

# The social situation in the European Union

**2004**  
Overview



European Commission



## Foreword

The Social Situation Report – published annually since 2000 – provides a prospective overview of the social dimension in the European Union as a background to social policy development and contributes to the monitoring of developments in the social field across Member States. Furthermore, it establishes links to other Commission publications such as Employment in Europe, Industrial Relations in Europe and the Gender Equality Report.

One special characteristic of this report is that it combines harmonised quantitative information with qualitative survey data on public opinion. In this way it acts as a reference document, with the perceptions and attitudes of people living in Europe added to the overall portrait of the social situation.

This year the report seeks to portray the social dimension of the enlarged Union, looking at both developing social trends and emerging policy challenges.



Stavros Dimas  
Member of the Commission  
Employment and Social Affairs



Joaquín Almunia  
Member of the Commission  
Economic and Monetary Affairs



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**Introduction**

*This short version of the fifth annual report on the social situation in the European Union contains an overview of the key social and economic developments in Europe, with facts and figures relating to the social dimension of the enlarged Union, looking at both developing social trends and emerging policy challenges. This overview is completed by a series of statistical portraits that address a range of relevant social policy concerns for the European Union. Virtually all the main European social policy domains are covered: population; education and training; labour market; social protection; income, poverty and social exclusion; gender equality and health and safety.*

**1. The Social situation in a European Union of 25 Member States**

With enlargement social conditions in the European Union have become more diverse and policy challenges have increased. At the same time, however, the enlarged Union offers more opportunities for economic growth to Member States and hence more possibilities to address these challenges.

Enlargement has raised the EU population by 20%, to more than 450 million people, but only increased its GDP by 4.5%. Thus socio-economic disparities across the Union will be wider; changes will be substantial and challenges should not be underestimated. Differences in the social situation between the majority of the EU-15 countries and the new Member States are large in several areas, as documented throughout the report. But as demonstrated in the further analysis, the differences tend to be of degree rather than of character.

**1.1 Population trends: The ageing challenge persists**

Following enlargement, nearly three-quarters of the population live in six of the 25 Member States, namely Germany, the UK, France, Italy, Poland and Spain, while the remaining quarter are distributed among nineteen Member States with small to very small populations.

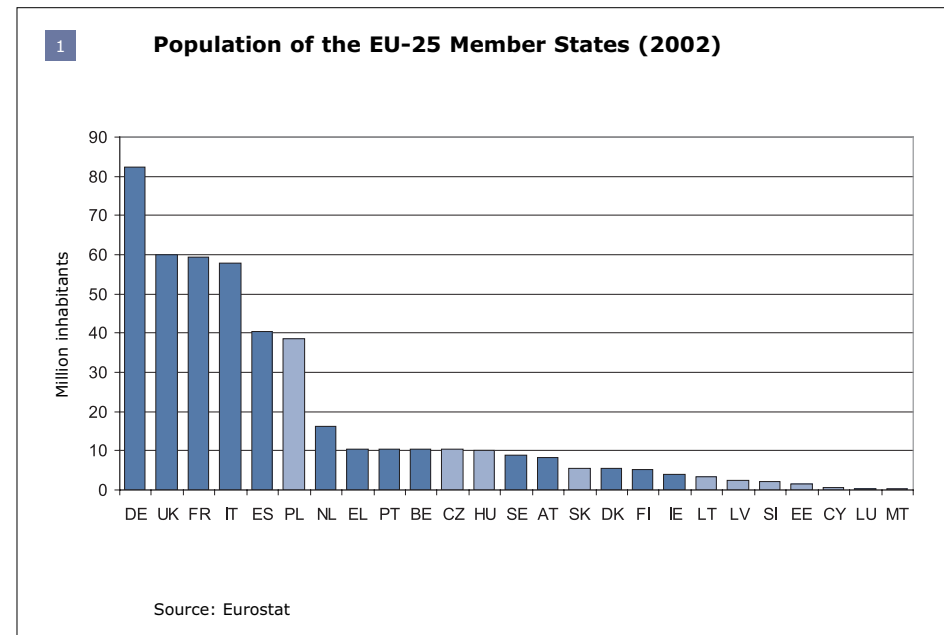
***The enlarged Union will still be marked by accelerated ageing in less than a decade...***

At present, the population of the new Member States is somewhat younger than that of the EU-15 countries. However, this does not mean that enlargement has altered the demographic trajectory of the European Union. Due to the radical drop in fertility levels in most new Member States over the last 15 years, a short and moderate rejuvenation will soon be replaced by a more pronounced ageing process. In other words, the Union will still be faced with the prospect of a rapidly ageing and shrinking population.

Life expectancy in several of the new Member States fell in the early transition period and despite some improvements it remains markedly below the EU average. This reflects higher mortality at all ages in these countries, especially for men. Economic growth and a gradual improvement of living standards could make a major contribution to overcome the negative impact which the early transition period had on mortality and bring longevity in line with that of the EU-15 countries.

***...as fertility has been very low in the new Member States for more than a decade.***

In the EU-15 countries, fertility levels are only below 1.4 in the three southern Member States, whereas seven of the ten new Member States have fertility levels at or below 1.3. At the level of EU-25, almost half of the Member States are affected by a severe depression of fertility levels, the underlying reasons for which vary between Member States. The case for reconciling work and family life in European social policies would thus seem strengthened.



**Migration from the East to the West of the Union is expected to be moderate...**

Immigration has grown considerably in size and importance over the last decade. All EU-15 countries were affected by the surge in immigration in the 1990s and many registered a historically significant net inflow.

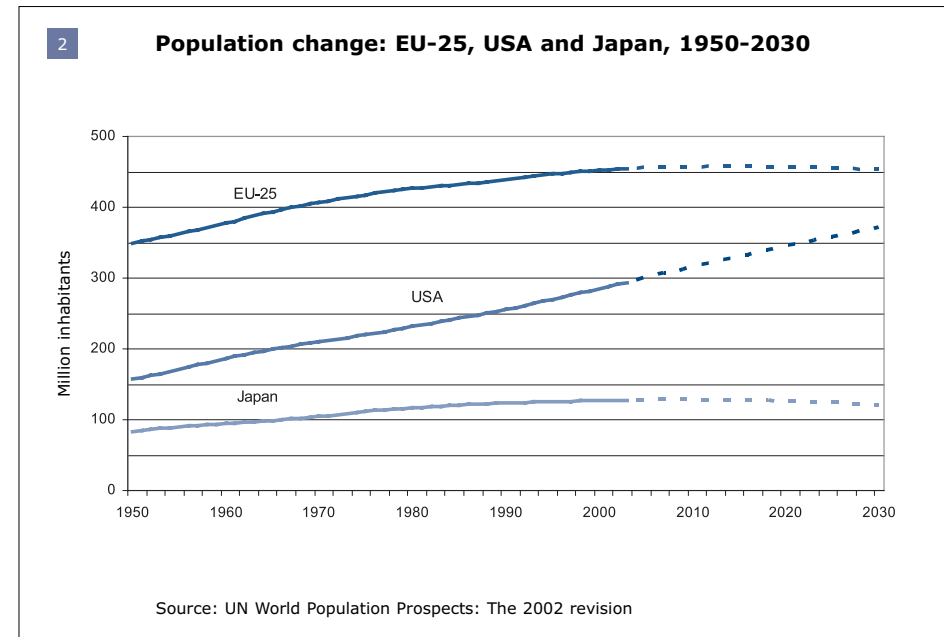
The situation in several of the new Member States was rather different, as westward emigration rose. In some of the Baltic Republics population growth even became negative as a result of outward migration. However, it is important to note that over the last ten years migration patterns have changed significantly in the new Member States of central and eastern Europe. Most of these countries have shifted progressively from emigration countries to sending-receiving countries or - in some cases - mainly receiving countries. It is expected that improvements in the economic situation and better working conditions in the new Member States, along with demographic ageing, will make migration to the EU-15 countries less likely.

**...but immigration into the Union, including the new CEE Member States<sup>1</sup>, remains likely to increase...**

Today, in the majority of the new Member States net migration is positive. In 2002<sup>2</sup>, a negative net migration was observed only in Poland (-0.03%), Lithuania (-0.06%) and Latvia (-0.08%). Following enlargement, a large amount of the EU external land borders belong to the new Member States and the new CEE Member States could increasingly become immigration countries. Historical links to emigration countries further to the east may conceivably facilitate this process. The need for pro-active management of migratory pressures and the integration of third country migrant workers, including at Community-level, will grow.

**...still - in stark contrast to the US - the EU population will be stagnating and shrinking.**

The increasing divergence in population trajectories between the USA and the EU, caused by the recovery in US fertility levels and the upward swing in immigration into the US, will persist: while the population of the EU will stagnate and begin to shrink amid a sudden acceleration in the old age dependency rate, the US population and workforce will continue to grow. Meanwhile the ageing and shrinking of the Japanese population will proceed at a higher speed than in the EU. These differences will have important economic and strategic implications in the medium to long term.

**1.2 Economic and employment trends: Preparing for a sustained upswing**

When compared to the performance of the mid and late 1990s, economic growth during the last three years almost halved. As shown in the European Commission report "Employment in Europe 2003", after several years of strong job creation which allowed the employment rate to reach 64.3% in 2002, employment growth in the EU-15 came to a standstill by the beginning of 2003 and is expected to rise only slowly over 2004-2005. Although the situation among the new Member States varies somewhat, the overall employment rate is lower than in the EU-15<sup>3</sup>. Against this background, it is vital for employment to make a greater contribution to growth in Europe, in keeping with the targets set since 2000. At present, employment rates are still too low and a greater effort needs to be made by Member States<sup>4</sup>. The 70% target laid down for 2010 is still realistic if the economic upturn feeds through into rates as high as those at the end of the 1990s. This situation, which is on the whole disappointing, can mainly be accounted for by the persistence of structural obstacles in labour markets and by the overly low participation of older workers<sup>5</sup>.

1 New CEE Member States = New central and eastern European Member States.

2 Provisional data from Eurostat. Positive net migration is much more important in Cyprus (0.97%) and Malta (0.48%), where immigration patterns are similar to the existing ones in the Mediterranean EU-15 countries.

3 European Commission: "Progress in implementing the Joint Assessment Papers on employment policies in acceding countries, COM(2003)663 final, and ibidem Staff Working Paper SEC(2003)1361 November 2003.

4 Report of the Employment Taskforce (chaired by Wim Kok): Jobs, Jobs, Jobs - Creating more employment in Europe, November 2003; see also Draft Joint Employment Report COM(2004)24 final 24.01.2004.

5 European Commission: Delivering Lisbon - Reforms for the enlarged Union, COM(2004)29.

Although in the EU-15 countries the rise in unemployment remained fairly limited the level is relatively high (8% in November 2003) compared to the US and Japan. At the same time long-term unemployment stood at 3% with slightly higher rates for women. In the new Member States the unemployment rate reached 15%, with long-term unemployment close to 8% and somewhat higher among the female population.

Contrary to the situation in the US, the average productivity growth per employed person in the EU-15 countries has been slowing down since the 1990s and is now close to 1% per annum. Overall productivity levels in the new Member States are considerably lower than in the EU - on average approximately one half of the EU level - but recent productivity growth has approached 4% per annum.

***After a period of uncertainty in the first half of 2003, there are signs of recovery...***

After bottoming out in the first half of 2003, the economies of the euro area and EU turned around in the second half of the year. The average growth rate for the year as a whole is estimated to have been 0.4% in the euro area and 0.8% in the EU. In view of the buoyancy of global growth and trade and the returning confidence of domestic producers and consumers, the recovery is set to gather momentum this year. A rebound to average growth rates of 1.7% for the euro area and 2% for the EU is projected for 2004, levelling off at around 2.4% in 2005.

***...taking full advantage of the upswing and strengthening will require a determined move towards further social and economic reform.***

Apart from the external stimulus from global demand, the main factors behind the outlook for the recovery include accommodating macroeconomic policy conditions, continued disinflation, supportive financial conditions, and progress in structural reforms.

The recovery is underpinned by a rise in investment expenditure, supported by a more gradual pick-up in private consumption. Despite this projected increase in the momentum of economic activity, the protracted downturn should continue to weigh on the performance of the labour market.

Employment growth is expected to register 0.3% in 2004 and a somewhat better 0.9% in 2005. With ageing-related financial pressures looming larger than ever, it is important to prepare for the impact of ageing populations in the coming years prior to the main impact of demographic change taking hold.

## 2. Population trends in the enlarged European Union

***The European Union welcomes 74 million new EU citizens.***

On 1st January 2003 the estimated population of the ten new Member States of the Union was 74.3 million people, compared with almost 379 million inhabitants within the EU-15 countries<sup>6</sup>. Thus, the enlargement of the European Union increased the EU population by nearly 20%, to a total of more than 453 million inhabitants.

***The enlarged Union is the third most-populated geographical unit in the world.***

With enlargement, the percentage of the world's 6.3 billion inhabitants<sup>7</sup> who live in the EU has risen from 6.1% to 7.2%, making the Union the third most-populated political entity, behind China (almost 1.3 billion in mid-2003) and India (1.1 billion), but 55% larger than the US (292 million) and 3.5 times larger than Japan (128 million).

However, the percentage of the world's population living in the countries of the enlarged EU has decreased throughout the 20th century and will continue to do so in the coming decades, due to rapid population increase in the developing countries. The EU-25 is forecast to constitute less than 6% by 2030.

***Population growth in EU-25 will become progressively slower over the next decade, before the population begins to shrink.***

In the EU-15 countries, positive net migration has been the main driver of population growth over the last decade, which was characterised by decreasing natural growth. In the CEE new Member States – which experienced a sustained population growth from the post-war period until the mid 1980s – population growth stagnated in the 1990s. In some cases it even became negative, due to a combination of emigration, a radical drop in fertility and a sudden rise in mortality. By contrast Cyprus and Malta have shown a relatively significant population growth (15.5% and 9.4% respectively between 1993 and 2003).

***Population ageing will also be a dominant challenge for the EU of 25.***

Population ageing was acknowledged to be a dominant challenge for the EU of 15 Member States, and this continues to be the case after enlargement. Although most of the new Member States bring in relatively younger populations, due to higher fertility levels in the 1970s and 1980s and lower life expectancy, the rejuvenation effect will be both limited and temporary. In the long run enlargement will probably hasten the EU ageing trend, as most of the new Member States already experience very low levels of fertility.

<sup>6</sup> Source: "First results of the demographic data collection for 2002 in Europe", Eurostat Statistics in focus, Theme 3, 20/2003.

<sup>7</sup> The source for the estimation of the population in the world, China, India, USA and Japan in mid-2003 is the "2003 World Population Data Sheet" of the Population Reference Bureau.



**Population growth: the impact of fertility, mortality and migratory flows**

In recent decades, EU population change has been affected by low levels of fertility, an overall sustained growth in longevity and a higher level of immigration into the Union.

**Fertility trends: Fewer children...**

For several decades fertility rates in the EU have remained clearly below replacement levels of 2.1, a trend which is reinforced by enlargement. Among the new Member States only Cyprus (1.57 children per woman<sup>8</sup>) and Malta (1.51) are a little above the average for EU-15 (1.47), while the other new Member States have fertility rates of 1.4 or below. At the EU-25-level fertility has remained 30% below the replacement ratio since 1995.

Apart from Ireland, France (1.88) - which recently has managed to raise fertility - along with the Netherlands (1.73) and some Nordic countries (DK (1.73), FI (1.72)) constitute the main exceptions to the low to very low fertility levels, which characterise other EU-25 Member States.

Most researchers conclude that the differences amongst countries are linked to a combination of national differences in socio-economic context, culture and, in particular, policy measures. Most of the Member States at the higher end of the fertility range also have a much more developed set of policies and provisions, which support and facilitate family formation, child bearing and child rearing.

**...and later in life.**

Amid a general trend towards postponement of childbearing, there are significant differences in the timing of births between EU-15 countries and new Member States. For centuries, the eastern part of Europe maintained a trend of early marriage and early childbearing, while the western part of Europe had shifted to later marriage, which also meant a delay in the natural fertility age-span. The latest data indicate that, although the mean age of women at the birth of the first child has increased from 24 to 26 years in the new Member States, it is still lower than in the EU-15 countries, where it ranges from 26 to 29 years of age.

There are important health implications of later childbearing. The sustained delay in childbearing has not only led to vastly increased numbers of infertility treatments but also to increasing medical concerns about the health risks for both mother and child associated with pregnancies later in life. In addition, involuntary childlessness is clearly on the rise in Europe, as in many cases postponed births cannot be realised at later stages.

**Life expectancy continues to grow...**

Between 1960 and 2001, the average life expectancy at birth for the EU-15 countries rose from 70.1 to 78.5 years (from 67.4 to 75.5 for men and from 72.9 to 81.6 for women). It is generally assumed that the growth in life expectancy in the last part of the 20th century was a result of changing lifestyles combined with improved living conditions and medical progress made accessible to a broad spectrum of the population through public health care.

<sup>8</sup> All fertility rates show the number of children per woman, based on Eurostat data for 2002, except MT and CY, where 2001 data is the latest available.

<sup>9</sup> Immigration, integration and employment, COM/2003/0336 final.

**...but less significantly in the new Member States of central and eastern Europe than in the EU-15 countries.**

If mortality and longevity trends are considered, Malta and Cyprus are broadly similar to the EU-15 countries. However, this is not the case for the new Member States of central and eastern Europe. In 1960 these countries had levels of life expectancy at birth similar to those in EU-15 countries, but since then mortality has evolved very differently, particularly for men. While stagnation and moderate improvements have characterised the situation for men in CEE countries, EU-15 countries have significantly reduced deaths from cardiovascular diseases and have made progress in the fight against other "societal" diseases. Furthermore, in the early 1990s political and economic transition in the CEE countries had a negative impact on living conditions and on the resources of healthcare systems and other social protection schemes, leading to rising mortality and decreasing life expectancy.

Life expectancy in EU-15 countries currently ranges from 73 to 78 years for men and from 79 to 83 years for women. By contrast, in the new Member States of central and eastern Europe it ranges from 65 to 72 years for men and from 76 to 80 years for women.

**Immigration has become an important factor in recent population change...**

As for the third driver of population change, immigration, it has grown considerably in size and importance over the last decade. Immigration now accounts for three quarters of the net growth in the population of EU-15 countries. Indeed, without it a number of Member States would have seen their population falling in the first years of the new Millennium. On average over the second half of the 1990s, 18% of persons moving into EU countries were citizens of other Member States, 27% were nationals returning from abroad and 54% were citizens of non-EU countries (Eurostat, 2003). For 2001 and 2002 the level of net migration is estimated to be around one million immigrants.

While all EU-15 countries were affected and many registered a historically significant, positive net migration, the situation for several of the new Member States in the 1990s was rather different. In some of the Baltic Republics population growth even became negative as a result of the effect of emigration.

The period also witnessed a broadening and diversification in the types of migrants, the patterns of migratory flows and the mix of sending and receiving countries. In addition, former countries of emigration (Spain, Portugal, Italy, Greece, Ireland) became countries of immigration, with net inflows composed both of returning nationals and of third-country nationals from outside the EU<sup>9</sup>.

In 2002 the number of non-nationals living in the countries of the enlarged Union was estimated at 21.6 million, which represented around 4.8% of the population. Of these, third-country nationals represented around 14.7 million people (3.3%) whereas 6.9 million (1.5%) were EU citizens living in other Member States. The Member State with the highest absolute number of non-nationals is Germany (7.3 million or close to 9%), whilst the Member State with the highest proportion of non-nationals is Luxembourg

(37%, mainly citizens of other Member States). The number of non-nationals reflects both current and past immigration patterns, and the different national rules about acquisition of citizenship.

***...and enlargement will not change these patterns, although some former immigration flows will become cross-border mobility within the Union.***

The pull effect from a wealthy and ageing EU population will not change with enlargement. With its higher degree of diversity the EU of 25 countries could even become more attractive to economic immigrants. Given historical and cultural links, the new Member States of central and eastern Europe could increasingly become host countries for emigrants moving from countries of the former Soviet Union to the EU.

As the ten new Member States join the EU in 2004, some migratory movements that historically were immigration flows will become internal mobility. Notwithstanding the interim restrictions on labour mobility, previous experience and recent estimates suggest that labour mobility from new to old Member States may be moderate to limited, with specific situations in the border regions. As the economic situation improves in the new Member States the likelihood of a massive westward migration becomes even lower.

Over the last ten years migratory flows have changed significantly in the new Member States of central and eastern Europe. In most of these countries the flows of migrants have progressively become less outward than inward. Thus, although net migration is relatively small, it has gradually become positive in the majority of the new Member States.

In 2002<sup>10</sup>, positive net migration was observed in Hungary (0.13%), Czech Republic (0.12%), Slovenia (0.11%), Slovakia (0.02%) and Estonia (0.01%), whereas negative migration only existed in Poland (-0.03%), Lithuania (-0.06%) and Latvia (-0.08%). The inflows are mainly from eastern European countries (such as the Ukraine, Belarus, Russia and south-eastern European countries). The typology of inflows towards the new central and eastern European Member States are also increasingly diverse, including not only unskilled workers from the former Soviet Union regions, but also highly skilled professionals, returning migrants and repatriated nationals from other former communist countries.

#### Summary points

- Enlargement will not change the Union's ageing process. The potential for economic growth and social improvement will continue to be affected by a contracting active population and an expanding population in retirement.
- The next five years represent the last part of the demographic window of opportunity before a rapid process of ageing begins. To prepare for ageing efforts must be intensified to raise employment and the exit age from the labour market.
- In the last ten years net migration has been the main driver of population growth in the Union. As the new Member States of central and eastern Europe progressively shift from sending to receiving countries policies promoting the economic and social integration of immigrants become a major common concern.
- With enlargement the number of Member States with very low fertility rates has increased. EU countries with family-friendly policies have higher rates of fertility and female participation in the labour market.

<sup>10</sup> Provisional data from Eurostat: First results of the demographic data collection for 2002 in Europe, Statistics in focus, Theme 3 – 20/2003. Positive net migration is much more important in Cyprus (0.97%) and Malta (0.48%), where immigration patterns are similar to the existing ones in the Mediterranean EU-15 countries.

### 3. Socio-economic trends, living conditions and human capital development

**Over the last decade most of EU-15 countries have seen steady gains in employment, GDP per capita and cohesion ...**

The socio-economic experience of the EU-15 countries since 1995 has been a rather positive one, marked by steady improvements in employment and real income and a decrease in inequalities.

As the Member States with a GDP per capita below the EU-15 average continued to improve their relative position, the Union experienced significant progress in reducing disparities among its members as well among regions within the countries. Ireland has been the most remarkable case, with income at around 125% of the EU average in 2002, compared to only 80% at the beginning of the 1990s.

**...but in the majority of the new Member States many of the expected improvements from recent changes have yet to fully materialise.**

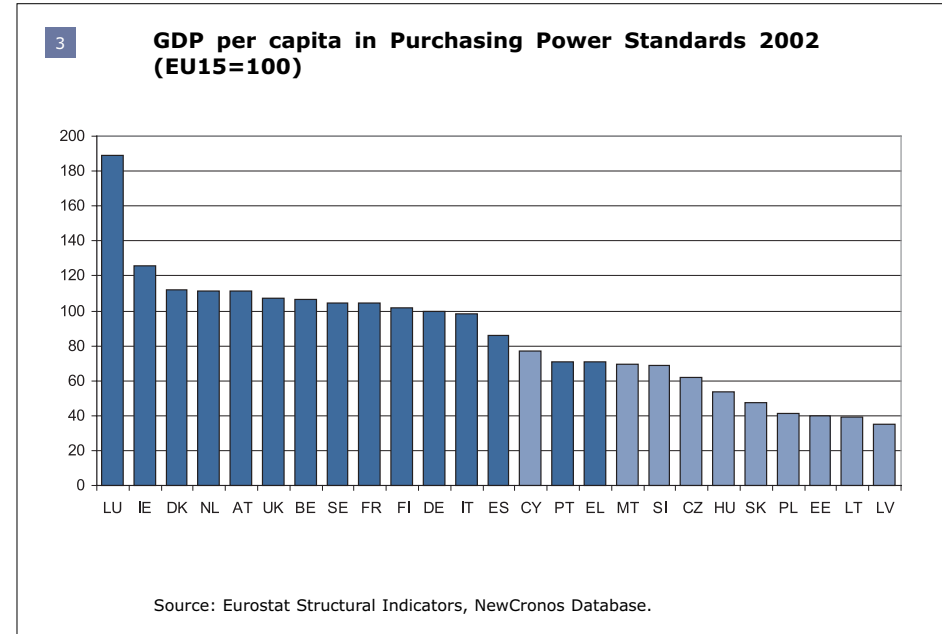
By contrast eight of the ten new Member-States - those of central and eastern Europe - experienced a severe socio-economic crisis as they emerged from a long period of economic stagnation under the old regime and started on the road towards a market economy. During the 1990s, people in these countries have experienced a turbulent and often very difficult transition period, marked by economic volatility, radical political changes and institutional and structural reforms. While small parts of the population have seen a radical improvement in their socio-economic conditions, many have experienced only moderate advances in a less secure context. For a minority, living conditions have become worse.

Despite relatively sustained economic growth since the mid 1990s these countries are still far from reaching the average GDP level of the EU-15 countries. The great majority have recovered their losses in the early transition period, but a few still remain below the GDP level they had achieved when the old regimes came to an end. However, in 2001 and 2002 the new Member States reached far higher GDP growth rates than the EU-15 and many current forecasts indicate that they are well placed for pursuing faster economic growth after enlargement, thereby making progress in achieving real convergence.

**In the enlarged Union disparities in income between regions and Member States will be larger...**

Differences between the socio-economic situations of the EU-15 countries and the new Member States are particularly pronounced in the area of social cohesion<sup>11</sup>. Whereas income gaps between countries and regions in the EU-15 countries narrowed significantly from 1995 to 2002, they widened among new Member States during this period.

With enlargement to 25 Member States income disparities across the Union have widened considerably. Of the new Member States, only Cyprus has a GDP per capita above 75% of the EU-25 average. At the regional level, this means that the GDP per capita for the 10% of the population living in the most prosperous regions of EU-25 is currently 4.5 times higher than the GDP per capita for the 10% living in the least prosperous regions.



As a result, enlargement will recast the issue of social cohesion in the Union. The challenges for the promotion of social cohesion both among and within Member States will be larger and more complex. Recent success in reducing the north-south divide in EU-15, as the Mediterranean Member States have caught up with the rest of the Union, will be overshadowed by the magnitude of the new east-west divide emerging from enlargement.

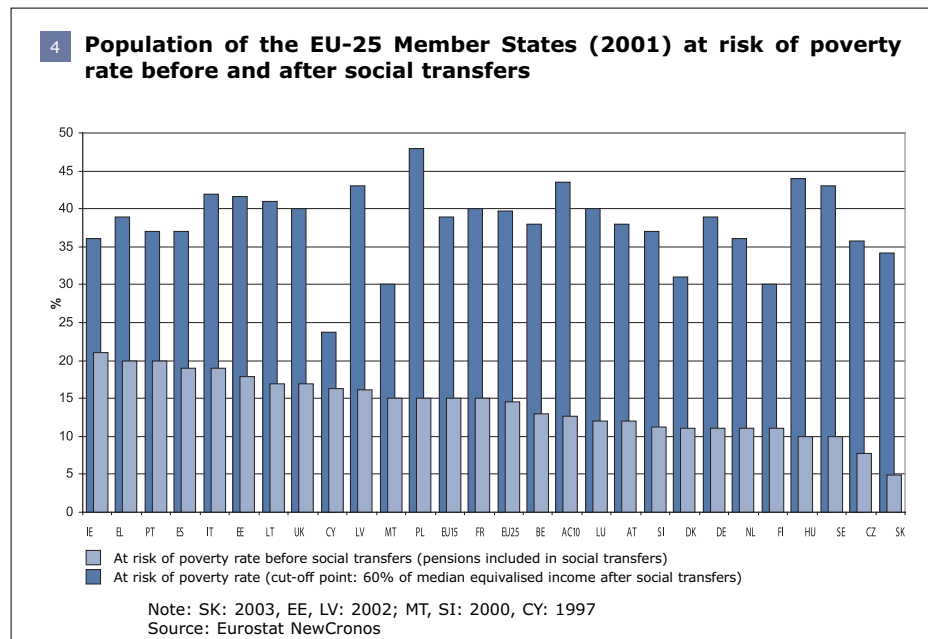
<sup>11</sup> European Commission: Third Cohesion Report 2004, COM/2004/107. Also see Comparative Research Projects funded within the Framework Research Programmes – <http://www.cordis.lu/citizens/home.html>

**....and although relative levels of risk of poverty in the new Member States tend to be moderate...**

One thing is to compare average opportunities using GDP figures, another thing is to consider the distribution of income throughout society and in particular the extent of relative and absolute poverty. In the EU, the relative poverty threshold is fixed at 60% of the national median equivalised income. Poverty is thus a relative concept defined in relation to the general level of prosperity in each country and expressed with reference to a central value of the income distribution, taking into account the size of the household. Using this definition, poverty concerns 15% of the population in the EU-15 countries, or close to 60 million people, and a similar share in the eight new Member States for which comparable figures are available (excluding Hungary and Slovakia). The lowest rate of relative poverty in the new Union is actually found in Slovakia (5%) whereas the highest occur in Ireland, Greece and Portugal with about 20% of the population living below a 60% threshold. Despite a trend over the last decade towards a higher risk of poverty, the new Member States, mainly thanks to historical circumstances, still tend to score comparatively well on this indicator<sup>12</sup>.

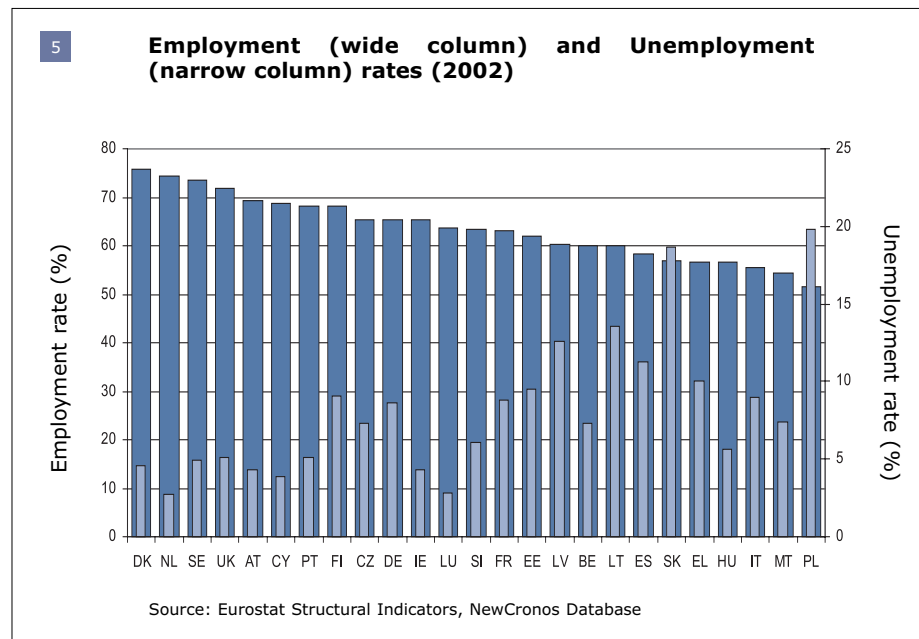
**... the absolute levels reflect income disparities across the enlarged Union.**

However, although poverty in relative terms will be quite similar across the enlarged Union there are substantial differences in absolute terms. With average GDP per capita more than five times higher in the richest EU-15 country (Luxembourg) than in the poorest of the new Member States (Latvia), and net earnings showing a similar disparity, it is clear that the poverty threshold as defined above will result in very different overall living standards.



**Employment is a major determinant for economic and social inclusion....**

Regional employment rates continue to present a north-south divide with important implications for the social situation. However, with enlargement the lower employment rates prevailing in many regions of southern Europe, will also be seen in the east<sup>13</sup>.



**...and illustrates how living standards depend on employment growth in EU-25...**

Whereas employment has tended to rise since the mid-1990s in the EU-15 countries, in the CEE new Member States it has fallen as a result of restructuring and job losses in agriculture and industry. Major contractions in agriculture and basic industries have not yet been offset by growth in services. Indeed, between 1998 and 2002, employment in services in the new Member States as a whole declined slightly instead of expanding<sup>14</sup>.

12 European Commission: Joint Memoranda on Social Inclusion (synthesis report) 2004.  
13 European Commission: Employment in Europe 2002 and 2003.  
14 European Commission: Employment in Europe 2002 and 2003.

**...which again depends on human capital investment through education...**

Employment opportunities are closely related to educational attainment which is a core constituent of "human capital" and has two important aspects:

- at the individual level it is closely related to socio-economic status and is one of the prime variables determining our living standards - i.e. a higher propensity for gainful employment, social inclusion, healthy life, etc.
- at the societal level (business and institutions) it is connected with productivity, innovation, economic growth and social cohesion.

It is well established that investment in human capital contributes significantly to productivity growth and plays a key role in fostering technological change. Thus an extra year of schooling may, according to recent studies, add another 6.2% to aggregate productivity<sup>15</sup>. But it is also important to assure that investment in education and training is undertaken in areas that produce the greatest return<sup>16</sup>.

**... raising the issue of disparities in education and lifelong learning.**

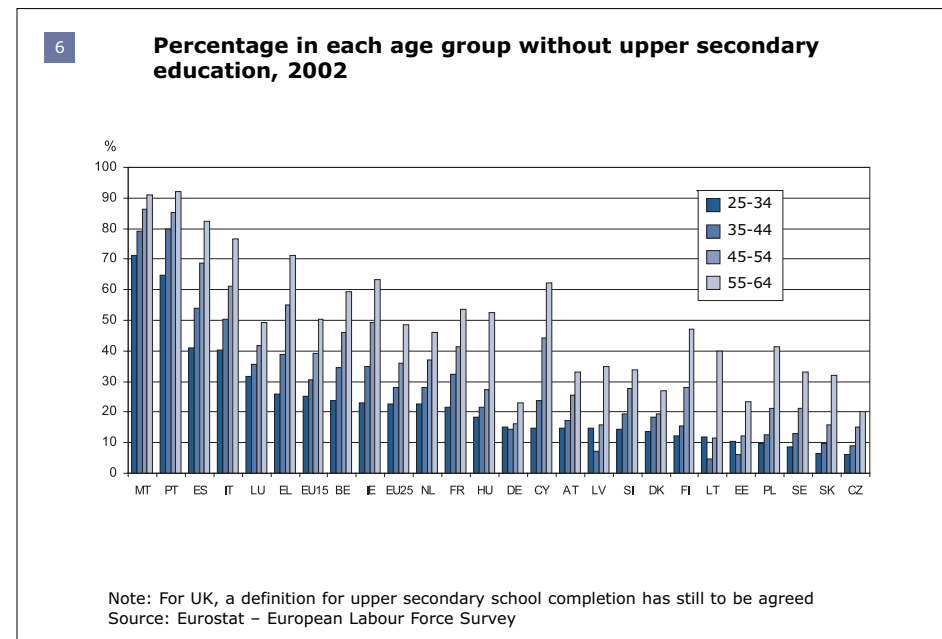
In Europe there is a relatively short supply of "newly-skilled" entrants to the labour market but a relatively large stock of workers with lower skills and employability. These two factors result in shortages at the top-end of the labour market and redundancies at the bottom-end, which underlines the need for lifelong learning to tackle inadequate vocational qualifications.

Graph 6 shows how the percentage of those with low educational levels diminishes with succeeding age cohorts. Yet, at the same time, it also illustrates the need for training and skills-upgrading among middle-aged and older workers, particularly in the light of demographic ageing<sup>17</sup>.

Importantly, the graph highlights that when it comes to upper-secondary education the new Member States, in particular the CEE countries, outperform most of the EU-15 countries by a wide margin: some 81% of the population aged 25-64 years have completed upper-secondary education in the ten New Member states against 65% in EU-15 countries. On the other hand, when it comes to tertiary education, the EU-15 region performs relatively better, with an achievement rate of 22% against 13% for the new Member States.

However, formal enrolment rates may not be easily comparable given the fairly different educational systems. There is evidence of qualitative differences in the education systems pertaining to the appropriateness of curricula, the upgrading of teaching skills and technical resources. The new Member States fall into the lower half of the performance scale when measuring mathematical and scientific literacy<sup>18</sup>.

Disparities across age groups in the EU also exist when looking at data on lifelong learning and familiarity with ICT. Participation in continuing training and upgrading of skill levels is more common in the EU-15 countries and is partly organised within the companies. As for ICT-use only 13% of the 55 and over age group used the internet in 2002 against 65% of people aged 15-24 and people with less than 15 years of schooling tended to use the internet only marginally. These differences indicate the existence of digital divides and accentuate existing risks of social exclusion.



15 See A.de la Fuente and A.Cicone: Human capital in a global and knowledge-based economy, part I (May 2002); and part II (assessment at the EU country level) (March 2003).

16 European Commission: Investing efficiently in Education and Training – an imperative for Europe, COM(2002)779 final.

17 For a discussion on employment and skills training, see Employment Precarity, Unemployment and Social Exclusion (EPUSE) Policy Report (page 6). Research funded under the 5th Framework Programme for Research and Development – <http://cordis.lu/citizens/publications.htm>

18 OECD: Programme for international Student Assessment (PISA).

When it comes to digital literacy<sup>19</sup>, new Member States appear to lag behind the EU-15 countries. There is still a lack of comparable data in this area despite various surveys undertaken such as the SIBIS project<sup>20</sup>. This is partly due to the lack of a clear definition of "digital literacy" which has different meanings in different social and economic contexts. But it is also due to the nature of the data, largely based on phone surveys, which may not take due account of the less privileged social groups. However, available data shows that the northern Member States appear at the upper end of the scale with large variations across the rest of the Union. ICT-literacy is primordial for improving economic performance in a Europe with smaller and older workforces in the future and as a vehicle for promoting economic and social cohesion.

***The health status of Europeans reflects their economic and social environment...***

The converging diminution of total mortality rates between the EU-15 countries from the late 1960s onwards reflects a similar convergence for various individual disease mortalities<sup>21</sup>. This tendency may be explained by increasingly similar lifestyles and health care patterns across the European Union. Furthermore, demographic trends will increase the prevalence of age related diseases, which will bring further convergence to patterns of morbidity and health care needs across the Union.

The lower mortality rates in the EU-15 countries were not replicated in the new Member States, with the exception of Malta and Cyprus, which display trends comparable to those in the EU-15 countries. From the late 1980s, when the new Member States of central and eastern Europe entered the transition period, a deterioration in life expectancy was observed. Differences in male mortality rates between the average of the EU-15 countries and the new Central and East European Member States increased from five years in 1990 to seven years by 1994, before diminishing to six years in 2000. For women the trend was similar although the 'gap' was slightly smaller.

***...and is also linked to working conditions.***

Some 40% of the respondents in a recent survey<sup>22</sup> in the new Member States and candidate countries considered that their work affected their health or safety - a much higher figure than the 27% in the EU-15 countries. These problems were more pronounced in Latvia and Lithuania, whereas in Estonia, Czech Republic, Slovakia, Hungary, Slovenia and Malta the problems were less acute. The implementation of the Community acquis with regard to health and safety at work should help improve this situation.

***Strong variations in household expenditure and consumption patterns exist across the Union...***

People in Lithuania (45%), Latvia (39%) and Estonia (34%) spend the largest part of their household budget on food and non-alcoholic beverages. In fact, while the biggest single category of household expenditure in most of the new Member States is food, people in the EU-15 countries spend the largest single part of their budget on housing. This is particularly the case in Luxembourg, the Netherlands, the United Kingdom and Germany.

The relatively high cost of housing is a recent phenomenon. In the EU-15 countries there was a considerable shift in the structure of household expenditure in the 1990s: a strong increase in the share spent on housing, and a corresponding decrease in the share spent on food.

***...and all these differences in living conditions across the enlarged Union are reflected in the degree to which citizens are satisfied with their lives...***

There are big differences with regard to life satisfaction between the EU-15 countries and the new Member States, as approximately 88% of citizens in EU-15 are satisfied with their lives against only 65% of citizens in the CEE new Member States. Citizens from these new Member States are also far less satisfied with their financial and employment situations than citizens of the EU-15 countries. Furthermore, people are less satisfied with their personal safety and social life in the new Member States, pointing to the fact that not only material factors, but also other dimensions of life could be improved. Figures show that the east-west gap in the enlarged Union with respect to perceived quality of life and life satisfaction will be much wider than the gap between the Nordic and southern EU-15 Member States.

***...and the extent to which they feel excluded.***

More people in the new Member States say they feel excluded, useless and left out of society than in the EU-15 countries. The highest share is found in Slovakia, where more than a quarter of the population report that they lack a sense of belonging. Of the new Member States, only Slovenia and Poland have a smaller proportion of respondents who report social exclusion than the EU average of 12%.

19 See: SIBIS Pocket Book 2002/03.

20 SIBIS (Statistical Indicators Benchmarking the Information Society) is a project in the "Information Society Programme" of the Commission (IST-2000-26275) which was running from January 2001 to September 2003.

21 H. Brenner: Social Determinants of Health, TUB (final report to EU Commission October 2003).

22 European Foundation for the Improvement of Living and Working Conditions: Working conditions in the acceding and candidate countries (Dublin 2003).

Among EU-15 countries, perceived social exclusion ranges from 7% in Denmark and the Netherlands to 15% in Portugal. Overall the variance in perceptions matches fairly well with the variance in objective indicators: the lower the GDP per capita, the higher the unemployment rate and the higher the prevalence of severe poverty, the higher the level of perceived social exclusion.

A more positive aspect of the analysis is that the populations of all the new Member States, with the exception of Latvia, report higher levels of life satisfaction than that reported by the Greeks and Portuguese when they joined the Union. A further interesting point is the heterogeneity among the ten new Member States as far as subjective quality of life is concerned. In short, cross country differences within the acceding group are larger than within the group of the EU-15 countries. The same can also be said for differences within countries, i.e. variations in reported life satisfaction within a country is more important in the new Member States than in the countries of EU-15, especially with regards to age, income, occupational class and education.

### Summary points

- As the EU population rises by 20%, while its GDP only increases by 4.5%, national and regional income disparities widen and the challenge of promoting social cohesion becomes more important.
- Enlargement will set new challenges for social cohesion while significant progress was observed in EU-15 over the last decade. Income in 82 regions of the enlarged Union, accounting for 31% of total population, will be below 75% of the EU-25 average. Two thirds of these people live in the new Member States and represent some 95% of their population.
- Relative levels of poverty in the new Member States tend to be moderate although absolute income levels and living standards remain very low, particularly among the least well off, as compared to EU-15. The issues of poverty, social exclusion and quality of living conditions will grow in importance in the enlarged Union.
- In 2002, real GDP in the new Member States of central and eastern Europe exceeded 1989 figures by 13% on average, but this average hides large disparities among countries where a few were still below the 1989 figures. During transition GDP growth has primarily been productivity driven. In the next phase it will be vital to achieve a higher employment dividend from growth.
- For EU-25 the prospect of a shrinking working age population implies that future economic growth will increasingly depend on productivity gains through human capital development and increases in physical capital. The quality of human capital will become a critical parameter for sustaining GDP growth. The underlying human capital potential in the new Member States of central and eastern Europe is encouraging as the states can build on the overall good levels of educational attainment.
- Narrowing the e-gap between Member States will become an integral part of social cohesion policies.
- Human capital development in a broad sense will be the key to economic and social progress. It can promote macro-economic performance and improve labour market opportunities, living conditions and the health status of citizens.



#### 4. Social protection and social participation

Social protection provisions are key instruments for reducing social risks, combating poverty and promoting greater social cohesion. Social and civil dialogue are fundamental for establishing a solid consensus with the aim of promoting growth, creating jobs and addressing social and regional disparities in a strategic manner. This chapter takes a look at the main features of the provisions and policy approaches, which the new Member States will bring to the enlarged Union, in areas such as pensions, health care, social inclusion, disability, gender, anti-discrimination and social and civil dialogue.

##### 4.1 The character of pension provisions

Pension reform has been a major issue on the political agenda across Europe over the last decade. Several major reforms and innumerable minor ones have taken place across the enlarged Union.

In the EU-15 countries, changes in pension schemes have primarily come in response to current and prospective ageing. While most of the reforms and adjustments could be characterised as parametric they have tended to cumulate into significant transformations. Moreover, at least three Member States – Denmark, Italy and Sweden – have implemented fundamental reforms in the 1990s and replaced the old pension system design by a new one<sup>23</sup>.

In the new Member States of central and eastern Europe reforms would seem to have been of a more far-reaching nature than in most of the EU-15 countries<sup>24</sup>. However, closer examination suggests that reforms were primarily motivated by practical concerns and inspired by innovations in the EU-15 countries, and that present provisions in the new Member States tend to fit into the existing clustering of pension arrangements in the Union<sup>25</sup>.

##### **Background to pensions reforms in the new Member States of central and eastern Europe**

*The financial pressures from the transition to market economies have had a major impact on pension reforms in the new Member States of central and eastern Europe. For example, mass redundancies in the process of restructuring the former state enterprises left little alternative to large-scale early retirement, at a high cost to government budgets. The financing problem was, however, not just confined to the expenditure side. People acquired pension rights on the basis of their work record, while financing was based on pay roll taxes levied at company level. In a situation with falling employment, a growing shadow economy and major difficulties in collecting social insurance contributions, the old system of financing and of acquiring pension rights could not be sustained. Individual accounts with stringent and transparent links between individual contributions and the build-up of benefit rights seemed to offer an attractive solution to the problems. Furthermore, as capital formation in the economy was insufficient and the need for investments in all areas was massive, the idea of pre-funding a part of future pension provision became attractive also from a macro-economic perspective.*

The ten new Member States can be grouped in four clusters when one considers the scope of the reforms implemented over the last decade:

1. Latvia, Poland and Estonia have adopted fundamental reforms of their public 1st pillar pensions as well as introduced a 2nd pillar of mandatory, fully funded schemes managed by competing private pensions institutes.
2. Hungary and Slovakia have introduced a 2nd pillar of mandatory, fully funded schemes managed by competing, private pensions institutes and reduced their 1st pillar public scheme accordingly but otherwise left this pillar unchanged.
3. The Czech Republic has reformed its public scheme, but refrained from introducing a mandatory private one.
4. Lithuania, Slovenia, Malta and Cyprus have so far retained their PAYG (pay-as-you-go), defined benefit systems financed from social security contributions and general taxation and abstained from reforming their pension systems in a fundamental way.

23 European Commission: Joint Commission/Council Report on adequate and sustainable pensions: Brussels, March 2003.

24 Holzmann, R., M. Orenstein and M. Rutkowski (2003, editors): Pension reform in Europe: Progress and Process, Washington, D.C. (The World Bank).

25 European Commission: Accessing Countries on their way to participate in the Open Method of Co-ordination on Pensions - Main lessons from bilateral seminars. Brussels Dec. 2003.



Compared to EU-15 countries the statutory contribution rates for pensions (old age, survivors and invalidity) tend to be high in the new Member States of central and eastern Europe, typically 25% or more of gross earnings. The resulting replacement rates, however, tend to be low. Generally, this is due to low employment rates, particularly for women and older workers. Furthermore, as it will take decades before benefits from fully funded schemes reach the intended level, benefit adequacy and employment rates will thus continue to be pressing short to medium term issues in these countries. In the longer term, the new Member States will also face the challenge of population ageing.

The main difference from current arrangements in the EU-15 countries is that five of the new Member States, as part of their statutory arrangements, have established a second pillar of mandatory, fully-funded, defined contribution schemes in which pension savings are administered by competing private pension funds or insurance companies.

Among the EU-15 countries, only Sweden has a system with a mandatory, fully funded element and this has a significantly smaller importance in overall provision (a contribution rate of 2.5%). Yet, other EU-15 countries, notably the Netherlands and Denmark, have a significant 2<sup>nd</sup> pillar of fully funded occupational pensions based on collective agreements, and the UK and Ireland rely to a large extent on voluntary funded provision, either through occupational or personal pension schemes<sup>26</sup>. The difference in reliance on funded, privately administered elements in pension provision is therefore more one of degree and approach than of principle.

Enlargement has affected the balance between different types of pension arrangements. Yet, given the challenges faced by the new Member States<sup>27</sup>, it is most likely that the present EU overall strategic approach to pension reform embodied in the Laeken objectives<sup>28</sup> of adequacy, financial sustainability and adaptation to labour market and societal changes will continue to be considered as appropriate to address the medium and long-term challenges to pension systems in the EU-25.

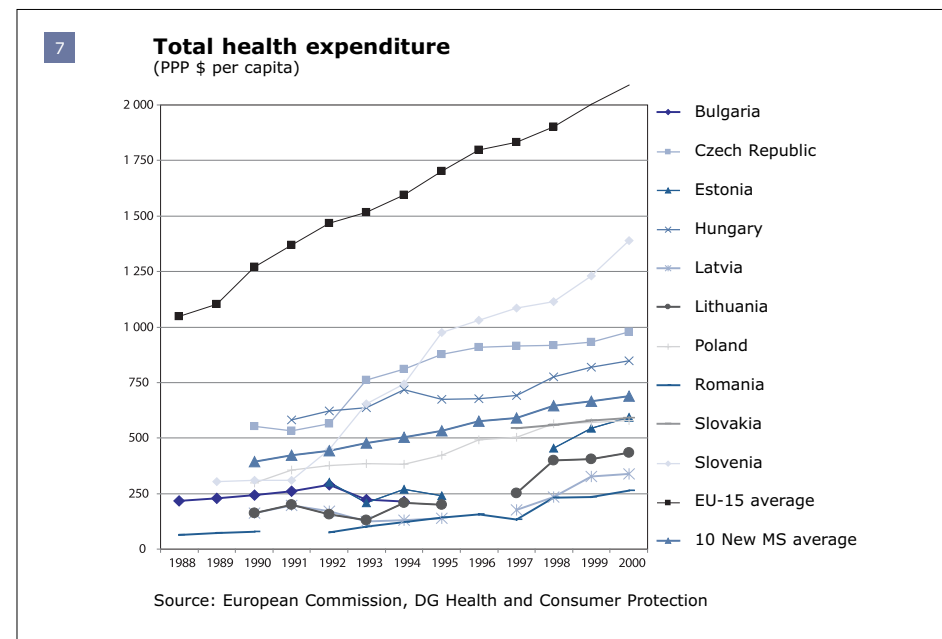
#### 4.2 Health insurance and healthcare

Wide disparities exist across the enlarged Union when looking at the different dimensions of health. While each of the 25 states has its particular way of organising the health sector, there are trends which characterise the new Member States of central and eastern Europe and the development of their health care systems. The previous political regime left its marks and far-reaching reforms have been implemented over the last fifteen years to replace the outdated, centralised systems<sup>29</sup>.

Health status and health expenditure are at very different levels in the EU-15 countries and the CEE new Member States. For the latter statistical data on life expectancy and mortality rates for various diseases all indicate that citizens' health status is inferior to that in EU-15 countries, where people tend to live longer and suffer less frequently from serious diseases.

At the same time, spending on health<sup>30</sup> is considerably lower in the new Member States of central and eastern Europe. The graph below illustrates that although all these countries have increased health spending over the past two decades (particularly the wealthier ones, i.e. Slovenia, Hungary, the Czech Republic and Slovakia), spending levels remain well below the EU-15 average.

Indeed, the fact that the EU-15 on average spends roughly four times as much in PPS (Purchasing Power Standards) on health care than the new Member States of central and eastern Europe would indicate that a substantial gap in health care capacities persists<sup>31</sup>. While health expenditure is not the sole determinant of health outcomes, the potential for health improvements when raising health spending is stronger when the initial level of investment is lower. Thus, improving the health situation in these eight new Member States would to a large extent seem to hinge on raising the scale and effectiveness of health care investments.



26 National strategy reports: adequate and sustainable pension systems, published on the Web pages of the European Commission, Autumn 2003 ([http://europa.eu.int/comm/employment\\_social/soc-prot/pensions/index\\_en.html](http://europa.eu.int/comm/employment_social/soc-prot/pensions/index_en.html)); European Commission: Joint Commission/Council Report on adequate and sustainable pensions: Brussels, March 2003.

27 Malta and Cyprus have been less focussed on pensions, but there is now a growing debate about the need for reforming existing pension systems to improve adequacy and secure long term sustainability.

28 European Council: Quality and viability of pensions - Joint report on objectives and working methods in the area of pensions, Laeken Dec. 2001.

29 European Commission: Highlights on health in the applicant countries to the European Union, DG Sanco, 2002.

30 Health expenditures are not yet fully comparable across Europe. Currently experts are investigating to what extent differences in health expenditures (e.g. measured as a percentage of GDP) reflect differences in spending habits and volumes and qualities of services rendered.

31 Since low health care spending may also be observed if major parts of health care goods and services are provided at low relative prices the gap in the volume and quality of health care services may be less than indicated by the difference measured in percentage of GDP or PPS.

Faced with problems of excessive centralisation, insufficient supply of inputs, under-performance and underinvestment, policy makers in these countries have had to transform the out-dated healthcare systems<sup>32</sup>. Three elements have been fundamental to the transformations, which have brought the healthcare systems of these new Member States closer to their counterparts in the EU-15 countries and greatly improved their ability to address the health challenges: decentralisation, social health insurance and the restructuring of healthcare services.

Reforms have been particularly focused on carrying out far-reaching structural changes. Efforts to decentralise and privatise have been aimed at removing control over financing, managing and delivery of health care from the central state and involving regional, local and private actors instead.

The introduction of social health insurance has been another essential element of reforms, as seven out of these eight new Member States have preferred an insurance-based rather than a tax-based system.

Lastly, there have been significant transformations in the delivery of health services. The role of primary health care has been strengthened while efforts have been made to reduce costly and inadequate hospital facilities which remained from the old systems. For example, in the ten year period between 1990 and 2000, Estonia succeeded in improving productivity in health care and thereby became able to reduce beds in acute hospitals from 9.2 per 1000 inhabitants to 5.6.

The CEE new Member States face several challenges as they are confronted with serious health problems and with lower resources to devote to improving the health sector. Reforms have resulted in important changes and improvements, but for these to achieve full potential, further efforts and investment remain necessary.

#### 4.3 Minimum income and social assistance protection

For people permanently excluded from the labour market, basic protection against poverty and exclusion is ensured by means of a last resort "safety net" whenever other forms of social insurance (such as pensions or unemployment benefits) are not available. In the EU-15 countries, nearly all Member States provide some form of minimum income guarantee for all legal residents. Such financial assistance is supplemented by a variety of cash allowances or services delivered locally to help beneficiaries bear the cost of housing, education, care, etc. In Italy and Greece, no such income guarantee exists, and instead there is a variety of targeted schemes administered in a more or less decentralised way<sup>33</sup>.

While minimum income guarantee schemes have contributed powerfully to reducing the risk of poverty in the EU, they have increasingly come under scrutiny in order to ensure

that they promote, rather than hinder, effective integration in the labour market and that they are administered in an efficient way.

Among the new Member States, coverage and adequacy of social protection to ensure minimum adequate resources remains a fundamental problem. In central and eastern European countries, the incidence of poverty tends to be higher for people of working age and children, as a result of long-term unemployment and low earnings, whereas in Cyprus and Malta, it particularly affects the elderly. This global picture is confirmed by data showing that pensions play a major role in most central and eastern European countries in alleviating the risk of poverty, as compared with other social transfers. Throughout the nineties, family and child benefits became key components of poverty reduction programmes in several of these countries, which used a variety of targeting approaches. Price subsidies for utilities were, in general, withdrawn and poverty cash assistance programmes grew, but tended to be devolved to local municipalities, which had to face serious administrative and financial problems<sup>34</sup>.

While evidence on the impact of social assistance programmes in the new Member States is outdated and uneven, available results suggest poor targeting, widespread under-coverage and generally low levels of benefits. More recently, some countries have established or reinforced schemes intended to ensure adequate minimum levels of income to employed, unemployed and inactive people through a variety of schemes including minimum wages, guaranteed minimum income schemes, non-contributory social pensions or universal social assistance scheme guarantees. However, it is still to be determined to what extent such schemes can be compared in coverage and benefit levels to the minimum income schemes that are prevalent in EU-15 countries.

#### 4.4 Diversity and protection of minorities against exclusion and discrimination

European societies are witnessing a growing trend towards ethnic, cultural and religious diversity, fuelled by international migration and increased mobility within the EU.

This trend is likely to continue with enlargement, due to a combination of "pull" factors (Europe's ageing population, labour shortages in certain regions and sectors) and "push" factors (growth of young adult population in many neighbouring countries, high unemployment rates, political instability, poverty).

Measures to promote the inclusion and participation of ethnic minorities in the current Member States have tended to focus primarily on new migrants who have arrived in the countries concerned over the last three to four decades. In many new Member States, however, immigration is a relatively recent phenomenon and the main focus is on the situation of historical minorities, including the Roma.

<sup>32</sup> For the full discussion see R. Busse "Health Care Systems in EU Pre-Accession Countries and European Integration" 5-6/2002 Arbeit und Sozialpolitik.

<sup>33</sup> European Commission: Draft Proposal for Joint Report on social inclusion 2004, p. 52.

<sup>34</sup> Social protection in the 13 candidate countries, 2003, DG Employment and Social Affairs.

Figures from those Member States that collect data on migrants and ethnic minorities also indicate that these groups have lower levels of educational achievement and are more likely to live in low-income households and in poor quality housing<sup>35</sup>.

The new Member States countries face similar challenges with regard to the social and labour market participation of minorities. The problems of exclusion and discrimination faced by Roma communities and some Russian minorities in some new Member States are particularly acute<sup>36</sup>. These problems will have to be tackled through a combination of employment, social inclusion and anti-discrimination measures. Addressing discrimination through legislation and pre-emptive measures constitutes a challenge for the new Member States in this connection<sup>37</sup>.

#### 4.5 Disability: policies for people with special needs

The EU approach to disability does not identify separate categories of people, but is instead based on individual needs. This is a much more socially-inclusive approach than one based on categorisation. It implies a general shift away from disability-specific programmes towards a mainstream approach<sup>38</sup>.

The goal is to ensure that people with disabilities enjoy the same human rights as everyone else, by removing barriers and combating all forms of disability-related discrimination.

Trends in EU-15 countries are generally positive in this area, although several obstacles remain, where much more effort is still needed - notably physical, legal and administrative barriers, new technologies and attitudes.

In many new Member States disability policies still tend to be oriented towards segregation rather than mainstreaming action across all policy areas. Moreover, although quota systems are prevalent there appears to be major problems with their practical enforcement. Disability policies in these countries are only now beginning to move away from the old-style 'protectionist' policies and medical models of disability.

This movement away from sheltered employment has, initially, led to higher unemployment for people with disabilities: so far it has not yet been compensated for by the necessary supportive policies and mainstream employment opportunities for disabled people, who may not possess the education, experience or training to be employable in the open labour market.

In addition the focus on reasonable accommodation for disability in the Employment Equality Directive has not yet filtered through to policies and practices in many new Member States.

35 Also of relevance to this discussion is work carried out under the European Commission Targeted Socio-Economic Research (TSER) Programme - Castles et al., Centre for Migration and Policy Research, University of Oxford, ISBN 92-894-5273-0.

36 Joint Memoranda on Social Inclusion Dec. 2003 published on the web pages of the European Commission ([http://europa.eu.int/comm/employment\\_social/soc-prot/soc-incl/jim\\_en.html](http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/jim_en.html))  
European Commission: Synthesis of the Joint Memoranda on Social Inclusion, Brussels, March 2004.

37 Equality, Diversity and Enlargement - Report on measures to combat discrimination in acceding and candidate countries. Commissioned expert Report, European Commission, DG Employment and Social Affairs, Brussels 2003.

38 "Equal opportunities for people with disabilities: A European Action Plan" COM(2003)650.

39 A growing literature has sought to conceptualise civil society capacities in the notion of social capital. The European Commission is investigating the potential, practical applicability of this concept.

40 C. Haerpfer, C. Wallace and L. Mateeva : Social Capital and Civic Participation in Accession Countries and Eastern Europe. Expert paper prepared for the European Commission, Vienna 2003.

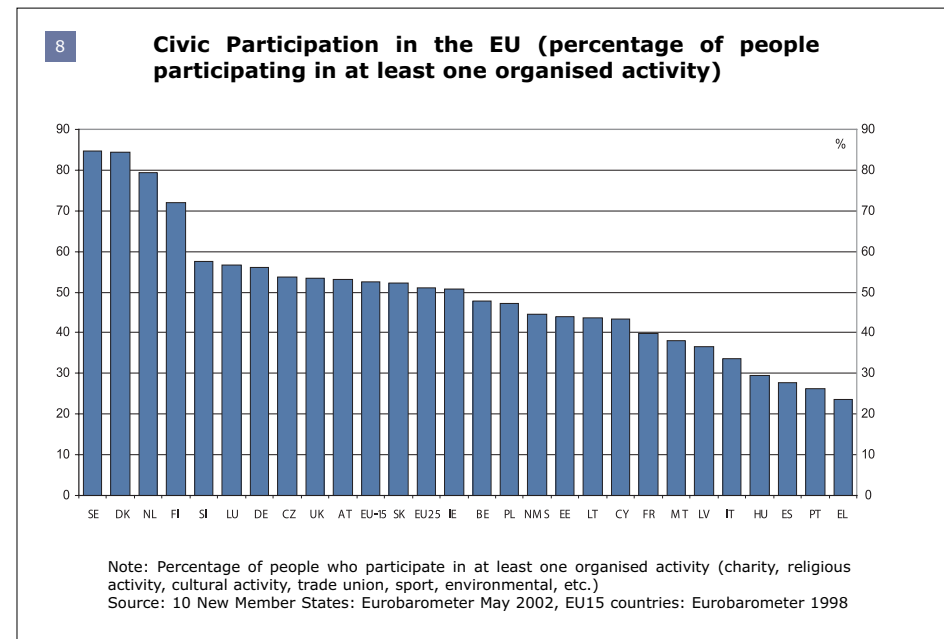
#### 4.6 Civil Society and Civic Participation

Core civil society capacities are indicated by the extent of civic mindedness, trust and participation of the population, which in turn influence the overall economic, social and political performance of a country<sup>39</sup>. These capacities are generated and enhanced in a free and thriving civil society, while their development is hampered where the development of civil society has been stifled. For most of the new Member States of central and eastern Europe, a civil society marked by sparse participation in public life and distrust in public institutions has been one of the damaging legacies of previous political regimes.

Studies have found that the extent of civic mindedness within society, the prevalence of social norms promoting collective action and the degree of trust in public institutions are much less developed in transition economies, and have also confirmed the existence of correlations between measurements of these phenomena and economic growth<sup>40</sup>.

In the early transition period people in the central and eastern European countries were found to have less trust in strangers and be less civic-minded than people in the EU, even though they professed as much altruism. They had strong family attachment while relying less on their friends and having smaller and more closed social circles. At the same time, they scored much lower on civic participation and trust in institutions.

Civic participation in these new Member States has improved since the beginning of transition and though the score continues to be lower than in EU-15 countries, differences within the two groups of countries are larger than those between them; new Member States will tend to fit into existing clusters of social participation along the existing north/south divide.



However, the difficulties of transition from central planning and totalitarian rule are still visible in the structures, capacities and overall functioning of the different levels of government in the CEE new Member States. Possibilities for developing modern governance practices, such as the involvement of central stakeholders from civil society in decision-making and policy implementation at the regional and local level, are constrained. Representative, well-organised and capacious NGOs are not frequent. Moreover, the administrative and decision-making resources of local government authorities are not generally of a kind which allows them to work closely with civil society in the implementation of social policy measures.

In order to improve capacities in social policy governance it will be important that the new Member States, with support from the Community, continue to stimulate the development of civil society organisations.

#### 4.7 Industrial Relations & Social Dialogue

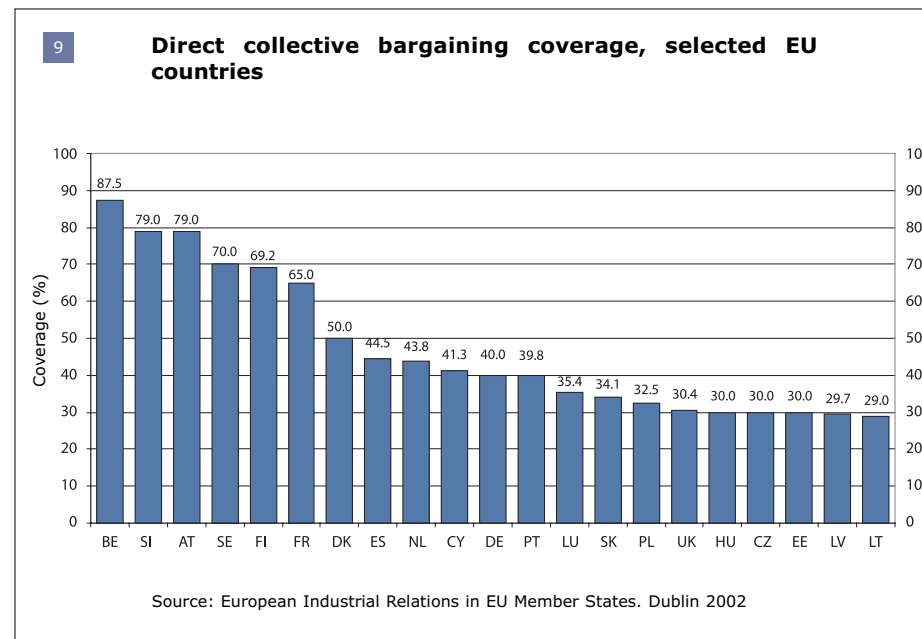
Despite sustained efforts to develop industrial relations and social dialogue in the new CEE Member States, the social partners in most of these countries still face challenges with a view to fully participating in economic and social governance which the European Social Model attributes to them. The bipartite level needs to be strengthened.

While there are considerable differences between the industrial relations regimes in the old and most of the new Member States, there are also important similarities. For example in the structure of trade union organisation at the national level and in trade union density where the new Member States tend to fit into the existing clusters of variation in EU-15 countries.

Taking into account the fact that employer organisations had to be established from scratch in the new Member States of central and eastern Europe during the nineties similarities with EU-15 countries are a lot smaller, although some can be found. One major difference being that in most of these new Member States organisational density is much lower and that collective bargaining at bipartite level is limited, as employer organisations often do not engage in such negotiations.

This also reflects the fact that bipartite bargaining in general is a new institution in most of these new Member States, which is gradually being developed. In contrast to most EU-15 countries, where within a multi-layer system collective bargaining is predominantly characterised by agreements at the sectoral level, collective negotiations in the most of the new Member States are dominated by bargaining at company level. In EU-15 countries this is only echoed in the UK and to a lesser extent for some issues in Luxembourg and France.

In terms of the proportion of workers directly covered by collective bargaining, the new Member States fall within the range of variations even though they do not fit entirely into the EU-15 clusters.



As indicated in Graph 9, variations within both groups of countries are substantial. The new Member States are represented at both ends of the scale but most of them are found in the lowest quarter of the ranking.

Tripartism exists in varying, more or less formalised shapes and with different degrees of social partner involvement in most of the EU-15 countries, a development which has gathered momentum in the run-up to the introduction of EMU. The tripartite system, which also exists in varying forms in all new Member States is, as yet, to a great extent dominated by state priorities especially with a view to smoothing the ongoing restructuring process in the new Member States of central and eastern Europe and the involvement of the social partner organisations is mostly of a consultative nature.

The development of the role and strength of bipartite collective bargaining and of trade unions and employer organisations is actively supported by the European social partners (as indicated in their joint work programme 2003-2005) and is expected to improve with the further stabilisation and growth of the economy, but a supportive environment of government policies will also be called for. The efforts to further bipartite social partnership will also help to enhance the scope and commitment of the tripartite dialogue.

## Summary points

- Comparisons of social protection provisions and social and civil dialogue in the new Member States and EU-15 document a whole range of differences, but also reveal many similarities.
- Many of the differences and a lot of the social problems in the new Member States in central and eastern Europe relate to the pre-1990 and transition periods. These difficulties cannot be escaped overnight but the similarities and the progress made in the *acquis* indicate that with time they will fit well into the span of variations in EU-15 countries.
- Reforms that can help deliver better social protection and higher standards of living are underway (e.g. pensions, health), but challenges should not be underestimated (e.g. health & social inclusion) and in some areas modern approaches still need to be implemented (e.g. gender, disability and ethnic minorities).
- Across the board the ability to achieve changes and deliver on reforms is constrained by administrative and social governance capacities. Measures of supporting structures of civil society and social partnership continue to show a substantial gap to the EU-15.
- Pension reforms in a number of new Member States were inspired by innovations in EU-15 countries and current provisions fit into the range of pension arrangements in the EU-15. The success of pension reforms in these countries will depend on their ability to raise employment levels and the average age of exit from the labour market.
- The integrated approach embedded in the Laeken pension objectives also apply in the new Member States. Present vulnerabilities of pension systems in many of the new Member States underscore the importance of securing adequate benefits, higher employment, later retirement and effective regulation and sound management of pension funds.
- In PPS (Purchasing Power Standards) the EU-15 spends roughly four times as much on health as the new Member States of central and eastern Europe. Raising the scale and effect of health expenditure is a precondition for health improvements.
- The substantial Roma and other ethnic minorities in some new Member States will increase the social inclusion and anti-discrimination challenges associated with ethnic diversity.
- Disability policies in the new Member States still tend to be based on medical models of disability and marked by institutionalisation and sheltered employment.
- The development of the bipartite social dialogue and the industrial relations regimes need further strengthening in most of the new Member States

41 I.e. in employment, social inclusion, anti-discrimination, modernisation of social protection, Citizens' Charter etc.

42 For example, the Open Method of Coordination.

43 At the March 2000 EU summit in Lisbon the Union set itself a new strategic goal for the decade until 2010 to "...become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion."

## 5. The European Social Agenda in the EU of 25

### 5.1 Developments in the European Social Agenda and the new Member States

#### ***Recent years have witnessed significant developments in social policy at EU-level...***

Over the past six years developments in coordination on employment and social policy at EU level<sup>41</sup> have broadened the scope of the European Social Agenda, consolidated its content and established new working methods<sup>42</sup> for its further development. The new policy coordination processes were created with the problems, preferences and the capacities of the EU-15 countries in mind. For a long time, preparations for accession focussed mainly on the adoption of the legislative *acquis*. It is only recently that the new Member States have been involved into the EU policy coordination processes in social protection and social inclusion.

A crucial question raised by several observers is therefore whether the general thrust of the present social agenda will offer an adequate basis for the enlarged Union, or whether there will be a need to recast the agenda.

#### ***...and though the new Member States did not participate directly in these advances, their core policy concerns are well covered.***

This report shows that amid significant and challenging differences between the EU-15 countries and the new Member States there are also clear similarities in the challenges, namely managing rapid economic change and responding to population ageing. The general Lisbon objectives<sup>43</sup> clearly also apply to the new Member States.

The prospect of contraction of the working age population and the rapid expansion of the population above retirement age constitutes a major, common challenge in an enlarged Union. It underscores that current and new Member States have a shared need to develop mutually reinforcing policies that seek to build on the many synergies between economic, employment and social policies. This shows the need to implement the full range of the Lisbon strategy.

As the foreseen economic upswing is likely to be the last before the demographic shift sets in and ageing begins to accelerate, all EU-25 Member States will have a strong common interest to introduce the necessary changes in employment and social protection policies as quickly as possible.

Obviously, Community policies in the enlarged Union will have to take account of the increased diversity in the social situation, but enlargement does not question the thrust of the Social Agenda.

## 5.2 Key challenges and opportunities for the new Member States

While the scale of challenges emanating from this enlargement will be particularly large, the experience from former accessions of countries with a GDP markedly below the Union average (e.g. Ireland, Greece, Portugal and Spain) confirms that major improvements in the social situation can be achieved through concerted, sustained efforts at national and EU level.

Nonetheless, the state of affairs in several of the incoming countries, still largely associated with the fall-out from the transition period, but increasingly reflecting the new social impact of economic growth, which inevitably will leave behind people unable to adapt to the new technological requirements, calls for further intensification of policy efforts to counter disparities in living conditions, and combat poverty and social exclusion<sup>44</sup>. Success in achieving these objectives will enhance living conditions and thereby possibilities for reducing mortality and avoiding a further depression of fertility levels. While the strengthening of social protection systems will be called for in order to sustain the path to modernisation, decision-makers in the new Member States will be confronted with difficult policy choices imposed by an increasing pressure to consolidate public finances and ensure favourable macroeconomic conditions for sustainable growth. This demonstrates the importance of achieving employment generating economic growth and promoting active social and employment policies, in order to rapidly close the current employment gap in relation to the EU. In addition, in order to deliver on reforms and to take full benefit of accession, the new Member States will have to improve their administrative and social governance capacities, including an increased capacity to mobilise and involve social partners - and civil society at large - in decision-making processes.

In such developments it will be important to draw on the mutually reinforcing synergies between employment and social policies and the wealth of policy experience accumulated at EU level. Implementing the European Employment Guidelines and Recommendations as well as the common objectives assigned to the policy coordination processes in the fields of pensions and social inclusion will be crucial. Investments in cost-efficient, employment-friendly social protection and health care constitute an important part of the measures needed to develop and sustain people's ability to participate and contribute<sup>45</sup>.

There are a number of achievements and relative advantages, which the new Member States can build on. Together these form a set of opportunities. As highlighted in this report these include:

- Considerable labour force reserves with a relatively high educational achievement level make many new Member States well placed for a long period of sustained growth, particularly if this relative advantage is underpinned by further human resource development and more employment-friendly social protection.
- The ability of several new Member States to introduce advanced pension reforms in the midst of economic and political turmoil demonstrates an ability to tackle difficult reform issues, which can be applied in the further process of change.
- Health sector reforms in many new Member States have established important parts of the conditions for a period of rapid and significant improvements in the contributions from health care to a better overall health status, particularly as these countries become able to move more money to the sector.
- Moderate levels of relative poverty in most new Member States indicate a fair degree of national social cohesion and a sizeable impact of social protection schemes that can be an important asset for successfully tackling the challenges of economic modernisation and globalisation.

On the basis of these opportunities and the considerable progress in the *acquis*, the ten new Member States - with the support of EU policies - could be well placed to become an important driver of economic growth and social improvement in the enlarged Union.

Yet, making a success of enlargement in the social area will also crucially depend on the hosting capacity of the EU-15 Member States. The willingness to allow the new Member States to draw on the experiences and resources of the EU-15 countries will in many ways determine the scale and speed of progress. In the new Social Agenda it will be important to find ways to accommodate the needs and release the energies of all Member States of the enlarged Union.

<sup>44</sup> The Joint Memoranda on Social Inclusion, Commission Synthesis Report.

<sup>45</sup> Ibid.

# Annexes



## Annex 1: Statistical portraits

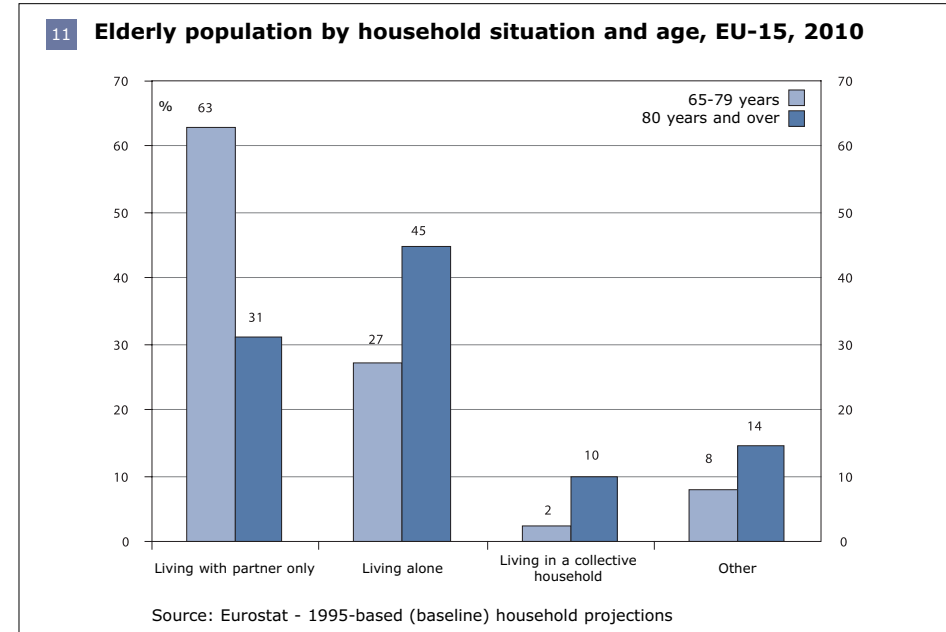
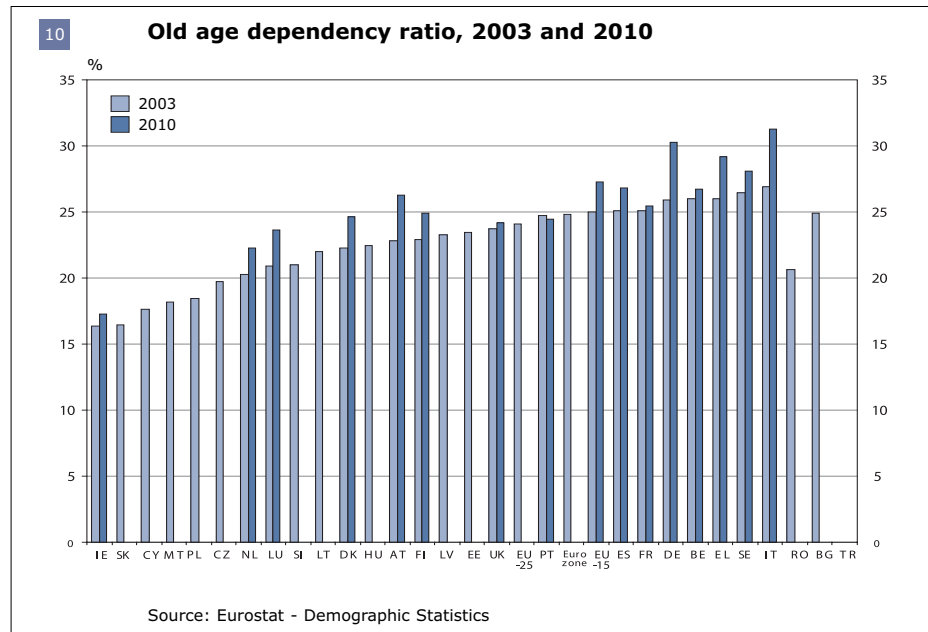
### Ageing of the population

In 2003, there were 74 million elderly people aged 65 and over in the EU-25, compared with only 38 million in 1960. Today elderly people represent 16% of the total population or 29% of what is considered to be the working age population (15-64 year olds). By 2010, the latter ratio is expected to rise to 27%. Over the next fifteen years in EU-15, the number of 'very old' people aged 80 and over will rise by almost 50%.

#### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
<b>Old age dependency ratio</b> (Population aged 65 and over as a percentage of the working age population (15-64) on 1st January)																																
2003	24.1	25.0e	24.8	26.0	19.7	22.3	25.9	23.5e	26.0e	25.1e	25.1	16.4	26.9e	17.6e	23.3	22.0	20.9	22.4	18.2	20.3	22.8	18.4	24.7	21.0	16.5	22.9	26.5	23.7e	24.9	20.6	:	
2010	:	27.3f	:	26.7f	:	24.6f	30.3f	:	29.2f	26.8f	25.5f	17.3f	31.3f	:	:	:	23.6f	:	:	22.3f	26.3f	:	24.5f	:	:	24.9f	28.1f	24.2f	:	:	:	

Source: Eurostat - Demographic Statistics.





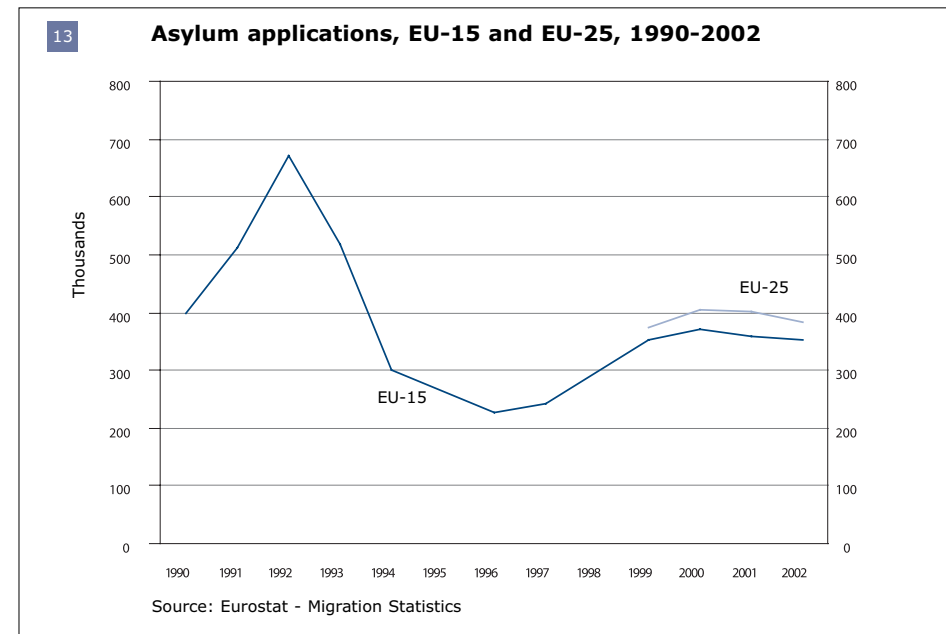
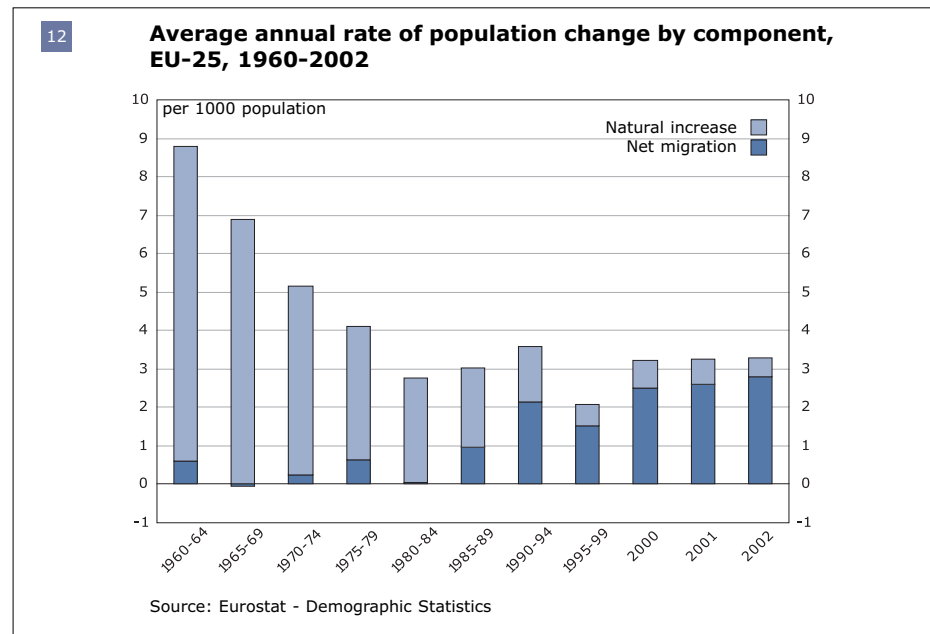
## Migration and asylum

Net migration is the main component of annual population change in the EU-25. In 2002, the annual net migration rate was 2.8 per 1 000 population in EU-25, representing around 85% of total population growth. In 2002 there were 384 500 asylum requests in the EU-25.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
<b>Crude net migration rate, 2002</b> (The difference between population change and natural increase during the year per 1000 population)	2002	2.8e	3.3e	:	3.9	1.2	1.8	2.7	0.1	2.9	5.5	1.1	8.3	6.1	9.7	-0.8	-0.6	5.9	0.3	4.8e	1.7	3.2	-0.3	6.8	1.1	0.2	1.0	3.5	2.1e	0.0	-0.1	1.4e

Source: Eurostat - Demographic Statistics







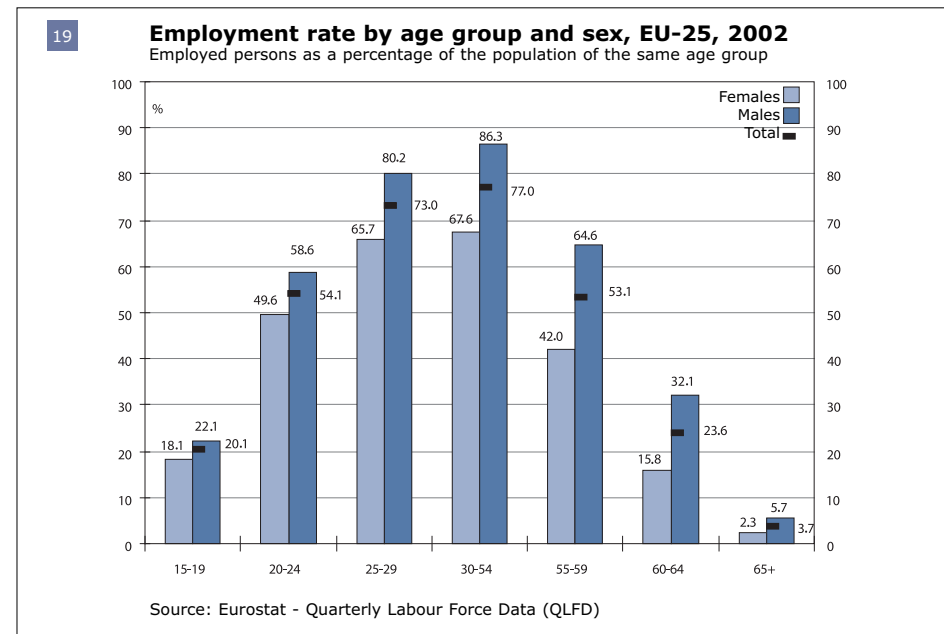
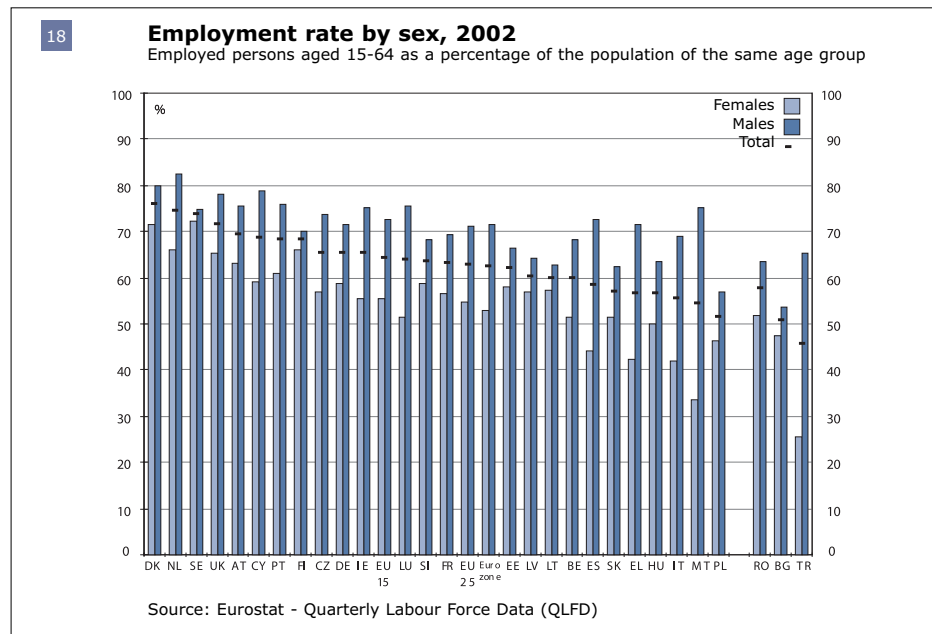
## Employment

In 2002, over 199 million people were in employment in the enlarged Union, a rise of 11.5 million since 1996. From 1997 until 2001, annual growth was between 0.9% and 1.6% but in 2002, employment growth almost stagnated. The employment rate for the population aged 15-64 stood at 62.9% in 2002.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
<b>Employment rate, 2002</b> (Employed persons aged 15-64 as a percentage of the population of the same age group)																															
Total	62.9	64.3	62.4	59.9	65.4	75.9	65.3	62.0	56.7	58.4	63.0	65.3	55.5	68.6	60.4	59.9	63.7	56.6	54.5	74.4	69.3	51.5	68.2	63.4	56.8	68.1	73.6	71.7	50.6	57.6	45.6
Females	54.7	55.6	53.1	51.4	57.0	71.7	58.8	57.9	42.5	44.1	56.7	55.4	42.0	59.1	56.8	57.2	51.6	50.0	33.6	66.2	63.1	46.2	60.8	58.6	51.4	66.2	72.2	65.3	47.5	51.8	25.5
Males	71.0	72.8	71.7	68.3	73.9	80.0	71.7	66.5	71.4	72.6	69.5	75.2	69.1	78.9	64.3	62.7	75.6	63.5	75.3	82.4	75.7	56.9	75.9	68.2	62.4	70.0	74.9	78.0	53.7	63.6	65.5
<b>Employment rate of older workers, 2002</b> (Employed persons aged 55-64 as a percentage of the population of the same age group)																															
Total	38.7	40.1	36.4	26.6	40.8	57.9	38.6	51.6	39.7	39.7	34.8	48.1	28.9	49.4	41.7	41.6	28.3	26.6	30.3	42.3	30.0	26.1	50.9	24.5	22.8	47.8	68.0	53.5	27.0	37.3	33.8
Females	29.1	30.5	26.4	17.5	25.9	50.4	30.1	46.5	24.4	22.0	30.6	30.8	17.3	32.2	35.2	34.1	18.6	18.5	11.8	29.9	20.9	18.9	41.9	14.2	9.5	47.2	65.6	44.7	18.2	32.6	21.0
Males	48.9	50.1	46.8	36.0	57.2	64.5	47.1	58.4	56.0	58.6	39.3	65.1	41.3	67.3	50.5	51.5	37.9	36.7	50.4	54.6	39.8	34.5	61.2	35.4	39.1	48.5	70.4	62.6	37.0	42.7	47.3

Source: Eurostat - Quarterly Labour Force Data (QLFD)





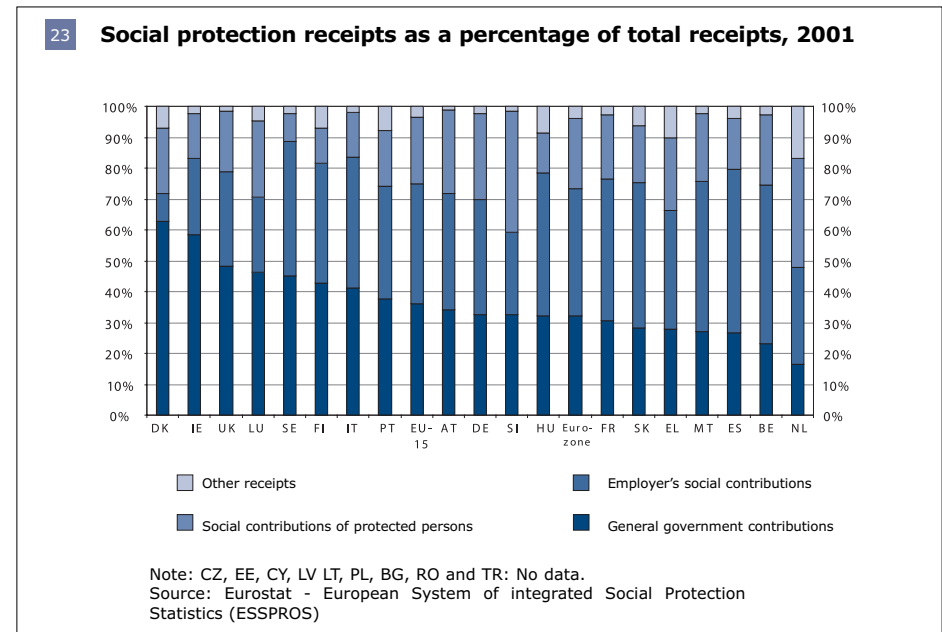
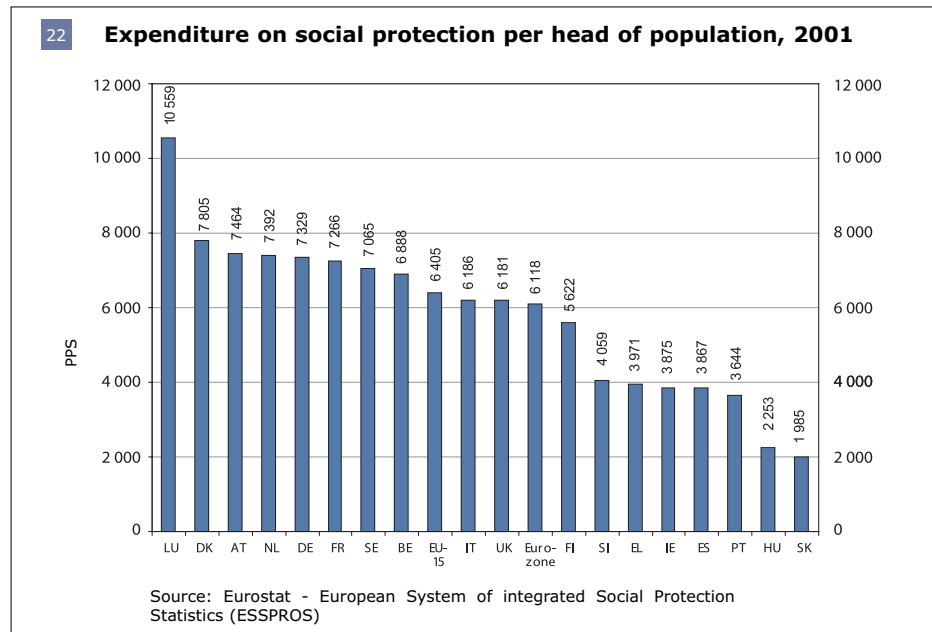
## Social protection expenditure and receipts

In 2001, social protection expenditure as a percentage of GDP increased in most of the countries in the European Union. There are considerable differences between Member States for the expenditure as a percentage of GDP and even more in terms of per-capita PPSs. Different countries have markedly different systems for financing social protection, depending on whether they favour social security contributions or general government contributions.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
<b>Expenditure on social protection as a percentage of GDP, 2001</b>																																
2001	:	27.5	27.4	27.5	:	29.5	29.8	:	27.2	20.1	30.0	14.6	25.6	:	:	:	21.2	19.9	18.3	27.6	28.4	:	23.9	25.6	19.1	25.8	31.3	27.2	:	:	:	

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



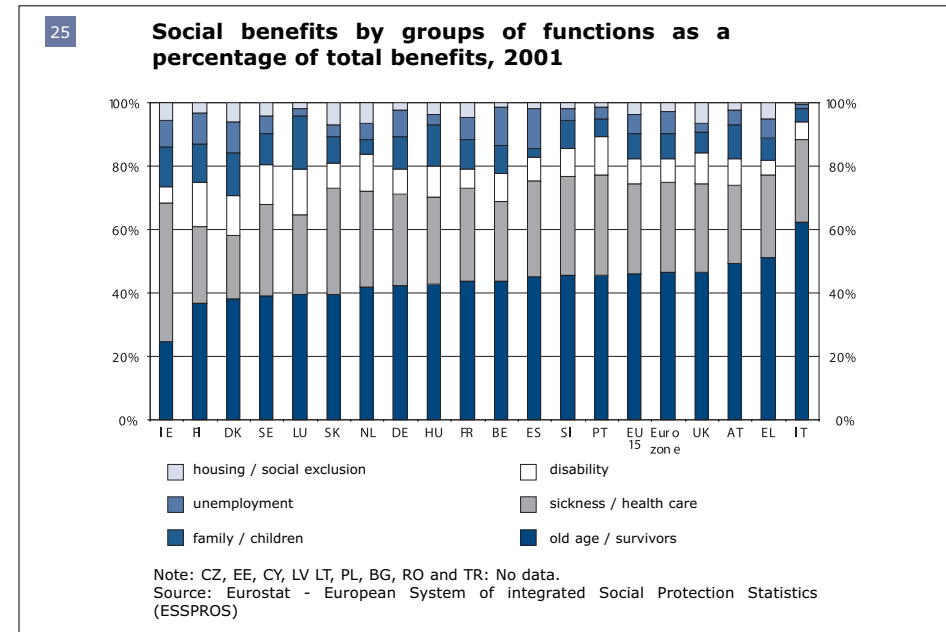
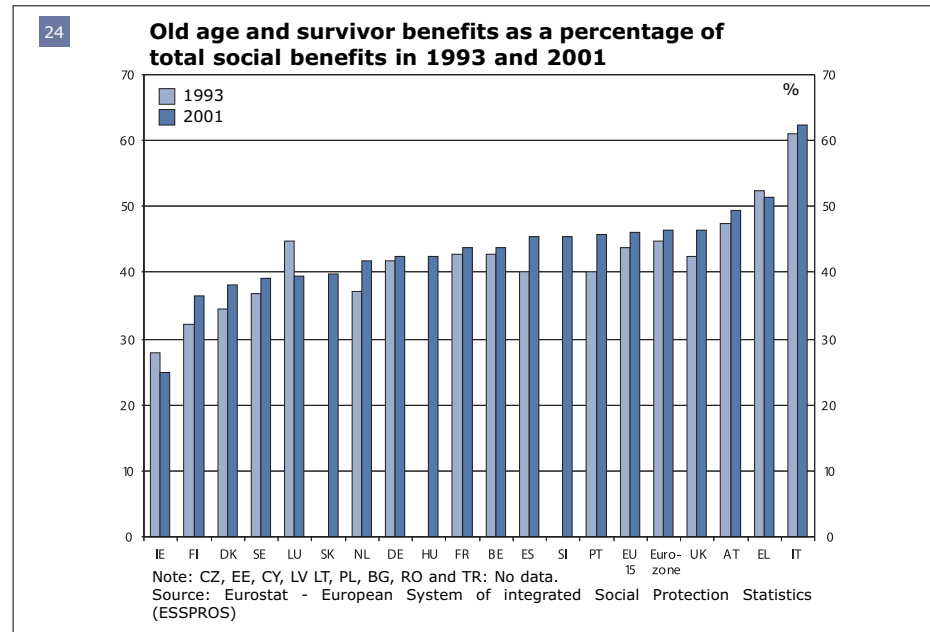
## Social benefits

In most Member States in 2001, the largest share of social protection expenditure was assigned to the old age and survivors functions, followed by the sickness function. The other functions accounted for less than 30 % of the total. The structure of benefits is relatively stable over time.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR		
<b>Old age and survivors benefits as a percentage of total social benefits, 2001</b>																																	
1993	:	43.9	44.7	42.7	:	34.5	41.8	:	52.5	40.1	42.7	28.0	61.1	:	:	:	44.8	:	:	37.3	47.3	:	40.0	:	:	32.2	36.8	42.6	:	:	:		
2001	:	46.1	46.4	43.7	:	38.0	42.5	:	51.3	45.3	43.7	24.8	62.3	:	:	:	39.4	42.6	53.8	41.8	49.5	:	45.7	45.5	39.8	36.6	39.0	46.5	:	:	:		

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



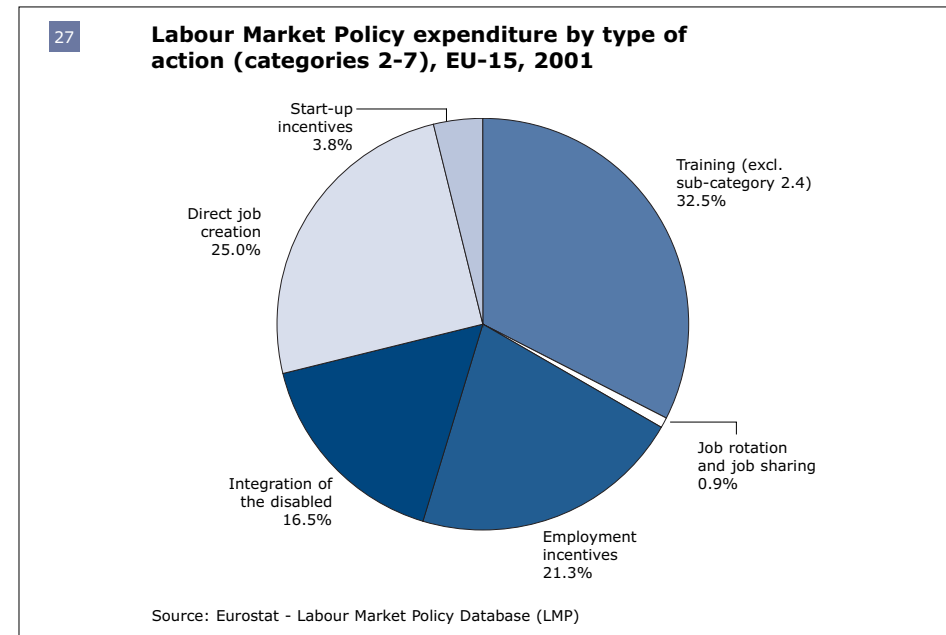
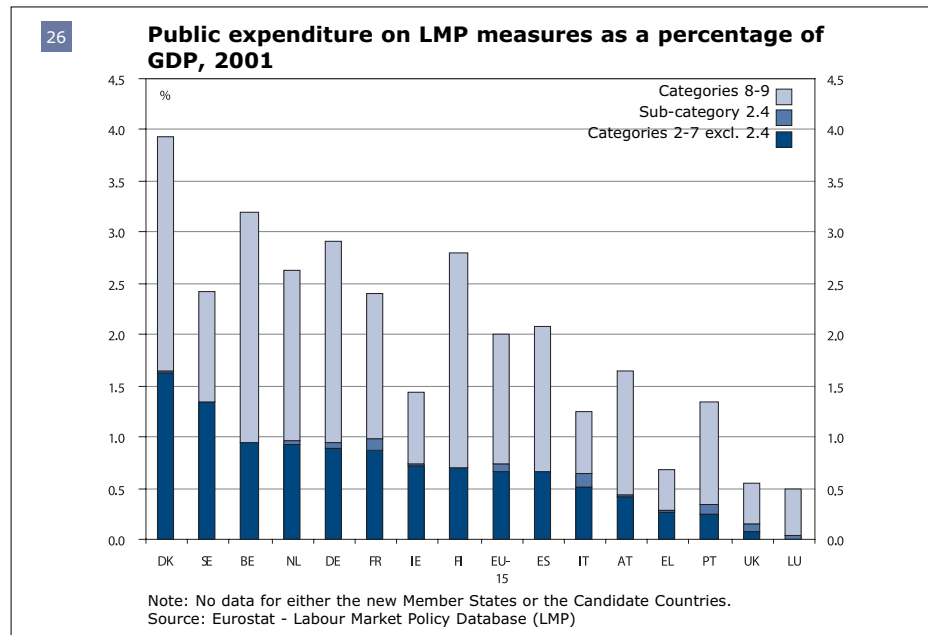
## Labour Market Policy expenditure

In 2001, Labour Market Policy expenditure represented an average of 2% of GDP among the fourteen countries that provided data. Expenditure on active labour market measures amounts to 0.66% and expenditure on passive policies to 1.27%. In all cases data show a slight decrease for a third consecutive year. The same considerable differences that could be observed for 2000, appear in 2001: Two countries spent more than 3% of GDP (Belgium and Denmark), six countries spent between 2% and 3% (Germany, Spain, France, the Netherlands, Finland and Sweden), and six countries spent less than 2% (Greece, Ireland, Italy, Austria, Portugal and the United Kingdom). These important differences are due to the extent of non-targeted support in some countries, support that also benefits unemployed and target groups, but because it is not exclusively designed to help these groups, it is not included in the coverage of the LMP data collection.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
Public expenditure on active LMP measures as a percentage of GDP, 2001 (Categories 2-7 excl. 2.4)	: 0.663		: 0.952		: 1.624	0.887		: 0.264	0.658	0.873	0.71	0.509								: 0.92	0.423		: 0.248			: 0.692	1.341	0.073				

Notes: Categories 2-7: Training - Job rotation and job sharing - Employment incentives - Integration of the disabled - Direct job creation - Start-up incentives. Sub-category 2.4: Special support for apprenticeship. Categories 8-9: Out of work income maintenance and support - Early retirement.  
Source: Eurostat - Labour Market Policy Database (LMP)





## Income distribution

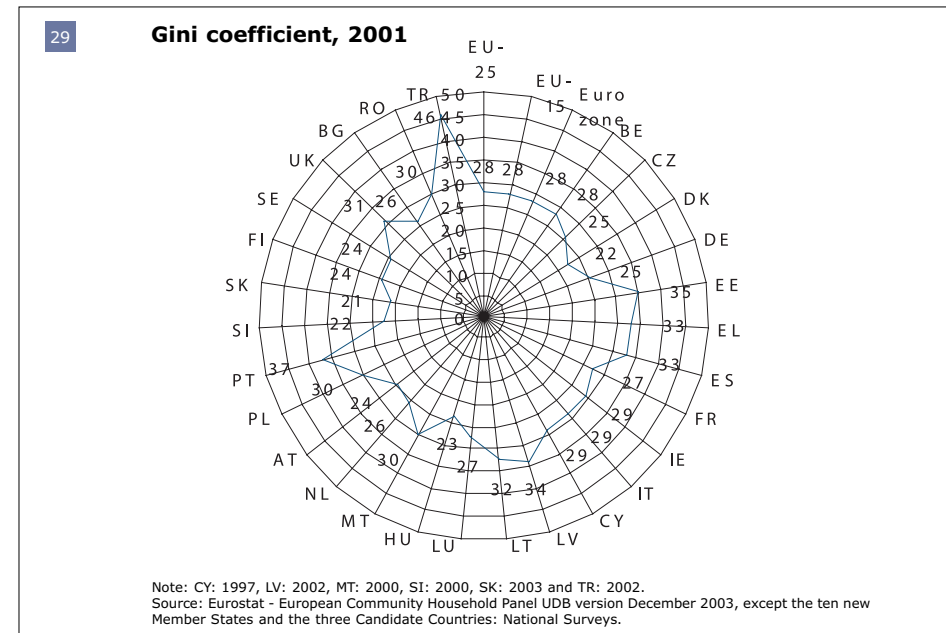
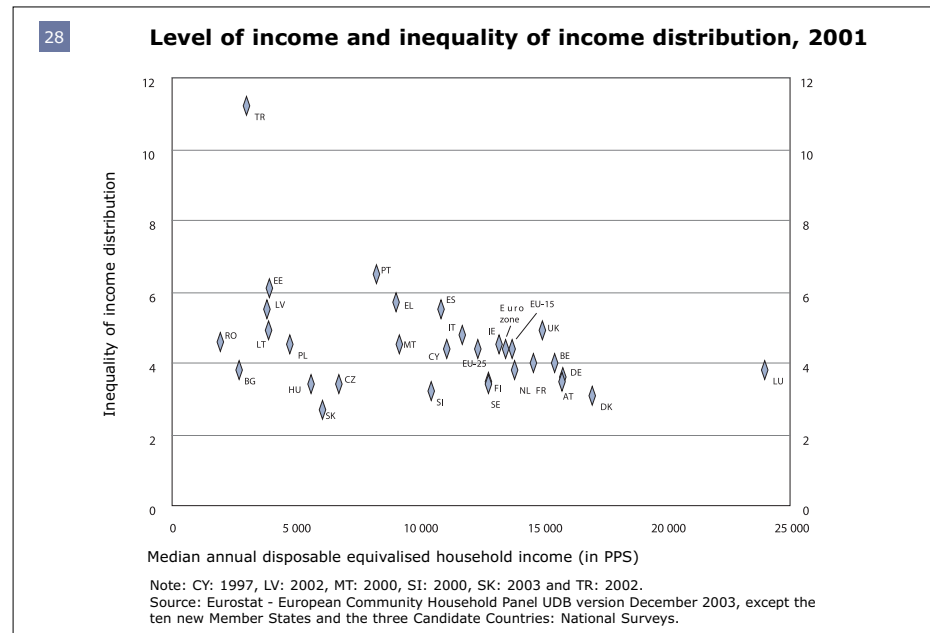
As a population-weighted average in EU-25 Member States in 2001 the top (highest income) 20% of a Member State's population received 4.4 times as much of the Member State's total income as the bottom (poorest) 20% of the Member State's population. This gap between the most and least well-off people is smallest in Denmark (3.2), followed by Sweden, Finland, Austria, Germany. It is widest in the southern Member States, Ireland and the United Kingdom. With the exception of the Baltic States, the range in the new Member States is generally close to or smaller than the EU average.

### Key indicator

EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
4.4s	4.4s	4.4s	4.0	3.4	3.1	3.6	6.1	5.7	5.5	4.0	4.5	4.8	4.4	5.5	4.9	3.8	3.4	4.5	3.8	3.5	4.5	6.5	3.2	2.7	3.5	3.4	4.9	3.8	4.6	11.2

Note: CY: 1997, LV: 2002, MT: 2000, SI: 2000, SK: 2003 and TR: 2002.

Source: Eurostat - European Community Household Panel UDB version December 2003, except the ten new Member States and the three candidate countries: National Surveys.



## Low-income households

When looking at the total population, around 15% of citizens in EU-25 had an equivalised income that was less than 60% of their respective national median in 2001. This figure represents around 68 million people. Using 60% of the national median as a cut-off threshold, the proportion of people at risk of poverty was relatively higher in Ireland (21%), Mediterranean countries, Baltic States and the United Kingdom - and was relatively lower in Benelux countries, Germany and Austria, the Nordic Member States and Central and Eastern European countries. Amongst old Member States it was lowest in Sweden (10%) and was even lower in certain new countries such as Slovakia (5%) and Czech Republic (8%). In this context it should be remembered that we are analysing relative poverty within each country, and not absolute poverty by reference to an independent cut-off threshold. Social benefits (pensions and other transfers) reduce the proportion of people at risk of poverty in all countries but to very differing degrees: the reduction ranging from 50% or less in Greece, Spain, Ireland, Portugal, Cyprus and Malta to more than 75% in Sweden, Czech Republic, Hungary and Slovakia.

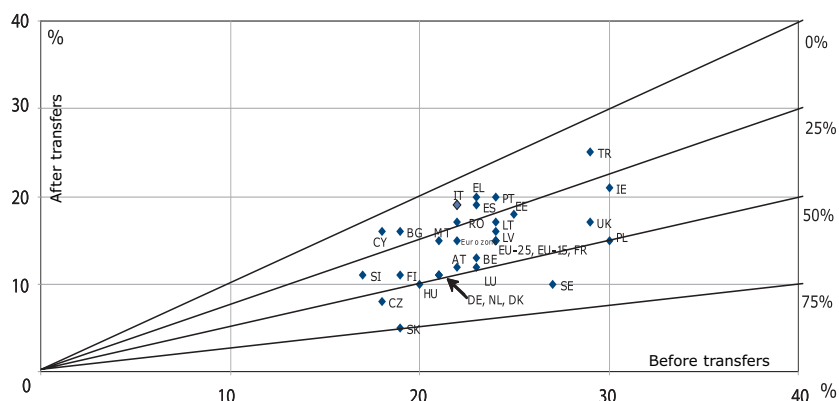
### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
<b>At-risk-of-poverty rate before social transfers, 2001</b> (The percentage of persons with an equivalised disposable income, before social transfers, below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). Retirement and survivor's pensions are counted as income before transfers and not as social transfers.)																															
Total	24s	24s	22s	23	18	21	21	25	23	24	30	22	18	24	24	23	20	21	21	22	30	24	17	19	19	27	29	19	22	29	
Females	25s	25s	23s	25	19	24	23	26	24	25	24	32	23	20	25	24	23	21	21	21	25	30	24	18	24	20	29	32	20	23	31
Males	23s	22s	21s	21	18	18	20	25	21	22	23	29	21	17	24	24	24	20	21	21	19	31	25	17	17	25	26	18	22	28	
<b>At-risk-of-poverty rate after social transfers, 2001</b> (The percentage of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income.)																															
Total	15s	15s	15s	13	8	11	11	18	20	19	15	21	19	16	16	17	12	10	15	11	12	15	20	11	5	11	10	17	16	17	25
Females	16s	17s	16s	15	8	12	12	19	22	20	16	23	20	18	16	17	13	10	15	11	14	15	20	12	12	14	11	19	17	17	26
Males	14s	14s	14s	12	7	9	10	17	19	17	15	20	19	15	16	17	12	10	15	12	9	16	20	10	3	9	10	15	14	17	25

Note: CY: 1997, LV: 2002, MT: 2000, SI: 2000, SK: 2003 and TR: 2002.

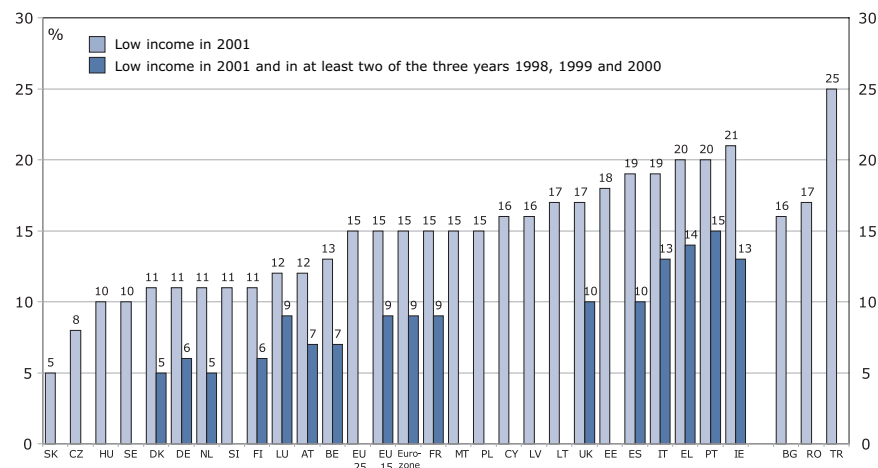
Source: Eurostat - European Community Household Panel UDB version December 2003, except the ten new Member States and the three Candidate Countries: National Surveys.

30 At-risk-of-poverty rate before and after social transfers, 2001



Note: CY: 1997, LV: 2002, MT: 2000, SI: 2000, SK: 2003 and TR: 2002.  
Source: Eurostat - European Community Household Panel UDB version December 2003, except the ten new Member States and the three Candidate Countries: National Surveys.

31 At-risk-of-poverty rate after social transfers and At-persistent-risk-of-poverty rate, 2001



Note: CY: 1997, LV: 2002, MT: 2000, SI: 2000, SK: 2003 and TR: 2002.  
Source: Eurostat - European Community Household Panel UDB version December 2003, except the ten new Member States and the three candidate countries: National Surveys.



## Women and men in decision-making

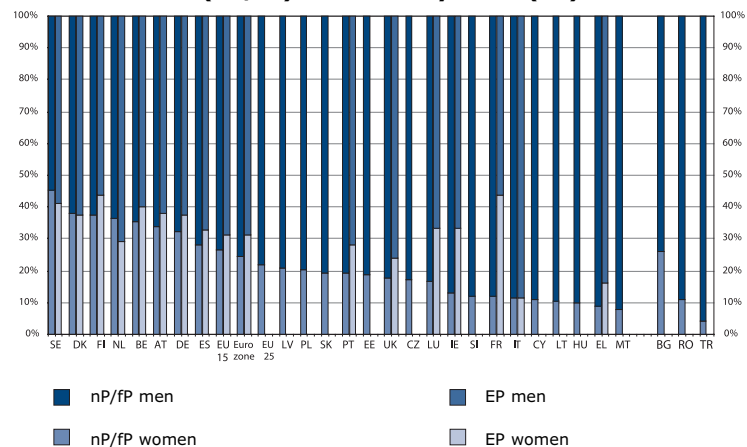
At the EU level, women's representation in the European Parliament has increased steadily with each election since 1984 and was 31% in January 2004 (latest election in June 1999). In the lower or single houses of national parliaments women continue to be under-represented in all Member States as the percentages of seats occupied by women in these bodies ranged in 2003 from 8% in Malta to 45% in Sweden.

### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
<b>The percentage of women in the single/lower houses of the national/federal Parliaments and in the European Parliament, November 2003 (nP/fP) and January 2004 (EP)</b>																																
nP/fP	21.4i	25.8i	24.6i	35.3	17.0	38.0	32.2	18.8	8.7	28.3	12.3	11.5	10.7	21.0	10.6	16.7	9.8	7.7	36.7	33.9	20.2	19.1	12.2	19.3	37.5	45.3	17.9	26.3	10.7	4.4		
EP	-	31.0i	31.5i	40.0	-	37.5	37.4	-	16.0	32.8	43.7	33.3	11.5	-	-	33.3	-	-	29.0	38.1	-	28.0	-	-	43.8	40.9	24.1	-	-	-		

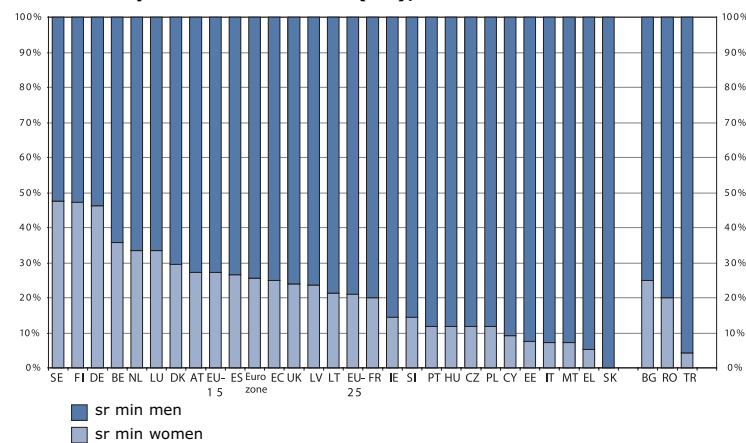
Notes: 1) nP/fP = national Parliament / federal Parliament; EP = European Parliament. 2) The data are provided by National Parliaments by 30 November 2003 and by the European Parliament in January 2004. 3) For nP/fP the EU-25, EU-15 and Euro-zone figures are averages of the percentages of the corresponding member states, whereas for EP the EU-15 and Euro-zone figures are percentages of women among all members of EP from the corresponding member states. For EP the average of the percentages of the 15 member states is 32.6% and the average of the percentages of Euro-zone member states is 32.2%. Sources: The Inter-Parliamentary Union (<http://www.ipu.org/wmn-e/classif.htm>) and the European Parliament (<http://www.europarl.eu.int/whoswho/default.htm>).

34 The percentage of women and men in the single/lower houses of the national/federal Parliaments and in the European Parliament, November 2003 (nP/fP) and January 2004 (EP)



Sources: The Inter-Parliamentary Union (<http://www.ipu.org/wmn-e/classif.htm>) and the European Parliament (<http://www.europarl.eu.int/whoswho/default.htm>).

35 The percentage of women and men of the senior ministers (sr min) of the national governments and of the commissioners of the European Commission (EC), 2003



Sources: National sources and the European Commission ([http://europa.eu.int/comm/commissioners/index\\_en.htm](http://europa.eu.int/comm/commissioners/index_en.htm)).

## Earnings of women and men

In the EU-15, the old Member States, the average gross hourly earnings of women in 2001 were estimated at 16% less than the gross hourly earnings of men. Statistics for the new Member States are not completely comparable but will still be included in the descriptions. The smallest differences are found in Italy, Malta, Portugal and Slovenia, the biggest in the Czech Republic, Estonia, Germany and the United Kingdom. At EU level the difference remains the same since 1994, the first data for which data are available. To reduce gender pay differences both direct pay-related discrimination and indirect discrimination related to labour market participation, occupational choice and career progression have to be addressed.

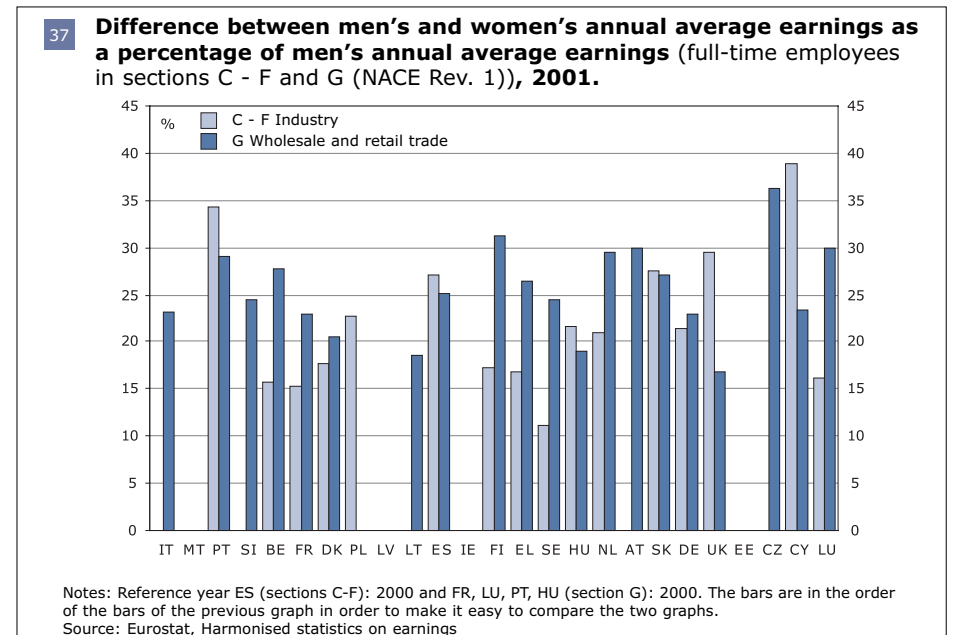
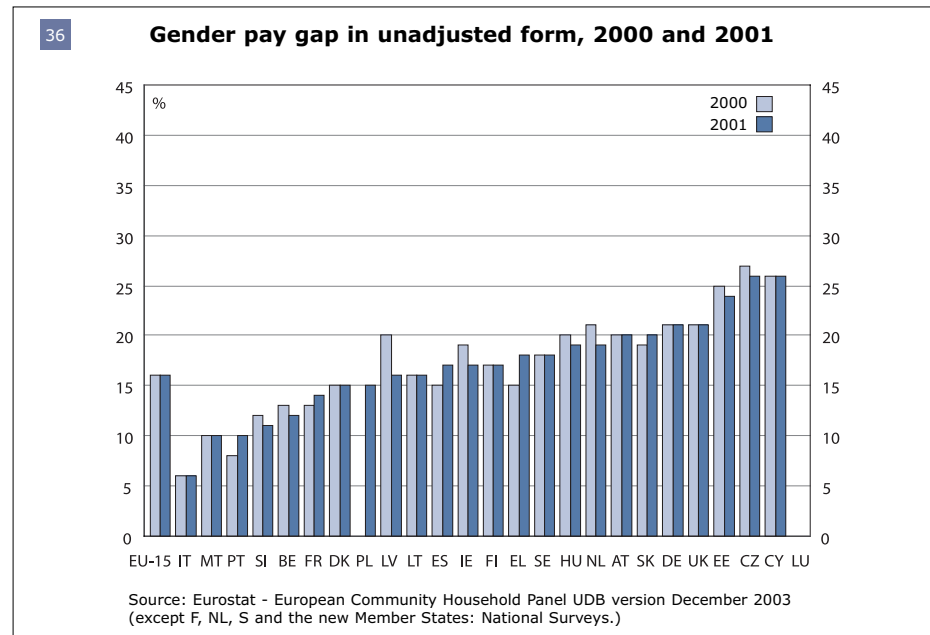
### Key indicator

EU-25 EU-15 Euro-zone BE CZ DK DE EE EL ES FR IE IT CY LV LT LU HU MT NL AT PL PT SI SK FI SE UK BG RO TR

**Gender pay gap in unadjusted form, 2001** (Difference between men's and women's average gross hourly earnings as a percentage of men's average gross hourly earnings. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week'.)

2001 : 16s 12 26 15 21 24 18 17 14 17 6 26 16 16 18 19 10 19 20 15 10 11 20 17 18 21 : 18 :

Notes: EU-15: Weighted average of national values for old member states estimated without missing countries.  
 CZ: Only full-time employees in enterprises with more than 9 employees are included.  
 CY, BG: Only full-time employees are included.  
 LU: 1996 data.  
 HU: Only full-time employees in enterprises with more than 5 employees are included.  
 NL: Data are based on annual earnings including overtime pay and non-regular payments.  
 PL: Only employees in enterprises with more than 9 employees are included.  
 SI: Employees in public enterprises and employees in private enterprises with more than 2 employees are included.  
 SE: Data are based on full-time equivalent monthly salaries, not hourly earnings.  
 Source: Eurostat - European Community Household Panel UDB version December 2003 (except F, NL, S and the New Member States: National Surveys.)



## Life and health expectancies

Life expectancy continues to rise and was 81.6 years for women and 75.5 for men in EU-15 in 2001. In all twenty-five Member States and three Candidate Countries, women live longer than men. In EU-15 in 1996, women could expect to live to 66 and men to 63 years of age without any disability.

### Key indicator

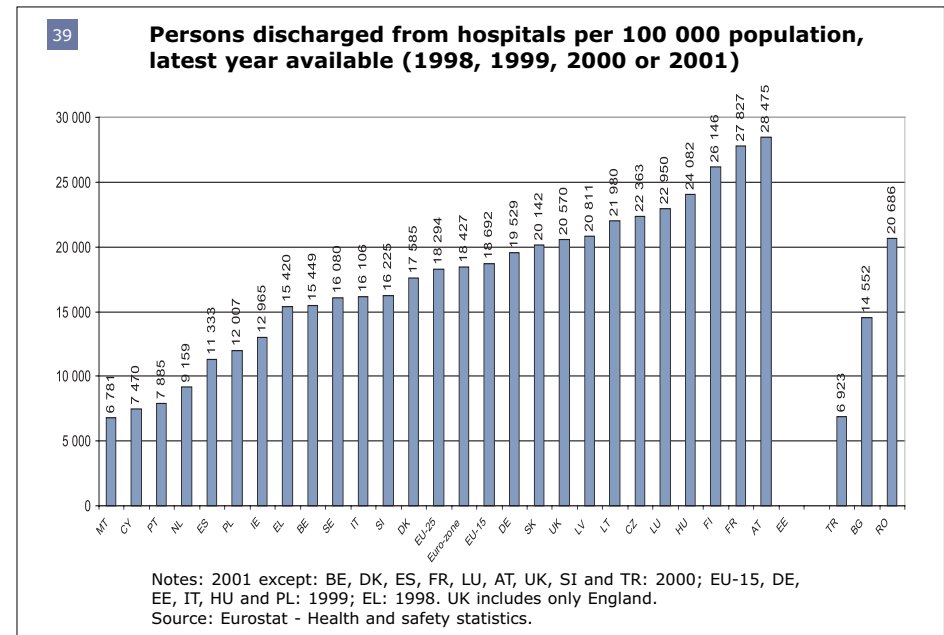
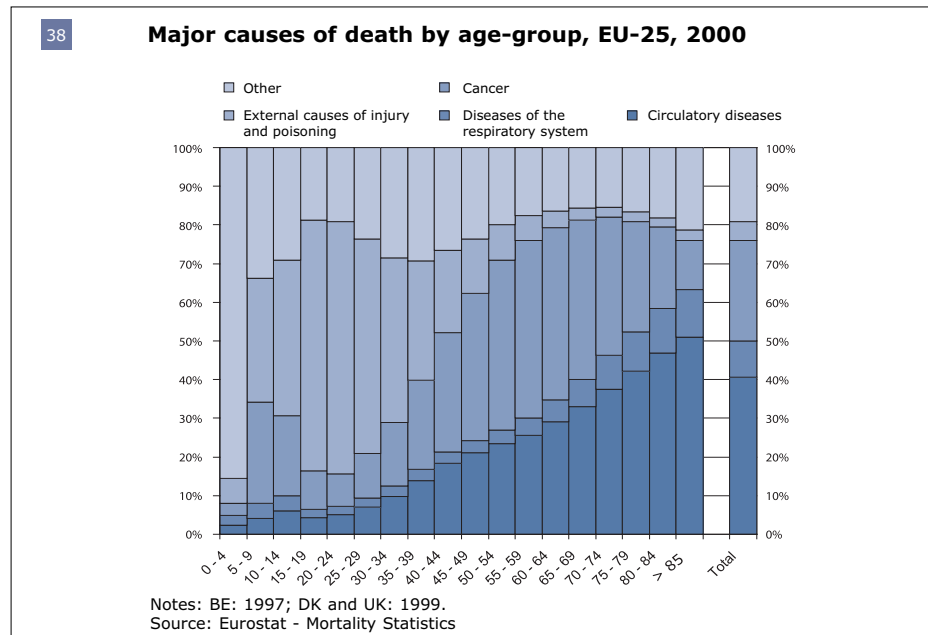
	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
<b>Life expectancy at birth, 2001</b> (The mean number of years that a newborn child can expect to live if subjected throughout her/his life to the current mortality conditions (age specific probabilities of dying))																															
Females	:	81.6	81.8	80.1	78.6	79.3	81.0	76.4	80.7	82.9	82.9	79.6	82.8	81.0	76.6	77.4	80.8	76.4	81.1	80.7	81.7	78.3	80.3	80.3	77.8	81.5	82.1	80.2	75.3	74.8	71.0
Males	:	75.5	75.4	74.5	72.1	74.7	75.0	64.9	75.4	75.6	75.5	74.6	76.7	76.1	65.2	65.9	75.3	68.1	76.4	75.8	75.9	70.2	73.6	72.3	69.6	74.6	77.6	75.5	68.5	67.7	66.4

Note: DE and UK: 2000 data.  
Sources: Eurostat - Demographic Statistics, TR: Council of Europe

### Disability-free life expectancy at birth, 1996

Females	:	66	:	69	:	62	69	:	70	68	63	67	70	:	:	:	64	:	:	63	66	:	61	:	:	59	:	62	:	:	:
Males	:	63	:	65	:	62	63	:	67	65	60	64	67	:	:	:	61	:	:	63	62	:	59	:	:	56	:	61	:	:	:

Source: Eurostat - Mortality Statistics and European Community Household Panel



## Accidents and work-related health problems

In 2001, around 3.8% of EU workers were victims of a working accident resulting in more than three days' absence, 6.1% including accidents with no absence from work or an absence of up to 3 days. From 1994, the number of accidents at work with more than three days' absence decreased by 15% (the value of the index 1998 = 100 was 94 in 2001 and 111 in 1994). During 1998-99 5.4% of employees per year suffered from work-related health problems. In 2000 around 500 million working days were lost in as a result of accidents at work (150 million days lost) and work-related health problems (350 million days lost). Road transport fatalities have fallen by around 46% since 1970 but there were still around 40 000 deaths on EU-15 roads recorded in 2001.

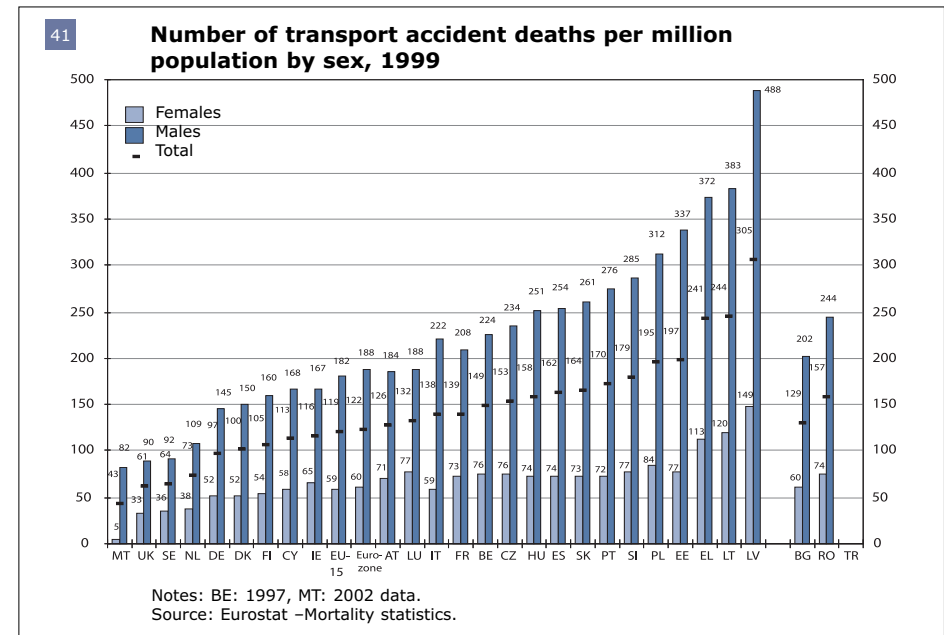
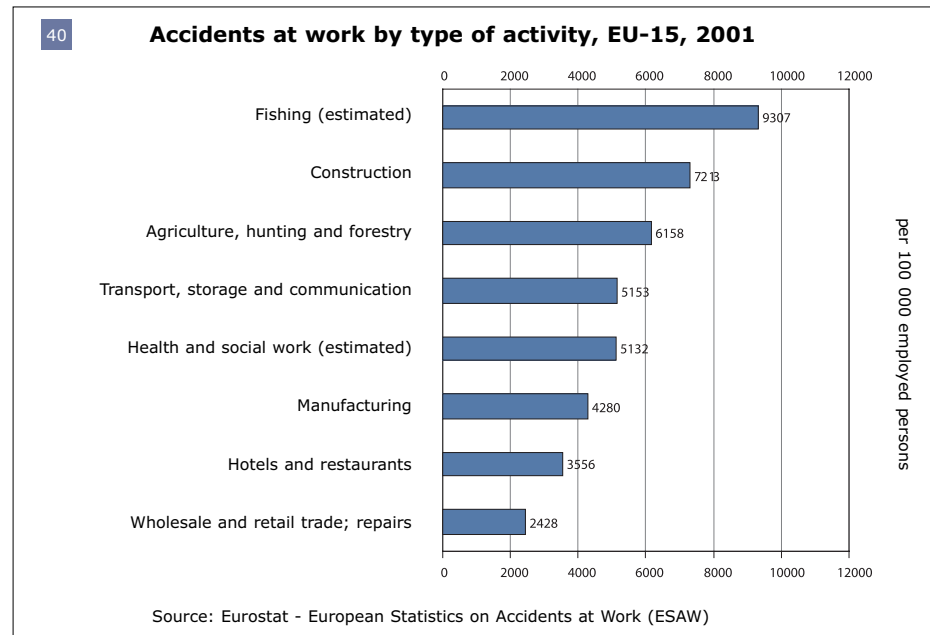
### Key indicator

	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	
<b>Accidents at work - serious accidents, 2001</b> (Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100))																																
Total	94p	94p	92p	83	91	82	88	132	86	106	98	105	92	112	116	85	97	86	99	92	83	78	88	94	84	87b	113	110	87	113	90	
Females	100p	100p	98p	88	97	88	94	181	77	110	110	173	88	123	:	87	101	90	89	:	73	:	87	95	83	87b	106	111	:	112	:	
Males	93p	93p	92p	84	89	83	89	120	89	108	94	91	96	100	:	87	98	85	101	:	86	:	89	92	84	87b	116	108	:	117	:	

Notes: PT: 2000 data. The 2001 aggregates for EU-25, EU-15 and Eurozone are provisional because of lacking data for PT (2000 data used).  
Source: Eurostat - European Statistics on Accidents at Work (ESAW)

<b>Accidents at work - fatal accidents, 2001</b> (Index of the number of fatal accidents at work per 100 thousand persons in employment (1998=100))																															
Total	80p	79p	77p	124	96	55	65	78	78	81	79	43	62	62i	140	105	37i	71	48i	79	94	92	104	105	71	98*	105	92	100	97	92

Notes: PT: 2000 data. CY, LU, MT: the values are based on small annual numbers of fatalities. The 2001 aggregates for EU-25, EU-15 and Eurozone are provisional because of lacking data for PT (2000 data used).  
Source: Eurostat - European Statistics on Accidents at Work (ESAW)



## Annex 2: Key social indicators per geopolitical entity

Reading notes for these key indicators are right after this table

Nr.	Key indicator	Unit	Year	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU
3	Old age dependency ratio	%	2003	24.1	25.0e	24.8	26.0	19.7	22.3	25.9	23.5e	26.0e	25.1e	25.1	16.4	26.9e	17.6e	23.3	22.0	20.9	22.4
4	Crude net migration rate	per 1000 inhab.	2002	2.8e	3.3e	:	3.9	1.2	1.8	2.7	0.1	2.9	5.5	1.1	8.3	6.1	9.7	-0.8	-0.6	5.9	0.3
5t	Youth education attainment level - total	%	2002	76.6p	73.8p	72.8	81.1	91.7	79.6	73.3	80.4	81.3	64.9	81.7	83.9	69.1	85.3	73.2b	79.3b	69.8	85.7
5f	Youth education attainment level - females	%	2002	79.5p	76.8p	76.1	84.7	91.7	82.3	73.8	87.1	85.9	71.9	82.8	88.1	74.0	90.3	82.2b	80.5b	65.5	85.8
5m	Youth education attainment level - males	%	2002	73.7p	70.8p	69.4	77.6	91.8	76.8	72.6	73.7	76.3	58.2	80.5	79.7	64.2	79.6	64.4b	78.1b	74.0	85.5
6t	Lifelong learning - total	%	2002	8.0	8.5	5.5	6.5	5.9	18.4	5.8	5.2	1.2	5.0	2.7	7.7	4.6	3.7	8.2	3.3b	7.7	3.3
6f	Lifelong learning - females	%	2002	8.6	9.2	5.6	6.3	5.7	20.7	5.5	6.7	1.1	5.4	3.0	8.8	4.7	3.8	10.9	4.2b	6.4	3.7
6m	Lifelong learning - males	%	2002	7.4	7.9	5.5	6.8	6.1	16.2	6.1	3.6	1.2	4.5	2.4	6.5	4.5	3.6	5.2	2.3b	8.9	2.9
7at	Employment rate - total	%	2002	62.9	64.3	62.4	59.9	65.4	75.9	65.3	62.0	56.7	58.4	63.0	65.3	55.5	68.6	60.4	59.9	63.7	56.6
7af	Employment rate - females	%	2002	54.7	55.6	53.1	51.4	57.0	71.7	58.8	57.9	42.5	44.1	56.7	55.4	42.0	59.1	56.8	57.2	51.6	50.0
7am	Employment rate - males	%	2002	71.0	72.8	71.7	68.3	73.9	80.0	71.7	66.5	71.4	72.6	69.5	75.2	69.1	78.9	64.3	62.7	75.6	63.5
7bt	Employment rate of older workers - total	%	2002	38.7	40.1	36.4	26.6	40.8	57.9	38.6	51.6	39.7	39.7	34.8	48.1	28.9	49.4	41.7	41.6	28.3	26.6
7bf	Employment rate of older workers - females	%	2002	29.1	30.5	26.4	17.5	25.9	50.4	30.1	46.5	24.4	22.0	30.6	30.8	17.3	32.2	35.2	34.1	18.6	18.5
7bm	Employment rate of older workers - males	%	2002	48.9	50.1	46.8	36.0	57.2	64.5	47.1	58.4	56.0	58.6	39.3	65.1	41.3	67.3	50.5	51.5	37.9	36.7
8at	Unemployment rate - total	%	2002	8.8	7.7	8.4	7.3	7.3	4.6	8.6	9.5	10.0	11.3	8.8	4.3	9.0	3.9	12.6	13.6	2.8	5.6
8af	Unemployment rate - females	%	2002	9.8	8.7	9.9	8.2	9.0	4.7	8.4	8.9	15.0	16.4	10.0	4.0	12.2	4.9	11.4	13.4	3.9	5.1
8am	Unemployment rate - males	%	2002	8.0	6.9	7.3	6.6	6.0	4.4	8.7	10.1	6.6	8.0	7.7	4.6	7.0	3.0	13.6	13.7	2.1	6.0
8bt	Long-term unemployment rate - total	%	2002	3.8	3.0	3.5	3.5	3.7	0.9	4.0	4.8	5.1	3.9	2.8	1.3	5.3	0.8	5.8	7.0	0.8	2.4
8bf	Long-term unemployment rate - females	%	2002	4.5	3.6	4.4	4.1	4.5	0.9	4.1	3.8	8.3	6.3	3.3	0.7	7.2	1.2	5.0	6.9	1.0	2.1
8bm	Long-term unemployment rate - males	%	2002	3.3	2.6	2.9	3.1	2.9	0.8	3.9	5.7	3.0	2.3	2.2	1.7	4.1	0.5	6.5	7.2	0.6	2.7
9	Expenditure on social protection as a percentage of GDP	%	2001	:	27.5	27.4	27.5	:	29.5	29.8	:	27.2	20.1	30.0	14.6	25.6	:	:	:	21.2	19.9
10	Old age and survivors benefits as a percentage of total social benefits	%	2001	:	46.1	46.4	43.7	:	38.0	42.5	:	51.3	45.3	43.7	24.8	62.3	:	:	:	39.4	42.6
11	Public expenditure in active LMP measures as a percentage of GDP	%	2001	:	0.663	:	0.952	:	1.624	0.887	:	0.264	0.658	0.873	0.710	0.509	:	:	:	:	:
12	Inequality of income distribution	Ratio	2001	4.4s	4.4s	4.4s	4.0	3.4	3.1	3.6	6.1	5.7	5.5	4.0	4.5	4.8	4.4	5.5	4.9	3.8	3.4
13at	At-risk-of-poverty rate before social transfers - total	%	2001	24s	24s	22s	23	18	21	21	25	23	23	24	30	22	18	24	24	23	20
13af	At-risk-of-poverty rate before social transfers - females	%	2001	25s	25s	23s	25	19	24	23	26	24	25	24	32	23	20	25	24	23	21
13am	At-risk-of-poverty rate before social transfers - males	%	2001	23s	22s	21s	21	18	18	20	25	21	22	23	29	21	17	24	24	24	20
13bt	At-risk-of-poverty rate after social transfers - total	%	2001	15s	15s	15s	13	8	11	11	18	20	19	15	21	19	16	16	17	12	10
13bf	At-risk-of-poverty rate after social transfers - females	%	2001	16s	17s	16s	15	8	12	12	19	22	20	16	23	20	18	16	17	13	10
13bm	At-risk-of-poverty rate after social transfers - males	%	2001	14s	14s	14s	12	7	9	10	17	19	17	15	20	19	15	16	17	12	10
14at	People aged 18-59 living in jobless households - total	%	2003	10.1e	9.6e	9.4e	14.4	7.7	:	10.0p	10.9	9.0	7.2	10.4p	8.5p	9.7	5.2	8.7	7.4	6.3p	11.6b
14af	People aged 18-59 living in jobless households - females	%	2003	11.3e	10.8e	10.4e	16.2	9.7	:	10.7p	10.5	11.4	7.8	11.4p	9.8p	11.3	6.1	8.6	7.4	7.0p	12.2b
14am	People aged 18-59 living in jobless households - males	%	2003	8.9e	8.4e	8.3e	12.7	5.8	:	9.4p	11.3	6.4	6.5	9.3p	7.3p	8.2	4.3	8.9	7.4	5.6p	10.9b
14b	Children aged 0-17 living in jobless households	%	2003	9.6e	9.8e	8.1e	13.9	8.4	:	9.3p	9.0	4.5	6.1	9.3p	10.8p	7.0	3.4	7.2	6.1	2.8p	12.6b
15af	The percentage of women in the single/lower houses of the national/federal Parliaments	%	11/2003	21.4i	25.8i	24.6i	35.3	17.0	38.0	32.2	18.8	8.7	28.3	12.2	13.3	11.5	10.7	21.0	10.6	16.7	9.8
15bf	The percentage of women in the European Parliament	%	01/2004	-	31.0i	31.5i	40.0	-	37.5	37.4	-	16.0	32.8	43.7	33.3	11.5	-	-	-	33.3	-
16	Gender pay gap in unadjusted form	%	2001	:	16s	:	12	26	15	21	24	18	17	14	17	6	26	16	16	18	19
17af	Life expectancy at birth - females	Years	2001	:	81.6	81.8	80.1	78.6	79.3	81.0	76.4	80.7	82.9	82.9	79.6	82.8	81.0	76.6	77.4	80.8	76.4
17am	Life expectancy at birth - males	Years	2001	:	75.5	75.4	74.5	72.1	74.7	75.0	64.9	75.4	75.6	75.5	74.6	76.7	76.1	65.2	65.9	75.3	68.1
17bf	Disability-free life expectancy at birth - females	Years	1996	:	66	:	69	:	62	69	:	70	68	63	67	70	:	:	:	64	:
17bm	Disability-free life expectancy at birth - males	Years	1996	:	63	:	65	:	62	63	:	67	65	60	64	67	:	:	:	61	:
18at	Serious accidents at work - total	Index points (1998 = 100)	2001	94p	94p	92p	83	91	82	88	132	86	106	98	105	92	112	116	85	97	86
18af	Serious accidents at work - females	Index points (1998 = 100)	2001	100p	100p	98p	88	97	88	94	181	77	110	110	173	88	123	:	87	101	90
18am	Serious accidents at work - males	Index points (1998 = 100)	2001	93p	93p	92p	84	89	83	89	120	89	108	94	91	96	100	:	87	98	85
18b	Fatal accidents at work	Index points (1998 = 100)	2001	80p	79p	77p	124	96	55	65	78	78	81	79	43	62	62i	140	105	37i	71



MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR	Key indicator	Nr.
18.2	20.3	22.8	18.4	24.7	21.0	16.5	22.9	26.5	23.7e	24.9	20.6	:	Old age dependency ratio	3
4.8e	1.7	3.2	-0.3	6.8	1.1	0.2	1.0	3.5	2.1e	0.0	-0.1	1.4e	Crude net migration rate	4
39.0	73.3	85.0	88.1	43.7	90.0	94.0	86.2	86.7	77.2p	77.5	75.3	:	Youth education attainment level - total	5t
42.2	76.7	84.4	91.3	52.0	92.3	95.3	90.4	88.3	78.5p	80.2	77.3	:	Youth education attainment level - females	5f
36.1	70.0	85.6	84.8	35.4	87.9	92.6	81.9	85.2	75.9p	75.0	73.1	:	Youth education attainment level - males	5m
4.4	16.4	7.5	4.3	2.9	9.1	9.0	18.9	18.4	22.3	1.3	1.1	:	Lifelong learning - total	6t
3.8	15.9	7.4	4.7	3.3	9.4	9.4	21.4	21.2	26.3	1.3	1.0	:	Lifelong learning - females	6f
4.9	16.9	7.6	3.9	2.4	8.8	8.7	16.5	15.7	18.6	1.4	1.2	:	Lifelong learning - males	6m
54.5	74.4	69.3	51.5	68.2	63.4	56.8	68.1	73.6	71.7	50.6	57.6	45.6	Employment rate - total	7at
33.6	66.2	63.1	46.2	60.8	58.6	51.4	66.2	72.2	65.3	47.5	51.8	25.5	Employment rate - females	7af
75.3	82.4	75.7	56.9	75.9	68.2	62.4	70.0	74.9	78.0	53.7	63.6	65.5	Employment rate - males	7am
30.3	42.3	30.0	26.1	50.9	24.5	22.8	47.8	68.0	53.5	27.0	37.3	33.8	Employment rate of older workers - total	7bt
11.8	29.9	20.9	18.9	41.9	14.2	9.5	47.2	65.6	44.7	18.2	32.6	21.0	Employment rate of older workers - females	7bf
50.4	54.6	39.8	34.5	61.2	35.4	39.1	48.5	70.4	62.6	37.0	42.7	47.3	Employment rate of older workers - males	7bm
7.4	2.7	4.3	19.8	5.1	6.1	18.7	9.1	4.9	5.1	17.8	7.5	10.3	Unemployment rate - total	8at
9.5	3.0	4.5	20.7	6.1	6.5	18.9	9.1	4.6	4.5	17.0	7.1	9.4	Unemployment rate - females	8af
6.5	2.5	4.1	19.0	4.2	5.8	18.6	9.1	5.3	5.6	18.5	7.8	10.7	Unemployment rate - males	8am
3.2	0.7	0.8	10.9	1.8	3.3	12.1	2.3	1.0	1.1	11.9	3.8	3.2	Long-term unemployment rate - total	8bt
2.4	0.8	1.1	12.3	2.2	3.4	12.5	2.0	0.8	0.7	11.5	3.7	3.6	Long-term unemployment rate - females	8bf
3.4	0.6	0.6	9.7	1.4	3.3	11.7	2.5	1.2	1.4	12.3	3.8	3.0	Long-term unemployment rate - males	8bm
18.3	27.6	28.4	:	23.9	25.6	19.1	25.8	31.3	27.2	:	:	:	Expenditure on social protection as a percentage of GDP	9
53.8	41.8	49.5	:	45.7	45.5	39.8	36.6	39.0	46.5	:	:	:	Old age and survivors benefits as a percentage of total social benefits	10
:	0.920	0.423	:	0.248	:	:	0.692	1.341	0.073	:	:	:	Public expenditure in active LMP measures as a percentage of GDP	11
4.5	3.8	3.5	4.5	6.5	3.2	2.7	3.5	3.4	4.9	3.8	4.6	11.2	Inequality of income distribution	12
21	21	22	30	24	17	19	19	27	29	19	22	29	At-risk-of-poverty rate before social transfers - total	13at
21	21	25	30	24	18	24	20	29	32	20	23	31	At-risk-of-poverty rate before social transfers - females	13af
21	21	19	31	25	17	17	17	25	26	18	22	28	At-risk-of-poverty rate before social transfers - males	13am
15	11	12	15	20	11	5	11	10	17	16	17	25	At-risk-of-poverty rate after social transfers - total	13bt
15	11	14	15	20	12	12	14	11	19	17	17	26	At-risk-of-poverty rate after social transfers - females	13bf
15	12	9	16	20	10	3	9	10	15	14	17	25	At-risk-of-poverty rate after social transfers - males	13bm
7.9	8.1	7.5p	14.8p	5.3	8.7	10.1	:	:	10.9	15.3	11.1	:	People aged 18-59 living in jobless households - total	14at
9.7	9.5	8.7p	15.9p	6.0	9.6	10.9	:	:	12.9	15.8	12.4	:	People aged 18-59 living in jobless households - females	14af
6.2	6.9	6.3p	13.7p	4.6	7.8	9.3	:	:	8.9	14.7	9.8	:	People aged 18-59 living in jobless households - males	14am
8.0	7.2	4.4p	:	5.1	4.0	11.8	:	:	17.0	16.6	10.2	:	Children aged 0-17 living in jobless households	14b
7.7	36.7	33.9	20.2	19.1	12.2	19.3	37.5	45.3	17.9	26.3	10.7	4.4	The percentage of women in the single/lower houses of the national/federal Parliaments	15af
-	29.0	38.1	-	28.0	-	-	43.8	40.9	24.1	-	-	-	The percentage of women in the European Parliament	15bf
10	19	20	15	10	11	20	17	18	21	:	18	:	Gender pay gap in unadjusted form	16
81.1	80.7	81.7	78.3	80.3	80.3	77.8	81.5	82.1	80.2	75.3	74.8	71.0	Life expectancy at birth - females	17af
76.4	75.8	75.9	70.2	73.6	72.3	69.6	74.6	77.6	75.5	68.5	67.7	66.4	Life expectancy at birth - males	17am
:	63	66	:	61	:	:	59	:	62	:	:	:	Disability-free life expectancy at birth - females	17bf
:	63	62	:	59	:	:	56	:	61	:	:	:	Disability-free life expectancy at birth - males	17bm
99	92	83	78	88	94	84	87b	113	110	87	113	90	Serious accidents at work - total	18at
89	:	73	:	87	95	83	87b	106	111	:	112	:	Serious accidents at work - females	18af
101	:	86	:	89	92	84	87b	116	108	:	117	:	Serious accidents at work - males	18am
48i	79	94	92	104	105	71	98b	105	92	100	97	92	Fatal accidents at work	18b

**Reading notes for the key indicators**

- 3 In EU-25 the number of persons aged 65 and over corresponded to 24.1% of what is considered to be the working age population (15-64 years) in 2003.
- 4 The difference between population change and natural increase for the EU-15 in 2002 was +2.8 per 1000 inhabitants (more immigrants).
- 5t In 2002, 76.6% of the EU-25 population had completed at least upper secondary education (Baccalauréat, Abitur, apprenticeship or equivalent).
- 6t In EU-25, 8.0% of the population aged 25-64 had participated in education or training over the four weeks prior to the survey in 2002.
- 7at 62.9% of the EU-25 population aged 15-64 were in employment in 2002.  
7bt 38.7% of the EU-25 population aged 55-64 were in employment in 2002.
- 8at 8.8% of the EU-25 active population (i.e. labour force i.e. those at work and those aged 15-74 years seeking work) were unemployed in 2002.  
8bt In 2002, 3.8% of the EU-25 active population (i.e. labour force i.e. those at work and those aged 15-74 years seeking work) had been unemployed for at least one year.
- 9 In 2001, social protection expenditure represented 27.5% of Gross Domestic Product (GDP) in EU-15.
- 10 In EU-15, old-age and survivors benefits make up the largest item of social protection expenditure (46.1% of total benefits in 2001).
- 11 In 2001, public expenditure on active Labour Market Policy measures represented 0.663% of Gross Domestic Product (GDP) in EU-15.
- 12 As a population-weighted average in EU-25 Member States in 2001 the top (highest income) 20% of a Member State's population received 4.4 times as much of the Member State's total income as the bottom (poorest) 20% of the Member State's population.
- 13at In 2001 in EU-25 before social transfers, 24% of the population would have been living below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). Retirement and survivor's pensions are counted as income before transfers and not as social transfers.  
13bt In 2001 in EU-25 after social transfers, 15% of the population were actually living below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers).
- 14at In EU-25, 10.1% of the population aged 18-59 were living in households where no-one works in 2003. Students aged 18-24 who live in households composed solely of students of the same age class are not counted in either numerator or denominator.  
14b In EU-25, 9.6% of the children aged 0-17 were living in households where no-one works in 2003.
- 15af In Sweden 45.3% of the seats (president and members) in the single or lower house of the national or federal parliament (single house of the national parliament in the case of Sweden) were occupied by women in November 2003.  
15bf In the European Parliament 40.9 % of the Swedish seats were occupied by women in January 2004.
- 16 In EU-15, women's average gross hourly earnings were 16% less than the men's average gross hourly earning in 2001. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week'.
- 17a The mean number of years that a newborn girl/boy was expected to live if subjected throughout her/his life to the mortality conditions in 2001 (age specific probabilities of dying) in the EU-15 was 81.6/75.5 years.  
17b On average, a female/male citizen in the EU-15 should live to 66/63 without disability (1996 data).
- 18at In EU-25 there occurred 6 % less serious working accidents (resulting in more than three days' absence) per 100 000 persons in employment in 2001 than in 1998.  
18b In EU-25 there occurred 20 % less fatal working accidents per 100 000 persons in employment in 2001 than in 1998.

## Annex 3: Symbols, country codes and country groupings, other abbreviations and acronyms

### Symbols

#### Symbols used in the tables

##### The special values are codes which replace real data:

:	"not available"
0	"less than half of the unit used"
-	"not applicable" or "real zero" or "zero by default"

##### Flags are codes added to data and defining a specific characteristic:

b	"break in series (see explanatory texts)"
e	"estimated value"
f	"forecast"
i	"more information is in the note in the end of the table (of the main presentation)"
p	"provisional value"
r	"revised value"
s	"Eurostat estimate"
u	"unreliable or uncertain data (see explanatory texts)"

#### Other symbols

%	percent
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### Country codes and country groupings

#### Country codes

AT	Austria	BE	Belgium	BG	Bulgaria	CY	Cyprus
CZ	Czech Republic	DE	Germany	DK	Denmark	EE	Estonia
EL	Greece	ES	Spain	FI	Finland	FR	France
HU	Hungary	IE	Ireland	IT	Italy	LU	Luxembourg
LV	Latvia	LT	Lithuania	MT	Malta	NL	Netherlands
PL	Poland	PT	Portugal	RO	Romania	SE	Sweden
SI	Slovenia	SK	Slovakia	TR	Turkey	UK	United Kingdom

### Country groupings

EU-25	The 25 Member States of the European Union from 1.5.2004: BE, CZ, DK, DE, EE, EL, ES, FR, IE, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, SI, SK, FI, SE and UK
EU-15	The 15 Member States of the European Union till 30.4.2004: BE, DK, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI, SE and UK
Euro-zone	The euro zone with 11 countries participating (BE, DE, ES, FR, IE, IT, LU, NL, AT, PT and FI) till 31.12.2000 and 12 countries participating from 1.1.2001 (the 11 mentioned above and EL).

The **old** Member States are the EU-15 Member States.

The **new** Member States are Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

The **Candidate Countries** in this publication are Bulgaria, Romania and Turkey

The **southern** Member States are Greece, Spain, Italy and Portugal.

The **Nordic** Member States are Denmark, Finland and Sweden.

The **Benelux countries** are Belgium, Netherlands and Luxembourg.

The **Baltic States** are Estonia, Latvia and Lithuania.

### Other abbreviations and acronyms

EU	European Union	Eurostat	the Statistical Office of the European Communities
GDP	Gross Domestic Product	ILO	International Labour Organisation
LMP	Labour Market Policy	NACE Rev. 1	Statistical Classification of Economic Activities in the European Community
PPS	Purchasing Power Standard		