activities in the USA. But the USA are not only attracting EU PhD students. During the 1990s, there was an increase in the number of highly qualified Europeans employed in the USA in science and engineering activities. Most of these were relatively young with a scientific background (mainly engineers and computer scientists) and with a very high level of education (half of them were doctors or masters) and they were working mainly in the private sector and the education & research sector.

Source: Science technology and innovation – Key Figures 2000 – European Commission: DG Research and Eurostat.

2.2 Living conditions

This chapter focuses on developments in living conditions. Objective information is supported by subjective data relating to citizens' perceptions of living conditions.

According to the Eurobarometer survey (EB 53-2000) 77% of EU citizens declare themselves satisfied with their life in general. Men (78%) are more satisfied than women (76%) and young people (81%) more than older people (74%).

Citizens rank health, income, family life and housing as the main determinants of their quality of life.

- **Health:** 83% of Europeans are satisfied with their state of health. Life expectancy is higher for women (81 years) than for men (75 years) but men are more satisfied with their health than women and the difference increases with age. Health status is related to factors such as income (people in the highest income group more often report good health than people in the lowest one), education (higher educated people report better health than lower educated people) and employment (employed are more healthy than unemployed, working conditions affect health).
- **Income:** Section 2.3 deals extensively with this factor. 67% of EU citizens are satisfied with their financial situation.
- **Family life** or more precisely "having family members who are there when I need them" was viewed as another important factor contributing to the quality of life. The time that can be devoted to family life is largely determined by working time, which has been decreasing in agriculture and industry but not in the services. Working time is longer for older workers in industry and for young people in the services. A majority of workers give priority to working time in relation to other time but wish to have more free time to devote to the family, to social activities and to leisure.
- **Housing** was the fourth ingredient in living conditions considered important to the quality of life of Europeans. Some data on housing are presented in the Statistical Annex, but it is not analysed in detail in this year report.
- From an analytical point of view **education, safety, and the access to information technologies** are also constituent elements of life quality.
- **Education** and training impact crucially on the quality of life in a knowledge based society. Both reduce the risk of unemployment and improve social participation. Progress in education levels achieved has risen remarkably in the EU over the last decades: 74% of the young generation (25-29 years) have completed at least upper secondary education. The corresponding figure for the older generation (50-64 years) is just under 50%. Significant progress has also been made in gender equality: in most Member States, young women are now slightly better educated than young men. In the age group 25-34 years, 25% of women versus 23% of men have completed tertiary level education. The corresponding figures for the age group 50-59 years are 13% and 21% respectively. Family background is still a major determinant of the level of education individuals achieve, but in some member States the education system appears to be able to modify the impact of this factor.
- **Safety** is considered in terms of how it influences the quality of life. The sources of insecurity are many. Here we take a look at crime, traffic accidents and domestic violence. In reported crime, there is a decrease in homicides and in burglaries but an increase in aggressions and car thefts. The dangers one is exposed to in traffic is another factor of insecurity. In 1998 the number of violent crimes (1.38 million) recorded was lower than the recorded number of traffic casualties (1.7 million). Yet, despite the significant increase in traffic the number of fatal road accidents have been in constant decline during the 90's. Domestic violence is a widespread phenomenon affecting all social groups and cultures in all Member States. As it is no longer condoned or to the same degree suppressed recorded incidences are rising.
- **Crime related fears and insecurity feelings.** It is highly debated whether crime can be reduced considerably. A closer look reveals that the goal of community crime prevention is much less the reduction of crime than the reduction of "fear of crime". This separation results from splitting of one social problem, namely crime-related fear, into two problems: crime and fear. Fear of crime is observable even where crime is of minor importance or where crime rates are declining. Nevertheless, it has become a salient issue of criminal policy and community governance at the same time.

Most Europeans have a positive attitude towards new information and communication technologies and call on public authorities to secure access to these new technologies for everyone.

Graph 12 Percentage of population satisfied with their life in general (aged 16 and over)



2.2.1 Life in general

In 2000, 77% of the Europeans declared themselves as satisfied with their life in general and out of those, 17% declared themselves to be very satisfied. However, there are substantial national differences in life satisfaction, among the EU Member States. People in Denmark have the highest satisfaction levels (95%) in the Union, whereas Portugal (63%) and Greece (59%) have the lowest rates of satisfaction.

Overall, men appear to be slightly more satisfied (78%) than women (76%). Life satisfaction is also influenced by age. Young people are more satisfied (81%) than people older than 55 (74%). This variation could be partly explained by the gradual deterioration of the health status with age.

Since 1973, Eurobarometer has been regularly questioning Europeans on their level of satisfaction in general (see Statistical Annex). The analysis of the results reveals some interesting dimensions.

The degree of satisfaction in relation to life in general seems to be connected with cultural factors. Two main groups can be identified:

- The Nordic countries (Denmark, Finland, Sweden) with The Netherlands and Luxembourg show very high satisfaction levels (above 89% satisfied people) which remain relatively constant. Denmark has the highest level.
- The Southern EU (Greece, Portugal, Spain, Italy and France) show lower satisfaction levels. The lowest level is found in Greece. The other countries are located between these two extremes.

Statistics show important variations from one year to another (especially in the countries having a low satisfaction level) that economic factors alone cannot explain.

Certain countries show remarkable stability (Denmark, the Netherlands, the United Kingdom). Others show a slow upward trend (France, and to a greater extent Italy). Finally other countries, show a downward trend (Germany and Belgium).

(See also Section 4: statistical Annex II)

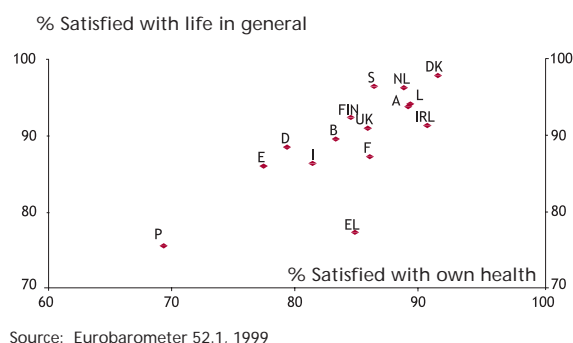
2.2.2 Health conditions and their determinants

(see also Section 3 Statistical portraits 19 and 20, and Section 4 Statistical Annex II)

European citizens consider good health as the principal factor contributing to their quality of life. Moreover, the vast majority (over 80 %, even in very old age) of them are satisfied with the state of their health. (Eurobarometer survey n° 52.1 – 1999). Only four countries (Portugal, Spain, Germany and Italy) are below the European average (83% of satisfied people).

This widespread satisfaction is understandable when one looks at the objective data. A large number of epidemiological and socio-economic studies have shown that life expectancy and health in general have been constantly improving over the last half of the century. The eradication of chronic disease, improvements in life style, housing, education, and economic growth are the main determinants of good health. Almost 87% of the EU population aged 16 to 64, is not hampered in daily life due to health problems. Among the remaining 13%, 4% reports being severely hampered and 9% being hampered to some extent. This average yields disparities between countries: only 79% of the Finnish population is not hampered, while this percentage reaches 93% in Italy.

Graph 13 Satisfaction with own health vs satisfaction with life in general

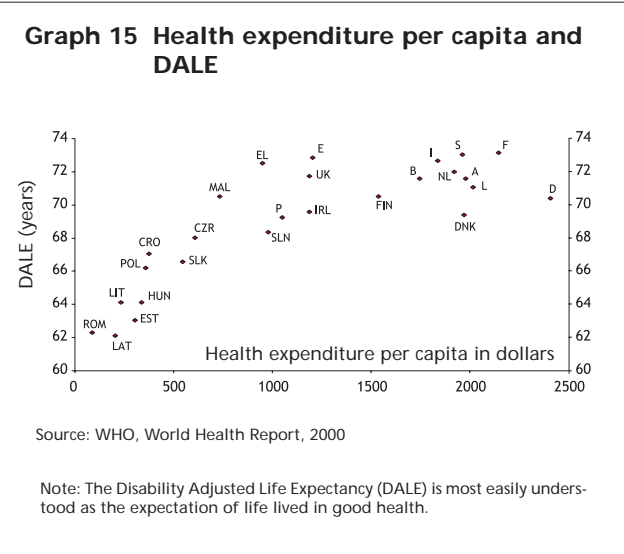
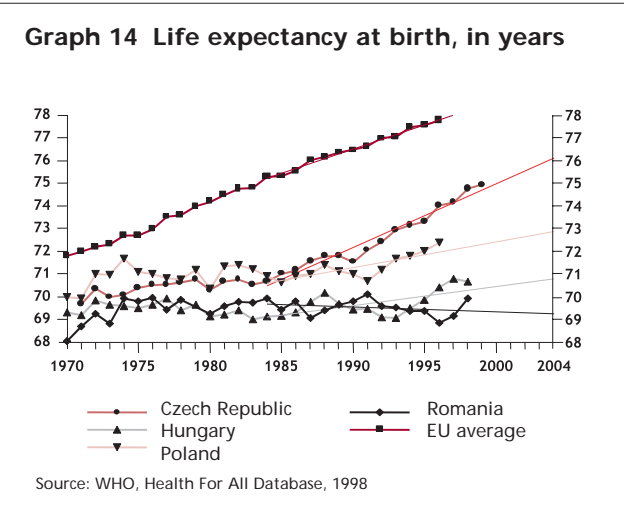


Despite the fact that state of health is considered by Europeans as the main factor contributing to their quality of life, Europeans are more satisfied with their life in general rather than with their own health, with the exception of Greece.

It should also be noted that the EU Citizens live a longer and a healthier life in comparison to other countries of the greater European Region.

Life expectancy in some of the applicant countries

Comparing the EU average for life expectancy with that of the applicant countries reveals considerable differences which in some cases are still increasing. After a period of stagnation, the health situation in the Czech Republic, Poland and Hungary is improving but at different rates. The unfavourable socio-economic trends during the transition process, in conjunction with social unrest, poverty and migration seem to have had a negative impact on health in the first years of the transition process in Hungary and, to a lesser extent, in Poland. This does not seem to be the case for the Czech Republic. It is also worth mentioning that while there is no obvious link between Government spending on health and the state of health of individuals in the more prosperous EU countries, there is an obvious link for the relatively poorer enlargement countries.



Gender Differences

Throughout the Union, life expectancy is higher for women than for men ... In 1999, the average life expectancy at EU level was 81 years for women and 75 years for men.

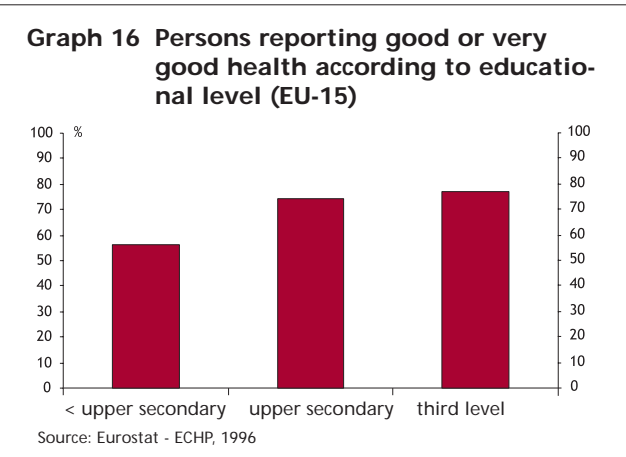
but men report more often good health than women and the difference increases with age In all countries, except Finland, the proportion of men reporting good health (68% on EU average) is higher than for women (61%). The largest gaps are found in Portugal (12%) and in Italy (10%). This constant difference between men and women suggests that although women live longer than men, the quality of life in these extra years may be lower.

Income effects on health

There is also statistical evidence (ECHP 1996) of a definite link between income level and the health situation. A poorer state of health is correlated with the lowest income groups (see Section 2, chapter 3 for more details). This situation is confirmed by Eurobarometer (1999): 72% of the lowest income groups is satisfied with their state of health versus 90% for the highest income groups.

Education and health

There is a positive correlation between education and the state of health. The reported level of health increases with the level of educational attainment for all Member States. The link seems to be particularly strong when comparing the difference of subjective health between lower educated and higher educated people. This difference may be partly explained by a generation effect: older generations are generally less educated than the younger ones. It may also be attributed to the fact that lower educated people are more frequently faced (than higher educated people) with problems of unemployment, unhealthy working and living conditions, and poor housing.



Employment effects on health

(see also "Insecurity at work")

In general, the percentage of people who declare themselves to be in good health decreases with lower job status (e.g. supervisory work, intermediate work, non supervisory work), but there are some striking differences among the Member States. In most cases, the health situation of unemployed people is not so different from that of employed people, except in Belgium, Germany and Luxembourg and, to a lesser extent, the United Kingdom and Austria.

The first results of the Third European Survey on Working Conditions, carried out by the European Foundation for the Improvement of Living and Working Conditions in 2000¹³, shows that problems related to health, the pace of work and working time continue to arise in European workplaces. (see also Section 2.4)

In a pilot study made by the European Agency in 2000 (The State of Occupational Safety and health in the European Union)¹⁴ many problems related with safety and health at work have been identified. This study analyses the most relevant risk and exposure categories and their correlation with the sectors of activity and occupation. Among the most relevant risks and exposures are: physical exposures (noise, vibrations, etc.), chemical exposures, posture and movement exposures, and psychosocial working conditions (high speed work, monotonous work, violence and bullying). As far as sectors of activity are concerned, construction, manufacturing, agriculture and health and social work present the most frequently reported risks. The occupation categories described as presenting more risks are machine operators, labourers in construction, manufacturing and mining and health professionals. Some organisational modalities of work, like telework and emerging risks such as stress, use of new chemicals, violence and repetitive strain are also analysed.

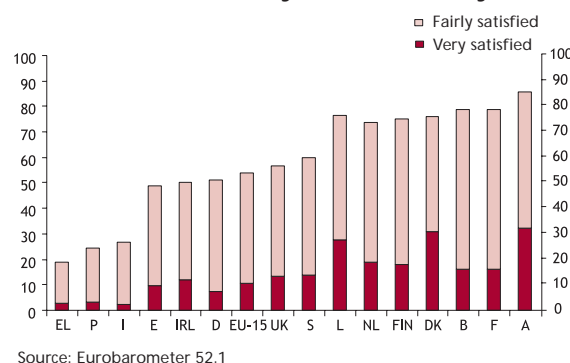
Satisfaction with the health system

According to Eurobarometer (EB 52.1 – 1999), only half of Europeans are satisfied with their health care system, and out of those only 1/5 are very satisfied. It should be pointed out however that large differences exist on the personal assessment carried out by Europeans of their health care systems.

Almost one in three Austrians, Danes and Luxemburgers declare themselves to be very satisfied with their health system. On the contrary, very low levels of satisfaction with the health care systems have been recorded in Southern European countries. Several studies conducted by the European Commission and other organisations like the OECD have also reached similar findings. The reasons for low satisfaction may be attributed to several

factors of which the most important is the unfulfilled expectations of people for a higher quality service, although during the 1980's and 1990's several measures have been introduced by the European Member States in an effort to make social and health services more responsive to consumer demand and more accessible to a wider spectrum of the population.

Graph 17 Percentage of persons satisfied with their country's health care system

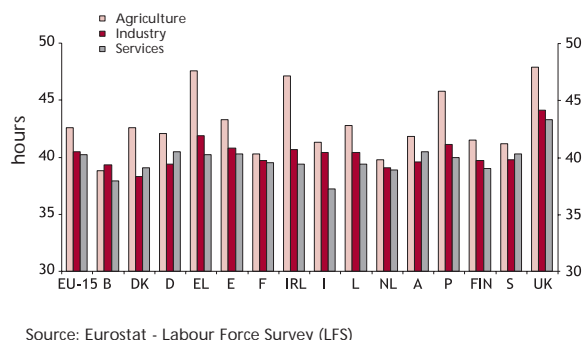


Family life: the allocation of time between employment and social/family time

(see also Section 4, Statistical Annex and the DG Employment and Social Affairs document: "How do women and men use their time – three European studies", 1998).

On average, at European level, working time is decreasing but remains stable in the services, however the situation varies significantly from country to country.

Graph 18 Average working time (employees full-time), 1999



In 1999, at EU-level, the average hours usually worked in one week was 43 hours in agriculture, 40.5 hours in industry and 40 hours in services. The United Kingdom

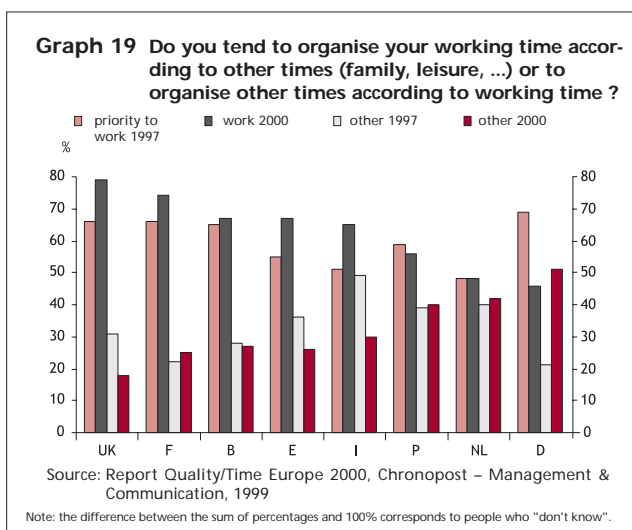
¹³ Third European survey on Working Conditions. European Foundation for the improvement of living and working conditions, 2000.

¹⁴ Monitoring the State of Occupational Safety and Health in the European Union - Pilot Study. European Agency for Safety and Health at Work, 2000.

had the highest number of average hours worked per week (agriculture: 48 hrs; industry: 44 hrs; services: 43 hrs) and the lowest numbers are found in Belgium (agriculture, 39 hrs), Denmark (industry, 38 hrs) and Italy (services, 37 hrs).

In industry, older workers work more than other workers whereas, in the services, younger workers work more. In industry, the number of hours worked per week increases in the first two age groups (15-24 years and 35-39 years), then remains stable but increases again for the oldest workers (60-64 years). In the services, the pattern is quite different: after an increase at the beginning of the career (till 30-34 years), the weekly hours worked decreases (age group 35-40 years to age group 45-49 years), and then increases again. The number of hours worked in the age group 60-64 years is higher than the average but it remains lower than that of the age group 25-29 years and 30-34 years.

It is difficult to assess the impact of working time on the allocation of time to other activities. In a survey made by Chronopost – Management & Communication (1999) in 8 Member States, active people were asked if they organise their time according to their working time or according to their time spent on other activities (family, leisure, free time, etc.).



In 1997, a vast majority of people gave the priority to their working time and the differences between priority to working time and priority to other time were considerable, except in The Netherlands and Italy. In 2000, the priority to working time increased in five countries out of eight. Germany shows the most striking evolution: over a three year period, the situation has completely turned around.

Giving priority to working time can also mean taking office work home. 53% of managers in Europe are doing so. Most of the managers that take

work home consider that, although it may often be necessary, it is not normal.

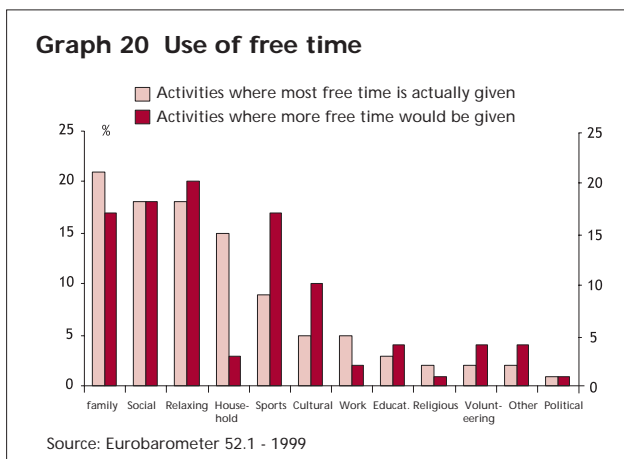
With the increasing use of new technologies allowing for a greater integration of working life and private life, the search for an acceptable equilibrium between both aspects may become of increasing concern.

The desire for more free time is shown to be highest for the 25-39 age group (12%) then the 40-54 (11%) and the youngest group (9%): the issue is much less prominent for the 55+ groups (5%), as a large part of the group does not take part in employment. The higher the initial education level, the higher the wish for more free time, for less stress, and for access to new technologies and to social and cultural activities. Similarly, the higher the income level, the higher the wish for more free time (from 4 to 14%) and for less stress (from 11 to 15%).

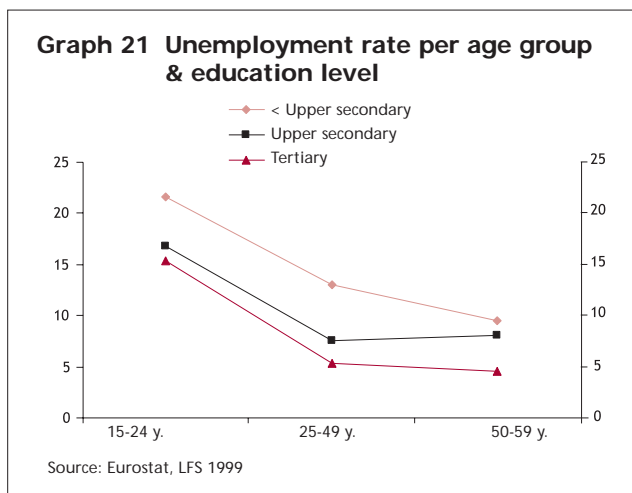
Most Europeans use their free time for family activities (21%), housework (15%), social activities (18%), for relaxing (18%) and sport (9%). The gender difference is particularly strong for housework (21% for women and 9% for men) and for sport (12% for men compared to 6% for women).

More free time would be good for social activities and volunteering... If people had an extra 5 hours per week free time, what would they do ? Mainly more relaxing and more sports but also more social activities, more family and cultural activities; more time would be devoted to volunteering. The pattern of choice is not really related to gender. **...and the family...** More time would be spent on family activities, for 17 % of the Europeans, ranking from 26% in Denmark to 10% in Italy. Finland is surprisingly low as they state that they actually devote only 10% of their free time to family activities and as high as 14% to sport.

.. and more sport?... Yes - for 17% of Europeans (26% in Luxembourg). Europeans actually devote less time to sport (9%), the highest being reported in Finland and Sweden (14%) and the lowest in Greece (4%).



... but not so much for education: education is selected only by 4% of Europeans, ranking from 0.7% in Belgium up to 11% in Finland. The level of participation in education related activities is highest in Denmark (6%).



2.2.3 Education

(see also Section 3, Statistical portraits 5 and 6, and Section 4, Statistical Annex II)

The Eurobarometer shows that European citizens do not seem to consider education as one of the most important factors contributing in their quality of life. Nevertheless, education is recognised as a key factor for labour market participation and therefore for social inclusion as employment represents the key condition for successful social inclusion. Statistics show that education reduces drastically the unemployment risk... Unemployment decreases with the increase of the level of education and this is true for all ages.

A study on the impact of the socio-economic situation of the family on education and training¹⁵

The study shows that there is a definite general improvement in education in all the countries, measured by the duration of studies and the level of the diploma obtained. Since the turn of the century, there has been a steady improvement in the quality of the labour force due to the development of compulsory schooling. The empirical analysis also shows a positive link between social egalitarianism and the mean literacy level. The countries experiencing greater social inequalities have a mean level of literacy which is lower than that of the countries where social inequalities are fewer.

The family's impact

At first glance, there appears to be a strong statistical correlation between financial resources and the level of training but it decreases quickly to a point of becoming

insignificant as soon as other variables, such as the level of parents' education are taken into consideration. Financial resources are found to have an influence, in particular, on the educational choices and the decision to continue or not beyond compulsory education.

The statistical data confirms that there is a strong influence of socio-economic status on the education results. This impact is explained by the fact that the social class represents the combination of 3 resources: financial, cultural and social resources. In fact, there is a close link between the level of the parents' education, the children's educational results and the decision to continue secondary studies at university level. The statistical analysis shows a strong correlation between, on the one hand, the cultural capital, and on the other hand, the education capital and social class. Finally with regards to the social capital, the statistical analyses show that the family structure strongly influences educational assets. The link between parents and children are a decisive factor in the transmission of a series of social skills and knowledge.

Progress in education

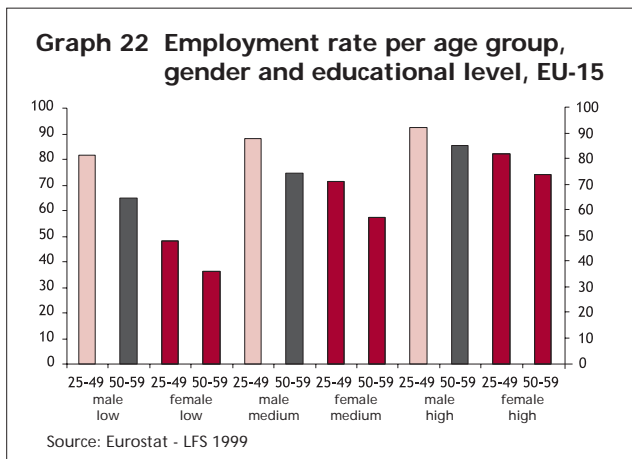
(See also Section 3, Portrait 5 Education Outcomes). In societies that become more and more knowledge based, the fundamental role of education will gain in importance. Education, however is not only vital for social and labour market inclusion, it is also becoming recognised as a vital element for economic competitiveness.

An interesting evolution is **the reduction of the gap between the highest educated countries and the lowest educated ones, particularly for the younger generations**. In all countries, the percentage of young people aged 25-29 having completed at least upper secondary education is higher than 60%, except in Spain and Portugal but these countries had the lowest initial level, less than 20%. Together with Greece, these two countries have seen the largest improvement in educational attainment with the younger generation (aged 25-29) around three times more likely than the older generation (aged 50-64) to have completed at least upper secondary education. Over one generation, this percentage increased by almost 50%. Another interesting evolution is that **the gender gap is reducing**. In most Member States, it has even inverted for the age group 25-34: young women are better educated than young men in all countries except for Austria, Denmark, Germany and United Kingdom. It is important to note that, in Ireland and Portugal, the educational level is higher for women than for men in all age groups. The last decade, in particular, has seen a definite increase in the female education level: this evolution also tends to reinforce female participation in economic activity in all Member States even though the investment of women in their own education tends to be under-utilised.

¹⁵ Study "Innovation, flexibility, training and education: link with the family situation" by I. A.R.D. Milano, 1999

Under-utilisation occurs either when women are unemployed, or when they return after a break to a job that is below their skill level, or when they are given less opportunities for further training and career development (this is more the case for Southern Europe) or when they are segregated in specific female activity sectors (more the case for Northern Europe).

(see also Employment in Europe report 2000)



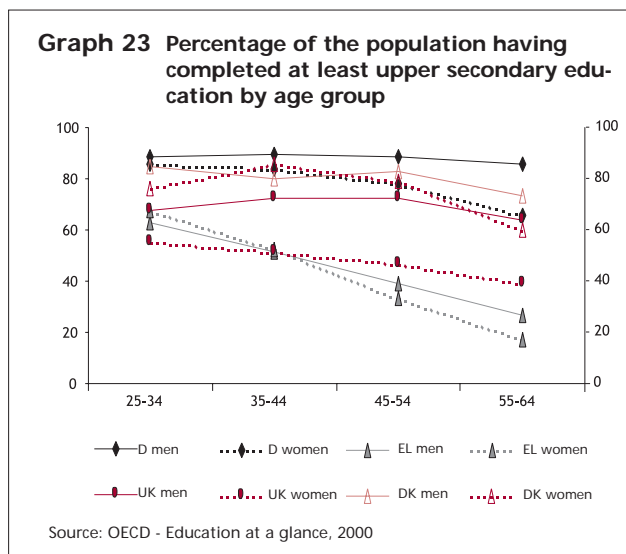
It is widely acknowledged that **people with disabilities have limited training and educational opportunities** compared with the non-disabled population. In the field of health, differences in the level of education are also the result of two effects: on the one hand, a deterioration in health can prevent a person from pursuing a normal studying process and, on the other hand a low level of education is correlated with life and working conditions which put health at risk, as well as with behaviour which is harmful to health. Without disentangling the contribution of these two effects, figures indicate that among those who are severely hampered in daily life, 65% have not reached the second stage of secondary level education, while they are 45% among those who are not hampered. This can be compared with those being severely hampered, who are more than two times less likely than those who are not hampered to reach the third level of education, with 7% among the severely hampered and 17% among those not hampered.

Education also improves social participation...

There is a positive correlation between the involvement in voluntary activities and the education level. A study made in 1992 in Belgium shows that only 8% of primary educated people are volunteers whereas the percentage is 14% for the upper secondary educated and 21% for graduates.

In some cases education levels are decreasing. In Denmark, the percentage of up to upper secondary educated women is lower in the age group 25-34 than in the age group 35-44. This decrease could be provisional and have no long term impact as it seems to be the case for

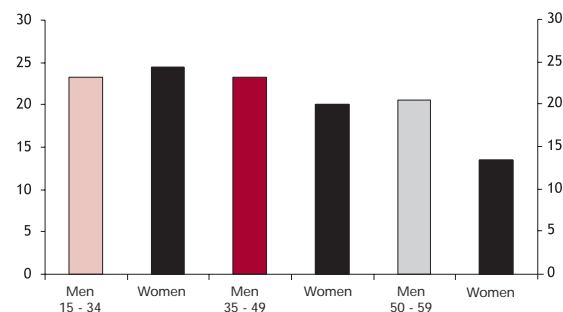
men (for the age group 35-44, the education level is lower than that of the 45-54 age group but the 25-34 age group level is higher than that of all other groups). In the United Kingdom, the educational level for men is lower for the age groups 25-34 and 35-44 than it is in the age group 45-54. In Italy, the youngest age group (25-34) registers a similar level in comparison with the 35-44 age group. In these two countries, the evolutions are perhaps more surprising than for Denmark because in the United Kingdom the decrease occurs significantly in the two youngest age groups and, in Italy, the stagnation occurs at a relatively low level of education (50% of upper secondary educated in the age group).



There is a growing percentage of tertiary educated people but the improvement is less for men than for women. At European level, there is no improvement between the 25-34 age group and 35-49 age group for men. In 8 countries, the percentage of tertiary educated people is higher for women than for men. In some countries, like Sweden, Portugal and Italy, it is true for all age groups. Sometimes, the gender gap is widening because women have improved their education level faster than men, for example in Belgium, Italy, Portugal, Finland or Sweden.

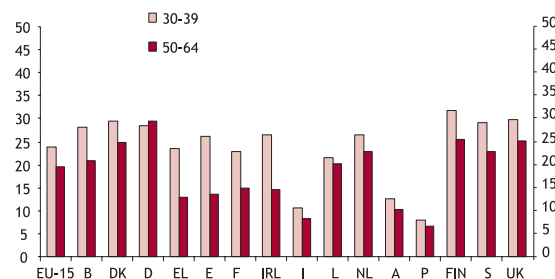
Furthermore, in some countries, the comparison between the age groups 25-34 and 35-49 shows a similar level of attainment (Greece, Italy, Luxembourg, Sweden, United Kingdom), or even a decrease (Germany, The Netherlands, Austria) of the percentage of tertiary educated men.

The proportion of people attaining a tertiary education qualification has increased over the last two decades: 23% of those aged 30-39 have such a qualification against only 16% of those aged 50-64. The gap between the generations can be observed throughout the Union, particularly in Belgium, Greece, Spain, France, Ireland and Finland.

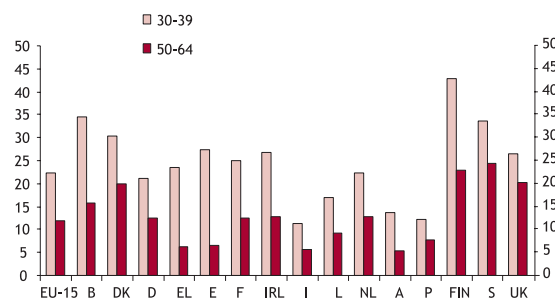
Graph 24 Percentage of population that has completed tertiary education, EU-15

Source: Eurostat - LFS, 1999

The improvement in educational attainment can largely be attributed to the rise in the number of female graduates. EU-wide, females aged 30-39 are almost twice as likely as those aged 50-64 to hold a university degree (or equivalent) while the gap between the two generations among men is much smaller (around 20%). In spite of this trend which can be observed to differing degrees in virtually all Member States, males (24%) aged 30-39 are more likely than females (22%) of the same age to have a tertiary qualification. In Germany, the gender gap is 7 percentage points in favour of men. However, in several Member States, the reverse is true with women in Belgium, Portugal, Finland and Sweden outshining men by some margin. It is worth noting that in Portugal and Sweden, even women aged 50-64 are slightly more likely than men to have a university degree (or equivalent).

Graph 25 Percentage of population that has completed tertiary education, by age group, 1999 - Men

Source: Eurostat - LFS, 1999

Graph 26 Percentage of population that has completed tertiary education, by age group, 1999 - Women

Source: Eurostat - LFS, 1999

Assessing education performance in terms of literacy levels

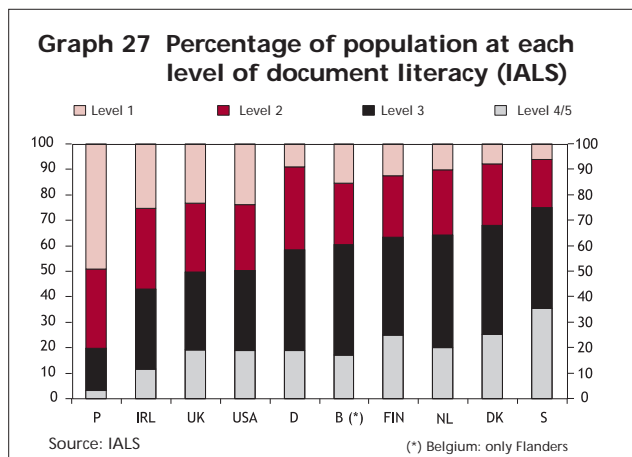
The International Adult Literacy Survey (IALS) refers to four groups of performance :

- Level 1 rates people with very poor skills, where the individual may, for example, be unable to determine the correct amount of medicine to give to a child from information printed on the package.
- Level 2 respondents can deal only with material simply and clearly laid out, and in which the tasks involved are not too complex. They can cope with stable everyday demand.
- Level 3 is considered a suitable minimum for coping with the demands of everyday life and work in a complex, advanced society, with the ability to integrate information and solve complex problems. It is roughly the skill level of a secondary school leaver.
- Level 4/5 describes respondents who demonstrate command of higher-order information processing skills.

The inquiries by the IALS were made in recent years in several EU countries and in other countries. As expected, the level of literacy skills correlates strongly with the participation in education and with the family background, as well as with the age of the respondent.

Some countries have high outcomes ... On a country level, a comparison of results shows that Sweden has the highest score. Finland, The Netherlands and Sweden have the largest share of population in the 3 to 4/5 skills groups. Portugal is just above the lowest country in the inquiry (Chile). The poor mean performance of Portugal can be explained by the impact of the initial education level (i.e. before entering the labour market) as a large share of the population did not reach the end of secondary level.

.. and tight distributions : Denmark has the tightest distribution of skills in the population (Portugal and the USA being the most dispersed). This dimension is important as issues of equity arise when there is a large discrepancy between people with the lowest literacy skills and those with the highest literacy skills. In this field, as in many others, large inequalities do not favour social cohesion.



The quality of schooling contributes to an increase in the level of skills: Denmark obtains a higher ranking in document literacy for young people leaving secondary schools, and so do most Scandinavian countries. In the Nordic countries, there is a striking homogeneity of high level literacy and the impact of the family education level (number of years in education for parents) on the measured literacy skill is very low. These countries have a high average literacy level and were able to compensate for the literacy level of the less advantaged citizens.

The impact of the parental education level on skills is more marked in the UK and Ireland.

..but is not telling the whole story: There are other ways other than official schooling for the development of skills: some societies seem to be more successful than others in providing literacy skills to the less educated. In Sweden and Germany early school leavers are able to demonstrate high literacy skills. This is less the case for Portugal and the USA.

Who is at risk of exclusion in a knowledge based society ? In many countries, significant proportions of the adult population (from 25 to 75%) surprisingly fail to attain the level 3 considered by experts as the level necessary to cope with everyday life in advanced societies. This data show that it is not only the marginalised groups which tend to show low literacy skill levels: a large group in society might also be at risk. If they do not command enough skills, they face significant problems when they have to change their work or to access a new institution (healthcare; education; or social services).

Non native language status has a strong impact on the literacy skills: People born outside the EU whose mother tongue is not the official language of the country tend to have lower literacy skills.

2.2.4 Insecurity - a multi-dimensional phenomenon

The insecurity feeling...

When one speaks about insecurity, crime or urban delinquency are almost always considered if not the only, at least the main cause of the feeling of insecurity. However analysis of crime data does not confirm this opinion and leads more to the conclusion of considering the feeling of insecurity as the result of a general climate of uncertainty connected with greater economic uncertainty and employment precariousness, with the development of new threats (insecurity linked to recent problems related to the food chain and with climate change) or with threats that are not new to society but have only recently been highlighted by the media (e.g. paedophilia)

This is why most specialists consider that the feeling of insecurity is less a consequence of crime, than a concern for the precariousness of living conditions for example (social isolation, loss of income, family rupture, etc.), which could particularly affect certain social groups. The insecurity feeling would then simply reflect the difficulty that people belonging to these groups experience in finding their place within a changing society which results in increasingly unpredictable behaviour of individuals or groups.

But why is the question of insecurity reduced to the phenomenon of urban delinquency ? On the one hand, certain forms of violence are still taboo (e.g. domestic violence). On the other hand, there are apparently more easily socially acceptable forms of insecurity because they do not result from a deliberate action. There is also psychological violence (notably at work), which is more difficult to establish.

But, what about the European's opinion?

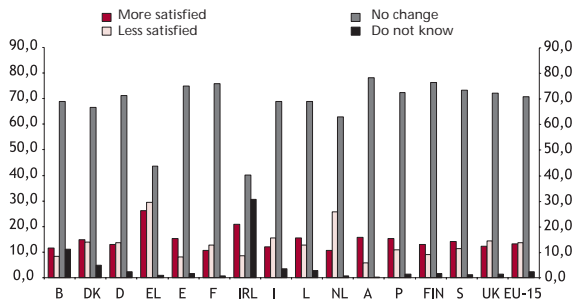
The feeling of security is largely shared... According to the Eurobarometer survey on the quality of life (52.1, 1999), 82% of the Europeans are satisfied or very satisfied with their personal safety.

and remains relatively stable. In all Member States (except for Ireland and Greece), between 60 to 80% of people consider that their personal safety did not change in relation to two years ago. In 9 countries out of 15, the proportion of people that considered that their safety had improved over two years is higher than that of people that considered that the situation had deteriorated.

... and evolution of crime.

Despite the important limitations of the actual available data¹⁶, some general but interesting observations can be made on the evolution of crime.

Graph 28 Personal safety compared to two years ago



Source: Eurobarometer 52.1

Trends in crime correspond to changes in the socio-economic situation... In the period 1950-1975, the growth in crime was mainly due to the considerable increase of theft (burglary). Criminologists explain this phenomenon by a strong growth in assets in circulation during this period (more "profitable" targets) and the rise in the employment rate, in particular for females, resulting in an increasing number of empty houses during the day.

From the middle of the 1970s onwards, the type of crime changes: increase in theft slows down but violence against people (bodily harm of any kind, violations and thefts with violence) are increasing although the number of homicides remains quite stable. More recently, it can be noted that crime occurs less in the residence (homicide, burglary) and more in the street (aggression, car theft, ...). Finally, police statistics (as far as crime data are reliable) show an increase in criminality during the decade 88-98 in most of the Member States but, in a majority of countries, the level is lower in 1998 than it was five years before.

The structural adjustments to which the Western societies were confronted after the 1970s, were reflected by a number of problems related to unemployment. For an increasing number of young people, access to the labour market remains difficult while, in our societies, employment is the principal means of social integration. The fact that the majority of the delinquents are men between 15 and 35 years is not explained only by "physical competencies". It also reflects the social insertion difficulties experienced by this age group. It is in the same age bracket that the drug-addiction and suicide rates are in the highest.

These elements of analysis are compatible with the two main theories on the causes of crime. The first stresses "social disorganisation" and takes as indicators of potential difficulties for socialisation, the family rupture, a low economic status and urbanisation.

The second shows that crime can be a rational economic choice when the hope of earnings is higher in illegal activities rather than in legal ones, like employment.

These elements are also confirmed by empirical studies that bring to light the main determinants of crime (age, gender, degree of wealth, marital status, drug-addiction, employment and urbanisation) and lead to the following conclusions :

- Employment remains the main means of successful socialisation provided that it is of quality: It provides at the same time the main source of income, a real social status and stability making it possible to draw up a life project.
- The vital role of the family in children's socialisation is confirmed. In the same way, the relevance of the well-established debate on the reconciliation of professional life/family life is reinforced. The adaptation of working time could be an answer. Other solutions are possible like the development of adapted child-care facilities, in particular according to the children's age. Currently, childcare facilities are mainly available for younger children and less frequently for adolescents. But adolescence is a crucial period for a young person's socialisation: they distance themselves from the influence of their family and are consequently more sensitive to external influences.

Domestic violence

According to a Eurobarometer survey (October 1999), 3 Europeans out of 4 consider that domestic violence with regards to women is fairly (50%) or very (24%) widespread. However, out of all forms of violence, domestic violence is probably the least well documented. The lack of regular statistics make it difficult to measure the exact extent of the phenomenon. Crime statistics contain hardly any information on domestic violence, probably because the victims either have practically no possibility (child abuse) or hesitate (violence with regards to women) to report a complaint when the aggressor is someone they know intimately.

In relation to violence against women, the only data available comes from surveys carried out at the initiative of public authorities or NGOs. Made at different times, for different purposes and with different methods, they are unfortunately not comparable. From the scarce information available¹⁷, it appears nevertheless that the **phenomenon seems:**

- **to be widespread:** between 20 and 25% of women are victims of interfamily physical violence,

¹⁶ All crime statistics should be used with caution. Various elements can influence these statistics : change of attitude of the police and/or of the population (influence of the media for instance) which would result in a larger number of complaints recorded for the same number of offences, modification of statistical census method, development of legislation, etc. Therefore, they are not necessarily the exact image of the objective situation in the field. For the same reasons, time comparisons or comparisons between countries can be misleading.

¹⁷ More specifically, in its report dated November 1999 "to reveal the hidden data on domestic violence in the European Union", the European Women's Lobby highlights that domestic violence remains an issue in most EU Member-States.

- to concern all the countries in a similar way,
- not to be limited to a particular culture or social class. In Italy, 45% of the perpetrators of domestic violence have a university degree. In the Netherlands, the information available shows that there is no correlation between disposable income and domestic violence.

Public attitudes to domestic violence have undergone significant change. It is no longer condoned, far less suppressed and becoming increasingly difficult to conceal. As no reliable historical data are available it is difficult to assess whether this source of insecurity is decreasing or not.

Transport safety

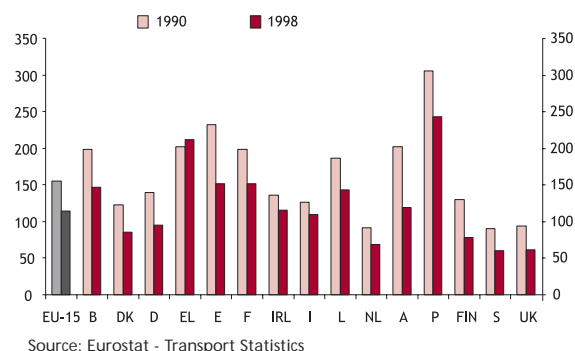
(see also Section 3, Portrait 20 and Section 4 Statistical Annex)

Traffic accidents, in road and rail transport, **claimed approximately 42,000 lives in the EU in 1998 while more than 1.7 million were injured**. Road traffic accidents in particular account for the vast majority of the deaths and represent the first cause of death for people under the age of 40 years. A fatal road accident represents an average loss of 40 years compared to normal life expectancy (cancer: 10.5, cardio-vascular illness: 9.7).

However, for the EU as a whole, fatal **road accidents have been in constant decline showing a 27% decrease between 1990 and 1998, despite the fact that traffic significantly increased during the same period**. A large number of measures for increased road safety have been taken on at the Community, national and local level, including improved road design, changes in legislation on drink-driving, higher safety standards of vehicles, introduction of speed limits, stricter rules on lorry and bus driving times and better monitoring of the roadworthiness of vehicles. Nevertheless, differences in safety levels between Member States still exist and therefore leave room for improvements. By examining the number of persons killed in road accidents per million inhabitants, we see that Sweden shows the lowest levels (60 deaths per million inhabitants), followed by the United Kingdom (61), the Netherlands (68) and Finland (78), while the figures for Greece (212) and Portugal (243) indicate a much higher death rate. Ireland, Italy and Austria show a death rate close to the EU average.

The general downward trend is reflected in all countries apart from Greece where the death rate has actually increased over the period between 1990 and 1998. Even in Spain and Portugal, where car ownership has grown very fast and fatal road accidents are at a high level,

Graph 29 Number of persons killed in road accidents per million inhabitants



there has been a significant decrease during the same period.

Statistics show to what extent motor vehicle traffic can be a source of physical risk to the individual as is the risk of crime. At Union level, in 1998, 1.7 million people were injured in a traffic accident. At the same time, the police recorded 1.38 million violent crimes. The population seems aware of the importance of this risk. A survey carried out in 1998 in Belgium by the Police Supporting General Service, shows that the principal cause for concern is the danger represented by motor vehicle traffic (quoted by 43% of persons) and not crime¹⁸.

Insecurity at work

The Workplace is another area where insecurity may appear. The focus here is not so much on accidents or on stress levels (see "Employment effects on health" described earlier), but on physical or psychological violence, of which workers may fall victim. According to a study carried out in 1996 in the 15 Member States, 4% of workers were victims of physical violence at work during the past year, 2% were victims of sexual harassment and 8% were subjected to intimidation¹⁹.

This violence is not necessarily the act of colleagues or of hierarchical superiors. It can also be carried by outsiders to the company (customers, public service users).

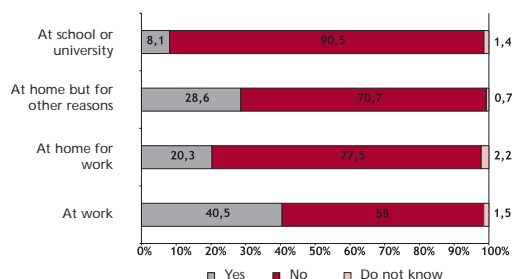
2.2.5 Information technologies

While work remains the major usage of PCs, both at the workplace and at home, the number of PC's used at home for other purposes is growing as well. In this respect, there are strong differences across Member States with Sweden 57 % Denmark 54 %, and the Netherlands (53 %), at the top, and Greece (9 %) and Portugal (12 %) with the lowest rates concerning. The vast majority uses a computer for word processing.

¹⁸ The same survey reports that 4% of the households questioned were threatened by physical violence and that 1% was a victim of physical violence.

¹⁹ Violence at work, D. Chappell & V. Di Martino, OIT, 1999

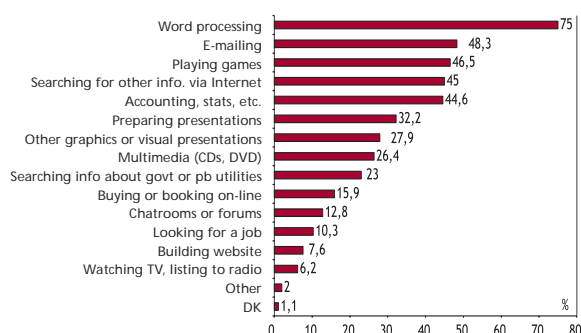
Graph 30 Computer usage



Source: Eurobarometer

Almost half of computer users (also) e-mail, play games, search for information via the Internet, and use it for statistics.

Graph 31 What do you use a computer for ?

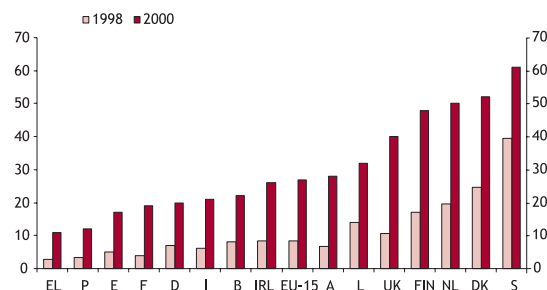


Source: Eurobarometer

The variation in the domestic use of the Internet is equally significant. The internet penetration at home varies from more than 45% of people connected in Denmark, the Netherlands and Sweden, to 10% and less in Spain, Portugal and Greece. The overall proportion of people using the Internet (at home or elsewhere) is above those figures, with Sweden above 60 %, and Denmark, the Netherlands and Finland above or close to 50 %. But in all countries, internet connections are rapidly on the increase and the gap between countries is reducing. In 2000, the connection rate is more than three times what it was two years before in France and Italy, and more than twice as much in eight other Member States.

There is a strong link between income and the ownership of a PC and Internet access. The higher income households show a considerable lead in terms of Internet access at home.

Graph 32 Internet penetration (%) in Europe per Member State

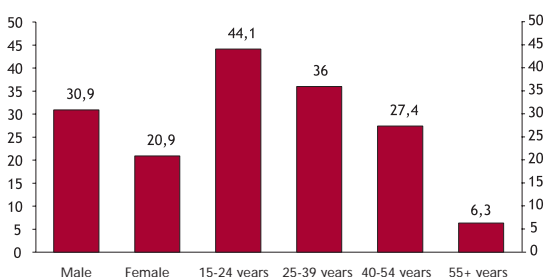


Source: Eurobarometer

The impact of age is very apparent in the private use of new technologies. While young people, and particularly students, are significantly above the average, older people (above 55 years) are strongly falling behind, with only about 6 % Internet penetration.

Finally, women use the equipment less than men: although the difference has relatively been reduced over the last year, the proportion of women accessing the Internet is still only 2/3 of the respective proportion for men.

Graph 33 Internet penetration (%) in Europe per gender and age group



Source: Eurobarometer

The use of mobile communications is rapidly expanding.

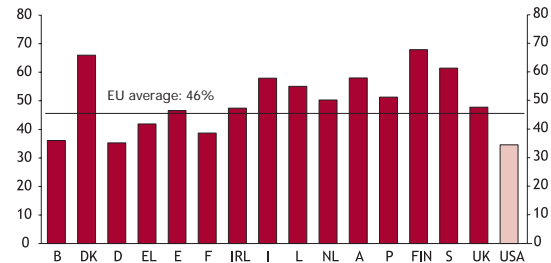
Compared to Internet access, the penetration rates of mobile technologies are less divergent across the Union. In particular, some southern Member States, which lag behind in terms of Internet access, are performing very well in mobile communications.

The attitudes towards Information technologies in Europe

Most Europeans have a positive attitude towards new information and communication technologies such as Internet, PC and mobile phones. 3 Europeans out of 4 claim that these new technologies will have a positive impact on their quality of life. A higher education level contributes to an even more positive attitude. Unsurprisingly, younger people are the most enthusiastic (88%). But even among older people, the majority (55 %) has a positive approach towards these technologies. These data confirm that, even among those lagging behind in terms of access, a positive interest in ICT is far more widespread than their present Internet penetration. It underlines the demand for inclusion in the Information Society.

The overwhelming majority of Europeans (64%) call on public authorities to spend money in order to give access to these new technologies to everyone. Though there are some variations in these attitudes among Member States (with at the top Portugal, Ireland, Spain, Greece and the UK, all with around 80 % in favour of such public expenditure), there is a majority in support of such measures across all socio-economic and age groups. There are basically two options of public support to Internet access: the establishment of public Internet access points, or incentives to acquisition and usage of ICT equipment by the individual citizens.

Graph 34 Mobile users in EU countries



Source: European Mobile Communications (EMC) - April 2000; USA: Cellular Telecoms Industry Association

In sharp contrast to this interest in ICT, the proportion of those enrolled in training courses related to the use of PC and internet is surprisingly low. Less than a quarter of Europeans (23 %) have had any kind of this training. While young people and those with longer initial education have somewhat higher participation levels, the training in basic ICT skills among the workforce is relatively low. Unemployed, manual workers and the self-employed have even lower training levels, and there is almost no training for non-working people, housekeepers or those retired from the labour market.

2.3 Income distribution

Income level is one of the main factors in determining an individual's standard of living. More income can offer an individual more choice and access to goods and services within society and hence higher quality of living standards. The distribution of income throughout a society is also important in relation to relative poverty and risks of social exclusion. This chapter deals with the income levels and income distributions in the EU Member States and with the role of social transfers in addressing income inequalities. Objective information on income is supported with some subjective data relating to citizens' views on income developments within their country. The following are some of the main facts:

Income inequalities

- Income differences in the EU are still large, not only between Member States but also within countries. Income inequality within Member States is found to be relatively high in the southern Member States, the United Kingdom and Ireland. The lowest values are to be found in Denmark, Sweden and Austria.
- Research shows that income inequality rose in most Member States during the 80's to mid 90's. A decline had occurred in most Member States in the decades before 1980.
- Greater income inequalities within a Member State tend to be related to a lower average income within that Member State.

Low income groups

- The share of low-income groups in 1996 was 17% in the EU, measured as the percentage of persons living in households whose income is below 60% of the national median income. Among lone parent families, the share of low-income persons is 36% in the EU, and as high as about 50% in Germany, the United Kingdom and Ireland. Children, single women and the elderly have higher low income rates.
- 40% of unemployed people live in a low income household compared to 9% of those employed. In the UK and Ireland unemployed people are around 8 times more likely to live in a "poor" household compared to working people.
- A much lower proportion of people faced persistent poverty over a 3 year period (1994-1996). The highest 3-year low-income figures were found in Portugal and Greece (10% or more). Denmark and the Netherlands are at the other extreme with about 3%. However the proportion of people experiencing poverty at least one year during a three year period is 32%.
- Socio-economic security, measured as the experience of financial difficulties, is linked with absolute income levels as expected. Single parent families report the greatest difficulties in terms of making ends meet.

The role of social transfers

- Social security systems diminish income inequalities and poverty rates. However, they do not bring convergence between Member States in this respect. In terms of income inequalities, the lowest effects are found in Portugal and Greece and the highest in Germany, Denmark and Belgium. In countries with relatively large low-income groups, citizens favour more help to excluded persons and more spending on social protection.

2.3.1 The Distribution of Income

Mean income levels in the EU

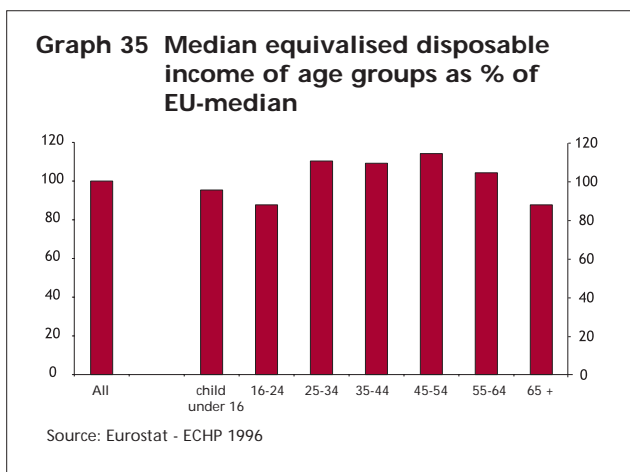
The main source of income data presented is Eurostat, European Community Household Panel, 1996, which refers to the income situation of 1995²⁰.

Mean disposable income per capita, measured on a purchasing power parity basis²¹, was 12.3 thousand PPS in the EU. In seven Member States, covering 64% of the EU population, the mean incomes were quite close to each other, varying from 13.4 to 14.3 thousand PPS. On the other hand, the Southern Member States ranged from 7.7 to 10.1, while Luxembourg was strikingly higher (21.9). Ireland had a mean income of almost 11 (see Section 3.14 on Income distribution).

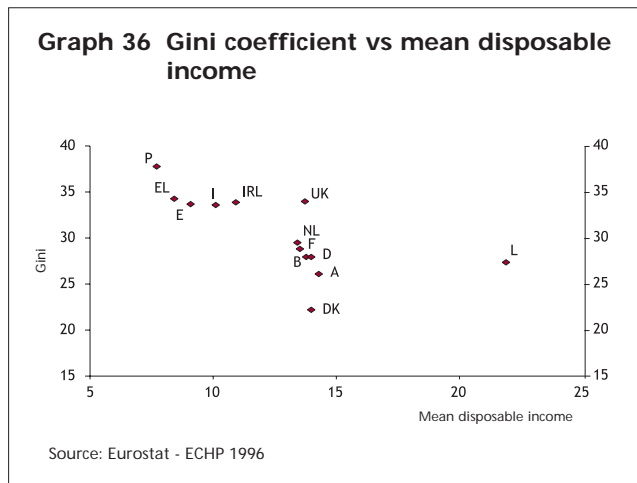
• Which households have lower incomes?

Households with one adult person are worse off compared with households of more than one adult. For the Union as a whole, the median equivalised income of a one-person household is 87% of the national median income. In all Member States, men living alone have a higher median income than women do.

• **Persons aged 45 to 54 have the highest equivalised household incomes.** The income levels of the 25-34 and 35-44 groups are not far behind, however. The lowest levels are to be found among the 16-24 and 65 and over age groups. The pattern is not consistently present in all Member States. For example, in Spain, Ireland and Luxembourg the highest income by age group does not lie in the 45-54 group, but in a lower age group. For national differences, see the Statistical annex. In Section 2.3.2, personal income from work is considered.



Is there a relationship between mean income level and income inequality? There has been much debate on the relationship between economic growth and income inequality, however without any clear-cut conclusions emerging. A simple analysis presented in the graph below shows that without Luxembourg, a high negative relationship appears²²: the higher the mean income, the lower the income inequality.



• **Income is related to health.** If people are ordered by income into five groups (quintiles), considerable differences in reported health emerge. Higher income groups report better health. This relationship is present at EU-level, but also in all Member States, although in five of them the pattern among the first two or three quintiles is not so clear. These income and health differences remain positively related when age effects are taken into account in the analysis. The relationship at country level also exists for a more subjective income indicator, namely the extent to which people declare themselves as able to make ends meet. This means that health and socio-economic security are positively related.

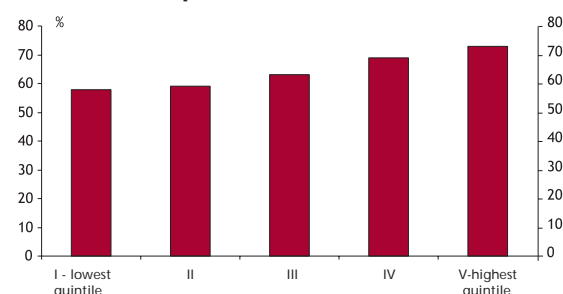
• **Is satisfaction with life related to income (inequality)?** In Eurobarometer 1999, the percentage of fairly or even very satisfied people varies from 73% in the lowest income group to 90% in the highest group (see also Section 2.2 Living conditions). This suggests that income is important, but does not completely determine overall life satisfaction. However, a remarkable figure is found in Denmark for the 'very satisfied' group: 63%, followed by a much lower 39% in Luxembourg. Even in the lowest income group in Denmark, 56% report that they are very satisfied. (Eurobarometer).

²⁰ European Union averages exclude Finland and Sweden. Eurostat defines a low income as less than 60% of the median equivalised income per person in each Member State. In order to take into account differences in household size and composition in the comparison of income levels, the amounts given here are per "equivalent adult". The household's total income is divided by its 'equivalent size', using the modified OECD equivalence scale. This scale gives a weight of 1.0 to the first adult, 0.5 to the second and each subsequent person aged 14 and over and 0.3 to each child aged under 14 in the household. It should be noted that equivalised income is defined on the household level, so that each person (adult or child) in the same household has the same equivalised income.

²¹ Purchasing Power Parities convert every national monetary unit into a common reference unit, the purchasing power standard (PPS), of which every unit can buy the same amount of goods and services across the Member States in a given year. Home production and other in-kind income are not included. In the ECHP, the share of persons living in households that save significantly through self-consumption varies from 14% to 43% by Member State. Atkinson (1995, covering EU-12) states that this omission generally makes big differences for the incomes in Spain, Portugal and Ireland.

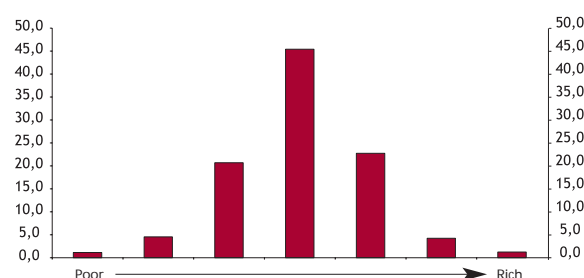
²² The correlation is -.8, significant at 1%-level.

Graph 37 Percentage of people reporting good or very good health by income quintiles within Member States



Source: Eurostat - ECHP 1996

Graph 38 Persons classifying the living standard level of their family (%)



Source: Eurobarometer 1993

Income inequalities

The extent of income inequalities varies across Member States. The ECHP 1996 forms a basis for comparable estimates of this variation. Inequality, measured by the share ratio S80/S20 or the Gini coefficient²³, is found to be relatively high in the southern Member States, the United Kingdom and Ireland. The lowest values are to be found in the Nordic Member States and Austria²⁴.

• **Are national inequalities important, compared to the differences in mean incomes of Member States?** Of the total inequality within the EU, 14% stems from differences in mean income between Member States, while 86% stems from income inequalities within each Member State. Or in other words: if all Member States had the same mean income, but retained their own distribution, EU income inequality would reduce by only 14%.

• **Inequality rose in most EU Member States.** Data from other sources, which are not comparable across Member States, but comparable over time for each Member State²⁵, show that (measured) inequality rose in most Member States over the period 1980-1995²⁶. A decline had occurred in most Member States in the decades before 1980. Recent national studies for the United Kingdom, Sweden and Finland indicate an increase in income inequality in the second half of the 1990s²⁷. In the Netherlands no significant change is found between 1990 and 1998²⁸.

• **How do people rate themselves on a poor to rich scale?** In the Eurobarometer 1993, people were asked to classify their family on a seven points scale from poor to rich. (No further specification was given for the terms 'poor' and 'rich'). Almost half of them placed themselves in the middle group of the seven possible groups, gradually decreasing to 1% in the most extreme poor and rich groups (see Graph below). This picture was globally the same for most Member States. The three 'middle groups' contained 81% to 91% of people in all Member States. Only in Greece and Ireland, more than 2% classified themselves as 'poor'. The second poorest group contained the highest percentage of people in Greece, Spain and Portugal (6 to 10%). Relatively large shares of self-reported 'rich' families were to be found in Denmark and France (3 to 4%). Unfortunately, the self-classification cannot be related to objective income directly, as this is somewhat crudely measured in the Eurobarometer. However, in the Member States with higher income inequality or a lower mean income (based on ECHP) a higher proportion of people classify themselves as 'poor'.

There are several indications that there might be a relationship between income distribution, social cohesion and health. Kawachi and Kennedy²⁹ conclude that reducing income inequality offers the prospect of greater social cohesion and thus better population health. Wilkinson³⁰ claims that strong relationships between income distribution and measures of the quality of social relations are very general. Trust and hostility are

²³ The inequality of an income distribution is often summarised in one number, an inequality index. An often-used measure of inequality is the Gini coefficient, ranging from zero for complete equality to one hundred for complete inequality (when only one person has all income).

²⁴ Sweden and Finland were not included in the database used here. In "OECD 1998: Income distribution and poverty in selected OECD countries" it is concluded that these countries have a low degree of income inequality.

²⁵ Another inequality measure, the Theil coefficient, was used for this decomposition analysis on ECHP1996 data. Although illustrative, one has to be careful with this EU level analysis, because the conversion rates between Member States (PPS) are computed for average situations and are not.

²⁶ see Gottschalk and Smeeding, 1998.

²⁷ UK: The effect of taxes and benefits upon household income 1998-99 - Tim Harris, Office for National Statistics

The national studies for Sweden and Finland are mentioned in English in 'Still different? Income distribution in the Nordic Countries in a European Comparison' (Fritzell, LIS, 2000).

²⁸ Jaarboek Welvaartsverdeling 2000 (Statistics Netherlands, 2000).

²⁹ British Medical Journal, 1997.

³⁰ International Journal of Health Services 1999; 29 (3).

strongly related with income inequality. And Inglehart³¹ concludes that 'trust in other people' and 'relative poverty' have a strong negative relationship in Western Europe. Cultural and economic differences and differences in health care services also determine the health outcome. Some published results on relationships which exist in USA States may for that reason not hold in the EU, as these types of differences are more prevalent in the Union (see for instance Social and Cultural Planning Office of the Netherlands, 2000³²).

If we confront inequality and poverty figures from the ECHP with the trust in persons from one's own country from the Eurobarometer (data for 1995), poverty appears to have a relation with trust but none with inequality³³. No relationship with health differences between Member States is found however.

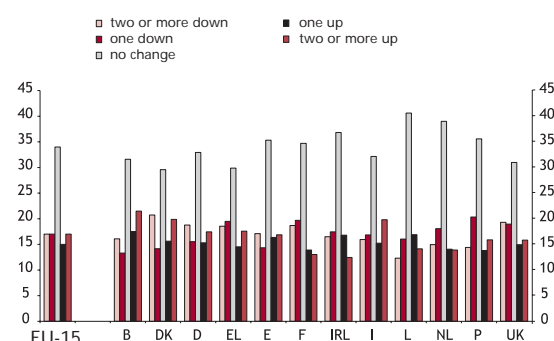
The ranking of people by income, and their income dynamics

In each separate Member State, people can be ranked by their equivalised disposable household income. It is usual to think of them in ten groups of increasing income deciles.

- **The lower end of the distribution...:** Considering deciles ordered by income, the first decile receives less than 10% of all income, and the highest decile more. The share of income of the first decile was lowest in the Southern Member States (2%), and highest in Denmark, Austria and Luxembourg (4%). Portugal and Greece combined the lowest mean disposable income with the lowest share of disposable income for the first three deciles.
- **... and at the upper end:** In all Member States, deciles had 10% or higher income shares starting from the seventh decile. In the tenth decile, Portugal and the United Kingdom had the highest shares (26-27%). The smallest share was found in Denmark (20%). The high top decile share in Portugal must be viewed relatively.
- **Mobility between deciles** is presented here for the EU over the period 1994-1996 (see graph below). During this period, 34% of the EU population remained in the same income decile in each year. 15% of all persons went up one decile; 17% went down one. This means that one third of all persons stayed where they were, one third moved just one decile and one third moved further. In a society with a more equal distribution of income, mobility may occur more because the deciles are closer to each other, as measured in PPS. To put it simply: on average, it takes less PPS to change decile. However, it need not be the case that mobility occurs more in a more equal society. A large system of social benefits may at the same time reduce income

fluctuations (by giving a relatively large benefit if someone gets unemployed, for example) and reduce the overall income inequality. So, it is still interesting to see how mobility varies between countries with varying inequality levels. There are national differences, but the 'no change' group dominates in all Member States. Of course some of the people in the "no change" category will be people at the lower end of the income distribution who experience persistent poverty (see later). Mobility downwards seemed to be higher than mobility upwards in France, Greece and the UK, and the contrary for Belgium and Luxembourg.

Graph 39 Movements of persons between income deciles (%)



Source: Eurostat - ECHP 1994 - 1996

- **Expectations and opinions on developments in income inequality** were measured in the Eurobarometer. In 1997, 83% of the respondents believed that the rich were getting richer and the poor were getting poorer in their countries. Only 11% believed that income differences were diminishing. Another 6% didn't know or was not able to choose out of these two alternatives. Considering people in the lowest income group, 88% believed that differences were increasing, compared to 78% in the highest income group. The countries where more people believed inequality was increasing (89% or 90%) were Belgium, Germany and Greece. Interestingly, Denmark had a strikingly low figure of 46% (followed by Luxembourg with 72%). This Member State had the lowest inequality figure in the most recent ECHP data. The same question was asked in the 1993 Eurobarometer. Somewhat less people (79%) believed that income differences were increasing at that time. Denmark took the same ranking. Some 80% of Europeans thought that the income differences are actually too high. According to them, 'large differences in income are not good for society'. (Eurobarometer)

³¹ Modernization and postmodernization. Cultural, economic and political change in 43 societies, 1997.

³² Social and Cultural Report 2000 (Social and Cultural Planning Office of the Netherlands)

³³ The correlation of poverty and trust is more robust (-0.6, at the 5% level). The correlation between inequality and trust is -0.6, significant at the 5% level. But the omission of just one country makes the correlation insignificant.

In Eurobarometer 1999, people were asked what their expectations were for the year 2000, when it came to the financial situation of their household. 58% did not expect any change, and 27% expected a better situation. 10% expected the situation to become worse (and 5% didn't know). People expecting a worse situation formed 13% in the lowest income group, falling to 8% in the highest group³⁴.

More skew patterns are present in Greece and Portugal, where 20% or more in the lowest income group expects their income to deteriorate.

People with low incomes are relatively more prone to have low expectations about their income, which does not correspond to a dynamic view on society. If people are mobile in a relatively stable income distribution, people with low incomes might on average expect to move up in terms of their relative position and high incomes might fear to go down. Two possible explanations for the deviating answering pattern are a too pessimistic view of those with low incomes (perhaps they experienced a fall in income recently), or a more 'objective' reason in the form of low mobility combined with increasing inequality. Eurobarometer findings support the last explanation: people, and especially those with low incomes, expect inequality to increase further.

Low income groups and poverty

In social policy, special attention is given to the poor. Poverty is related to necessities, and has to be taken more seriously when people have unfulfilled needs over a long period of time and show signs of deprivation. Income level should therefore be seen as an indication of poverty and not poverty itself.

National governments may use their own definition of poverty, but Eurostat has developed a uniform definition to make international comparisons. In each country, the poverty line is set at 60% of the national median equivalised income level³⁵.

• **In the EU, 17% of persons live below 60% of the national median equivalised income.** It correlates strongly with overall income inequality within Member States. The poverty shares vary from 11 to 22% by Member State (see section 3.15 Low income households). For Sweden and Finland, very low poverty rates are reported in OECD (1998). The poverty rate of lone-parent families with dependent children is much higher in the EU especially in Germany, the United Kingdom and Ireland (50%).

• **Poverty among children**³⁶ is 21% which is higher than average. In all Member States, except Denmark, children poverty rates are higher than those for the middle age groups. The poverty rate among children in single-parent households is relatively high: over 45%. One out

of nine children (poor and non-poor together) actually live in a single-parent family. This means that 23% of all poor children live in a single-parent household.

• **Poverty of older people:** Children have a high poverty rate, but this is also true for the 65 and older age group. People between 25 and 54 years all have a relatively low rate (14%), however these figures vary considerably by country. Poverty rates of more than 30% occur for the 65 and older group in Greece and Portugal. On the other hand, Denmark has a very different age pattern with an extremely low rate for children (4%) and a very high rate for the 65 and over age group. The elderly have relatively high rates in about half of the Member States.

Poverty rates by Member State, gender and age
Eurostat - ECHP, 1996

	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	UK
all	17	17	11	16	21	18	16	18	19	12	12	13	22	19
male	16	16	11	15	20	18	15	17	18	12	11	11	20	17
female	18	18	12	17	21	18	17	20	20	13	12	14	23	21
child under 16	20	19	04	20	18	23	18	23	22	18	14	16	23	26
16-24	22	20	22	23	24	23	25	19	27	17	24	12	17	21
25-34	14	12	09	17	14	16	12	12	19	10	11	10	13	15
35-44	14	15	06	13	15	17	12	18	16	10	09	10	19	13
45-54	14	14	06	14	18	18	11	16	18	10	08	11	18	12
55-64	16	17	11	12	22	18	15	17	16	14	08	10	24	13
65 or older	20	21	25	16	33	14	18	16	16	10	09	17	35	27

• **Are these people in poverty for a longer period?**

It matters whether poverty is a temporary phenomenon or whether once in poverty it becomes a longer term status. In the EU, 7% of people were poor during 1994, 1995 and 1996 (ECHP) which is less than the annual poverty rate. On the other hand, nearly a third (32%) of the EU population experienced a low income at least once between 1994 and 1996. The share of the 'persistently poor' (out of the whole population) varies from 3% in the Netherlands and Denmark to 10 to 12% in Portugal and Greece. It correlates strongly with the share of (all) poor. This is also true when considering the different age groups: in each age group, a higher poverty rate coincides with a higher rate of persistent poverty. At EU level, the younger age groups (younger than 24) have the highest rates of (persistent) poverty (9%), followed by the elderly (65 or older) with a percentage of 8%.

• **More than one third of low-income people face disadvantages in several domains.** People below the low-income threshold face cumulated problems almost three times as often as the rest of the population. In 1996, the EU figure for the former was 35, and for the latter 13 percent. In absolute terms this means that some 22 million low-income people experienced a

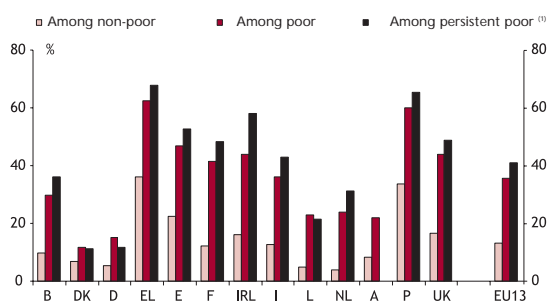
³⁴ This pattern is roughly also present in the two Eurobarometers of 1997 and 1998, although the levels vary considerably (probably due to world-wide fluctuations in general economic expectations).

³⁵ The median income is the income level of the person that has as much other persons with lower incomes as other persons with higher incomes. Or, alternatively using the definition of deciles, it is just the income level separating the fifth from the sixth decile.

³⁶ Idem, 12/2000.

disadvantage in more than one domain. The corresponding figure for the more affluent part of the EU population was 38million persons, which faced problems or disadvantages in two or in all three domains under consideration. Also at the country level did the income poor run a much higher risk of multiple disadvantages than the non-poor. A large gap in this respect was found for all Member States except for Germany and Denmark. People facing persistent income poverty were even more often exposed to multiple problems and disadvantages than the total poor population in most of the Member States. However, this difference was not found in Denmark, Germany and Luxembourg.

Graph 40 Share of persons with disadvantages in more than one domain ⁽²⁾



- (1) Persons who were also in income poverty in 1995 and 1994 (Austria excluded)
(2) Out of total three domains: 1. financial problems (arrears with repayments), 2. problems in satisfying basic necessities (eating meat/chicken/fish and/or buy new clothes and/or having a week's holiday away from home) and 3. problems with the accommodation (lack of a bath/shower and /or shortage of space and/or problem with damp walls/floors).

Source: Eurostat - ECHP 1994 - 1996 (Finland and Sweden excluded)

• **The persistently poor are more likely to be socially excluded**, measured as difficulties in making ends meet and in fulfilling regular payments. There are wide variations between countries in the risks of cumulative disadvantage that underlie the process of social exclusion. A recent study³⁷ showed that these risks are greatest in the countries where the respective normative responsibilities of the public authorities and of the family are least clearly delineated. It is in these societies that there is the main risk that unemployed people will simultaneously confront both poverty and social isolation, thereby creating the conditions for cumulative deprivation and social exclusion.

2.3.2 Social Transfers

Net market income

The main effect of social benefits is an **improvement of the purchasing power** of the households that

receive these benefits. However, apart from this direct effect, benefits may also have other, indirect effects on the behaviour of people and households. If a benefit is paid out to people only when they have no other income, these people may be less enthusiastic to search for a job compared to the situation where no such benefit exists (see also Social Situation in the EU, 2000). This means that market income is also influenced by the welfare state via benefits. On the other hand, there is no clear scientific answer to the question of whether social transfers influence growth. Atkinson³⁸ compared nine cross-national studies and concluded that the results were inconsistent. Nevertheless, social policy should pay attention to the market income distribution and to its relationship with redistribution.

Market income is measured here by a 'net' income concept, which means that direct taxes and social contributions have already been deducted. Although this definition does not allow for a thorough analysis of the effect of social transfers, it is the concept used within the ECHP which is the most comparable source of income data at EU level (see box below for definitions)

Income concepts and transfers

Several income concepts are used in this chapter. All concepts are monetary, i.e. in kind income/transfers are not taken into account. The relationships between income concepts and transfers are as follows.

1 gross market income
- paid taxes and social transfers

2 net market income
+ received social transfers
+ received private transfers

3 disposable income

1 Gross market income is all money income from work and capital.

2 Net market income is market income after payment of taxes and social transfers. However, taxes and social contributions are not analysed in this chapter. Nor is gross market income.

3 Disposable income is net market income plus received social and private transfers. Received social transfers (i.e., social benefits) consist of old-age and survivors pensions and other social benefits (unemployment, disability, sickness, etc). They may be public or private. Received private transfers are monetary transfers received from other households. The counterpart of this component, the payments, are not measured in the European Community Household Panel (ECHP). They are not deducted from market income in the ECHP.

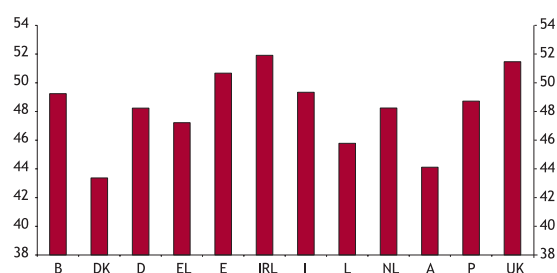
³⁷ The employment precarity, unemployment and social exclusion research programme – EPUSE – Final Report 2000 European Commission, DG Research.

³⁸ A.B. Atkinson. The welfare state and economic performance. In: National tax journal 48 (2), June 1995, p. 171-198.

Summarizing the way transfers are dealt with: it should be noted that received monetary transfers (social and private) are measured and analysed. Paid social transfers (taxes and social contributions) are not analysed, but taken into account in the net market income concept. Paid private transfers are neither analysed nor taken into account.

- **Net market outcomes by age...:** The 25-54 age group has the highest net market income in all Member States. In 1996, People aged between 25 and 54 generally lived in households with the highest equivalised net market income but also in the largest households.
- **... differ from disposable income:** Compared to disposable income, the EU age pattern is in favour of the 25 to 54 age group for both income types. For the 55 and over age groups, net market income is much lower however. Men aged 25-49 and 50-64 have by far the highest personal incomes (See Section 4). The incomes of the 16-24 group are low, partly because some of them are still in education. Without going into the details of a labour market analysis, possible explanations for this are gender differences in working hours, level of educational attainment, career breaks, type of job and gender discrimination.
- **Gender and age profiles are similar in all Member States,** with the exception of the gender difference in the 16-24 group. The gender differences in the 25-49 and 50-64 group vary from some 20% to more than 60% by Member State. It has to be noted, that the employment rates differ also by Member State, notably for women (from 37% to 72%).
- **Net market income distributions differ.** The redistributive roles of social transfers roles on market income can be measured by their effects on inequality, measured with the Gini coefficient. The highest net market income inequalities were found in Ireland and the United Kingdom and the lowest in Denmark and Austria

Graph 41 Inequality (Gini) of net equivalised market income



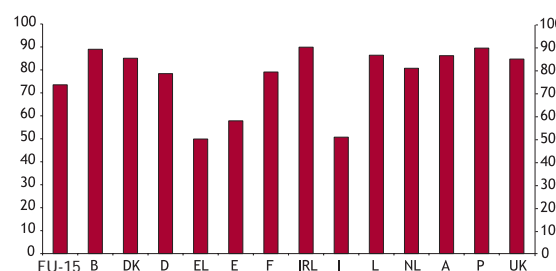
Source: Eurostat - ECHP 1996

Spread and size of social benefits

At the household level, on average, 29% of disposable income arises from pensions and other social transfers. The main component of income is work, with a percentage of 67% (employment and self-employment). The remaining 4% arises from capital and other private sources. (see Section 3.14). The EU expenditure on social protection (used here as a proxy for social benefits) amounted to 28% of GDP in 1997 (see Section 3.12).

- More than 70% of persons were in households reporting to receive social transfers in 1996, including benefits related to unemployment, old-age, retirement and survivors (both public and private), family, sickness and invalidity, and study grants. Greece, Spain and Italy had the lowest shares (50-60%), while all other Member States are in the range from 78 to 90%.

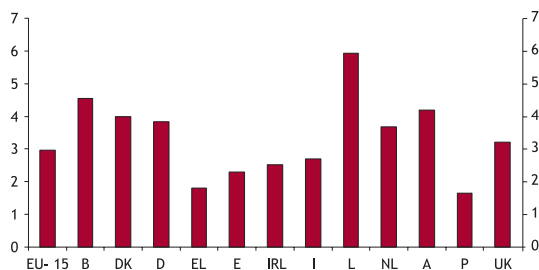
Graph 42 Persons in households receiving social benefits (%)



Source: Eurostat - ECHP 1996

- 76% of persons living in households with children aged under 16 received social benefits, and this percentage was between 60% and 70% for those aged 16-54, 77% for those aged 55-64 and 98% for those aged 65 and over. In most Member States this pattern is more or less present, but in Greece, Spain and Italy, children had lower shares. These last differences may be explained by the scarcity of family-related benefits in these countries.
- The mean received equivalised net social transfer was 3.0 thousand PPS for all persons, including persons in households that don't receive any social transfer. It was smallest in Portugal (1.7) and Greece (1.8) and largest in Belgium (4.6) and Luxembourg (5.9). If we relate the level of social transfer to the median (disposable, equivalised) incomes of the respective countries, we find that Belgium has the highest percentage (36%) followed by The Netherlands and Austria (32%). Only 3 Member States have a level less than 30%, Greece, Portugal and Ireland (25%, 26% and 28% respectively).

Graph 43 Mean received equivalised social benefit (OOOs PPS)

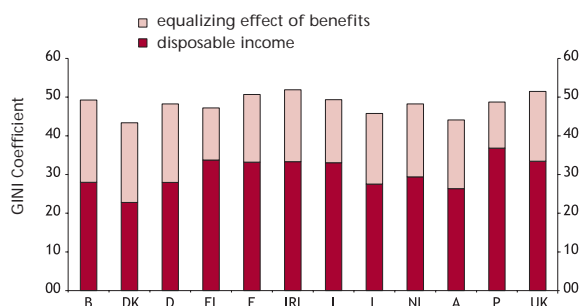


Source: Eurostat - ECHP 1996

Redistribution by social benefits

- **Social benefits diminish income inequality within Member States.** The redistributive effect of social transfers in this analysis is limited to that of money received. The (possibly large) effect of taxes and contributions is not included. The diminishing effect of social benefits on income inequality varied from 12 to 13 percentage points in Portugal and Greece to about 20 in Germany, Denmark and Belgium.

Graph 44 Income inequalities: net market income (total bars), the effect of benefits and disposable income



Source: Eurostat - ECHP 1996

However, they enlarge differences in income inequality between Member States: If we use the standard deviation to measure the dispersion of the inequality levels, this standard deviation appears to be 2.7 for net market income inequalities of the different countries, and 4.1 for disposable income inequalities. So, inequality differences between countries increase by a factor of one and a half when one changes from net market incomes to disposable incomes.

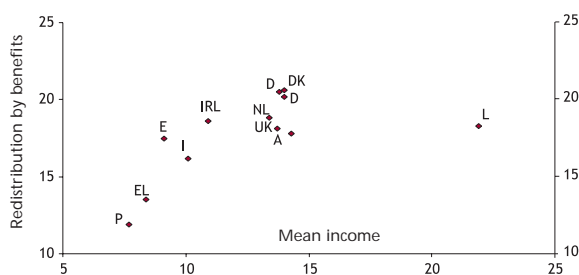
- **73% of the European citizens stated that "governments are responsible for reducing income differences".** Government actions are favoured

in some Member States such as Greece, Spain, and Portugal, either for reducing extreme income inequalities or for reinforcing support to excluded persons. 78% of respondents agreed that the government should spend more on social protection: the lowest support to such action is found in the Western part of Germany and in Denmark while the highest is again in Southern Europe. The groups with higher income support less the propositions to increase government spending on social protection. The unemployed and people staying at home request more state intervention for reducing income inequality and to support groups of excluded persons.

Apparently, the opinions of people are in a certain way consistent with the objective data: more spending on social protection is required by persons in lower income groups and in countries with higher inequality or poverty.

- In the EU, a higher mean disposable income correlates with more redistribution by benefits³⁹. A higher living standard gives governments more opportunity to levy taxes and to redistribute income. However, it is difficult to determine the causality of this relationship. It is possible that a third common factor is the underlying cause, like the type of welfare state. A recent study on the relationship between type of welfare state and indicators like poverty, inequality and redistribution suggests that the type of welfare state can explain some, but not all of the differences⁴⁰.

Graph 45 Redistribution by benefits vs Mean income



Source: Eurostat - ECHP 1996

- **The mean received equivalised benefit decreases in relation to net market income.** A large part of social benefits is devoted to low-income situations, like unemployment and disability. However, benefits may also be paid to, for example, households with children and to unemployed partners of working persons. The overall effect is that higher benefits are paid to persons in households with lower market incomes. Categorising income using income quintiles, the mean amount is 7.6 thousand PPS in the first (lowest) quintile and then decreases (3.9, 1.9, 1.3) to 0.8 thousand PPS in the highest quintile.

³⁹ If Luxembourg with its very high mean is omitted, the correlation is .85 and significant at the 1% level.

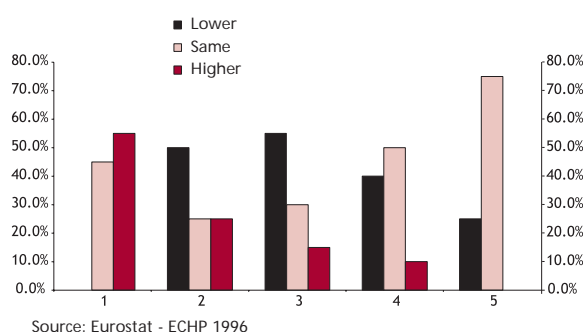
⁴⁰ Social and Cultural Planning Office of the Netherlands: Measuring welfare states: structure and impact of the socioeconomic order in eleven western countries, 2000.

- **Poverty figures decrease by social benefits.** Section 3.15 describes that most benefits other than pensions are heavily concentrated among low market incomes. In all Member States except Greece, Italy and Portugal, the proportion of people on a low-income falls by more than 25% when benefits other than pensions are added to their market income. In Denmark, the decrease is around two-thirds, which results in the lowest poverty rate after benefits for that country. This clearly shows that the reductions in poverty due to social benefits vary considerably among Member States and they are not systematically linked to the poverty levels before benefits.

About 44% of the poor have income from work as main income source of their household, 4% has private income as main source. The remaining 52% has social benefits as main source. Their distribution by largest social transfer is: 52% has pensions (old-age / survivors) as largest transfer, 12% has employment benefit as largest transfer, 9% has sickness / invalidity as largest transfer and the rest have another type as largest

- In Greece and Italy, the proportion of poor living in households where work is the main source of income is more than 55%. Lower figures (25-30%) are found in the United Kingdom, Ireland and Belgium. The large majority of the other poor have social transfers as their main income, the largest of which is old age / survivors pension (for 50% of them).
- Benefits change relative positions of people. The graph below shows the percentage of persons in each quintile of net market income that have either moved up at least one quintile, moved down at least one quintile or stayed in the same quintile owing to the effect of social transfers i.e. when ranked by their disposable income. For example, 50% of those people in the second lowest quintile of net market income find themselves in the lowest quintile of disposable income.

Graph 46 Changes in income quintile after social benefits

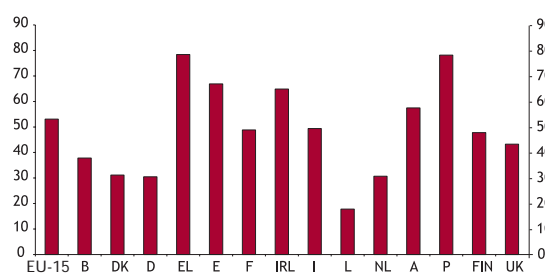


2.3.3 Socio-economic security

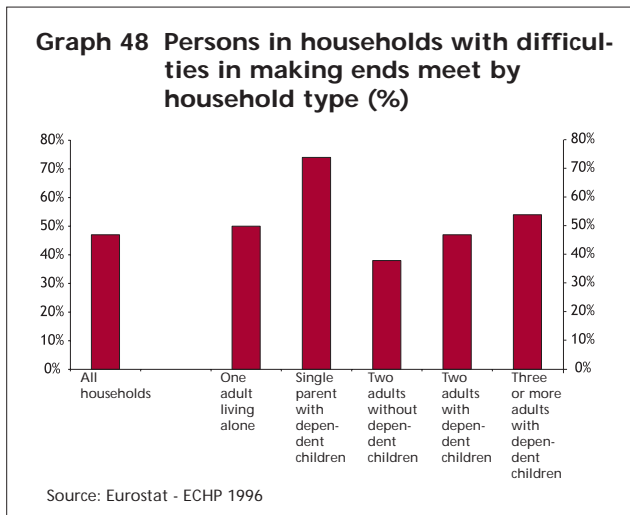
Socio-economic security refers to the way the essential needs of citizens with respect to their daily existence are addressed by the different systems and structures responsible for welfare provisions and is therefore an important component of social quality. An acceptable minimum of socio-economic security provides protection against poverty, ill health and other forms of material or social deprivation.

- **More than half of EU citizens claim to have financial difficulties....** Income is an objective measure of the command over goods and services, but it does not necessarily correspond to the experience of people and their level of socio-economic security. It is therefore important to ask people whether their household has difficulty in making ends meet. More than half of the people in the EU was in a household claiming at least some difficulties in 1996. Most difficulties were reported in Portugal and Greece (both 78%), followed by Spain and Ireland. These shares are fairly stable between 1994 to 1996. Luxembourg has by far the lowest percentage with fewer than one in five (18%). The Netherlands, Germany and Denmark are the next lowest (all with 31%).
- **... and their problems seem to be related to low incomes:** Greece, Portugal and Spain have the lowest mean disposable incomes in the EU and relatively high levels of inequality. The shares of people in households with difficulties were 90% in the first two income quintiles in Greece and Portugal, suggesting that measured low incomes and reported difficulties are closely related. On the other hand, one has to be careful in attributing absolute value to reported difficulties. Even in Member States with high mean income levels, at least 10 to 20% of people in the highest quintile felt hampered by financial difficulties (with the exception of Luxembourg: 4% in the fourth and 0% in the fifth quintile).

Graph 47 Persons in households with difficulties in making ends meet by Member State (% of persons)



- **Single parent family households are under the most pressure throughout the EU** as, on average, nearly three-quarters have difficulties in making ends meet. Households with three adults and dependent children are also under some pressure: throughout the EU over half of these households (54%) find it difficult to make ends meet. These are usually three-generation households so there is pressure on both children and older family members.



- Throughout the EU, **female single-person households** find it more difficult to make ends meet than male households (53% to 45%). In Spain the difference is more dramatic as only 49% of male compared to 71% of female single person households have difficulties in making ends meet. In Finland however, the pattern is reversed: a higher proportion of male than female single person households have difficulties to make ends meet (53%/45%).

2.4 Trust and participation in society

This chapter discusses some trends related to social participation and trust. The ability and willingness of individuals and groups to participate in activities in markets, politics and civil society is crucial for the formation of social cohesion. Participation contributes to the development of shared values and a sense of common belonging. Rates of participation in trade unions, political parties and other voluntary organisations may be interpreted as indicative of the readiness of people to come together to collectively address common problems. Rates of trust in public authorities is another indicator of social cohesion.

• Participation related to work and employment

Employment rates are indicative of peoples' ability to participate in work through paid employment and to provide for themselves and their dependants. Paid employment is the most widespread form of participation in society and an important factor in the social status of people of working age, who spend more time (section 2.2) at work than in any other participatory activity. Conditions of work and employment significantly affect the general well-being and health of workers and impact on family life and others social activities. The recovery in the 90's has allowed more people to participate in employment (section 3.7). At the same time more precarious forms of employment and working conditions have proliferated. Present trends towards flexibilisation of working arrangements may result in less monotony and more autonomy at work. But phenomena such as flexible working time, flexible contracts, telework and outsourcing may also lead to larger levels of insecurity, stress and other health related issues.

The social dialogue remains a vital part of the European Social Model. But participation in terms of trade union membership has been decreasing for decades in all Member States with the exception of Spain. In the same period the incidence of strikes has dropped significantly. Shifts in the volume of employment from manufacturing towards services, changes in industrial relations and government policies along with increasing individualisation of working arrangements and of life choices are likely elements of an explanation.

• Social relations, volunteering and the social economy

Contacts with family, friends or neighbours dominate civil society participation in Southern Europe and Ireland, while formal volunteering is fairly widespread in Northern Europe. Though there is no clear cut definition of this sector, third sector organisations seem to represent 6.6 % of employment in Europe. NGO's often play a significant role in the fight against social exclusion and in local development.

• Gender equality in decision making

The transformation of the EU towards a knowledge based society cannot be achieved without a balanced participation of women. Yet, gender equality is far from achieved at the level of decision making. The proportion of women at the top level of decision making is still very low in the economic, political and scientific domains.

• Trust and governance

Democracy is widely supported as the "best political system" by the Europeans and a large majority agrees that society must be inclusive and oppose any discrimination based on race, religion or culture. But the level of trust in political institutions, political parties and public authorities demonstrates how much the present mode of governance and representation is under criticism. 42% of Europeans stated that they trust the civil services in their country. Non governmental organisations are trusted by 60% of respondents while the trust score for trade unions and large companies only comes to half of that.

2.4.1. Introduction

Social participation and social commitment and solidarity in an active society are core elements of the European social model. Social participation is important for building networks between people and between groups. It has been argued for a long time that networks and active forms of solidarity contributed to the emergence of modern economies and to their success. The level of social cohesion can be captured by measuring dimensions of general participation, of interpersonal relationships and interactions, of individual engagement in areas of public interest and by measuring the confidence in fundamental institutions.

The first issue of this report (2000) reported extensively on the informal interpersonal relations. This report presents the evolution of the patterns of interaction at family levels (sections 3.2 and 2.1) and also presents data about the importance of domestic and social activities (section 2.2.). This section addresses in more detail the evolution of work related participation; the extent of volunteering and social economy; the question of equal opportunities in decision making and expression of trust in social and political institutions.

2.4.2. Participation related to work and employment

Participation in paid employment is the major and most widespread form of social participation in our society and the risk of social exclusion is closely related to the experience of long term unemployment. High level of employment is a main social objective with a particular attention to women and older workers. (see Section 3.7 to 3.11, 3.17)

But forms of participation are changing as new "rules of the game" specific to the knowledge-based economy are now spreading in all the production sectors and changing modalities of economic production and of distribution of wealth. This is particularly true with the new patterns of decision-making for the allocation of resources (corporate governance), new structures for the distribution of returns (profit sharing, distribution of stock options to the workforce) and with the increasing flexibility in work and employment.

Changing conditions of work and employment

Flexibility in work: Workers in production processes are given greater responsibility and expected to react quickly to changing demands from customers. Greater communication and social skills are required of workers as they have to collaborate in teams and networks with suppliers and customers. The transformation of the production places has accelerated with the development of communication technologies available at low cost.

... takes multiple forms: flexible time and location, telework, flexible contracts, functional flexibility, outsourcing and subcontracting where market control replaces hierarchical control⁴¹. Between 1991 and 1996, the percentage of workers with a measure of autonomy over their own pace of work increased from 64% to 72%.

At the same time, issues of trust and confidence gained a new importance as a way to secure efficient communication in the continuously evolving networks and to motivate the workers.

... and create new opportunities: Positive developments are a decrease in monotony of work, greater autonomy and more group work and co-operation. This contributes to higher quality of work. There are also more opportunities for the workers to choose their individual working time and to better combine work and family life. This can make it easier for people with caring responsibilities to engage in paid work.

.. but also increases intensification: But overemphasis on the outcomes, blurring boundaries between work and the private domain, overload, unpredictability of work requirements, and neglect of safety and health protection at work are reported as the main negative side effects of recent changes (ILO,2000). Time constraints increase: "Over half the workers are exposed to working at high speed and to tight deadlines during at least one quarter of their working time"⁴².

.. with new related safety issues: The most common work-related health problems in Europe are back pain (30% of workers) and stress (28% of workers). More than one worker in three⁴³ feels stressed by work and one in five is constantly feeling tired. Mental health problems (such as depression) are reported in the UK as the second largest category of occupational ill health after muscular-skeletal disorders. Early retirement due to mental health difficulties and growing social security expenses due to stress at work deserve attention. It is possible to create a "healthy work organisation" taking into account, in a preventive manner, issues such as technology impact, time pressure and stress⁴⁴.

.. and more risk of dualisation ...: The proliferation of flexible work practices may at one and the same time contribute to higher quality of life and increase social exclusion. A core-periphery labour market emerges where the well performing reaps the benefits in the centre while the poorer performing workers are sent to the periphery of the production units, where flexible working is more associated with precariousness than with autonomy. There has been a strong increase in the percentage of fixed term contracts, mainly for the groups of younger workers⁴⁵. Sections 2.2, 3.7 and 4 present data on the increase in part time work and working time.

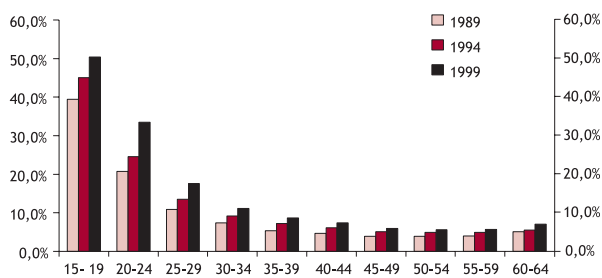
⁴¹ Section 2.1. showed that the migration of the labour force, which is also a form of flexibility, has not been increasing in Europe.

⁴² The 2000 survey on Working Conditions by the European Foundation on the improvement of living and working conditions

⁴³ European Agency for Safety and Health at Work, 2000.

⁴⁴ Guidance on work related stress – Spice of life or kiss of death?, European Commission, 1999.

⁴⁵ Further reading in: Employment in Europe,2000 and Industrial Relations in Europe,2000.

Graph 49 Proportion of workers on temporary contracts, by age, EU-15

Source: Eurostat - European Union Labour Force Survey

... with ambivalent social consequences: The quality of life of workers depends on the conditions of flexibility and the level of security. When firms reduce their long-term commitment by using more workers with short term employment arrangement, a larger share of the risk is born by the individual workers, the households and the local community. This increases the feeling of insecurity.

Near to one European in two considers himself as regularly stressed: this is more true for women (48% Vs 36%), for the age group 25-39, for people with higher education (42 Vs 33%) or higher income. Retired people reported less stress (22%) The lowest levels of stress are recorded in Finland (28%) and the other Nordic countries. Greece reports an exceptionally high level of stress with 72% of the respondents perceiving themselves as affected, followed by Belgium (48%).

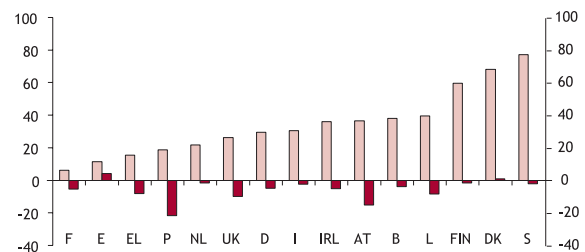
The multiple forms of flexible work emerging tend to lead to the intensification of work and an erosion of long term relations between employers and employees. Changes in working arrangements have important consequences on the life quality of the workers, also outside the work place.

Evolution of the social dialogue

The institutions for collective bargaining remain central in Europe ... for the organisation of social and economic life and contribute to economic performance through a series of complex political, institutional and social mechanisms. The social partners bring important values to the European social model: responsibility, solidarity and participation. For example, sector wide bargaining has prevailed in Europe for a long time, contributing to the transparency of wages and to social and regional cohesion⁴⁶.

... although forms and levels of social dialogue differ considerably between the Member States in terms of participation in information, consultation,

concertation and bargaining, these different patterns of governance are all facing many of the same challenges: growing international competition and presence of multinational companies, rise of customised markets, move to services, constraints linked to EMU and new forms of governance between regions, states and Europe. Where negotiations within sectors were strong, companies are increasingly negotiating new agreements, striking a balance between flexibility and job security on a case-by-case basis.

Graph 50 Trade Union density - EU-15, 1995

Trade Union density (as % of non agricultural LF - source ILO)

Change in trade union density (1985-1995) except for: DK and Italy and Spain and Sweden: 1985-1994; D, only for former FRG, 1985-1993; Luxembourg: 1987-1995.

Source: ILO

...and all are now changing: The structures of collective representation are still particularly high in the Central and North European countries where trade unions still play strong social roles, but these structures are weakening in all countries. This is particularly obvious when we look at developments in the membership of trade unions, since this has been decreasing in all countries except Spain. At the same time, collective bargaining tends to integrate broader issues related to employability (training), equal treatment of men and women, the fight against discrimination, etc.⁴⁷, issues which are at the same time voiced by specific pressure groups (associations representing the family, the unemployed and other social NGO's).

There are several explanations behind this lower participation in trade unions: changes in government policies; lower support from public authorities in strengthening social dialogue; greater individual autonomy; increased individualism in society; general decrease of membership into most traditional forms of hierarchical organisations; individualisation of working conditions; differentiation of the workforce and of company structures.

A decrease in industrial disputes? Strikes have become a far less frequent method of collective action. Since 1979 the number of strikes has fallen sharply at the EU level, from more than 85 millions days to less than 10 millions days in 1996⁴⁸. It can be interpreted as a conse-

⁴⁶ See Industrial Relations in Europe, 2000

⁴⁷ See for example the Council directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L303/16 of 2/12/2000).

⁴⁸ Further analysis in : Industrial Relations in Europe, 2000.

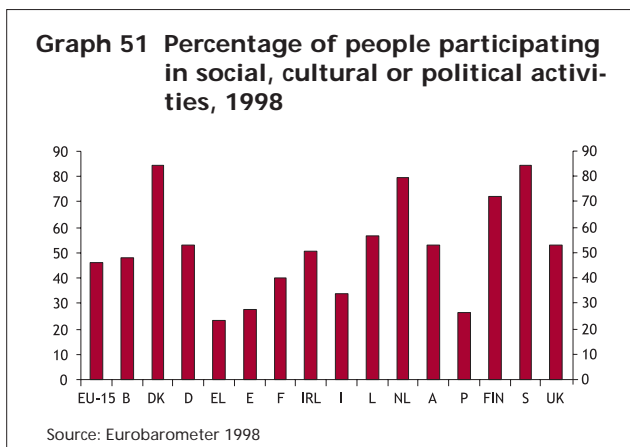
quence of high unemployment, a sign of softer industrial relations or a sign of weakening of the power position of unions. The new models of network production drive an image of consensus and soft governance within and between the firms. "Conflictuality" is no longer considered as the model of social relations and there is an appeal for more soft communication and negotiation in win-win strategies. This evolution tends to overshadow social tensions otherwise rising from the new balances of economic power. The question is: 'which expression these social tensions will take in the future?'

2.4.3. Participation in civil society and volunteering

Informal and formal relations

Considering informal relations, 4 out of 5 Europeans, on average, talk to a neighbour at least once a week. This is especially true in Greece, Spain, Ireland and Portugal. In The Netherlands, Denmark and Luxembourg, we recorded the highest levels of people having such a contact less than once a month or never. More particularly, people with disabilities and being hampered in everyday life have twice more chance to live in such isolation as compared to people not hampered. (EHP,1996).

Considering participation in organisations and formal groups (other than work), nearly half the adult citizens in the EU partake in either social, political or cultural activities. (data in Section 4, Eurobarometer 1998)



The highest participation rates in formal groups are recorded in the Northern countries (Sweden, Denmark, Netherlands and Finland) while the lowest are found in Greece, Portugal and Spain.

Volunteering and associative capacity is more prevalent in Member States to the Northwest (Belgium, Germany, France, Netherlands, Nordic countries and the UK) and less developed in Spain and Portugal. Volunteers are active mainly in sport and recreation,

churches and religious activities, social welfare, culture and education. Football leagues bring together 6% of the inhabitants in Germany and Luxembourg. 20% of the Europeans go to church every week and it reaches 64% in Ireland.

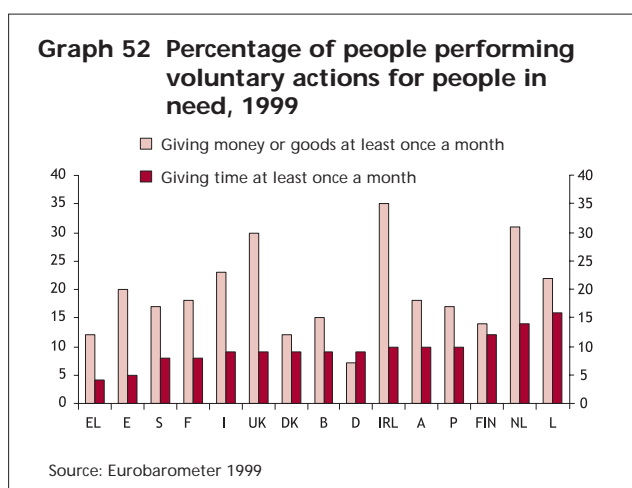
Despite significant drops in the membership of political parties and trade unions over the last two decades these two forms of participation are still the dominant ones.

Social participation in the South tends to be more informal, based on neighbourhood and community interactions, whereas in the North, there is more participation in formal clubs and associations.

Volunteering – A contributor to social cohesion

In many Member States volunteering is considered as important for building a responsible and democratic society, for counter balancing the strong market values and for addressing the challenges of changing social patterns. However, in other Member States, volunteering does not gain widespread support. Volunteering and voluntary associations play a specific role in local development and contribute to a better quality of life by offering their members possibilities for social development and personal fulfilment. In the fight against social exclusion, voluntary actions play an important role.

Europeans tend to help people in need with voluntary transfers of money ... : In 1999, it was asked whether people had given money or devoted some time to help people living poor or socially excluded. On average 3 people out of 5 have made such a voluntary transfer of money or goods in the last year, and 1 person out of 5 has made it on a monthly basis. The highest level observed is in Ireland and the lowest in Germany.



.. and time...: Giving personal time to help excluded persons seems to be more difficult. On average 3 people out of 10 have given time to help excluded persons and less than 1 person out of 10 has done it on a monthly

basis. Giving money is more common for those groups with the higher income, while giving time is unlinked to income. Volunteering cuts across all social groupings, but is lower for the young. A level of higher education is a good predictor for personal involvement.

... and are critical to the actual mix of organised interventions: Voluntary organisations and charities are perceived by a large share of the public as the most helpful for people living in social exclusion. Actions by different public administrations are also recognised and valued. Nevertheless, *more* Europeans consider that public administrations should be the most active. They express high expectations on public intervention in this field: the work of NGO's should not replace government interventions. This attitude is consistent with the support expressed with regard to social transfers (section 2.3.2). Enterprises and trade unions are not considered as pertinent actors in the fight against social exclusion. Expectations on these groups of actors are surprisingly low.

(Eurobarometer 1999) <i>In relation to providing help to people who are poor or socially excluded, in your opinion, who...</i>	currently provides most help	should provide the most help
Voluntary organisations	29	9
Religious organisations	17	8
Public administration/ social affairs	18	22
Public administration/ housing	11	19
Public administration/ employment	5	15
"Poor people or excluded people themselves"	5	3
Their relatives	7	6
Enterprises	1	6
Trade unions	1	3
European Union	2	8

The increasing share of the "Social economy"

Voluntary organisations active in the fields of social services and referred above here are part of the "Social economy" (or "Third Sector") which covers all these initiatives that have been flourishing between the public and private sectors (co-operatives, associations, mutual organisations, and foundations) since decades. This sector is very heterogeneous and complex. They state as common principles that they have additional objectives as compared to profit making and return on capital investment and that they are formally independent from the public and private sectors. They state to promote a human-centred vision of social development, with a declared primacy of people over capital and profit seeking and with a declared intention to involve the beneficiaries of the activity in their management.

... increases social cohesion by fostering participation ...: These initiatives are developed generally to provide specific services to their members or to the community (general interest), in response to the emerging demands. They seek to respond to needs that are not covered by public services or by the market. The third sector comprises traditional as well as innovative organisations, whose impact may vary. Nevertheless, small and innovative organisations which are well-rooted in the local community contribute to social cohesion through consultation mechanisms and strategies for development, by enhancing both trust and associative networks and societal infrastructures.

... and by responding to emerging needs and demands: They are flexible and particularly efficient in adapting to local social needs. To achieve their goals, they engage in economic activities and hire personnel. Today, these organisations represent a sizeable economic and social reality in many countries, if we take into consideration the number of paid jobs they created. Considering alone the paid work in such organisations, the Third sector represents 6.6% of employment in Europe⁴⁹: it is a very small sector in Greece (less than 2%), around 6% in Germany, Belgium, Italy and France, and higher than 7% Austria, Finland, United Kingdom and Spain. For some countries the record is still larger (higher than 12% in Netherlands, Ireland, and Denmark) but the distinction between public services and third sector is not clear cut in all member states. The share in employment of the third sector increases more than average, mainly in associations which are active in social and health services, in the education and research sector, and in sport, culture and leisure. The growth in employment share is partly explained by the outsourcing of certain functions that were carried out in the past by the public sector.

... and also supporting the emergence of new public debates: At a political level, these organisations can contribute to shaping the public debates, playing an advocacy role and creating momentum for change. They often act as a starting point for voicing concerns and for pioneering innovative strategies and they tend to be associated with the public debates in most Member States and at the EU level.

There is a growing political support for the development of the social economy, but debates are still on going on the distribution of responsibilities towards the third sector. The lack of expertise and professionalism of some organisations, their dependence from public subsidies, the working conditions offered, often attract criticism.

Changes in migration patterns with differentiated education and cultural background, and increases in the number of elderly people with specific care needs, might support a stronger development of this sector in the years to come.

⁴⁹ Third system and employment ; a mid term review – Report to DG Employment and Social Affairs – 2000 (CIRIEC 2000).

As shown by innovative experiences for social integration, new models for planning and local development are based on complex networks of public and private initiatives, paid work and volunteering, large companies and local social groups. The models encourage complementarity between different groups of actors, rather than sticking to traditional frontiers and allocation of tasks.⁵⁰

2.4.4. Gender inequalities in participation in decision making

It is important to consider the processes of public decision making and how rooted they are in society. How are the different trends and values in society represented at this level? Are the groups able to represent their views and interest adequately? If some groups consider that their interests, needs, experiences and approaches are not adequately taken into account, this can lead to social problems or the feeling of exclusion. On one hand, some groups in society suffer from direct and formal exclusion patterns when they do not enjoy full political or social rights. On the other hand, there are also other forms of discrimination which informally build up through social practices. The current representation system, for example, was built to address specific political questions. New questions now emerge and who will represent these emerging interests? who represents the interest of children and young people? What about the representation of the very old?

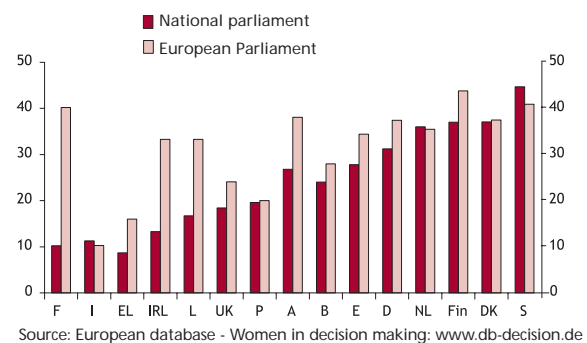
This year, we will concentrate on the inequalities of the participation of women in decision making⁵¹. It is recognised that the transformation of the EU towards a knowledge based society means a major structural change in the economy, in politics and in social life. This transformation cannot be achieved without a balanced participation of women.

Can women decide ? There is a persisting imbalance in Europe, concerning the participation of women at the level of decision making in politics, in management, trade unions, universities, civil society and the judiciary. Although the access to these institutions is now open to all citizens, figures show that women are still not taking part in the decision process.

... in the political domain⁵²: In the national parliamentary bodies, only one seat out of five is occupied by a woman. The discrepancies between countries are huge, from a minimum share of 8.7% in Greece to a maximum of 44.7% in Sweden. With 30.2% females among the MEPs the figure for the European Parliament is a little better⁵³.

In regional and local bodies the representation of women is even lower than 20 %. Some Member States are taking actions to overcome the barriers to female participation in political bodies by requesting a minimum (maximum) proportion of candidates from a given sex in the lists of candidates and/or by stipulating a better balance of gender representation in committees.

Graph 53 Percentage of seats of women in national and European Parliaments - 2000



... in public administration: in 1999 the proportion of women at the highest ranking position (after the Minister) in the central administrations reached 39% in Sweden, 19% in Portugal and only 4% in Spain. The figure for the European Commission comes to 10%⁵⁴.

... in the economy: In the last years, the economic evolution has been beneficial for women with an increase of their participation in the labour market. But women are not represented to the same extent as men at the levels of decision making. Data are very scarce but consistently show a level of female representation below 5% in the top positions in industry.

Decision making in finance: Although there is a high proportion of female employees in the financial sectors (bank, bank associations, ministries of finance), women are still an exception in top executive positions. A survey of commercial banks in 1999 shows 8% of higher management positions occupied by women, while female representation on the boards of directors and in the executive committees came to as little as 5% and 3 % respectively.

... and in science: In a knowledge-based society, it is expected that science will play a stronger role in all domains of life. Women today play a minor role in decision-making concerning scientific policies and priorities. Also, relatively few women pursue scientific careers, although women now constitute 50% of first-degree

⁵⁰ See COM(2000) 196, Acting Locally for Employment - A Local Dimension for the European Employment Strategy.

⁵¹ Further reading: Equal Opportunities for Women and Men in the European Union ,1999.

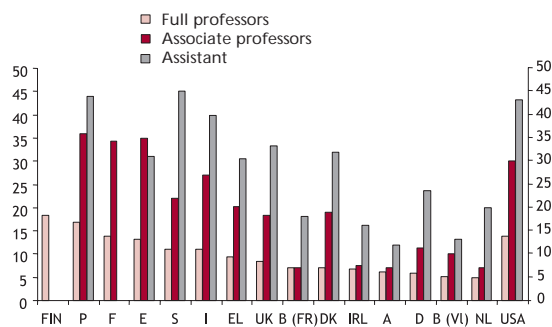
⁵² Further reading: Equal Opportunities for Women and Men in the European Union ,1999.

⁵³ Updated data are available at <http://www.db-decision.de/>

⁵⁴ Council of the European Union, Review of the implementation by the member states and the European Institutions of the Beijing Platform for Action, 8 November 1999

students in many countries⁵⁵. At the level of full professors, the proportion of women as compared to men is much lower than parity, ranging from 5% in the Netherlands to 18% in Finland. In many countries the percentages remained stable in the 1980s and showed a slow increase at the beginning of the 1990s. Women tend to disappear from academic life before obtaining careers posts. The higher the position in the hierarchy, the lower the percentage of women.

Graph 54 Participation of women in academic positions, by status, EU-15, 1999



Source: ETAN Report on Women and Science: Science Policies in the European Union: Promoting excellence through mainstreaming gender equality

This tendency is confirmed in all disciplines although there are also considerable variations in the proportion of women graduates between disciplines. For example, in UK, 60% of the students at undergraduate level in biological science are women but less than 10% of the professors are women.

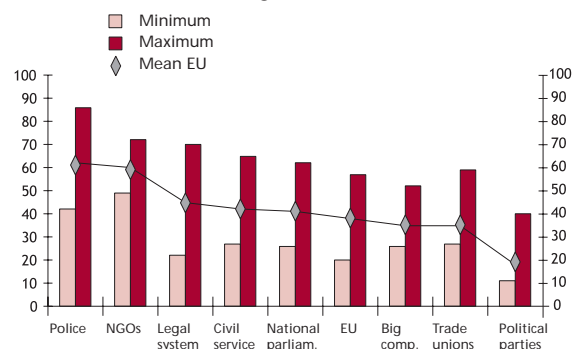
2.4.5. Trust in political institutions and social organisations

An indicator of social cohesion is the extent to which people trust their political institutions and other social bodies. The European social model is based on the values of a democratic order including unconditional support for individual dignity and liberty, respect for human rights, the rule of law and the freedom of expression and association.

"Democracy is the best political system"...: 82% of EU citizens agree with such a statement and 6 out of 10 people are satisfied with the way democracy works in their country while 35% are not very or not at all satisfied (Eurobarometer 51,1999). People in Luxembourg (83%), Denmark (81%) and the Netherlands (78%) are most likely to be satisfied with the way democracy works in their country. Satisfaction is lowest in Belgium (49%) and Italy (34%).

... and trust in political institutions was highest in the Netherlands and Luxembourg and lowest in Italy and Belgium (data from Eurobarometer 51, 1999, see section 4). 42% of EU citizens trust their country's civil service, Parliament and Government. Trust in one's country's civil service is most widespread in Austria (65%), and lowest in Italy (27%), and Belgium (37%). Trust in one's country's Parliament and Government is most widespread in the Netherlands and Luxembourg and least widespread in Belgium and Italy, although in Belgium, an increase has been observed since 1997.

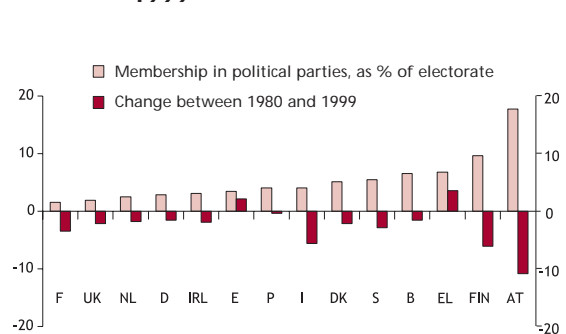
Graph 55 Percentage of people expressing trust for societal institutions, min/max by institutions, 1999



Source: Eurobarometer

Political parties receive resoundingly low levels of trust (18%): the lowest degree of trust was recorded in France and the highest in the Netherlands. The participation in political parties has been decreasing in all member states, except for Greece and Spain: the membership rate, expressed as a percentage of the electorate, reaches 17.7% in Austria and only 1.9% in the UK, with an average of 5.3 % for the EU as a whole⁵⁶.

Graph 56 Membership in political parties, 1999



Source: Sociaal en Cultureel Planbureau, Nederland in Europa, 2000: for 14 Member States, Luxembourg not included, selected years for MS over the period 1998-2000

⁵⁵ ETAN Report on Women and Science: Science Policies in the European Union: Promoting excellence through mainstreaming gender equality, 1999.

⁵⁶ Sociaal en Cultureel Planbureau, Nederland in Europa, 2000: for 14 member states, Luxembourg not included, selected years for MS over the period 1998-2000.

Trust in the legal system is low... Overall less than half the EU population trusted the legal system in their country. Slightly more people mistrusted (46%) rather than trusted (45%) it. France, Italy and Portugal had higher levels of mistrust than trust in their legal systems.

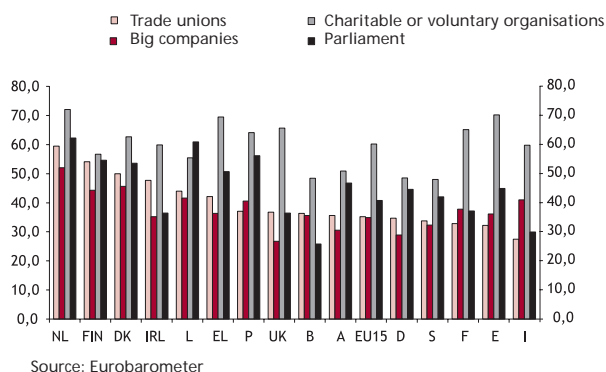
..while trust in the police and the army is high: Over six out of ten EU citizens trusted the police and the army in their country and very few distrust these institutions (32% distrust the police and 22% the army). Finland had high trust levels in all three areas (legal, police, army), followed by Denmark. Austria had high trust levels in its legal system and Greece had the highest trust levels in its army. Belgium had by far the lowest trust levels and highest levels of mistrust in all three areas.

A sample of EU citizens were asked (Eurobarometer 52, 1999) "which of twelve possible sources of information on modern biotechnology they trusted most?". Of all the sources of information suggested, the consumer organisations received the highest score (26%), with the medical profession (24%) ahead of environmental protection organisations (14%). These three sources of information were a great deal more popular than universities (7%), media (4%), public authorities and industry (3%).

Social organisations receive various levels of trust: Trade Unions and big companies are trusted by one out of three Europeans and distrusted by half of them. Companies are very mistrusted in the UK and Germany and trusted first in Netherlands, Denmark and Finland. Trade unions are very mistrusted in Italy, Spain and France but receive higher trust levels in Netherlands, Finland and Denmark.

The Church is trusted by 50% of respondents, trust is highest in Greece, Portugal, Finland and Denmark. Mistrust is highest in Belgium, France and Austria.

Graph 57 Percentage of people expressing trust for societal institutions, 1999



⁵⁷ Data from Eurobarometer 53, 2000.

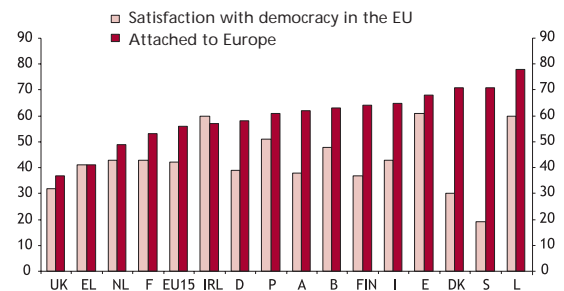
⁵⁸ See Council directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L303/16 of 2/12/2000) - See Council directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L180 of 19/7/2000). See the work of the European Union Monitoring Centre on Racism and Xenophobia in Vienna (EUMC).

Voluntary organisations are trusted by 60% of the respondents, trust is highest in the Netherlands, Spain and Greece and lowest in Belgium, Sweden and Germany, but even here, they are still trusted by about half the population.

Trust in international institutions ranks a little higher. There were higher trust levels in international than national government institutions. Just under a half of EU citizens trusted the UN, and slightly less the EU, compared with only four in ten for their national government. People in Spain (61%), Luxembourg and Ireland are most likely to be happy with the way democracy works in the European Union while people in Sweden (19%), Denmark (30%) and the UK (32%) are the least likely to be satisfied.

Feeling of attachment is another dimension: Trust in the European Union or satisfaction in the functioning of democracy at that level does not tell the whole story. The highest levels of attachment to Europe after top-scoring Luxembourg (78%) was recorded in Denmark and Sweden (both 71%). The Greeks and the British are the least attached to Europe (41% and 37 %). **Not surprisingly more EU citizens feel attached to their country, town and region (89, 87, 86%) than to Europe 56%.** (Eurobarometer 51, 1999, see section 4)

Graph 58 Percentage of people expressing attachment to Europe and satisfaction with democracy in Europe, 1999



Source: Eurobarometer

A multicultural society appears to be a shared utopia⁵⁷ and 74% of Europeans interviewed agreed with the statement that their country had "always consisted of various cultural and religious groups". Questions related to discrimination on grounds of racial or ethnic origin, religion or belief, and attitudes of xenophobia, as well as actions⁵⁸ taken in Europe to counteract this evolution (particularly through education) will be analysed in future reports.

Section III

**Areas of social policy concern
- statistical portraits**

Section Three presents a series of statistical portraits that address a range of social policy concerns for the European Union. Virtually all the main social policy domains are covered: education, employment, migration, social cohesion, social protection, gender equality and health.

Each statistical portrait is presented in the form of tables, graphs and commentary. This year's report includes twenty portraits, five more than last year. Two of these provide contextual information, one on population, households and families, the other on the economic situation. The other three new portraits cover i) migration and asylum ii) lifelong learning and iii) jobless households and low wages. Gender issues are covered partly by two portraits under the heading 'gender equality' and partly in other portraits and the statistical annex where a number of indicators are disaggregated by sex.

Each portrait is built around a selected key indicator (see following table). Together, the set of indicators provides not only a snapshot of today's social situation but also an instrument for monitoring and comparing progress in the social field among the fifteen Member States.

The following criteria have been applied in selecting the key indicators. Each indicator should be: i) policy relevant at EU level ii) comparable across the fifteen Member States iii) available using Eurostat harmonised sources iv) measurable over time and v) easily understood. The set of indicators should be relatively stable over time to ensure continuity. However, a degree of flexibility is required to take account of changing policy needs and future improvements in data availability.

A summary of the key indicators with data for each Member State can be found in Annex I. Detailed statistical data covering the whole report can be found in Annex II.

All the data in this report are correct as of 1 February 2001. Additional or more recent data can be requested from Eurostat Datashops (see list in Annex III).

Domain		Statistical Portrait	Corresponding key indicator
Economy	1	Economic situation	-
Demography	2	Population, Households and Families	-
	3	Ageing of the population	Old age dependency ratio
	4	Migration and asylum	Net migration rate
Education	5	Education outcomes	Percentage of the population aged 18-24 having left education with low qualifications
	6	Lifelong learning	Percentage of the population aged 25-64 receiving education/training
Employment	7	Employment	Employment rate of 15-64 year olds
	8	Employment of older workers	Employment rate of 55-64 year olds
	9	Unemployment	Unemployment rate
	10	Youth unemployment	Youth unemployment/population ratio
	11	Long-term unemployment	Long-term unemployment rate
Social protection	12	Social protection expenditure	Social protection expenditure as a percentage of GDP
	13	Old age benefits	Old age/survivors benefits as a percentage of total social benefits
Income and poverty	14	Income distribution	Income distribution ratio (share ratio S80/S20)
	15	Low-income households	Percentage of the population with an income less than 60% of the national median
	16	Jobless households and low wages	Share of households in which no member is in employment among all households in which at least one person is active
Gender equality	17	Female employment	Female employment rate of 15-64 year olds
	18	Earnings of men and women	Average earnings of women as a percentage of men's
Health and safety	19	Life and health expectancies	Life expectancy (without disability) at birth
	20	Accidents	Incidence rate of working accidents

Note: No key indicator has been chosen for either of the contextual statistical portraits (numbered 1 and 2)

Symbols, abbreviations and country groupings

*	provisional/estimated data or low reliability due to small number of observations
:	not available
-	nil
.	not applicable or data not statistically significant
0	less than half the unit used

PPS	Purchasing Power Standard
GDP	Gross Domestic Product

EU-15	European Union of Fifteen
EUR-11	euro-zone Member States (see note below)
B	Belgium
DK	Denmark
D	Germany
EL	Greece
E	Spain
F	France
IRL	Ireland
I	Italy
L	Luxembourg
NL	Netherlands
A	Austria
P	Portugal
FIN	Finland
S	Sweden
UK	United Kingdom

The 'euro-zone' Member States are B, D, E, F, IRL, I, L, NL, A, P and FIN. Data for EL, which joined the euro-zone in 2001, are not included in this aggregate as the statistics refer to the period up to the year 2000.

The 'southern' Member States are EL, E, I and P.

The 'Nordic' Member States are DK, FIN and S.

1

Economic situation

Strong economic growth throughout most of the Union

In terms of economic performance, 1999 was a relatively good year for the European Union with gross domestic product (GDP) increasing by 2.4%. This overall assessment is strengthened by data available for the first six months of 2000, which show growth of 3.5% compared with the first half of 1999. Of the four major European economies in 1999, France and the United Kingdom enjoyed growth rates of +2.9% and +2.2% respectively while Germany (+1.6%) and Italy (+1.4%) recorded lower rates. The economies of Ireland and Luxembourg continue to grow faster than those of the other Member States: in 1999, Ireland's GDP expanded by 9.8%, while Luxembourg's grew at a robust 7.5%. More than four percentage points behind Ireland and Luxembourg came Spain (+4.0%) and Sweden (+3.8%).

GDP per head varies considerably among Member States

In 1999, the GDP per capita figure in the European Union amounted to 21 200 PPS. In order to compare the Member States, the GDP per capita figures are calculated in relation to the EU average (EU-15=100). It is thus easier to observe and measure differences between Member States: Luxembourg stands out with the highest GDP per head - one of the highest in the world - recording a figure which is 84% above the EU average. Denmark has the second highest figure although the difference with the EU-15 figure is only +18%. At the other end of the scale lie Greece (33% below the EU average), Spain (-18%) and Portugal (-24%).

Low level of inflation

In October 2000, EU-15 annual inflation stood at 2.4% (2.7% for the euro-zone). In October 1999, it was 1.3%. The highest annual rates in October 2000 were in Ireland (6.0%), Luxembourg (4.3%) and Spain (4.0%)

while the lowest rates were in the United Kingdom (1.0%), Sweden (1.3%), France and Austria (both 2.1%). Compared with October 1999, the biggest relative rises were in Germany (0.9% to 2.4%), Belgium (1.4% to 3.7%), Austria and France (both 0.8% to 2.1%); the only relative fall was in the United Kingdom (1.2% to 1.0%). The lowest 12-month averages up to October were in the United Kingdom (0.8%), Sweden (1.2%) and France (1.7%); the highest were in Ireland (5.0%), Luxembourg (3.4%) and Spain (3.3%).

Reduction of public deficit and public debt in most Member States

Public deficit is defined in the Maastricht Treaty as general government's net borrowing according to the European System of Accounts. In 1999, seven Member States achieved a surplus in the budget (net lending), while in all the others the deficit was less than 2% of GDP. Apart from Ireland and Luxembourg - which have recorded a surplus for several years - every country reduced its deficit or increased its surplus. The budget restrictions introduced in recent years are clearly bearing fruit. The average figures for the Union and the euro-zone declined steadily throughout the four years under review, and at the end of 1999 they were -0.7% and -1.2% of GDP respectively. In 1996 they were both -4.2%.

Public debt is defined in the Maastricht Treaty as total general government gross, nominal and consolidated debt outstanding at the end of the year. At the end of 1999, seven countries had a level of public debt below the 60% threshold, and five others were in the 60-70% range. Three Member States (Italy, Belgium and Greece) were still above 100%, but the figure has been dropping every year since 1995. In the case of Germany, Austria and Portugal, however, public debt increased between 1998 and 1999. Overall, the average debt ratio for the Union stood at 68.1% (72.2% for the euro-zone) in 1999.

Policy context

On 11 April 2000, the Commission adopted a Recommendation on the Broad Economic Policy Guidelines (BEPGs) for the Member States and the European Union. The BEPGs are at the centre of the economic policy co-ordination process and provide the framework for the definition of the overall policy objectives and orientations of the Member States and the Union. Pedro Solbes, EU Commissioner for Economic and Monetary Affairs, stressed that "the 2000 BEPGs provide an operational content to the conclusions of the Lisbon Special European Council. They set out a

comprehensive strategy to deal with the four key challenges of the EU economy: the return to full employment, the transition to a knowledge-based economy, the impact of a rapidly ageing population and the improvement of social cohesion." The Commission recommends to press ahead with (i) growth and stability-oriented macroeconomic policies, (ii) the promotion of the development of knowledge-based economic activity, (iii) the implementation of deep, comprehensive economic reforms and (iv) the modernisation of social protection systems. Member States are "urged to seize the opportunity of an auspicious economic outlook to implement with resolve the strategy."

Social Policy Agenda (COM(2000) 379 final), Section 4.1.1.2 calls for action at all levels (European, national, regional and local) to "ensure consistency and greater synergy between economic, structural and employment policies, in particular in the preparation and implementation of the Employment Guidelines and the Broad Economic Policy Guidelines."

Methodological notes

Source: Eurostat - European System of National and Regional Accounts in the Community (ESA 95).

If gross domestic product (GDP), and GDP growth rate, indicate the size and the performance of a country's economy in absolute terms, calculating per capita GDP (in relation to the population) provides an indication, albeit somewhat simplistic, of a country's wealth. To make comparison easier and precisely because we are referring to the concept of wealth, the data presented in this chapter have been calculated in purchasing power standards (PPS). The advantage of using PPS is that they eliminate distortions arising from the different price levels in the EU countries: they are conversion factors calculated as a weighted average of the price ratios of a basket of goods and services that are homogeneous, comparable and representative in each Member State.

The annual rate of inflation measures the price change between the current month and the same month the

previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month. The 12-month average rate overcomes this volatility by comparing average Harmonized Indices of Consumer Prices (HICPs) in the latest 12 months to the average of the previous 12 months. This measure is less sensitive to transient changes in prices.

Depending on whether or not a country's revenue covers its expenditure, there will be a surplus or a deficit in its budget. If there is a shortfall in revenue, the government is obliged to borrow. Expressed as a percentage of GDP, a country's annual (deficit) and cumulative (debt) financing requirements are significant indicators of the burden that government borrowing places on the national economy.

Links to other parts of the report

Employment (3.7), Unemployment (3.9), Economy (Annex II)

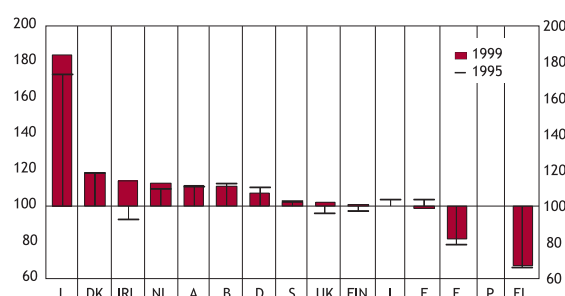
Further reading

- "The Economic Portrait of the Union, 1999", Eurostat.
- Statistics in Focus (Economy and Finance): "Quarterly National Accounts: second quarter 2000", No.36/2000. "Harmonised Indices of Consumer Prices October 2000", No.43/2000. Updated monthly. Eurostat.

Growth rate of GDP	EU-15	EUR-11	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
1999	2.4	2.4	2.5	1.7	1.5	3.5	3.7	2.9	9.8	1.4	7.5	3.6	2.1	2.9	4.0	3.8	2.1
2000 (first 6 months)	3.5	3.5	5.0	3.2	3.0	:	4.1	3.4	:	2.8	:	4.4	3.8	2.9	5.0	3.6	3.1

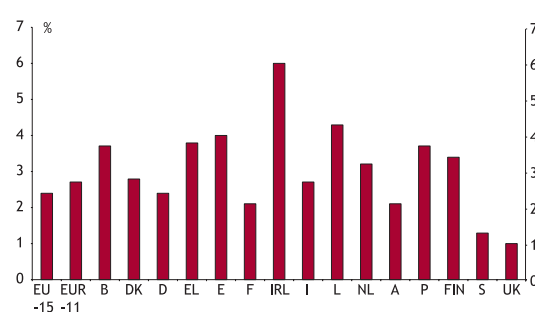
Source: Eurostat - National Accounts

Graph 59 GDP per head (Index EU-15 = 100)



Source: Eurostat - National Accounts

Graph 60 Annual inflation rate, October 2000



Source: Eurostat - Harmonised indices of consumer prices

2

Population, households and families

376 million inhabitants in the Union

The population of the European Union stood at 376 million on 1 January 2000. It has the third largest population in the world after China (1253 million) and India (1009 million), but ahead of the United States (274 million) and Japan (126 million). Germany has the largest population. Its 82 million inhabitants make up 22% of the Union's population while the United Kingdom, France and Italy each account for around 15% of the total.

Around 17% of the EU-15 population are less than 15 years of age. Ireland has the youngest population (22% of the total). Persons of working age (15-64) account for 67% of the EU total. The remaining 16% are elderly people aged 65 and over. The number of elderly persons has increased rapidly in recent decades. This trend is expected to continue in the coming decades. See Ageing of the population (3.3).

There has been a gradual slowing down of population growth in the Union over the last 35 years. Over the period 1995-1999, the population increased on average by 2.5 per 1000 population per year compared with an annual average of around 8 in the 1960s. Since the mid-1980s, international migration has rapidly gained importance as a major determinant of population growth. See Migration and Asylum (3.4).

According to the baseline scenario, total EU population should peak around 2022. Within the Union, future population growth will be far from uniform. Italy's population is expected to decline early in this decade while Ireland's population is not expected to fall until 2048. See Population trends and related issues (2.1).

Fewer children and later in life

The completed fertility of post war generations has been steadily declining and is now around 1.7, well below the reproduction level (2.1 children per woman). See Ageing of the population (3.3).

Fewer and later marriages and more marital breakdowns

In 1999, there were only 5 marriages per 1000 inhabitants in EU-15 compared with almost 8 in 1970. The average age at which people first get married has also increased: for men, from 26 years in 1980 to almost 30 today and for women, from 23 to 27 years. Looking at marriage cohorts, the proportion of divorces is estimated at 14% for marriages entered into in 1960. For those more recently married couples (1980), the proportion has doubled to 28%. There are however considerable differences

between countries with more than 40% of marriages (entered into in 1980) ending in divorce in Denmark, Finland, Sweden and the United Kingdom compared with 15% or less in the southern Member States.

A marked increase in non-marital unions ...

In the last twenty years or so, conjugal life in many countries has increasingly taken the form of cohabitation. EU-wide, 31% of young people (under the age of 30) living in a couple are cohabiting compared with 8% of all couples. Among the young generation, there are wide disparities across countries. While more than 70% of young Danish couples are unmarried, only 9-17% of their Greek, Spanish, Irish, Italian, and Portuguese counterparts are cohabiting.

... and, as a result, a rise in births outside marriage

The proportion of births outside marriage continues to increase, basically reflecting the growing popularity of cohabitation: from 6% of all births in 1970 to 27% in 1999. In Sweden, more than half (55%) the children born in 1999 had unmarried parents. The proportion is around 40% in several other countries (Denmark, France, Finland and the United Kingdom). In contrast, low levels, albeit increasing ones, are seen in many southern European countries, including, for example, Greece (1.5% in 1980 to 4.0% in 1999), Italy (4.3% to 8.7% in 1998) and Spain (3.9% to 13.1% in 1997).

Trend towards smaller households with ...

The result of these and other trends (such as the increasing number of people living alone) is that households are becoming smaller and alternative family forms and non-family households are becoming more widespread. Although this pattern can be observed throughout the Union, there are significant variations between Member States.

While the absolute number of households has increased, the average household size has decreased. In 1999, there were an estimated 370 million persons living in 153 million private households within the fifteen Member States. This represents an average of 2.4 persons per household compared with 2.8 in 1981. Every EU country has experienced a decline in its average household size over this period. Only Spain, Ireland and Portugal have around 3.0 persons per household.

... more people living alone ...

In 1999, an estimated 12% of the population were living alone compared with 8% in 1981. The proportion of

people living on their own is highest in the Nordic countries (more than 15%) and lowest (5%) in Spain and Portugal. There are marked differences between the sexes and across generations regarding the share of the population living alone. More than one-third of one-person households are made up of women aged 65 and over while men of the same age account for only 9% of the total.

... and a striking rise in the number of children living with one parent ...

Although the proportion of the population living in a lone-parent family is relatively small (4%), there has been a marked increase in the number of such families over the last twenty years. In 1998, 13% of all dependent children were living with just one parent compared with just 8% in 1983. In the United Kingdom, the proportion has more than doubled over this period. Today, the proportion ranges from 6% in Greece and Spain to 25% in the United Kingdom. The overwhelming majority of lone parents are women.

... and a fall in the number of couples with children

In parallel with the above changes, the share of the population living in families composed of two or more adults and dependent children is gradually declining: from 52% in 1988 to 47% in 1999. The highest proportions can be observed in Spain, Ireland and Portugal, due largely to the sizeable proportion (around 20%) of the population living in families with three or more adults and dependent children. This proportion has declined dramatically, however, in Spain and Portugal from just under 30% in 1988.

Persons living in households composed of two adults without dependent children represent 24% of the population although the data include couples whose children may have already left home. In addition 14% of the population live in households composed of three or more adults without dependent children. These include households where one or more of the parents of a couple is/are living in the couple's home. This type of household is more common in the southern Member States. See Annex II for data per Member State.

Methodological notes

Sources: Eurostat - Demographic Statistics. 2000-based (baseline) demographic and household scenarios. European Community Household Panel (ECHP) and European Labour Force Survey (LFS).

Links to other parts of the report

Ageing of the population (3.3), Migration and Asylum (3.4), Population trends and related issues (2.1), Population, Households and families (Annex II)

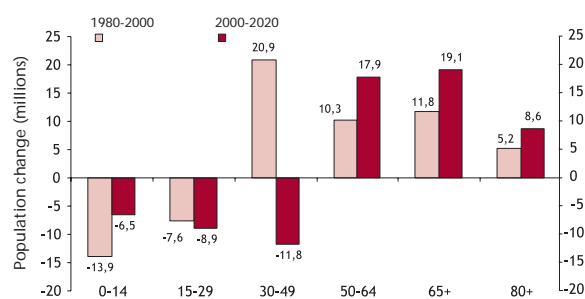
Further reading

- "European social statistics - Demography", 2000 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "First results of the demographic data collection for 1999 in Europe", No.10/2000. Eurostat.
- "Demographic report 1997", European Commission, Employment and Social Affairs DG.
- "Family Structure, Labour Market Participation and the Dynamics of Social Exclusion", European Commission DG Research report 2000. "Social Strategies in Risk Societies - SOSTRIS", DG Research report 1999.

	EU-15	EUR-11	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Total population 2000	375968	291607	10239	5330	82165	10546	39442	58746	3775	57680	436	15864	8092	9998	5171	8864	59623
% share of total EU pop.	100	78	3	1	22	3	10	16	1	15	0	4	2	3	1	2	16

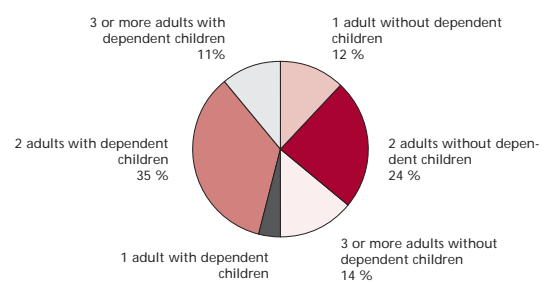
Source: Eurostat - Demographic Statistics

Graph 61 Demographic trends by age-group, EU, 1980 - 2020



Source: Eurostat - Demographic Statistics and 2000-based demographic scenarios

Graph 62 Population living in private households by household type, EU-15, 1999



Source: Eurostat - European Union Labour Force Survey

3

Ageing of the population

In 1999, there were 60 million elderly people aged 65 and over in the EU compared with only 34 million in 1960. Today, elderly people represent 16% of the total population or 24% of what is considered to be the working age population (15-64 year olds). By 2010, this ratio is expected to rise to 27%. Over the next fifteen years, the number of 'very old' people aged 80 and over will rise by almost 50%.

Falling fertility and extended longevity mean that the EU population is ageing

Two driving forces are behind the ageing of the population: a fall in fertility and a fall in mortality. The number of babies born in the EU in 1999 was around 4 million - a post-war low. Indeed, the total fertility rate for the EU has fallen from 2.59 in 1960 to 1.45 in 1999. Countries with the highest fertility at the beginning of the 1980s (Greece, Spain, Ireland and Portugal) are those where it has since fallen most (by 32-46%). Today, the total fertility rate is lowest in Spain (1.19) and Italy (1.21). Despite a sharp decrease, Ireland continues to record the highest rate (1.89). In contrast, the rate in Sweden, previously among the highest in the Union, continued its sharp fall from 1.73 in 1995 to 1.50 in 1999. Meanwhile, life expectancy has increased over the last 50 years by about 10 years in total, due to higher welfare standards and improved medical treatment and care. See Life and health expectancies (3.19).

Between 1960 and the present day, the proportion of older people (65 years and over) in the population has risen from 11% to 16%. All the signs are that this trend will continue well into the new century although in the course of this decade, the rate of change will be somewhat slower due to the drop in fertility during the Second World War. Nevertheless, by 2010, there will be twice as many older persons (69 million) as in 1960 (34 million). Of the 69 million, 40 million will be women.

Over the next fifteen years, the population aged 65 and over will increase by 22%. Growth will be over 30% in Ireland, Luxembourg, Netherlands and Finland. It will remain below 20% in Belgium, Spain, Portugal and the United Kingdom.

Population growth fastest among the 'very old'

The growth of the population aged 80 or more will be even more pronounced over the next fifteen years: numbers of 'very old' people will rise by almost 50% to over 20 million people EU-wide (of which 13 million women). The rise will be as high as 70% in Greece. In sharp contrast, growth will be negligible (below 10%) in Denmark and Sweden.

It is worth noting that the population aged 55-64 will also grow considerably (around 20%) over the next fifteen years with rises of more than 40% in France,

Ireland, Luxembourg and the Netherlands. Only Germany and Italy will experience an increase of less than 10% although the number of people in this age-group is set to rise sharply in subsequent years. See also Employment of older workers (3.8).

Dwindling 'demographic' support for older citizens

In 1990, the EU-15 population aged 65 and over corresponded to 22% of what is considered to be the working age population (15-64 years). By 1999, the old age dependency ratio had risen to 24%. All Member States are expected to see an increase in this ratio between now and 2010 (EU average 27%) although the extent of the rise varies considerably between Member States. Greece, Germany and Italy will experience the most significant change: by 2010, all three countries are expected to have a ratio of around 30%. Meanwhile, Ireland will continue to have the lowest ratio of old people to the working age population (17%).

On average, 45% of the 'very old' population will live alone in 2010

In 2010, around one-third (32%) of the Union's elderly population (aged 65 and over) will be living alone. More than half (54%) will live with a partner (in a household that may also include children or adults). The remainder will live without a partner but with their children (or other relatives/friends) or in a home/institution. It is clear however that demand for housing and care changes considerably as people grow older. Thus, the elderly should not be regarded as a single age-group. While 63% of those aged 65-79 will live with a partner, only 31% of the 'very old' (aged 80 and over) will do so. The 'very old' will continue to have a greater tendency to live alone (45%), in collective households (10%) or together with their children/other relatives/friends (14%). There are marked differences between countries, particularly regarding the proportion of 'very old' people living without a partner but with their children or other relatives/friends: 30% or more have this form of potential support in Spain and Portugal compared with 5% or less in Denmark, Netherlands and Sweden. In Denmark and Sweden, more than 60% of those aged 80 and over live alone.

Policy context

In its Communication "Towards a Europe for all ages - Promoting Prosperity and Intergenerational Solidarity" (COM 1999 221 final), the Commission concluded that "the very magnitude of the demographic changes at the turn of the 21st century provides the European Union with an opportunity and a need to change outmoded practices in relation to older persons. Both within labour markets and after retirement, there is the potential to facilitate the making of greater contributions from people in the second half of their lives. The capacities of older people represent a great reservoir of resources, which so far has been insufficiently recognised and mobilised. Appropriate health and care policies and services can prevent, postpone and minimise dependency in old age. Furthermore, the demand for these services will open up new job opportunities." The Commission will explore the possibilities for new, horizontal Community action programmes based on articles 13, 129 and 137 of the EC Treaty for those groups of people affected by discrimination, unemployment or social exclusion such as older people. Furthermore under Article 166 of the Treaty, the European Union's fifth framework programme for Community research will mobilise Europe's research resources in order to improve the quality of life, autonomy and social integration of older people.

Methodological notes

Sources: Eurostat - Demographic Statistics. 2000-based (baseline) demographic and 1995-based (baseline) household scenarios.

The old age dependency ratio shows the population aged 65 and over as a percentage of the working age population 15-64.

Links to other parts of the report

Population, households and families (3.2), Employment of older workers (3.8), Old age benefits (3.13), Life and health expectancies (3.19), Population trends and related issues (2.1), Population, Households and families (Annex II)

Further reading

- "European social statistics - Demography", 2000 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "First results of the demographic data collection for 1999 in Europe", No.10/2000. "First demographic estimates for 2000", No.16/2000 Eurostat.
- "Demographic report 1997", European Commission, Employment and Social Affairs DG.
- "Towards a Europe for all ages - promoting prosperity and intergenerational solidarity", COM(99)221 final. 1999.
- "Family Structure, Labour Market Participation and the Dynamics of Social Exclusion", European Commission DG Research report 2000. "Social Strategies in Risk Societies - SOSTRIS", DG Research report 1999.

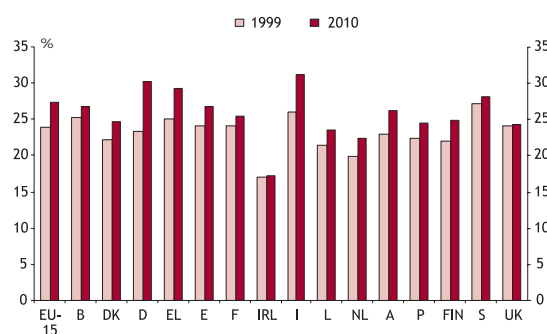
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Old age dependency ratio (1)																
1999	24	25	22	23	25	24	24	17	26	21	20	23	22	22	27	24
2010	27	27	25	30	29	27	25	17	31	24	22	26	24	25	28	24

(1) Population aged 65 and over as a percentage of the working age population (15-64)

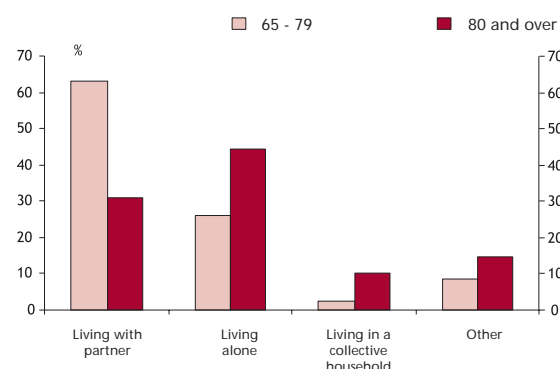
Source: Eurostat - Demographic Statistics

Graph 63 Old age dependency ratio (1), 1999 and 2010



Source: Eurostat - Demographic Statistics

Graph 64 Elderly population by household situation and age, EU-15, 2010



Source: Eurostat - 1995- based (baseline) household scenarios

4

Migration and asylum

Since 1989, net migration has been the main component of annual population change in the Union. In 1999, the annual net migration rate was 1.9 per 1 000 population, representing around 70% of total population growth. Around 5% of the EU population are non-nationals (3.5% are non-EU nationals and 1.5% EU nationals). In 1999, there were over 350 000 asylum applications in the fifteen Member States.

Important role of international migration in population growth

Since the mid-1980s, international migration has rapidly gained importance as a major determinant of population growth. Over the last five years it has contributed 70% of the increase. It now represents just over 700 000 people per annum. Without positive net migration the populations of Germany, Italy and Sweden would be in decline.

19 million non-nationals in the EU, of which 13 million are non-EU nationals

The total number of non-nationals living in the fifteen Member States in 1998 was around 19 million, the equivalent of 5.1% of the total population. In 1990, the comparable figure was 4.1%. Belgium, Germany and Austria have sizeable non-national populations (around 9%). Next come France and Sweden with about 6%. Luxembourg is a unique case with non-nationals accounting for just over one-third of the population. This partly reflects differences in national legislation on the acquisition of citizenship.

Among the non-nationals, around one-third (six million persons) are citizens of another EU Member State and the remaining two-thirds are citizens of countries outside the Union. Belgium, Ireland and Luxembourg are the only countries where 'other EU nationals' outnumber non-EU nationals.

The two largest groups of non-nationals living in the Union are Turkish citizens (around 2.5 million in 1998) and citizens of the former Republics of Yugoslavia (around 2 million).

Around 1 million recorded immigrants into the EU in 1997 were non-EU citizens

In 1997, the number of legal immigrants in the fifteen Member States was estimated at just under 1.4 million. Just over 1 million were citizens of a non-EU country. Germany recorded the highest immigration flow of non-EU nationals (465 000), followed by Italy (134 000 in 1996) and the United Kingdom (127 000).

352 000 asylum requests in the EU in 1999

After peaking at 672 000 in 1992, the number of asylum applications in the EU fell to 227 000 in 1996. Thereafter, the trend is upward. In 1999, an estimated 352 000 requests for asylum were made in the EU, a rise of around 20% on the 1998 figure.

The largest increases (in absolute terms between 1998 and 1999) took place in Belgium (+ 14 000) and the United Kingdom (+ 24 000). In relative terms, France, Ireland, Italy, Luxembourg, Austria and Finland experienced strong rises, largely as a result of the entry of a relatively large group of persons from former Yugoslavia.

In 1999, Germany received the largest number of applications (95 000) followed by the United Kingdom (70 000), the Netherlands (39 000), Belgium (36 000) and France (31 000). In terms of overall population, Belgium (3.5 applicants per 1 000 inhabitants), the Netherlands (2.5), Austria (2.5) and Ireland (2.1) had the highest rates of asylum requests (excluding Luxembourg with a rate of 6.8 per 1000 inhabitants although the number of applications was less than 3 000).

Policy context

The Treaty of Amsterdam introduced a new Title IV (Visas, asylum, immigration and other policies related to free movement of persons) into the EC Treaty. It covers the following fields: free movement of persons; controls on external borders; asylum, immigration and safeguarding of the rights of third-country nationals; judicial cooperation in civil matters.

The Treaty of Amsterdam thus establishes Community competence in the fields of immigration and asylum. The European Council at its meeting in Tampere in

October 1999 called for the development of a common EU policy in these areas including the following elements: partnership with countries of origin, a common European asylum system, fair treatment of third country nationals and management of migration flows. A detailed programme of action is set out in the "Scoreboard to review progress on the creation of an area of freedom, security and justice in the European Union" (Biannual update COM (2000) 782 final). The Commission has already put forward proposals for the establishment of a common asylum procedure (COM(2000)755) and for a Community immigration policy (COM(2000)757) together with a number of

Directives which will be followed by others setting out the necessary legal framework.

Furthermore, following the Treaty of Amsterdam, asylum and migration are definitively transferred from the intergovernmental third pillar to the community first pillar. This should have a profound effect on the decision-making instruments for asylum and migration with decisions in these fields being shaped in Community instruments such as directives and ordinances.

Methodological notes

Source: Eurostat - Migration Statistics.

Population growth rates represent the relative increase of the total population per 1 000 inhabitants during the year(s) in question. The increase in total population is made up of the natural increase (live births less deaths) and net migration. Net migration is estimated on the basis of the difference between population change and natural increase (corrected net migration rate per 1 000 inhabitants).

Total immigration flows include immigration of nationals and non-nationals. In most Member States, the statistics are based on the intention of the individual to stay longer than a certain period in a country (typically twelve months or more).

Links to other parts of the report

Population, households and families (3.2), Population trends and related issues (2.1), Population, Households and families (Annex II)

Further reading

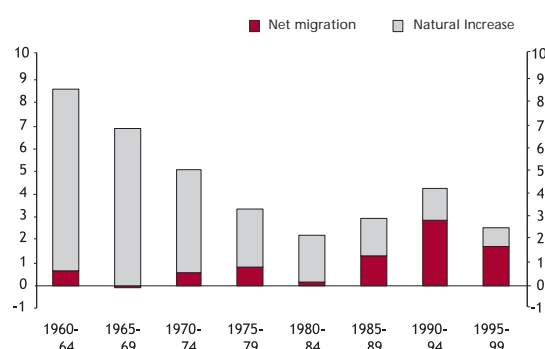
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- "Patterns and trends in international migration in Western Europe", 2000. Eurostat.
- "Migrants' insertion in the informal economy, deviant behaviour and the impact of receiving societies", European Commission DG Research report 2000.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Net migration rate (per 1 000 population)																
1999	1.9	1.6	1.8	2.5	2.4	1.0	0.9	4.9	1.8	10.9	2.8	1.1	1.1	0.7	1.5	2.7
1995 - 99	1.7	1.0	3.0	2.5	1.9	1.1	0.7	4.8	2.1	9.6	2.0	0.7	1.2	0.8	1.1	1.9
1990 - 94	2.9	1.9	2.0	7.0	5.7	0.4	1.3	-0.4	1.9	10.5	2.7	7.5	-1.3	1.8	3.7	1.3

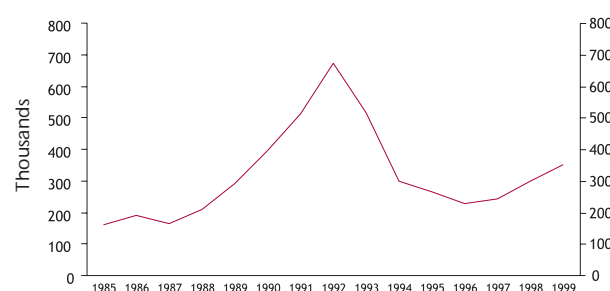
Source: Eurostat - Demographic Statistics

Graph 65 Average annual rate of population change by component, EU-15, 1960-1999



Source: Eurostat - Demographic Statistics

Graph 66 Asylum applications, EU-15, 1985-1999



Source: Eurostat - Migration Statistics

5

Education outcomes

Attainment levels of the population have improved significantly over the last thirty years, particularly among females. Today, more than 74% of young people aged 25-29 in the Union have a post-compulsory qualification. At the same time, however, 19% of persons aged 18-24 leave the education system with only lower secondary education at best.

Younger generation is better qualified

By comparing those currently leaving the education system with older generations, it is possible to monitor the trends in educational attainment over a long time-period of around thirty years. In 1999, 74% of the younger generation aged 25-29 had completed at least upper secondary education (GCE 'A' levels, Baccalauréat, Abitur or equivalent) compared with only 49% of persons aged 50-64. In general, attainment levels are higher in the northern Member States: between 83% and 90% of young people aged 25-29 in the three Nordic countries, Germany, Austria and the United Kingdom have a post-compulsory qualification. Greece, Spain, Italy and Portugal continue to record the lowest levels of educational attainment but have witnessed the most significant increases in the last three decades. In these countries, the proportion of the youngest generation having completed at least upper secondary education is more than twice that of the oldest generation. As a result, the gap in attainment levels between the Member States is narrowing.

Over the last thirty years or so, disparities in attainment levels between the sexes have been reduced throughout the Union: while 75% of young EU females aged 25-29 have a post-compulsory qualification compared with 73% of males, only 43% of females among the population aged 50-64 have such a qualification compared with 56% of males of the same age. See Annex II for data per Member State.

Almost one in five 'school leavers' are low qualified

Although educational attainment levels continue to improve, 19% of 18-24 year-olds in the Union have left the education system without completing a qualification beyond lower secondary schooling (the equivalent of compulsory schooling in many cases). Spain (29%), Italy (27%) and Portugal (45%) have the highest proportions of low-qualified young people. In virtually all Member States, females (EU average of 17%) are less likely than males (EU average of 21%) to fall into this category.

To put the above figures into context, it is useful to look at the activity status of 18-24 year-olds. EU-wide,

around half of this age-group are in education/training (15% combine their studies with a job) and it can be assumed that the majority have already attained (or will do so in the near future) at least an upper secondary qualification. The picture across the Union is far from homogeneous due to differences in the education systems, length of study, labour market situation, opportunities for young people without work experience, etc. See also Youth unemployment (3.10).

Higher qualifications tend to reduce the risk of unemployment ...

In general, higher education qualifications seem to reduce, albeit to differing degrees, the chances of unemployment in all Member States. In EU-15, the unemployment rate of persons with a tertiary education qualification stood at 5% in 1999 compared with 8% for persons who had completed at best upper secondary education and 12% among those who had not gone beyond lower secondary schooling.

... and increase income ...

Data show also that a person's income is likely to be considerably higher if he/she is better qualified. On average, the equivalised income of a person with only compulsory education was 90% of the national median compared with 147% for those with tertiary education. This discrepancy between the low- and best qualified was largest in Ireland (82% v 185%) and Portugal (92% v 287%) and smallest in Denmark (88% v 117%) and Germany (95% v 124%).

Data also show that the likelihood of a member of a high-level educated household living persistently in a low-income household was only 3% compared with 12% among those persons from a low-level educated household.

... and lead to more training opportunities

Throughout the Union, the higher the educational level of adults, the greater the training opportunities afforded to them. See also Lifelong learning (3.6).

Policy context

EC Treaty (Title XI, Chapter 3, Art.149(1): "The Community shall contribute to the development of qua-

lity education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action ..." and Art.150(1): "The Community shall implement a vocational training policy

which shall support and supplement the action of the Member States ...".

The 2000 Employment Guidelines state that "Employment prospects are poor for young people who leave the school system without having acquired the aptitudes required for entering the job market." Member States will therefore (Guideline No.7) "improve the quality of their school systems in order to reduce substantially the number of young people who drop out of the school system early. Particular attention should also be given to young people with learning difficulties" and make sure (Guideline No.8) "they equip young people with greater ability to adapt to technological and economic changes and with skills relevant to the labour market. Member States will give particular attention to the development and modernisation of their apprenticeship and vocational training systems, where appropriate in co-operation with the social partners, to developing appropriate training for the acquisition of computer literacy and skills by students and teachers as well as to equipping schools with computer equipment and facilitating student access to the Internet by the end of 2002."

Methodological notes

Sources: Eurostat - European Union Labour Force Survey (LFS) and Structure of Earnings Statistics.

The levels of education are defined according to ISCED (International Standard Classification of Education -

UNESCO 1997 version). Less than upper secondary corresponds to ISCED 0-2 (sometimes referred to as compulsory education), upper secondary level to ISCED 3-4 (referred to also as post-compulsory) and tertiary education to ISCED 5-6. The key indicator shows the number of persons aged 18-24 who have left the education system with low qualifications as a proportion of the total number of persons aged 18-24.

Links to other parts of the report

Lifelong learning (3.6), Employment (3.7), Employment of older workers (3.8), Unemployment (3.9), Youth unemployment (3.10), Living conditions (2.2), Education and training (Annex II)

Further reading

- "Education across the European Union - Statistics and Indicators 1999". Eurostat.
- "Key data on education", 1999. European Commission, Education and Culture DG / Eurostat.
- "Youth in the European Union. From Education to Working Life", 1997. Eurostat.
- "Living conditions in Europe, statistical pocketbook", 2000 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "Persistent income poverty and social exclusion in the European Union", No.13/2000. Eurostat.

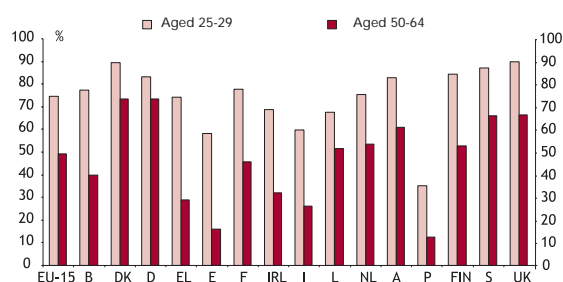
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Percentage of 18-24 year-olds having left education with low qualifications (ISCED 0-2)																
1999	19	15	13	15	18	29	15	19	27	19	16	11	45	10	7	7*
Population aged 18-24 by activity status (%), 1999																
In education and employment	15	6	39	28	2	5	7	11	3	7	38	13	7	23	17	27
In education and not empl.	36	51	23	28	40	47	47	32	42	49	20	27	34	31	42	19
Not in education and in empl.	34	29	31	33	34	33	29	43	30	35	33	51	48	33	31	40
Not in educ. and not in empl.	16	14	7	11	24	15	17	15	26	9	9	8	11	13	10	14

Note: 1997 data for IRL and A. UK - GCSE 'O' levels are included under ISCED 3.

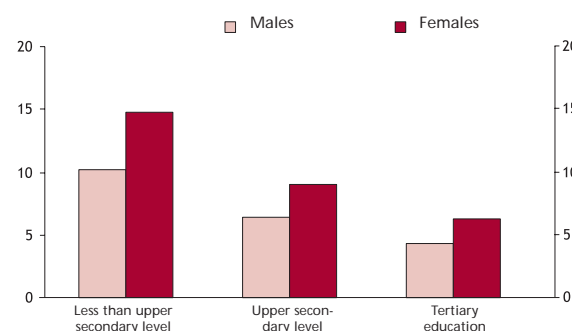
Source: Eurostat - European Union Labour Force Survey

Graph 67 Percentage of population that has completed at least upper secondary education, by age-group, 1999



Source: Eurostat - European Union Labour Force Survey

Graph 68 Unemployment rates of the population aged 25-59 by sex and level of education, EU-15, 1999



Source: Eurostat - European Union Labour Force Survey

6

Lifelong learning

EU-wide, 8% of the population aged 25-64 participated in education/training (in the last four weeks) in 1999. Such training activities seem to be more prevalent in the Nordic countries, the Netherlands and the United Kingdom. Older persons are less likely to receive training than younger persons. Higher qualified persons are more likely than the low-qualified to participate in such training.

Lifelong learning is more common in the Nordic countries and United Kingdom

In spring 1999, 8% of the population aged 25-64 declared that they had received education or training during the four weeks preceding the interview. Levels of participation are highest (14-26%) in the Nordic countries, the Netherlands and the United Kingdom. The southern Member States all lie below the EU average. In France, the figure is also low but a different reference period is used (see methodological notes).

Participation of women varies considerably from country to country

For the Union as a whole, slightly more women (9%) than men (8%) receive training. The gap in favour of women is particularly large in Denmark (23% v 17%) and the United Kingdom (22% v 16%). In contrast, in Belgium, Germany, Italy, Luxembourg, the Netherlands and Austria, men are more likely to participate than women.

More continued training for the young and the qualified

Throughout the Union, the level of participation in such training activities decreases with age: from 14% among those aged 25-34 to 3% among the 55-64 age-group. It is worth noting however that the proportion of people receiving training in the older age-groups remains relatively high in some countries: around 10-15% of 55-64 year-olds in Denmark, Sweden and the United Kingdom.

The level of education attained also influences the chances of participation in "lifelong learning" for per-

sons aged 25-64: in 1999, 16% of those with a tertiary qualification received training against 3% of those with the lowest level of education.

Age of students in tertiary education varies considerably

An alternative way of measuring "lifelong learning" is to look at the proportion of students in tertiary education who are aged 30 and over. In 1997, around 2.1 million students in tertiary education in the Union were aged 30 and over. Put another way, this age group accounted for 17% of all students in tertiary education. In Denmark (24%), Finland (27%), Sweden (30%) and the United Kingdom (32%), the proportion is considerably higher.

Public expenditure on education: 5.1% of EU GDP

Although investment in education is influenced by various factors (e.g. levels of participation, length of study), the percentage of national wealth devoted to education tends to reflect the importance which governments attach to education. Public resources allocated to the funding of all levels of education - not including private sources - represented on average 5.1% of the Union's GDP in 1997. A government's contribution to education may vary greatly from one country to another, ranging from 3.2% in Greece to 7.9% in Sweden and 8.0% in Denmark. The distribution of education budgets by level of education was more consistent, with primary and higher education each accounting for approximately 1.0% on average of GDP, while secondary education accounts for 2.5%.

Policy context

EC Treaty (Title XI, Chapter 3, Art.150(2): "Community action shall aim to ... facilitate access to vocational training ...; stimulate cooperation on training between educational or training establishments and firms;"

Guideline No.6 of the 2000 Employment Guidelines states that "In order to reinforce the development of a skilled and adaptable workforce, both Member States and the social partners will endeavour to develop possibilities for lifelong learning, particularly in the fields of

information and communication technologies, and each Member State will set a target according to national circumstances for participants benefiting from such measures. Easy access for older workers will be particularly important."

The Lisbon European Council in March 2000 identified four key areas as part of an active employment policy. One of these areas was "giving higher priority to lifelong learning as a basic component of the European social model, including by encouraging agreements between the social partners on innovation and lifelong

learning; by exploiting the complementarity between lifelong learning and adaptability through flexible management of working time and job rotation; and by introducing a European award for particularly progressive firms. Progress towards these goals should be benchmarked; "

Social Policy Agenda (COM(2000) 379 final), Section 4.1.1.1 stresses the need to focus "efforts on improving people's employability and reducing skill gaps, in particular through developing life-long learning, e-learning and scientific and technological education; developing and improving education and training systems so as to implement a strategy for the 'lifelong education of all'."

Methodological notes

Sources: Eurostat - European Union Labour Force Survey (LFS) and UOE (UNESCO, OECD and Eurostat) questionnaires on education statistics (for public expenditure data).

Although some statistical information has been presented above on "lifelong learning" (LLL), the notion of LLL is vast and to study it requires a clear identification of the themes that need to be explored as a priority. Moreover, some aspects are simply not measurable. Statistical information must therefore be complemented by contextual information. A Task Force has been set up to look, among other things, at the priorities for LLL and discuss their operationalisation in terms of statistical needs. Once this process is under way, benchmarks can be set to evaluate progress towards

clearly set targets. See "A Memorandum on Lifelong Learning", European Commission Working Paper. SEC(2000) 1832, Brussels, 30.10.2000.

For most Member States, data refer to persons who had received education or training during the four weeks preceding the interview. In France, the Netherlands and Portugal, training must occur at the time of the interview for it to be counted.

Expenditure on education for Belgium relates to the Flemish-speaking Community only.

Links to other parts of the report

Education outcomes (3.5), Employment (3.7), Employment of older workers (3.8), Unemployment (3.9), Living conditions (2.2), Education and training (Annex II)

Further reading

- "Education across the European Union - Statistics and Indicators 1999". Eurostat.
- Statistics in Focus (Population and social conditions): "Educating young Europeans - Similarities and differences between the EU Member States and the PHARE countries", No.14/2000. "Public expenditure on education in the EU in 1997", No.8/2000. Eurostat.
- "Key data on education", 1999. European Commission, Education and Culture DG / Eurostat.
- "Living conditions in Europe, statistical pocketbook", 2000 edition. Eurostat.

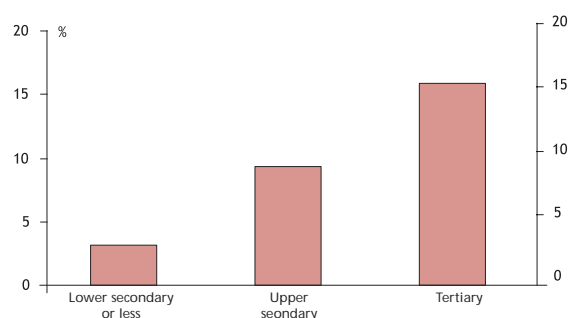
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Percentage of 25-64 year-olds having participated in education or training in the last four weeks, 1999																
Total 25-64	8	7	20	6	1	5	3*	5	6	5	14*	8	3*	18	26	19
25-34	14	11	30	13	4	12	6	9	12	8	22	14	8	25	33	23
35-44	8	8	21	5	1	4	2	5	5	6	15	8	2	20	29	21
45-54	6	6	16	3	0*	1	1	3	3	4	9	5	1	17	23	18
55-64	3	1	9	1	:	1	0	1*	1	1*	5	2	:	6	15	11

Note: 1997 data for IRL and A

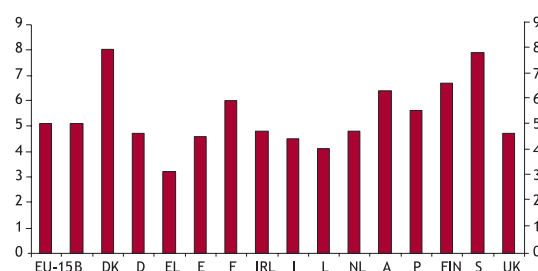
Source: Eurostat - European Union Labour Force Survey

Graph 69 Percentage of 25-64 year-olds who participated in training in the last four weeks, by level of education, EU-15, 1998



Source: Eurostat - European Union Labour Force Survey

Graph 70 Total public expenditure on education as a percentage of GDP, 1997



Source: Eurostat - UOE (Unesco, OECD and Eurostat) questionnaires on education statistics

7

Employment

In 1999, an estimated 162 million people were in employment in the Union, a rise of more than 7 million since 1995. This represents annual growth of around 1.2% per annum. In 1999, employment increased by 1.6%. The employment rate for the population aged 15-64 stood at 62% in 1999.

Significant employment growth in almost all Member States

In 1999, around 162 million people were in employment in the Union. This represents a rise of more than 7 million since 1995. This period, which followed a few years of recession, witnessed substantial employment growth in a number of Member States: 2.9% on average per year in Spain, 5.6% in Ireland, 3.0% in the Netherlands and 2.3% in Finland. In absolute terms, the largest increases in the number of people in employment were in Spain (+1.6 million) and the United Kingdom (+1.5 million). Germany on the other hand saw the number of people in work fall in 1996 and 1997. Since then however the country has seen renewed growth of around 1% per annum. EU-wide, the employment growth rate stood at 1.6% in 1999.

Over this period (1995-1999), the number of jobs in services increased significantly in virtually all Member States. In contrast, job losses were recorded in the agricultural sector throughout the Union with one or two minor exceptions.

EU employment rate still lagging behind US and Japan

In 1999, the employment rate for the population aged 15-64 ranged from 52% in Spain and 53% in Italy to 76% in Denmark. The EU average of 62% is considerably lower than the US (73%) and Japan (70%). The EU-15 rate for males is 72% compared with 53% for females. See Female employment (3.17).

Two-thirds of those employed are in the services sector

EU-wide, 5% are employed in agriculture, 29% in industry and the remaining 66% in services. This pattern is rather similar throughout the Member States with the exception of Greece and Portugal which still have a relatively large share of people working in agriculture. The latter may explain, in part, the rather high proportion of self-employed people in these two countries: 32% and 25% respectively compared with an average of 14% for the Union as a whole.

At sub-national level, regions hosting Member State capitals tend to have the highest proportion of persons

employed in the service sector: in 1997, Inner London (90% of total employed) in the United Kingdom, Brussels-capital (87%) in Belgium, Stockholm (82%) in Sweden, Ile de France (79%) in France, Lazio (77%) in Italy, Vienna (76%) in Austria and Attiki (74%) in Greece.

Numbers working part-time continue to rise

Standard full-time wage employment seems to be less prevalent in the EU. Part-time employment, a reduction and sometimes a polarization of working hours - when employed persons move away from the standard work-week into both short and long hours - and fixed-term contracts are now common structural characteristics of employment in the EU. The share of part-time employment has increased from 14% of all employment in 1990 to 17% in 1998. More than 20% of persons in employment in Denmark, Sweden, and the United Kingdom and almost 40% in the Netherlands are working part-time. Part-time employment is relatively uncommon in Greece, Spain, Italy and Portugal.

Longest working hours in the United Kingdom

Full-time employees in EU-15 work for an average of 40 hours per week. The picture is relatively homogeneous throughout the Union with the exception of the United Kingdom (44 hours). EU-wide, almost 20% of full-time employees were working longer than the average of 40 hours per week in 1999. Around 8% worked at least 48 hours per week. The figure for the United Kingdom was as high as 21%.

Men work more hours than women in all Member States although in Netherlands, Austria and Sweden the difference is less than one hour. In contrast, the gender gap is almost 5 hours in the United Kingdom.

At EU level, 16% of employees had jobs which involved them "usually" or "sometimes" working at night while 26% worked on Sundays in 1999. Combining these data (along with Saturday work), 52% of male employees and 45% of females were working "unsocial" hours.

The proportion of EU employees with a fixed-term contract continues to increase: from 10% in 1990 to 13% in 1999. Spain has by far the highest proportion (33%). EU-wide, 63% of fixed-term contracts are for a period of one to twelve months.

Policy context

The Treaty of Amsterdam took an important step in committing the Union itself to a high level of employment as an explicit objective: "The objective of a high level of employment shall be taken into consideration in the formulation

and implementation of Community Policies and activities" (Art.127(2)). Furthermore, according to Art.130 of the EC Treaty, "the Council shall establish an Employment Committee with advisory status to promote coordination between Member States on employment and labour market policies." One of the tasks of the Committee is "to monitor

the employment situation and employment policies in the Member States and the Community."

It was agreed at the Luxembourg Jobs Summit in November 1997 that a strategy should be built on four main pillars: employability, entrepreneurship, adaptability and equal opportunities. Every year, a set of Guidelines are adopted for each of the pillars, which set out a number of specific targets for Member States to achieve in their employment policies. The Employment Guidelines are then transposed into concrete and administrative measures by each Member State, through their National Action Plans for Employment (NAPs).

The Commission Communication of 21 April 1999 on Community policies in support of employment states that economic reform in the EU should continue and deepen to ensure a dynamic, innovative internal market; that would promote the right conditions for long-term economic expansion, helping to create more jobs.

The Lisbon European Council in March 2000 identified four key areas as part of an active employment policy: (i) improving employability and reducing skills gaps; (ii) giving higher priority to lifelong learning as a basic component of the European social model; (iii) increasing employment in services; and (iv) furthering all aspects of equal opportunities. It stated that "the overall aim of these measures should be to raise the employment rate from an average of 61% today to as close as possible to 70% by 2010. Recognising their different starting points, Member States should consider setting national targets for an increased employment rate. This, by enlarging the labour force, will reinforce the sustainability of social protection systems." (Presidency Conclusions 29 and 30). The target of a 70% employment rate by 2010 was confirmed in Section 4.1.1.1 of the Social Policy Agenda (COM(2000) 379 final).

Methodological notes

Sources: Eurostat - European System of National Accounts (ESA 95) for number of persons in employment. All other data come from the European Union Labour Force Survey (LFS).

Employment rates represent persons in employment aged 15-64 as a percentage of the population of the same age. Persons in employment are those who during the reference week (of the Labour Force Survey) did any work for pay or profit for at least one hour or were not working but had jobs from which they were temporarily absent. Family workers are included. The classification by part-time or full-time job depends on a direct question in the LFS, except for Austria and the Netherlands where it depends on a threshold on the basis of the number of hours usually worked.

Links to other parts of the report

Education outcomes (3.5), Lifelong learning (3.6), Employment of older workers (3.8), Unemployment (3.9), Female employment (3.17), Social participation (2.4), Labour market (Annex II)

Further reading

- "European social statistics - Labour force survey results 1999", 2000. Eurostat.
- Statistics in Focus (Population and social conditions): "Labour Force Survey Principal Results 1999", No.5/2000. Eurostat.
- "Employment in Europe 2000". "Industrial Relations in Europe", 2000. European Commission, Employment and Social Affairs DG.
- "Employment precarity, unemployment and social exclusion" and "Inclusion through participation", European Commission DG Research reports 2000.

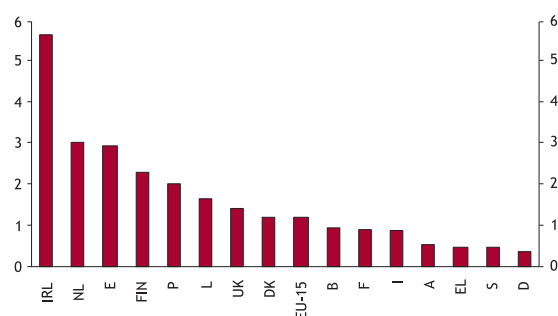
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Employment rate, 15-64 years																
1999	62.1	58.9	76.5	64.8	55.6	52.3	60.4	62.5	52.5	61.6	70.9	68.2	67.4	67.4	70.6	70.4
Trend in employment																
1999 (millions)	162.1	3.9	2.7	37.9	4.0	15.2	23.6	1.6	22.3	0.2	8.0	4.0	4.8	2.2	4.2	27.6
1995 (millions)	154.7	3.8	2.6	37.3	3.8	13.6	22.9	1.3	21.5	0.2	7.1	3.9	4.5	2.0	4.1	26.1
1999-1995 (millions)	7.4	0.1	0.1	0.5	0.1	1.6	0.8	0.3	0.8	0.0	0.9	0.1	0.4	0.2	0.1	1.5
1999/1995 (% av. ann. growth)	1.2	0.9	1.2	0.4	0.5	2.9	0.9	5.6	0.9	1.6	3.0	0.5	2.0	2.3	0.5	1.4
1999/1998 (% annual growth)	1.6	1.3	1.1	1.1	-0.7	3.3	1.7	6.0	1.3	2.2	2.7	1.4	1.8	2.0	2.3	1.2

Note: 1999 data on growth for EL, F, IRL and P are based on forecasts.

Source: Eurostat - European Union Labour Force Survey and National Accounts (ESA 95)

Graph 71 Average annual employment growth, 1995 - 1999



Source: Eurostat - National Accounts (ESA 95)

Graph 72 Employment rates (15-64 years), 1999



Source: Eurostat - European Union Labour Force Survey

8

Employment of older workers

During the last decade, the EU employment rate of 55-64 year-old men fell by around 5 percentage points to stand at 47% in 1999. The decline may be the result of a combination of job shortages, lower mobility and inadequate skills rather than the wish to retire early. In contrast, the comparable female rate rose by almost 4 points to reach 27% in 1999. Overall, 37% of the population aged 55-64 were in employment in 1999.

Impact of population ageing on employment

Population ageing will have a major impact on the labour market with the arrival of the first baby-boomer at the age of retirement. For the Union as a whole and in most Member States, the working age population (15-64 years) will stop increasing by 2010. This demographic decline will last several decades. Virtually all Member States are concerned although the intensity and timing of the trend vary at both national and regional level. For example, in Germany, Greece and Italy, the decline has already begun. In contrast, the working-age populations of Ireland and Portugal are expected to peak in 2033 and 2023 respectively. No decline is expected in Luxembourg.

The effect on the labour supply and the economy of a decline in the working age population could be offset if, among other things, the employment rate were to increase among those of working age, including older workers.

15.5 million people in employment in the EU are aged 55-64

EU-wide, 37% of the population around the retirement age (55-64 years) were in employment in 1999. The relative stability of the rate throughout the nineties masks important changes among the male and female rates over this period. The male rate for this age-group fell by 5 percentage points during the last decade but this drop was almost fully compensated by the increase in female participation (4 points). Despite this trend, the rate for males (47%) remains considerably higher than that of females (27%).

Sweden has by far the highest employment rate among older workers (65%) while the proportion in Denmark,

Portugal and the United Kingdom is around 50%. At the other end of the scale, less than 30% of older people are working in Belgium, France, Italy, Luxembourg and Austria.

Employment rates remain high in Portugal beyond the age of 65

Looking at more-detailed age-groups: the employment rate of the population aged 55-59 stands at 51% while it is 22% among those aged 60-64. Beyond the age of 65, the employment rate decreases sharply. EU-wide, only 7% of persons aged 65-69 are in employment. Portugal stands out with 25% of this age-group in a job.

Higher proportion of older people working part-time

For the Union as a whole, 21% of people aged 55-64 in employment are working part-time, slightly higher than the proportion of part-timers aged 15-64 (17%). The largest gap between the generations is in the United Kingdom (31% versus 24%). As with younger workers, females (41%) have a greater tendency than males (8%) to work part-time.

Older workers are less likely than younger ones to receive training

Throughout the Union, training for employees decreases with age: EU-wide, from 10% of the 30-39 age-group to 7% among 50-59 year-olds. The generation gap is smallest in the three Nordic Member States and the United Kingdom - countries with the highest overall levels of participation. Between 16-21% of employees aged 50-59 in these countries participated in training (in the last four weeks) in 1999.

Policy context

The 2000 Employment Guidelines - Improving employability (No.4): Each Member State will "... develop a policy for active ageing, encompassing appropriate measures such as maintaining working capacity, lifelong learning and other flexible working arrangements, so that older workers are also able to remain and participate actively in working life."

The Lisbon European Council in March 2000 concluded that "the employment rate is too low and is characterised by insufficient participation in the labour market by women and older workers." (Presidency conclusion No.4).

The Commission adopted on 11 October 2000 a Communication (COM 2000-622 final) on the "Future Evolution of Social Protection from a Long-Term Point of View : Safe and Sustainable Pensions". Section 2.3

addresses the link between pensions sustainability, the Lisbon strategy and employment promotion: "Current pension systems tend to encourage early exit from the labour market and are frequently used to reduce staff levels while avoiding redundancies. They often do not take into account differing individual needs. Some pension schemes offer insufficient coverage for the most mobile and flexible members of the workforce. More generally, the incentive structure of pension schemes needs to be reviewed to ensure that they become employment-friendly."

Methodological notes

Source: Eurostat - European Union Labour Force Survey (LFS).

For definitions of activity rates and employment rates, see Employment (3.7).

Links to other parts of the report

Ageing of the population (3.3), Lifelong learning (3.6), Employment (3.7), Unemployment (3.9), Labour market (Annex II)

Further reading

- "European social statistics - Labour force survey results 1999". Eurostat.
- "Employment in Europe 2000", European Commission, Employment and Social Affairs DG.
- "Combating Age Barriers in Employment: a European portfolio of good practice", 1998. European Foundation for the Improvement of Living and Working Conditions.
- "Employment precarity, unemployment and social exclusion" and "Inclusion through participation", European Commission DG Research reports 2000.

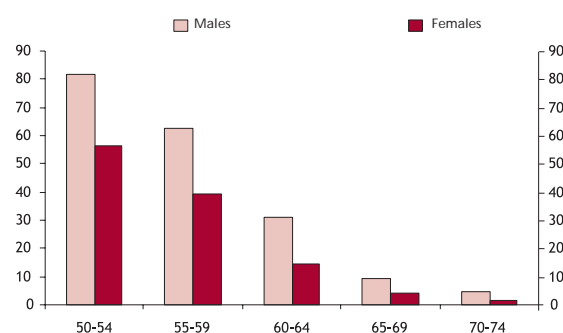
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Employment rate, 55-64 years, 1999																
Total	37	25	54	38	38	35	28	44	27	26	35	29	51	39	65	49
Men	47	35	60	47	55	52	32	62	41	35	49	42	62	41	67	59
Women	27	15	48	29	23	19	25	26	15	17	22	18	42	38	62	40

Persons in employment aged 55-64, 1999 (1000)	15469	256	301	4338	488	1436	1526	137	1867	11	542	257	545	212	617	2929
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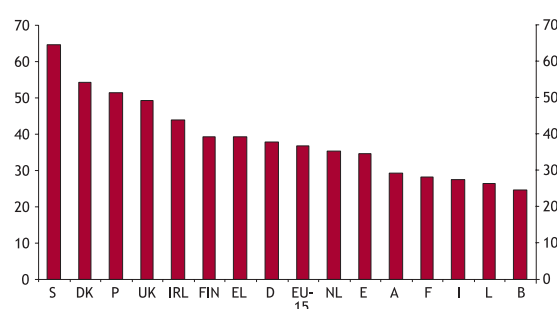
Source: Eurostat - European Union Labour Force Survey

Graph 73 Employment rates by age-group and sex, EU-15, 1999



Source: Eurostat - European Union Labour Force Survey

Graph 74 Employment rates of 55-64 year-olds, 1999



Source: Eurostat - European Union Labour Force Survey

9

Unemployment

In 1999, the total number of unemployed in the Europe of Fifteen dropped below 16 million for the first time since 1992. This represents 9.2% of the labour force compared with 4.2% and 4.7% in the United States and Japan respectively. Between 1998 and 1999, Spain and Ireland recorded the largest falls in their unemployment rates although Spain continues to have the highest figure (15.9%). In contrast, Greece is the only country where the rate continues to rise.

EU unemployment rate at its lowest level since 1992

In 1999, the total number of unemployed people in the EU stood at 15.7 million or 9.2% of the labour force. The decrease of 0.7 percentage points in the EU unemployment rate between 1998 and 1999 confirms the annual decrease since 1996. The rate fell in all Member States except Denmark, where it remained at 5.2%, and Greece where the rate continues to rise. The largest decreases were recorded by Spain and Ireland.

Looking at the trend over a longer period - since the EU-15 peak of 11.1% in 1994 - rates in Denmark, Spain, Portugal, Finland and the United Kingdom fell by around one-third. Ireland and the Netherlands saw their rates more than halved.

In 1999, the country most severely hit by unemployment was Spain (15.9%). In contrast, rates in Denmark, Luxembourg, the Netherlands, Austria and Portugal recorded rates of 5% or less. These figures are similar to Japan (4.7%) and the United States (4.2%).

Females more likely than males to be unemployed in all but three Member States

The female unemployment rate (10.8%) in the EU is almost 3 points higher than the male unemployment rate (7.9%). This less favourable situation for women is apparent in twelve Member states, especially in Greece, Spain and Italy, where the female unemployment rate is twice the male one. The only exceptions are Ireland,

Sweden and, in particular, the United Kingdom where 6.7% of active men are unemployed against 5.3% of active women.

In around 30% of regions (NUTS-2 level), the female rate was lower than the male rate.

Large regional disparities in unemployment

National unemployment rates often mask important regional disparities within Member States, particularly in Germany (between west and east), Italy (between north and south) and the United Kingdom (also between north and south). In Germany, the unemployment rate in April 1999 ranged from less than half the national average of 9% in Oberbayern (4%) to more than twice it in Dessau (21%). Similarly, while many regions in the north of Italy were largely unaffected by unemployment (4-6%), a striking 24-29% of the workforce in the southern regions of Campania, Calabria and Sicily were unemployed. Other regions in the Union where unemployment rates were considerably higher than the national average include Hainaut (17%) in Belgium, Andalusia (27%) in Spain, Languedoc-Roussillon (18%) in France and Itä-Suomi (16%) in Finland.

Regional disparities in unemployment are even more pronounced among young people under 25 years of age. Hainaut, Dytiki Macedonia in Greece, Ceuta y Melilla in Spain and several regions in Italy all recorded youth unemployment rates of around 50% or more in 1999. Calabria topped this rather unenviable table with 65%.

Policy context

The 2000 Employment Guidelines - general principle, (preamble): "coordinated action must be pursued in a sustained manner to combat unemployment and raise the present levels of employment on a lasting basis. " Guideline No.3 states that each Member State "will endeavour to increase significantly the number of persons benefiting from active measures to improve their employability with a view to effective integration into the labour market." Furthermore, each Member State "will review and, where appropriate, refocus its benefit and tax system to provide incentives for unemployed or inactive people to seek and take up work or measures to enhance their employability and for employers to create new jobs, ..." (Guideline No.4).

The Lisbon European Council in March 2000 identified four key areas as part of an active employment policy. One of these was "improving employability and reducing skills gaps, in particular by ... promoting special programmes to enable unemployed people to fill skill gaps."

Methodological notes

Source: Eurostat - comparable estimates based on the European Union Labour Force Survey (LFS).

Unemployed people - according to the International Labour Organisation (ILO) criteria are those persons aged 15 and over who are i) without work, ii) available

to start work within the next two weeks and, iii) have actively sought employment at some time during the previous four weeks or have found a job to start later. Unemployment rates represent unemployed persons as a percentage of the active population of the same age. The active population (or labour force) is defined as the sum of employed and unemployed persons.

Regional unemployment rates are based on the estimates of employed and unemployed persons taken from the Labour Force Survey at national level, in each case for a specific reference date in April. In a second step, the estimated jobless figures are broken down over the individual regions, applying the regional structures of registered unemployed persons or regionally representative results of labour force surveys. NUTS is the nomenclature of territorial units for statistics. The current nomenclature subdivides the territory of the Union into 78 NUTS 1 regions, 211 NUTS 2 regions and 1093 NUTS 3 regions. Though most NUTS 2-level regions are broadly comparable in size, there are some extreme variations.

Links to other parts of the report

Education outcomes (3.5), Employment (3.7), Youth unemployment (3.10), Long-term unemployment (3.11), Labour market (Annex II)

Further reading

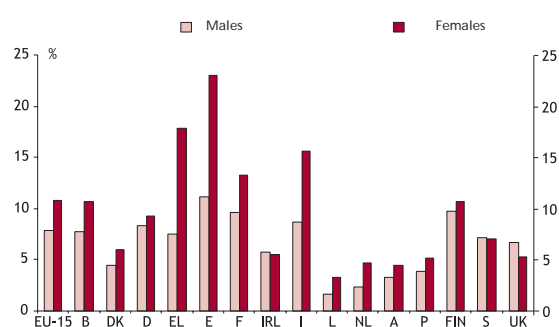
- "European social statistics - Labour force survey results 1999", Eurostat.
- "Employment in Europe 2000", European Commission, Employment and Social Affairs DG.
- Statistics in Focus (Population and social conditions): "Labour Force Survey Principal Results 1999", No.5/2000. (General Statistics): "Unemployment in the regions of the European Union 1999", No. 3/2000. Eurostat.
- "Employment precarity, unemployment and social exclusion", European Commission DG Research report 2000.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Unemployment rate																
1999	9.2	9.1	5.2	8.8	11.7	15.9	11.3	5.7	11.3	2.3	3.3	3.8	4.5	10.2	7.2	6.1
1998	9.9	9.5	5.2	9.4	10.9	18.8	11.8	7.6	11.8	2.7	4	4.5	5.2	11.4	8.3	6.3
1994	11.1	10.0	8.2	8.5	8.9	24.1	12.3	14.3	11.1	3.2	7.1	3.8	6.9	16.6	9.4	9.6
Unemployment (1000), 1999	15763	396	149	3460	521	2607	2887	96	2649	4	263	146	228	261	319	1766

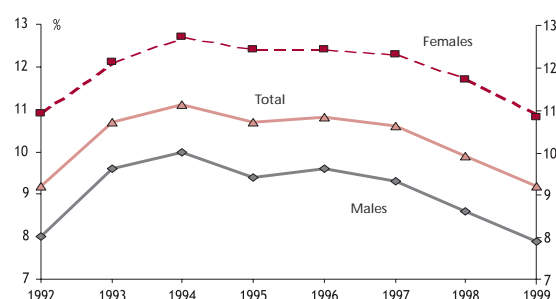
Source : Eurostat - comparable estimates based on the European Union Labour Force Survey

Graph 75 Unemployment rates by sex, 1999



Source : Eurostat - comparable estimates based on the European Union Labour Force Survey

Graph 76 Trend in the unemployment rate by sex, EU-15, 1992-1999



Source : Eurostat - comparable estimates based on the European Union Labour Force Survey

10

Youth unemployment

EU-wide, 8.5% of young people (aged 15-24) were unemployed in 1999. The unemployment rate (as a percentage of the labour force) among young people was 17.9%. The differences between these two percentages vary significantly between countries. While the first figure shows that a relatively small proportion of young people is unemployed, the second one gives an indication as to the labour market situation for young people. For most countries, youth unemployment fell between 1998 and 1999, in line with the overall drop in unemployment.

Staying longer in education

As the result of a longer stay in education, young people are now entering the labour market at a later age than in the past. For the Union as a whole, it is not until the age of 22 that at least 50% of young people are in employment for a minimum of twelve hours per week. However, there are considerable differences between Member States. For example, in Germany, Austria and the United Kingdom, the median age is 19 years.

Youth unemployment is, on the one hand, a result of the general labour market situation. It is also a reflection of how the educational and employment systems manage to complement one another with respect to the integration of the young in the labour market, and, in particular, of how well the education and training system prepares young people for the labour market. When looking at unemployment rates of 15-24 year-olds, it is important to bear in mind that the young people under consideration are largely first-time entrants onto the labour market and that a sizeable proportion have low qualifications.

Around one in twelve young people is unemployed

In 1999, around 3.9 million young people aged 15-24 in the Union were unemployed. This represents 8.5% of the youth population or, put another way, 17.9% of the labour force of this age-group. The youth unemployment rate ranges from 5-7% in Luxembourg, the Netherlands and Austria to around 30% in Greece, Spain and Italy.

The recent trend in the unemployment rate for young people has followed a similar pattern to the overall rate of unemployment. Between 1998 and 1999, the youth

unemployment rate fell from 19.5% to 17.9%. Belgium, Denmark and Greece were the only Member states where the rate increased over this period. Looking at the trend over a longer period - since the EU-15 peak of 22.0% in 1994 - rates in Spain, the Netherlands, Portugal, Finland and Sweden fell by around one-third. Ireland recorded the largest drop of more than 60%.

Young people are more than twice as likely as people aged 25 and over to be unemployed

For the Union as a whole and in most Member States, young people less than 25 years of age are more than twice as likely as people aged 25 and over to be unemployed. In Belgium, Greece and Italy, the youth unemployment rate is more than three times the rate of those aged 25 and over. The large difference between the two rates may be explained, in part, by low labour participation. The one exception is Germany where, in part due to the apprenticeship system, the rate for young people is only slightly higher than that for those aged 25 and over.

Relatively more young unemployed females than males

Young females (19.2%) are more likely than young males (16.5%) to be unemployed although the gap is not as large as it is with the population aged 25 and over. The unemployment rate among young females is just under 40% in Greece, Spain and Italy. In Germany and the United Kingdom, a significantly larger proportion of young males than young females is jobless.

The long-term unemployment rate for people under the age of 25 stood at 9.6% in 1999. See Long-term unemployment (3.11).

Policy context

The 2000 Employment Guidelines: "In order to influence the trend in youth ... unemployment the Member States will intensify their efforts to develop preventive and employability-oriented strategies,...". Guideline No.1 states that Member States will ensure that "every unemployed young person is offered a new start before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other

employability measure with a view to effective integration into the labour market."

Methodological notes

Source: Eurostat - European Union Labour Force Survey (LFS).

Unemployment is defined according to the ILO definition. See Unemployment (3.9) for definition. Youth

unemployment/population ratios show the unemployed aged 15-24 as a percentage of the population of the same age. Youth unemployment rates represent unemployed persons aged 15-24 as a percentage of the active population (or labour force) of the same age. The active population is defined as the sum of employed and unemployed persons.

Links to other parts of the report

Education outcomes (3.5), Employment (3.7), Unemployment (3.9), Long-term unemployment (3.11)

Further reading

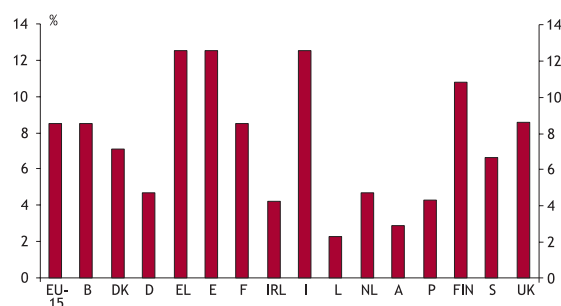
- "European social statistics - Labour force survey results 1999", Eurostat.
- "Youth in the European Union. From Education to Working Life", 1997. Eurostat.
- Statistics in Focus (Population and social conditions): "From school to working life: Facts on youth unemployment", No.13/1998. Eurostat.
- "Employment in Europe 2000", European Commission, Employment and Social Affairs DG.
- "Youth unemployment and the processes of marginalisation on the northern European periphery", European Commission DG Research report 1999.
- "Employment precarity, unemployment and social exclusion", DG Research report 2000.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Youth unemployment/population ratio																
1999	8.5	8.5	7.1	4.7	12.5	12.5	8.5	4.2	12.5	2.3	4.7	2.9	4.3	10.8	6.6	8.6
1998	9.2	7.8	5.7	5.0	11.9	14.7	9.2	5.5	13.0	2.5	5.2	3.7	5.0	11.1	7.6	9.0
1994	10.7	8.8	7.8	4.8	10.2	19.4	10.8	10.7	12.6	3.3	7.0	3.5	6.8	15.5	11.6	11.2
Youth unemployment rate																
1999	17.9	24.9	9.8	9.2	31.6	29.5	24.2	8.3	32.7	6.8	7.2	5.1	9.0	21.4	13.6	13.0
1998	19.5	23.2	8.0	9.9	30.1	35.4	26.5	11.3	33.8	7.1	8.0	6.4	10.6	23.5	16.6	13.6
1994	22.0	24.2	11.1	8.8	27.7	45.1	29.2	23.0	32.3	7.3	11.5	5.7	15.0	34.0	22.0	17.0

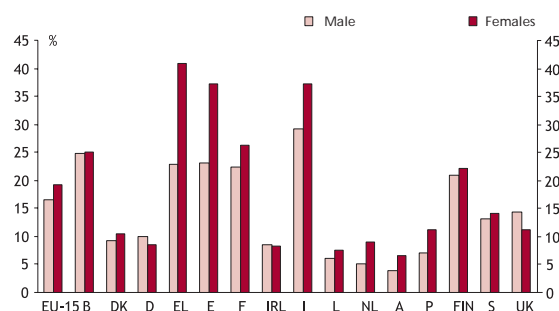
Source: Eurostat - comparable estimates based on the European Labour Force Survey

Graph 77 Youth unemployment/population ratio (15-24 years), 1999



Source: Eurostat - European Union Labour Force Survey

Graph 78 Youth unemployment rates (15-24 years) by sex, 1999



Source: Eurostat - European Union Labour Force Survey

11

Long-term unemployment

In 1999, 4.2% of the EU-15 working population were affected by long-term unemployment. Put another way, 45% of unemployed people were jobless for at least one year. The long-term unemployment rate has fallen in recent years but remains relatively high (around 7%) in Spain and Italy. For young people aged 15-24, 9.4% of the EU working population were unemployed for at least six months.

Just under half the unemployed have been jobless for at least twelve months

In 1999, 4.2% of the EU-15 labour force were unemployed for at least one year. In Denmark, Luxembourg, the Netherlands, Austria, Portugal, Sweden and the United Kingdom 2% or less of the labour force were affected. In contrast, 7% of the active population in Spain and Italy were unemployed for at least one year.

In relation to the total number of unemployed, 45% were looking for a job for at least twelve months. This proportion is lowest in Denmark, Finland, Sweden and the United Kingdom (below 30%) but around 60% in Belgium and Italy.

Females more affected than males by long-term unemployment

EU-wide, long-term unemployment is slightly more prevalent among unemployed females than males. Unemployed women in Greece and Spain are much more likely than unemployed men to find themselves out of work for more than twelve months. In contrast, in Ireland, the Netherlands, Sweden and the United Kingdom, a larger proportion of unemployed men than unemployed women are jobless for a lengthy period.

The proportion of long-term unemployed remains stable

The EU long-term unemployment rate fell over the period 1994-1999, more or less in line with the decrease in

the overall unemployment rate. Put another way, the proportion of unemployed persons without work for at least twelve months has remained relatively stable for the Union as a whole. However, Germany has witnessed a significant increase while the United Kingdom, on the other hand, has reduced its share of long-term unemployed from 45% in 1994 to 29% in 1999.

... although among young people the proportion has fallen

The long-term (threshold of six months or more) unemployment rate for young people stood at 9.4% in 1999, a considerable reduction from the 1994 peak of 13.9% and indeed from the 1998 figure of 11.0%. Young people in Greece, Spain and Italy are particularly affected by long-term unemployment (17-25% of the labour force) as indeed are people aged 25 and over in these three countries.

Over the period 1994-1999, the proportion of young unemployed persons without work for at least 6 months decreased. In 1999, 53% of young unemployed persons were without a job for six months or more compared with around 64% in 1994. In Greece, Italy and the Netherlands, this applies to more than 70% of the young unemployed in 1999 compared with around 27-36% in France, Austria, Sweden and the United Kingdom and only 13-16% in Denmark and Finland.

Policy context

The 2000 Employment Guidelines (introduction to No.1): "In order to influence the trend in ... long-term unemployment the Member States will intensify their efforts to develop preventive and employability-oriented strategies." Member States will ensure that "every unemployed young person is offered a new start before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other employability measure with a view to effective integration into the labour market" (Guideline No.1) and that "unemployed adults are also offered a fresh start before reaching twelve months of unemployment by one of the aforementioned means (training, retraining, work

practice, a job or other employability measure) or, more generally, by accompanying individual vocational guidance with a view to effective integration into the labour market" (Guideline No.2).

Methodological notes

Source: Eurostat - European Union Labour Force Survey (LFS).

Unemployment is defined according to the ILO definition. See Unemployment (3.9) for definition. The unemployed are counted as long-term unemployed if they have been jobless for at least twelve months. The long-term unemployment rate is calculated by dividing

the number of persons unemployed for twelve months or more by the active population (or labour force) of the same age and multiplying by 100. For the age-group 15-24, the threshold is lowered to six months or more. Data on the long-term unemployed are also presented in relation to the total number of unemployed people.

Links to other parts of the report

Education outcomes (3.5), Employment (3.7), Unemployment (3.9), Youth unemployment (3.10)

Further reading

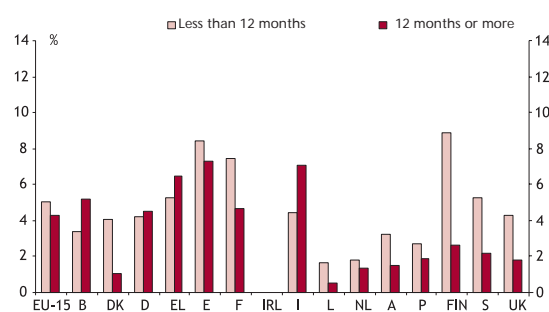
- "European social statistics - Labour force survey results 1999", Eurostat.
- Statistics in Focus (Population and Social Conditions): "Dynamic Measures of Economic Activity and Unemployment: 1. Patterns and Transitions over Time", No.17/1999. "Dynamic Measures of Economic Activity and Unemployment: 2. Status in terms of the amount of time spent", No.18/1999. Eurostat.
- "Employment in Europe 2000", European Commission, Employment and Social Affairs DG.
- "Employment precarity, unemployment and social exclusion", European Commission DG Research report 2000.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Long-term unemployment rate (12 months or more)																
1999	4.2	5.2	1.1	4.5	:	7.3	4.4	2.7	6.9	0.8	1.2	1.2	1.7	2.9	2.1	1.7
1998	4.7	5.8	1.3	4.8	:	9.4	4.8	3.3	7.1	0.9	1.7	1.4	2.2	3.9	2.9	2.1
1994	5.3	5.9	2.5	3.8	:	12.7	4.7	9.1	6.9	0.9	3.5	1.1	3.1	6.2	1.9	4.3
Persons unemployed for 12 months or more as a percentage of total unemployed, 1999																
	45	57	21	51	55	46	39	47	61	32	38	31	38	29	29	29
Youth long-term unemployment rate (6 months or more)																
1999	9.4	13.4	1.6	4.3	23.0	17.5	9.6	:	25.4	:	3.9	1.9	4.8	3.5	4.4	4.0
1998	11.0	13.9	1.3	4.8	21.9	23.0	13.0	:	25.9	:	5.1	2.4	5.0	5.8	6.4	4.1
1994	13.9	15.0	3.3	4.4	20.3	32.1	13.8	16.1	25.7	:	6.3	:	5.9	:	:	9.0
Young persons unemployed for 6 months or more as a percentage of total unemployed 1999																
	53	59	16	52	73	59	36	:	78	:	82	31	54	13	27	32

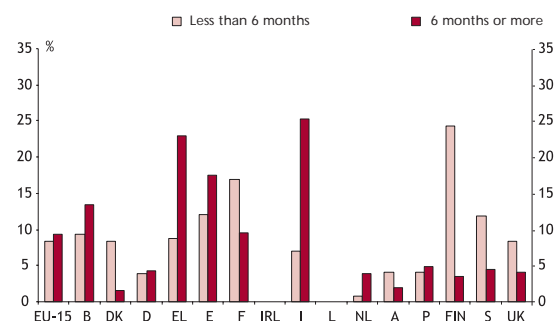
Source: Eurostat - comparable estimates based on the European Union Labour Force Survey

Graph 79 Unemployment rates by duration, 1999



Source: Eurostat - European Union Labour Force Survey

Graph 80 Youth unemployment rates by duration, 1999



Source: Eurostat - European Union Labour Force Survey

12

Social protection expenditure

In 1998, EU social protection expenditure represented 27.7% of GDP, confirming the downward trend in this indicator observed since the peak of 28.9% in 1993. However, it still compares favourably with the 1990 level of 25.4%. There are considerable differences between Member States with quite a clear north/south divide. Despite these disparities, social protection expenditure is tending to converge with the largest increases in recent years being observed in the countries with the lowest levels of expenditure.

Significant rise from 1990-1993, then slight decrease

In 1990, expenditure linked to social protection totalled 25.4% of GDP in the Union. The next three years saw a considerable increase in this figure, peaking at 28.9% in 1993. The EU-wide increase occurred during this period as a result mainly of the slower rate of GDP growth and rising unemployment. The rise was visible throughout the Union, particularly in Portugal, Finland and the United Kingdom. Between 1993 and 1998, expenditure on social protection as a percentage of GDP declined slightly, due partly to renewed growth in GDP but also to a slowdown in the growth of social protection expenditure. The decline has been more pronounced in those countries where spending had been amongst the highest in 1993, e.g. Sweden (-5.3 percentage points), Finland (-7.4 points) and the Netherlands (-5.0 points).

Slowdown in real-terms expenditure from 1993-1998

Real-terms expenditure on social protection (i.e. in constant prices per head of population) grew by around 4.3% annually during the period 1990-1993 in EU-15. The rise was particularly marked in Portugal (13% per year) and the United Kingdom (9% per year). In contrast, the rate of increase during the period 1993-1998 was 1.4% per year for the Union as a whole. Greece, Ireland, Luxembourg and Portugal had growth rates well above the average during this period. In virtually all other Member States, per capita expenditure in real terms grew at a relatively slow rate over this period.

Cross-country differences are more marked when expenditure is expressed in PPS per head of population

The EU average (27.7%) for social protection expenditure as a percentage of GDP conceals major differences between Member States. The highest ratio in 1998 was found in Sweden (33%) followed by France and Denmark (around 30%), while Ireland and the southern Member States recorded the lowest ratios (16-25%).

When social protection is expressed in PPS per head of population, the differences between countries are even more pronounced: the ratio between Luxembourg (which spends the most) and Portugal (which spends the least) was 3.0 to 1 in 1998. This represents nevertheless a reduction on the 1990 level of 3.7 to 1. The differences between countries reflect differences in the social protection systems, demographic change, unemployment and other social, institutional and economic factors.

Two patterns of funding social protection

At EU level, the main sources of funding for the social protection system are social contributions (employers and protected persons), which accounted for 60.9% of total receipts in 1998, followed by tax-funded general government contributions (35.4%). The European average conceals considerable differences between the Member States in the structure of funding. Social security contributions are more significant (at least 62% of total receipts) in Belgium, Germany, Greece, Spain, France, Italy, the Netherlands and Austria. In contrast, Denmark, Ireland, and to a lesser extent Finland, Sweden and the United Kingdom are more dependent on taxes to finance their social protection systems.

Significant increase in general government contributions between 1990 and 1998

The proportion of general government contributions in total funding rose by 5.1 points between 1990 and 1998 for EU-15. The largest increases were observed in France, Italy and Portugal. In contrast, this proportion fell significantly in Denmark, Greece and the Netherlands. In 1998, only 16% of the Netherlands' social protection was financed from general government contributions. The share of EU-15 social contributions in the total of receipts fell between 1990 and 1998, from 65.5% to 60.9%.

For information on the structure of expenditure on social benefits, see Old age benefits (3.13).

Policy context

The EC Treaty (Art.2) states that "the Community shall have as its task ... to promote throughout the Community ... a high level of ... social protection."

The Lisbon European Council of March 2000 attached great importance to the role of social protection systems in the achievement of the overall strategic objective it established. It set out the objective that the European social model, with its developed systems of social protection, must underpin the transformation to

the knowledge economy. It went on to state that these systems need to be adapted as part of an active welfare state to ensure that work pays, to secure their long-term sustainability in the face of an ageing population, to promote social inclusion and gender equality, and to provide quality health services.

In its progress report to the Feira Summit of June 2000, the High Level Working Party on Social Protection underlined the importance of the role of social protection by stating that it "must form the third side of a triangle, the other, interrelated but separate sides of which are macro-economic policy and employment policy; in this context the role of social protection as a productive factor should be strengthened, in the context of affirmation of the European social model".

One of the objectives of the Social Policy Agenda (COM(2000) 379 final) is "to modernise and improve social protection to respond to the transformation to the knowledge economy, change in social and family structures and build on the role of social protection as a productive factor." (Section 4.2.1.1).

Methodological notes

Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS).

Social protection encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or

needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The risks or needs that may give rise to social protection are classified by convention under eight "social protection functions". See Old age benefits (3.13). Excluded are all insurance policies taken out on the private initiative of individuals or households solely in their own interest. The 1998 data are provisional for B, D, EL, E, F, I, NL, P, FIN and UK. Purchasing Power Parities (PPP) convert every national monetary unit into a common reference unit, the purchasing power standard (PPS), of which every unit can buy the same amount of consumer goods and services across the Member States in a given year.

Links to other parts of the report

Old age benefits (3.13), Income distribution (3.14), Social protection (Annex II)

Further reading

- "European social statistics - Social protection. Expenditure and receipts 1980-1998", 2000. Methodology: "ESSPROS Manual 1996", Eurostat.
- Statistics in Focus (Population and social conditions): "Social Protection in Europe", No.15/2000. Eurostat.
- "Social Protection in Europe 1999", 2000. "Social Protection in the Member States of the European Union - Situation on 1 January 1998 and evolution", 1998. European Commission, Employment and Social Affairs DG.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Expenditure on social protection as a percentage of GDP																
1998	27.7	27.5	30.0	29.3	24.5	21.6	30.5	16.1	25.2	24.1	28.5	28.4	23.4	27.2	33.3	26.8
1993	28.9	29.5	31.9	28.4	22.3	24.7	30.9	20.5	26.2	24.5	33.5	28.9	21.3	34.6	38.6	29.1
1990	25.4	26.4	28.7	25.4	23.2	20.5	27.6	18.7	24.3	19.1	32.4	26.7	15.8	25.1	33.1	22.9

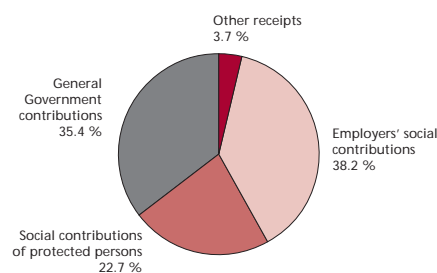
Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

Graph 81 Expenditure on social protection per head of population, 1998



Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

Graph 82 Social protection receipts by type as a percentage of total receipts, EU-15, 1998



Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

13

Old age benefits

In most Member States in 1998, the largest share of social protection expenditure was assigned to the old age and survivors functions. This was especially true of Italy (64.0% of total benefits against the EU average of 45.7%). EU-wide, benefits paid under the old-age and survivors functions rose by 22% in real terms during the period 1990-1998.

The old-age and survivors functions account for the major part of benefits

In most Member States, old-age and survivors benefits make up the largest item of social protection expenditure: EU-wide, it amounted to 45.7% of total benefits or 12.2% of GDP in 1998. This was especially true of Italy, where these two functions accounted for 64.0% of all benefits. In Ireland, on the other hand, the old age and survivors functions together accounted for only 24.9%. Ireland is in fact the "youngest" country in Europe, with 32% of the population aged under 20 in 1998 (EU average 23%) and only 11% aged 65 and over (EU average 16%). It is therefore to be expected that in Ireland expenditure on old age and survivors is low, whilst family and child benefits are amongst the highest in the Union.

In Ireland, Portugal and Finland, the group of functions sickness/health care and disability take the largest share of benefits paid. There are also major differences between countries when it comes to the relative share of unemployment-related benefits. In 1998, these accounted for 14-15% of total benefits in Spain and Ireland, but less than 3% in Italy. The family/children function represented 8.3% of all benefits in EU-15. This function represented 13-14% of all benefits in Denmark, Ireland, Luxembourg and Finland and, 5% or less in Spain, Italy, the Netherlands and Portugal.

The structure of expenditure on social benefits changed between 1990 and 1998

Between 1990 and 1998, total benefits rose by 22% in real terms, (i.e. in constant prices per head of population). During this period the structure of social benefits showed different rates of growth for the various functions. The variations result from evolving needs and changes in the legislation on social protection.

Benefits paid under the old-age and survivors functions rose very steadily, also by 22% in real terms. At EU level, their share in the total of benefits fell during the early 1990s but by 1998 had climbed again to the 1990 level. During this period, Germany (-3.5 percentage points) and Ireland (-5.1 points) experienced significant falls. In Italy, this expenditure, which was already high in 1990, grew faster than elsewhere, and the two functions' share in the total of benefits rose by 4.4 points over the eight-year period. Several countries, faced by the ageing of the population, have reformed or, are in the process of reforming, their retirement systems. The effects of this will appear gradually. It should be noted that, at EU level, pensions represent around 90% of expenditure on old age and survivors functions.

EU-15 expenditure on the sickness/health-care and disability group of functions took a smaller share of benefits in 1998 than in 1990. In practice, the share fell in almost all Member States as a result of the efforts made to control costs in these areas.

The trend in expenditure on unemployment benefits can be explained broadly by variations in the level of unemployment. Between 1990 and 1998, it rose by 23% in EU-15, but it was not a steady increase: between 1990 and 1993, these benefits increased very rapidly, with their share in total benefits rising from 7.3% to 9.5%. From 1993 on, there was a decrease, in real terms, in unemployment-related benefits in EU-15 (7.2% in 1998), resulting partly from a gradual improvement in the economic situation and partly from reforms of the payment system (e.g. changes in the conditions of entitlement to benefits) in some countries.

Expenditure on the family as a proportion of total benefits rose in EU-15 from 7.8% in 1990 to 8.3% in 1998. This increase (+30% in real terms between 1990 and 1998) was particularly marked in 1996, when Germany implemented reforms and extended the family benefits system.

Policy context

In the context of its general remarks underlying the importance of social protection systems and calling for their adaptation, the Lisbon summit in March 2000 mandated the High Level Working Party on Social Protection "as its first priority" to prepare, on the basis of a Commission Communication, a study on the future evolution of social protection systems from a long-term point of view, giving particular attention to the sustainability of pensions systems. As requested, the Commission adopted on 11 October 2000 a Communication (COM 2000-622 final) on the "Future Evolution of Social Protection from a Long-Term Point of View : Safe and Sustainable Pensions". Section 2.6 states that it is for "Member States to decide what pen-

lution of social protection systems from a long-term point of view, giving particular attention to the sustainability of pensions systems. As requested, the Commission adopted on 11 October 2000 a Communication (COM 2000-622 final) on the "Future Evolution of Social Protection from a Long-Term Point of View : Safe and Sustainable Pensions". Section 2.6 states that it is for "Member States to decide what pen-

sion system they want and what policy mix is required to maintain adequate incomes for older people without jeopardising the stability of public finances, undermining employment incentives or squeezing out other essential public expenditures. However, ... Member States face common challenges ... (and) share common objectives with regard to pension systems and are committed to a number of principles, amongst which are equity and social cohesion ... The Commission therefore invites Member States to co-ordinate their efforts and exchange views and information on practices and reforms in progress or at a planning stage." In a progress report to the Nice Summit of December 2000, the High Level Working Party committed Member States to prepare national contributions, not later than 15 February 2001, their strategies to ensure the fundamental objectives of their pension systems while ensuring their sustainability in the face of the demographic challenge.

See also Social protection expenditure (3.12).

Methodological notes

Source: Eurostat - European system of integrated social protection statistics (ESSPROS).

See Social Protection expenditure (3.12). Social benefits are recorded without any deduction of taxes or other compulsory levies payable on them by beneficiaries. "Tax benefits" (tax reductions granted to households for social protection purposes) are generally excluded. Social benefits are classified in the following eight functions: Sickness/health care, Disability, Old age, Survivors, Family/children, Unemployment, Housing, Social exclusion not elsewhere classified (n.e.c.). The Old age function covers the provision of social protection against the risks linked to old age: loss of income, inade-

quate income, lack of independence in carrying out daily tasks, reduced participation in social life, and so on. Medical care of the elderly is not taken into account (reported under Sickness/health care function). Placing a given social benefit under its correct function is not always easy. In most Member States, a strong interdependence exists between the three functions Old age, Survivors and Disability. For the purposes of better EU-wide comparability, the Old age and Survivors functions have been grouped together. F, IRL and P record disability pensions paid to persons of retirement age as benefits under the disability function as opposed to the old age function.

Links to other parts of the report

Ageing of the population (3.3), Employment of older workers (3.8), Social protection expenditure (3.12), Social protection (Annex II)

Further reading

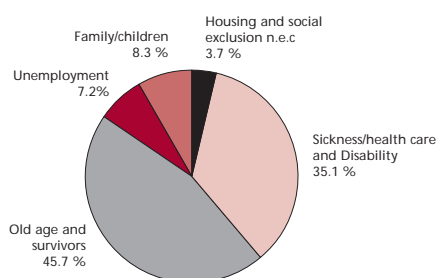
- "European social statistics - Social protection. Expenditure and receipts 1980-1998", 2000. Methodology: "ESSPROS Manual 1996", 1996. Eurostat.
- Statistics in Focus (Population and social conditions): "Social Protection in Europe", No.15/2000. "Social protection in Europe: expenditure on pensions", No.6/2000. "Social benefits and their redistributive effect in the EU", No.9/2000. Eurostat.
- Communication (COM 2000-622 final) on the "Future Evolution of Social Protection from a Long-Term Point of View : Safe and Sustainable Pensions". European Commission.
- "Social protection for dependency in old age in the 15 EU Member States and Norway", 1998. European Commission, Employment and Social Affairs DG.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Old age and survivors benefits as a percentage of total social benefits																
1998	45.7	42.8	38.3	42.3	52.6	46.1	44.0	24.9	64.0	44.2	41.1	48.2	42.7	34.5	39.4	43.9
1990	45.7	40.4	36.7	45.8	50.9	42.9	42.7	30.5	59.6	45.8	37.4	50.0	43.1	33.8	:	42.5

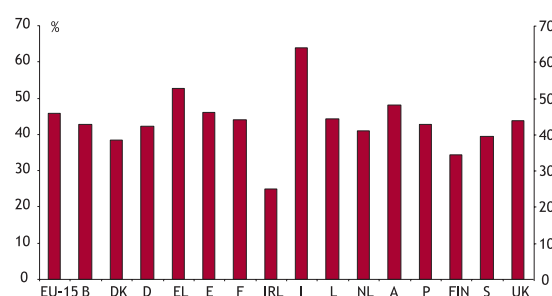
Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

Graph 83 Social benefits by groups of functions as a percentage of total benefits, EU-15, 1998



Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

Graph 84 Old age and survivors benefits as a percentage of total social benefits, 1998



Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

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Income distribution

At EU level, the bottom (poorest) 20% of the population received 7.6% of total income in 1996, while the top (richest) 20% received 39.3% of total income, i.e. 5.2 times more. This gap between the most and least well-off persons is smallest in Denmark (2.9) and Sweden (3.7). It is widest in the four southern Member States where average income is the lowest in the Union.

Member States with lower levels of average income tend to have higher levels of inequality

In 1996, the mean equivalised net annual income was around 14000 PPS in around half the Member States including Germany, France and the United Kingdom. A north/south divide remains with income levels in Greece, Spain, Italy and Portugal⁶⁰ between 7700 and 10100 PPS. Ireland also lies below the EU average of 12000 PPS. Luxembourg is an outlier with its exceptionally high income levels.

Income distribution can be measured by looking at how total income is shared among different strata of the population formed according to the level of income. EU-wide, the bottom (poorest) 20% of the population receive 7.6% of the total income, while the top (richest) 20% receive 39.3% of the total income. These figures are summarised by the share ratio S80/S20, i.e. the share of the top 20% to that of the bottom 20%. This ratio is higher in the southern Member States (Portugal being the highest with 6.8) although Ireland and the United Kingdom also find themselves above the EU average of 5.2. At the other extreme are Denmark (2.9) and Sweden (3.7). In general, Member States with higher levels of inequality tend to have a lower level of average income.

Over 70% of persons are 'beneficiaries' of social benefits although these represent only 25% of equivalised income

In most countries, around 70% of equivalised income arises from work, around 25-30% from pensions and other social benefits, and the small remaining part from capital and other private sources. Although social benefits do not constitute a large share of income, 73% of EU citizens benefit from such transfers, either directly or

indirectly, through other household members. The percentage varies from only 50% in Greece and Italy to around 90% in Belgium⁶¹, Ireland and Portugal. EU-wide, 13% of the population live in households that rely on social benefits as the only source of income. The proportion ranges from 4% in France to 19% in Belgium. The equivalised income of persons living in households that draw pensions is, on average, close to the figure for the population as a whole. However, it is higher than the average in France, Italy, the Netherlands and, above all, Ireland. Throughout the Union, but to differing degrees, social benefits other than pensions are heavily concentrated on low income households. See Low income households (3.14).

Significant regional disparities remain in terms of 'wealth'

There are many possible measures of regional disparity in terms of wealth. Some show clear convergence of the poorer regions towards the EU average. For example, the GDP per head (which provides an indication, albeit somewhat simplistic, of a country's wealth) in the 10 poorest regions taken as a whole increased from 41% of the EU average in 1986 to 50% in 1996. Other measures are much less conclusive. For example, the coefficient of variation of GDP per head at NUTS-3 level regions (which summarises developments in all regions rather than just the two extremes) over the last two decades does not indicate any appreciable reduction in regional disparities. It shows Germany to have the largest regional disparities in 1997, followed by the United Kingdom although this country provides a good example of the difficulties associated with such an indicator. The recent inclusion of Inner London as a region, with its very high level of GDP per head, has a large impact on the coefficient.

Policy context

The EC Treaty (Art.2) states that "The Community shall have as its task ... the raising of the standard of living and quality of life...". Art.3 continues "the activities of the Community shall include ... the strengthening of economic and social cohesion;"

The Lisbon European Council in March 2000 set itself "a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based econo-

my in the world capable of sustainable economic growth with more and better jobs and greater social cohesion." See also Communication adopted by the Commission in March 2000 entitled "Building an Inclusive Europe".

The Social Policy Agenda (COM(2000) 379 final) states that "social transfers covering pensions and social security do not only contribute to balance and re-distribute incomes throughout lifetimes and across social groups, but also support better quality in employment, with consequent economic benefits."

⁶⁰ An in-depth revision of waves 1-3 of Portuguese data is being carried out by the National Statistical Office. The revised data will be introduced into the new EU data set, containing waves 1-4.

⁶¹ Belgian data are provisional and are currently being revised due to inconsistencies found in the codification of some income components.

The Structural Funds are part of the Community's structural policy which is intended to reduce the gap in terms of development between different regions and between Member States and thereby promote economic and social cohesion. Between 1994 and 1999, the Community allocated around 35% of the EU's total budget to structural measures (EUR 208 billion).

Methodological notes

Sources: Eurostat - European Community Household Panel (ECHP), wave 3. Income data refers to the calendar year 1995. Data on GDP per head at NUTS-3 level are taken from Eurostat's regional accounts and are based essentially on the European System of National Accounts (ESA 95).

Total household income is taken to be all net monetary income received by the household and its members at the time of the interview (1996) during the survey reference year (1995). This includes income from work, private income (e.g., from investments or property), pensions and other social transfers directly received. No account has been taken of indirect social transfers, receipts in kind and imputed rent for owner-occupier accommodation. As the weight of these income components varies between countries, full comparability of income statistics is hampered. No income data are available for Finland and Sweden.

In order to take account of differences in household size and composition in the comparison of income levels, the household's total income is divided by its 'equivalent size', computed using the modified OECD equivalence scale. This scale gives a weight of 1.0 to the first adult, 0.5 to the second and each subsequent person aged 14 and over, and 0.3 to each child aged under 14 in the household. To

calculate the share ratio, persons are first ranked according to their equivalised income and then divided into 5 groups of equal size known as quintiles. S80/S20 represents the share of the top 20% to that of the bottom 20%. For information on NUTS, see notes under Unemployment (3.9). The GDP per head data used in the analysis are in terms of PPS and, therefore, take account of differences in price levels between countries, though not between regions within countries. The coefficient of variation of GDP per head at NUTS-3 level regions provides a measure of overall differences from the mean.

Links to other parts of the report

Social protection expenditure (3.12), Low income households (3.14), Jobless households and low wages (3.16), Income distribution (2.3), Income (Annex II)

Further reading

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition. "European Community Household Panel: selected indicators from the 1995 wave", 1999. Eurostat.
- Statistics in Focus (Population and social conditions): "Social benefits and their redistributive effect in the EU", No.9/2000. Eurostat.
- "Employment in Europe 2000", European Commission, Employment and Social Affairs DG.
- "Sixth Periodic Report on the Social and Economic Situation and Development of the Regions of the European Union", 1999. European Commission, Regional Policy and Cohesion.
- "Evaluation of income support policies at the local urban level", European Commission DG Research reports 1999.

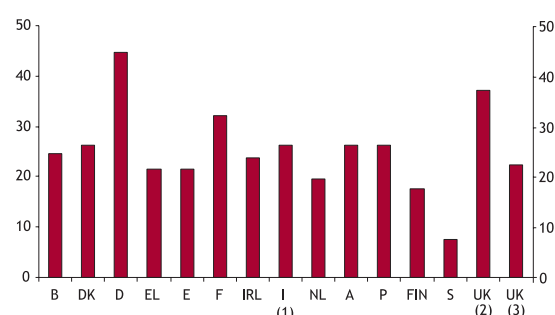
Key indicator

Share ratio S80/S20 (1)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
1996	5.2	4.4	2.9	4.7	6.1	5.9	4.5	5.6	6.0	4.5	4.7	4.0	6.8	:	3.7	5.6

(1) The share of entire national income received by the top 20% of the population to that of the bottom 20%. EU-15 estimate excludes FIN, S. Source : Eurostat - European Community Household Panel. S - national source (1997 data).

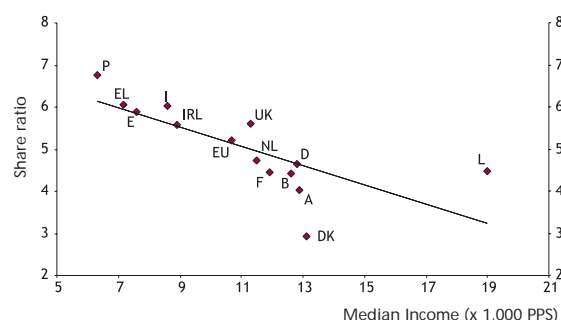
Graph 85 Coefficient of variation of GDP per capita for NUTS III regions, 1997



(1) NUTS II only, (2) All UK, (3) = All UK except Inner London (newly created region with very high GDP/head)

Source: Eurostat - Regional accounts

Graph 86 Level of income and income inequality, 1996



Source : Eurostat - European Community Household Panel

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Low income households

Around 17% of EU citizens had an equivalised income that was less than 60% of the national median in 1996. The proportion of 'poor' people was relatively high (over 20%) in Greece and Portugal and lowest in Denmark, Luxembourg, Netherlands, Austria and Sweden (11-14%). Social benefits reduce the proportion of poor people in all Member States but to very differing degrees: the reduction ranging from around 10% in Greece and Italy to over 60% in Denmark, almost double the EU average.

More than one-third of lone parents have a 'low income'

In 1996, some 61 million people (17% of all EU citizens) had an equivalised income that was less than 60% of the median for their country (the 'poverty line'). Three types of household stand out with higher than average levels of 'poverty': single-parents with dependent children (36%), women living alone (26%) and couples with three or more dependent children (25%). Around 50% of single-parents in Germany, Ireland and the United Kingdom can be classified as having a 'low income'. Rates for older people are generally higher than those of their younger counterparts. More than one in two old people living alone in Portugal (and one in three in Greece and the United Kingdom) have a 'low income'.

Women (compared with men) and children (compared with adults) are more likely to be poor

Throughout the Union, 'poverty' is slightly more prevalent among women than among men (EU average of 18% versus 16%). The gender gap is even larger among persons living alone, particularly among the elderly.

The proportion of children (under the age of 16) living in a household with low income (20%) is higher than for the population as a whole (17%). Children in Spain and Ireland (23% versus 18%) and the United Kingdom (26% versus 19%) seem to be particularly worse off. However, children in Denmark (4% versus 11%) and Greece (18% versus 21%) are considerably less likely to live in 'poor' households than adults.

Unemployed persons most at risk

On average, 40% of unemployed persons have a low income. The proportion is just over 50% in the United Kingdom. In Ireland and the United Kingdom, the unemployed are around eight times more likely than those people with a job to have a low income. In Denmark and Portugal, on the other hand, the difference is less than a factor of two. For the Union as a whole, 9% of those at work fall into the 'poor' category. See also Jobless households and low wages (3.16).

Impact of benefits on the proportion of poor people is significant

A comparison of the number of people on low incomes before and after social benefits other than pensions, i.e.

pensions are included 'before' and 'after', illustrates one of their main purposes: their redistributive effect and, in particular, their ability to reduce the percentage of the population on low incomes. Before social benefits are taken into account, Denmark, Ireland and the United Kingdom show a high percentage (30-33%) of people on low incomes. The figures for the other Member States vary between 22% (Italy) and 28% (Belgium) with an EU average of 26%. Social benefits reduce the percentage of "poor" people in all the Member States, but to very disparate degrees. The reduction is smallest - between 8% and 20% - in Greece, Italy and Portugal. In all other Member States it is well over 25%; in Denmark it is around two-thirds, almost double the EU average. Denmark also has the lowest "poverty rate" after payment of benefits. After benefits, Greece and Portugal have the highest percentages of people on low incomes. Ireland and the United Kingdom have the highest poverty rates in the EU before benefits, and the inequalities remain higher than the Community average after payment of benefits. However, these two Member States differ from Greece and Portugal by having a far greater redistribution effect. It is because Italy has the lowest poverty rate before benefits that the percentage of "poor" people is only slightly above the EU average despite the low impact of benefits.

EU poverty gap of 30%

Looking at income below the poverty line identifies those persons in income poverty, but does not show how severe this poverty is. Measuring the gap between the level of income of the "poor" and the poverty line (poverty gap) provides an insight into the severity of income poverty. In 1996, persons living in a low-income household in the EU had an equivalised household income that was 30 per cent below the EU weighted average poverty line. With an average poverty line of 6,400 PPS in the European Union, this amounts to a mean equivalised poverty gap of roughly 2,000 PPS.

Around 25 million persons living in persistent poverty

In 1996, 7% of the European Union population had been living for at least three consecutive years in a low-income household. This represents 42% of all those living in poverty in 1996. The persistent income poverty rate ranges from around 3% in Denmark and the Netherlands to 10% in Greece and 12% in Portugal.

Policy context

Art.136 of the EC Treaty lists "the combating of exclusion" as one of the six objectives of European social policy. Art.137.1 cites the integration of persons excluded from the labour market as one of the fields in which Community action should support and complement the activities of Member States. Art.137.2 creates scope for action at Community level by encouraging "cooperation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences in order to combat social exclusion."

The Lisbon European Council in March 2000 concluded that "the number of people living below the poverty line and in social exclusion in the Union is unacceptable" and that "the new knowledge-based society offers tremendous potential for reducing social exclusion" (Presidency conclusion No.32).

The Social Policy Agenda (COM(2000) 379 final) also addresses the issues of poverty and social exclusion. The main objective is "to prevent and eradicate poverty and exclusion and promote the integration and participation of all into economic and social life." (Section 4.2.2.1).

Methodological notes

Source: Eurostat - European Community Household Panel (ECHP), wave 3.

The extent of low income (or relative, monetary poverty) is measured in terms of the proportion of the

population with equivalised income below 60% of the median equivalised income in each country. The median income is preferred to the mean income as it is less affected by extreme values of the income distribution. The poverty gap is defined as the extra income necessary to bring the equivalised household income of a person, under the poverty line, level with the income at the poverty line. See Income distribution (3.14) for definition of income concepts and notes on data for Belgium and Portugal. Income data not available for Finland and Sweden. Data on persistent poverty not available for Austria.

Links to other parts of the report

Employment (3.7), Social protection expenditure (3.12), Income distribution (3.14), Jobless households and low wages (3.16), Income distribution (2.3), Income (Annex II)

Further reading

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "Persistent income poverty and social exclusion in the European Union", No.13/2000. "Income poverty in the European Union: Children, gender and poverty gaps", No.12/2000. "Social benefits and their redistributive effect in the EU", No.9/2000. "Social exclusion in the EU Member States", No.1/2000. "Low income and low pay in a household context (EU-12)", No.6/1998. Eurostat.
- "Evaluation of income support policies at the local urban level", European Commission DG Research reports 1999.

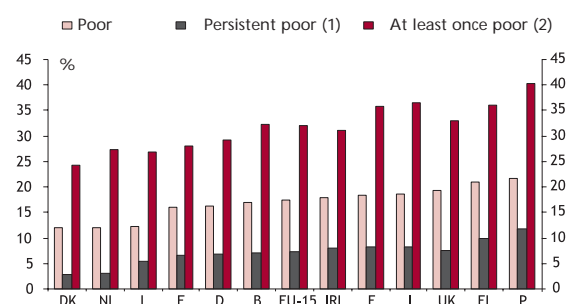
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Percentage of the population with an income less than 60% of the national median, before and after social benefits (1), 1996																
After social benefits	17	17	11	16	21	18	16	18	19	12	12	13	22	:	14	19
Before social benefits	26	28	30	23	23	26	27	33	22	24	24	24	27	:	:	32
National currency symbol	:	BEF	DKK	DEM	GRD	ESP	FRF	IEP	ITL	LUF	NLG	ATS	PTE	FMK	SEK	GBP
60% of med. ann. inc. (nc)	:	318640	76960	16513	24000	613899	52191	3771	8802(2)	463848	15535	117600	539400	:	:	4969
60% of med. ann. inc. (PPs)	:	7562	7883	7675	4313	4558	7166	5362	5188	11409	6891	7733	3772	:	:	6800

EU-15 estimate excludes FIN, S. (1) Social benefits other than pensions, i.e. pensions are included 'before' and 'after'. (2) I - data in 1000s.

Source: Eurostat - European Community Household Panel. S - national source (1997 data).

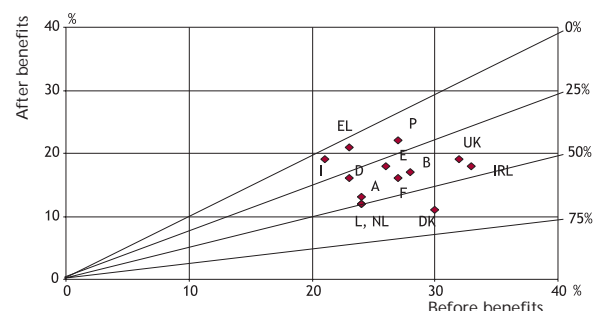
Graph 87 Percentage of the population living in (persistent) poverty, 1996



(1) persons who were also in income poverty in 1995 and 1994
(2) Persons who experienced poverty at least one year during the period 1994-1996

Source: Eurostat - European Community Household Panel

Graph 88 Percentage of the population on a low income before and after social benefits other than pensions, 1996



Source: Eurostat - European Community Household Panel

16

Jobless households and low wages

Two important driving factors of poverty are jobless households and low wages. EU-wide, 6% of households (in which at least one person is active) are jobless. The people living in such households are around four times more likely than people in a working household to have a low income. Work, however, does not remove the threat of poverty. For a number of reasons ranging from low wages to the number of non-working members in the household, a sizeable proportion of the population living in a working household are also poor.

Persons living in jobless households are around four times more likely than persons living in working households to be poor

In 1999, just under 70% of EU households had at least one person who was economically active (either in employment or seeking employment). Around 6% of these 'active' households can be considered to be 'jobless' households, i.e. no member of the household is in employment. The proportion is lowest (3% or less) in Luxembourg, the Netherlands, Austria and Portugal (no data for the Nordic countries). In contrast, Belgium (6.6%), Germany (6.6%), Spain (6.7%), France (7.4%) and Ireland (7.0% in 1997) record the highest figures.

EU-wide, the poverty rate for persons living in jobless households was 50% compared with 13% among those living in working households in which at least one person is in employment (1996 data). Put another way, persons in jobless households are around four times more likely than those in working households to be living below the poverty line. The difference between these two groups varies significantly between the Member States. In Belgium, Ireland and the United Kingdom, those in jobless households are at least five times more likely to be poor while in the southern Member States, they are only two or three times more likely.

More than half the persons in jobless households (as defined above) in Belgium, France, Ireland, Italy and the United Kingdom were living below the poverty line in 1996. In contrast, the proportion was considerably lower in Denmark (16%), Greece (33%) and Portugal (32%).

Working poor: a complex picture

Although persons in employment are less likely to live in a low-income household, i.e. to be "working poor", the risk of poverty is not removed. A recent study of paid employees focused on "low-wage employees", i.e. employees whose monthly wage is less than 60% of their country's median wage. The report (see further reading) shows that for various reasons, an employee's standard of living (as measured by income) is only partly determined by his/her wage. Indeed, in around 50% of cases, low wages received by one member of a household are "compensated for" by higher wages received

by one or more other members of the household. Similarly, a household may receive income other than wages (income from self-employed work or other types of income such as social benefits, income from property, etc.). Lastly, the standard of living depends not only on the resources available but also on the size of the household as well as its economic (number of persons in employment, etc.) and demographic (number of children and other dependants, etc.) characteristics. All low-wage employees do not, therefore, live in low-income households. Inversely, employees whose wages are above the low-wage threshold may - e.g. if they have a number of dependants - be living in poor households.

EU-wide, 8% of employees are poor

For the EU as a whole, the poverty rate for employees is about 8% (or approximately 9 million people). It is considerably higher in Germany, Greece, Spain and Italy, and lower in Denmark and Portugal. In all the countries analysed, the poverty rate among employees is - as might be expected - lower than the poverty rate among the population as a whole. However, it is not necessarily the countries with the highest poverty rates that have the highest proportions of poor employees. As an extreme example, Denmark has the lowest poverty rates both for the population as a whole and for employees, while Portugal - where the poverty rate of employees is also very low (only 1 percentage point more than Denmark) - has the highest poverty rate among the population as a whole.

In most but not all Member States, poverty rates of low-wage employees are higher than those for the population as a whole

EU-wide, 15% of employees are "low-wage employees", i.e. their monthly wage is less than 60% of their country's median wage. This proportion ranges from 6% in Portugal to 21% in the United Kingdom. For the Union as a whole, 20% of these low-wage employees - more than twice the average of all employees (8%) - are poor. This over-representation of low income among low-wage employees can be seen in all countries. In addition, with three exceptions (Ireland, Portugal and the United Kingdom), the poverty rate among low-wage employees is higher - in some cases considerably higher - than the poverty rate for the population as a whole.

Policy context

see Low-income households (3.15)

Methodological notes

Sources: Eurostat - European Labour Force Survey (data on the population living in jobless households). European Community Household Panel (ECHP) 1996, wave 3. Income data refers to the calendar year 1995.

See Income distribution (3.10) for income concept and definition of equivalised income. For definition of low-income (or poor) households, see Low-income households (3.15).

The active population (or labour force) is defined as the sum of employed and unemployed persons.

For the section on working poor, only those paid employees working at least 15 hours per week are included in the analysis. A low-wage employee is defined as an employee whose monthly wage is lower than a nationally-defined threshold. Two factors, which may combine, contribute to the risk of low wage. First, there is part-time working, i.e. a working time of less than 30 hours a week. Second, there is a low rate of remuneration, i.e. a monthly wage which,

when "adjusted" to take account of the hours worked each week, is lower than a remuneration threshold which is also laid down nationally.

Links to other parts of the report

Employment (3.7), Social protection expenditure (3.12), Income distribution (3.14), Low-income households (3.15), Income (Annex II)

Further reading

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition. "European Community Household Panel: selected indicators from the 1995 wave", 1999. Eurostat.
- Statistics in Focus (Population and social conditions): "Income poverty in the European Union: Children, gender and poverty gaps", No.12/2000. "Low-wage employees in EU countries", No.11/2000. "Social benefits and their redistributive effect in the EU", No.9/2000. "Social exclusion in the EU Member States", No.1/2000. Eurostat.
- "Low pay and earning mobility in Europe", TSER programme. Edward Elgar Publishing UK 1999.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Share of households in which no member is in employment among all households in which at least one person is active (%)																
1999	5.8	6.6	4*	6.6	5.1	6.7	7.4	7.0	5.7	1.0	2.0	3.0	1.5	:	:	4.9

Poverty rates (%) among the population living in ..., 1996

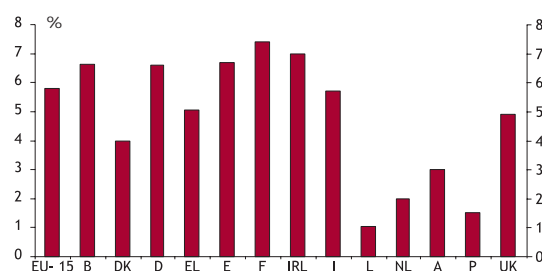
Jobless households (1)	50	59	16	47	33	47	58	58	55*	:	43	39	32*	:	:	55
Working households (2)	13	11	7	13	17	15	12	10	17	10	9	10	18	:	:	11

(1) Persons living in households (in which at least one person is active) in which no member is in employment.

(2) Persons living in households (in which at least one person is active) in which at least one member is in employment

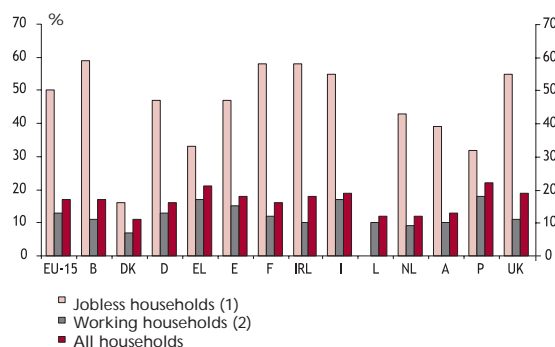
Source: Eurostat - European Union Labour Force Survey, 1999. IRL - LFS 1997. DK - European Community Household Panel, 1996.

Graph 89 Share of households in which no member is in employment among all households in which at least one person is active, 1999



Source: Eurostat - European Union Labour Force Survey

Graph 90 Poverty rates among persons living in jobless households, working households and all households, 1996



Source: Eurostat - European Community Household Panel

17

Female employment

Between 1989 and 1999, the EU employment rate for males fell by almost 3 percentage points. Over the same period, the rate for females rose by 6 points, thereby narrowing the gap between the sexes. However, the rate for males (72%) remains considerably higher than that of females (53%). Female rates are highest in the three Nordic countries.

Women still at a disadvantage in the labour market

Despite progress in recent years, women still have particular problems in gaining access to the employment market and particularly to decision-making posts (see section 2.4.4), in earnings and in reconciling professional and family life. Although the net additional jobs created over the past decade or so have virtually all gone to women, this job growth has failed to keep pace with the increasing number of women who want to work. As a result, unemployment among women is much higher than for men. Despite the fact that women form around 43% of the EU labour force, they account for slightly over half (51%) of the unemployed. Employment rates for women remain systematically lower than for men. Moreover, many women work part-time.

Gap between the sexes is narrowing but remains substantial

The combination of increasing education and changing attitudes means that employment rates of women are converging on those of men - between 1989 and 1999, they rose by 6 percentage points to 53%, whereas those for men declined by 3 points to 72%. Although the difference is diminishing, it remains large in the vast majority of countries. In Finland and Sweden, the employment rate for women is still around 90% that of men although there has been a relative decline in women in work in these countries over the last few years. In virtually all Member States, the gap in employment rates between the sexes is smaller among the young generation than the older one.

EU-wide, women are concentrated in the growing service sector (80% of all employed women against 55% of all employed males) and are therefore less at risk of losing their job than men, who are employed disproportionately in agriculture and industry where restructuring has been taking place. Occupational

segregation may limit the choice of women entering or wishing to enter the labour market. Women are still under-represented in managerial posts: only 6% of all women in employment occupy such posts compared with 10% of all men in employment.

Overall, mothers aged 25-49 with at least one young child (aged 0-5) are less likely (55%) to be employed than childless women of the same age (69%). The gap between these two groups is largest in Germany, Luxembourg and the United Kingdom. In contrast, in Belgium and Portugal the two rates are almost identical. Differences between countries reflect the varying levels of discrimination, the extent of child-care provision, the availability of part-time work, taxation, welfare support, attitudes towards women at work, etc. See also Population trends and related issues (2.1).

One in three females in employment is working part-time

EU-wide, 33% of females in employment are working part-time against only 6% of males. Female part-time work is particularly prevalent in the Netherlands (68%) and the United Kingdom (44%). Among full-time employees, women work less hours than men in all Member States although in Netherlands, Austria and Sweden the difference is less than one hour. In contrast, the gender gap is almost 5 hours in the United Kingdom.

Throughout the Union, female employees (14%) are more likely than their male counterparts (12%) to have a fixed-term contract. Spain has by far the highest proportion (35% of all female employees).

Relatively more women than men are unemployed

The unemployment rate in 1999 was higher for women than men in most parts of the Union, averaging 10.8% as against 7.9%. See Unemployment (3.9).

Policy context

The EC Treaty (Art.137) states that "the Community shall support and complement the activities of the Member States in ... equality between men and women with regard to labour market opportunities and treatment at work."

The 2000 Employment Guidelines (No.19): "Member States will attempt to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women and will take action to bring about a balanced representation of women and men in all sectors and occupations." In

order to strengthen equal opportunities, Member States and the social partners will "design, implement and promote family-friendly policies, including affordable, accessible and high quality care services for children and other dependants, as well as parental and other leave schemes." (Guideline No.20).

Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on a community framework programme on gender equality (2001-2005).

Review of the implementation by the Member States and the European Institutions of the Beijing Platform for Action : Women in the decision making process, Council of the European Union, 11829/1/99.

The Lisbon European Council in March 2000 concluded that "the employment rate is too low and is characterised by insufficient participation in the labour market by women ... " (Presidency conclusion No.4). The Council also identified four key areas as part of an active employment policy. One of these areas was "furthering all aspects of equal opportunities, including reducing occupational segregation, and making it easier to reconcile working life and family life, in particular by setting a new benchmark for improved childcare provision."

One of the main objectives of the Social Policy Agenda (COM(2000) 379 final), Section 4.1.1.1 is to "realise Europe's full employment potential by ... increasing the number of women in work to more than 60 % in 2010

whilst taking into account the different starting points of the Member States." It also stresses the need to give "more priority to equal opportunities."

Methodological notes

Source: Eurostat - European Union Labour Force Survey (LFS).

For definition of activity, employment and unemployment rates and full-time/part-time, see Employment (3.7) and Unemployment (3.9).

Links to other parts of the report

Employment (3.7), Earnings of men and women (3.18), Population trends and related issues (2.1), Social Participation (2.4), Labour market (Annex II).

Further reading

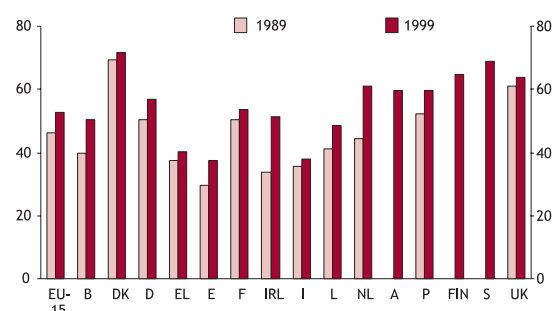
- "European social statistics - Labour force survey results 1999", 2000. Eurostat.
- Statistics in Focus (Population and social conditions): "Part-time work in the European Union", No.13/1997. "Labour Force Survey Principal Results 1999", No.5/2000. Eurostat.
- "Employment in Europe 2000". "Equal Opportunities for Women and Men in the European Union - Annual Report 1999". "Equal opportunities magazine", Quarterly Newsletter. European Commission, Employment and Social Affairs DG.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Employment rates, 15-64 years, 1999																
Females	52.6	50.2	71.6	57.1	40.3	37.3	53.5	51.4	38.1	48.5	61.3	59.7	59.6	64.6	68.9	63.7
Males	71.6	67.5	81.2	72.4	71.6	67.8	67.5	73.6	67.1	74.4	80.3	76.7	75.7	70.2	72.1	76.9

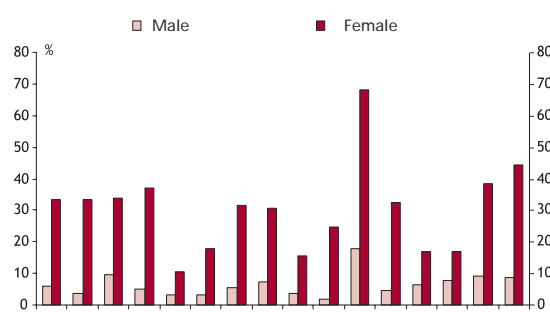
Source: Eurostat - European Union Labour Force Survey

Graph 91 Female employment rates (15-64 years), 1989 and 1999



Source: Eurostat - European Union Labour Force Survey

Graph 92 Percentage of persons in employment working part-time, by sex, 1999



Source: Eurostat - European Union Labour Force Survey

18

Earnings of men and women

EU-wide, the average earnings of a woman in 1998 were estimated at 23% less than the earnings of a man (industry and services). Overall, the smallest differences are found in Belgium, Denmark, France, Luxembourg and Sweden, although a sectoral analysis produces different results. In general, the gap between the sexes appears to be narrowing: in 1995, the average for the Union was 26%. Although it is not possible to determine whether women are paid less for equal work, it can be concluded that women are in lower-paid positions.

No Member State in which women's earnings exceed 84% of men's

In 1998, the average earnings of women working in industry and services were 77% the earnings of men's. In Denmark, France and Sweden, the average wages of women are equivalent to 80-82% of men's. In Belgium and Luxembourg, the ratio was 84% in 1995 (no comparable data in 1998). In Ireland, Austria and the United Kingdom, on the other hand, women's wages represent around 70% of men's. Throughout the Union, the ratio of women's earnings to men's is increasing: EU-wide, up three percentage points from 1995 (74%). Looking at manual workers in industry, the average earnings of women compared with men's were lower (72%) but this still represents around a two percentage point rise on the 1995 level.

These discrepancies should primarily be interpreted as the result of comparing averages for two populations of employees with very different characteristics. Firstly, women and men do not have the same jobs. In the population under review, women working full time are three times more likely than working men to be office clerks, while working men are more than twice as likely as working women to be manual workers or plant operators. On average, manual workers are better paid than office clerks. Secondly, working women tend to be younger than men. As a result, women on average have less seniority and less of an opportunity to be in management positions. This clearly has an impact on their average salary level. Thirdly, the attainment levels of women are in general lower than men which, in turn, means that they are more likely to earn less. Furthermore, women are less likely than men to have a vocational education for which the average salary is higher than for a more general secondary education.

Pay differences by economic activity

In most Member States for which data are available, differences in pay levels are larger than the average in the financial services sector. Notable exceptions are Austria and Portugal. In contrast, pay differences are much smaller among those working in hotels and restaurants. In Denmark, Spain and Finland, the average earnings of a woman working in a hotel or restaurant in 1998 were around of 90% those of a man. In Sweden, equal pay in this sector was virtually achieved.

A generational effect ?

Comparing the inequality structure of earnings by age shows that pay differences between men and women increase rapidly with age (1995 data). This is mainly due to the occupational structure of older women which is more concentrated in lower-paid clerical positions than the average. However, this may also be explained by the fact that some older women have quite long career breaks which means that pay differences increase.

An educational effect ?

Overall, pay differences between men and women appear to increase with the level of education although the picture is far from homogeneous between Member States (1995 data). In Belgium, Denmark, Spain, France, Italy, and the Netherlands, the highest qualified women are the most unequally paid compared to their male colleagues. The opposite is true in Greece and Ireland. In the other Member States, the level of education appears to have minimal influence on wage differences.

Policy context

The EC Treaty (Art.141) states that "Each Member State shall ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied. For the purpose of this Article, 'pay' means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which the worker receives directly or indirectly, in respect of his employment, from his employer. Equal pay without discrimination based on sex means:

- (a) that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement;
- (b) that pay for work at time rates shall be the same for the same job.

The 2000 Employment Guidelines (No.19): "They (Member States) will initiate positive steps to promote equal pay for equal work or work of equal value and to diminish differentials in incomes between women and men."

Methodological notes

Sources: Eurostat - Harmonised statistics on Earnings (annual data) and Structure of Earnings statistics 1995.

Data on earnings are based on female and male employees in selected economic activities. In principle, Industry and Services covers all employees working in NACE categories C-O. However, there are a number of exceptions: DK, E, F, IRL, L, NL and P, NACE C-K only; D, NACE C-F, G and J; IRL, manual and non-manual workers in industry only. Industry refers to manual workers in NACE C-F. The financial services sector (NACE J) refers to non-manual workers except for NL. Hotels and restaurants covers NACE H.

The data used are not ideal to study women's earnings because sectors where there are a majority of women

are not covered: health, education and personal services. The average EU-15 figures presented here are calculated by weighting the earnings with the number of employees in Member States.

Links to other parts of the report

Female employment (3.17), Income (Annex II)

Further reading

- "Earnings in industry and services - Hours of work in industry, 1996-1998", 2000 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "Women's earnings in the EU", No.6/1999. Eurostat.
- "Social Portrait of Europe", 1998. Eurostat.
- "Industrial Relations in Europe", 2000. European Commission, Employment and Social Affairs DG.

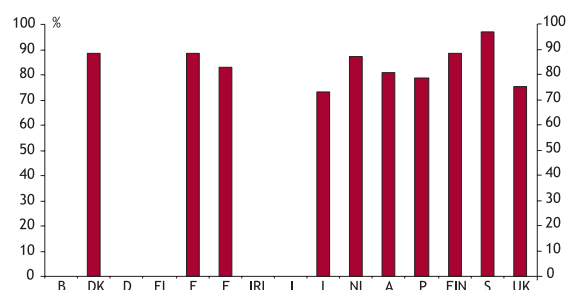
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Average earnings of women as a percentage of men's, 1998																
Industry and Services	77*	84*	82	77	73*	76	80	70*	77*	84*	72	69	73	79	82	72
Industry	72*	80	95	76	79	76	81	73	81*	74	78	65	72	81	92	70

See methodological notes

Source: Eurostat - Harmonised statistics on earnings 1998. B, EL, IRL and L (Industry and Services) and I (all data) - Structure of Earnings 1995

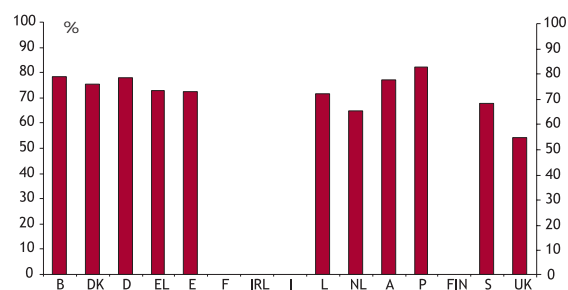
Graph 93 Average earnings of women as a percentage of men's, 1998
Hotels and restaurants sector



No data available for B, D, EL, IRL and I

Source: Eurostat - Harmonised statistics on earnings

Graph 94 Average earnings of women as a percentage of men's, 1998
Financial services sector



No data available for F, IRL, I and FIN

Source: Eurostat - Harmonised statistics on earnings

19

Life and health expectancies

Life expectancy continues to rise and now stands at 81 years for women and 75 for men. In all Member States, women live longer than men. The southern Member States have made great strides to close the gap with the north. EU-wide, women can expect to live to 62 years of age without any disability and 74 years without any severe disability. The corresponding figures for men are 60 and 69 years.

Average life span continues to increase

Over the past 50 years, life expectancy of men and women has risen steadily: by around 10 years in total for each sex. Throughout the Union, women live longer than men. In 1999, the life expectancy of women in EU-15 was 81 years while that for men was 75 years. Eurostat estimates that the life expectancy of women and men may reach 84 and 78 years respectively by the year 2020.

People can expect to live to around 60 years without any disability

Health expectancies are a group of health indicators combining data on mortality and disability/morbidity. This report uses life expectancy without (severe) disability. At EU-level, women can expect to live to 62 years of age without any disability and 74 years without any severe disability. The corresponding figures for men are 60 and 69 years.

Large reduction in infant mortality

Progress in medical research and care has also led to a dramatic improvement in the infant mortality rate for EU-15 which has fallen from 23 deaths per 1000 live births in 1970 to 5 deaths per 1000 live births in 1999. Differences between Member States have virtually disappeared.

Health expenditure accounts for 8% of EU GDP

In 1998, total EU expenditure on health represented 8.0% of EU GDP. Germany (10.6%) and France (9.6%) spend the most although they are still well behind the US (13.6%). Over the last decade or so, health expenditure as a percentage of GDP rose in the majority of countries. The most significant increases were observed in Belgium, Germany and Portugal.

Almost one in four elderly people describe their health as 'bad'

EU-wide, around 9% of adults (aged 16 and over) perceive their health to be 'bad' or 'very bad'. 65% feel

that their health is 'good' or 'very good' while the remaining 26% describe it as 'fair'. The proportion of persons in the category '(very) bad' increases with age: almost one in four elderly people described their health as such. For all ages, women are more likely than men to perceive their health as '(very) bad'. This pattern can be observed in every Member State with one or two minor exceptions.

Throughout the Union, persons with a high level of income report better health than persons with a low level of income. Similarly, persons with a high level of education report better health than those with a low level of education. On average, only 4% of people with tertiary education described their health as '(very) bad' compared with 13% of those with compulsory education at best.

Just over 40% of the EU population aged 65 and over report being hampered in their daily activities by a chronic, physical or mental health problem, illness or disability (18% are "severely" hampered, 24% "to some extent").

Around 10% of the EU adult population spent at least one night in hospital in 1994. The proportion rises to more than 20% among the 'very old'. Older men are more likely than women to be hospitalised.

Circulatory diseases and cancer remain the major causes of death

Mortality patterns differ significantly according to age and sex. As a general rule, mortality is higher among men than women in all age groups. For both men and women, circulatory diseases are the major cause of death throughout the Union (the one exception is in France where men are most likely to die of cancer): 700 000 men and 850 000 women died of such diseases in 1997. This represents 344 and 218 deaths per 100 000 population. External causes of injury and poisoning prevail among the young (aged 15-34) but account for only a small proportion of those aged 55 and over. Cancer represents the major cause of death among those aged 45-64. For those aged 75 and over, circulatory diseases account for around half of all deaths.

Policy context

The EC Treaty (Title XIII Public Health, Art.152) states that "Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education."

Art.1 of the Community Action on health monitoring (Decision No 1400/97/EC of the European Parliament and of the Council of 30 June 1997) states: "The objective of the programme shall be to contribute to the establishment of a Community health monitoring system which makes it possible to a) measure health status, trends and determinants throughout the Community ..."

Methodological notes

Sources: Eurostat - Demographic Statistics and European Community Household Panel (ECHP). OECD Health data 1998.

The infant mortality rate is defined as the number of infants who die within the first year of life divided by the number of live births (per 1000 live births). Life expectancy at birth is the average number of years a person would live if age-specific mortality rates observed for a certain calendar year or period were to continue. Life expectancy without disability is calculated by the Sullivan method and uses the mortality data and disability prevalence figures from the ECHP. Data on perceived health are based on a subjective question addressed to private households in the ECHP. For the total population (particularly aged 65 and over), the percentages on (very) bad health may be somewhat higher due to the fact that a significant number of people live in homes or institutions for long-term nursing care.

Links to other parts of the report

Ageing in the population (3.3), Living conditions (2.2), Health and safety (Annex II)

Further reading

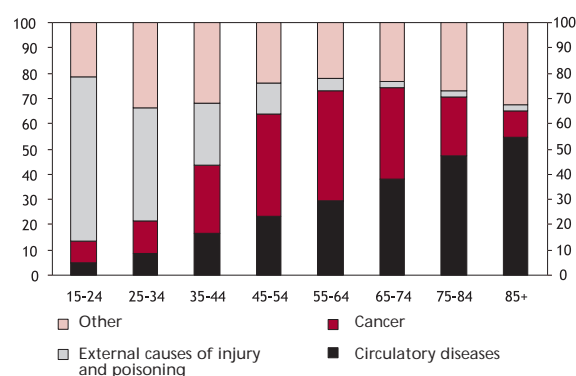
- "Key data on Health 2000", 1999 edition. Eurostat.
- "European social statistics - Demography", 2000 edition. Eurostat.

Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Life expectancy, 1998																
Males	75	74	74	74	76	74	75	73	75	74	75	75	72	74	77	75
Females	81	81	79	80	81	82	82	79	81	80	81	81	79	81	82	80
Life expectancy without disability, 1994																
Males	60	60	61	57	63	62	60	61	60	59	59	:	55	:	:	59
Females	62	61	61	60	65	64	65	64	61	61	59	:	57	:	:	61

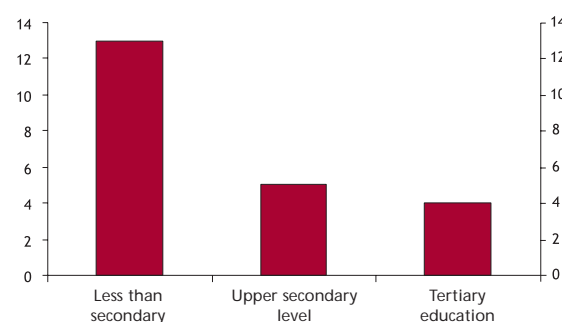
Source: Eurostat - Demographic Statistics and European Community Household Panel

Graph 95 Major causes of death by age-group, EU-15, 1997



Source: Eurostat - Mortality Statistics

Graph 96 Proportion of population whose perceived health is bad or very bad, by level of education, EU-15, 1996



Source: Eurostat - European Community Household Panel

20

Accidents

Around 4.1% of EU workers were victims of a working accident (resulting in more than three days' absence from work) in 1998. These accidents resulted in around 149 million days being lost to the economy. Road transport fatalities have fallen by 44% since 1970 but there were still over 40 000 deaths on EU roads recorded in 1998.

Working accidents more frequent among younger (than older) workers

In 1998, around 4.7 million accidents at work - each resulting in more than three days' absence - were recorded in the Union. This represents 4 089 accidents at work per 100 000 employed persons, or put another way, 4.1% of all workers were the victims of an accident at work during the year. In addition, 5 476 fatal accidents were recorded in 1998 in EU-15. With the exception of Greece, Ireland and Portugal the incidence of accidents decreases with age in all Member States. In contrast, the incidence of fatal accidents tends to increase considerably with age.

These proportions differ of course depending on the economic activity of the enterprise, and the sex of workers. The construction industry has the highest incidence: 8 008 accidents resulting in more than three days' absence and around 13 fatal accidents per 100 000 workers. Men are around three times more likely than women to have an accident - resulting in more than three days' absence - and about nine times more likely to have a fatal accident. This result is a function of men's jobs and sectors of activity which tend to be more high-risk than those of women. There are also relatively more women who work part-time which may reduce their exposure to risk.

149 million days lost to the economy

In addition to the major impact of these accidents in human terms, they also have a high socio-economic cost: for 47% of accidents the resulting absence from work was more than three days but less than two weeks, for 47% the absence was between two weeks and three months; for the remaining 6% of accidents, the consequence was an absence of three months or more, or permanent partial or total disability. It is estimated that 149 million work days were lost in 1998 in the EU owing to accidents at work resulting in more than three days' absence, i.e. a mean of 31 days per accident and the equivalent of one day of work lost per year for every person in employment.

Around 600 000 commuting accidents in the Union

The number of commuting accidents in the Union resulting in more than three days' absence was estimated at approxi-

mately 600 000 in 1996 (in addition to accidents at work). The incidence rate was 489 per 100 000 (nine main branches). The number of fatal commuting accidents, which were chiefly road traffic and transport accidents, was around 2 900 for the entire EU.

EU roads claimed 42 000 lives in 1998

For the EU as a whole, road transport fatalities have been in constant decline, showing a 44% decrease compared with 1970 despite the fact that road transport more than doubled over the same period. The biggest improvements (reductions of 60% or more) were recorded in Denmark, Germany, Netherlands, Finland and Sweden. This general downward trend since the early 1970s has not been apparent in Greece, Spain and Portugal where car ownership has grown very fast and road fatalities remain at a very high level. A significant decline was recorded in Spain and Portugal in the early 1990s but the figure in Greece continues to rise.

In spite of the general improvement in road safety, the estimated number of deaths caused by road traffic accidents in 1998 was around 42 000 for EU-15; more than 1.7 million persons were injured. Whatever the indicator used (number of deaths related to the population or to the total number of cars), Greece and Portugal record the worst levels of road safety. While for the Union as a whole around 114 people per million population died on the roads, the corresponding rates for Greece and Portugal were 212 and 243 respectively. Sweden and the United Kingdom have the lowest death rate (60 and 61 respectively) followed by the Netherlands (68) and Finland (78). Rail transport resulted in relatively few fatalities, with a clear advantage, in safety, over road transport.

Home and leisure accidents

There were an estimated 430 000 home and leisure accidents in the EU in 1995 (men had 240 000, women 190 000). Accidents are most likely to occur at home (32% of the total number of accidents among men, 46% among women) followed by sporting accidents (18% among men, 10% among women).

Policy context

The EC Treaty (Art.137) states that "the Community shall support and complement the activities of the Member States in ... (the) improvement in particular of the working environment to protect workers' health and safety." Art.140 adds that "the Commission shall encourage cooperation between the Member States and facilitate the coordination of their action in all social policy fields under this chapter, particular-

ly in matters relating to ... (the) prevention of occupational accidents and diseases".

On 29 April 1999, the Economic and Social Committee of the EU gave an opinion on "Health and Safety in the workplace - Application of Community measures and new risks" (O.J. C 51 of 23.02.2000, p33). It looks at changes occurring in work organisation systems and the associated occupational risks such as the increase in psychosocial complaints and burn-out.

The first results of the Third European Survey on Working Conditions, carried out by the European Foundation for the Improvement of Living and Working Conditions in 2000 reveal that problems related to health, the pace of work and working time continue to rise in European workplaces. The percentage of workers exposed to intense noise, painful/tiring positions and handling of heavy goods continues to increase and the pace of work has quickened. Large numbers of workers complain of stress and burn-out.

The Commission adopted on 17 March 2000 a Communication (COM(2000)125 final) on "Priorities in EU road safety: Progress report and ranking of actions." It encourages Member States, regional and local authorities to "establish a practice of calculating the costs and effects of road safety measures and where appropriate comparing these with the costs of avoided accidents" and invites them "to increase investment in road safety projects ..."

Methodological notes

Sources: Eurostat - European Statistics on Accidents at Work (ESAW) and Transport Statistics. European Commission Transport DG - Community Road Accident database (CARE). European Home and Leisure Accident Surveillance System (EHLASS).

For road accidents, persons killed are all those killed within 30 days of the accident. For Member States not using this definition, corrective factors were applied.

The data on working accidents relate to almost 90% of persons in employment in the Union. Only those working

accidents that lead to more than three days absence are included. The incidence rates have been calculated for only nine major branches of economic activity (NACE Rev. 1 sections).

The EHLASS (European Home and Leisure Accident Surveillance System) was introduced by the Council Decision 93/683/EEC of 29 October 1993 introducing a Community system of information on home and leisure. Since 1999 the EHLASS system has been integrated into the Community Programme of Prevention of Injuries.

Links to other parts of the report

Living conditions (2.2), Health and safety (Annex II)

Further reading

- Statistics in Focus (Population and social conditions): "Accidents at work in the EU in 1996", No.4/2000. Statistics in Focus (Transport): "Transport Safety", No.3/2000. Eurostat.
- "European Statistics on Accidents at Work - Methodology", 1998 Edition. Eurostat.
- "Key data on Health", 2000. Eurostat.
- "Third European Survey on Working Conditions", 2000. "Precarious Employment and Health-Related Outcomes in the European Union", 1999. European Foundation for the Improvement of Living and Working Conditions.
- "Guidance on work-related stress - Spice of life or kiss of death?", European Commission, 2000-12-16.

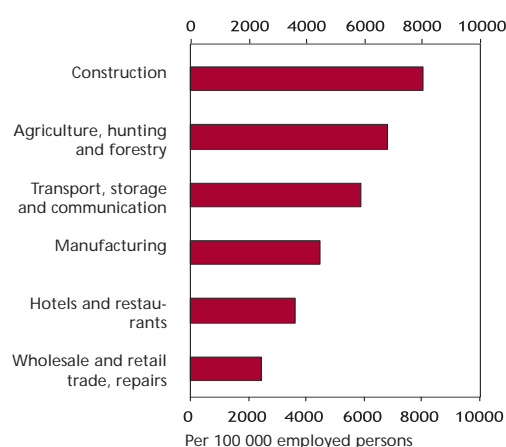
Key indicator

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Working accidents (1) per 100 000 employed persons, 1998																
Total	4089	5112	3203	4958	2936	7073	4920	1433	4105	4719	3909	3321	6180	3435	1329	1512
Age-group 18-24	5725	9008	3553	7657	2632	9498	8163	1228	6028	6932	7058	4131	4803	4799	1412	1638
Age-group 45-54	3543	3767	3178	4019	3455	6231	3792	1545	3741	3987	2698	3002	8594	3178	1366	1469

(1) Only those working accidents that lead to more than 3 days absence are included

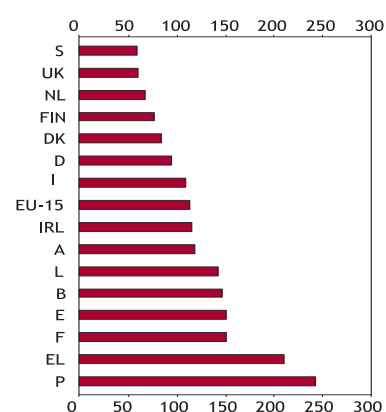
Source: Eurostat - European Statistics on Accidents at Work (ESAW)

Graph 97 Accidents at work by type of activity EU-15, 1998



Source: Eurostat - European Statistics on Accidents at Work (ESAW)

Graph 98 Number of road traffic deaths per million population, 1998



Source: Eurostat - Transport Statistics

Annexes

Annex 1: Key social indicators per Member State

Annex II: Statistical data

- 1 Economy
- 2 Population, Households and families
- 3 Education and training
- 4 Labour market
- 5 Income
- 6 Social protection
- 7 Consumption, housing, household goods and new technology
- 8 Health and safety
- 9 Levels of satisfaction and attitudes

Annex III: List of Eurostat Datashops

Annex I : Key social indicators per Member State

No.	Indicator	Unit	Year	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
1	Old age dependency ratio	%	1999	24	25	22	23	25	24	24	17	26	21	20	23	22	22	27	24
2	Net migration rate	per 1000 inhab.	1999	2	2	2	2	2	1	1	5	2	11	3	1	1	1	2	3
3	Percentage of the population aged 18-24 having left education with low qualifications	%	1999	19	15	12	15	18	29	15	19	27	19	16	11	45	10	7	7*
4	Percentage of the population aged 25-64 receiving education/training	%	1999	8	7	20	6	1	5	3*	5	6	5	14*	8	3*	18	26	19
5	Employment rate of 15-64 year olds	%	1999	62	59	76	65	55	52	60	63	53	62	71	68	67	67	71	71
6	Employment rate of 55-64 year olds	%	1999	37	25	54	38	38	35	28	44	27	26	35	29	51	39	65	49
7	Unemployment rate	%	1999	9	9	5	9	12	16	11	6	11	2	3	4	5	10	7	6
8	Youth unemployment/population ratio	%	1999	9	9	7	5	13	13	9	4	13	2	5	3	4	11	7	9
9	Long-term unemployment rate	%	1999	4	5	1	5	:	7	4	3	7	1	1	1	2	3	2	2
10	Social protection expenditure as a percentage of GDP	%	1998	28	28	30	29	25	22	30	16	25	24	29	28	23	27	33	27
11	Old age benefits as a percentage of total social benefits	%	1998	46	43	38	42	53	46	44	25	64	44	39	48	43	34	39	44
12	Income distribution ratio (share ratio S80/S20)	Ratio	1996	5	4	3	5	6	6	4	6	6	4	5	4	7	:	4	6
13	Percentage of the population with an income less than 60% of the national median	%	1996	17	17	11	16	21	18	16	18	19	12	12	13	22	:	14	19
14	Share of households in which no member is in employment among all households in which at least one person is active	%	1999	6	7	4*	7	5	7	7	7	6	1	2	3	2	:	:	5
15	Female employment rate of 15-64 year olds	%	1999	53	50	72	57	41	37	53	51	38	49	61	60	60	65	69	65
16	Average earnings of women as a percentage of men's	%	1998	77	84	82	77	73	76	80	67	77	84	72	69	73	79	82	72
17a	Life expectancy at birth - males	Years	1999	75	74	74	75	76	75	75	74	76	74	75	74	72	74	77	75
17b	Life expectancy at birth - females	Years	1999	81	81	79	81	81	83	82	79	82	81	81	81	79	81	82	80
17c	Life expectancy at birth without disability - males	Years	1994	60	60	61	57	63	62	60	61	60	59	59	:	55	:	:	59
17d	Life expectancy at birth without disability - females	Years	1994	62	61	61	60	65	64	65	64	61	61	59	:	57	:	:	61
18	Percentage of employed persons who had a working accident	%	1998	4	5	3	5	3	7	5	1	4	5	4	3	6	3	1	2

* provisional/estimated data or low reliability due to small number of observations

Reading note for each key indicator

- 1 In 1999, the number of persons aged 65 and over corresponded to 24% of what is considered to be the working age population (15-64 years).
- 2 The net migration rate for the Union in 1999 was 1.9 per 1000 inhabitants.
- 3 In 1999, 19% of 18-24 year-olds in the Union had left the education system without completing a qualification beyond lower secondary schooling.
- 4 EU-wide, 8% of the population aged 25-64 participated in education/training (in the last four weeks) in 1999.
- 5 62% of the EU-15 population aged 15-64 were in employment in 1999.
- 6 37% of the EU-15 population aged 55-64 were in employment in 1999.
- 7 9% of the EU-15 labour force (those at work and those seeking work) were unemployed in 1999.
- 8 9% of the EU-15 population aged 15-24 were unemployed in 1999.
- 9 4% of the EU-15 labour force (those at work and those seeking work) had been unemployed for at least one year in 1999.
- 10 In 1998, EU social protection expenditure represented 28% of Gross Domestic Product (GDP).
- 11 EU-wide, old-age and survivors benefits make up the largest item of social protection expenditure (46% of total benefits in 1998).
- 12 At EU level, the poorest 20% of the population received only 8% of total income in 1996, while the richest received almost 40%, i.e. five times more.
- 13 EU-wide, 17% of the population were living below the poverty line in 1996.
- 14 EU-wide, 6% of households (in which at least one person is active) were jobless households in 1999, i.e. no member of the household was in employment.
- 15 53% of the EU-15 female population aged 15-64 were in employment in 1999.
- 16 In the Union in 1998, the average earnings of women working in industry and services were 77% the earnings of men's.
- 17a The average life expectancy of a male citizen in the EU was 75 years in 1999.
- 17b The average life expectancy of a female citizen in the EU was 81 years in 1999.
- 17c On average, a male citizen in the EU should live to 60 without disability (1994 data).
- 17d On average, a female citizen in the EU should live to 62 without disability (1994 data).
- 18 In 1998, around 4% of EU workers were victims of a working accident (resulting in more than three days' absence).

Annex II: Statistical Data - 1 Economy

	EU-15	EUR-11	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Gross domestic product at market prices																	
2000 (first six months), Bn Euro	3 699	2 975	120	78	1 017	:	266	667	:	454	:	189	100	49	62	104	490
GDP growth rates																	
1999	2,4	2,4	2,5	1,7	1,5	3,5	3,7	2,9	9,8	1,4	7,5	3,6	2,1	2,9	4,0	3,8	2,1
2000 (first six months)	3,5	3,5	5,0	3,2	3,0	:	4,1	3,4	:	2,8	:	4,4	3,8	2,9	5,0	3,6	3,1
GDP per head (Index EU-15=100)																	
1995	100	.	112	118	110	66	78	104	93	104	173	109	111	70	97	103	96
1999	100	.	111	118	108	67	82	99	114	100	184	113	112	76	101	102	102
GDP per head (PPS)																	
1999	21200	21200	23400	25000	22700	14200	17300	20900	24100	21200	38800	23800	23600	15900	21400	21600	21600
General government debt (as a % of GDP)																	
1996	73	74	128	65	60	111	68	57	74	122	6	75	68	64	57	76	53
1997	71	74	123	61	61	109	67	59	65	120	6	70	64	60	54	75	51
1998	69	73	117	56	61	105	65	59	56	116	6	67	64	57	49	72	48
1999	68	72	114	53	61	104	64	59	52	115	6	64	65	57	47	66	46
General government deficit (as a % of GDP)																	
1996	-4,2	-4,2	-3,7	-1,0	-3,4	-7,4	-5,0	-4,2	-0,6	-7,1	2,7	-1,8	-3,8	-3,8	-3,2	-3,4	-4,4
1997	-2,4	-2,6	-2,0	0,1	-2,6	-3,9	-3,2	-3,0	0,8	-2,7	3,6	-1,2	-1,9	-2,6	-1,5	-2,0	-2,0
1998	-1,5	-2,0	-1,0	1,2	-1,7	-2,5	-2,6	-2,7	2,1	-2,8	3,2	-0,8	-2,5	-2,1	1,3	1,9	0,3
1999	-0,7	-1,2	-0,9	3,0	-1,2	-1,6	-1,1	-1,8	2,0	-1,9	2,4	0,5	-2,0	-2,0	2,3	1,9	1,2
Annual inflation rate																	
July 2000	2,2	2,4	3,2	2,8	2,0	2,6	3,7	2,0	5,9	2,6	4,7	2,8	2,0	3,3	2,9	1,3	1,0
August 2000	2,0	2,3	3,5	2,2	1,8	2,9	3,6	2,0	5,7	2,6	3,7	2,5	1,9	3,6	2,9	1,4	0,6
September 2000	2,5	2,8	3,9	2,7	2,6	3,0	3,7	2,3	5,5	2,6	4,2	2,9	2,3	3,6	3,4	1,3	1,0
October 2000	2,4	2,7	3,7	2,8	2,4	3,8	4,0	2,1	6,0	2,7	4,3	3,2	2,1	3,7	3,4	1,3	1,0
12-month average rate of inflation																	
October 2000	1,9	2,1	2,7	2,8	1,9	2,6	3,3	1,7	5,0	2,5	3,4	2,2	1,8	2,5	2,8	1,2	0,8
The annual rate of inflation measures the price change between the current month and the same month the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month. The 12-month average rate overcomes this volatility by comparing average Harmonized Indices of Consumer Prices (HICPs) in the latest 12 months to the average of the previous 12 months. This measure is less sensitive to transient changes in prices. Inflation data for October 2000 are provisional for F, NL, A and the EU-15 and EUR-11 aggregates.																	
Net national income per head																	
1999, EU-15 = 100	100	100	107	112	102	73	81	112	100	97	:	111	107	75	93	96	104
Household consumption per head																	
1999, EU-15 = 100	100	98	102	102	106	81	84	92	96	102	136	97	109	85	87	88	116
Net savings per head																	
1999, EU-15 = 100	100	113	114	82	75	77	83	:	163	79	:	153	83	17	96	56	50
Compensation per employee																	
1999, EU-15 = 100	100	101	130	96	99	77	94	106	98	104	178	98	106	67	92	93	101

Compensation of employees includes wages and salaries plus employers social contributions.
Source: Eurostat - European System of National and Regional Accounts in the Community (ESA 95).

2 Population, households and families

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Total population (1000)																
1960	314826	9129	4565	72543	8300	30327	45465	2836	50026	313	11417	7030	8826	4413	7471	52164
1980	354572	9855	5122	78180	9588	37242	53731	3393	56388	363	14091	7546	9714	4771	8303	56285
2000	375968	10239	5330	82165	10546	39442	58746	3775	57680	436	15864	8092	9998	5171	8861	59623
2010	383397	10352	5476	83435	10768	39857	61369	4141	57277	471	16690	8149	10309	5267	8951	60885
2015	385186	10419	5514	83477	10817	39824	62192	4295	56761	485	16993	8163	10437	5295	9017	61495
2020	385984	10483	5554	83295	10806	39528	62840	4427	55985	500	17270	8170	10526	5314	9115	62173
2050	364485	10104	5555	76006	10231	35145	62153	4757	48072	559	17679	7612	10669	4951	9197	61793
Population growth rates (per 1000 population), 1999																
Total increase	2,6	2,5	3,1	1,6	2,3	1,2	4,3	10,7	1,2	15,0	6,6	1,1	1,8	2,3	0,8	3,9
Natural increase	0,7	0,9	1,3	-0,9	-0,1	0,2	3,5	5,8	-0,6	4,1	3,8	-0,0	0,7	1,6	-0,7	1,2
Net migration	1,9	1,6	1,8	2,5	2,4	1,0	0,9	4,9	1,8	10,9	2,8	1,1	1,1	0,7	1,5	2,7
The increase in total population is made up of the natural increase (live births less deaths) and net migration. Net migration is estimated on the basis of the difference between population change and natural increase (corrected net migration).																
Population structure (percentage of total), 1999																
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Under 15	17,0	17,7	18,2	15,8	15,4	15,3	19,0	22,2	14,5	18,8	18,5	17,0	16,9	18,4	18,6	19,2
15-64	67,0	65,7	66,9	68,2	67,7	68,3	65,3	66,5	67,8	66,9	68,0	67,5	67,9	66,9	64,0	65,2
65-79	12,4	13,2	10,9	12,4	13,4	12,8	12,1	8,8	13,7	11,2	10,4	12,0	12,4	11,4	12,5	11,7
80 and over	3,7	3,5	3,9	3,5	3,5	3,6	3,6	2,5	3,9	3,1	3,1	3,4	2,8	3,3	4,9	3,9
Population aged 0-14																
2000 (1000s)	63533	1795	983	12915	1603	5940	11145	826	8290	82	2946	1360	1677	943	1638	11390
percentage change, 2000/2015	-8	-11	-6	-11	-1	-4	-4	6	-10	-3	-2	-18	7	-12	-18	-11
Population aged 15-24																
2000 (1000s)	46736	1240	620	9123	1476	5778	7722	658	6823	49	1877	954	1484	662	1025	7244
percentage change, 2000/2015	-7	-1	15	-2	-26	-31	-4	-17	-17	30	11	-1	-21	-3	10	7
Population aged 25-54																
2000 (1000s)	163365	4434	2344	35831	4446	17158	25441	1549	25324	197	7299	3611	4245	2258	3678	25549
percentage change, 2000/2015	-3	-6	-7	-3	3	2	-3	19	-6	0	-6	-3	4	-10	-3	-1
Population aged 55-64																
2000 (1000s)	41549	1042	595	10955	1199	3960	5473	319	6808	44	1583	912	1060	543	987	6070
percentage change, 2000/2015	19	36	16	3	13	25	46	49	9	41	41	16	18	37	14	23
Population aged 65 and over																
2000 (1000s)	60988	1712	790	13313	1819	6596	9419	424	10343	62	2154	1253	1535	766	1533	9268
percentage change, 2000/2015	22	17	28	28	20	15	23	32	22	32	36	23	16	36	21	18
Population aged 80 and over																
2000 (1000s)	13752	353	208	2897	373	1453	2117	95	2240	13	501	278	285	171	436	2332
percentage change, 2000/2015	48	61	7	49	71	59	66	26	63	67	36	38	51	44	6	18
Non-nationals as a percentage of total population																
1990 - total	4,1	8,9	2,9	6,1	2,2	1,0	6,3	2,3	0,9	28,7	4,3	6,6	1,0	0,4	5,3	4,3
1998 - total	5,1	8,9	4,7	9,0	1,5	1,5	:	3,0	1,5	34,9	4,3	9,1	1,8	1,6	5,9	3,6
1998 - Other																
EU-nationals	1,6	5,5	1,0	2,3	0,4	0,7	:	2,3	0,2	31,0	1,2	1,2	0,5	0,3	2,0	1,4
1998 - Non-EU																
nationals	3,5	3,3	3,7	6,7	1,1	0,9	:	0,7	1,3	3,8	3,1	7,9	1,3	1,3	3,9	2,3

Source: Eurostat - Demographic Statistics. 2000-based (baseline) demographic scenarios.

2 Population, households and families (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Asylum applications																
1985	159226*	5387	8698	73832	1400	2300	28925	:	5400	78	5644	6724	70	18	14500	6200
1987	162773	5976	2726	57379	6300	2500	27672	50	11000	98	13460	11406	178	49	18114	5865
1992	672383	17675	13884	438191	2108	11712	28872	40	2590	120	20346	16238	655	3634	84018	32300
1997	242782	11788	5100	104353	4376	4975	21416	3883	1887	433	34443	6727	251	972	9678	32500
1998	297216	21965	5699	98644	2953	6650	22374	4626	13103	1709	45217	13805	340	1272	12844	46015
1999*	352383	35778	6476	95113	1528	8410	30830	7846	18450	2930	39286	20137	310	3106	11771	70412
Rate per 1 000 inhabitants, 1999	0,9	3,5	1,2	1,2	0,1	0,2	0,5	2,1	0,3	6,8	2,5	2,5	0,0	0,6	1,3	1,2

B - excluding dependent children; DK - excluding applications outside DK and rejected applications at the border; D - including dependent children if the parents requested asylum for them; E - excluding dependents; F - excluding children and some accompanying adults; A - excluding displaced persons from Former Yugoslavia with exceptional leave to stay.

Source: Eurostat - Migration Statistics.

Number of households,

1999	152000*	4 233	2400*	37 308	3 836	12 771	24 076	1200*	21 470	163	6 793	3 235	3 357	2300*	:	25 429
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Average household size

1981/82	2,8	2,7	2,4	2,5	3,1	3,6	2,7	3,6	3,0	2,8	2,8	2,7	3,3	2,6	2,3	2,7
1999	2,4	2,4	2,2	2,2	2,7	3,1	2,4	3,1	2,7	2,6	2,3	2,4	3,0	2,2	2,2	2,3

Source: Eurostat - Censuses of Population (1981/82, 1990/91). European Union Labour Force Survey (1999). For some countries, estimates based on European Community Household Panel (1996).

Population living in private households by household type (%), 1999

Total population	100	100	100	100	100	100	100	100	100	100	100	100	100	100	:	100
1 adult without dependent children	12	12	17	16	8	5	13	7	9	10	14	12	5	16	:	13
... aged under 30	2	1	4	3	1	0	2	1	0	1	3	2	0	3	:	1
... aged 30-64	5	5	7	7	3	1	5	3	3	4	6	6	1	8	:	6
... aged 65 or >	5	6	7	6	4	3	5	3	5	4	5	5	3	5	:	6
... Male	5	5	8	7	2	1	5	3	3	4	6	5	1	7	:	5
... ... aged > 30	1	1	2	1	1	0	1	0	0	1	2	1	0	2	:	1
... ... aged 30-64	3	3	4	4	1	1	3	2	2	2	4	3	1	4	:	3
... ... aged 65 or >	1	1	2	1	1	1	1	1	1	1	1	1	1	1	:	2
... Female	7	7	9	10	6	3	8	4	6	6	8	8	3	9	:	7
... ... aged > 30	1	1	2	1	1	0	1	0	0	1	1	1	0	1	:	1
... ... aged 30-64	2	2	3	3	2	1	2	1	2	2	3	3	1	4	:	3
... ... aged 65 or >	4	4	5	5	4	2	4	2	4	3	4	4	2	4	:	4
2 adults without dependent children	24	23	28	29	21	16	25	14	18	20	29	22	16	26	:	27
... both younger 65 14	13	13	18	18	10	6	15	8	8	12	20	13	7	15	:	17
... at least one aged 65 or >	10	11	10	11	11	10	10	6	10	8	9	9	9	11	:	10
3 or more adults without dependent children	14	11	8	10	18	22	8	14	21	12	9	15	18	6	:	12
1 adult with dependent children	4	5	3	4	2	2	5	4	2	4	3	3	2	6	:	8
2 adults with dependent children	36	42	36	34	38	34	43	43	37	43	35	33	39	41	:	33
... 1 child	12	12	13	12	10	10	13	7	13	13	9	11	16	13	:	9
... 2 children	17	18	16	15	21	18	18	14	18	20	17	16	17	17	:	15
... 3 or + children	8	12	7	7	6	6	12	21	5	10	9	6	5	11	:	8
3 or more adults with dependent children	11	8	7	7	13	21	7	18	13	12	9	14	20	4	:	8

Note: Dependent children include all children up to the age of 15 plus all those persons aged 16-24 who are economically inactive (mainly in education) and who are living with at least one of their parents.

Source: Eurostat - European Labour Force Survey 1999. EL and IRL - 1996 LFS. DK and FIN - European Community Household Panel 1996.

2 Population, households and families (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Population living in private households by household type (%), 1988																
Total population	100	100	:	100	100	100	100	100	100	100	100	:	100	:	:	100
1 adult without dependent children	10	11	:	15	6	3	11	6	8	9	11	:	4	:	:	10
2 adults without dependent children	21	21	:	25	18	13	22	13	18	21	23	:	15	:	:	25
3 or more adults without dependent children	14	10	:	14	15	17	9	12	18	16	11	:	15	:	:	16
1 adult with dependent children	3	3	:	3	2	1	3	3	2	2	3	:	2	:	:	4
2 adults with dependent children	38	46	:	33	42	37	46	46	40	38	41	:	34	:	:	35
3 or more adults with dependent children	14	8	:	10	18	29	9	21	14	15	10	:	29	:	:	11

Source: Eurostat - European Labour Force Survey 1988.

Elderly population by household situation and age-group, 2010

Population aged 65 and over

Persons living alone	32	35	42	35	27	22	34	32	27	28	33	31	23	38	42	35
Persons living with a partner	54	48	52	56	57	58	54	42	52	52	55	52	57	48	54	52
Other household situations	9	13	2	5	10	18	6	17	14	16	3	13	18	9	2	8
Institutional households	4	4	5	3	6	2	5	9	7	4	9	4	2	5	2	4

Population aged 65-79 years

Persons living alone	27	29	36	30	23	18	29	30	23	24	30	26	20	34	33	30
Persons living with a partner	63	56	60	64	65	67	64	49	61	61	65	60	64	56	64	61
Other household situations	8	13	2	4	8	13	5	15	12	12	2	12	15	8	2	7
Institutional households	2	2	3	1	4	1	2	6	4	3	3	2	1	2	1	2

Population aged 80+

Persons living alone	45	51	62	52	36	30	46	39	39	38	44	43	32	49	62	50
Persons living with a partner	31	28	26	29	35	34	34	19	30	28	27	29	35	23	30	31
Other household situations	14	14	2	9	16	32	10	23	17	25	5	17	30	14	3	11
Institutional households	10	8	10	10	12	4	10	19	13	9	24	11	4	14	4	8

The category 'Persons living with a partner' includes elderly persons who live with their partner and other adults or children.

Source: Eurostat - 1995-based (baseline) household scenarios.

Dependent children living in lone-parent families

1983	8	7	:	:	4	:	9	5	6	7	8	:	:	:	:	11
1998	13	14	:	13	6	6	12	12	8	9	9	11	8	:	:	25

Youngest age at which 50% of young people are not living with their parents, by sex

Males																
1992	:	24	:	24	29	28	23	26	28	25	23	:	26	:	:	23
1999	:	25	:	24	29	29	24	:	30	25	23	25	27	:	:	:
Females																
1992	:	22	:	22	24	26	21	24	25	23	21	:	25	:	:	21
1999	:	23	:	22	26	28	21	:	27	23	21	23	25	:	:	:

Source: Eurostat - European Union Labour Force Survey

Total fertility rate

1960	2.59	2.56	2.54	2.37	2.28	2.86	2.73	3.76	2.41	2.28	3.12	2.69	3.10	2.72	2.20	2.72
1980	1.82	1.68	1.55	1.56	2.21	2.20	1.95	3.25	1.64	1.49	1.60	1.62	2.18	1.63	1.68	1.90
1995	1.42	1.55	1.80	1.25	1.32	1.18	1.70	1.84	1.18	1.69	1.53	1.40	1.40	1.81	1.73	1.71
1999	1.45	1.54	1.74	1.37	1.30	1.19	1.77	1.89	1.21	1.73	1.64	1.30	1.48	1.74	1.50	1.70

The total fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue.

Source: Eurostat - Demographic Statistics.

2 Population, households and families (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Average age of women at childbirth																
1980	27	27	27	26	26	28	27	30	27	28	28	26	27	28	28	27
1998	29	29	29	29	29	30	29	30	30	29	30	28	29	30	30	28
Crude marriage rate (per 1 000 population)																
1970-74	7,6	7,6	6,6	7,0	7,7	7,5	7,8	7,3	7,5	6,3	8,7	6,8	9,4	7,9	5,1	8,2
1999 (or latest year available)	5,1	4,3	6,6	5,2	5,9	5,2	4,9	4,9	4,8	4,8	5,7	4,9	6,8	4,7	4,0	5,1
Crude divorce rate (per 1 000 population)																
1970-74	1,0	0,8	2,5	1,5	0,4	0,0	0,9	.	0,3	0,7	1,1	1,3	0,1	1,7	2,1	1,8
1999 (or latest year available)	1,8	2,6	2,5	2,3	0,9	0,9	2,0	:	0,6	2,4	2,1	2,2	1,8	2,7	2,4	2,7
Proportion of marriages dissolved by divorce, by marriage cohort (%)																
1981	28	36	44	35	12	9	34	.	8	36	32	33	14	41	47	42

Source: Eurostat - Demographic Statistics.

Living arrangements of young people aged 16-29, 1996

Consensual union	8	9	30	12	4	2	15	1	3	8	16	14	2	26	:	13
Married	18	21	12	18	22	14	16	13	15	23	19	22	20	15	:	25
Other	74	70	59	69	74	84	69	85	82	69	66	64	77	59	:	62

The category 'other' includes those living alone and those living at home with their parents.

Source: Eurostat - European Community Household Panel (ECHP).

Percentage of the adult population whose daily activities include caring for children or adults (1) without pay, by sex, 1996

Males	19	22	26	19	13	13	14	19	18	23	34	15	6	23	:	26
Females	36	43	33	33	39	33	27	44	41	37	45	37	29	32	:	43

Percentage of the adult population whose daily activities include looking after children without pay, by sex, 1996

Males	16	19	23	16	12	11	12	17	15	20	31	14	5	19	:	21
Females	31	38	28	28	36	27	23	40	37	33	41	33	25	27	:	37

Percentage of the adult population whose daily activities include looking after adults (1) without pay, by sex, 1996

Males	4	4	4	4	1	2	3	3	4	4	5	2	1	5	:	6
Females	8	8	7	7	5	8	5	7	9	7	8	7	6	7	:	10

Adult population is aged 16 and over. (1) Providing care to sick, disabled or frail adults.

Source: Eurostat - European Community Household Panel (ECHP).

3 Education and training

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
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Population aged 25-64 by level of educational attainment (%) and sex, 1999

Males and Females

Less than upper secondary	38	43	20	20	50	65	39	51	57	38	35	27	79	28	23	20*
Upper secondary	42	31	53	57	33	15	40	27	34	44	42	65	12	40	48	53*
Tertiary education	20	27	27	23	17	20	21	22	10	18	23	8	10	31	29	27
Males																
Less than upper secondary	35	43	17	15	48	63	36	54	56	32	31	19	80	30	25	17*
Upper secondary	43	31	57	57	33	15	44	23	34	46	44	71	11	42	48	54*
Tertiary education	22	26	26	28	19	21	21	23	10	22	25	9	8	28	27	29
Females																
Less than upper secondary	41	42	24	25	52	67	42	47	57	43	40	35	77	27	21	24*
Upper secondary	41	31	49	57	33	14	37	31	33	42	41	58	12	38	49	51*
Tertiary education	19	27	27	18	15	19	21	22	9	15	20	7	11	34	30	25

Percentage of the population that has completed at least upper secondary education (ISCED 3-6), by sex and age-group, 1999

Males and Females

Total, age-group 25-64	62	57	80	80	50	35	61	49	43	62	65	73	21	72	77	80*
Age-group 25-29	74	78	89	83	74	58	78	69	60	68	76	83	35	84	87	90*
Age-group 50-64	49	40	73	73	29	16	46	32	26	52	53	61	12	53	66	66*
Males																
Total, age-group 25-64	65	57	83	85	52	37	64	46	44	68	69	81	20	70	75	83*
Age-group 25-29	73	73	91	84	71	54	77	65	57	69	75	87	31	83	88	91*
Age-group 50-64	56	44	80	83	34	21	52	29	30	63	64	72	12	53	64	72*
Females																
Total, age-group 25-64	59	58	76	75	48	33	58	53	43	57	60	65	23	73	79	76*
Age-group 25-29	75	82	88	82	78	63	79	73	62	66	77	79	39	86	87	89*
Age-group 50-64	43	36	66	64	24	12	40	34	23	40	42	50	12	53	68	59*

* The levels of education are defined according to ISCED (International Standard Classification of Education). Less than upper secondary corresponds to ISCED 0-2, upper secondary level to ISCED 3-4 and tertiary education to ISCED 5-6. IRL, A - 1997 data. UK - GCSE 'O' levels are included under ISCED 3.

Percentage of 25-64 year-olds who participated in training in the last four weeks, by level of educational attainment, 1999

Less than upper secondary	3	2	12	2	0	1	1*	2	2	1	7*	4	1*	8	17	6
Upper secondary	10	8	19	6	2	9	2*	5	10	7	16*	9	16*	17	24	18
Tertiary education	16	14	28	8	3	13	7*	12	12	11	19*	15	10*	28	34	33

Percentage of 25-64 year-olds who participated in training in the last four weeks, by sex, 1999

Males	8	8	17	6	1	4	2*	5	6	6	14*	9	3*	16	23	16
Females	9	6	23	5	1	5	3*	5	5	4	13*	7	3*	19	29	22

* F, NL, P - Information on training is collected only if it is under way on the date of the survey. Consequently, the extent of training may be underestimated. IRL, A - 1997 data. UK - GCSE 'O' levels are included under ISCED 3. Source: Eurostat - European Union Labour Force Survey.

Participation rates (16-18 year olds) by sex, 1997

Males	82	92	82	92	69	74	90	78	:	:	90	85	66	88	96	64
Females	84	95	84	91	76	80	91	91	:	:	89	78	71	91	96	69

Females per 100 males in tertiary education

1981/82	80	76	98	72	74	83	105	67	77	:	70	76	102	89	108	59
1997	107	102	120	84	92	112	122	107	117	:	93	95	134	112	126	107

Median age of students in tertiary education, 1997

Males and Females	23	21	26	26	21	22	22	21	:	23	23	25	23	25	25	24
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Expenditure on education as a percentage of Gross Domestic Product, 1997

Total public expenditure	5,1	5,1	8,0	4,7	3,2	4,6	6,0	4,8	4,5	4,1	4,8	6,4	5,6	6,7	7,9	4,7
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B - Expenditure on education relates to the Flemish-speaking Community only. Source: Eurostat - UOE (Unesco, OECD and Eurostat questionnaires on education statistics).

4 Labour market

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Employment rates, 15-64 years, by sex, 1999																
Total	62	59	76	65	55	52	60	63	53	62	71	68	67	67	71	71
Males	72	68	81	72	71	68	68	74	67	74	80	77	76	70	72	77
Females	53	50	72	57	41	37	53	51	38	49	61	60	60	65	69	65
Persons in employment by sector (percentage share of total), 1999																
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Agriculture	4	2	3	3	18	7	4	9	5	2	3	6	13	6	3	2
Industry	29	26	27	34	23	31	26	28	32	22	22	30	35	28	25	26
Services	66	72	70	63	59	62	69	63	62	76	74	64	52	66	72	72
Percentage of persons in employment who are self-employed, 1999																
Total	14	15	8	10	32	19	11	18	24	8	11	11	25	13	11	12
Part-time as a percentage of total employment, by sex, 1999																
Total	18	16	21	19	6	8	17	17	8	11	39	17	11	12	23	25
Males	6	4	10	5	3	3	6	7	3	2	18	4	6	8	9	9
Females	33	34	34	37	11	18	32	31	16	25	68	33	17	17	38	44
Employment rates by age-group, 1999																
55-59	51	37	71	55	47	45	47	51	37	38	50	41	59	55	78	62
60-64	22	13	34	20	30	25	10	36	18	13	19	12	44	22	48	36
65-69	7	4	6	5	12	4	2	14	6	2	5	5	25	4	11	12
70-74	3	2	-	3	4	1	1	8	3	1	2	3	20	2	4	5
Percentage of employees with a fixed-term contract																
1990	10	5	11	10	17	30	10	9	5	3	8	:	18	:	:	5
1999	13	10	10	13	13	33	14	8*	10	3	12	8	19	18	14	7
Percentage of employees with a fixed-term contract, by sex, 1999																
Males	12	8	9	13	12	31	13	6*	9	3	9	7	17	15	11	6
Females	14	14	11	13	15	35	15	10*	12	4	15	8	20	21	17	8
Average number of hours usually worked per week, full-time employees, by sex, 1998																
Total	40	38	39	40	41	41	40	40	38	40	39	40	41	39	40	44
Males	41	39	40	41	42	41	40	41	40	41	39	40	41	40	40	45
Females	39	37	38	39	39	40	39	38	36	38	38	40	39	38	40	41
Percentage of full-time employees working long hours, 1999																
> 40 hours per week	19	10	15	12	25	14	15	15	15	6	3	8	18	10	9	51
> 48 hours per week	8	5	6	7	8	7	6	8	4	3	1	4	7	5	3	21
Unemployment rates by sex, 1999																
Total	9,2	9,1	5,2	8,8	11,7	15,9	11,2	5,7	11,3	2,3	3,3	3,8	4,5	10,2	7,2	6,1
Males	7,9	7,8	4,5	8,3	7,5	11,2	9,5	5,8	8,7	1,7	2,3	3,3	3,9	9,8	7,2	6,7
Females	10,9	10,7	6,0	9,3	17,8	23,0	13,3	5,5	15,6	3,3	4,7	4,5	5,2	10,7	7,1	5,3
Youth unemployment rate (aged 15-24) by sex, 1999																
Total	17,9	24,9	9,8	9,2	31,6	29,5	24,2	8,3	32,7	6,8	7,2	5,1	9,0	21,4	13,6	13,0
Males	16,6	24,8	9,3	10,0	22,9	23,2	22,4	8,4	29,1	6,1	5,2	3,9	7,1	20,8	13,1	14,4
Females	19,3	25,0	10,4	8,4	40,9	37,3	26,3	8,3	37,1	7,6	9,1	6,5	11,2	22,1	14,2	11,3

Employment rates represent persons in employment as a percentage of the population of the same age. Persons in employment are those who during the reference week (of the Labour Force Survey) did any work for pay or profit for at least one hour or were not working but had jobs from which they were temporarily absent. Unemployed people - according to the International Labour Organisation (ILO) criteria are those persons aged 15 and over who are i) without work, ii) available to start work within the next two weeks and, iii) have actively sought employment at some time. Unemployment rates represent unemployed persons as a percentage of the active population of the same age. The active population is defined as the sum of persons in employment and unemployed persons.

Source: Eurostat - European Union Labour Force Survey.

5 Income

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Mean/median equivalised net annual income, 1996																
Mean - PPS	12 316	13 857	14 043	14 052	8 400	9 102	13 496	10 949	10 101	21 992	13 414	14 377	7 722	:	:	13 721
Median - PPS	10 746	12 605	13 169	12 813	7 216	7 585	11 958	8 937	8 650	18 953	11 507	12 903	6 300	:	:	11 337
Distribution of income by component, 1996																
Total	100	100	100	100	100	100	.	100	100	100	100	100	100	:	:	100
Income from work	67	58	66	65	68	69	.	73	66	67	67	66	73	:	:	70
Private income	4	6	3	5	8	3	.	2	4	4	3	3	3	:	:	5
Social benefits	29	36	31	30	24	28	.	25	30	29	30	31	24	:	:	25
- Old-age/survivors pension	21	22	14	23	22	21	.	13	26	21	18	21	19	:	:	15
- Other social transfers	8	13	17	7	2	7	.	12	3	8	12	10	5	:	:	11
Unemployment related	2	4	4	2	0	3	.	5	1	0	3	1	1	:	:	0
Family related	2	6	4	2	1	0	.	4	0	4	2	6	1	:	:	2
Sickness/Invalidity related	3	3	4	2	1	4	.	2	2	3	5	2	2	:	:	3
Percentage of persons living in households receiving any income from ..., 1996																
Income from work	77	71	79	76	79	79	79	79	78	80	75	83	83	:	:	76
Social benefits	73	89	85	78	50	58	79	90	51	86	81	86	89	:	:	85
Old-age / survivors pensions	30	28	19	29	39	34	25	23	40	29	19	34	36	:	:	28
Share of income by quintile, 1996																
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	:	:	100
Bottom quintile	8	8	11	8	7	7	8	8	7	9	8	9	6	:	:	7
2nd quintile	13	14	15	14	12	13	13	12	13	13	13	14	11	:	:	12
3rd quintile	17	18	18	18	17	17	18	16	17	17	16	18	16	:	:	16
4th quintile	23	22	22	23	23	23	22	23	23	23	23	23	23	:	:	23
Top quintile	39	37	33	37	41	41	38	42	40	38	40	37	44	:	:	42
Median equivalised income of all persons by sex (indexed, total = 100), 1996																
Males	103	102	101	103	101	101	101	102	103	101	101	103	102	:	:	105
Females	98	98	99	97	99	99	99	97	98	98	99	97	98	:	:	96
Median equivalised income of all persons by age (indexed, total = 100), 1996																
Children below 16	91	98	101	91	100	94	93	91	92	88	87	90	93	:	:	85
16-24	92	96	93	95	91	91	85	97	88	91	86	98	103	:	:	98
25-49	108	109	106	105	111	108	106	118	109	109	108	107	109	:	:	115
50-64	112	106	109	109	104	103	112	111	108	101	118	110	104	:	:	124
65 and over	89	82	76	94	80	96	92	78	98	94	92	88	74	:	:	76
Median equivalised income of all persons by type of household (indexed, total = 100), 1996																
1 adult living alone	87	87	80	94	82	81	86	68	101	104	88	90	62	:	:	75
... 1 male adult	105	98	85	109	97	124	93	71	132	124	108	108	62	:	:	95
... 1 female adult	80	79	76	87	76	75	81	65	87	90	81	79	61	:	:	70
Single-parent with dependent children	70	72	88	59	91	90	74	58	88	81*	65	72	78	:	:	58
2 adults aged 15-64 without dependent children	128	117	114	121	115	132	118	165	128	115	143	130	108	:	:	147
2 adults, at least one aged 65 or more, without dependent children	94	86	82	99	79	97	101	82	98	97	98	92	71	:	:	83
2 adults with one dependent child	113	117	120	106	123	111	115	140	116	103	110	110	119	:	:	119
2 adults with two dependent children	100	109	105	95	105	104	107	127	96	93	91	96	100	:	:	102
2 adults with three or more dependent children	81	88	91	83	93	80	85	85	71	83	81	76	71	:	:	79
Median equivalised income of all persons aged 16 and over by level of educational attainment (indexed, total = 100), 1996																
Less than upper secondary	90	83	88	95	82	91	85	82	94	89	89	88	92	:	:	86
Upper secondary	110	101	100	103	115	119	106	129	121	118	103	110	146	:	:	113
Tertiary education	147	126	117	124	153	170	149	185	162	166	146	143	287	:	:	156

* provisional/estimated data or low reliability due to small number of observations

5 Income (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Personal net income from work (indexed, total=100), by sex and age, 1996																
Males																
16-24	43	25	41	39	49	46	27	42	58	42	17	54	74			45
25-49	126	119	123	138	118	120	119	146	112	119	126	123	124	:	:	145
50-64	127	136	129	145	120	125	139	133	110	146	145	141	122	:	:	130
Females																
16-24	33	12	23	36	45	30	23	32	54	35	17	57	64	:	:	34
25-49	86	86	94	74	87	86	89	89	90	78	70	81	88	:	:	80
50-64	76	84	88	69	59	73	95	68	88	66	58	74	77	:	:	67
Mean equivalised benefit by age group (000 PPS), by age, 1996																
Child under 16	1.5	3.0	3.1	1.6	0.4	0.8	:	1.9	0.6	2.9	1.7	2.7	0.7	:	:	2.3
16-24	1.6	2.9	2.1	1.3	1.0	1.3	:	2.0	1.5	3.4	2.3	2.2	0.9	:	:	1.9
25-34	1.8	2.5	3.0	1.5	1.0	1.7	:	2.0	1.7	2.8	1.5	2.7	1.0	:	:	1.6
35-44	1.4	2.6	2.4	1.3	0.6	1.1	:	1.6	0.8	2.6	1.8	2.1	0.7	:	:	1.6
45-54	1.8	3.1	2.4	1.5	1.1	1.3	:	1.7	1.6	4.1	2.6	2.5	1.1	:	:	1.9
55-64	5.1	7.9	4.9	5.8	3.4	3.6	:	3.5	5.0	11.8	7.3	6.8	3.1	:	:	5.2
65 or older	7.9	10.1	10.0	11.6	4.8	6.3	:	6.3	7.3	15.9	11.5	10.6	4.4	:	:	8.3
Percentage of persons with equivalised income below 60% of median equivalised income. by sex. 1996																
Total	17	17	11	16	21	18	16	18	19	12	12	13	22	:	14	19
Males	16	16	11	15	20	18	15	17	18	12	11	11	20	:	:	17
Females	18	18	12	17	21	18	17	20	20	12	12	14	23	:	:	21
Percentage of persons with equivalised income below 60% of median equivalised income. by age. 1996																
Children below 16	20	19	4	20	18	23	18	23	22	16	14	16	23	:	:	26
16 - 24	22	20	22	23	24	23	25	19	27	17	24	12	17	:	:	21
25 - 49	14	13	7	15	15	17	12	16	17	10	10	10	16	:	:	14
50 - 64	14	16	10	13	21	17	14	15	18	12	7	10	23	:	:	13
65+	20	21	25	16	33	14	18	16	16	10	9	17	35	:	:	27
Percentage of persons aged 16 and over with equivalised income below 60% of median equivalised income. by most frequent activity status. 1996																
At work	9	9	6	10	14	10	8	5	12	7	:	7	15	:	:	6
Unemployed	40	36	10	39	32	34	38	38	44	.	:	28	27	:	:	51
Retired	17	18	22	15	31	11	16	13	13	12	:	13	31	:	:	25
Other economically inactive	25	26	27	23	23	21	28	24	25	16	:	19	27	:	:	30
Percentage of persons with equivalised total income below 60% of median equivalised total income. by type of household. 1996																
1 adult without dependent children																
	23	22	25	21	30	12	25	29	22	13	19	23	48	:	:	30
... Male	19	12	20	17	22	11	24	25	14	5	19	16	46	:	:	23
... Female	26	27	29	23	35	12	26	33	26	19	19	27	49	:	:	34
2 adults without dependent children																
	13	15	14	11	27	17	12	10	11	11	6	10	31	:	:	13
... both younger than 65	11	12	10	11	16	15	11	10	9	11	5	8	22	:	:	8
... at least one aged 65 or more	16	19	21	12	35	19	14	11	12	12	9	13	37	:	:	22
3 or more adults without dependent children																
	11	8	17	11	16	12	9	6	15	1	5	5	14	:	:	6
Single-parent with dependent children																
	36	27	6	49	25	30	31	51	18	31*	37	35	32	:	:	52
2 adults with dependent children																
	15	16	3	15	15	19	12	18	19	13	12	12	19	:	:	16
... 1 child	12	12	4	10	11	15	8	11	15	6	10	10	15	:	:	12
... 2 children	14	15	3	16	17	18	10	13	16	12	10	9	17	:	:	15
... 3 or more children	25	24	4	22	16	32	19	25	34	22	17	26	36	:	:	25
3 or more adults with dependent children																
	21	17	9	17	27	22	25	14	30	13	15	12	19	:	:	20
Percentage of the population in households which have difficulties in making ends meet. by type of household. 1996																
Total	47	38	31	31	78	67	49	65	49	18	31	57	78	48	:	45
Children below 16	52	44	39	37	76	70	53	73	51	24	34	66	80	55	:	58

* provisional/estimated data or low reliability due to small number of observations

See methodological notes under Income Distribution (3.14). S - national figure. Source: Eurostat - European Community Household Panel (ECHP).

6 Social protection

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Expenditure on social protection as a percentage of GDP																
1990	25.4	26.4	28.7	25.4	23.2	20.5	27.6	18.7	24.3	19.1	32.4	26.7	15.8	25.1	33.1	22.9
1993	28.9	29.5	31.9	28.4	22.3	24.7	30.9	20.5	26.2	24.5	33.5	28.9	21.3	34.6	38.6	29.1
1997	28.2	28.1	30.5	29.5	23.6	22.0	30.8	17.2	25.7	24.8	30.3	28.8	22.5	29.3	33.6	27.3
1998	27.7	27.5	30.0	29.3	24.5	21.6	30.5	16.1	25.2	24.1	28.5	28.4	23.4	27.2	33.3	26.8
Expenditure on social protection in PPS per head of population. 1998																
Total	5 532	6 131	7 098	6 459	3 139	3 224	6 418	3 372	5 292	9 258	6 703	6 297	3 110	5 171	6 515	5 306
Expenditure on social protection per head of population at constant prices (Index 1990 = 100)																
1990	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1991	104	104	105	95	96	110	103	106	105	108	101	104	112	108	100	110
1992	110	107	108	103	94	117	107	112	109	112	103	107	129	115	105	121
1993	113	115	113	104	96	124	111	119	109	120	104	110	144	116	108	130
1994	115	115	122	106	97	119	112	123	109	124	102	115	149	119	108	130
1995	117	115	122	110	101	119	116	131	108	129	106	117	153	119	106	130
1996	119	117	122	114	104	120	117	133	113	134	102	118	163	122	106	135
1997	120	118	121	112	111	121	118	139	118	138	103	118	174	120	106	135
1998	122	119	122	114	120	124	120	144	118	151	103	120	189	120	109	135
Social benefits by group of functions (as a percentage of total social benefits)																
<u>Old age and survivors benefits</u>																
1990	46	42	37	46	52	43	43	30	60	48	37	50	42	34	:	45
1998	46	43	38	42	53	46	44	25	64	44	41	48	43	34	39	44
<u>Sickness, health care and disability</u>																
1990	36	34	30	38	33	37	36	38	34	38	45	33	47	44	:	33
1998	35	33	31	36	30	37	34	41	30	37	40	35	46	37	35	37
<u>Unemployment</u>																
1990	7	13	15	6	4	18	8	16	2	3	8	5	3	6	:	6
1998	7	13	12	9	5	13	8	15	3	4	7	5	5	12	9	4
<u>Family and children</u>																
1990	8	9	12	8	8	2	9	11	5	11	6	10	7	13	:	9
1998	8	9	13	10	8	2	10	13	4	14	5	10	5	13	11	9
<u>Housing and social exclusion n.e.c.</u>																
1990	3	2	6	3	3	1	4	5	0	1	4	2	0	3	:	7
1998	4	3	6	3	4	1	5	5	0	1	7	1	2	4	5	7
Receipts of social protection by type (as a percentage of total receipts)																
<u>General government contributions</u>																
1990	30	24	80	25	33	26	17	59	29	41	25	36	34	41	:	42
1998	35	24	67	31	29	27	31	61	38	46	16	35	43	43	46	48
<u>Employers' social contributions</u>																
1990	42	42	8	44	39	54	52	24	53	29	20	38	37	44	:	28
1998	38	51	9	37	38	52	47	24	45	25	30	38	30	36	39	27
<u>Social contributions paid by protected persons</u>																
1990	23	26	5	28	20	17	29	16	15	23	39	25	20	8	:	27
1998	23	22	18	29	24	17	20	14	15	24	34	27	18	14	9	24
<u>Other receipts</u>																
1990	4	9	7	3	8	3	2	1	3	8	16	1	9	7	:	2
1998	4	3	6	3	9	3	3	1	2	4	20	1	10	7	6	1

1998 data are provisional for B, D, EL, E, F, I, NL, P, FIN and UK. No data on benefits and receipts for S in 1990. EU-15 data for 1990 are therefore estimated. The abbreviation 'n.e.c.' indicates not elsewhere classified.

* provisional/estimated data or low reliability due to small number of observations

Source: Eurostat - European system of integrated social protection statistics (ESSPROS).

7 Consumption, housing, household goods and new technology

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Structure of consumer expenditure, 7 main categories, percentage of total, 1994																
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Housing, water, electricity, other fuel	25	29	28	25	24	24	23	22	24	27	27	22	20	27	26	26
Food, drinks, tobacco	19	14	18	16	21	25	19	26	23	14	14	18	24	19	21	17
Transport and communication	15	13	18	16	11	13	16	15	15	15	11	19	18	16	15	14
Recreation, hotels and restaurants	16	17	14	17	9	15	14	14	13	16	16	13	13	16	16	20
Clothing and footwear	7	6	6	7	13	8	6	6	7	8	6	9	6	5	6	6
Furniture, household equipment, repairs	7	7	6	7	7	6	8	5	6	9	7	11	7	5	5	8
Other goods and services	12	15	11	12	15	9	14	12	11	9	19	9	12	13	11	9

Source: Eurostat - Household Budget Surveys.

Average number of rooms per person

1981/82	1,6	1,8	1,6	1,7	1,2	1,3	1,6	1,3	1,3	1,9	1,8	:	1,0	1,3	1,7	1,8
1996	1,8	2,1	2,0	1,8	1,3	1,6	1,9	2,1	1,6	2,2	2,6	1,9	1,5	1,5	1,6	2,2

Households owning their accommodation

1981/82	54	58	55	40	70	73	51	74	59	60	42	48	57	61	59	56
1990/91	59	65	54	39	76	78	54	79	68	65	45	50	65	67	56	66
1996	60	66	53	41	76	81	55	81	77	70	51	50	66	64	58	67

Source: Eurostat - Censuses of Population (1981/82, 1990/91). European Community Household Panel (1996). National sources for S.

Percentage of households owning selected consumer durables, 1996

Colour television	97	96	97	98	94	98	94	97	97	98	98	97	90	93	97	97
Video recorder	64	65	68	60	43	65	62	72	57	68	70	61	52	61	67	82
Microwave oven	46	52	36	49	7	38	49	59	14	33	57	50	17	72	64	74
Dishwasher	31	32	34	41	21	19	37	22	25	56	22	46	18	42	40	23

Percentage of households with a telephone, by income group, 1996

Total	94	94	98	96	92	88	97	83	91	98	98	96	79	94	:	94
Top income group	98	98	100	99	98	97	99	94	95	99	99	99	95	99	:	99
Bottom income group	85	84	94	87	82	75	90	67	81	94	94	87	61	85	:	84

Percentage of households with a car, 1996

Have a car	73	75	62	74	57	69	79	69	78	83	68	73	61	66	72	72
Cannot afford one	11	8	14	15	21	13	6	15	4	4	6	6	23	10	:	10
Don't want one	16	16	24	11	22	19	15	16	18	14	26	21	16	23	:	18

Top income group refers to household income that is 140% or more of national median income. Bottom income group refers to household income that is less than 60% of national median income. Source: Eurostat - European Community Household Panel (1996). National sources for S.

Percentage of persons living in a household with a mobile phone

1998	30	26	43	19	29	26	26	28	44	37	24	36	30	64	60	32
2000	55	50	61	39	52	57	52	50	73	64	63	52	47	80	71	57

Percentage of persons living in a household with a PC

1998	31	33	57	31	12	28	23	26	27	43	59	31	18	39	60	35
2000	35	42	59	32	15	34	29	28	36	45	66	32	20	45	56	36

Percentage of persons living in a household with an internet connection at home

1998	8	8	25	7	3	5	4	8	6	14	20	7	3	17	40	11
2000	27	22	52	20	11	17	19	26	21	32	50	28	12	48	61	40
Growth 1998-2000 (%)	225	168	111	182	279	240	387	210	244	129	155	312	253	179	54	274

Source: European Commission - Eurobarometers 48.1 and 53.

8 Health and safety

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Infant mortality rate, per 1000 live births																
1970	23	21	14	23	30	28	18	20	30	25	13	26	56	13	11	19
1999	5	5	4	5	6	5	5	5	5	5	5	4	5	4	3	6
Life expectancy at birth, males																
1980	71	70	71	70	72	73	70	70	71	69	73	69	68	69	73	70
1999	75	74	74	75	76	75	75	74	76	74	75	74	72	74	77	75
Life expectancy at birth, females																
1980	77	77	77	76	77	79	78	76	77	76	79	76	75	78	79	76
1999	81	81	79	81	81	83	82	79	82	81	81	81	79	81	82	80

Source: Eurostat - Demographic Statistics.

Life expectancy without severe disability, by sex, 1994

Males	69	69	70	68	70	70	67	71	70	70	70	:	66	:	:	71
Females	74	74	74	74	74	75	73	76	74	77	74	:	72	:	:	75

Life expectancy without disability, by sex, 1994

Males	60	60	61	57	63	62	60	61	60	59	59	:	55	:	:	59
Females	62	61	61	60	65	64	65	64	61	61	59	:	57	:	:	61

Percentage of persons aged 16 and over stating that they have a chronic physical or mental health problem/illness or disability, by sex, 1996

Total	25	20	33	27	16	24	23	20	16	23	26	22	27	40	:	36*
Males	24	20	30	26	15	22	21	18	14	23	24	21	25	38	:	35*
Females	26	20	35	28	16	25	24	22	17	24	28	23	29	43	:	37

Percentage of persons aged 65 and over stating that they have a chronic physical or mental health problem/illness or disability, 1996

Total	50	40	54	47	39	51	55	46	38	47	48	47	55	76	:	61
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Percentage of persons aged 16 and over with an above-mentioned problem/illness and who are hampered in their daily activities, 1996

Yes, severely	31	38	24	27	39	24	43	19	34	27	29	26	39	26	:	22
Yes, to some extent	52	52	45	56	52	43	57	57	53	64	56	57	51	47	:	46
No	17	10	31	17	9	33	0	24	13	9	15	17	10	27	:	32

Percentage of persons aged 65 and over with an above-mentioned problem/illness and who are hampered in their daily activities, 1996

Yes, severely	38	48	39	37	42	30	48	25	42	32	36	35	45	40	:	28
Yes, to some extent	50	45	44	53	51	48	52	58	48	61	50	55	49	39	:	49
No	12	7	17	10	7	22	0	17	10	7	14	10	6	21	:	23

Percentage of the population aged 16 and over who feel that their health is bad or very bad, by sex, 1996

Total	9	6	8	8	9	12	8	4	13	7	5	8	24	8	:	8*
Males	8	5	6	7	8	9	7	3	11	7	3	7	19	8	:	7*
Females	11	7	9	9	9	14	9	4	15	8	6	9	28	9	:	8

Percentage of the population aged 65 and over who feel that their health is bad or very bad, by sex, 1996

Total	23	13	23	19	26	32	18	10	35	17	10	24	57	23	:	13
Males	20	8	19	17	24	26	16	9	32	18	8	22	51	24	:	11
Females	25	16	26	20	28	36	19	11	38	16	12	25	62	23	:	15

Percentage of the population aged 16 and over who feel that their health is bad or very bad, by income quintile, 1996

Bottom quintile (poorest)	13	11	11	10	15	14	11	4	16	15	7	13	40	:	:	12*
2nd quintile	13	8	11	10	10	16	11	7	18	8	6	11	29	:	:	12*
3rd quintile	10	4	6	8	7	14	8	4	13	5	5	8	22	:	:	9*
4th quintile	7	2	4	8	7	9	5	3	12	8	3	6	17	:	:	4*
Top quintile (richest)	5	3	6	6	4	6	4	1	7	2	3	4	12	:	:	2*

* provisional/estimated data or low reliability due to small number of observations

Source: Eurostat - European Community Household Panel (ECHP).

8 Health and safety (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Standardised death rates (SDR) per 100 000 population by sex, 1997																
<u>Males</u>																
Diseases of the circulatory system	344	351	374	417	371	280	246	465	324	327	332	457	396	428	380	379
Cancer	256	305	269	255	219	260	285	256	261	227	276	244	242	213	191	245
Diseases of the respiratory system	83	119	90	66	44	98	69	151	57	71	100	46	111	93	64	140
External causes of injury and poisoning	61	86	72	60	60	58	89	60	54	83	40	79	88	100	55	40
<u>Females</u>																
Diseases of the circulatory system	218	221	221	265	289	192	141	279	214	210	192	291	290	237	219	228
Cancer	143	153	201	151	116	115	127	173	137	149	163	146	124	131	141	169
Diseases of the respiratory system	41	40	65	27	29	37	32	97	21	31	44	21	49	39	37	91
External causes of injury and poisoning	24	36	34	22	18	18	37	20	23	26	20	25	24	37	24	17

For SDRs, data for B (1993), DK, IRL, I and S (1996)

Source: Eurostat - Mortality Statistics.

Total expenditure on health as a percentage of Gross Domestic Product

1990	7,6	7,4	8,4	8,7	7,6	6,9	8,8	7,0	8,1	6,6	8,8	7,2	6,4	7,9	8,8	6,0
1998	8,0	8,8	8,3	10,6	8,3	7,1	9,6	6,4	8,4	5,9	8,6	8,2	7,8	6,9	8,4	6,7

Source: OECD Health data.

Work accidents per 100 000 employed persons by selected type of activity, 1998

Total	4 089	5 112	3 203	4 958	2 936	7 073	4 920	1 433	4 105	4 719	3 909	3 321	6 180	3 435	1 329	1 512
Construction	8 008	8 658	3 902	9 810	6 803	15 486	12 205	1 901	6 445	10 027	2 499	6 439	11 331	7 538	2 247	2 439
Agriculture, hunting and forestry	6 790	6 867	1 203	11 852	3 094	3 466	4 839	5 816	9 381	7 666	7 079	11 856	6 379	774	1 451	2 114
Transport, storage and communication	5 862	5 728	3 399	11 691	2 016	6 688	6 128	1 923	5 482	3 648	3 055	2 761	4 739	3 646	1 549	1 746
Manufacturing	4 492	4 733	5 910	4 761	3 831	8 383	4 458	1 638	5 006	5 174	5 628	3 770	6 634	4 600	1 676	1 678
Hotels and restaurants	3 590	4 044	1 388	5 516	1 077	6 220	5 306	435	3 249	3 891	1 615	1 194	3 786	2 577	1 009	1 556
Wholesale and retail trade; repairs	2 451	4 076	1 189	2 380	2 144	4 918	3 692	380	1 961	3 219	2 222	1 473	5 371	2 230	969	1 298

Work accidents per 100 000 employed persons by sex, 1998

Males	5292	6455	3956	6578	3826	8610	6533	1961	4987	5947	.	4408	8242	4416	1542	1866
Females	1890	2201	1745	2122	1110	3476	2147	594	2046	1951	.	1513	2782	1585	882	873

Only those working accidents that lead to more than 3 days absence are included.

Source: Eurostat - European Statistics on Accidents at Work (ESAW).

Number of persons killed in road accidents, 1970, 1980, 1990 and 1998

1970	73 229	2 950	1 208	21 332	931	4 197	15 034	540	10 208	132	3 181	2 238	1 417	1 055	1 307	7 499
1980	59 600	2 396	690	15 050	1 225	5 017	12 384	564	8 537	98	1 997	1 742	2 262	551	848	6 239
1990	51 711	1 976	634	11 046	1 737	6 948	10 289	478	6 621	71	1 376	1 391	2 321	649	772	5 402
1998	41 110	1 500	449	7 792	2 226	5 957	8 437	429	5 857	57	1 066	963	1 865	400	531	3 581

Number of persons killed in road accidents per million inhabitants

1998	114	147	85	95	212	151	152	116	110	143	68	119	243	78	60	61
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For road accidents, 'persons killed' are all those killed within 30 days of the accident. For Member States not using this definition, corrective factors were applied.

Source: Eurostat - Transport Statistics.

9 Levels of satisfaction and attitudes

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Percentage of persons (dis)satisfied with life in general, 2000																
<u>Males and Females</u>																
Not at all satisfied	4	4	1	4	10	1	4	3	7	1	1	3	7	2	1	4
Not very satisfied	18	15	4	23	32	18	17	8	24	9	8	14	29	11	4	12
Fairly satisfied	60	61	38	60	50	63	65	53	61	57	59	55	60	65	59	59
Very satisfied	17	19	57	11	9	18	14	35	8	33	32	25	3	22	35	26
Don't know	1	0	0	2	0	0	1	1	1	1	0	3	1	0	0	0
<u>Males</u>																
Not at all satisfied	4	4	1	5	10	2	5	4	6	1	0	2	6	2	1	4
Not very satisfied	17	16	4	21	30	18	15	8	22	8	9	13	27	11	4	11
Fairly satisfied	61	61	41	62	49	62	66	53	63	55	58	60	63	67	61	59
Very satisfied	17	20	54	11	10	18	13	34	8	36	33	22	4	20	33	26
Don't know	1	0	0	1	0	0	1	2	0	0	0	3	1	0	0	1
<u>Females</u>																
Not at all satisfied	4	5	1	4	9	1	3	2	7	1	2	3	8	2	1	4
Not very satisfied	19	15	4	26	33	18	18	7	25	10	6	15	32	10	5	12
Fairly satisfied	59	62	34	58	50	63	64	54	60	58	61	50	56	64	58	58
Very satisfied	17	18	61	11	8	17	14	36	7	30	31	28	3	24	37	26
Don't know	1	0	1	2	0	1	1	1	1	1	0	4	1	0	0	0

Source: European Commission - Eurobarometer 53.0, Spring 2000.

Percentage of persons (dis)satisfied with their country's health system, 1999

Not at all or not very satisfied	45	21	24	48	80	50	21	47	72	22	26	14	74	25	39	42
Fairly or very satisfied	53	77	76	50	19	48	78	48	26	72	73	83	24	74	59	56
Don't know	2	2	0	2	2	3	1	5	2	7	1	3	2	1	2	2

Note: Data on self-perceived health can be found under Health and Safety.

Percentage of persons (dis)satisfied with their own financial situation, 1999

Not at all or not very satisfied	33	31	14	28	43	42	36	34	37	15	16	21	45	32	27	31
Fairly or very satisfied	66	69	86	71	56	57	62	65	61	84	84	79	54	68	73	69
Don't know	1	0	0	1	1	1	1	1	1	1	1	1	1	1	0	0

Percentage of persons (dis)satisfied with their personal safety, 1999

Not at all or not very satisfied	18	19	4	17	36	15	16	12	29	15	16	5	21	6	8	13
Fairly or very satisfied	81	80	95	82	64	84	83	87	68	84	84	95	78	94	91	86
Don't know	1	1	1	1	1	2	1	1	3	2	0	0	1	1	1	1

Percentage of persons who feel that public authorities should spend money to give access to new technologies to everyone, 1999

Yes	52	53	46	35	63	63	51	67	54	44	59	39	67	44	57	64
No	29	32	46	41	19	17	36	12	22	38	31	37	12	43	35	21
Don't know	19	16	8	24	18	21	13	21	24	18	9	25	21	13	9	15

Source: European Commission - Eurobarometer 52.1, Autumn 1999.

Percentage of persons (dis)satisfied with way in which democracy works in their country, 1997

Not at all or not very satisfied	51	79	14	55	53	44	55	21	73	24	23	36	46	36	43	37
Fairly or very satisfied	45	18	86	42	45	51	41	70	24	71	77	58	48	61	54	55
Don't know	4	2	1	4	2	5	4	9	2	5	0	6	6	4	3	8

Source: European Commission - Eurobarometer 47.1, Spring 1997.

9 Levels of satisfaction and attitudes (contd.)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Percentage of persons expressing trust in various institutions, 1999																
<u>Justice/Legal system</u>																
Tend to trust	45	22	70	52	55	40	35	49	36	59	59	61	42	61	53	48
Tend not to trust	46	72	25	40	42	52	56	37	53	28	35	28	45	30	36	40
Don't know	9	5	5	9	4	8	9	15	11	13	6	12	14	9	10	12
<u>Police</u>																
Tend to trust	62	42	85	65	55	56	55	72	59	72	71	67	54	86	63	67
Tend not to trust	32	53	13	28	42	39	38	20	32	22	25	24	36	10	28	27
Don't know	7	5	3	7	4	5	7	8	10	6	5	9	10	4	9	7
<u>Church</u>																
Tend to trust	50	30	69	43	81	47	37	53	58	45	47	39	74	69	48	56
Tend not to trust	39	59	21	43	17	44	49	36	32	43	43	47	18	23	37	30
Don't know	12	10	10	14	2	9	14	11	10	12	11	14	9	9	16	14
<u>Trade Unions</u>																
Tend to trust	35	36	50	35	42	32	33	48	28	44	60	36	37	54	34	37
Tend not to trust	49	54	38	49	49	56	55	26	56	41	27	47	44	29	52	42
Don't know	16	9	12	16	9	12	12	26	16	15	14	17	19	17	14	21
<u>Political parties</u>																
Tend to trust	18	17	27	18	20	19	11	21	16	27	40	22	19	20	17	16
Tend not to trust	71	78	63	69	77	72	80	65	71	56	49	65	67	70	71	72
Don't know	11	6	10	12	3	9	9	14	13	17	12	13	14	10	11	12
<u>Civil service</u>																
Tend to trust	42	37	50	43	43	39	44	61	27	51	57	65	44	43	45	44
Tend not to trust	46	55	42	45	53	49	47	21	58	31	34	24	40	43	35	36
Don't know	13	7	9	11	4	12	8	18	15	17	9	12	17	14	20	20
<u>Large companies</u>																
Tend to trust	35	36	46	29	36	36	38	35	41	42	52	31	41	44	32	27
Tend not to trust	49	52	37	54	55	50	49	44	41	43	35	48	42	41	49	56
Don't know	16	11	17	16	9	14	14	21	18	15	14	21	18	15	19	17
<u>National parliament</u>																
Tend to trust	41	26	54	45	51	45	37	36	30	61	62	47	56	55	42	36
Tend not to trust	46	66	40	42	45	43	48	48	55	27	30	35	30	35	47	48
Don't know	13	8	6	13	5	13	15	15	15	13	8	18	14	11	11	16
<u>Voluntary organisations</u>																
Tend to trust	60	48	63	49	70	70	65	60	60	55	72	51	64	57	48	66
Tend not to trust	26	38	27	31	23	19	26	23	24	26	19	30	19	30	34	22
Don't know	14	13	11	20	8	11	9	17	16	19	9	19	17	13	18	13
<u>EU</u>																
Tend to trust	39	41	32	31	45	55	39	42	53	52	43	32	57	36	21	20
Tend not to trust	40	46	58	46	47	29	44	25	23	33	40	48	21	45	61	48
Don't know	21	12	10	22	8	16	17	32	24	16	17	20	23	20	18	32
Percentage of the population feeling fairly or very attached to ..., 1999																
Their town/village	87	83	86	88	94	95	80	94	90	82	71	92	93	80	84	83
Their region	86	84	78	86	95	94	82	92	87	82	72	90	95	85	85	82
Their country	89	77	96	85	98	90	89	97	91	92	86	93	96	96	89	91
Europe	56	63	71	58	41	68	53	57	65	78	49	62	61	64	71	37

Note: The percentage of 'don't knows' for this last set of data is around 1% for the categories 'town', 'region' and 'country' and between 2% and 6% for the category 'Europe'.

Source: European Commission - Eurobarometer 51.0, Spring 1999.

Eurostat Data Shops

Belgique/ België	Eurostat Data Shop Bruxelles/Brussel Planistat Belgique Rue du Commerce 124 Handelsstraat 124 B-1000 Bruxelles/Brussel Tél. (32-2) 234 67 50 Fax (32-2) 234 67 51 E-mail: datashop@planistat.be Languages spoken: ES, DE, EN, FR	Italia - Milano ISTAT Ufficio regionale per la Lombardia Eurostat Data Shop Via Fieno, 3 I-20123 Milano Tel. (39) 02 80 61 32 460 Fax (39) 02 80 61 32 304 E-mail: mileuro@tin.it Languages spoken: IT
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Deutschland	Statistisches Bundesamt Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 Berlin Tel. (49) 1888-644 94 27/28 Fax (49) 1888-644 94 30 E-Mail: datashop@statistik-bund.de Languages spoken: DE, EN	Luxembourg Eurostat Data Shop Luxembourg BP 453 L-2014 Luxembourg 4, rue Alphonse Weicker L-2721 Luxembourg Tél. (352) 43 35-2251 Fax (352) 43 35-22221 E-mail: dslux@eurostat.datashop.lu Languages spoken: ES, DE, EN, FR, IT
España	INE Eurostat Data Shop Paseo de la Castellana, 183 Oficina 009 Entrada por Estébanez Calderón E-28046 Madrid Tel. (34) 91 583 91 67 Fax (34) 91 579 71 20 E-mail: datashop.eurostat@ine.es Languages spoken: ES, EN, FR	Nederland STATISTICS NETHERLANDS Eurostat Data Shop — Voorburg Postbus 4000 2270 JM Voorburg Nederland Tel. (31-70) 337 49 00 Fax (31-70) 337 59 84 E-mail: datashop@cbs.nl Languages spoken: EN, NL
France	INSEE Info service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 Paris Cedex 12 Tél. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr Languages spoken: FR	Portugal Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 Lisboa Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt Languages spoken: EN, FR, PT

Suomi/Finland **STATISTICS FINLAND**
Eurostat DataShop Helsinki
 Tilastokirjasto
 PL 2B
 FIN-00022 Tilastokeskus
 Työpajakatu 13 B, 2. Kerros, Helsinki
 P. (358-9) 17 34 22 21
 F. (358-9) 17 34 22 79
 Sähköposti: datashop.tilastokeskus@tilastokeskus.fi
 URL: <http://www.tilastokeskus.fi/tk/kk/datashop.html>

Languages spoken:
 EN, FI, SV

Sverige **STATISTICS SWEDEN**
Information service
 Eurostat Data Shop
 Karlavägen 100
 Box 24 300
 S-104 51 Stockholm
 Tfn (46-8) 50 69 48 01
 Fax (46-8) 50 69 48 99
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United Kingdom
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Office for National Statistics
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 B1/05
 1 Drummond Gate
 London SW1V 2QQ
 United Kingdom
 Tel. (44-20) 75 33 56 76
 Fax (44-1633) 81 27 62
 E-mail: eurostat.datashop@ons.gov.uk

Languages spoken:
 EN

Eurostat Data Shop
Electronic Data Extractions,
enquiries & advice
 1L Mountjoy Research Centre
 University of Durham
 Durham DH1 3SW
 United Kingdom
 Tel. (44-191) 374 73 50
 Fax (44-191) 384 49 71
 E-mail: r-cade@dur.ac.uk
 Internet: <http://www.rcade.dur.ac.uk>

Languages spoken:
 EN, FR

Norway **Statistics Norway**
Library and Information Centre
Eurostat Data Shop
 Kongens gate 6
 Boks 8131 Dep.
 N-0033 Oslo
 Tel. (47) 21 09 46 42/43
 Fax (47) 21 09 45 04
 E-mail: Datashop@ssb.no

Languages spoken:
 EN, NO

**Schweiz/Suisse/
 Svizzera** **Statistisches Amt des Kantons
 Zürich**
Eurostat Data Shop
 Bleicherweg 5
 CH-8090 Zürich
 Tel. (41-1) 225 12 12
 Fax (41-1) 225 12 99
 E-mail: datashop@zh.ch
 Internet: <http://www.zh.ch/statistik>

Languages spoken:
 DE, EN

USA **HAVER ANALYTICS**
Eurostat Data Shop
 60 East 42nd Street
 Suite 3310
 New York, NY 10165
 Tel. (1-212) 986 93 00
 Fax (1-212) 986 69 81
 E-mail: eurodata@haver.com

Languages spoken:
 EN

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Media Support Eurostat
(only for professional journalists)
Postal address: Jean Monnet building
L-2920 Luxembourg
Office: BECH A3/48 — 5, rue Alphonse Weicker
L-2721 Luxembourg
Tel. (352) 43 01-33408
Fax (352) 43 01-32649
E-mail: Eurostat-mediasupport@cec.eu.int

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