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Compact guides



European Neighbourhood Policy-East countries

Statistics on living conditions

2015 edition

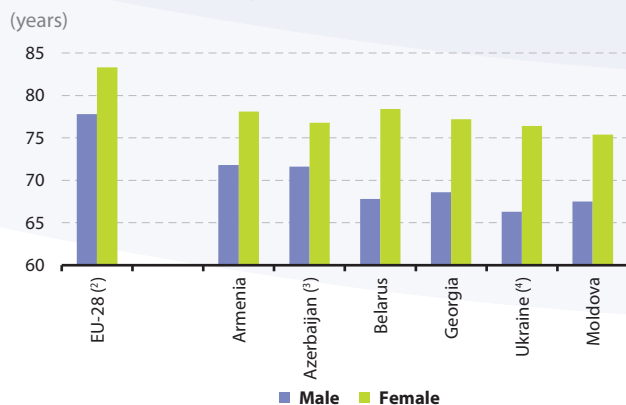
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European Neighbourhood Policy (ENP)

The European Neighbourhood Policy (ENP) was initiated in 2004: its main objective was to avoid the emergence of dividing lines between an enlarged EU and its closest neighbours. There are currently 16 neighbours within the ENP, of which six are found to the east of the EU: they are Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Note that data shown in this publication for Georgia excludes the regions of Abkhazia and Tskhinvali region/South Ossetia over which the Government of Georgia does not exercise effective control, and data for Moldova excludes areas over which the Government of the Republic of Moldova does not exercise effective control. The latest data for Ukraine may refer to a number of different geographical areas (see specific footnotes for precise coverage).

The European Neighbourhood Instrument, with a budget of EUR 15.4 billion for the period 2014–2020, provides the bulk of EU funding for strengthening relations with ENP partner countries. Such support is conducted on the basis of a ‘more-for-more’ principle: the EU seeks to develop stronger partnerships and offer greater incentives to those countries that make more progress towards democratic reform (free and fair elections; freedom of expression, of assembly and of association; judicial independence; the fight against corruption; and democratic control over the armed forces).

Figure 1: Life expectancy at birth, 2014 (¹)



(¹) Ranked on total life expectancy (male and female). Y-axis starts at 60.

(²) 2013.

(³) Estimates.

(⁴) Excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol. Calculation made according to available administrative data for registrations of births and deaths.

Source: Eurostat (online data codes: [demo_mlexpec](#) and [enpr_psdemo](#))

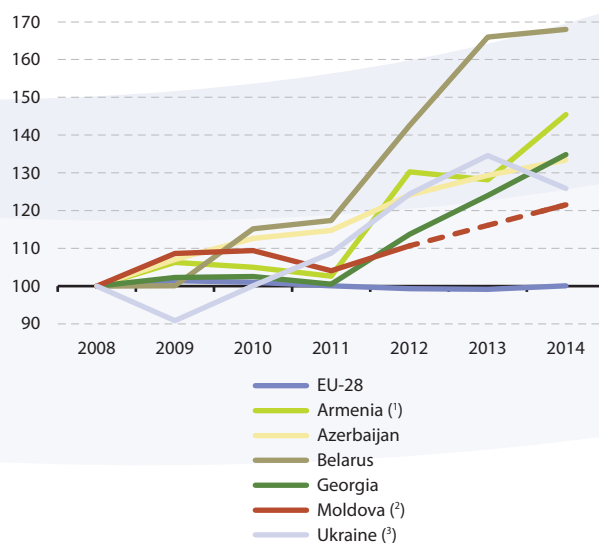
Living conditions in the EU and the ENP-East countries

Poor health undermines the quality of an individual’s life and increases the risks of death. While a long and healthy life is not just an overarching personal aim, it may also be viewed as a measure of societal well-being, as reflected through improvements in **life expectancy at birth** (the mean number of years a new born child can expect to live).

Female life expectancy was consistently higher than that for men, both within the EU-28 and across all of the ENP-East countries. In 2014, Armenia recorded the highest life expectancy at birth for men (71.8 years), while Belarus recorded the highest value for women (78.4 years). Life expectancy in the ENP-East countries remained below the levels recorded for the EU-28: this was particularly true for men.

Good health may also bring a range of other benefits, such as access to labour markets. Although money is no guarantee of happiness, it is an important means for achieving higher living standards, as increased wealth is likely to result in greater purchasing power and better access to education, healthcare or housing, as well as luxuries. The **index of real wages and salaries** provides information on the development of nominal wages and salaries that are divided by the consumer price index to take account of changes in the cost of living. Within the EU-28, real wages and salaries have stagnated since the global

Figure 2: Index of real wages and salaries, 2008–14 (2008=100)



(¹) 2013; provisional and break in series.

(²) 2008–12: excluding Transnistria and Bender municipality. 2013: not available.

(³) 2010: break in series. 2014: excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol.

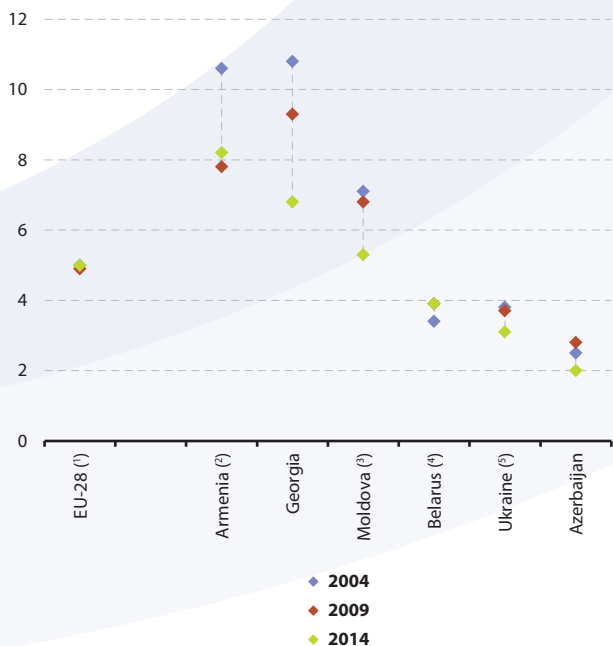
Source: Eurostat (online data codes: [lc_lci_r2_a](#), [prc_hicp_aind](#) and [enpr_pslm](#))

financial and economic crisis, while there was growth during the period 2008–14 in each of the ENP-East countries, rising to an average gain of 9.0 % per annum in Belarus.

The **income quintile share ratio**, also known as the S80/S20 ratio, is a measure of the inequality of income distribution. It is calculated as the ratio of total income received by the 20 % of the population with the highest income (the top quintile) to that received by the 20 % of the population with the lowest income (the bottom quintile).

In the EU-28, the income of the top population quintile in 2013 was five times the size of that for the bottom population quintile (a pattern that has scarcely changed over the last decade). In 2014, Georgia and Armenia (2013 data) reported a more unequal **distribution of income** than in the EU-28 according to this measure, Moldova had a similar level, while Belarus, Ukraine and Azerbaijan had lower ratios. In Azerbaijan, the income of the top

Figure 3: Inequality of income distribution, 2004, 2009 and 2014 (income quintile share ratio)



(1) 2005 (EU-27) instead of 2004 (EU-28). 2009: EU-27. 2013 instead of 2014.
 (2) 2013 instead of 2014. Ratio of monetary income without using OECD scale.
 (3) 2006 instead of 2004.
 (4) 2009: equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 3 to 16 + 0.5*children under 3 years old. 2014: equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 6 to 18 + 0.7*children aged 3 to 6 + 0.5*children under 3 years old.
 (5) 2009 and 2014: equivalent household size = 1*first member of the household + 0.7*all others. 2014: excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol and territories which are not under the effective control of the Ukrainian government.

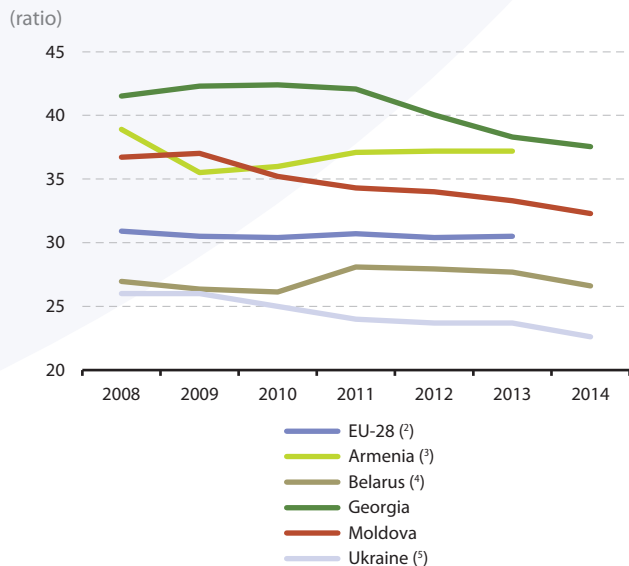
Source: Eurostat (online data codes: [ilc_di11](#) and [enpr_psilc](#))

population quintile was just twice as high as the income of the bottom population quintile. Over the most recent decade, there was a reduction in the distribution of income inequality across each of the ENP-East countries, except Belarus.

The **Gini coefficient** is an alternative measure of income inequality. It shows the extent to which all incomes within the population differ from the average income: the closer the coefficient is to 100 the less equal are the incomes, while the closer it is to 0 the more equal are the incomes.

In the EU-28, the Gini coefficient in 2013 was 31, the same as it had been in 2008 (data for EU-27). The patterns observed for income quintile share ratios were repeated when analysing the Gini coefficient, insofar as in 2014, Georgia and Armenia (2013 data) recorded coefficients that were higher than that of the EU-28, while Moldova had a similar distribution, and Belarus and Ukraine recorded a more equitable distribution of income; no data available for Azerbaijan. Over the most recent decade, there were considerable reductions in the Gini coefficients of Moldova, Georgia and Ukraine.

Figure 4: Gini coefficient, 2008–14 (1)



(1) Y-axis starts at 20. Azerbaijan: not available.
 (2) 2008 and 2009: EU-27. 2014: not available.
 (3) 2009 and 2010: break in series. 2014: not available.
 (4) 2008–11: equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 3 to 16 + 0.5*children under 3 years old. From 2012: equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 6 to 18 + 0.7*children aged 3 to 6 + 0.5*children under 3 years old.
 (5) 2011–14: equivalent household size = 1*first member of the household + 0.7*all others. 2010–14: excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol. 2014: also excluding territories which were not under the effective control of the Ukrainian government.

Source: Eurostat (online data code: [ilc_di12](#)) and ENP-East data collection

Table 1: Household consumption expenditure, 2014 ⁽¹⁾

(% of total household expenditure)

	EU-28 ⁽²⁾	Armenia ⁽³⁾	Azerbaijan	Belarus	Georgia	Moldova	Ukraine ⁽⁴⁾
Food & non-alcoholic beverages	16.2	46.2	40.7	39.2	33.3	43.8	51.9
Alcoholic beverages, tobacco	2.4	4.1	1.6	3.8	3.3	1.3	3.4
Clothing & footwear	5.0	4.5	6.9	9.3	4.0	10.6	6.0
Housing, water, electricity, gas & other fuels	28.7	12.6	7.4	8.2	11.5	18.9	9.4
Furnishings, household equip. & routine maintenance	5.2	3.5	9.4	6.8	4.7	3.5	2.3
Health	3.1	7.8	4.9	3.6	12.0	5.6	3.6
Transport	12.3	5.9	6.3	10.0	10.4	4.4	4.3
Communication	3.1	5.6	3.3	4.7	4.4	4.3	2.8
Recreation & culture	8.5	0.7	4.4	5.4	3.6	1.3	1.8
Education	1.1	1.4	2.0	1.4	3.7	0.7	1.1
Restaurants & hotels	5.7	2.2	8.6	2.4	1.3	1.5	2.3
Personal care	2.6	2.3	0.4	2.8	1.8	2.7	2.0

(1) The headings on the y-axis are based on the Classification of Individual Consumption According to Purpose (COICOP); information is shown for the main division headings (COICOP 01–11) and for personal care (COICOP 12.1); there is no information available for COICOP divisions 13 or 14.

(2) 2010.

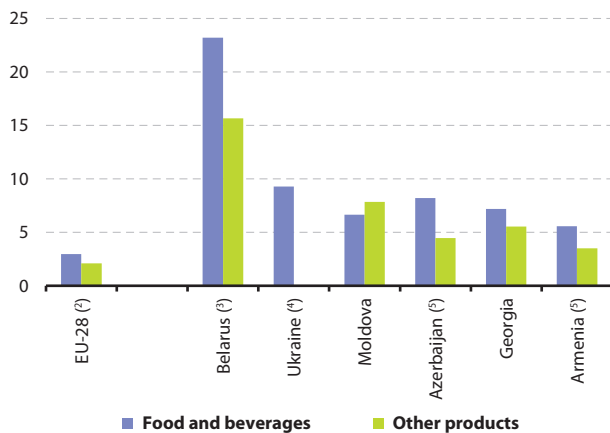
(3) 2013.

(4) Excluding the territories which are not under effective control of the Ukrainian government and the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol.

Source: Eurostat (online data codes: [hbs_str_t211](#) and [enpr_ecnaci](#))

Figure 5: Average consumer price increases, 2005–14 ⁽¹⁾

(% per annum)



(1) Ranked on the average rate of change for the inflation rate over the period 2005–14.

(2) Food and beverages: including tobacco. Other products: overall index excluding seasonal food.

(3) Food and beverages: including tobacco. Other products: excluding tobacco and services.

(4) Food and beverages: excluding alcoholic beverages. Other products: not available, 2014: excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol.

(5) Other products: excluding services.

Source: Eurostat (online data codes: [prc_hicp_aind](#) and [enpr_ecprice](#))

Statistics on **household budgets and the structure of expenditure** provide a detailed picture of living conditions. Within the EU-28 (note the latest data are for 2010), housing, energy, transport and food accounted for almost 60 % of total household expenditure. The distribution of household consumption expenditure in the ENP-East countries was quite different, with food accounting for a considerably higher share. The proportion of total household expenditure devoted to food and non-alcoholic beverages ranged, in 2014, from a low of one third (33.3 %) in Georgia to peak at just over half (51.9 %) in Ukraine. In contrast, households in the ENP-East countries spent, on average, a much lower proportion of their budget on housing and energy items (when compared with households in the EU-28). This pattern was repeated for transport and for recreation and culture items, with households in the ENP-East countries consistently recording a lower share (than in the EU-28) of total expenditure devoted to these items.

The composition of household expenditure may be influenced over time by **inflation**. In recent years there has been a relatively modest expansion in overall inflation within the EU-28, while price increases in the ENP-East countries were at a higher rate. Since the onset of the financial and economic crisis, price changes have been particularly volatile for food, energy and raw materials, reflecting the cyclical nature of supply and demand and a range of geo-political factors. The price of food and beverages in Belarus increased, on average, by almost one quarter (23.2 % per annum) during the period 2005–14, while the price of other products rose by 15.7 % per annum. These were the highest price increases recorded among any of the ENP-East countries for both of these product groups.

The **poverty threshold** is set at 60 % of the national median equivalised disposable income (after social transfers). The total net income of each household is calculated by adding together the income received by all the members of the household and then computing an ‘equivalised’ value that reflects both the number and composition of each household; note that some ENP-East countries use different scales for calculating their equivalised household size. Within the ENP-East countries, the monthly poverty threshold in 2014 ranged from the equivalent of EUR 72 in Armenia (2013 data) to EUR 149 in Belarus.

Table 2: At-risk-of-poverty threshold (monthly income), 2008–14 (EUR)

	2008	2009	2010	2011	2012	2013	2014
Armenia	55.9	60.9	67.6	69.7	71.7	72.0	:
Azerbaijan	65.0	79.9	93.1	97.5	118.1	120.2	124.3
Belarus ⁽¹⁾	103.5	96.4	110.4	102.4	112.5	140.8	148.9
Georgia	43.4	38.1	41.0	46.4	54.2	62.2	59.6
Moldova	58.2	56.4	59.4	68.0	74.2	76.1	73.1
Ukraine ⁽²⁾	100.9	76.8	89.6	95.7	109.5	111.9	:

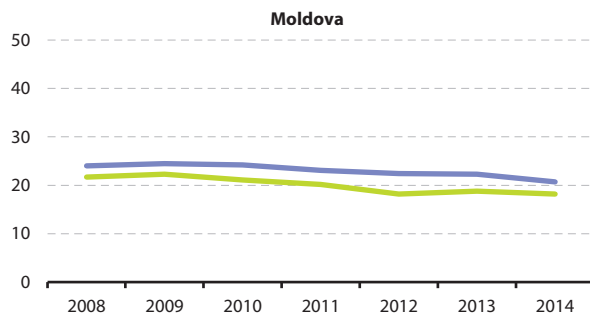
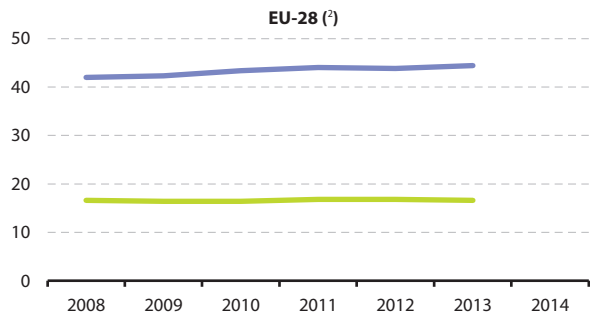
(1) Equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 6 to 18 + 0.7*children aged 3 to 6 + 0.5*children under 3 years old.

(2) 2013. Calculated as 75 % of the median amount of total equivalent expenditure; equivalent household size = 1*first member of the household + 0.7*all others.

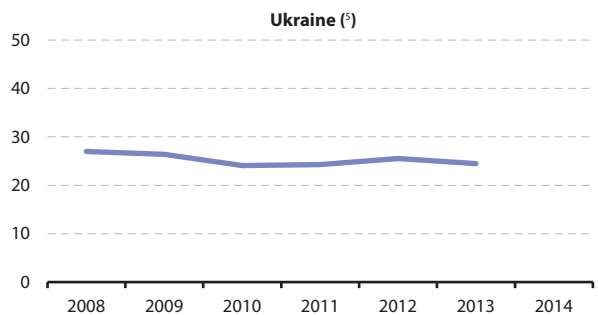
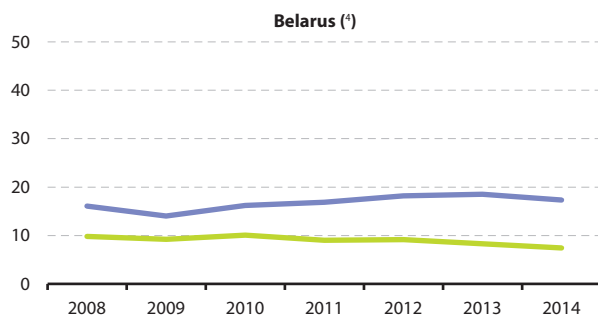
Source: Eurostat (online data codes: [enpr_psilc](#) and [enpr_ecexint](#))

Figure 6: Proportion of the population at risk of poverty, 2008–14 ⁽¹⁾

(%)



The **at-risk-of-poverty rate** is the proportion of the population with an equivalised disposable income below the at-risk-of-poverty threshold; this indicator is shown both before and after social transfers: social transfers are help given through a range of benefits, such as pensions, unemployment, family, sickness and invalidity benefits, housing allowances, or social assistance. As the poverty threshold is set independently for each country, this indicator provides a measure of relative poverty, reflecting the share of the population with low incomes in comparison to other residents of the same country; this does not necessarily imply a low standard of living.



— Before social transfers
— After social transfers

⁽¹⁾ Azerbaijan and Georgia: not available.

⁽²⁾ 2008 and 2009: EU-27, 2014: not available.

⁽³⁾ 2014: not available.

⁽⁴⁾ Equivalent household size = 1*head of household + 0.8*other adults + 0.9*children aged 6 to 18 + 0.7*children aged 3 to 6 + 0.5*children under 3 years old.

⁽⁵⁾ Before social transfers: not available. After social transfers: 2014, not available.

Source: Eurostat (online data codes: [ilc_li02](#), [ilc_li09](#) and [enpr_psilc](#)) and ENP-East data collection

In the EU-28, 44.4 % of the population were at risk of poverty in 2013 before social transfers, with this share dropping to 16.6 % after social transfers. Belarus was the only ENP-East country to report a lower risk of poverty after social transfers (7.3 % in 2014) than in the EU-28.

The level of **expenditure on health** relative to gross domestic product (GDP) ranged greatly between the ENP-East countries in 2014, from less than 2.0 % of GDP in Armenia and Azerbaijan (2013 data), to over 5.0 % of GDP in Moldova, Georgia and Ukraine (2013 data). **Expenditure on social protection benefits** was generally much lower in the ENP-East countries than in the EU-28, with the exception of Ukraine.

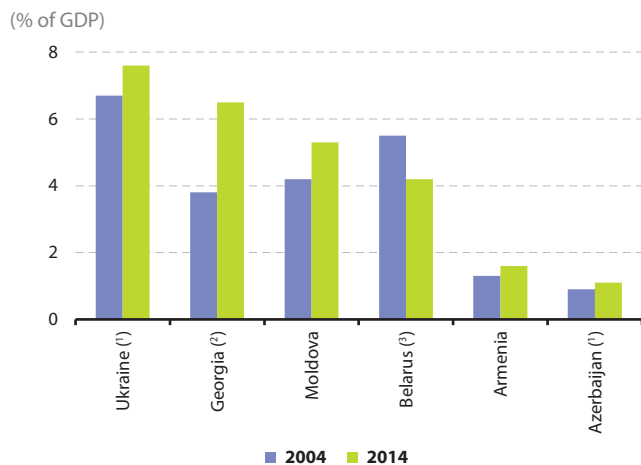
Table 3: Total expenditure on health, relative to gross domestic product, 2008–14
(% of GDP)

	2008	2009	2010	2011	2012	2013	2014
Armenia	1.4	1.8	1.6	1.7	1.5	1.4	1.6
Azerbaijan	0.9	1.1	1.0	0.9	1.1	1.1	:
Belarus	4.3	4.3	4.4	3.6	4.2	:	:
Georgia (†)	5.7	6.7	6.8	6.0	6.0	6.5	6.5
Moldova	5.4	6.4	5.6	5.2	5.4	5.2	5.3
Ukraine	6.7	7.8	7.6	7.1	7.5	7.6	:

(†) 2008–13: including state budget expenditure, household expenditure and investment on fixed capital.

Source: Eurostat (online data code: [enpr_psilc](#))

Figure 7: Total expenditure on health, relative to gross domestic product, 2004 and 2014
(% of GDP)



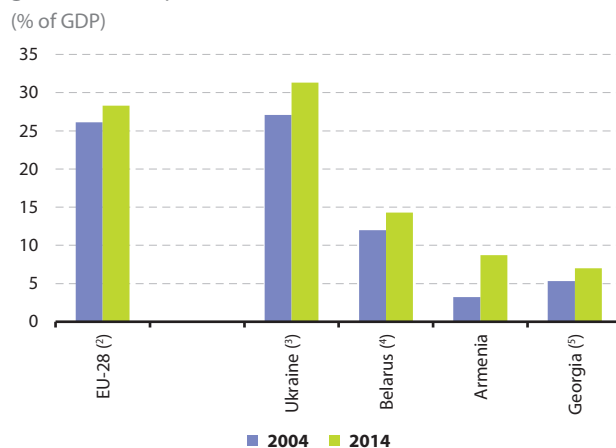
(†) 2013 instead of 2014.

(‡) 2004: including state budget expenditure, household expenditure and investment on fixed capital. 2014: provisional.

(†) 2012 instead of 2014.

Source: Eurostat (online data code: [enpr_psilc](#))

Figure 8: Expenditure on social protection benefits, relative to gross domestic product, 2004 and 2014 (†)
(% of GDP)



(†) Azerbaijan and Moldova: not available.

(‡) 2004: EU-25. 2012 (provisional) instead of 2014.

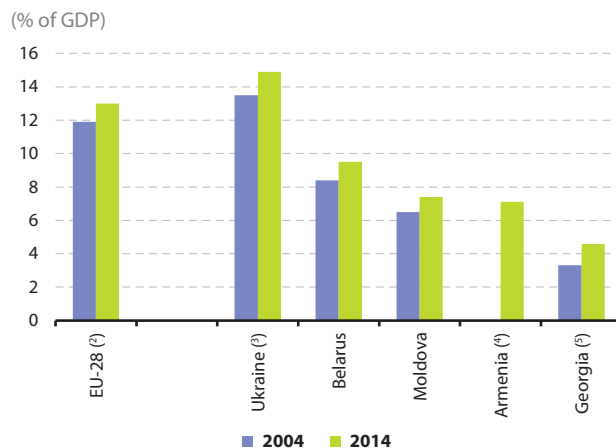
(†) 2007 instead of 2004. 2013 instead of 2014.

(†) Includes expenditure on social policy and expenditure of the Social Security Fund of the Ministry of Labour and Social Protection of the Republic of Belarus.

(‡) 2004: including state budget expenditure, household expenditure and investment on fixed capital. 2014: provisional.

Source: Eurostat (online data codes: [spr_exp_sum](#) and [enpr_psilc](#))

Figure 9: Expenditure on pensions, relative to gross domestic product, 2004 and 2014 (†)
(% of GDP)



(†) Azerbaijan: not available.

(‡) 2004: EU-25. 2012 (provisional) instead of 2014.

(†) 2007 instead of 2004. 2013 instead of 2014.

(†) 2004: not available.

(†) 2006 instead of 2004. 2014: provisional.

Source: Eurostat (online data code: [spr_exp_sum](#)) and ENP-East data collection

Eurostat's data collection exercise with ENP-East countries

Eurostat coordinates the EU's efforts to increase the capacity of the European Neighbourhood Policy (ENP) countries to produce good quality statistics and to promote the use of European and internationally recognised standards. Data from the ENP-East countries are collected each year through a questionnaire sent by Eurostat to partner countries. A network of contacts in each country has been established for filling these questionnaires. These data are made available free-of-charge on Eurostat's website.

Direct access to statistics on ENP-East countries:

<http://ec.europa.eu/eurostat/web/european-neighbourhood-policy/enp-east/data/database>

Statistical articles on ENP countries:

http://ec.europa.eu/eurostat/statistics-explained/index.php/European_Neighbourhood_Policy_countries_-_statistical_overview

For more information on the European Neighbourhood Policy:

<http://eeas.europa.eu/enp/>

http://ec.europa.eu/enlargement/neighbourhood/overview/index_en.htm

For more information on statistical cooperation with the ENP-East countries, please contact:

estat-statistical-cooperation@ec.europa.eu

National statistical offices of the ENP-East countries

Armenia <http://www.armstat.am/en/>

Azerbaijan <http://www.stat.gov.az/indexen.php>

Belarus <http://www.belstat.gov.by/en/>

Georgia <http://www.geostat.ge/index.php?action=0&lang=eng>

Moldova <http://www.statistica.md/index.php?l=en>

Ukraine <http://www.ukrstat.gov.ua/>

Extraction date

Data were extracted on 9 October 2015.

Symbols

: Not available

Billion 1 000 million

Italics Value is either an estimate or provisional.

